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Abstract

The contemporary business environment places demands on companies to go beyond economic survival and self-interest and satisfy the needs of various stakeholders. Organizations embark on the path of responsibility and sustainability, but many argue that CSR becomes embedded in an organization when it permeates all aspects of organization, including the organizational culture. Existing organizational culture typologies only provide the framework for analysis within the traditional business paradigm, but they are of limited use in the context of corporate social responsibility. After the analysis of major scholarship in the field, this paper defines CSR culture and identifies four types of organizational cultures based on companies' CSR orientations, namely CSR-related values and strategy. In order to fully embed CSR culture, CSR has to be both strategic and value driven. This paper explores different CSR orientations and makes recommendations needed in order to achieve the desired state. Furthermore, through exploratory factor analysis, it identifies two cultural elements, CSR values and employee engagement in CSR, which indicate the existence of CSR culture. Identification of these cultural elements is intended to help in analyzing the direct and indirect effect of CSR culture on organizational outcomes, especially employee attitudinal and behavioral outcomes.

Keywords: Corporate social responsibility, organizational culture, strategy, values, employee engagement

1. Introduction

The new business reality, according to Lazslo and Zhexembayeva (2011), is influenced by three interconnected trends of declining resources, radical transparency and increasing expectations. In order to stay in business, companies will need to reassess their goals and their capabilities, and respond, appropriately, with organizational change. Increasingly, they are being pressured and challenged to respond to issues outside of the business realm.

Implementation of CSR is a complex, reiterative process. CSR involves learning by doing, and requires involvement of all relevant stakeholders, which essentially requires a new management model (Jonker, de Witte, 2006; Zwetsloot, 2003; Wieland, 2011). Jonker and de Witte (2006) explain that CSR needs to pervade all aspects of the organization,

and be aligned with the business strategy specific to the organization. The idea of an integrated CSR approach, holistic thinking and value orientation resonates through literature (Welford, 1997; Sanford, 2011; Porter, Kramer, 2011; Lazslo, Zhexembayeva, 2011). The need for integration of CSR into the core business is recognized and advocated by scholars who point that the creation of CSR culture is the culmination of this process (McLagan, 1999; Carlisle, Faulkner, 2004). So far, integration of CSR into the organizational culture has been acknowledged as the path to CSR, but without comprehensive CSR culture definition, ways to measure this culture type, or the way to differentiate between different aspects and levels of CSR orientation.

The effects of CSR are of great interest to scholars and practitioners, who have studied the interconnectedness of CSR and financial performance (McWilliams, Siegel, 2001; Orlitzky et al., 2003), and CSR and other organizational outcomes (Brammer et al., 2007; Hansen et al., 2010; Turker, 2009b). From the organizational culture perspective, CSR has been mostly addressed through ethical behavior (Gottlieb, Sanzgiri, 1996; Schwartz, 2013). Although they are valuable contributions, ethical behavior studies describe only a part of a larger whole. A very limited number of explorations of socially responsible cultures are available (Duarte, 2010a, 2010b; Lingard, 2006), in spite of considering that CSR integration into organizational culture to be the crown of CSR efforts and a sign of long term dedication to responsible behavior (Carlisle, Faulkner, 2004; Lazslo, Zhexembayeva, 2011).

A better understanding of CSR culture is particularly relevant to studies that address CSR's impact on outcomes relevant to employees' perceptions and experiences (organizational commitment, job satisfaction, trust). The way employees perceive and experience organizational CSR efforts is likely to affect their beliefs and values, as well as involvement in organizational processes, which can have a great impact on effectiveness (Denison, Mishra, 1995) and identity and reputation (Schultz, Hatch, 1996). Although scholarly discussions have been pointing to CSR being a participative and integrative process (i.e. McLagan, 1999), it often occurs in practice that top management dictates the desired values, without employee involvement (Bolton et al., 2011), and fails in embedding it into its core functions.

Understanding the most prominent characteristics of CSR-oriented culture, such as employee engagement, is also crucial to practitioners in charge of CSR design and implementation, as recognition of these traits in the beginning of the process can lead to successful organizational change.

Studying organizational culture is a complex task, without much agreement on what should be studied or how it should be conducted (Smircich, 1983; Alvesson, 2002; Martin, 2002; Schultz, Hatch, 1996; Barley et al., 1988). What researchers agree on is the importance of culture and the need to further explore the ways to study it. In this paper, we draw on relevant CSR and organizational culture literature to differentiate four types of organizational cultures based on CSR orientations, and explore the meaning of (embedded) CSR culture. It is here proposed that companies can be characterized and affirmed as socially responsible only when they succeed in embedding CSR into their culture. Companies with both strategic and value orientations to CSR are more likely to embed CSR into their cultures than companies without these orientations. We therefore hypothesize:

H: Embedded CSR culture is characterized by CSR-specific cultural traits

While CSR is generally often related to reports of increased trust, respect, honesty and responsibility in an organization (Lowe, 2010), we wanted to further explore the traits that characterize embedded CSR culture. For this reason, we conducted an exploratory factor analysis which identified two dimensions of embedded social responsibility culture. In an organization recognized for its social responsibility, 290 participants took part in the research, which exposed two cultural traits of CSR culture, namely employee involvement in CSR programs, and shared CSR values. Once identified, these traits can be a useful tool in quantitative studies that address effects of CSR on various organizational outcomes, such as organizational commitment, employee satisfaction, motivation, turnover, etc.

