

THE RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY AND ORGANIZATIONAL VALUES

Vytautas Juščius, Ligita Šimanskiė
Klaipėda University (Lithuania)

Abstract. For most organizations creation and management of general values' system becomes invincible problem, because management of identity lacks consistency, it is implemented only in top-down manner and there is no feedback, needs of employees, consumers, other stakeholders are not enough perceived and (or) they are not much considered. Dialogue with most important stakeholders has critical significance for CSR formation and implementation. It is necessary striving to eliminate gap between publicly declared CSR ideals and real business practice. Main problem that declared organization values would be comprehensible and acceptable for all employees. The research was did for identify opinions of organizations values and comparison these values depending from occupations in organization.

KEY WORDS: *corporate social responsibility, organization, organizational values.*

Introduction

The leaders of most companies are personally motivated to behave so that the actions of organization would be useful not only for them themselves but for a wider circle of stakeholders. However the leader's position is not sufficient in order to transform the declaration of social responsibility into real competitive advantages of the company. The main problem is that CSR programs often tend to be just programs but do not become the part of the values, which are the most important for the people working for the company.

The system of the company's values and the system of working for the company individuals' values are not identical. Nevertheless, it is obviously that at the certain points the company's and its employees' attitudes towards values must agree or at least should be similar. Without such tune the increase of the company's competitive ability and its development are impossible. If openly declared company's values are incomprehensible or unacceptable for most of the employees and, as a result, they do not become the reasons of their actions, and it means that they remain only declarations.

The above mentioned contradiction can be eliminated while forming a new culture of the company's behaviour on the ground of the modern theory of business ethic and practical experience. Unfortunately, the empirical researches have proved that even in developed countries the companies mostly have a positive attitude towards CSR programs, appreciate their necessity but only some of them aim to make social responsibility an integral part of the company's values (Hassan, 2007).

The aim of this paper is the investigation on opinion of organizational values influenced by corporate social responsibility.

Object of research – analysis diagnostics of opinion about organizational values.

The tasks of the article:

1. to analyze the concept of organizaqtional values;
2. to make research to identify opinions of organizational values of organizations by Lithuanian inhabitants.

Used methods– the analysis of scientific articles, comparison, statistical, systematic the analysis of survey with the help of SPSS methodology, logic-based conclusions.

Definitions of Values and Values Scheme

The word "value" has many meanings. In the moral context, the term "value" refers to living organisms, to individuals as well as to social groups. The link between values and human life are human needs (Zecha, 2002). Roughly speaking, each human person has physical needs (must breath, eat, drink, sleep, move etc.), mental needs (learning, knowing, memorizing, being loved and loving, experiencing friendship etc.) and also social needs (helping others, co-operating, enjoying peace, etc.). Since these basic needs exist independently of our personal history and of our social environment, they can be called "anthropological constants" which must always be met when humans strive to live and to survive. If a thing or property of a thing, event or action serves human survival, we can speak of a *positive value*, if it threatens or extinguishes life it is a *negative value* or a disvalue. *Objective values* are things or properties of things that do in fact support human life such as fresh air, clean water, knowledge, freedom, love, peace, and beauty. A *subjective value* is something believed by someone to be supportive to human life, such as reading an informative book or enjoying a hike in the mountains. A value becomes a moral value when human action is involved (Zecha, 2002). Aggressive or violent behaviour is

a moral disvalue, because it threatens life. Caring and loving behaviour is a positive moral value, because it is supportive to both the receiver's and the giver's life. An educational value can be considered whatever is capable of fostering the learning process of the growing individual towards well-being and happiness.

All group learning ultimately reflects someone's original beliefs and values, their sense of what ought to be, as distinct from what is (Schein, 2004). When a group is first created or when it faces a new task, issue, or problem, the first solution proposed to deal with it reflects some individual's own assumptions about what is right or wrong, what will work or not work. Those individuals who prevail, who can influence the group to adopt a certain approach to the problem, will later be identified as leaders or founders, but the group does not yet have any *shared* knowledge as a group because it has not yet taken a common action in reference to whatever it is supposed to do. Whatever is proposed will only be perceived as what the leader wants. Until the group has taken some joint action and together observed the outcome of that action, there is not as yet a shared basis for determining whether what the leader wants will turn out to be valid.

