Corporate Philanthropic Disaster Response in the Eyes of a Filipino Entrepreneur

ABSTRACT

Large, publicly listed companies are usually reported to be first responders to calls to share their intellectual and material resources during times of disaster. Less documented are contributions of small and medium-sized private firms that participate in disaster response activities. Since these firms are not under public scrutiny, there are reasons other than corporate image or institutional pressure to share part of their resources. This study provides an alternate viewpoint of the thought and decision making process of a Filipino couple whose family business provided logistical support in the weeks following typhoon Haiyan. It appears that the couple's personal and moral values allowed them to allocate more resources than their regular budget for philanthropic activities to reach out to typhoon Haiyan victims.

Keywords:

Corporate philanthropy, disaster relief, Philippines, corporate philanthropic disaster response, family business

Corporate Philanthropic Disaster Response in the Eyes of a Filipino Entrepreneur

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There is no denying that natural disasters are becoming more frequent and intense (Thomas, Albert, and Perez, 2013). Muller and Whiteman (2014) note that this can be geography specific since there are areas that lie in fault lines or in the typhoon path. Developing countries are quite vulnerable due to their geographic location and they are at risk since many of these countries do not have disaster mitigation mechanisms in place. As such, there is great reliance on assistance especially from international organizations and multinational companies.

In assessing the engagement of the corporate sector in disaster relief, rehabilitation, and reconstruction, previous research focused on amounts declared by large, publicly-listed, organizations (Binder & Witte, 2007; Van Wassenhove, Tomasini, & Stapleton, 2008). There were also reports on the initiatives of these corporations and how some of the companies utilized their core competence in helping rebuild communities damaged by disasters. Among these are international shipping, courier, and packaging companies like TNT and DHL that have expertise in logistics and retailing chains such as Walmart (Ferguson, 2011; Johnson, 2009; Kuo & Means, 2012).

Privately held organizations as well as small and medium sized enterprises (SMEs), usually family-owned, also respond to disaster situations but their efforts are not well documented. This is particularly true in developing countries. The media coverage is sparse and

the reasons why are currently unknown. There is little known too, about the motivations and the decision making process that leaders of these organizations go through. Presumably, the drivers of corporate philanthropy during disaster response would be the same, regardless of size or type of ownership. Literature suggests rational reasons that manager can defend to the board of directors (Binder & Witte, 2007). However, in the absence of case studies on family businesses as well as SMEs, it is difficult to make that claim.

This study attempts to address the gap in literature by presenting the case of a Filipino couple whose family business provided logistical support in the weeks following typhoon Haiyan. It bares the thought process that the couple underwent in deciding to help typhoon victims located 580 kilometers south of their corporate base. While the single case cannot represent the population of family business nor of Philippine businesses, it does introduce an alternate perspective to the drivers of corporate philanthropy.

Literature Review

To better understand the nuances in corporate philanthropic disaster response in small-medium sized family businesses, the paper starts with literature on philanthropy as a form of social responsibility. Then it moves to discuss a subset of philanthropy – that which deals with disaster response. Since disasters, particularly those that are catastrophic, require more resources than what is normally budgeted for, the reaction of organizations can differ. Ultimately, the business leader determines what the response should be. Thus, the literature discusses the role of the business leader, narrowing further to family business owners, including making distinctions in altruistic behavior of males and females..

Philanthropy as a Form of Social Responsibility

Literature refers to the corporate act of giving as corporate philanthropy. Buchholtz, Amason, and Rutherford (1999) confirm that corporate philanthropy is one way of implementing corporate social responsibility (CSR). Usually, corporations begin their CSR initiatives by contributing in a dispersed manner (Bruch & Walter, 2005). Galbreath (2009) observes that as companies mature, there is a tendency to be strategic in CSR.

To be strategic, Porter and Kramer (2006) propose that companies prioritize the social issues addressed by CSR so that it improves competitive advantage. For instance, companies can evaluate their market orientation and organizational competence (Bruch & Walter, 2005). As a result, they are able to integrate economic benefits with social benefits (Porter & Kramer, 2002). Unfortunately, CEOs have difficulty finding that balance (McKinsey & Company, 2008.

