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An investigation into the range of reasons for Corporate Social Responsibility initiatives and how far they are internally focused for the benefit of employees with regard to motivation and commitment from the perspective of management in Ireland

By: Amanda Duffy

BA Hons in Human Resource Management

The National College of Ireland

Submitted to the National College of Ireland, July 2015

1. Abstract

"An investigation into the range of reasons for corporate social responsibility initiatives and how far they are internally focused for the benefit of employees with regard to motivation and commitment from the perspective of management in Ireland"

Author: **Amanda Duffy**

The objective of this dissertation is to investigate why companies engage in corporate socially responsible initiatives and to analyse how much there is an internal focus with regards to its impact on motivation and commitment of employees to the company, from management's perspective in Ireland, taking into consideration the theory of Social Identity.

A qualitative methodological approach was used and the analysis is based on semi-structured interviews conducted with senior management in three companies in Ireland, one Irish owned SME and two MNCs. The findings are analysed and discussed in depth and highlight the strong ethical beliefs which management have in relation to the reasons their companies engage in CSR activities, and that they consider there to be beneficial effects on employees attitudes in respect of trust, commitment and motivation.

2. Declaration

I hereby declare that the work being submitted for assessment of the programme of study leading to the award of BA (Hons) in Human Resource Management examination is wholly my own work and that all materials consulted an ideas garnered in the process of researching the dissertation have been properly and accurately acknowledged.

Companies 'A', 'B' and 'C' agreed for the researcher to carry out this research on the condition that the company and those participating would remain confidential.

Signed: _____

Name: Amanda Duffy

Student No: 13125265

Date: _____

3. Acknowledgements

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4. Introduction

There has been much academic debate over the years concerning the concept of Corporate Social Responsibility (CSR), and it is now an area which has become important on many corporate agendas, with companies coming under increasing pressure to embrace socially responsible behaviour. Debate continues regarding its meaning and benefits, with studies attempting to identify its effect on commitment and motivation of employees and consequences for overall organisational performance (Porter and Kramer, 2002; Snider et al, 2003), along with research concerning the consequences of a company's values and ethics on employees perceptions of organisations (Greening and Turban, 2000), referring to the concepts within the social identity theory (Tajfel and Turner, 1986) in relation to organisational commitment.

There appears to be little research regarding management's perspective regarding the link of CSR to employee commitment and this research investigates why businesses engage in socially responsible initiatives from the perspective of management, and the perceived impact of external initiatives on employees perceptions of the organisations, their commitment to them, and the effect corporate socially responsible initiatives have on motivation and wellbeing of employees. This research is an investigation into the impact of external CSR strategies on employees, as internal stakeholders from the viewpoint of senior management in a cross section of companies in Ireland.

This research comprises of five sections with the next section, the literature review, discussing the differing views regarding the definition of CSR and providing a brief overview of its history, moving on to investigate changing concepts of CSR and considering the social identity theory model and its relevance to organisational commitment. The roles and beliefs of managers are scrutinised along with employee perceptions of organisations and the effect CSR has on the attractiveness of companies as employers, and global attitudes to CSR. With this research including both MNCs (Multi-national corporations) and an SME (Small to medium sized enterprise) consideration is also give to literature concerning CSR and SMEs. An explanation of the methodology used, and reasons why this path was decided

upon, is followed by a section regarding the findings from interviews with senior management in 3 different companies in Ireland, and an analysis and discussion of these findings, leading to conclusions drawn and potential areas for further research which came to light during the study.

5. Literature Review

5.1. Definition

Despite a wide range of literature, defining corporate social responsibility (CSR) is not simple, firstly because it is an "essentially contested concept", secondly because CSR is used as an umbrella term overlapping with varying conceptions of relationships between business and society, and thirdly because it is a continuously evolving phenomenon (Matten and Moon, 2008). Sethi (1975) went so far as to suggest that the term CSR has been used in so many different ways that it has 'lost all meaning' with conflicting views regarding activities engaged in and groups to whose needs are considered with Carroll (1979) proposing that the term 'responsibility' was too narrow to describe the efforts businesses put into social enterprise and business performance. Indeed Carroll (1983) elaborated on his original four part definition of CSR by broadening the socially supportive notion and suggesting that CSR composes of 4 parts – economic, legal, ethical and voluntary or philanthropic. The definition of a social enterprise, by the Department of Trade and Industry, is cited by Cornelius et al (2008) that a business with social objectives as a priority is one which reinvests surpluses, for social motives in the business and or community, as opposed to being driven purely by desire to maximise profits for shareholders and business owners. The European Union has defined CSR as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis" (European Commission, 2002). The stakeholder theory is proposed by Hopkins (2003) as a tool to give clarity and comprehensibility to the abstract view of CSR and the varying beliefs and attitudes as described by Hill et al (2003).

Thus with such broad and differing views and objectives it appears the definition and purpose of CSR needs to be considered both internally and externally, addressing concerns surrounding both internal obligations and economic issues whilst addressing external community concerns (Cornelius et al 2008). To begin to gain a deeper understanding into CSR a brief overview of its history will now be considered.

5.2. History

To be able to comprehend the impact corporate social responsibility (CSR) has on the behaviour of organisations it is important to understand how it has progressed through its history and how views have developed. Originally known as 'noblesse oblige' (obligation of nobility), CSR has "experienced a vigorous resurgence since the 1950s" (Mintzberg 1983 p.3). In the 1950s the main focus for CSR was businesses' responsibilities to society with Bowen arguing, in his seminal work, that businessmen are obliged to "pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (Bowen, 1953. p. 6). However, little discussion linked it to business benefits. Moura-Leite and Padgett (2011) demonstrate how gradually over the following decades this changed, with the concept of addressing the expectations of stakeholders, being responsive to them, and the gap between business and social interests closing. This review will now discuss the evolution of CSR.

As late as the 1970s CSR was ridiculed as a contradiction in terms by the business community (Lydenberg, 2005), and from a middle management view point CSR was considered to be a threat to profits. CEOs however ensured that it was given importance when giving public addresses, showing the beginning of a turnaround in the perception of CSR and its prominence in the business world (Lee, 2008). By the 1990s the 'idea of CSR became almost universally sanctioned' (Moura-Leite and Padgett (2011), and finally in the 21st century CSR became a matter of strategic importance to many companies where, along with legal responsibilities, firms now also have social responsibilities incorporated.

Lee (2008) illustrates this change of perception by citing the case of Henry Ford who, in 1917, wanted to run his business as a service to society and made the decision to reinvest profits in the Ford Motor Company and slash the price of Model T vehicles in order to create employment, and make and use money. This was met by opposition from shareholders and the Supreme Court of Michigan in 1919 granted Dodge brothers' request for maximum dividends. 80 years later, in 1999, William Clay Ford Jr, Henry Ford's great grandson, revisited the attempt to revise the business model, wanting to find 'ingenious new ways to delight consumers,

provide superior returns to shareholders and make the world a better place for us all' (Meredith 1999). Far from facing lawsuits, the idea was met with support from shareholders and stakeholders. One may suppose Ford Jr's approach was better received than the attempt in 1919 following renewed enthusiasm and research in CSR in the 1970s (Elkins 1977; Fitch 1976; Keim 1978; Moyer 1974).

No longer focusing on whether CSR would be detrimental to businesses, although controversy still existed, studies evolved focusing on the implementation and content of CSR 'that does not conflict with corporations' fundamental interests' (Ackerman, 1973; Fitch 1976; Murray 1976). Thus by 1999 CSR had been linked with business strategy and outcome, which in turn may well have influenced shareholders' behaviour (Moura-Leite et al 2011), moving from the philanthropic view of the 1950s, as cited by Carroll (2008) when there were few discussions linking business benefits to CSR and the main focus being on performing good works for society. The importance of this new insight was highlighted by Mintzberg (1983, p.14)) who furthered that "Without responsible and ethical people in important places the society we know and wish to improve will never survive".

5.3. A reconciliation of macro and micro-level concepts

The shift in the conceptual view of CSR was an arduous process with strong opposition from recognised intellectuals such as Milton Friedman. Friedman, a strong proponent of economic responsibility, was strongly opposed to the principal of CSR, claiming it burdened shareholders with unfair costs and potential misappropriation of funds, with businesses' sole responsibility being to maximise profitability (Friedman, 1962). Indeed Lee (2008) cited Friedman and Levitt that managers' foremost responsibility was the maximisation of shareholder wealth. If managers invest in socially responsible programmes they are reducing shareholder returns and appointing themselves as non-elected policy makers, working against the doctrine of business in a free society (Cochrane & Wartick, 1985). It was at this macro-level that the social and moral premise of CSR was challenged. This concept is widely argued, with McKie (1974) proposing that the concept of economic responsibility has never been strictly adhered to by the business community as indicated by voluntary codes of ethics, philanthropy and paternalism. Indeed Arrow

(1973) pointed to market failures, ignored by economic responsibility, where the seller is better informed than the buyer. All this suggests that economic responsibility alone is not a realistic proposition.