Not all beliefs and values undergo such transformation (Schein, 2004). First of all, the solution based on a given value may not work reliably. Only those beliefs and values that can be empirically tested and that continue to work reliably in solving the group's problems will become transformed into assumptions. Second, certain value domains - those dealing with the less controllable elements of the environment or with aesthetic or moral matters - may not be testable at all. In such cases, consensus through social validation is still possible, but it is not automatic.

In the majority of industrial sectors, however, the organization's value chain is simply part of a larger structure, which incorporates the supplier's value chain, the distribution channel's value chain and the customers' value chains. In addition to this set of value chain activities, the business supports the primary functions with the following (Sutherland, Canwell, 2004):

- Procurement - obtaining for inbound logistics and operations.
- Technology - for research and development, but also for all steps in the value chain.
- Human resources management - for all steps in the value chain.
- Infrastructure - to support all areas of the value chain (legal, financial, quality management).

Value chain analysis assists businesses in being able to obtain a competitive advantage by mapping the process flows and isolating the value creating or value adding activities. The value chain clearly identifies linkages, as costs and decisions affect other parts of the value chain. In order to optimize the value chain, this analysis is essential.

Values are beliefs, perhaps enshrined in a mission statement or a philosophy which has meaning to a business. It is widely believed that the development, adoption and implementation of values is one of the key success factors in high-growth, high-profit businesses. Typical values include the following (Sutherland, Canwell, 2004):

- continuous improvement;
- customer delight;
- people development; innovation;
- society commitment;
- maximum utilization.

Hampden-Turner and Trompenaars (Lee, Carter, 2005) classified culture along a mix of behavioural and value patterns. They identified seven value dimensions:

- universalism vs. particularism;
- communitarianism vs. individualism;
- neutral vs. emotional;
- defuse vs. specific cultures;
- achievement vs. ascription;
- human-time relationship;
- human-nature relationship.

Schwartz (Lee, Carter, 2005) takes a different approach. Schwartz (Lee, Carter, 2005) identified ten individual value types: power, achievement, stimulation, self-direction, universalism, benevolence, tradition, conformity, tradition and security. Each of these individual level value types represent a number of values which can be combined to form a joint "idea". Dyadic dimensions can then be constructed, for example, the "Universalism" value type represents social justice and tolerance, whereas the "benevolence" domain represents promoting the welfare of others. The specific content of the dominant belief of excellent companies is also narrow in scope, including just a few basic values (Peters, Waterman, 1984):

- a belief in being “the best”;
- a belief in the importance of the details of execution;
- a belief in the importance of people as individuals;
- a belief in superior quality and services;
- a belief that most members of the organization should be inovators, and its corollary, the willingness to support failure;
- a belief in the importance of informality to enhance communication;
- explicit belief in and recognition of the importance of economic growth and profits.

It is obvious that the evolving economical crisis has exposed one of the most important problems in recent decades in the relationship between business and society: while establishing their identity, organizations often only formally incorporate corporate social responsibility (CSR) value regulations into their management systems and structures. Due to this the inevitable gap between the publicly declared ideals and actual business practices appears. Competitive advantages to organizations are the main engine of their CSR programs. If the CSR does not become the base of organizations identity, there are doubts about whether this organizations social responsibility declaration is truly a source of competitive advantage?

Empirical studies confirmed that the majority of organizations in the developed countries look favorably on CSR programs and are aware of their need, but only a small part of them aims to make social responsibility an integral part of their values (Hassan, 2007). In turn, such aims have to be based on a coherent sequence of actions and based theoretical models.

However, P. Krugman, the 2008 Nobel Prize winner, believes that the U.S. financial crisis was caused by inefficient state control of financial institutions and the largest banks lack of social responsibility (Foroohar, 2009). Socially responsible business advocates states that if Lehman Brothers, Merrill Lynch and similar firms really comply with the principles of CSR, the financial crisis or would not happen at all, or the consequences would be much lighter (Hopkins, Roche, Hopkins, 2008). In their opinion, the biggest firms’ unfounded risks and the pursuit of maximum profit, while violating business ethics and interested groups interests, has become a primordial reason of the current economic crisis.