Perhaps because stakeholders view CSR activities as being strategic, it is criticized as being more a disguised public relations stunt (Saiia, Carroll, & Bucholtz, 2005). This diminishes the positive outcomes of the activity. Cause-related marketing, for instance, whereby a company donates a portion of the sales proceeds to charity may increase sales but it may boomerang if consumers perceive the activity as a scheme to cover up negative publicity (Ricks, 2005). Koehn and Ueng (2010) caution that some organizations use corporate philanthropy as a way to diffuse attention from financial statement manipulation. These companies aim to get brownie points by doing so.

For SMEs, the degree of sophistication needed to align their CSR activities with their core competencies is still wanting. Murillo and Lozano (2006) point to the intuitive rather strategic response of SMEs to CSR. Santos (2011) claims that a good number of SMEs, at least in Portugal, do not even consciously support CSR nor do they view their community service activities as falling part of CSR. MacGregor and Fontrodona (2011) view this phenomenon as a stage in the maturity of an enterprise. As a company matures, CSR shifts from acts that are hidden, to one where it serves a coordinating function.

Studies show that the amount that companies give to charity is a function of firm size, profitability levels, industry, and business life cycle (Amato & Amato, 2006, 2012; Buchholtz, Amason, & Rutherford, 1999; Zhang, Rezaee, & Zhu, 2009). More than profitability however, Seifert, Morris and Bartkus (2004) convey that slack resources or available cash flows determine contribution levels. Arguably, slack is a function of past profitability (McGuire et al., Waddock & Graves as cited in Amato & Amato, 2012) and even then, Amato and Amato conclude that slack does not result in increased donations. Nonetheless, there are reports that corporate donations have increased, even for humanitarian relief (Binder & Witte, 2007). The question that begs an answer – "Are the drivers for corporate philanthropy the same as the drivers for corporate disaster response or is there something about disasters that make corporations more responsive?" Binder and Witte (2007:13) report that there are four drivers that could explain corporate engagement in humanitarian relief, to wit: a desire to build a positive brand and to 'insure' against potential future political crises; staff motivation; an attempt to gather business intelligence; and, finally, a desire to 'do good'.

Corporate Disaster Response

In the immediate aftermath of catastrophic disasters, there is a natural outpouring of assistance coming from all sectors of society (Qiu, Zhang, & Zhu, 2013). This can range from ad-hoc personal contributions to more orchestrated efforts of larger organizations. CSR engagements can come in the form of donations in cash, kind, or services (Johnson, 2009). Typically, there is a surge of response at the disaster relief stage where the primary objective is to locate survivors so that disaster relief teams can give them food, clothing, shelter, and medical attention, if required. Due to the numbers who want to help, one can characterize this stage to be chaotic, despite the presence of government and civic society organizations trained to manage disaster relief.

The level of disaster response is proportionate to the magnitude of a disaster (Tilcsik, A. & Marquis, 2013). This is because the media would document and broadcast the impact of the disaster, thereby creating greater awareness (Brown & Minty, 2006; Simon as cited in Bekkers & Wiepking, 2007:22). Vivid photographs and video coverage of the devastation triggers a gamut of emotions that compel individuals to react. In an organization, the collective empathy leads to increased pressure to respond (Muller, Pfarrer, & Little, 2014). This supports the proposition of Gan (2006) that media is a strong driver for corporate disaster response.

The volume of assistance naturally begins to wane when government declares the shift from disaster relief to disaster rehabilitation. At this stage, organized groups led by the government begin to focus on bringing back economic activity. The sooner the affected

communities are back on their feet, the sooner economies can rebound. Notwithstanding these efforts, affected communities accuse government of being too slow.

The resources needed to rehabilitate communities and eventually to reconstruct damaged properties are quite substantial. Consequently, government and larger institutions take the cudgels at this point although Kuo and Means (2012) cite commentators who believe that disaster response should remain with government. Yet, Shughart (2011) points to inefficiencies in government and bad public policies that perpetuate dependence on financial assistance. While disaster areas need financial assistance for recovery, government should focus on channeling resources to disaster prevention and mitigation, and incentivizing those that do so. In the absence of preventive strategies, it is inevitable that large businesses perceived to possess the expertise and resources play a crucial role in hastening the recovery period following a disaster (Miyaguchi & Shaw, 2007).