2. CSR and organizational culture

Corporate social responsibility and all of its synonyms denote a greater role and responsibility that business has toward the society and the environment. It is, however, difficult to determine when exactly a company can be called socially responsible, and there is a great need for differentiation between those that occasionally support social or environmental causes through donations, and those who strategically integrate CSR in all their operations. The question of how to go about becoming socially responsible is an important one. Depending on the starting point and previous records and reputation of the company, it may take more or less effort and resources. Change is required at all levels of the organization, and many scholars agree that the commitment to becoming socially responsible has to come from everyone in the organization. Morsing and Vallentin (2011: 249) explained: "…CSR is not just the domain of top management, it involves other actors located at different levels of the organization who might serve as internal change agents continually pushing the boundaries of the company's commitment to CSR. The integrated form thus leads to a view of CSR as a continuous process of learning, change and development that ideally affects the whole organization…". Undergoing changes to reflect CSR principles means fostering the environment in which employees can develop values and beliefs that support the goal of becoming more responsible, in other words, creating the culture of social responsibility.

Different typologies of organizational cultures have been developed over time. The most used model is the Competing Values Framework (CVF) which recognizes four types of culture within an organization – clan, adhocracy, market, and hierarchy – and the extent to which each is present in an organization (Cameron, Quinn, 2011). CSR has been studied as an "overlay" to the four CVF culture types, by examining which type is more likely to develop a CSR culture (Linnenluecke, Griffiths, 2010; Linnenluecke et al., 2009; Übius, Alas, 2009). It has also been explored through case studies in which interviews with employees have given an idea of what a culture of CSR may look like (Duarte, 2010a; 2010b; 2011). The concept of CSR culture is a new frontier in organizational writings. It is present in the literature but still insufficiently explored.

As is the case with CSR, many different names have been used to describe CSR culture. Organizational cultures that are ethical, respectful, oriented towards common good, sustainable, positive and healthy all have the same underpinning idea – a shared belief that the purpose of those organizations is more than amassing material capital. Ethical culture, according to Trevino et al. (1995), is "a subset of organizational culture, representing a multidimensional interplay among various formal and informal systems of behavior control that are capable of promoting ethical or unethical behavior" (in Key, 1999: 12). Additionally, organizational culture that fosters dialogue and dissent, coupled with leaders who have integrity and a strong sense of social responsibility, and organizational willingness to reflect on past actions and learn from them are considered the factors that are vital to development of ethical organizations (Gottlieb, Sanzgiri, 1996). Ethical culture was also used as a base for development of stakeholder culture classification from those that are strictly focused on self-interest to those that are largely concerned with the interests of others (Jones et al., 2007).

Melé (2003: 4) approached the question of business ethics not only by distinguishing between acceptable and unacceptable behavior at work, but also from the perspective of human fulfillment. While in many cases the introduction of ethical values and development of ethical culture is expected to improve reputation and efficiency, the organizational humanizing culture is focused on behavior that is "appropriate to the human condition and foster[s] human fulfillment". Recognition, respect and nurturing the environment of care and service can help foster trust and cooperation. Organizations that care about human fulfillment within also care about involvement in external issues. They go beyond the satisfaction of self–interest, and work towards the common good (Melé, 2003).

From the traditional management perspective, it can be viewed as unusual to discuss human fulfillment as a potential generator of capital. However, changes in the society also have an impact on organizational life. A genuine interest and effort to develop a humanizing culture comes from the desire to create a place of work where workers will benefit from working as much as the organization benefits from their work. Lowe (2010) explains that a healthy organization is created when attention is paid to vibrant workplaces, inspired em-

ployees, positive cultures and shared leadership. A healthy culture is described as a positive culture, within which employees' work has greater sense of purpose and meaning. Positive values, such as respect, responsibility, honesty, fairness and integrity contribute to the overall health of an organization. The culture that recognizes the importance of its employees and invests in their well-being can be characterized as and interchangeably called humanizing, healthy, spiritual and positive, but regardless of the name, evidence shows that such cultures are essential building blocks of sustainable success.

Finally, many companies today promote sustainability and aim to build corresponding cultures. Sustainability usually refers to the potential for long-term well-being of the natural environment, and sustainable culture might be characterized by paying greater attention to natural resources. Environmental sustainability, however, is only one aspect of sustainability. A truly sustainable approach must encompass economic, environmental and social sustainability (Dyllick, Hockerts, 2002). A large number of development values may be translated into business sustainability values. Based on Leiserowitz et al., (2004) and Gladwin (2005), they include, but are not limited to: development of economy, society and people; sustaining and respecting nature; human rights and equality; democracy; good governance and accountability; interdependence; fairness; accepting uncertainty; exploration and innovation for betterment; support to self-realization, spirituality and culture. Corporate cultures that are based on these and similar values are therefore likely to be characterized as sustainable.