Preston and Post (1975, 1981) point towards Bowen's theory regarding the relationship between business and society (Bowen, 1953) arguing that business and society are interlinked through market and public process. Along with economic responsibility comes responsibility for the consequential effects of the primary functions of the business and Cochran and Wartick (1985) proffer that this goes beyond Friedman's adherence to the aim of maximising profits, encouraging managers to take part in policy development, with managerial performance being measured by how well they respond to both responsibilities, thus integrating macro and micro-level ideas.

A study commissioned by the Committee for Economic Development, where Wallich and McGowan (1970) attempted to provide a 'new rationale', to reconcile social and economic interests of businesses whilst recognising that shareholder interests, needed to be considered if controversy was to be avoided. They suggested that for businesses to be socially minded was consistent with shareholder interests. Following the assumption that if the society in which businesses operate deteriorates, so too will the businesses, it is in their interests to support their environment. This model became known as enlightened self-interest. Lee (2008) furthers that a broader theoretical framework linking CSR to Corporate Financial Performance (CFP) was developed during the 1980s, to be applied in the 1990s.

5.4. Stakeholder relations

In 1984 Freeman developed a theory of stakeholder management where the difference between a business's economic and social goals is no longer seen as relevant (Freeman, 1984). It is suggested that a corporation's survival is dependent on various stakeholders as well as shareholders. Lee (2008) points to the stakeholder model of CSR, developed by management scholars, to identify and position the actors in relation to each other within the model. He suggests that it is easier for managers' to have a vision of their responsibilities to customers,

government and employees than to society as a whole. However, Hemingway and Maclagan (2004, p. 41) found in their research, that the "individual moral concerns of managers may have a significant influence over corporate values", although it can be difficult to distinguish between the influence corporate and personal values have over each other. This is neatly demonstrated in what is known as the 'Chairman's pet project' (Barnard, 1997).

The interests of stakeholders, including employees, investors, customers and suppliers, have been written about in a large number of journals regarding CSR and there are varying opinions as to the objectives and perceived outcomes on the part of companies implementing policies to satisfy stakeholder demands. Concerns noted by companies in a study by Lisa Whitehouse (2006) included a desire to maintain or enhance the morale of employees and their retention along with customer loyalty and the reputation of the company. Another, more cynical viewpoint, is that "Given the attitude of the public at large one way for an enterprise to promote its profits is to profess to be socially responsible". McClaughry (1972), with Bowman (1973) arguing that stock markets respond to the social behaviour of businesses in terms of stock and market prices.

With the stakeholder theory slowly becoming the centre of attention regarding business and societal relations there have been a number of innovative studies which have led to new categories of CSR reflecting the wider stakeholder interests. In his contribution to studies surrounding the stakeholder model and its' relation to CSR Jones (1995) used economic theories to argue that the central concept for CSR could well be the stakeholder model, with Lee (2008) pointing to the survival of corporations being affected by stakeholders as well as shareholders, stating that using the stakeholder framework there is no longer relevance in the difference between economic and social goals of corporations as the central issue is that of survival for corporations.

Thus, with the new categories of CSR reflecting stakeholder interests so the meaning of CSR developed. However, negative views still abound regarding the benefit and moral stance of CSR with regard to stakeholders and Friedman (1970) even suggested that 'non-focused' giving potentially penalises stakeholders, reducing returns to stockholders, raising prices to customers and lowering wages of

employees by spending their money. As recently as 2002 Martin (2002) proposed that CSR could be seen as an unnecessary business risk, with Margolis and Walsh (2003) summarising arguments that the objectives of increasing wealth of shareholders and CSR are inherently incompatible. Yet Roberts and Dowling (2002) believe high quality assets, such as reputation and sustained performance, can be gained through activities around CSR, this working on the lines of the resource based view of competitive advantage of assets which are rare, valuable, inimitable and non-substitutional Barney (1991).

5.5. Altruism or Lip Service?

This raises the question as to whether businesses recognise CSR as an altruistic area or one to which they must pay lip service for the benefit of the business and stakeholders alike. Mintzberg (1983) suggests that there is a premise that companies behave responsibly because it is seen as the "proper way" to behave, as well as to their advantage, as opposed to for ethical reasons. However, he also argues that given the power of, specifically large, corporations to profoundly influence government regulation and social issues and resist social pressures, it becomes vital to have ethical forms of social responsibility if we are to have a humane society. Greenwood (2002) cautions that it is harder to identify unethical practices (seeking profitable ends by the treatment of employees) in a company where the company appears to be more ethical, stating "surely a wolf provides less threat than a wolf in sheep's clothes because we know to approach with caution".

Porter and Kramer (2002) propose that if companies become more philanthropic this has the potential to help their 'bottom line', opening up new markets and social relationships and boosting their reputations. Whilst it is difficult to gauge the genuine motives behind CSR activities, it appears that companies will behave in more socially responsible ways where there is either state or industry regulation, and when in favourable economic conditions (Campbell, 2007). However, there is a strong argument in favour of going the further step beyond purely meeting regulated standards with regards to CSR. Solzhenitsyn (1978, p. B1) commented that when "A society which is based on the letter of the law and never reaches any higher is taking very scarce advantage of the high level of human possibilities. The

letter of the law is too cold and formal to have a beneficial influence on society. Whenever the tissue of life is woven of legalistic relations, there is an atmosphere of moral mediocrity paralyzing man's noblest impulses".

5.6.Social Identity Theory and Organisational Commitment

The idea that sensitivity to the needs of employees is beneficial to business, along with being socially responsible, is supported by Pava and Krausz (1997), and links between employee commitment and motivation to the organisation and their perceptions of the company's corporate citizenship were clearly shown in a study by Peterson (2004). With many studies revealing similar findings regarding the importance of employees' response to CSR (Greening and Turban, 2000; Albinger and Freeman, 2000; Moskowitz, 1972) it appears that the Social Identity Theory (SIT) provides an explanation for this.

The SIT is based on the theory, developed by Tajfel and Turner (1985), that an individual's perception of self is based on group membership. People are members of different groups such as nationality, family, sports teams, working groups etc and their perception of self-image, how they behave and feel, is derived from the groups they see themselves belonging to. This perception of self image is affected by prestige of the group (Ashforth and Mael, 1989; Dutton et al 1994), and Ashforth and Mael (1989) further that if an employee feels proud to be a member of a socially responsible organisation this can have a positive effect on their attitude to, and happiness at, work. This was extended by Brammer et al (2007) that identification with companies who behave in a socially responsible fashion leads to increased organisational commitment. Ashforth and Mael (1989) went on to suggest an organisations image can be enhanced or damaged by its actions with regard to social issues and thus, by extension, employees self-images. This leads on to implications regarding organisational commitment which Vakola and Nicolaou (2005) suggest can be increased if organisations provide opportunities for employees to use their abilities and satisfy their needs in their work environment, thus supporting Peterson's theory (Peterson, 2004: 299) that "employees will be proud to identify with work organisations that have favourable reputations". Indeed Meyer et al (2002) suggest that, following meta-analytic studies of literature, it is work

experience as opposed to recruitment and selection which drives organisational commitment. Recently it has been proposed that the perception employees have of a firm's ethics and values are important in their perception of the organisation (Greening and Turban, 2000).

Commitment can be defined in terms of attitude and Hall et al (1970) pointed to the increasing linkage of identity between an organisation and individual when goals are integrated. This was furthered by Sheldon (1971) who suggested a link between a person's identity and that of the organisation, tying in with the later SIT in that "attitudinal commitment (thus) represents a state in which an individual identifies with a particular organisation and its goals and wishes to maintain membership in order to facilitate these goals" Mowday et al (1979, p.226). A definition of commitment as including a belief in an organisation's goals and values and a willingness to work hard for the organisation along with a strong desire to be a member of the organisation is proposed by Mowday et al (1979), thus suggesting commitment to an organisation is an active relationship, although in contrast the SIT assumes it is the perceptions of CSR which are relevant to employee commitment (Peterson, 2004). However studies by Peterson (2004) and Brammer et al (2005) back up the theory that initiatives surrounding CSR have a positive effect on commitment.

5.7. Management roles and beliefs

With changes in the social and institutional environment focus has moved on to the way CSR has widened to cover many different aspects of business, taking into account stakeholders' interests with regard to management and employees. Gray (2000) and Paine (2003) comment that the idea of CSR has moved from purely a financial focus on performance to a broader focus including social areas. With CSR now being measured in wider spheres, including aspects of employee retention, commitment and output, Lee (2008) suggests that this has made the notion of CSR more attractive to managers' and that successful management now includes consideration of improving overall business performance incorporating this. This signifies a turnaround in management attitude from a couple of decades ago when not only did managers in general not perceive a link with business objectives and

CSR, they also saw it to be damaging to the organisations financial performance (Ackerman, 1973).