Corporate philanthropic disaster response can be location specific but catastrophic disasters in developing countries commandeer a global response (Muller & Whiteman, 2014). Typically, multinational companies feel public pressure to declare support for disaster relief and rehabilitation efforts. This places them in a precarious position since the companies can be perceived as opportunistic when they give too much or unsympathetic when they give too little. Patten (2008) noted that corporate donors that gave exactly $1.0 million in cash donation during the 2004 tsunami relief effort did not redound to improved firm value.

Often, any contributions for disaster relief are beyond the regular CSR programs these companies have in place. However for as long as disasters will hit developing countries, which is more likely following trends, large corporations will need to rethink how to respond more effectively. It would be unfair however for developing countries to rely on foreign aid to rebuild their communities after a disaster, even if there are poorer countries that depend heavily on developed countries for their survival (Adelman, 2011). Thus, socially conscious local firms, especially those located in affected communities likewise contribute their resources even if such contributions pale in comparison to those brought in by international organizations and multinational companies. This is not atypical since there is a tendency to be more region-specific especially if resources are limited (Muller & Whiteman, 2014).

Kuo and Means (2012) note local businesses have the social capital to help their communities. Yet at the level of catastrophic disasters, they too may suffer large losses. Depending on their financial capacity, firms may focus their immediate attention on helping out their families and their employees (Asgary, Anjum, & Azimi, 2012; Carter & Chadwick, 2005). This leaves community disaster response to the larger companies within the community that are able to absorb the costs as well as to businesses outside the communities that may or may not have direct links with the disaster area. That said, local businesses should harness their social capital to rebuild community, thus restoring a sense of normalcy (Kuo and Means).

Binder and Witte (2007) note the rise of business engagement in humanitarian relief as part of CSR programs. White (2012) conjectures this stems from a desire to become global citizens although Qiu, Zhang, and Zhu (2013) state that corporate imaging rather than pure

altruism is the motivation to donate. In their study of Chinese A-share companies, they found that firms made large donations to differentiate themselves from their competitors. For large Chinese firms with political ties, they did so due to strong influence of government, media and the public (Gao, 2011). Profitability levels still temper the amount of the donation and as Crampton and Patten (2008) discovered in their study of Fortune 500 firms following the 9/11 tragedy, the social pressure resulting from catastrophic events does not result in larger contributions. However, the companies more closely connected to the tragedy did give more.

Regardless, there has been an increase in donations following the 2004 Indian Ocean tsunami (Binder & Witte, 2007). Not only were funds channeled to socio-civic organizations, there were also reports of direct relief operations by organizations in disaster areas. Progressively, more and more organizations form partnerships relying on each other's core competency. For instance, DHL works closely with the UN Developing Program on improving disaster preparedness skills and with the Red Cross in transporting volumes of relief goods by air to the disaster area (Maon, Lindgreen, & Vanhamme, 2009). They also utilize their disaster relief teams to share their expertise in logistics management (Chong 2009). Oehler et al. (2013) note that concerted efforts, particularly for disaster preparedness, may significantly reduce disaster losses. It is not the sole responsibility of government neither should it be left to the private sector (Shughart, 2011).

Indeed losses due to natural disasters increased tremendously during the last decade especially for developing countries in the Asia-Pacific region. Kristalina Georgieva, European Commissioner for International Cooperation reports that it costs four times more to rehabilitate

than to prepare for disasters (Associated Press, 2014). Shughart (2011) opines that donations can be counterproductive as it makes recipients more complacent and entitled rather than disaster conscious. Yet disaster preparedness is wanting. This has prompted some organizations to channel their resource capabilities pre-disaster rather than post disaster (Oehler, Roeth, Welford & Ying, 2013). However, in the absence, or in the inadequacy, of disaster risk reduction management plans, there is a need for collaborative efforts to respond to disasters in a more systematic and cost-efficient manner (Johnson, 2009).

Assuming only good intentions, unsolicited donations from individuals and organizations, particularly in kind can slow down disaster relief operations (Economic Intelligence Unit, 2005). Volunteers have to sort goods if they deem it inappropriate, they discard these, filling up warehouses unnecessarily. Sometimes, food items spoil because logistics support cannot keep up with the flow of goods. Consequently, there is a preference for cash although there is greater temptation with cash. These underscore the need for more forward thinking when corporations decide to participate in disaster response. The Economic Intelligence Unit (2005) suggests that companies build relations early so that trust between the parties is established. This allows for swift mobilization, during times of disaster.

