Corporate Culture and Social Impact

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Abstract

This article provides insights into how selected Zimbabwean organisations are striving to embed Corporate Social Responsibility (CSR) in their Corporate Cultures (CC) for effective Social Impact/Change through creating shared value (CSV). CSR has since developed from being a Public Relations tool used to mitigate against risk to being a business strategy in many organisations. However business strategies are usually top management's worry and CSR has to progress further to be a shared practice and philosophy in corporations. Literature indicates that effective CSR is voluntary and this goes a long way in creating a culture of the same. The development of CSR frameworks is a move towards involuntary CSR, for example the Zimbabwean mining sector has seen the development of Community Share Ownership Trusts (CSOTs) as a CSR framework. Although this is a forced initiative, most mining organizations have tried to embrace the CSOT framework in addition to their already existing CSR initiatives resulting in the creation of shared value with the communities that surround them. Notable voluntary CSR initiatives that have had remarkable social impacts have been undertaken across most sectors in Zimbabwe. The findings of the study revealed that in trying to create a CSR culture that result in sustainable value creation and positive social change most organisations are faced with challenges like internal lack of understanding of CSR, the pursuit of unsustainable initiatives and lack of proper stakeholder consultation. These consequently impact negatively on the efforts of creating and sustaining a culture of corporate social responsibility.

Keywords

Corporate culture, corporate social responsibility, social impact/social change, sustainability, value creation, shared value.

Introduction

The practice of CSR has revolutionized the way corporations are viewed by communities from where they are established as well as by regulatory frameworks. CSR has since developed from being a Public Relations tool used to mitigate against risk to being a business strategy in many corporations. Visser (2011) pinpointed that CSR has developed through various stages and ages from defensive CSR, charitable CSR, promotional CSR, strategic CSR to systematic CSR. He suggested that presently most corporations are involved in systematic CSR. Thus it can be concluded that by the time any organization is to get to this level CSR will be part of its corporate culture.

Corporate Social Responsibility

CSR had been defined by corporations and in literature in various ways but there some considerable common ground among them, Ubius and Alas, (2008). Tanimoto and Suzuki (2005), Ubius and Alias (2008) defined CSR as a concept whereby companies fulfill accountability to their stakeholders by integrating social and environmental concerns in their business operations. Schwartz and Carroll (2003), Caroll (1979) viewed CSR as the integration of ethical, legal and

philanthropy components into economic activities of business, Culler (2010) concurs with Carol and added that the legal and ethical management of business yields positive results for society overall Visser (2010) viewed CSR as the way in which business consistently creates shared value in society through economic development, good governance, stakeholder responsiveness and environmental improvement. A critical assessment of these definitions somehow suggest that CSR has various dimensions. Freeman (1984) identified four dimensions of CSR which are the community, marketplace, the workplace and the environment. Presently organizations are publicizing the triple bottom line which is constituted of the community, the organization and the environment. Corporations are increasingly becoming conscientious on the effects of their operations to the communities and the environment, apart from the positive effect of profit realization to the same organizations. Corporate social responsibility is therefore a process of creating shared value among organisations and communities from the organisation's economic activities.

Corporate Culture

It is easy to note that organizations do things differently. O'Reilly, Chatman and Caldwell (1991) defined corporate culture as set of values, beliefs, basic assumptions that are guided by leaders and shared by employees. Corporate culture reflects the ideologies shared philosophies, values and beliefs of an organization, (Kilman et al 1985). In simple terms culture is a system of shared meaning within a given setup.

The cycle of culture

The set management objectives, policies and strategies are communicated throughout the corporation and, depending on how well they have been communicated and accepted, become a way of doing things with time. The expression of the way of doing things is incorporated in organizational activities, which in turn affects the policies , objectives and strategies.

Corporate culture and CSR

Strautmanis (2007), Ubius and Alas (2008) noted that social responsibility is part of an organizational culture. Ubius and Alas (2008) further noted that the development of social responsibility is a change in values orientation whose task is shaping the attitudes of an organisation towards responsibility. Maon, Lindgreen and Swaen (2010) highlighted that most organisations now attempt to position values, and ethical considerations at the heart of their business models and organizational culture. Doppelt (2003), Maon et al (2010) clearly pointed out that organizational cultures represent storehouses of information, knowledge and knowhow which support or discourages CSR efforts. Therefore a CSR supportive culture is an important ingredient in the development of CSR in any given organisation.

Organizational and stakeholder cultures

Organizational culture provides a clear guide of how things are done and how strategy is to be deployed, thus having an effect on an organisation's CSR development. Jones et al (2007) came up with a typology of corporate stakeholder cultures which describes distinct cultural categories and the extent to which an organisation's culture can support the development of CSR policies (Maon et al 2010). According to Jones et al (2007) a stakeholder culture is constituted of beliefs, values and practices that are oriented towards solving stakeholder related problems. In this view, it

can be noted that the stakeholder culture explains organisations' attitude and approach (culture) towards social problems.