Matten and Moon (2008) consider CSR as a cluster concept that overlaps with those of business ethics, sustainability, environmental responsibility, corporate citizenship. Hancock (2005) described CSR culture as the one emphasizing values over financial issues (in Duarte, 2010b), and Duarte (2010b: 358) described it as the culture whose values "endow an organization with its distinctive character of being ethical, equitable and transparent in relation to social groups and the environment".

Presently, there are no other definitions that deal specifically with CSR culture. This paper draws on the previously discussed concepts and defines CSR culture as a common understanding shared among organizational members that 1) *they* have environmental and social responsibilities which are fulfilled by taking into consideration, balancing and addressing the needs of all relevant stakeholders; 2) *they* create value for many stakeholders, rather than financial gain for shareholders only; 3) decisions are made and conduct is based on the well-known and applied code of ethics; and 4) *their* involvement and commitment yields effectiveness, innovation and improvement. The emphasis is on employee ownership of the process of social responsibility and transparency in decision making. CSR culture can be seen as a culture that balances the material, social and spiritual dimensions in the workplace for the benefit of all of the stakeholders (Zohar, Marshall, 2004).

In the past, organizational culture has been largely the domain of researchers, who uncovered and studied those meanings. Employees, although directly involved in organizational life, were often considered to be unaware of the greater whole. Availability of resources, continued education and trainings, and flow of information put workers in a better position altogether. The vagueness of "the way we do things around here" does not apply anymore, as employees are both expected to know and willing to analyze why things are done in a certain way and understand their contribution to the organization. Since organizational culture has first been identified as a possible source of competitive advantage (Barney, 1986), conscious efforts have been made to shape organizational culture into the desired type. The overall CSR strategy and commitment depend on the existence of internal support, that is, the existence of CSR culture. The values that are likely to correspond to the notion of responsibility – honesty, fairness, trust – will be further embedded in specific structures (such as CSR division), practices (such as policies and initiatives that relate to the community) and symbolic manifestations (such as the code of conduct or specific events), which again reinforce the desired values, beliefs and actions (see Duarte, 2011).

3. *Culture types based on corporate responsibility to society*

Some authors (Übius and Alas, 2009; Linneluecke and Griffiths, 2010) have used the competing values framework (CVF) to determine which of the four major culture types are likely to exert the responsible behavior. Übius and Alas (2009) conducted a

study in which they tested how each of four culture types can predict two facets of corporate social responsibility – the firm performance on social issues and the firm respects the interests of agents. Their findings show that the hierarchy, adhocracy and clan cultures predict both mentioned facets, while market culture only does so partially. Linneluecke and Griffiths (2010) also used the four CVF culture types and the likelihood that each will adopt corporate responsibility. They concluded that organizations may attempt to adopt responsible and sustainable practices for different reasons, whether for pure competitive advantage, genuine interest in such practices for everyone's betterment, or because that kind of thinking is in line with the already existing culture.

This paper acknowledges the usefulness of the CVF framework in preliminary diagnosis of culture, but does not consider it to be an adequate tool for the analysis of CSR culture. The paradigm change in managerial thought prompted extensive research on the topic of responsible and sustainable business and it still appears to be in the elaboration stage. The change is also slow to be implemented in the world of business, as it requires experimenting with what works for specific business or industry, as well as justifying the costs. It is quite common to find CSR as "cosmetic treatment" rather than genuine CSR (Morsing, Vallentin, 2011). The reason for this may also be the current management systems' dependency on rationality and rational control. Zwetsloot (2003: 203) recognized that such systems can limit development of CSR, and consequently CSR culture, because the focus on rational control "can easily lead to denial of the human aspects of business practices, where recognition, pride, the feeling to be meaningful, as well as emotions, frustrations and conflicts may play a role".

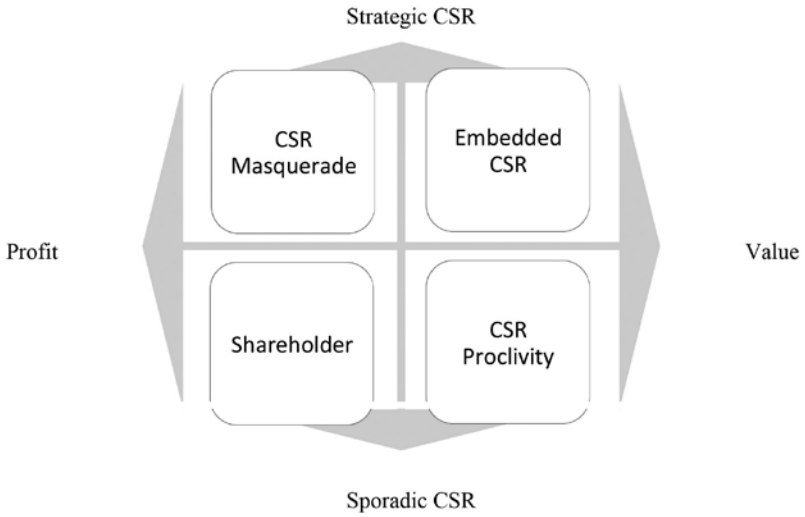
According to our definition, CSR culture must have all of the above noted elements, of which some are contradictory in terms of the CVF framework. The underlying assumption of the CSR culture is that all relevant stakeholders' demands must be continuously balanced. Depending on the power of the stakeholder group, and legitimacy and urgency of its demand, the focus may frequently shift between internal and external, or even focus on both simultaneously. In CVF, however, culture has either dominantly internal (hierarchy, clan) or dominantly external focus (market, adhocracy).