Leadership, Family Businesses, and Disaster Response

Literature suggests that the business leader plays a critical role in philanthropic activities (Binder & Witte, 2007; Buchholtz, Amason, & Rutherford, 1999). CEO's admit that they have played active roles in determining the strategic direction of corporate philanthropy (McKinsey & Company, 2008). Due to the discretionary power of the CEO, large block investors are wary and

look toward governance mechanisms to control philanthropic spending. Bartkus, Morris, and Seifert (2002) explain that it is not that shareholders do not want the companies to engage in philanthropy but it is more that they are not aware where the donations go. Consequently, there has been lobbying to force companies to disclose charitable contributions to shareholders (Brazaitis as cited in Bartkus, Morris, & Seifert, 338).

In many corporations, the board makes the decision about corporate philanthropy. Jia and Zhang (2013) posit that gender is a factor and that, the more women there are in a Chinese corporate board, the higher is the probability that the board will support corporate philanthropic activities in the area of disaster relief, assuming of course healthy profitability levels. Willer, Wimer, and Owens (n.d.) confirm the gender difference in corporate giving, declaring that men were less likely to give to charity and women were more altruistic. Kabongo, Chang, and Li (2013) contend that is diversity in the board, rather than the presence of women alone, that influences charitable giving. Their study of women CEO did not reveal significant impact as other studies did, such as the study of Wang and Coffey (1992).

Lähdesmäki and Takala (2012) contend that altruism explains corporate philanthropy especially in small businesses where ownership and management rests with family. Altruism is about giving wholly, being charitable, out of true concern of the welfare of another (Bekkers & Wiepking, 2011). Du et al. (2014) forward that religion is a strong factor in philanthropic giving. They presume it is because religion provides strong teachings on charity. Those who believe that religion is important have a tendency to give more (Bin & Edwards, 2009; Brown & Ferris, 2004). Consequently, since a family business or SME is an extension of the owner, one can

conclude that the preferences of religious business leaders are likely to support more corporate giving. Further, since the SMEs and family owned businesses are extensions of the owner, the personal preferences of the owner follows (MacGregor & Fontrodona, (2011). Kvaran (2012) forwards that the personal and moral values are predictors of giving behavior. Consequently, the process of deciding to donate can be more emotional rather than rational (Zagefka & James, 2015).

Breeze (2009) asserts that family businesses are natural philanthropists. Most likely because they have strong roots where their business operates and their company usually reflect their surnames, family business owners believe that it makes sense to be involved in community development. As they contribute their time and financial resources, the relationships built with the community redound to the benefit of the business. Thus, even if the business does not do well, the philanthropic activities continue.

Methodology

The authors decided to focus on the most recent catastrophic event in the Philippines – typhoon Haiyan. In parallel to the destruction brought about by typhoon Katrina, Aceh tsunami, and Haiti earthquake, climatologists consider typhoon Haiyan as the strongest typhoon to hit the earth.

The United Nations University Institute for Environment and Human Security considers the Philippines as one of the most disaster prone areas in the world (Thomas, Albert, and Perez, 2013). The strongest recorded typhoon, Haiyan, hit central region, Philippines on November 2013. Winds travelled at 315 kilometers per hour (195 miles per hour) creating storm surges that

reached 12 meters high (NDRRMC, 2014). The fierceness of the typhoon washed away whole towns, leaving thousands dead and millions displaced.

The Foreign Aid Transparency Hub (FAITH), an online portal created by the Philippine government to monitor disaster aid, reflected a total of $1.6 billion in cash and non-cash donations and pledges (http://www.gov.ph/faith). The foreign aid is expected to cover a little over a tenth of the total damage that the country's National Economic and Development Authority estimated at $12.8 billion (NEDA, 2013). This includes a great portion the private sector shouldered in actual damage and lost productivity. What FAITH has failed to account for though are the personal and organizational contributions that went into disaster relief operations through government, socio-civic organizations, or local private businesses.

Since there is no official listing of local donations, the authors casually interviewed some businesses located in Metro Manila, 580 kilometers away from the devastated area. From the interviews, the authors decided to focus on the story of EMME Group of Companies that appear to exemplify an extraordinary response to the disaster. The authors then formally interviewed the business owners as well as some employees and other stakeholders who assisted in disaster relief operations.