Therefore, it is clear that there is need of compromises and harmonization of interests, which has a connection with the stakeholders’ values. Nevertheless, there are things on which compromises are considered unethical and reprehensible. For example, time employees take for granted health and safety protection assurance, and the local community taking care of job preservation and creation cannot support the increase of environmental pollution. These and similar values are over the other and are called protected values (Baron, Spranca, 1997). Not only the law protects these protected values - they are becoming socially responsible business basis. These values are strengthened in organizations by the voluntary operational rules, regulations and standards.

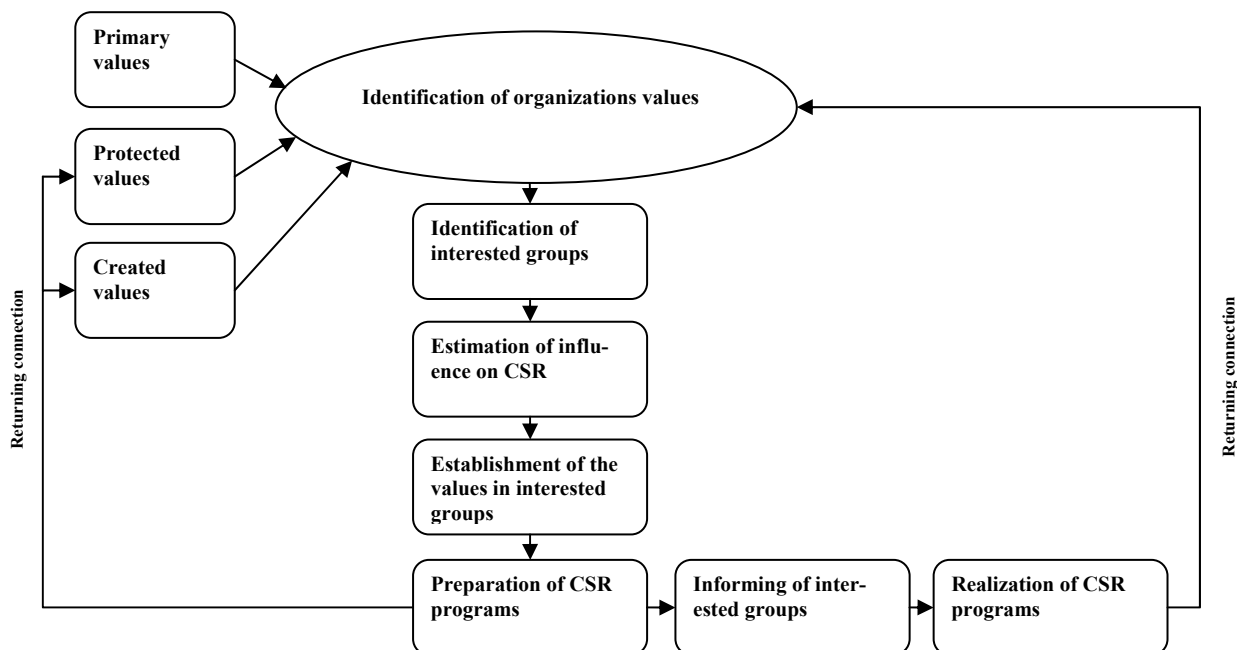


Fig.1. Relationships between values and CSR.
Source: Juščius, V. 2009, p. 267.

Besides protected values in organizations created values can be identified, which are formed by taking into consideration different stakeholders importance, impact opportunities and expectations. These values are set by negotiation and compromise with the stakeholders. Organization, setting its priorities, goals and objectives, is forced to rely on a hierarchy of values. Declaring its vision, mission, code of conduct, business organizations want to disclose primary (essential) values, which leads to their aspirations, attitudes to the practices and measures. Presenting itself through public statements (websites, brochures, media), the organization seeks to highlight its core values with the words “fairness”, “commitment”, “sincerity”, “docility”, “integrity”, “respect”, “responsibility”, “reliability”, “dynamism”, “innovation”, “courage”, “ability”, “accountability”, “transparency” and the like. Such essential values of the organization have a strong emotional charge, which results in seeking to contact with the stakeholders.

Primary values, created values and protected values form the values system of the organization, which helps to analyze and manage the identity of the organization, including elements of CSR into that identity.

The scheme No.1 provided a coherent sequence of actions to help the company develop a socially responsible business.

After analysis about value definition and basic ideas about value system we will present some results from our research.