CSR culture has elements of both clan culture (participation, commitment, communication) where employees are considered as important stakeholders, and adhocracy culture (innovation, creativity, agility) where long-term commitment to innovation and improvement exists. In CSR culture, it is the values, not the work, that are managed. On the dimension of stability/flexibility, CSR culture must be flexible as it is constantly searching for ways to achieve both social and environmental sustainability.

CVF therefore can be used to determine the starting point in organization's CSR efforts, but embedding CSR into the culture would only be possible from two upper quadrants characterized by flexibility. Linnenluecke and Griffiths (2010) argued that we presuppose the motives for CSR implementation based on the characteristics of CVF cultures. In the hierarchy culture, the quest for efficiency gains may result in benefits that can be interpreted as CSR oriented. However, the hierarchy culture is not likely to institute CSR policies and programs unless they prove to have competitive advantage measured by traditional metrics. The market culture is willing to institute CSR oriented changes if they are expected to bring profit at a later time. Unfortunately, as Morsing and Vallentin (2011: 246) note, the reasons and motives behind instituting CSR policies and activities are "inaccessible to empirical enquiry". The motives are likely to be discovered only in the long run, if CSR policies and practices are not embedded into organizational strategy and culture.

A hybrid of clan and adhocracy culture would have a potential for developing CSR culture. A company that would be open to various stakeholder demands and influences cannot retain stability and control in the sense of the board of directors and CEO decision-making. The two cultures are high on flexibility, which allows for participation and creative innovations, but to be responsible to different stakeholders they cannot have a permanent internal or external orientation, rather be flexible depending on stakeholders' demands. It is, however, difficult to apply the traditional model to the new paradigm. The nature of the business-society relationship is viewed differently today, with an increasing attention paid to corporate social and environmental responsibility due to stakeholders' activism. The shift in management theory is requiring us to reinvent the framework of analysis for the entire organization, including its culture.

Figure 1 Culture classification based on CSR orientation



Source: Own research

The model proposed in this paper relies on Jones et al. (2007) stakeholder culture typology and OCAI instrument (Cameron, Quinn, 2011) to classify and describe organizational cultures according to their shareholder/stakeholder (profit/ value) orientations with an added dimension of strategic/sporadic CSR involvement.

The horizontal axis represents culture's orientation towards financial reward or sustainable value creation. It reflects the model of governance, whether it be the shareholder oriented or stakeholder management model. The vertical axis represents the level of CSR engagement. It differentiates between occasional and sporadic involvement in CSR, and strategic orientation towards CSR.

3.1 The Shareholder culture

The Shareholder culture represents the "traditional" business orientation towards profit making. This is what Jones et al. (2007) refer to as corporate egoist, and what mostly resembles Cameron and Quinn's (2011) market culture. Here, the Shareholder culture is an umbrella term, and such a culture can have different orientations (i.e. controlling, competing), but their common denominator is increasing the wealth of shareholders. Such cultures resonate Friedman's belief about the role of business in the society, and there is no interest in investing into socially responsible programs and policies. The organizations are likely to have a reactive or defensive response to the stakeholders' demands, that is, either doing less than required or doing the least that is required. At its best, CSR efforts may be sporadic, and only when it is in the interest of shareholders. In case that shareholders and investors agree that reputation and subsequently profit is seriously affected, they will support actions that benefit other stakeholders.

The Shareholder culture is aggressive and results-oriented, in both leadership and employee management. Employees are treated as resources, without much regard and flexibility to satisfy their needs. Profits dictate both hiring and firing, and employees do not have a sense of job security. Such a culture promotes competition and praises accomplishments. Strategically, the focus is on short term profit maximization, which is the criterion of success. The Shareholder culture cannot be transformed into the Embedded CSR culture without the change of both its values and CSR orientation.

3.2 The CSR Masquerade culture

The CSR Masquerade culture represents the organization led by managers who see opportunities in CSR engagement. The main interest lies in achieving profit, and if profit can be increased, either directly or indirectly, through CSR activities, CSR will be incorporated into the company's strategy. In Jones et al. (2007) classification, the CSR Masquerade culture equals to the instrumentalist culture. Such organizations are likely to have espoused CSR values, but those values, for the lack of genuine interest in employee participation (and other stakeholders' involvement) will not be embraced. These cultures are still a product of traditional approach to business. CSR is a window dressing for the outside world, but is not implemented and embraced within the organization.