In the interviews, the authors drew from the research questions of Twigg (2001) and gathered information on the following: (a) nature of disaster relief operation, (b) motivations to engage in disaster relief operations, (c) decision-making process, (d) operational challenges encountered, and (e) the outcomes of the intervention.

The initial interview with the business owners was within a few weeks from the disaster and the company's disaster relief operations were still ongoing. At that point, there was no idea of the magnitude of the assistance the owners provided. The second interview with the business owners was about eight months after the disaster and this required the owners to recount their total experience. It was possible that some of the detail was lost in the second interview, although this allowed for the more vivid recollections to surface. Such vividness was evident during conversations with some of the truck drivers and volunteers who spoke using the native language. They relayed stories of their first- hand experience, of their feelings, thoughts, and actions, as if the event had just happened. Since the authors are also from the Philippines, there was nothing lost in translation.

EMME Group of Companies

Corporate Background

EMME Group of Companies started out as a small trucking business that couple Edgar and Marienette Aglipay started in 1975. Then newlyweds, the couple decided that the only way to generate enough funds to raise a family was to enter into business. Thus, they sold their only worldly possessions at that time, a car given to the couple by Marinette's father, and with the cash generated from the sale, including some cash gifts they received during their wedding, they purchased two refurbished cargo trucks. The number of trucks has since multiplied to 300 located in six garages with a total area of 6.5 hectares.

In 1981, while struggling with the trucking business, the couple partnered with a colleague who was engaged in providing security guards to business establishments. Eventually, the couple spun off and founded their first security business in 1992. The clientele steadily grew necessitating the creation of sister companies, each handling specific markets. The security business is now composed of five security agencies with a combined force of 3,000 officers and security personnel.

Today EMME Group of Companies is composed of four business groups. The original EMME Transport Facilities Corporation is now EMME Subic Transport Corporation after it merged with their Subic Transport Facilities Corporation in 2004. The original Emirate Security & Maintenance Systems, Inc. is now one of five companies under EMME Security Group. The EMME Security Group is affiliated with five other security-related companies. The couple is now involved in trading and in property management under their companies, EMME Trading Corporation and EMME Property Group, respectively. Even with their growth, the company's core competency remains in trucking and security services.

Edgar attributes the growth of the family business to Marinette who holds the title of President. She has been primarily responsible for the daily operations of the firm since her husband held a fulltime position at the Philippine National Police until his retirement 10 years ago. She however consults with him as he is the Chairman of the Board.

Corporate Philanthropic Initiatives

The company's philanthropic activities started sometime in the late 1980's when the business operations of the Aglipays began to pick up. Initially, the couple would donate to small communities that approached them and later, they would physically participate in community outreach programs. Then, they began to help victims of calamities. It was only in 2005 when they started to allocate funds to programs of DIWA party-list.

To regress, DIWA, or the Democratic Independent Workers' Association, Party-list "began in 2005 as a volunteer organization that sought to address the legal concerns of laborers-from abuses in the workplace, to measures that could be taken in ensuring employees' benefits-all these pressing matters found resolve in the organization"(http://diwapartylist.com/about-diwa/). It won a seat in the Philippine Congress in 2010. The couple's daughter, Emmeline Aglipay holds the seat.

By 2007, the couple was confident they could program some of its earnings for its philanthropic activities. They resolved that the trucking business would set aside approximately $4,500 each month and the security business about $2,000 each month for the programs of DIWA as well as to help disaster victims. They tapped into these funds when typhoon Haiyan struck the Philippines in November 2013.

Disaster Relief Operations for Typhoon Haiyan Victims

Edgar Aglipay had to attend a personal commitment in the United States and was not in the country at the height of the typhoon. Marinette took it upon herself to go to the military commissary to purchase relief goods that she could send to the victims of the typhoon. She

immediately established an ad-hoc relief center in her residence and asked her staff to pack the relief goods into plastic bags and then into sacks. On the first day alone, her team of ten was able to pack 1,000 bags. She then had the bags delivered to the relief center of some civil society organizations that she contacted. This went on for a week until Marinette learned that the warehouses of relief centers were filled and the goods she was packing could no longer be accommodated. It was then she wondered if she could use her trucks to deliver the relief goods directly to the disaster victims, especially those that were difficult to reach.