The Research on Opinions about Organizational Values

For carrying out the research, the questionnaire was prepared with the list of questions. In the formation of questions both positive and negative alternatives for the answers were given. While planning the research it is necessary to choose the minimum number in order to make statistically trustful conclusions. Selective methods are based on the theory of chances, though in selection it is impossible to avoid mistakes, unless all the population took part in the research. In scientific research 95% is trustworthy (Kardelis, 1997). In order to get the false answer of 5% it is necessary to inquire 400 respondents from 5,000 people. Such numbers are provided by Ch.Nachmias, D.Nachmias (1985). They note that it is enough to inquire 385 respondents from 10,000 employees to get 5% of false answers. So we have inquired 709 respondents and we might state that it is the right number to get reliable answers. The data of the questionnaire was processed by SPSS (Special Package for Social Science) program with the one-factorial dispersal analysis (ANOVA) because variables are measured by the rating scale. Organizations were classified by the sectors of industry: 9,9 percent of the respondents work in production sector, 58,3 percent in service sector, 23,8 percent in education, science and culture, 3,8 percent in state institutions, 1,7 percent in other types of organizations. Men accounted for 35,7 percent and women 64,3 of all respondents correspondingly. By positions: top level managers – 4,1 percent, middle level managers - 13,7 percent, lower level managers – 11,6 percent, and 70,1 percent – employees, i.e. persons that have no subordinates. Even 62,9 percent of the respondents have higher education.

For carrying out the research, the questionnaire was prepared with the list of questions and given answers. The respondents were asked to rate them according to the rate of importance where 5 points went to the most fit opinion of respondent, while 1 point – to the least typical one. We can see averages from the question about which values declared in their organization.

Table 1. Values declared in Organizations

Values declared in your organization	Average
Loyalty to organization	3,44
Clarity	3,38
Information	3,62
Ready for risk	2,81
Contractual obligation	3,86
Spirit of teamwork	3,72
Creativity	3,48
Quality	4,10
Boast of work	3,29
Thrift, carefulness	3,44
Respect to older employees	3,51
Service to society	3,23
Obedience	3,39
Flexibility	3,66
Cooperation	4,01
Benefit for managers and employees	3,45
Welfare for employees, respect to them	3,40

Source: own research in 2008.

How we see in table No 1, the biggest point is given to quality (4,10), cooperation (4,01), contractual obligation (3,86). As usually now is it very popular in organizations to declare that main task for employees to seek quality, to find ways that clients needs be realized and better way to do that- cooperation. Employees choose contractual obligation too, because all organizations need it. So these results aren't strange for a moment. The least points have ready for risk (2,81), service to society (3,23), clarity (3,38), obedience (3,39). If we compare the results about typical Lithuanian features (Šimanskienė, 2004), there were the least typical feature is ready for risk and trust in others, so nothing strange heads (managers) of organizations didn't declare possibility to take risk in organization too. In my opinion it is good result that nowadays obedience is one of the least important in organizations, it show that more or less is free atmosphere in organizations. On the other hand is not so good imagination, that service to society isn't so important. That this problem is big, we have seen that communities aren't strong and public spirit is weak in Lithuania. The results show that employees didn't choose for bigger point some values like welfare for employees, flexibility, carefulness, loyalty to organization, creativity and so on. These results take time to think about this situation, because it is clearly seen that there are didn't pay enough attention to creating strong innovative organizational culture. If we need and want knowledge-based society and organizations as well, we need to pay more attention to this question.

How we see in Table No. 2 there are results from opinions depend from occupation in organization and one of values- loyalty to organization.

Table 2. Relationships between occupation in organization and loyalty to organization

Loyalty to organization	Occupation in organizations			
	Higher level manager	Middle level manager	Lower level manager	Employee
Absolutely disagree	6,9	5,3	11,0	9,9
Disagree	6,9	8,4	15,9	13,3
Nor agree, nor disagree	24,1	31,6	29,3	29,8
Agree	13,8	14,7	20,7	23,6
Absolutely agree	48,3	40,0	23,2	23,4
Total	100,0%	100,0%	100,0%	100,0%

Source: own research in 2008.