The leadership of the CSR Masquerade culture is result- (profit) oriented, but also innovative and more future-oriented than the Shareholder culture. In exploring the role of transformational leadership in CSR, Waldman et al. (2006) distinguished between those leaders who incorporate CSR into strategy to reach the optimal level of profit to satisfy stakeholder demands, and those guided by their personal values. Groves and LaRocca (2011) found that economic values in leaders are more related to transactional leadership. While still focused on productivity, this culture may incorporate some new trends in employee management (i.e. more flexibility in scheduling). Achievement and goal accomplishment, however, are still the main characteristics of this culture. Greater awareness of business behavior and stakeholder pressure can help push the Shareholder culture in the direction of CSR Masquerade culture. While that change is largely strategic in nature, the change from CSR Masquerade culture into Embedded CSR culture is all-encompassing. The attention must be paid equally to external, business and internal contexts. Changing values may take a long time, and may require a change in leadership and human resource practices and policies.

3.3 The CSR Proclivity culture

The CSR Proclivity culture is characterized by a genuine interest in embracing CSR, but has not achieved that stage yet. The idea of doing the right thing is present within this culture, however, the idea of social responsibility has not been fully translated into action. Organization is inclined to invest into CSR but still does not have a strategic approach. The CSR Proclivity culture is characterized by the desire to be part of a greater good, and can be a fertile ground for different CSR programs. The speed and intensity of investment into CSR may depend on financial and other resources. This culture type may be characterized as accommodative, in that it is accepting responsibility for its actions and does all that is required. Most organizations that embark on the CSR journey with the support from top management start from this point, and over time develop into the embedded CSR culture. The already existing values help in translating CSR into the strategy.

The CSR Proclivity culture may already have visionary and transformative leadership (Groves, LaRocca, 2011). The management style in the organization is characterized by employee involvement in decision making, and the organization is held together by loyalty and trust. Although CSR may not have permeated the strategy of the organization at this stage, there exists strategic emphasis of value creation and overall development. Many organizations with CSR proclivity culture are often accepted – and often referred to – as socially responsible.

3.4 The Embedded CSR culture

While this paper presents how different approaches to CSR can reflect on organizational culture, its main interest lies in understanding that culture that exists and revolves around social responsibility. The Embedded CSR culture is the one with well-established moral principles oriented towards creating value for the benefit of all the stakeholders. It is characterized by participation, commitment and innovation. CSR culture is usually characterized by accepting and even anticipating responsibility and doing more than is required at the time. Notable differences exist between those that have responsibility "bolted-on" and those that have it fully integrated into their core business. Integrating sustainability requires

understanding and adapting underlying assumptions and values to pursue sustainable value, build transformative relationships, and make sustainability everyone's job (Lazslo, Zhexembayeva, 2011).

The culture of social responsibility is created and reinforced through specific values and beliefs, structures and practices and symbolic manifestations (Duarte, 2011). While values tend to be similar, structures, practices and symbolic manifestations may vary greatly, as each organization has a specific focus and develops in its own unique way. It is important that all three dimensions are influenced by responsible thinking. Duarte (2011) notes the values such as a sense of fairness and equity, respect for human beings and the environment, ethical behavior and transparency to be the ones that characterize CSR cultures. Structures and practices may vary from one organization to another, as some are likely to have CSR Officers, others CSR Divisions, Committees, or, as Lazslo and Zhexembayeva (2011) propose, not having a specific unit dealing with CSR but make it everyone's responsibility. Practices may also vary; depending on the industry to which the organization belongs, a greater emphasis may be placed on social policies or environmental policies. Of the three dimensions, it is the practices that are most easily observable, and organizational reputation largely depends on them. Finally, CSR cultures are likely to use symbols, language, metaphors and stories that depict responsible behavior.

While the leader's awareness of CSR issues is likely to produce relevant policies which may be the onset of organizational culture change, it takes much longer for the overall CSR philosophy to enter the culture. The espoused values are those defined by top management, however, to develop them into shared values takes much time and effort. To internalize them so that they become underlying values, Zwetsloot (2003) proposed relying on raising awareness and socialization of values, which can be done only if they are lived and actively promoted by managers. Carlisle and Faulkner (2004) suggested that only after the company becomes aware of the issues and defines and operationalizes its focus, it can enter the mainstreaming stage. It is in the last stage that the company adopts CSR culture and integrates CSR in all policy decisions. Anchoring changes in organizational culture is the last step, but it is crucial that the change process is extremely well planned and communicated, involving and empowering employees (Kotter, 1996).

Traditionally, businesses largely focused on economic benefits to the firm, so it is not surprising that CSR was often seen as the means to achieve a competitive advantage, rather than create a different relationship between business and its stakeholders. To fully benefit from CSR, however, firms must reconsider and align their values, strategies and core business (Jonker, de Witte, 2006; Lazslo, Zhexembayeva, 2011). In short, it requires embedding CSR in the organization. A number of interdependent factors can affect the creation of CSR culture (Epstein et al., 2010). Proposals and suggestions, however, are yet to be empirically tested. Qualitative studies give rich accounts of organizational cultures; Quantitative approach allows for easier comparison of CSR-specific cultural features, and exploration of their effect on organizational outcomes. We therefore believe it is necessary to develop the scale that can help measure the elements that most strongly represent the culture of corporate social responsibility.