Strategic performance of organisations is now understood as being linked to internal and external stakeholders, with successful management of large organisations requiring engagement with these stakeholders (Porter and Kramer, 2002), hence consideration of both economic and social interests at an organisational level the development of CSR is required with regard to improving the organisation's overall performance (Lee, 2008), giving them the opportunity to "do well while doing good" Shank et al (2005). This convergence of CSR and corporate performance, with the argument that CSR is good for business, has increased the attraction of CSR for corporate managers at every level (Lee, 2008). This is a turnaround from the times when mid level managers struggled to see a link between CSR and business objectives. Yet cynicism still exists and according to Hill et al (2007) some managers may ignore CSR in favour of maximising profits over the short term, which appeals to the more selfish investor. Hill et al (2007) furthered that management could take the strategic approach of focusing their CSR initiatives in ways consistent with their brand images or reputations.

Research of journal articles indicates that codes of ethics and the perception held of CSR positively impacts on the view of business within society. Studies have suggested that organisational commitment is closely related to the climate of the organisation in that employees' commitment is affected by their psychological and physical working environment (Stone and Porter, 1975). Zenisek (1979) suggested that whilst it is the external obligations based around societies needs which drive CSR programmes, the company's response is shaped by internal factors, such as its values and culture, and it is within the behaviours of the company that an interest in ethics is created, which links to Wood's (1991, p.698) "principle of managerial discretion" that there is a connection between the ethical beliefs of managers and the focus of the company on social performance, a view supported by Valentine and Fleischman (2007) who further that managers should enhance CSR objectives by working to their own ethical standards.

The association between job satisfaction and employees' perception of a company's CSR was demonstrated in a study by Valentine and Fleischman (2007), where they

also cited work by Deshpane (1996) and Trevino (1998), which indicated that employees' response to the organisation and to their work was related to the ethics of that organisation. This is supported by Koh and Boo (2001) who found a strong relationship between job satisfaction and the organisations' ethical climate, thus indicating the importance of positive ethical standards of managers. Lee (2008) contests that whilst managers have been rethinking CSR in light of findings that it is good for business, and he cites Margolis and Walsh (2001:2003) that there is still no conclusive proof of a positive relationship between CSR and corporate financial performance.

5.8. Perception of the Organisation as an Employer, and its' Culture

Various studies support the idea that CSR increases a company's attractiveness as an employer as well as increasing the perception of it as a trustworthy business, with Albinger and Freeman (2000), Peterson (2004), and Turban and Greening (2000) highlighting the importance of employees in corporate social responsiveness. Turker (2009) cites studies (Albinger and Freeman, 2000; Backhaus et al., 2002; and Greening and Turban, 2000) which support the idea that CSR increases a business's attractiveness as an employer, sending signals to potential applicants about what it would be like to work for the company, as well as creating a good reputation for said business, increasing their applicant pool and attracting more committed employees who, according to Peterson (2004) will take pride in identifying with organisations with positive reputations. Brammer et al (2007) refer to a survey of UK employees by Dawkins (2004) which found that 58% believed in the importance of social and environmental responsibilities in the organisation where they worked.

Fombrun and Shanley (1990) commented that it has been suggested by scholars that a company's image is the basis for initial attraction by applicants and that this is thought to be influenced by the company's corporate social performance. For example IBM, Microsoft and General Motors have, in the past, sent brochures to prospective candidates promoting their environmental and philanthropic

programmes demonstrating that some companies use CSR as a tool for recruitment (Poe and Courter, 1995). There is reference to this in the discussion section of this research. However, it is worthy of note that Wanous et al (1992) suggest that new employee expectations may not be met if the company has misrepresented its corporate social performance (CSP) which in turn might lead to job dissatisfaction and employees leaving the company.

The importance of organisational culture was a focus for Cameron and Ettingson (1988) who argued that this was important for the success of socially responsible behaviour, giving the reason that previously organisational culture has been linked to financial success in the long term as well as an increase in organisational effectiveness. There have been numerous studies around the link between corporate culture and organisational performance, with Kotter and Heskett (1992) finding that adaptable values are associated with strong long and short term performance, which followed on from Saffold's (1998) work on the strength of culture. This link with culture and organisational performance is relevant to the relationship between SIT and CSR from the point of view of shared values and implied assumptions as related in Tajfel and Turner's (1986) work, along with the apparent support for CSR by cultural assets.

5.9. Cultural Attitudes to CSR Globally

One can see evidence of CSR throughout the world, but mainly in developed countries (Carroll 2008), however, despite rapid globalisation there appears to be little research done surrounding the difference in relationship interactions of corporations with society (Moura-Leite and Padgett, 2011) with Carroll (2008) commenting that the greatest body of writing appears to be from the USA. The national culture is a potential influence on CSR and Sirmon and Lane (2004) define this as "deeply set values that are common to members of a nation" finding that attitudes regarding professional activities are influenced by culture. Silberhorn et al (2007) cite Hopkins' (2004) argument that CSR varies from one country to another; however Snider et al (2003) observed that the development and broadcasting of CSR communication amongst global companies is similar.

Hill et al (2007), in their empirical work on CSR and company stock valuation across 3 regions around the world, found that in Asian culture there is less likelihood of judgement being passed on the activities and judgements of senior executives; also they place a value on compliance with mainstream society regarding making public personal moral beliefs, believing that socially responsible investment is inappropriate if it brings unwanted attention. In comparison in European countries and the USA less importance is put on positions of status, with equality being of more importance and there being less tolerance of indiscretions at senior levels. There also appears to be greater autonomy and importance placed on personal responsibilities to society along with accountability for ones actions.

A study by Silberhorn and Warren (2007) of German and UK companies pointed to a broadening of the CSR perception, finding there is now regular reporting on business activities in order to fulfil responsibilities, with the convergence of CSR and business being presented as a 'sustainable business strategy' (Silberhorn and Warren 2007, p.368). Despite questions raised by some scholars about the reliability of reporting in the US and Europe of corporate social performance (Laufer, 2003) the balance of evidence is that investment in CSR is important to corporations (Hill et al 2007). They also found that gradually Asian culture is beginning to mirror that of the West. Interestingly Maignan (2001) found consistencies across a number of culturally varied countries with regard to Drumwright's (1994) research suggesting that firms can distinguish themselves within their industry through CSR initiatives in alignment with the company's values and beliefs.

Interestingly there appears to be very little research regarding the standing of CSR in Ireland, and in comparison to the rest of the world. The Irish Government produced Ireland's National Plan on CSR (2014-2016) in which it stresses its vision for Ireland to be recognised as a centre of excellence for CSR through adoption of best practices. In the publication it recognises the EU Commission's call for EU member states to promote CSR, recognising the principles outlined for a CSR framework across EU member states in the National Plan. It states that whilst CSR is tracked by Business in the Community in Ireland, the Government intend to quantify the scale of activity in Ireland more fully.

5.10.   CSR in SMEs

Given that this study considers CSR in an SME as well as in MNCs literature surrounding this area was reviewed. This revealed that the majority of studies focusing on CSR appear to be of large companies and MNCs, partly due to the belief that large companies have a greater influence on society (Carlisle and Faulkner, 2004) and also due to greater accessibility to information regarding such companies, and visibility and public scrutiny of these companies (Thompson and Smith, 1991). There is a limited amount of research into CSR in SMEs, yet as all organisations, large or small, have an impact on society and the environment, CSR in SMEs is also an important issue (Thompson and Smith 1991). Indeed O'Dwyer et al (2005) point to the fact that there is a lack of research into CSR in SMEs, specifically in Ireland, which is links to the comments above regarding the general lack of research regarding CSR in Ireland. Yet SMEs have an important role to play in the economy and a significant impact on society and the environment, and this is commented on in the further research section of the conclusion.

What studies there are, such as Besser & Miller, (2001) and European Commission & Observatory of European SMEs, (2002), suggest that there is a feeling amongst SMEs that they have a responsibility to society, employees and the environment. They appear to feel pressure from customers and employees to be involved in CSR activities, finding the greatest barriers to be time and money. Many appear, in these studies, to regard CSR activities as an 'add on' as opposed to being an integral part of their business and have trouble seeing bottom line business benefits. This point will be analysed later in this study.

5.11.   Summary of Literature review

Through review of literature written around the topic of CSR it appears that there are many conflicting views and attitudes as to its value to business and to the genuineness of companies who purport to practise corporate socially responsible activities. 60 years ago, in his seminal work, Bowen (1953) proposed that businessmen were obliged "to pursue those policies, to make those decisions, or to

follow those lines of action which are desirable in terms of the objectives and values of our society".