The table show very interesting results. 6,9 percent higher level managers absolutely disagree that they are loyal to organization. These are very strange and shocking results. If higher-level managers are not loyal to organization, how can they ask all employees to be? If we look at results from 'absolutely agree' the biggest part of all respondents to choose this answer are higher level managers (more than 48 percent of them) and middle level managers (40 percent). If we analyze opinion of employees, we can see that the biggest part of them nor agree, nor disagree (29,8), but more then 47 percent are loyal to organization in general. If we can summarize these results, we see that the lower level managers are the least loyal to organization. Why has this happened? This may be because they are not much involved in process of making decisions and do not feel safe in this position/occupation.

Table 3. Relationships between occupation in organization and contractual obligation

Contractual obligation	Occupation in organizations			
	Higher level manager	Middle level manager	Lower level manager	Employee
Absolutely disagree		3,1	2,4	5,7
Disagree		6,3	13,4	12,8
Nor agree, nor disagree	6,9	12,5	14,6	19,4
Agree	41,4	20,8	28,0	26,7
Absolutely agree	51,7	57,3	41,5	35,4
Total	100,0%	100,0%	100,0%	100,0%

Source: own research in 2008.

The table No.3 shows that in this value- contractual obligation the biggest part of higher-level managers feels that they are involved in this process. They answered 'absolutely agree' 51,7 percent and 'agree' 41,4

percent. This situation showed that they understood that their duties demands some responsibility and obligations on this work. In general, all types of respondents have the positive impact on this value.

Table 4. Relationships between occupation in organization and spirit of teamwork

Spirit of teamwork	Occupation in organizations			
	Higher level manager	Middle level manager	Lower level manager	Employee
Absolutely disagree		5,2	3,7	8,3
Disagree	3,4	12,4	4,9	9,7
Nor agree, nor disagree	34,5	16,5	24,4	21,7
Agree	27,6	22,7	26,8	30,0
Absolutely agree	34,5	43,3	40,2	30,2
Total	100,0%	100,0%	100,0%	100,0%

Source: own research in 2008.

The table No.4 show that in general middle and lower level managers see advantages from teamwork (43,3 and 40,2 percents). But on the other hand there are none of higher level managers whom “absolutely disagree” and “disagree” only 3,4 percent. Spirit of teamwork are less important like value for employees, but these results can be so because they are not involved in teamwork, so they answered like that.

Table 5. Relationships between occupation in organization and quality

Quality	Occupation in organizations			
	Higher level manager	Middle level manager	Lower level manager	Employee
Absolutely disagree		2,1	4,9	3,8
Disagree		5,2	6,1	7,9
Nor agree, nor disagree	13,8	7,3	15,9	19,0
Agree	27,6	25,0	32,9	28,1
Absolutely agree	58,6	60,4	40,2	41,1
Total	100,0%	100,0%	100,0%	100,0%

Source: own research in 2008.

If we look to table No.1, we can see that all respondents answered that this is the main value at workplace. So now, we can analyze how these results are depending from occupation at work. The higher-level managers did not choose the answers “absolutely disagree” and “disagree”, it is a very good result. They believe that the main possible way to survive in concurrence global world- good quality of production or services. It is a pity that some respondents have chosen some negative point about this value. These results are maybe because they did not work so well or they saw many negative aspects of daily work and thought that quality is more like propaganda than reality.

Table 6. Relationships between occupation in organization and boast of work

Boast of work	Occupation in organizations			
	Higher level manager	Middle level manager	Lower level manager	Employee
Absolutely disagree	3,4	9,3	7,3	10,9
Disagree	10,3	11,3	15,9	18,2
Nor agree, nor disagree	24,1	20,6	28,0	30,5
Agree	34,5	25,8	35,4	21,6
Absolutely agree	27,6	33,0	13,4	18,8
Total	100,0%	100,0%	100,0%	100,0%

Source: own research in 2008.

This value- boast of work in part shows how respondents are happy to work in some organizations. This value takes in meaning good paid job, loyalty, prestige of organization, prestige of work, good impression in society and other thing connecting with boast of work. How we see from results more then 10,9 percent “ab-

solutely disagree” and “disagree” (18,2) with this value are employees. This means that about 30 percent of employees are unhappy at their work and they are not having good feelings with organizations. It is frightening result because one-day organizations can loose these employees, as they are in a hurry to find a new work place. In fact, results are similar in all occupations. However, maybe this value was understood like a boast of work everywhere (talk about that to neighbors, to friends, in press) and in Lithuanian mentality it looks a little bit funny and mistrusting.