The Development of CSR

CSR has evolved over time and the social impacts have also evolved. The climatic changes are part of the evidence of the damage that organizations and humans together have made to the environment. In an effort to make the world a better place for humanity , organizations can aid alleviate some of the dangers that the environment , if not well kept, give to humanity.

The development of CSR has attracted so much attention and many models have been developed to describe how CSR has evolved.

Author(s)	Concept
Walton (1967)	Six-stage Corporate attention to social responsibility
McAdam (1973)	Four stage social responsibility philosophy
Davis and Blomstrom(1975)	Five stage social responsibility
Reidenbech and Robin (1991)	Five stage corporate moral development
Stahl and Griggsby (1997)	Three stage managerial CSR position
Dunphy et al (2003)	Six stages Corporate sustainability
Van Marrewijk and and Were (2003)	Six stages corporate sustainability
Zadek (2004)	Five stages Corporate responsibility
Mirvis and Googins (2006)	Five stages corporate citizenship
Maon et al (2010)	Seven stage three cultural phases model
Visser (2011)	Five stages of Responsibility

Seven stage three cultural phases Model

Maon, Lindgreen and Swaen (2010) came up with a model that integrates the moral, cultural and strategic aspects of CSR, and the organizational implications of the CSR development process. The assumption behind the consolidated model is that an organisation's CSR development state reflects characteristics of its cultural, moral and strategic features (Maon et al 2010).

The noted cultural phases are CSR cultural reluctance, CSR cultural grasp and CSR cultural embedment.

CSR Cultural Reluctance Stage

Maon et al (2010) believe that at this stage CSR appears as a constraint which provokes opposition to any initiatives that seem broader than those focused on financial benefit. This concurs with Visser's (2010) first age of CSR , the age of greed which is characterized by defensive CSR. A look at these two models show that during the early stages of CSR adoption, the thrust is on defending shareholder value. If Carroll's CSR pyramid (1996) were to depict the stages of CSR uptake, then the economic responsibility at the bottom of the pyramid could match with this cultural reluctance stage.

CSR Cultural grasp stage

Maon et al (2010) argued that at this stage an organisation's sensitivity to CSR increases and the acknowledgement of CSR concepts and rationale progressively emerges. The organisations

defend their turf by minimizing operational risks and protecting the value of its assets by reducing environmental and social burdens. The organisations are merely complying at this stage, and CSR is a risk management tool. This concurs with Visser's age of marketing which is characterized by promotional CSR.

CSR Cultural embedment stage

According to Maon et al (2010) at this stage organisations broaden their CSR-related know-how, deepen their key stakeholders' relationships and mobilize their internal resources to address CSR related demands. They believed that at this stage organizations experience significant cultural evolution towards integrating and managing stakeholders' claims and CSR principles. This stage also concurs with Visser's last stage of responsibility where he argues that CSR becomes systematic in an organisation.

CSR trends by Visser

Visser (2010) believes that business responsibility has evolved through 5 overlapping periods as follows

Ages	Stages
Greed	Defensive CSR
Philanthropy	Charitable CSR
Marketing	Promotional CSR
Management	Strategic CSR
Responsibility	Systematic CSR

From Visser's works the revolution of business responsibility is a combination of ages and corresponding stages.

Greed

This age is characterized by defensive CSR in which corporate sustainability and responsibility practices are undertaken on condition that shareholder value is protected.

Philanthropy

Characterized by charitable CSR where corporations support various social and environmental causes through donations and sponsorships.

Marketing

Characterized by promotional activities. Corporate sustainability and responsibility initiatives are done as a public relations tool to enhance brand image and reputation. Porter and Kramer (2006), Grigore (2011) noted that CSR is regarded as a way of enhancing competitive advantage. Initiatives such as green marketing have become good opportunities for organizations to achieve their goals as customers become aware of environmental issues.

Management

Characterized by strategic CSR where CSR activities form part of the organisation's core business practices through adherence to CSR codes and implementation of social and environmental management systems. Grigore (2011) concurs with this thought and elaborated that CSR has become part of business strategies to cope with the growing environmental challenges.

Responsibility

Characterized by what Visser (2010) termed Systematic CSR. This involves identifying and tackling the root causes of the present unsustainability and irresponsibility, through innovating business models, revolutionizing processes, products and services and lobbying for progressive national and international policies. This stage of CSR is evidenced by the adoption of quality standards and codes, at international level, that support environmental responsibility (ISO 9001) and social responsibility (ISO 26000).