Since then the basic concept of social responsibility has been reviewed and defined by practitioners and scholars (Wartick and Cochran 1985). Wood (1991) furthers that the concept behind CSR is that, rather than being separate entities, business and society are interwoven, and Carroll (1999) considers this concept reflects public expectations of the business community, proposing that the concept of CSR will remain an "essential part of business language and practice" and that it is "continually consistent with what the public expects of the business community today". (Carroll, A.B. 1999. p: 292).

An interesting example of how behaviours have changed comes from 'Fortune', the US magazine of the Fortune 500 companies, which showed that in 1977 less than half of the Fortune 500 companies' annual reports embraced CSR, yet in 1990 nearly 90 percent of companies listed CSR among their basic organisational goals and reported on CSR events in their annual reports. Vogel (2005) refers to a survey by Pricewaterhouse Coopers in 2002 which stated that 70 percent of chief executives of global companies believed CSR was vital to profitability of their companies, all this suggesting that CSR has evolved into a core business function and is seen as vital to success for many companies.

The theory of social identity suggests that the social categories in which people classify themselves are based on a number of factors including the organisation in which they work, and that the individual's self-concept is influenced by membership of these social categories (Ashforth and Mael, 1989; Dutton, et al 1994). They further that an organisation's image can be enhanced or damaged by its actions with regard to social issues and thus, by extension, employees self-images. On a broader scale Swanson (1995) suggested that leaders of organisations may want to consider the competitive advantage that corporate social performance may give them along with the ethical and moral stance. Cornelius et al (2007) point to the culture and behaviour of an organisation, and its members, being where the reputation of the organisation resides, suggesting that 'the effective management of CSR, both internal and external, is an important component within the development of corporate reputation' (Cornelius et al. 2007. P367).

Three key areas on which to focus are suggested by Wood (1991) when assessing CSR: the degree that the principles of social responsibility motivate the actions of businesses; the degree to which businesses make use of the process of socially responsible actions in their behaviour; and the nature of policies which businesses have in place to manage their social impact and relationships with their external environment.

This paper sets out to investigate the value of such activities to a company as a whole, and specifically to its employees, their social identity, morale and their contribution to the success of the company.

5.12. Research methods

To complete this literature review it was felt appropriate to consider literature in relation to research methods in order to establish the most effective for this study

The decision as to the type of research design to use is a complex one, with a number of different methods available, and it is necessary to determine what information and data is required to fulfil the aims and objectives of the research.

The main choice is between qualitative, quantitative or multiple method research design. To make this choice one must consider the differences between qualitative and quantitative research analysis. Denzin and Lincoln (2007, p.3.) state that qualitative research "crosscuts disciplines, fields and subject matters", being a "complex, interconnected family of terms, concepts, and assumptions" and include traditions such as foundationalism and positivism. Fundamentally the analytical technique used in qualitative analysis is of a thematic approach which relies on concepts and themes where the qualitative researcher is an active participant and is oriented to deep and comprehensive understanding of some aspect of social life, relying on words as opposed to numbers for data analysis and interpretation, where the main focus is on opinions. Quantitative analysis, on the other hand, is an investigation of generated or collected numerical data which "emphasize(s) the measurement and analysis of causal relationships between variables, not processes" (Denzin and Lincoln, 2007, p.14).

Based on an understanding of the various research techniques it was decided that qualitative research was the most appropriate technique to use, and this will be discussed further in the methodology.

6. Methodology

This section will explain the structure of research undertaken and the reasoning for following the specific line of investigation and research strategy. Following review of literature surrounding CSR, its development and growth and the different understandings surrounding the topic, it appears, through research of literature, that there is scope for study surrounding the reasons that companies approach CSR initiatives from a management perspective and its effects, if any, on employee commitment. For this reason the author decided to explore these issues using a sample of companies in Dublin. As discussed in the literature review, following research of different methodology, it appeared that the most appropriate approach to adopt for this study was that of qualitative research, as opposed to taking the role of quantitative analyst as a 'dispassionate investigator of specific relations among discrete variables' (Patton, 2002. pp 13-14). The reasons for this will now be discussed below.

Giving consideration to the subject of this study an interpretive approach (Denzin and Lincoln 2005), using qualitative analysis (thematic analysis) appeared to be relevant as this is, in essence, a continuing critique of different companies approach and beliefs to CSR, with the role of the analyst being an active participant, focusing on data, collected from a small sample of companies, and its meanings, relying on sensitivity to the context (Patton, 2002) and using this data to test existing theories. A generic approach to data analysis using principle themes and concepts, the approach is subjective, requiring in-depth understanding to interpret meanings expressed (Saunders et al, 2012). This reference to meanings as opposed to truths relates to post modernist/constructionist theory which doubts the possibility of finding a simple answer from research data. With the writing depending on the weight of interpretation, this approach to thematic analysis uses the grounded theory, aiming to find the validity of the content and to minimise the authorial voice to create an account from data collected from participants. This research is cross-sectional, looking at the situation at a given point of time (Saunders et al, 2007) which was a practical approach giving consideration to time constraints.

The approach to sampling for the study was that of non-probability sampling, a technique convenient to the researcher. Due to time constraints and geography, and, as the research was not intended to be industry specific, approaches were made to a variety of companies. The geographic location of companies chosen was determined logistically by their proximity to Dublin for reasons stated, and time constraints also limited the number of companies considered for use for this study. It was decided to aim for a diverse mix of industries of varying sizes and to include an SME as well as an MNC for comparison's sake.

Originally it was felt that 3 companies would be sufficient, but it was decided to approach 4, with the view that there was a possibility that not all would be willing to participate, thus giving flexibility. An approach was made to senior management in the 4 companies, an Irish airline, a global finance and investment company, a global information technology and consultancy company and an SME which was an Irish pharmacy chain, all of whom the author had either direct, or indirect, connections with as this facilitated access to the appropriate managers. Initial contact with these managers was made by email in which the author introduced herself, explained the reasons for seeking to interview them and gave a brief background to the study, its purpose and to establish credibility. The author also sought to familiarise potential interviewees and give them sufficient information to make a decision as to whether they were happy to participate. Within the emails it was stressed that participants could review all material collected from the interviews prior to use in this study so as to address ethical issues and issues of confidentiality which may arise. The option was also offered to each company to remain anonymous if so desired, to respect confidentiality, and this was the option chosen by 2 of the 3 final participating companies. The author took the decision, therefore, for all 3 participants to be referred to anonymously.

In all but one of the companies approached an immediate and positive response to the request was received. The fourth, the finance and investment company, needed to put the request to their communications department before agreeing so as to ensure confidentiality and anonymity was complied with due to sensitivity around this industry. After reassurance by the author that a transcript of the interview notes would be made available, in a matter of days a positive response was received from

them as well. This highlighted the need to be aware of ethical issues and in this particular case the voluntary nature of participation and the right to withdraw, and these are discussed further below.

Ethical issues and dilemmas need to be considered within the process of qualitative analysis as these are never far away. Miles and Huberman (1994) suggest several specific questions that are of particular importance during the process of data analysis: privacy, confidentiality, and anonymity; intervention and advocacy; research integrity and quality; use and misuse of results. All these issues were born in mind by the author throughout the process. Online confidentiality is also an issue for netnographers, but this was not relevant in this study. Prior to the interviews draft questions, which were compiled following the above literature review, were sent to each participant being cognisant of the principle of informed consent to ensure sufficient information was provided so that participants understood the implications of involvement and could make an informed decision regarding involvement in the study. It was explained to each participant that these were semi-structured interviews.

Interviews were arranged by email, and for the SME and the global software company they took place in the offices of each respective company. The interview with the finance and investment company took place off site, in a coffee shop, at their request. At the time of arranging meetings for interviews the airline was unable to proceed, again highlighting the ethical issue regarding the right to withdraw. However, it was felt that the 3 other companies would provide sufficient insight for the purpose of this study.

In depth, semi-structured, face to face interviews were used to collect non-standardised data so that there was flexibility within the discussions to allow the interviewer to follow topical trajectories that may emerge in an interactive atmosphere. For this to happen there was a need to build a rapport with the interviewees so as to gain insight into what was said. This follows a similar, successful approach to other studies of CSR, for example that of Lisa Whitehouse (2006) in her study where she used qualitative data extracted from semi-structured interviews from 16 UK companies to formulate her research. Another study by Gyves and O'Higgins (2008) of Irish companies, which were members of Business

in the Community Ireland into whether CSR was a way to sustainable benefit for society and firms, also adopted a similar approach using semi-structured, face to face, interviews with open-ended questions.

