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MANAGERIAL CONCEPTUALISATIONS OF CORPORATE SOCIAL RESPONSIBILITY: AN EXPLORATORY STUDY

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Abstract

Corporate social responsibility (CSR) has grown to play a significant and important role in directing and defining the way organisations do business. While a number of studies have explored the dimensions of corporate social responsibility and the role of management in allocating resources, given the recognised importance to business, few studies have empirically explored management conceptualisations of CSR in practice. Using structured interviews and thematic analysis, this study explores managerial conceptualisations of CSR from 37 organisations. The results indicate that while supporting selective components of Carroll's (1979) dimensions, organisations were generally not able to clearly articulate a clear definition of CSR. These findings have implications for marketers given the social influences on the marketing exchange relationship and the established benefits for improved organisational performance.

Key words: corporate social responsibility, marketing communication, management

Introduction

Corporate social responsibility (CSR) is broadly defined as an organisation's social obligations (Bhattacharya & Sen, 2004; Maignan & Ferrell, 2004; Smith, 2003). While these obligations are often embedded in organisational policy and action with the aim to achieve economic, social and environmental sustainability (Jenkins & Yakovleva, 2005), the instrumental role of management in formulating an organisation's CSR policy has framed CSR as an expression of individual managers' values and an outcome of the managerial decision making process (Hemingway & Maclagan, 2004). With this in mind, the aim of this paper is to investigate managerial perspectives of CSR. Very few studies have investigated this approach. Given the growing importance of CSR in organisations and the role of managers in espousing this through the organisation, an exploration of manager's conceptualisations of CSR was deemed a suitable investigation starting point. As a result, this exploratory study captures managerial conceptualisations of CSR in 37 organisations using depth interviews. The paper is structured in the following way. First, the conceptual framework is presented outlining CSR. Following this the qualitative study and its methodology is outlined and limitations are addressed. The results are then presented and discussed.

Conceptual Framework

While it is not surprising to find management's policy responding to broader environmental forces, the pressures on organisations to meet social responsibility obligations extends beyond the traditional legal and regulatory controls to encompass social values and objectives (Maignan & Ferrell, 2004). These pressures to meet social responsibility obligations span the entire stakeholder map to include the ethical or responsible treatment of stakeholders (Hopkins, 2003; Maignan & Ferrell, 2004), and others who may be affected by corporate policy and practice (Smith, 2003).

CSR is framed as a 'must have' or at least 'be seen to have' for business (Hopkins, 2003). The popularity of CSR initiatives has been established by other studies with valuable rewards

accessible to organisations integrating CSR into their business model. For example, an array of corporate, consumer and stakeholder outcomes has been identified in previous studies including improved employee morale (Porter & Kramer, 2003), improved consumer responses (Becker-Olsen, Cudmoreb, & Hillc, 2005; Bhattacharya & Sen, 2004), increased purchase behaviours and a more favourable reputation (Hemingway & Maclagan, 2004; Smith, 2003). Ultimately, employees want to work for the right organisation, consumers want to buy the right product, and shareholders want to invest in the right shares (Smith, 2003). Likewise, organisations perceived as not being socially responsible can suffer an opposite fate (Hopkins, 2003; Smith, 2003).

While some authors treat CSR generally as a tangible commodity subject to competitive pressures (Martin, 2003), other authors are more specific in their treatment of CSR relating it directly to business philosophy and performance (see for example, Carroll, 1979 & 1999, and (Wood, 1991). Carroll's (1979) social performance model of CSR encompasses the four tiers of democratic society, being economic profitability, legal binding, ethically bound in business behaviour, and meeting or exceeding social expectations through philanthropic activity. Carroll (1993) claims that for an organisation to be socially responsible, all tiers need to be holistically and voluntarily present therefore transcending the traditional boundaries of business (Carroll, 1999). Carroll (1979) suggests that an application of this model is to 'aid perceiving the distinction among definitions for CSR that have appeared in the literature' (p. 502).

Organisational size has also been found to be relevant in influencing and guiding an organisation's response to CSR requirements (McWilliams & Siegel, 2001). Smith (2003) found that there is an increasing CSR response from organisations and that many large firms communicated some commitment to CSR. Smith suggests that the question organisations face is no longer if they commit to CSR, but more so how they go about doing it.

Given the scope and variety of approaches and definitions of CSR and that no dominant conceptualisation of CSR exists (Maignan & Ferrell, 2004) the objective of this paper is to investigate the approach organisations take towards CSR from the perspective of managers. Specifically, there are two research questions which frame this paper:

RQ1: How do organisations define corporate social responsibility (CSR)?

RQ2: What are the central themes that emerge from these definitions?

The following section will outline the exploratory qualitative study that was undertaken to investigate these research questions.

