



Original Articles

Cultural values on CSR patterns and evolution: A study from the biplot representation



Víctor Amor Esteban^{a,*}, M^a Purificación Galindo Villardón^a, Isabel María García Sánchez^b

^a Department of Statistics, Campus Miguel de Unamuno, c/Alfonso X El Sabio s/n, University of Salamanca, 37007 Salamanca, Spain

^b Department of Business Administration, Campus Miguel de Unamuno, Faculty of Economics, University of Salamanca, 37007 Salamanca, Spain

ARTICLE INFO

Keywords:

Corporate Social Responsibility (CSR)
Normative forces
CSR engagement
X-STATIS
HJ-biplot

ABSTRACT

Based on institutional and stakeholder theory, this study aims to observe the influence the cultural system has on the degree of responsibility of business behaviour and examines how normative isomorphism influences the Corporate Social Responsibility practices at the country level. We use the Hofstede model because its dimension group highlights the cultural similarities and differences between countries, and we measure CSR along five indicators referring to environmental and social dimensions. This study contributes to the literature by adopting a multi-region approach considering a sample of 6600 observations of 600 publicly-listed companies headquartered in 18 countries in Europe, North America, Japan and Australia, during the period 2004–2014. Given the multidimensional character of the data, we use the exploratory statistical techniques X-STATIS and HJ-biplot, since this allows us to approximate a large group of variables in a low-dimensional space, providing us with a useful visualisation of the structure of the data of the sample relative to the variables. Our main conclusion is that cultural dimensions exert important pressures on firms and their commitment, so, companies located in collectivist societies and, even more, in feminist ones, are characterised by the pursuit of the common good and place greater emphasis on social and environmental issues, thereby showing best CSR practices. Overall, the data does point to more activity in Northern than in Southern Europe, and show that companies respond to what is important in their own countries; for example, the Nordic countries give priority to social policies, while Japanese companies are more committed to the environment. Finally, our results evidence that companies worldwide adopt similar patterns of CSR practices, but their degree of development is strongly determined by the normative institutional characteristics.

1. Introduction

Corporate Social Responsibility (CSR) has expanded since the 1990s as an emerging area of organisational management study, and, in the scope of mitigation, the umbrella term of responsible business conduct has gained attention on the global scale (Halkos and Skouloudis, 2016; Lozano, 2012; Wood, 2010). Nowadays, CSR is actively promoted by institutions such as the United Nations, the OECD and the World Bank, among other key global institutions. In addition, an emerging “epistemic CSR community” can be discerned, which is central to the development of the global discourse, consisting of a set of collective ideas and shared references as well as specific and identifiable CSR practices, such as reporting standards or certification schemes. This community is made up of academic institutions, non-governmental organisation leaders and research groups. Thus, corporate social responsibility is interrelated with the process of globalization in many aspects, so that it obtains the hallmark of being a truly global idea,

always concerned with ensuring its human and environmental dimensions (Gjølberg, 2009; Ruggie, 2008). Nevertheless, although CSR may be of a global nature, as mentioned, several researchers suggest that it is applied differently in different cultural, legal, social and economic contexts.

These general institutional factors define the context in which firms interact with their stakeholders, who have different expectations regarding business behaviour as a result of different cultural conditions involving different values, norms and practices (Bustamante, 2011; Carroll, 1979). In the cultural system, the humanistic orientation, gender equity and institutional collectivism are some of the different dimensions that reflect essentially important differences in the social dimension of CSR (Baskin, 2006) as well as in environmental issues (Barkemeyer, 2007), because countries with different cultural systems perceive the prevalence of these aspects with respect to the economic one in many diverse ways (Maignan, 2001).

There is extensive and important research on CSR; however,

* Corresponding author.