4. Measures of embedded CSR culture

4.1 Scale design

The scale was conceptualized based on the previously presented definition of (embedded) CSR culture. Organizational culture is shaped by various influences; in case of CSR, the emphasis placed on responsible behavior will, over time, reflect on the culture. Espoused values, coming from the top, are not likely to be shared among employees until they personally become involved (see for example Bolton et al., 2011; Kim et al., 2010). While it is possible that a company conducts some activities that fall under the CSR umbrella, those are most likely to be occasional events and/or philanthropic contributions. Such activities are usually intended to project the image of responsibility than to build a responsible business. As insiders, employees can differentiate between genuine vs. cosmetic approach to responsibility, and therefore embrace or reject proposed values.

Questions about CSR culture were generated through literature review (Duarte, 2010a, 2010b; Bolton et al., 2010; Linnenluecke, Griffiths, 2010; Schwartz, 2013; Morsing, Vallentin, 2011; Lowe, 2010) of case studies and theoretical propositions, and discussions with managers of companies rec-

ognized for their social responsibility. While some argue that the concept of organizational culture is quite complex and shouldn't be reduced by the quantitative approach (i.e. Alvesson, 2002), identification, measurement and comparison of similar, CSR-related elements of culture can help further study the effect they have on organizational effectiveness. Initially, 23 items relating to values, practices and symbols were generated. While important manifestations of culture, symbols of CSR can greatly differ from one company to another or have a different meaning. To avoid ambiguity, questions relating to symbols were excluded following interviews with employees and subsequent academic discussions, reducing the number of statements to 18. After the correlations were checked for multicollinearity by scanning the R-matrix, two items were removed from the list and a scale with 16 items was constructed.

4.2 Sample selection, data collection, and analysis

In order to identify the elements that characterize the culture of embedded social responsibility, data was collected from a company recognized for its CSR, recipient of multiple DOBRO awards for socially responsible behavior and good governance in Bosnia and Herzegovina (http://dobro.mozaik.ba/vijesti/item/211-historijat-nagrade-dobro). The organization is a European FMCG company that has stores in 11 European countries. Research was conducted in Bosnia and Herzegovina, where the company has been present since 2006, currently with 53 stores and over 430 employees. The vast majority of employees are sales people, with a small number of distributors, managers and office staff. The company enjoys a good reputation among its workforce, 85% of which, according to internal surveys, are satisfied with its employer. Additionally, 9 out of 10 employees are proud to work for the company. The initial contact with the company was through the HR department which offered to help explain the purpose of the study to employees and motivate them to participate. The researchers were also given permission to visit the company to distribute questionnaires and conduct interviews.

A total of 230 questionnaires were distributed, and 202 responses were collected. The researchers first approached the store manager, presenting the approval to conduct research, and left the exact number of surveys to be filled out and envelopes to secure anonymity, agreeing on the collection time and date. Office staff with headquarters in Sarajevo was surveyed in the same way. Participation in the survey was voluntary. The response rate was 88%. Of 202 responses, missing data reduced the number to 196 responses which were used for the analysis.

The vast majority of the respondents were female (88.3%); 5.1% were males, and 6.6% omitted this question. The majority (56.9%) of respondents were aged 26-35, 9.4% were aged 18-25, 27.6% were aged 36-45, 5% were aged 46-55, and 1% were aged 56-65. In terms of education, 88.3% had high school education, 11% had a university diploma, and 0.5% had a master's degree. In terms of tenure, 23.5% have been with the company for 2 years or less, 41.8% have been with the company for 2-5 years, and 16.3% for 6-10 years. 18.6% did not answer this question. Only about 67% of respondents gave information about the position they held in the company. Of those, 63.2% were employed in the store (48.9% salespersons, 5.6% store managers, and 8.7% of assistants to store managers), 1% of headquarters managers, 2.5% of headquarters staff, and 0.5% distribution personnel.

The sample size of 196 can be considered acceptable for exploratory factor analysis, especially considering that each factor has 4 or more loadings over .6 – according to Field (2013: 690) it can be considered reliable. After applying direct oblimin rotation, as factors were expected to correlate, factor analysis revealed two factors with eigenvalues greater than 1, explaining 61.588% of the variance. The KMO measure of sampling adequacy was .918, which means that analysis should yield distinct and reliable factors. Considering that the communalities are largely in the .5-.6 range, and only two factors, the samples between 100 and 200 are acceptable (see Field, 2013: 690; Hair et al., 2006: 115).

Factor analysis was further analyzed using the split sample analysis. The main sample was divided into two samples of 98 cases each, and factor analysis was conducted for both. The loadings and commonalities resembled each other, therefore showing that results are stable within two samples.