Methodology

Depth interview methodology was used to explore the respondents' understanding of 'corporate social responsibility'. This methodology was used for two main reasons. First, depth interviews can provide a clarification of the phraseology, from the respondent's perspective (Babbie, 1989). Second, depth interviews have been shown to be a suitable methodology for understanding 'fuzzy' research issues (Kwortnik, 2003) thus enabling the researcher to generate a deeper understanding of the research area. The underlying aim of the research is to obtain rich, detailed data reflecting the respondent's language and experiences in depth (Kwortnik, 2003).

A judgement sampling approach was used to select respondents (Gwinner, Gremler, & Bitner, 1998). Final year undergraduate students studying corporate communication management were recruited to select and interview appropriate respondents. They were briefed to select

respondents who had managerial positions within an organisation and who have responsibility for the implementation of organisational communication policy. Respondents were represented from a range of industries including manufacturing, services and retailing, and with employee numbers from eight to 8000. In total 37 respondents were recruited and were thought to be sufficiently diverse in their organisational type and organisational size. The interviews followed a structured format. This standardised approach enabled the responses to be aggregated (Bryman, 2004). Each interview ran for approximately half an hour and included a number of questions exploring corporate communication issues such as organisational communication, structure, organisational culture and environment scanning and responses. Although material was collected on these areas, these other topics are beyond the scope of the current research paper. The two open ended CSR questions were posed to respondents and interviewers prompted and reflected for richer data during the interview. The questions asked were 1. How do you define or what do you understand by the term 'corporate social responsibility'? 2. How do you use or apply corporate social responsibility in your work/organisation?

The interview transcripts were analysed using a manual thematic breakdown (Gwinner et al., 1998). This followed the work of Lincoln and Guba's (1985) model of categorising, whereby transcripts are broken down into units of similar characteristics with key phrases highlighted (Gwinner et al., 1998). The data were then in a form which could be compared across interviews. The goal in selecting key phrases was to identify recurring thoughts. The interviews were then broken down by organisational type and size to further categorise and understand the responses. Coding was conducted by one coder and intracoder reliability was established by repeat coding at intervals. For the purpose of reporting and discussing results for this paper, extracts from individual interviews were used to illustrate key themes.

Results

Conceptualisations of CSR varied across all respondents generally reflecting the concept of corporate obligation, but not necessarily in a social or holistic context (Carroll, 1999). While most (75%) of respondents did not refer to any regulatory enforcement of CSR activities, 11% acknowledged compliance requirements set either by industry or a regulatory body. For example *"by being a member of [industry] group, [organisation] has a specific responsibility to comply with [industry] standards for company sustainability and effective corporate governance standards"* Resources organisation – 3000+ employees.

It appeared that respondents were not really aware how they should conceptualise or define CSR, thinking of it as activities they undertook as an organisation. For example: *"Corporate social responsibility is a concept whereby a company integrates social and environmental concerns into their business operations and their interaction with stakeholders."* Service organisation, +1000 employees. More than half of the sample acknowledged some form of responsibility and stated that CSR is 'social responsibility' or being 'socially responsible' or 'acting responsibly'. Some 13% of the respondents went on to further expand on this notion *"to be literal, I recognise this term as the social responsibility of the corporation. As an area that attracts the youth, we maintain a no school age during school hours policy to reduce truancy, and following guidelines to ensure a safe environment... we also commit to charitable organisations to assist wherever possible"* Retail, 20+ employees.

While Carroll (1979) recognises the importance of being economically profitable, only three respondents captured financial performance or expectations of this in their conceptualisation of CSR. More commonly, CSR was associated with the concept of 'triple bottom line' with

nearly 10% of respondents mentioning this in their response. “[Organisation] has adopted the triple bottom line reporting approach, but are considering moving to sustainability reporting” Service 5000+ employees. “[Organisation] is very triple bottom line orientated despite the fact that it is a not-for-profit organisation. Many community groups... receive financial assistance or free use of the space” Not-for-profit, 20-50 employees.

The dominant theme of CSR that emerged was the notion of voluntary or philanthropic behaviours, one of Carroll’s (1979) four tiers of CSR. Nearly half of all respondents (47%) identified philanthropy as being socially responsible, while a quarter of these captured philanthropy and one other, including ethical and financial. As one respondent implied: “Corporate social responsibility should encompass every aspect of the organisation’s dealings. Specifically, corporate social responsibility can apply to the notion of ‘giving back’ to the community” Service organisation, 100-500 employees. The concept of giving back to the community was also referred to by large and small organisations. The types of activities respondents discussed ranged from scholarships for disadvantaged people to donations to various charities. One element that did seem to emerge from a number of organisations was the notion that a lot of these activities were done because they were expected. “There is much greater emphasis on providing at least one social service to the community as a way of engendering credibility in the community” Service organisation, 100-500 employees.