Interview questions were designed by the author, following intensive research of literature, to firstly confirm the core business of each company along with the number of employees and the number of sites. Within the interviews the author sought to discover the reasons behind their CSR activities, their awareness of CSR and their understanding and definition of the term CSR. Questions also focused around how this is related to company policy, strategy, specifically with regard to bottom line performance and activities engaged in within this field. There was a need to build a rapport with interviewees and enable them to feel relaxed during the interview process, demonstrating sensitivity to their responses. As the interviews progressed further questions addressed the internal perspective for CSR activities with regard to employee perception of the company, performance and loyalty and whether this was a motive for CSR initiatives. Each interview lasted for approximately 1 hour.

Once data was collected it was structured into distinct themes and manually coded into one or more related categories within these themes. Cognisance was given to the fact that there was a need to focus on the meanings of the interviewees for this research as opposed to preconceived ideas, biases and beliefs of the author. As interpretations of the material were formed data was analysed to provide supporting evidence, and in line with suggestions from Marshall and Rossman (1989) the emergent understanding was challenged, seeking negative instances of this understanding. Three different modes of reading the text were proposed by Miller and Crabtree (1999), literal – where the text leads; reflexive – where the reader focuses on their beliefs and forms interpretations on this basis; and interpretive where the reader attempts to construct their own, individual interpretation. For the purpose of this study the interpretive method was employed. Thus, using the techniques around qualitative analysis the author was able to investigate the research topic and the findings are now discussed in detail in the following section.

7. Findings

In this section the findings from the primary research, performed through in-depth interviews, are explored, analysed and discussed and an overview is given. A transcript of notes made during one of the interviews can be found in the appendices of this paper as an example. Each interview will be analysed in order to address the objective of this research project. The objectives of the research are twofold:

1. To investigate the different reasons for corporate social responsibility initiatives.
2. To what extent these are internally focused for the benefit of employees with regard to motivation and commitment from management's perspective in Ireland.

Pertinent information was gathered during the three interviews which were conducted for the purpose of this study and this information is now reported on within its distinct themes and categories. As the companies interviewed are remaining anonymous they will be referred to in this report of findings as follows:

- Company 'A'
  - ➢ SME in the Irish community pharmacy sector
  - ➢ Circa 180 employees
- Company 'B'
  - ➢ Global financial investment and retirement sector
  - ➢ Globally circa 45,000
- Company 'C'
  - ➢ Global information technology and consultancy sector
  - ➢ Globally circa 430,000

7.1. The understanding of CSR and reasons for following strategies in this area

From the interviews conducted it is clear that all 3 companies have a clear understanding as to the meaning of CSR. Company 'A' (from now on referred to as 'A'), speaking from the perspective of an SME, stated that companies have not only a geographical presence and economic bearing within the area they are located, but also a cultural link with a duty to interact ethically in their surroundings, considering their responsibility for non-commercial transactions as well as commercial ones. This ties in with Company 'B's (from now on referred to as 'B') belief that there is more consciousness of the world and the impact of business nowadays, with more interest in giving back to the community where the business operates, with Company 'C' (from now on referred to as 'C') seeing CSR as being integrated in what the business is about and embraced in its strategy. 'C' furthered that doing good will in turn influence how the business performs, empowering employees along with working closely with suppliers and other stakeholders. Along these lines of doing good 'B' believed that companies have the ability to make a huge impact, with the need for strategies to be supported at a senior level.

7.2. Reasons for strategy in this area

McWilliams et al. (2006) suggest that, along with being pursued for the social good, CSR can also be used as a strategic resource to improve the bottom line, yet interestingly both company 'A' and 'B' stated that bottom line was not a consideration for them, this being from both the perspective of an SME and MNC respectively. The strategy they take is altruistic and focuses on how to find places where good can be done, and how to meet external requests. They provide ways for employees to be engaged in activities they may otherwise be unable to do. 'A' agreed with this approach and need to develop non-financial relationships, in that they listen to requests from staff and customers, seeking to provide solutions and linking to the local environment. 'A' went on to comment that if the bottom line for the company is only about transactions then it won't perform well.

Conversely, 'C' concurred absolutely and completely with McWilliams et al (2006), stressing that everything is aligned to values developed by employees. 'C' outlined the extent to how this is considered in the Company citing areas such as dedication to clients successes both internally and externally, innovation that matters for the company and the world (referring to a major technological project in which they are involved) and the value of trust and personal responsibility in all relationships, stating that the majority of employees would agree with this and that values remain consistent. This consideration to stakeholders is extended to a code of conduct whereby suppliers, for example, have to possess the same values and beliefs as the company.

With regards to the core reasoning for CSR in the Company 'C' stated that the founder of the company, over 100 years ago, was way ahead of the curve with regards to corporate citizenship on matters such as equal rights for employees, equality of gender and sexual orientation, before legislation existed, and this core belief continues, with the company using its skills and values to help in a broad span of activities.

7.3. Types of activity

'C's focus on activity is very much from the global perspective. They focus hugely on education with hands on, structured programmes manned through volunteering by employees. All their projects are aligned to their area of expertise and business, for example they work closely with educators and institutions globally in learning technologies, provide solutions, and are focused on mentoring children around the world, in areas such as computer coding and interview techniques, who they see as potential new employees. Their focus is on long term engagement and in building and maintaining relationships, focusing on life-long learning, as opposed to "cheque book philanthropy" choosing instead to provide grants and solutions to non-profit making organisations, and the volunteering initiatives encompass retirees as well as current employees.

In contrast 'A' commented more on initiatives within the company such as recruitment of long-term unemployed and in-house training, which they believe is

more advantageous to commitment than external training. As with 'C' education is seen as an important area to 'A', and is supported with initiatives such as computers for schools in disadvantaged areas. This theme of education is continued by 'B' who also is involved with initiatives for children's education, with volunteers teaching over extended periods. Career talks are also used by 'B' to educate as well as promote the sector. With a focus on fundraising events by 'B' charities are chosen by employees, and small charitable projects are supported by the company who provide resources to staff working on team projects. 'A' also support local projects and involvement with the local community with a focus on health in the community, in line with their core industry.

7.4. How is CSR is managed within company

In 'A', the SME, CSR is managed by the managing director, which includes listening to staff suggestions with regard to projects to be involved in, whilst in 'B' there is a designated manager who works with and is supported by a representative body of employees. In contrast in 'C' there is a steering committee made up of executives at corporate and regional director level who the corporate citizenship manager reports to, hence the initial programmes are created at high level with the local manager having the ability to customise, but not create, and their global environmental management system ensures vigilance in meeting sustainability targets within the company across global operations. In comparison 'B', another smaller MNC, has initiatives which are focused on their specific type of work in Ireland, whereas 'A' put emphasis more on operational initiatives, such as reducing packaging and reducing their carbon footprint with regard to deliveries, in this respect.

With CSR initiatives being managed at managing director level 'A' reported no barriers with regards to CSR initiatives, whilst 'B' said that finding time to do all they wanted, a self-made barrier, to be the greatest barrier. 'C' on the other hand found peoples' perceptions of what they do to be a barrier, although it was stressed that shareholders do see benefits. With CSR initiatives coming from top level there is a limit as to how involved employees are in the planning of initiatives, however, from the participation point of view they are hugely involved. 'C' emphasised that

all their initiatives are done for business and not publicity, with a commitment to transforming communities in which we live and work. Employees are deployed around the world so that companies can draw on their expertise. On the contrary 'B' believe that initiatives have to come from the ground up in the company so as to have a positive impact on employees, although admitting this is difficult to gauge, and that management are "hugely supportive" when it comes to allocating time for projects. With a lack of involvement for employees in planning initiatives at present 'A' said that there is a focus on this changing in this coming year, with a drive to increase employee involvement with an aim to positively affect them as stakeholders. Conversely 'B' stressed strongly that they have an aim to positively affect employees, with a strategy that assists employee engagement which creates a personal feeling of wellbeing. Employees are encouraged to lead projects, which engenders a feeling of warmth. Likewise 'C' put emphasis on their leadership development programme which includes one month on the ground in a growth market working with a non-profit organisation where employees get and insight into markets which, in turn, they can bring back following an experience which they find life-enriching.

7.5. Employee perspective

With research showing the higher belief employees have regarding social responsibility the higher their commitment, participants were asked about communication of company motives and initiatives to employees. 'B' stated they were cognisant of the fact that some employees may think donations are made to 'make the company look good in the papers', and did not comment further on communication, stressing the company does not wish to be referenced externally regarding initiatives, which are purely altruistic. Similarly 'C' is rarely named as a company in any initiatives. 'C' speaks to all new employees enlightening them regarding their CSR motives and initiatives and they also have regular 'town hall' meetings along with internal internet communications and 'grant sites' where employees can track progress of initiatives. However, they do find that there are some areas where it is difficult to reach, such as research where they tend to work in isolation. 'A' relies on information in the Company Handbook, which includes

a section on the company's CSR agenda, given to all staff, and a weekly newsletter which highlights initiatives.

