
The Corporate Social Responsibility in the Organization Behavior Dimension: The Emerging Holistic Strategies of CSR

Nantanach Rungrasmiwatanakul¹

Abstract

This article aims to explain the Corporate Social Responsibility with practical and promising strategies that emerged from the integration of Organization Behavior concepts in an analysis. Considering all stakeholders surrounding a company, the selected OB concepts of their unit analysis appear clear and critical to underpin the arguments for each level of organization practices. They include: 1) A Strategy for an individual: Enhancing a customer's and employee's Awareness drives CSR success. 2) A Group Strategy: The Engagement of stakeholders' and shareholders is vital to CSR success. 3) A Corporate Strategy: The Sustainability of a Corporation's Image and Loyalty with CSR.

Keywords: Holistic corporate social Responsibility, organizational behavior, unit of analysis

¹Graduate School of Public Administration. e-mail: nanrungrus@hotmail.com

ความรับผิดชอบต่อสังคมในมิติพฤติกรรมองค์กร: กลยุทธ์องค์กรรวม

นันท์ฐณัช รุ่งรัศมีวัฒนกุล²

บทคัดย่อ

บทความนี้มีจุดประสงค์เพื่ออธิบายกลยุทธ์องค์กรรวมในการขับเคลื่อนแนวทางการปฏิบัติที่เกี่ยวข้องกับความรับผิดชอบต่อสังคม (CSR) จากการวิเคราะห์เชิงบูรณาการกับแนวคิดพฤติกรรมองค์กร (OB) ร่วมกับการพิจารณาผ่านมุมมองของผู้ที่มีส่วนได้ส่วนเสียทั้งภายในภายนอกองค์กร กลยุทธ์ระดับต่างๆ ที่มีนัยสำคัญปรากฏกระจ่างชัดขึ้นและสามารถอธิบายแนวทางการปฏิบัติของแต่ละระดับองค์กรได้อย่างสมเหตุสมผล กลยุทธ์องค์กรรวมประกอบด้วย 1) กลยุทธ์ระดับบุคคล การส่งเสริมให้ลูกค้าและพนักงานตระหนักถึงความสำคัญของความรับผิดชอบต่อสังคม 2) กลยุทธ์ระดับแผนก สนับสนุนให้เกิดความร่วมมือของผู้มีส่วนได้ส่วนเสียเพื่อผลักดันความสำเร็จของกิจกรรมการรับผิดชอบต่อสังคม และ 3) กลยุทธ์ระดับองค์กร สร้างภาพลักษณ์และความจงรักภักดีต่อองค์กรให้ยั่งยืนด้วยกิจกรรมการรับผิดชอบต่อสังคม

คำสำคัญ: กลยุทธ์ความรับผิดชอบต่อสังคมองค์กรรวม พฤติกรรมองค์กร แนวทางในการปฏิบัติ

²คณะรัฐประศาสนศาสตร์ สถาบันบัณฑิตพัฒนบริหารศาสตร์.e-mail: nanrungrus@hotmail.com

1.Introduction

Unlike another attempt, having defined and debated the notion of Corporate Social Responsibility (CSR), describing rules and regulations to compliance, and delineating principles and initiatives debate the CSR, this paper is conceptualized to demonstrate holistic strategies for CSR. By integrating epistemology of Organization Behavior (OB) and the concepts of CSR, there emerges the possibility and promising strategy of CSR practices at all level of an organization. With a consideration of different level of analysis, together with a dual view of internal and external factors, there emerge different optimized corporate strategies that are particularly fit to individuals, group and organization as a whole to drive the CSR success.

Organization Behaviors of CSR therefore involves:

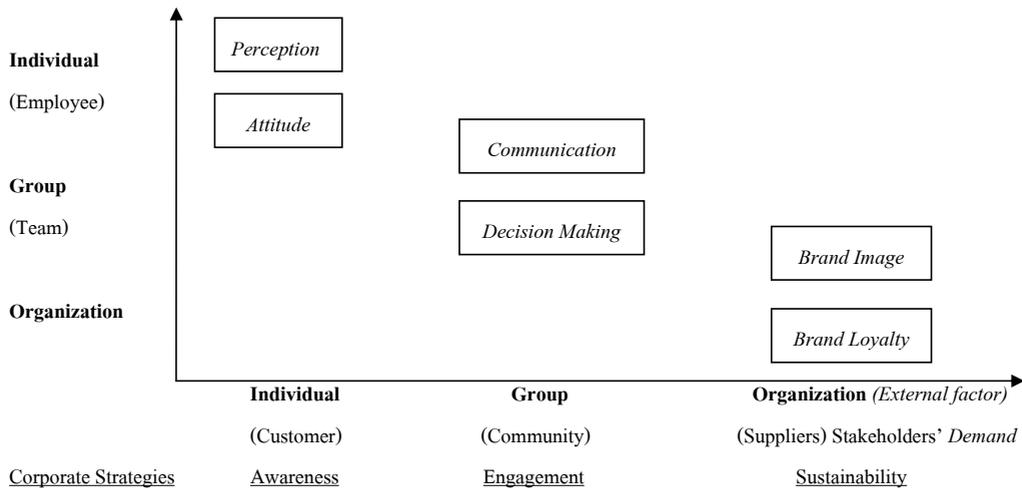
- **A dual view of Internal and External forces:** concern inside and outside people and practices of a company.
- **A unit of Analysis model of OB:** includes individual, group and organization analysis unit.
- **A concept of OB:** focuses on shared concepts, which can be reflected by both demand and supply side including attitude, perception, motivation, communication, decision, change, image and culture.
- **A concept of CSR:** Social, Economic, Environment and Community concerns for well beings.

To simplify, this paper will reveal the relevant concepts of OB in relation to CSR; How the CSR to be conducted and analysis approach of its relevancy.

Framework of OB of CSR Analysis: Emerging CSR Strategy

Unit of Analysis OB Concepts CSR

Internal factor (Company's CSR)



The Analysis framework of OB & CSR concepts Framework: Emerging Strategy of CSR success

2. Individual Unit: Internal & External forces for Organization Behaviors of CSR

2.1 External force: Customers' Attitudes toward CSR initiatives of a corporation

“80% of consumers paying close attention to CSR initiatives when deciding on whether or not to purchase Coca-Cola or Pepsi Cola. Furthermore, 54% of consumers loyal to either Coca-Cola or Pepsi would switch to the alternative provided it offered more in terms of CSR.” (Richard, Woolley 2010)

Customers' attitudes towards the CSR, research studies have shown increasing consumers' expectations regarding corporate behavior: consumers now expect businesses to go beyond profit seeking motives and contribute to

society's welfare. (Dawkins, 2003, Sen and Bhattacharya, 2001) Both studies of a field work and laboratory studies suggest that CSR is linked to more favorable corporate evaluations, increased purchase behavior (Lichtenstein, Drumright, Brag, B.M., 2004) a higher customer satisfaction and market value of a firm (Luo, X & Bhattacharya, 2006) – all of which is believed to translate into increased profitability of the corporation.

Therefore, many companies are encouraged to embrace their business management with corporate social responsibility, CSR. This is not only an opportunity for a company to change for a better itself; it is also in many cases an expectation by customers, employees, society, and other stakeholders. Consumers are one of the important stakeholders with regards to CSR, as such a company should begin to realize the strategic implementations of their awareness for social efforts, which could have on a corporate outcome.

2.2 Internal factor: Employees' Perception toward CSR

At the individual level, on the inside dimension, a research found that CSR improves employees' perceptions of the company. When a company has CSR initiatives, employees are more proud of and committed to the organization. (Brammer, S., Millington, A. & Rayton, B., 2007) Organization commitment has been linked to favorable outcomes for companies including increased job satisfaction, reduced intentions to turnover, and increased job involvement. (Kacmar, K.M. Carlson, D.D., & Brymer, R.A., 1999)

A key potential benefit from CSR initiatives involves establishing the conditions that can contribute to an increasing commitment and motivation of employees to become more innovative and productive. Companies that employ CSR related perspectives and tools tend to be businesses that provide the pre-conditions for increased loyalty and commitment from employees.

2.3 Corporate Strategy of an individual: Enhancing a customer's and an employee's Awareness drives CSR success.

Both dimension of internal and external focus of an organization, reflect the emerging corporate strategy of Awareness of an individual involving a customer and an employee. Employing CSR-focused marketing is viewed as a marketing differentiating strategy (McWilliams and Siegel, 2001), that can lead to increased customer “loyalty” and “trust” along with significant post-purchase benefits. (Bhattacharya and Sen, 2004)

Regarding to an employee's perception of a company's CSR, enhancing awareness of an employee by engaging an employee to the program policies and initiatives. A company can promote employee's awareness of CSR through volunteerism, by raising awareness in house. An example of Mazda CSR' raising an employee's awareness of CSR: Information is disseminated among employees through various methods.