Legal requirements were expressed by 8% of respondents, and these responses were usually bundled with another activity. Ethics or ethical behaviour was explicit in 25% of responses, but commonly this was bundled with treatment of stakeholders and some inferred responsibility. “It’s the responsibility of the company to its stakeholders... we maintain a friendly and professional relationship with our stakeholders” Retailing, 100-500 employees.

Customers, or relationships with stakeholders, were noted by 52% of all respondents. While the context of this role varied, nearly a quarter of these identified responding to customer needs, treating them appropriately and protecting them, as a CSR response. This finding is consistent with recognition of stakeholders (Hopkins, 2003; Maignan & Ferrell, 2004) and those impacted by the organisational policy (Smith, 2003). “It means that as a company you have a responsibility to the consumer to act responsibly and in the best interests of the consumer. For example, believing that in all circumstances the customer is always right!” Manufacturing, less than 100 employees. The importance of treating staff well and ensuring the organisation provides a safe working environment was identified as being part of a CSR philosophy by a quarter of the respondents. “(It is) providing a safe working environment. Giving employment opportunities to various people through following legislation and employing a variety of people and skills to make a strong team” Retailing, 100-500 employees.

Finally, care and consideration toward the natural environment was the last theme of CSR that emerged. While environment is not explicit in Carroll’s model, caring for the environment has financial and ethical consequences for an organisation. The respondents framed the discussion in terms of packaging and recycling, again recognising triple bottom line reporting benchmarks. “An organisation should not be judged only on its financial results, but also on its contribution it makes to the community and its ability to minimise detrimental effects on the environment” Service, +1000 employees.

Discussion and implications

A number of studies have established the benefits of CSR, yet this paper clearly establishes that for many managers CSR conceptualisation is elusive and hard to articulate. The variation in CSR conceptualisations by managers generally reflects the lack of consensus provided by the literature. Many respondents conceptualised CSR as normative actions (*this is what we are doing*) rather than a philosophy of doing business (*this is why we are doing it*), although these generally underpin what Carroll (1979) considers as a CSR approach to doing business. While Carroll's (1979) neatly compartmentalised tiers of CSR was evidenced to some degree by all respondents, no organisation clearly articulated practice or policy across more than three of Carroll's pillars, suggesting that organisations either do not recognise some of their practices as contributing to a CSR effort, or they unknowingly fail to capitalise strategically on an activity that will benefit the organisation (Becker-Olsen et al., 2005; Bhattacharya & Sen, 2004; Hemingway & MacLagan, 2004; Porter & Kramer, 2003; Smith, 2003).

The voluntary nature of holistically embedding CSR practice across organisational policy was not clearly evidenced in responses. While most respondents acknowledge some form of social expectation or responsibility, very few organisations expressed some greater goodwill or ideological aspirations that support Carroll's call for a voluntary organisational response. This was supported by philanthropy being expressed as CSR as it is often tangible and easily measured. Interestingly, although Smith (2003) and McWilliams & Siegel (2001) suggested that organisational size may impact an organisation's approach to CSR, size did not necessarily indicate a consolidated or holistic approach to CSR. The dominance of the triple bottom line reporting theme suggests that most organisations understand this concept more fully and its contribution to business as it operates in a social environment. While this finding is consistent with recognition of stakeholders (Hopkins, 2003; Maignan & Ferrell, 2004) and those impacted by the organisational policy (Smith, 2003), this is not an explicit element in Carroll's model of CSR.

Given the increasing emphasis on CSR in the literature and established links between higher business performance and CSR activities, a stronger representation of the holistic approach to CSR and a clearer articulation of CSR was anticipated. This suggests significant implications for marketing given the diversity and scope of CSR related activities and the social nature of the marketing exchange relationship. The opportunity exists to build internal capacity and understanding of the contributing dimensions to CSR to ensure that not only the organisation is considering its obligations, but also gains benefit from this competitive advantage. Further research is needed to understand how organisations determine the requirements for CSR and more specifically, the influences on management's understanding of CSR requirements and the responses to the forces in the social environment.

Limitations

Although this exploratory study included interviews with managers from 37 organisations, some potential richness of the data may have been lost with the structured approach to the interviews. Also given the relatively small sample size there is limited generalisability of this study. Calder (1977) notes that sample generalisability is not so important for exploratory research. Researcher bias is a potential issue in qualitative research (Cavana, Delahaye, & Sekaran, 2000), therefore structured interviewing was necessary due to the limited interviewer experience (Denzin & Lincoln 1994). In addition, the questions covered a range of key topics encompassed by a corporate communication manager (Van Reil, 1992). CSR was one of many topics covered and therefore the opportunity by the interviewer to gain depth of data on CSR was limited by this approach.

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