7.6. Attitudes to CSR in respect of Seniority, Age and Gender from managements' perspective

In terms of the benefit of CSR initiatives at different levels of seniority 'C' said that this was spread throughout and that they encouraged a focus on getting senior members involved, although some people want their involvement to remain personal so it is not always possible to gauge. 'B' stated the net benefits to be equal, although they may be felt in different ways, and employees at all levels are encouraged to mix. This is highlighted in an annual group activity – 'Difference Days' – where employees at all levels work together on an equal level, on a community project. This provides a great testing ground for people to discover their strengths and leadership skills. However, 'A' could not say if there were different benefits at different levels of seniority, although there is a belief that CSR provides a leveller.

As far as age was concerned from the perspective of attitude to CSR, 'B' finds that 'Millennial's' are a more forthright and challenging generation, wanting immediate answers regarding initiatives and being prepared to go to the top to get them, whereas more senior staff tend to be more complacent and accepting. Conversely 'A' felt that younger generations are more selfish and it is the older generations who become more selfless with age and more willing to be involved in initiatives. In contrast 'C' felt attitude was more dependent on role than age.

With regard to the gender of participants 'A' found women more likely to become involved in initiatives, whereas 'B' and 'C' found it hard to tell. 'B' found a positive attitude to CSR activities across all genders, with the ratio of participants being in line with the ratio of men and women in the company, whilst 'C' has noticed volunteering tends to be more male dominated whereas activities which require softer skills, such as mentoring, tend to attract more women.

7.7. Perception of company by employees

With the social identity theory proposing the importance of people needing to feel membership of a group and the subsequent affect on self-esteem, the interviewees were asked about how they felt the company's reputation regarding CSR affected recruitment and retention. 'C' commented that this is a question always asked of new recruits and the answer is always no, yet paradoxically HR often gets asked about the company's CSR activities. They suggested that this could be because new hires are international whereas HR deal at a local level. 'C' stressed that those who say it has a positive effect are always very knowledgeable about the CSR activities. 'B', on the other hand found it hard to tell, and at interview stage, when asked, this does not appear to be what brings potential recruits through the door. 'B' stressed that an official policy of PR around CSR activities is not encouraged as they engage in this from an altruistic perspective. 'C' include education about their CSR initiatives as part of the induction process and at this stage many people do ask about this. They do believe that the positive experience of activities around CSR helps towards retention. 'A' stressed that their recruitment is mainly from long-term unemployed and that they attempt to engender a feeling of family in the workplace as opposed to an atmosphere solely driven by managerial motives. They believe that CSR activities can alter perceptions.

In terms of motivation, commitment and attitude, finding this hard to measure, 'B' did however comment that it undoubtedly impacts, with a feeling of being part of a family encouraging loyalty and positive engagement. 'A' referred to a strong code of confidentiality in the pharmacy business meaning that employees are not always in a position to verbalise all they are involved in at work, and CSR initiatives enable them to speak with pride about their workplace, being proud of where they work. 'C' was very definite that CSR positively affects motivation, commitment and attitude and was able to quote statistics from their leadership programme, referred to above, where:-

- ➢ 97% would recommend the Company
- ➢ 93% say it is the best leadership experience they've had
- ➢ 90% found it increased their leadership skills

➤ 82% were encouraged to continue their careers with the Company

From the point of view of perceived trustworthiness 'C' went on to say that at corporate level the Company is perceived as trustworthy, reliable and 'walking the talk', stating that their vice president has been recognised for his contribution to CSR by many bodies. In a similar way 'B' agreed that trust is increased if employees see responsible behaviour, and that for this to happen transparency is vital. 'A' also agreed with this using their participation in 'Excellence Through People' awards, a national human resource management scheme, where they scored highly in this area based on employee interviews. They stated that CSR meets peoples' needs to repay and provide to a good cause, invoking an element of trust.

7.8. Alignment to company culture

With regards to alignment of initiatives to company culture 'A' commented on their matriarchal culture, driven by industry regulation, limiting what they can do. They feel the leadership training gives autonomy at work and that CSR offers people freedom of decisions outside the regulated area of the industry. Both 'B' and 'C' stated that they are very aligned to company culture. For 'B' they focus on technology related activities and with a broad range of activities these touch on as many points of their culture as possible. Their culture is organic, with an external and internal impact, and it needs to be flexible, having alignment with the global organisation. For 'C' despite going through a major transformation at the moment the initiatives remain aligned to culture and values remain consistent. They believe their initiatives are empowering, and they have a culture based on values surrounding how they perform in society. They consider themselves to be a 'solutions' company and see the big picture as to how they address societal issues with corporate solutions. Within their corporate citizenship they also consider what they are as a company.

The following section will discuss the above findings giving consideration to existing theories and studies.

8. Discussion

With the ever growing pressure on companies to follow socially responsible strategies (Kapstein, 2001) this research considers the reasons a sample of companies in Ireland have to pursue CSR initiatives and the extent to which they are internally focused for the benefit of the employee with regard to commitment and motivation and their perception of the company. The findings are analysed and compared to models in the above literature review, and other referenced papers, to discover if they correspond with the current, globally recognised concepts of CSR and their relation to the hypotheses of this project.

As discussed in the literature review there has been a major shift in concepts of CSR and the reasons for pursuing initiatives in this area over the recent decades. There was clearly an understanding of the concept of CSR by all 3 participants, with an ethical duty being a common theme with regard to giving back to the community and doing good, as argued by Preston and Post (1975, 1981) that business and society are interlinked. This ties in with Cornelius et als' (2008) proposal that CSRs' definition needs consideration of internal obligations along with addressing external concerns, and Carroll's (1983) model which includes ethical and philanthropic elements. It is interesting to note that the 2 MNCs ('B' and 'C') were cognisant of the businesses impact on the world and the importance of having strategies in this regard, with 'C' going further and commenting on the empowering value for employees of CSR initiatives and the benefits to business performance as proposed by Hopkins (2003).

The positive impact on the 'bottom line' as proposed by McWilliams et al (2006) counters Friedman's (1962) perception that CSR burdened shareholders with costs, and there was no suggestion from any of the participants that cost to shareholders was a negative element in their participation in CSR initiatives. Indeed 'A' went as far as to comment that if the bottom line alone was only about transactions this would have a negative effect on company performance, although it is noteworthy that 'C' was the only one of the 3 who commented that using CSR as a strategic resource could be used to improve bottom line performance.

Whilst the bottom line was not a recurring theme for reasons to engage in CSR activities the theme of altruism was common amongst all 3 companies. In fact, taking into consideration the model of 'enlightened self-interest', for a business to be socially minded is considered to be consistent with shareholder interests (Wallich and McGowan 1970). As this theory broadened over time to the theory of stakeholder management, Lee (2008) furthered with the assumption that it is in the interest of the successful functioning of the business for the society in which they operate to be healthy (Lee, 2008). 'A' highlighted the point that their business was about solving problems and they expand this outside the business to the social environment in which they operate. Moreover, 'C' also stressed that they use their skills and values to help, highlighting Carroll's (1979) proposition that external CSR reflects the firm's interactions with its physical environment and its ethics with regard to consumers and other external stakeholders. This is an interesting point in that 'C' referred to their code of conduct with suppliers concerning values and beliefs, with the SME referring to customers, whilst 'B' highlighted their reasons for CSR activities to be for the benefit of internal stakeholders – their staff, stressing that the company wanted to enable employees to become involved in community activities, showing a marked difference in the core reasoning for CSR activities, particularly notable between 'B' and 'C' with both having a global presence.

The different ways in which CSR is managed in the different companies is unsurprisingly related to the size of the company, with the SME managing it at personal level by the Managing Director, whereas 'C' and 'B' have a more complex reporting structure. It was apparent from 'A' that the values and beliefs were intrinsically linked to the CSR initiatives in which the company participates, as exampled in the embeddedness of their initiatives in local communities, and this reflection of values concurs with the findings of Lepoutre and Heene (2006) and Murillo and Lozano (2006). It was equally notable that the SME did not have a formalised structure surrounding CSR, unlike the 2 global entities who had a far more rigorous, formalised planning structure. This finding is supported by Jenkins (2004) who notes the need for SMEs to consider how to put organisational activities into a context which can be defined for CSR.