Table 1 Total variance explained and rotated factor loading matrix (OBLIMIN)

No.	Items	Factor		Communalities	
		Factor 1	Factor 2	Initial	Extraction
1.	I am familiar with the mission of our company	.810		.638	.565
2.	In its mission, our company clearly states commitment to social responsibility	.896		.663	.638
3.	I understand the goals that our company aims to achieve	.741		.611	.632
4.	I support the goals that our company aims to achieve	.668		.587	.537
5.	I regularly receive information about our company's activities	.629		.670	.562
6.	I regularly receive information about our company's responsiveness efforts	.598		.619	.517
7.	I feel free to contribute ideas for betterment of our company		.599	.687	.619
8.	Employees are invited to contribute ideas relating to improvement of our business		.548	.680	.529
9.	I participate in the socially responsible activities of our company	.475		.660	.569
10.	My colleagues are like my family		.831	.616	.598
11.	I trust the leaders of our company		.812	.629	.594
12.	Our company rewards honesty		.802	.625	.597
13.	Many of my colleagues share our company's values		.416	.641	.560
14.	Our company motivates employees to participate in socially responsible activities that it creates	.543		.630	.561
15.	In my opinion, my colleagues feel a strong sense of belonging to our company	.612		.579	.557
16.	I feel that my personal values and organizational values are aligned	.486		.513	.468

Note: Factor loadings below .40 have been suppressed
Source: Own research

The average inter-item correlation for 16 items is .506, which exceeds the value of .30 suggested by Hair et al. (2006: 137). To further test for reliability, Cronbach's alpha was calculated. For Factor 1 it was .909, and for factor two .907. The 16 item scale had a Cronbach's alpha of .942.

Exploratory factor analysis identified two factors, which, in accordance with the relevant literature, can be labeled "employee engagement in CSR" and "CSR values". Responses to the 16 items reflected a higher-order construct of organizational culture of social responsibility, with a higher overall score suggesting a stronger CSR culture.

We have hypothesized that embedded CSR culture is different from other cultures presented in the model because of the combination of strategic and value orientation, and we have found support for this hypothesis by uncovering two cultural elements. Employee engagement in CSR has already been discussed and recognized as crucial in CSR implementation (Bolton et al., 2011), and identification of this factor concurs with conclusions from qualitative studies. The other factor, CSR values, is present when ethical values (respect, responsibility, honesty, fairness) are practiced. Identification of this factor highlights the difference between espoused values – CSR present in top management speeches – and values that are translated into practice in everyday organizational life.

Table 2 Inter-item correlation matrix

Item	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
1.																
2.	.748															
3.	.617	.604														
4.	.489	.613	.618													
5.	.474	.519	.568	.587												
6.	.463	.495	.539	.526	.749											
7.	.504	.466	.551	.470	.577	.547										
8.	.476	.471	.496	.475	.416	.462	.742									
9.	.482	.455	.575	.539	.563	.500	.535	.513								
10.	.333	.364	.387	.436	.432	.366	.600	.659	.503							
11.	.342	.361	.474	.482	.431	.414	.568	.479	.438	.632						
12.	.371	.359	.408	.397	.450	.434	.564	.439	.489	.573	.699					
13.	.519	.478	.591	.462	.527	.485	.512	.434	.677	.429	.524	.605				
14.	.455	.531	.558	.553	.556	.543	.506	.535	.718	.456	.390	.479	.569			
15.	.424	.411	.501	.370	.493	.507	.581	.539	.533	.542	.530	.524	.593	.546		
16.	.388	.410	.512	.457	.419	.452	.484	.488	.505	.437	.463	.526	.581	.517	.614	

Note: Correlations significant at the 0.05 level
Source: Own research

If we consider the existence of embedded CSR culture to be the "stamp of approval" for the company's dedication to responsibility and value-building in the long term, then these cultural elements can be further used in studies that relate CSR to different organizational outcomes, and therefore purport arguments that CSR culture produces, or at least to some extent affects, these outcomes. Earlier studies (i.e. Hansen et al., 2011) have shown that trust mediates the relationship between CSR and turnover intentions and organizational citizenship behavior. If we observe increased organizational trust to be subsumed under CSR values, we can further expand this type of research on various employee attitudinal and behavioral outcomes and test for the direct effects, but also for the moderating and mediating effects of factors that represent CSR culture – employee engagement in CSR and CSR values.

4.3 Limitations of the study

This study identified two underlying dimensions of embedded CSR culture. Considering the complexity of organizational culture, however, other influences must also be explored in order to give a complete picture of Embedded CSR culture. So far, shared CSR values and employee engagement in CSR indicate that CSR has to some extent permeated the culture, and further analysis with possible expansion of the scale is recommended.

Additionally, the research was conducted in only one country, even though the company operates in a number of European countries. The specific conditions of the Bosnian economy may affect employee perceptions of their employer. With a high unemployment rate and many corrupt employers, employees working for a company that applies European standards and doesn't go against the law may be more grateful and assess it more favorably than their counterparts elsewhere in Europe. In confirming the current structure of the scale, future studies should also address this issue.