The challenge/Curse of CSR

Visser (2010) pointed out that CSR has failed; at its worst it had been a distraction, at best an inadequate catalyst for positive change it claims it can bring into the world. He further outlines the curses of CSR.

The first one is the curse of peripheral CSR. CSR has remained largely restricted to the biggest companies and mostly confined to public relations or other departments rather than being integrated across the business organisation. CSR has been continuosly used as an "add-on" used explicitily to improve brand equity or the company's reputation. This creates a weak culture of CSR within an organization in that there is lack of shared-ness and intensity of the CSR initiatives. This is in support of the view of Weiner (1988) who looked at strong and weak cultures and he highlighted that weak cultures are likely to result in lack of sharedness of vision and values.

METHODOLOGY

A focus group interview was conducted at the 2013 SADC CSR Indaba, this group constituted two organisations in the mining sector, one organisation in the telecommunications industry, four non governmental organisations (NGOs), one Life Assurance organisation, two financial institutions and one agricultural firm. Each organization was represented by one individual. A set of questions was designed and responses were noted from each sector that was represented. The idea was to have an understanding of how a culture of CSR was being instilled within these organisations as most of them are well known for their contributions to the communities and the positive social impact they have made. A survey of CSR activities and online CSR reports on selected organisations was done to validate the findings from the focus group interview.

For the purposes of data presentation and discussion the following categories were adopted;

- Mines representing the two mining organisations

- Banks representing two financial institutions

- NGOs representing the four NGOs

- Private organisations representing the telecommunications, agricultural and life assurance organisations.

FINDINGS AND DISCUSSION

CSR policies in organizations

All the 11 organisations that were represented at the Indaba showed that they had CSR policies that guided their community engagement initiatives. The 11 organisations were: two financial institutions, two mining organisations, one telecommunications organisation, four Non Governmental Organisations, Global, one private agricultural organisation, one life assurance. The two regulating bodies that were also represented(Potraz and Standards Association of Zimbabwe (SAZ) also emphasized on the relevance of having CSR policies in place.

1. The existence of CSR policies

Table 1. CSR Policies

Type of Organisation	CSR Policy present	CSR Policy not there
Mines	2	0
Banks	2	0
NGOs	4	0
Private organisations	3	0

All people that participated in the study indicated that their organisations have internal CSR policies. Although what constituted a CSR policy was debatable, it was noted that that most organizations have within their documentation something that indicates how they have to create shared value with the society. This shows that there is a growth in the uptake of CSR by Zimbabwean organisations in their overall strategies. Most organisations have now gone beyond compliance and are engaging in CSR as a strategic perspective. This supports the view that strategies determine a culture to be adopted in an organisation. For Zimbabwean mines, a somehow forced initiative towards CSR has been adopted through the Community share ownership trusts (CSOT). As a result of this most mining organisations have CSR policies in place, although some already had CSR policies well before the introduction of CSOTs in 2010. Having CSR policies is a first step towards inculcating a culture of social responsibility within an organisation.

2. CSR communication and Employee participation

Malgan and Ferrell (2004) pointed out that organisations cannot enjoy concrete benefits from CSR unless they intelligently communicate about the initiatives to relevant stakeholders, (internal and external). In a bid to understand how CSR is communicated, a question was thrown to the floor to determine how CSR was communicated to both internal and external stakeholders.

Communicating to internal stakeholders
Table 2. CSR departments

	Yes	*Incorporated in other departments*	*No*
Mines	2		0
Banks		2	0
NGOs		4	0
Private organisations	1	2	0

All the organisations represented indicated that they have either a separate CSR department or CSR is incorporated in other departments. Having CSR departments is one way of communicating the relevance of CSR to the employees. It was however noted in some responses that in some cases although the CSR departments are there, the initiatives are not widely shared by all in the organisation. This sharedness is in line with Deal and Kennedy's concept of strong cultures. Clause 7 of ISO 26000:2010 : Guidance on Social responsibility provides guidance on integrating social responsibility throughout an organisation. It is through effective communication that this can be achieved, and consequently an adoption of a CSR culture within an organisation.

3. **Stakeholder consultation**

Communicating to external stakeholders seem to be a challenge in most instances. While most organisations wait for their CSR initiatives to do the communication to the local communities, competent organisations in CSR realize the importance of consulting the local communities before embarking on the CSR initiatives.