The global perspective of 'C's' CSR initiatives have a marked alignment to the expertise of their employees, deploying skills, with education on a long-term basis being a resounding theme, and proof in statistics, as highlighted in the 'findings' section, of the benefits reaped by both staff and the company in terms of commitment and motivation and perception of the Company as a trustworthy entity. Similarly both 'A' and 'B' support educational initiatives and agree that corporate socially responsible behaviour have a positive effect on employees' trust of the company, with 'B' specifically mentioning the feeling of personal wellbeing it creates and 'C' discussing the 'life-enriching' experience of their leadership programme working for a non-profit organisation in a growth market.

With employees' perceptions of the values and ethics of the company, along with its social responsiveness, being significant regarding how attractive an organisation is to employees with regard to their commitment and motivation, as supported by Peterson (2004), Brammer et al (2007), and Albinger and Freeman (2000), and linking to the theory of social identity with regard to self-concept being influenced by group membership (Ashforth and Mael, 1989; Dutton and Dukerich, 1991), it would appear that communication of CSR initiatives and strategies would be of vital importance if this benefit is to be realised. Furthermore Valentine and Fleischman (2004) demonstrate results which pointed to perceived CSR as being positively associated with CSR. Interestingly 'C', whilst being acutely aware of the importance of internal communication about these issues, externally it is rare that either 'B' or 'C' are publicly named regarding initiatives, stressing the altruistic reasons for their activities. This attitude is in stark contrast to Turban and Greenings' (1996) findings, in relation to recruitment, that CSR may give competitive advantage to firms in attracting applicants, and that brochure content influences applicants, as exampled in the literature review in this research, although they counter this by suggesting that applicants with very few choices would be less likely to consider CSR in the equation when it comes to choice. Whilst it is difficult to gauge the motives for companies' activities around CSR, being a very subjective area, it certainly appears from this finding that the claims of altruism are justified, if perhaps somewhat misplaced in that it could be to their advantage to promote this (Turban and Greening, 1996), despite Mintzberg's (1983) claim that companies

behave in a responsible manner because it is seen to be to their advantage as opposed to being for ethical reasons.

It was also deemed interesting to consider the attitudes to CSR initiatives of employees in relation to gender, age and seniority from management's perspective. In this study 'A' was unable to say if there were differing benefits depending on level of seniority, however, as this SME has a flat management structure they have fewer comparisons to judge this. In contrast both global companies felt that benefits were spread throughout, although 'C' did comment on some people's desire for their contribution to remain personal making it difficult to gauge in some instances, with 'B' stressing some of their community activities are great levellers, providing an opportunity for more junior employees to test their leadership strengths. This belief of some CSR activities being levellers was concurred with by 'A' from the point of view of her feeling, as opposed to being based on experience. This in turn links back to Tajfel and Turners' (1986) social identity theory regarding group membership and self–esteem and also Meyer et als' (2002) proposal that work experience drives organisational commitment.

Following on the theme of involvement in CSR initiatives 'B' found the millennial generation to be more forthright and challenging. This concurs with Whitehouse's (2006) findings that evidence suggests young graduate employees' value social responsibility and environmental responsibility of an employer as one the top three values in a company. Similarly Turban and Greening (1996) suggested that a firm's corporate social performance could provide advantage when it comes to attracting new recruits, a theory backed up by Brammer et al's (2007) research in the UK. In opposition to this 'A' considered the older generation more likely to become involved in CSR initiatives, whereas 'C' considered that attitude to CSR was more dependent on role than age, commenting on the different areas of activities which are attractive to the different genders. With the SME finding women in general more likely to volunteer it is noteworthy that theirs is a predominantly female workforce.

This area opens questions surrounding the different needs of employees which they may hope the organisation can satisfy, and whether these are in relation to age, gender and seniority. The link between CSR activities and the satisfying of such

needs, as proposed by Peterson (2004) is of interest, taking into consideration Vakola and Nikolaou (2005) argument that if an organisation provides such opportunities to employees this can improve commitment to the organisation. It would certainly appear that 'C's activities, as mentioned above, which involve deploying employees to use their skills, could be of interest to investigate further in this regard as to how employees value this experience in terms of commitment to the Company in relation to Ashforth and Mael's (1989) proposal that the resemblance of an individual's values and those of the organisation is at the centre of enhancement of an individuals' self concept. It would be valuable study further from an employee perspective, in relation to attitudes and values, as to whether there are varying areas of corporate socially responsible behaviour which are more appealing to different groups as the views of management vary greatly.

Notably only the SME mentioned internal CSR activities from the employees' point of view, yet McWilliams and Siegel (2001) highlighted internal employee related policies as an area of demand in terms of CSR from employees, stressing, "Workers are searching for signals that managers are responding to causes they support".

Alignment of CSR initiatives with corporate culture and values was seen as a given by the 2 global companies, whereas appears to 'A' feels restricted by a need for conformity to industry regulation. It would appear that 'A' feels tied by such regulation despite the fact that there are a multitude of CSR activities which would not impinge on this. With CSR activities being seen as a costly optional extra by some SMEs (Williamson et al, 2006) the posturing of CSR activities could be a topic for further study as to whether some companies just pay lip service to the issue, in the hope of reaping certain benefits by appearing to support CSR goals (Waddock and Graves, 1997). 'A's' activities were focused on the local community, and this ties in with Cornelius et als' (2007) findings that despite SMEs being perceived as being less active in the area of CSR, many do engage in local community initiatives, with them being embedded in their local community. Taking into consideration 'A's' comments regarding feeling tied by regulation perhaps even SMEs perceive themselves as being less active in the area of CSR compared to MNCs as initiatives are, inevitably on a smaller scale. The MNCs had a much wider picture of what CSR entailed, and this is most likely due, not only in part, to

the global aspects of their companies and greater ability to become involved in more far reaching initiatives, not least due to financial capability, yet surely this does not diminish the importance of smaller scale activities by SMEs. Their activities reflect the industries in which they are operating as well as their capacity for involvement and the personality of the companies.

8.1. Constraints of this study

Originally there were four potential companies who agreed to be interviewed for this research; however, this was reduced to three just before interview stage with one company backing down. Time proved a hindrance to the study due to having to wait for approval of interview notes from one participant which took a number of weeks, with the potential danger that these would not be able to be used in the study. For future studies it would appear that it would be wise to approach a larger number of companies in the first instance to allow for leakage during the process. Consideration should also be given to having a balanced number of companies from the MNC and SME areas so as to allow a more balanced comparison of data. The potential for further study which became apparent during this research is discussed in the following section.

9. Conclusions

The findings of this research suggest that the values and ethics of the companies studied are intricately linked to the types of CSR activities in which they are involved, and the choices they make as to what initiatives to pursue. This is reflected in the personalities of the companies from the MNC perspective and on a more personal basis the personality of the managing director, reflected in that of the company, of the SME. There is a strong sense of ethical duty for all concerned, with a consciousness of the businesses impact on society, from a global perspective for the MNCs, and locally for them all.

It was a point of interest that only one of the participating companies, an MNC, mentioned empowerment of employees as a reason for CSR initiatives, although all companies involved employees in initiatives, making use of their skills, for example through educating and problem solving. Commenting that corporate socially responsible behaviour has a positive effect on employees' trust of the company, wellbeing and life-enriching experiences were also descriptions used to stress the positive effect on employees. Commitment and motivation were also found to be benefits reaped by employees in the MNCs.

Considering the discussed relationship between CSR and commitment, this places strong emphasis on the importance of communication of CSR activities and policies. Whilst all participants made a point of this internally, demonstrating their belief in its importance for employees, it was interesting to note that the MNCs made a point of not publicising this externally, stressing that their motives were purely altruistic. This area could be explored further as, contrasting studies have demonstrated the positive effect knowledge of a company's CSR activities can have with regards to candidate attraction and recruitment (Greening and Turban, 2000), and the social identity theory (Tajfel and Turner, 1986), along with the reputation of the company as a whole. This opens the question of the reasoning behind this desire for privacy. Is it purely due to altruistic motives or are there still underlying concerns within companies regarding the perception that increasing shareholder wealth and CSR activities are inherently incompatible, as summarised by Margolis and Walsh (2003)?

Through this research it transpired that all participating managers strongly believed in the importance, for ethical reasons, of their respective companies being involved in CSR activities, and, furthermore, in the beneficial effects this can have for employees in terms of trust, commitment and motivation. These findings correspond with previous literature which has found that there has been a marked increase in the attraction of CSR for managers, (Lee, 2008), in part due to its beneficial effects on commitment and motivation of employees, with a strong link between job satisfaction and companies' ethical climates (Koh and Boo, 2001), indeed the two MNCs were adamant in their aims to positively affect employees within their CSR policies. This in turn links to the social identity theory (Tajfel and Turner, 1986) that, through identification with organisational values, corporate social performance can positively contribute to employees' motivation (Peterson, 2004).