Without thought of the expenses, Marinette who was subsequently joined by Edgar who had returned home from the United States, authorized the use of delivery trucks to bring relief goods to central Philippines. Since she was also receiving relief items from her network of friends, she increased the number of delivery trucks. In normal circumstances, it would take at most four days for the truck to travel to central Philippines and back, including the barge ride that allowed the trucks to traverse the Philippine seas. However, due to the deluge of assistance as well as the poor conditions of the roads at the disaster area, each truck had a turn-around time of two weeks. This meant that Marinette had to field trucks without waiting for a return trip. Altogether, she authorized nine trucks to deliver relief goods over a one-month period and gradually reduced the number of trucks until the last truck made its final delivery on the first week of February.

When the trucks reached the disaster area, the drivers and their assistants had to transfer the relief goods to smaller vehicles so that it could weave through the small rural roads. To help in the distribution at the disaster site, she contacted the Police Hotline Movement, Inc. (PHMI), a

voluntary group that has a strong coalition partnership with DIWA. PHMI has a member-base of 800,000 members nationwide that help the Armed Forces of the Philippines in policing crime.

The decision to authorize trucks to deliver relief goods, while it was an easy decision for the Aglipay couple, had large financial implications. The disaster occurred during the peak delivery season of the trucking business, which meant that each truck assigned to relief operations resulted in an opportunity loss of $3,000. While the couple spread the assignment of trucks so that no one client was unduly inconvenienced, it did delay service delivery by at least two weeks. Fortunately, the clients that were also, in their own way, helping the disaster victims were quite accommodating. Notwithstanding, the revenue stream of the trucking business was affected at the level of $13,500.

There were also direct out-of-pocket expenses that the EMME Group of Companies shouldered. Besides consuming their three-month budget for corporate donations within one month, the company also had to pay the drivers and their assistants of the trucks assigned to deliver goods, as well as to upfront the gasoline expenses. At the peak of disaster relief operations, each truck carried seven drums of diesel fuel valued at $200 per drum. Consequently, direct disbursements reached $37,000.

The Aglipay couple could not have succeeded in what they did if they did not have loyal employees who volunteered to bring the relief goods. At the peak of the relief operations, it took two weeks before a truck could return. The couple could not compensate their drivers their regular per trip fares because the trips were non-revenue generating but the drivers agreed

because they too wanted to help out. Based on industry standards, the EMME truck drivers receive highly competitive salaries, with part of company profits imputed into their per trip salaries.

The Character of the Aglipay Couple

Marinette took a leap of faith and did not even require an accounting of the amount spent for the victims of typhoon Haiyan. She knew she had to help. It was instinctive. She is also not aware of the impact that her direct relief operations made. She only knows that by using the network of PHMI, she was able to reach families otherwise not reached by any other disaster relief operations. She extended her relief operations to the first week of February, almost two months after the government officially shifted their efforts from disaster relief and recovery to disaster rehabilitation and reconstruction. Based on the capacity of her trucks, she estimated that the trucks she assigned made 16 trips, with each truck carrying 6,000 relief bags.

Months after the disaster she realized that the following likely influenced her.

1. The Aglipay couple has a natural affinity to help the disadvantaged. It was this that encouraged them to support the activities of DIWA.
2. EMME Group of Companies had employees whose families were affected by the typhoon. The company had begun recruiting their security force from the central Philippines and thus 30% of their workforce was from the disaster areas. Since they wanted to assure their employees about the condition of their families, the couple promised to send their relief team to touch-base with their families.

3. The couple knew they could advance resources from their different companies. They had already allocated $6,500 a month for philanthropic activities and thus it was a matter of frontloading the allocations.
4. The couple was also able to channel some other funds to disaster relief operations. They cancelled several Christmas parties and company outings that would normally cost them about $10,000. An offshoot of the cancellation though is that their regular caterer did not also earn during the Christmas season, which is also the peak time for the catering business.
5. Marinette did not want the typhoon victims to forego the traditional Christmas meal. Neither did she want them to welcome the New Year with empty stomachs. Even when the government officially announced that relief operations would end on December 14, she felt even more that they had to continue relief operations, until at least after the New Year celebration.