- Distribution to and circulation within all departments of the Mazda Sustainability Report
- Communication about CSR efforts and up-to-date information via the Company intranet



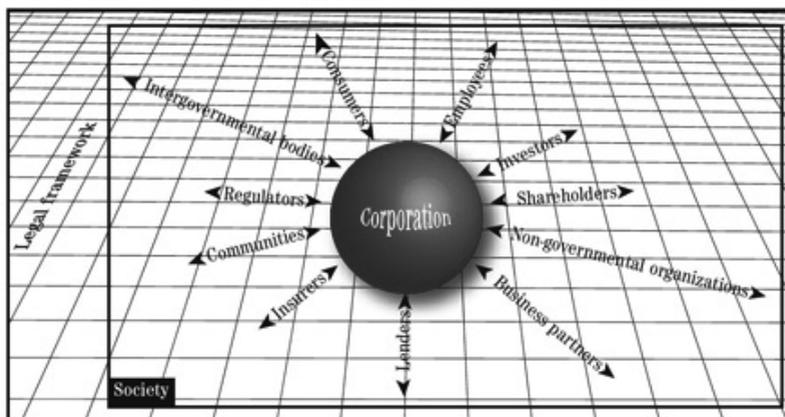
February–March 2011 issue of in-house newsletter My Mazda (CSR special feature edition)

3.Group Unit: Supply & Demand for Organization Behaviors of CSR

3.1 External force: Stakeholders and Investors' Decision Making towards CSR

Demanding by socially responsible stakeholders, a company with CSR featured-focus engages and collaborates with stakeholder including shareholders, debtors, suppliers, communities, non-governmental organizations , and government with an opening dialog to the extent of co-decision making collaboration. In order to form an effective partnership and to demonstrate transparency, the relationship between the company and the community is likely to be more credible and trustworthy for an investors to make a decision to invest in a company's stock.

CSR can involve a wide range of stakeholders



The investment community has been exploring the links between corporate social responsibility and financial performance of businesses. There is growing evidence (through indices such as the Dow Jones Group Sustainability Index (DJGSI), the FTSE4 Good indices, and the Jantzi Social Index) that companies which embrace the essential qualities of CSR generally outperform their counterparts that do not use features of CSR. Thus, a CSR approach by a company can improve the stature of the company in the perspective of the

investment community, a company's stock market valuation, and its capacity to access capital from that community.

3.2 Internal factor: Corporations' Communication towards CSR

“For most company, the question is not whether to communicate but rather what to say, to whom, and how often”.(Kotler, 2003, 563)

The above mentioned statement suggests that communication is a must and what matter most is how to communicate. Communication for CSR concerns about telling other how good your company is in terms of socially active and involvement. For example, the Body Shop and Ben & Jerry's, have been pioneers in the work and communication of CSR (Hollender & Fenichell, 2004; Internet, Ejobo 1, 2005; Thayer Robins, 2001).

Among those theorists, Carolina Von Schantz & Cecilia Mark-Herbert, 2005 suggest a model of how media coverage affects the corporate image in terms of a brand. For, this study suggests Integrated Marketing Communication, the marketing tool that considers a two-way communication, particularly on a feedback. A feedback consideration of different stakeholders not only help reconfirm the effectiveness of a company CSR communication, but also help reshape the efficiency of a company channels of communication in regard to a different reach out, the individual to the mass.

Therefore, in terms of CSR communication, a company must find an appropriate tool of marketing for which include cross-functional processes that create and nourish profitable relationships with customers and other stakeholders by strategically controlling or influencing all messages sent to these groups and encouraging data-driven, purposeful dialog with them.

3.3 Group Strategy: Engagement of Stakeholders' and Shareholder is vital to CSR success

“Stakeholder engagement is the bedrock of corporate social responsibility. If you are effective in your stakeholder engagement, you will open up new ways to improve your organization's performance and reputation.” (IISD, 2004)

Consideration the purchasing decision of a customer in relation to a company social responsibility, it is likely to communicate a company CSR initiative as well as to engage all concerns of stakeholders-customers, shareholder, supplier, employee, investors etc. to a company initiatives. Many different ways to engage those ends, for example, proactive stakeholder engagement, CSR network engagement, and many available practiced efforts are available for an engagement. For example,

At csrnetwork, the company help carry out systematic stakeholder engagement to understand the perceptions and expectations of your stakeholders and open up a dialogue with them about your organization's response. This can be valuable if an organization is planning to launch new products or services, target new geographical markets or start operations in new territories, or are facing a particularly tricky CSR challenge.