5. Discussion and conclusion

Culture is often considered crucial for long-term organizational success. Culture change in an organization, however, requires a deep understanding of the existing and the desired state. While most companies have had some experience with CSR efforts and practices, seeing and understanding their business through the prism of responsibility to society is still fairly uncommon. Corporate social responsibility as a strategy requires transformation of the business model, which most often includes the change of culture as well. Both the scope of change and intensity of the effort will depend on the state in which the culture currently finds itself. Although the purpose of this paper was better understanding of embedded CSR culture, it would be useful to analyze the most dominant traits of other cultures in the proposed model. Such findings would be useful to practitioners in evaluation of the culture at the beginning of CSR implementation, and in decision making about the best CSR path.

In addressing the implementation of CSR, this paper makes two contributions. First, it diagnoses organizational culture based on CSR orientation. This is a useful preliminary approach in identifying the best path to embedding CSR. In the case of the Masquerade CSR culture, where CSR is viewed as a strategic advantage to improve the corporate reputation rather than genuinely contribute to the society and environment, the firm still operates within the paradigm of profit making for shareholders. The only way that such a company can set out on the path to make the CSR culture is through an enlightened leader who will focus on institutionalizing values and coordinating those values with company strategy. A change in values will influence the change in underlying motives. For companies that have the Proclivity CSR culture, the process may be easier since the values are already present and they have to be translated into strategy. This culture is likely to have elements of CSR culture, as well as some social and spiritual capital, but it still requires coordination between vision and strategy. Finally, the embedded CSR culture reflects the last stage of CSR, the maturation that is characterized by shared values and employee ownership of CSR achieved through active engagement in the process. While this initial framework conceptualizes different CSR orientations, it measures only one type of culture. As already suggested, future research should focus on the identification of the most prominent elements of other culture types, and their effects should be tested on outcomes as well.

The second contribution of this paper is the identification of two underlying dimensions of Embedded CSR culture – CSR values and employee engagement in CSR. Values often associated with CSR are trust, honesty, fairness and integrity (Lowe, 2010). The authenticity of the organization's CSR is evaluated through the existence of these values within the organization. Employee involvement in general has been found to positively affect organizational effectiveness (Denison, Mishra, 1995; Peters, Waterman, 2006), and employee engagement in CSR helps create the family feeling and create bonds that further reinforce the noted values. Other cultural elements certainly exist, and extension of this initial study would be necessary for the identification of additional elements that characterize the culture of social responsibility.

As CSR is becoming the new standard in business operations, the need for a thorough understanding of its meaning and implementation is increasing. An integral part of becoming socially responsible is building the culture that reflects CSR values, and furthermore, integrating those values in organizational strategy. Conceptualizing culture based on the company's responsibility to society is a precondition to diagnosing the culture. Being aware of cultural elements that need to be present in order to create and maintain CSR culture, and furthermore, being able to compare cultures of different companies on the CSR path can greatly contribute to an understanding of the effects of CSR culture on different organizational outcomes. Further theoretical discussions and empirical research will greatly contribute to understanding the role of culture in instituting and maintaining responsible behavior and organizations.

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Žana Prutina

Utvrđivanje kulture društvene odgovornosti poduzeća

Sažetak

Suvremeno poslovno okruženje zahtjeva od poduzeća da se bore za ekonomski opstanak i svoje interese. Istovremeno su poduzeća prinuđena zadovoljiti najrazličitije potrebe svojih dionika što ih, između ostalog, prisiljava da izgrađuju odgovornost i održivost. Brojne su tvrdnje da društvena odgovornost postaje sastavni dio organizacije kada se integrira u sva njezina gledišta, uključujući i organizacijsku kulturu. Postojeće tipologije organizacijskih kultura nude okvir za analizu samo unutar tradicionalne poslovne paradigme, ali su od veoma ograničene koristi kada se radi o kontekstu društvene odgovornosti poduzeća (CSR). Ovaj rad se nakon analize ključnih učenja u ovome području bavi definiranjem CSR kulture i identificira četiri tipa organizacijske kulture koje se zasnivaju na CSR orijentaciji poduzeća, odnosno njezinim vrijednostima i strategijama u relaciji s CSR-om. Kako bi bio u potpunosti integriran u CSR-kulturu, CSR mora biti rukovođen strategijom i vrijednostima. Rad istražuje različite orijentacije u CSR-u i daje preporuke neophodne da bi se postiglo željeno stanje. Osim toga, u radu su pomoću istraživačke faktorske analize identificirana dva kulturalna elementa: CSR vrijednosti i služba zaposlenika u CSR-u, koji ukazuju na postojanje CSR-kulture. Identifikacija ovih elmenata kulture je namijenjena analizi izravnih i neizravnih utjecaja CSR-kulture i organizacijskih ishoda, posebno onih koji se tiču stavova i ponašanja zaposlenika.

Keywords: kultura društvene odgovornosti poduzeća, organizacijska kultura, strategija, vrijednosti, sudjelovanje zaposlenika