Table 7. Relationships between occupation in organization and service to society

Service to society	Occupation in organizations			
	Higher level manager	Middle level manager	Lower level manager	Employee
Absolutely disagree	13,8	12,4	7,4	10,7
Disagree	10,3	15,5	23,5	17,2
Nor agree, nor disagree	37,9	29,9	28,4	29,8
Agree	17,2	22,7	25,9	21,5
Absolutely agree	20,7	19,6	14,8	20,9
Total	100,0%	100,0%	100,0%	100,0%

Source: own research in 2008.

Table No.7 shows some percents about opinion of respondents about value- service to society. In general, we can see that results do not show big difference from occupation. We can see that not big percent of all respondents see relationship between benefit of organization and service to society. These results can explain in two ways. First - not many of respondents know about CSR (corporate social responsibility) and do not see benefit of involving in this process. Another explanation- respondents believe that at first place must be organizations problems and they do not want to solve society problems at all.

Table 8. Relationships between occupation in organization and cooperation

Cooperation	Higher level manager	Middle level manager	Lower level manager	Employee
Absolutely disagree		1,0	3,7	2,4
Disagree		8,2	2,4	8,1
Nor agree, nor disagree	17,2	15,5	14,6	19,6
Agree	34,5	32,0	37,8	30,0
Absolutely agree	48,3	43,3	41,5	39,9
Total	100,0%	100,0%	100,0%	100,0%

Source: own research in 2008.

This table shows that in general all respondents see advantages from cooperation. But if we analyze results depending from occupation, we see that most positive answers are from higher level managers: “absolutely agree” 48,3 and “agree” 34,5 percent. These results are giving hope that people in their cooperation should understand and possible ways to solve organization as well as society problems using CSR. If for respondents cooperation is a value, it is much easier to transform that through new ideas.

Table 9. Relationships between occupation in organization and welfare for employees, respect to them

Welfare for employees, respect to them	Occupation in organizations			
	Higher level manager	Middle level manager	Lower level manager	Employee
Absolutely disagree		8,2	8,5	10,1
Disagree	13,8	12,4	15,9	13,7
Nor agree, nor disagree	20,7	19,6	29,3	29,2
Agree	27,6	30,9	15,9	27,6
Absolutely agree	37,9	28,9	30,5	19,4
Total	100,0%	100,0%	100,0%	100,0%

Source: own research in 2008.

The last more variable table No.9 shows results about opinion to welfare for employees, respect to them. We can see that the biggest differences are between higher-level managers and employees. „Absolutely disagree“ was chosen by 10 percent of employees, but higher-level managers didn't choose this option at all. And „absolutely agree“ was chosen by 37,9 percent of higher level managers and only 19,4 percent of employees. It is showing that there is a lack of communication between these groups of respondents. We think that it is some lack of good management, maybe employees didn't know about tasks of organizations, there are not enough meetings, higher level managers didn't ask opinions about better work solutions and so on. That to recognize all problems should be another research, but in general, it shows some problems in management.

Conclusions

As any organization is a group of people striving for the same aims, the success of its business depends directly on skills and abilities of the working people to understand equally correctly what they are doing and aiming for. This is possible only in case of forming the specific organizational culture. Organizational culture represents the values, norms, understandings, and basic assumptions that employees share and these values are signified by symbols, stories, heroes, slogans, and ceremonies. Managers help define important symbols, stories, and heroes to shape the culture.

We summarized that culture is a pattern of shared values and assumptions about how things are done within the organization. A value becomes a moral value when human action is involved. Objective values are things or properties of things that do in fact support human life such as fresh air, clean water, knowledge, freedom, love, peace, and beauty. A subjective value is something believed by someone to be supportive to human life, such as reading an informative book or enjoying a hike in the mountains. There are some methods how to involve values in organizational culture.

The research was did for asking respondents about values were declared in organizations. The results show that the biggest point is given to quality (4,10), cooperation (4,01), contractual obligation (3,86), the least points have ready for risk (2,81), service to society (3,23), clarity (3,38), obedience (3,39). For some analysis were choosen some values and depending from occupations in organization. Results show that the biggest differences there are between higher level managers and employees about values: welfare for employees, respect to them, cooperation, quality, boast of work, spirit of teamwork, contractual obligation, loyalty to organization. Only similar opinion about value- service to society. It is show that neither higher level managers neither employees still haven't enough knowledges about CSR.

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