In conclusion, this section links the internal communication and external decision making with the strategy of multi-stakeholder engagement around the corporate social responsibility (CSR) agenda. It addresses the links in two ways. First by looking at the multi-stakeholder theme, a company tries to communicate the cooperation of an appropriate process for CSR-related work and its member bodies. Second is to help reinforce a company CSR agenda through multi-stakeholders' decision making with an integrated marketing communication.

4.Organization Unit: Internal & External forces for Organization Behaviors of CSR

4.1 Internal factor: Corporations' Brand Image towards CSR

Many private companies embrace corporate social responsibility, that is not only because they can give back to the society but also it strengthens its brand, the implementation of Corporate social responsibility, CSR, has help corporate earn extra benefits contributing towards building brand equity. (Hoeffler &Kevin,

2002) Companies that focus their central part of businesses on CSR reap the benefits as improve brand image. It works best for those companies in which responsibility is a core company value and informs all aspects of the business. A driven CSR effort is not just about a donation, but it is also about integrating social and ethical practices into business strategies that help enhance consumers' attitudes toward brand image.

Branding is perceived as an asset, a long term investment, expressed as goodwill, loyalty, reputation, a guarantee for present and future consumer preference. Assuming that the consumer expectations of quality, usefulness, and timeliness of a product are met, social values may presently strengthen the brand.

4.2 External factor: Corporations' Brand Loyalty contributed by CSR

“CSR is a form of product differentiation, a form of advertising to establish or sustain brand loyalty” (Siegel & Vitaliano, 2007).

Blumenthal and Bergstrom, 2003 expose four key reasons for integrating CSR under the umbrella of the brand which are: recognizing the magnitude of the brand promise; maintaining customer loyalty; maximizing investment that would be placed in CSR regardless of the brand; and avoiding conflict with shareholders.

The challenges lie on how to convert and sustain the consumers' perceived CSR benefits in contrast to those of the competitors', while increasing the companies' profits and growth. CSR initiatives cost companies investment without a vivid return, as a result many companies attempt to utilize its CSR investment by replacing its advertisement through brand social responsibility image in the determination of brand loyalty.

4.3 Corporate Strategy: Sustain of a Corporation's Image & Loyalty with CSR

Corporate social responsibility (CSR) strategies vary by company and

industry and include difficult business decisions and trade-offs. CSR strategies can include a moral obligation to “do the right thing,” a commitment to sustainability, a desire to maintain social license to operate and a need to guard reputation. A company can justify CSR boundary in terms of its core value proposition by taking initiatives that reinforce the business, enhance the brand image and eventually ensuring the brand loyalty.

CSR and Brand building Strategies

- The choice of CSR strategies in practice comes down to decisions in three main areas: voluntary adaptation of sustainability initiatives, selection of non-financial performance measures to track and report, and definition of stakeholder groups and concerns to address.

Voluntary Sustainability Initiatives

- There is a growing range of voluntary social and environmental CSR programs available (e.g. ISO 14000, GRI, AA1000, UN Global Compact). Companies can choose to follow legal and regulatory requirements as a potential option to lower penalties, costs and risks. Also, voluntary CSR reports improve brand loyalty.

Non-financial Performance Measures

- The heart of any CSR strategy lies in the area of non-financial reports. Therefore, the company should clearly define a number of non-financial performance measures to track and report. It could be figures related to waste or energy management, personnel or HR development, or improvements in the supply chain.

Stakeholder Groups and Concerns

- By answering questions such as, “Who is the company responsible to? Is it all of society or a subset of relevant stakeholders? How to balance interests of owners and external stakeholders?” a company defines its own social license to operate and meets the public expectations beyond the law. Although stakeholder interests often do not align, the company should fairly address the concerns and expectations of all of its various stakeholder groups and balance their priorities.

5. Conclusion

This article finalizes each level of analysis with simple but stimulating strategies for possible and promising practices towards Corporate Social Responsibilities. Together with the double dimensions of internal and external forces, the consideration of a multiple level of analysis of an organization, help illuminate not only the relevant concepts of Organization Behaviors but also emerge the holistic strategies for CSR practices including: 1) A Strategy for an individual: Enhancing a customer's and employee's Awareness drives CSR success. 2) A Group Strategy: Engagement of stakeholders' and shareholders is vital to CSR success. 3) A Corporate Strategy: Sustainability of a Corporation's Image and Loyalty with CSR.

To conclude, this article reflects a combination of how to book as well as a conceptual paper, for which integrate different practices and concepts of CSR, underpinning with an organization epistemology, supported by lines of argument with empirical studies. Therefore, the analysis framework of this paper can be further developed as a research by proposing propositions for a set of hypothesis testing.

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