Marinette and Edgar can be described as having charitable hearts. Their respective parents raised them to be service oriented. Marinette is the daughter of the late General Manuel Yan who served as Chief of Staff of the Armed Forces of the Philippines and who became Philippine ambassador to Thailand, Indonesia, and United Kingdom after retiring from military service. Marinette, a magna cum laude graduate of an exclusive girl's school opted to serve the government as a staff member at Malacañang, the Philippine President's Palace before resigning to start the family business. Edgar on the other hand worked for the Philippine National Police (PNP) where he retired as head of the PNP. He attributed their so far, 40-year business and marital success to his wife's patience, perseverance and religiosity.

Observations and Lessons Learned

It would appear that the ease by which the Aglipay couple engaged in philanthropic activities was their natural desire to help. Even before typhoon Haiyan, the couple was already allocating a portion of their revenues in assisting DIWA and victims of natural disasters. In the aftermath of disasters, they would personally bring relief goods and interact with the victim. They would bring their children as well as some employees to participate in the relief efforts. It was easy for them to assign one truck to transport the items for distributions.

The case of typhoon Haiyan was different because of the extent of the devastation that was well publicized. Due to the magnitude of the operation and the distance of the disaster site from their corporate headquarters, Marinette had a moment's delay in deciding how much resources to put into humanitarian assistance. She knew she would help but did not for how long. Besides, it was the peak time for their business and all trucks were committed. If the trucks were needed at any other time, the decision would have been much quicker. Thus, she needed the assurance of her husband before deploying the first truck.

The Aglipay couple is in a business that is very relevant to disaster relief operations. As owners of delivery trucks that are used to traversing far distances, they were in the best position to offer logistical support for relief operations. It had not occurred to the couple to coordinate with any private or public entity for immediate mobilization of trucks. Like many private firms, they did their bit in reaching out.

Besides their strong compassion for the victims of typhoon Haiyan, the Aglipay couple also felt morally obliged to help. It made business sense. About thirty percent of their employees in the security business hailed from the devastated areas. Each wanted to take a leave to find out how their families were doing. If the couple approved their leaves, then the security business would be badly affected as well. Instead, the couple committed to take the extra effort to find their families and bring them relief goods. Fortunately, the employees trusted the judgment of the Aglipays.

Literature suggests that the business leader plays a critical role in philanthropic activities (Binder & Witte, 2007:15). Lähdesmäki and Takala (2012) submit that the altruistic behavior of a corporation is a function of the belief system of its leader. In this case, it is evident that the philanthropic activity reflected the belief system of the leader. Moreover, it was easy for the Aglipay couple to decide to extend help for Haiyan victims since they were already engaged in philanthropic activities. This is consistent with the findings of Twiggs (2001) who indicated that CSR initiatives develop when there is a tradition of philanthropy. Moreover, the case study showed that empathy was a strong motivator to extend humanitarian relief. This again confirms the belief of Muller and & Kräussl (2011), who claim that the decision making process during times of crisis is likely infused with empathy. Moreover, since the business was family owned and the business owner had greater discretion, the decision making process was swift.

Twiggs (2001) also suggested that philanthropy is reduced when profits fall. Apparently, this was not the case for the Aglipays. Even if it meant foregone revenues, the couple continued

to provide assistance way beyond the time set by the government. It was compassion, which drove the couple to continue humanitarian relief during the Christmas season.

Conclusion and Implications for Research

The frequency and intensity of disasters is increasing. Providing assistance during disasters, on top of the regular CSR activities of a company is a matter that business organizations need to confront.

It would appear that privately held businesses with family boards are able to respond more quickly when disaster strikes. Perhaps because of their strong roots to the community or traditional family values, family business owners are likely to engage in corporate philanthropic disaster relief. It is one, which can raise the morale of employees. Thus, even when profits can be effected, philanthropy continues.

The extent of business engagement for disaster relief is not systematically recorded. It is possible that businesses themselves prefer to be anonymous. However, disaster management does not work effectively without the cooperation of relevant parties. The problem with many businesses individually volunteering during post-disaster operations is that there can be a lot of duplication and efficiencies can be affected. Thus, Johnson (2009) suggests that private companies have advanced commitment with concerned local and national units in-charge of disaster management. This is essential, particularly for those with experience in logistics and transportation, much like the business of the Aglipays. If such private enterprises can officially coordinate with relevant parties before any disaster, then more can be done at a shorter time. As

suggested by Binder and Witte (2007), a more transparent process is needed so that it is easy to match what organizations do and what the disaster relief operations need.

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