These findings are significant in upholding previous research regarding positive relationships between employees and organisations and the resultant increased commitment of employees to organisations. This suggests implications to organisations in relation to CSR strategies, bearing in mind the connection between benefits to organisational commitment and its' link to staff performance (Meyer et al 2002), in turn linking to improved performance overall.

9.1. Limitations and further research

Over the course of this study it became apparent that there was scope for further questions to be asked of the participating managers. There appears to be a need to explore the issue of the benefits to employees in terms of motivation and commitment more deeply, with probing questions to challenge initial views expressed, in order to support comments made and increase understanding of what is considered to determine, and illustrate, organisational commitment and motivation. As the research developed it was clear that to truly get to the essence of the research question a more comprehensive study needed to be undertaken.

Further research could be valuable into the employees' perspective regarding motivation and commitment in relation to CSR strategies and activities, in

comparison to managements' perspective. In this study findings, through qualitative analysis, are subjective in essence, and this could be complementary to analysis of absenteeism, employee retention and staff performance, for example, through a survey, forming a mixed quantitative and qualitative study, using comparison of management perceptions and ethical beliefs, to quantified data surrounding employee motivation and commitment, along with the self-esteem of employees with regard to the social identity theory (Tajfel and Turner, 1986).

During the process of this study it also became apparent, through the choice of companies interviewed, the difference in attitude and participation with respect to CSR between global companies and an SME, as commented on in the section on CSR in SMEs in the literature review section of this study. Whilst there have been various studies around this, such as Besser and Miller (2001), and Jenkins (2004) it would appear there is scope to investigate this further.

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11. Appendices

11.1. MNC in the Global information technology and consultancy sector

Interview notes: 9th June 2015

Background to firm –

- Core Business – Information technology, consultancy and services.
- Number of employees – 430,000 globally.

What is your understanding of Corporate Social Responsibility (CSR) and the reasons for following strategies in this regard?

- I have been in this role for a number of years and it has evolved as a programme. It is integrated in what the business is about and embraced as a strategy.
- Doing good which will influence how the business performs.
- Empowering employees.
- Working closely with suppliers and other stakeholders.
- It is completely separate from charity.

Nowadays CSR is no longer perceived as purely a moral responsibility for social good, but also a strategic resource which can be used to improve the bottom line performance (McWilliams et al 2006). To what extent is this considered within your company?

- Absolutely and completely! Everything is aligned to values developed by employees.
- Dedication to every client's success (internal and external).
- Innovation that matters for the company and the world.
- Trust and personal responsibility in all relationships.
- The majority of employees feel this and values remain consistent.

What is the core reasoning in the company for participating in CSR activities?

The Company is over 100 years old and the founder was way ahead of the curve – we have had a corporate citizenship function from the beginning – e.g. with equal rights for employees, equality of gender and sexual orientation before legislation existed.

We use skills and values to help.

There is a code of conduct and, for example, suppliers have to have the same values and beliefs. E.g. Traceability, void packaging.

What type of CSR activities/initiatives do you engage in externally?

There is a huge focus on education, with hands on, accessible, structured programmes and volunteering.

We work closely with educators and institutions globally to produce fully formed lesson plans in science. These are used by parents, teachers and kids.

We are involved in learning technologies such as free computer coding clubs for children to learn coding. Our employees are involved with these clubs everywhere and the kids learn for fun. We focus on mentoring kids and providing solutions. This also happens remotely in other countries – we could be teaching potential new employees!!

Children in disadvantaged communities are now, with our involvement, becoming the 1st generation to complete 2nd level education. They can come in to see what they could aspire to.

We don't do 'cheque book philanthropy'. We are involved in long-term engagement and build relationships. We work with employees and retirees on a volunteer basis.

We provide mentoring for children for interview techniques, CVs, LinkedIn profiles, along with skills at work mentoring programmes.

We provide grants and solutions to non-profit making organisation (there is a strict selection process and need for transparency).

We create efficiencies and help at being better at what we do.

We provide fast-track to IT to develop and up-skill. We promote life-long learning within the Company.

How is CSR managed in your company?

Corporate programmes are delivered at local level.

The CSR steering committee (a working group) is made up of executives at corporate level and regional director level who I, the Corporate Citizenship and Corporate Affairs Manager report to. I can customise programmes but not create new ones.

Do the initiatives chosen directly reflect on the impact of the business on the environment?

We have targets to meet regarding sustainability and these are reported.

We have a global environmental management system which ensures the company is vigilant in protecting the environment across all of its operations worldwide.

What barriers do you come up against? Financial? Shareholders? Management opposition?

The biggest barrier is peoples' perceptions and the focus on what we used to do.

However, shareholders see the benefits of what we do.

Is there an aim or motive to positively affect employees, as stakeholders, within your CSR policies?

Yes!

We have impact grants, offer consultancy services to any who have delivered and want to do more and develop skills.

There is a leadership development programme whereby selected employees for a 6 month programme, including one month on the ground in a growth market working with a non-profit organisation in selected countries. Employees get an insight into markets which they can bring back to their country and find this to be a life-enriching experience.

A study showed the higher the belief employees have regarding social responsibility the higher the commitment to the business. How are the company's CSR motives and initiatives communicated to employees?

- As manager of corporate citizenship and corporate affairs I speak to all new employees.
- We have 'Town Hall' meetings (informal public meetings) in person and online on laptops.
- We take every opportunity to communicate our initiatives to employees.
- There are connections through an internal programme which is similar to Facebook
- We have a company blog.
- We have 'grant sights' on line where employees can see progress of programmes.
- However, it is difficult to reach some areas, such as research, where they tend to be isolated.

Are employees involved in the planning and participation of CSR initiatives, and if so what effect does this have on commitment?

They are to a point. However, corporate initiative is rolled out at local level, as mentioned above in the discussion about management of CSR initiatives, with the opportunity to customise.

All our initiatives are done for business and not for publicity. We do not get involved in sponsoring.

The reasoning behind our activities is to help business – we have an integrated approach to corporate citizenship with a commitment to transforming communities in which we live and work.

We have a grant programme which transforms companies, making them smarter and improving services. We deploy employees around the world so that companies can draw on our expertise and knowledge.

Do you see different benefits at different levels of seniority?

This is spread throughout.

A focus on getting senior members is encouraged.

However, we don't always know as people sometimes want their involvement to remain personal and have the option to tick a privacy box.

Do you think age is a factor to the attitude to CSR?

We are a global workforce. I think more depends on the role – some are more flexible than others, therefore it is more to do with the job role than age. We link volunteers with clients; it is a great way to mix.

Do you see a difference in perception to CSR in your company of men and women? Are some activities better received by either gender?

Hard to say!

For volunteers there is a higher percentage of men.

For school activities it is 50/50.

Mentoring activities attract more women, who have softer skills than men.

We are involved in education in the science, technology, engineering and maths areas and this is particularly popular with women.

Is there a different ratio of men and women who participate in CSR activities?

As above.

The social identity theory proposes that individual's perception of self is based on group membership, and that this perception of self- image is affected by the prestige of the group. What effect do you think your

company's CSR reputation and activities have on recruitment and retention? Does this encourage more loyalty from employees?

This is a question which is always asked of new hires, and the answer is no!

However, paradoxically, HR often get asked about the Company's CSR activities.

This could be because new hires are international, whereas HR is dealing at a local level.

Those who say it does have a positive effect are very knowledgeable about our activities.

Do you think employees' perception of the company as corporately socially responsible affects their attitudes, motivation and commitment?

For those who are engaged, definitely!

Of all those involved in the leadership development programme mentioned above:-

> * 97% would recommend the Company
> * 93% say it is the best leadership experience
> * 90% found it increased their leadership skills
> * 82% were encouraged to continue their careers with the Company.

Do you believe that CSR increases the perceived trustworthiness of your organisation for employees?

Yes, at corporate level. We are perceived as trustworthy, reliable and walking the talk.

Our vice president has received awards in recognition of creative grant making, and has been recognised for his contribution to corporate social responsibility by many bodies.

How aligned are your CSR initiatives with current company culture, and how do you think these are significant in the reinforcement of the culture and its development?

Very aligned. Despite the fact that we are currently going through a major transformation our values remain consistent.

Our initiatives are empowering.

We are involved in a 'super computer', harvesting unused capacities of PCs volunteered by companies and individuals, for humanitarian and scientific use which can be used by researchers engaged in humanitarian research without charge, giving them access to a grid of research. This has ethical hackers testing

the system to address security issues. This allows full, free access for research, reduces time, and covers some of the world's most virulent diseases. This is not a commercial enterprise and the research is made public and transparent.

We have a company culture based on values about how we perform in society. We consider ourselves a 'solutions company' and see the big picture – this is what we are as a Company and this is how we address societal issues, with corporate solutions in areas such as education and health.

Within our corporate citizenship we also consider what we are as a company.