Table 3. Stakeholder consultation

	Sometimes	Always	Rarely
Mines	2		0
Banks	1		1
NGOs	1	3	0
Private Organisations	3		0

The mines that were represented showed that sometimes they consult the stakeholders to determine the initiatives that are prioritised by the communities. One of the banks highlighted that sometimes stakeholders are consulted while the other one indicated that stakeholders are rarely consulted, however they noted that determining what is a priority need is difficult without the input of the community and other stakeholders. The NGOs indicated that they consult stakeholders before embarking on CSR initiatives, while the private organisations indicated that sometimes they do consult the stakeholders. D'Amato, Henderson and Florence (2009) pointed out that the concept of stakeholder engagement and communication with stakeholders is a catch-22 of leadership practices for CSR. D'Amato et al (2009) highlighted that although companies strive to engage stakeholders in CSR, they struggle to understand the true relationship behind it and to determine who the stakeholders are. It can be noted that stakeholder consultation/engagement can be a difficult task due to the nature of organisations' diverse stakeholders. These usually have different

perspectives towards CSR, which may make it difficult to consolidate these perspectives and come up with a common perspective towards CSR. Clause 5 of ISO 26000:2010 emphasizes on engaging stakeholders; a step that can enable stakeholders to understand an organisation's CSR initiatives. This possibly explains why most organisations in this study minimally consult the local communities. However consulting stakeholders help organisations to communicate clearly their CSR culture and interests in the development of local communities as well as being able to determine the priorities for the creation of positive social impact.

4. Nature and scope of projects adopted

A true culture of CSR manifest in sustainable initiatives undertaken by organisations. Sustainable business for organizations means not only providing products and services that satisfy the customer, and doing so without jeopardizing the environment, but also operating in a socially

responsible manner. Common CSR initiatives undertaken by organisations that participated in this study are:

- Construction of schools and hospitals
- Road construction and repairs
- Agricultural support
- Housing schemes
- Social services (Education, Health services, Water supply and sanitation)
- Small business and vocational training.

An assessment of these initiatives, and the communities they were being undertaken, showed that there was some kind of positive social change/impact. For example initiatives such as construction of schools and hospitals and agricultural support enabled organizations to create shared value with communities in a sustainable way. However some of these initiatives lack sustainability in that they were once off projects, some require training of the local people to be capacitated to undertake them yet the people were not trained. Thus making these initiatives to be less sustainable and not delivering the sustainable shared value as intended by organizations.

5. CSR reporting

Since CSR has become a part of organisations' policies, it makes sense to account for CSR initiatives and report to the diverse stakeholders of the same initiatives. The organisations that participated in this study indicated that they, to some extent, report to their diverse stakeholders of their CSR initiatives whenever they undertake them. It is the magnitude of this reporting that mattered. While proper CSR reporting is an area that is still developing, some of the organisations who participated in this study indicated that they incorporate CSR reporting in their annual reports.

Conclusions

From the discussion above a culture of CSR is noticeable in Zimbabwean organisations across most sectors. CSR has gained a seat on the corporate table and became part of organisations policies. Some organisations have developed departments that oversee CSR programs, and also as a way of communicating the importance of CSR to the internal stakeholders. However a lot still has to be done to make the CSR culture be embedded throughout the organisation for the purposes of positive social impact. In some organisations CSR is still confined to certain departments as an add-on aspect that is not understood by all in the organisation. In some cases CSR initiatives are done

for the wrong reasons, for example, for compliance or political pressure as in the case of CSOT. This makes CSR not to be well understood within the organisations. A culture of CSR is not only communicated internally but also externally through stakeholder involvement. Organisations face challenges in engaging their diverse stakeholders which affects the adoption of a culture of CSR, it also result in organisations not being able to determine the local priorities thus they do not create positive social impact. Some of the CSR initiatives being embarked on by organisations are once off projects that lack sustainability while some projects require training to capacitate the local communities monitor the initiatives develop and create positive social impact.

Recommendations

In order to create shared value and inculcate a culture of CSR in an organisation some of the following strategies may be considered:

- Establish internal organisation wide taskforces or committees to enable the sharedness of CSR around the organisation.

- Encourage individual participation in CSR initiatives, for example individuals identify areas of need in the communities and forward them to the organisation for consideration.

- Encourage employee feedback to ensure collective responsibility and instill a culture or social responsibility.

- Educate employees on CSR. This moves employees from awareness of CSR to understanding CSR; from understanding to believing in CSR and consequently being committed to CSR. At that level of the creation of commitment a culture of CSR starts developing within individuals in an organisation.

- Initiate dialogue with communities so that the rightful initiatives are implemented, thus creating shared value.

- Pursue sustainable initiatives that will communicate a true culture of CSR to the stakeholders.

- Reporting on CSR will enable organisations to continuously improve on their CSR performance and create a culture of CSR.

Further research

The adoption of CSR at global level has led to the consolidation of a Guidance on CSR. Further research can look into the ways the ISO 26000:2010 is being used by organisations.

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