E-mail address: victor_aes@hotmail.com (V.A. Esteban).

relatively few studies investigate the effects of institutional conditions on responsible business conduct (Jackson and Apostolou, 2010; Aguilera et al., 2007). Other studies, such as those by Chen and Bouvain (2009), Lattemann et al. (2009), van der Laan Smith et al. (2005), Xiao et al. (2005) and Holland and Boon Foo (2003), present several limitations that restrict the generalisation of the results, such as the reduced number of countries analysed or the consideration of only environmental information (Aerts et al., 2006; Cormier et al., 2005) or firms in only one sector (Adelopo et al., 2013). This paper compares the practices and disclosure of information about CSR in its different dimensions in companies from several countries belonging to different sectors.

The present work, based on institutional theory and stakeholder theory, aims to observe the influence of the cultural system on the degree of responsibility of business behaviour. This paper contributes to the literature by evaluating several countries through a sample of large listed corporations headquartered in 18 countries in Europe, North America, Japan and Australia, instead of following a single-country or a two-region approach, such as those used by Perez-Batres et al. (2011) and Xiao et al. (2005), across the years 2004–2014. We measure CSR with five indicators – human rights, employees, stakeholders, ethics and environment – that refer to social and environmental dimensions. Our paper analyses the role that institutional forces play in the commitment to sustainability, specifically the impact of normative forces, that is, the different country cultural characteristics.

Given the multidimensional character of the data that make up CSR, it is essential to analyse it with techniques that capture its multivariate character. In this article we use the X-STATIS (Jaffrenou, 1978) and the HJ-biplot (Galindo, 1986) exploratory statistical techniques for such data analysis. From traditional statistical methods one could examine each year separately and make a comparative analysis of similarities and differences; however, the X-STATIS allows us to represent the results in a single factorial plane, representing the consensus structure of all years and, thus, visualizing the behavioural patterns of companies in relation to their CSR practices. To classify countries according to their CSR practices and their normative characteristics, certain techniques could be used, for example, a cluster analysis; but in that case, we would find the patterns but not the variables that characterise the groups; or a principal component analysis, but, it does not provide a simultaneous representation. For this reason, a biplot representation has been chosen, and among its possibilities, we use the HJ-biplot; it has the highest reliability, because of individuals and variables can be superimposed on the same reference system with optimal representation quality.

The paper is structured as follows. In the following section, we describe the institutional features considered in the analysis; accordingly, disaggregated information allows us to expand the framework of neo-institutional theory to analyse the effect that normative pressures have on various aspects of CSR. Subsequently, we provide details of the data and statistical methods used, describe the empirical results obtained and discuss them. Finally, we present our main conclusions regarding the findings.

2. Normative isomorphism and cultural systems

On the basis of the above, due to the resulting differences in the roles of the various stakeholders according to the different institutional contexts, there is no universal definition of CSR (Matten and Moon, 2008). On this line Matten and Moon (2004) research is among the first to theorise on the theoretical relation between CSR and national contexts, and Habisch et al. (2005), in their book *“Corporate social responsibility across Europe”*, published a year later, reinforce the theory that CSR is contingent on national contexts. Lenssen et al. (2006) map the current patterns of CSR to the national political and economic institutions established decades ago.

Institutions are key factors in understanding the nature of CSR

practices (Jones and Nisbet, 2011) and can be seen as the “rules of the game”, so companies within a specific country develop certain behaviours (Thelen, 1999). Concentrating on the different institutions can help us to comprehend which incentives and constraints the firms have in their macro-environments, instead of considering CSR as purely voluntary (e.g., Dennis Jr, 2011; Matten and Crane, 2005; Windsor, 2004). Several authors theorise on two different sources of CSR: the first is known as coercive and is based on rules and standards that are usually codified and mandatory, and the second is known as normative, referring to the promotion of firms’ CSR policies and activities by the perceived expectations of stakeholders (Matten and Moon, 2008; Carroll, 1991). Thereby, organisations that operate in similar contexts, that is, in countries with similar institutional structures, will probably adopt homogeneous CSR behaviour patterns. DiMaggio and Powell (1983) argue that this process enhances company stability and survival, facilitating political power and institutional legitimacy, and name it “isomorphism”.

In relation to normative isomorphism, the stakeholder theory determines the role that stakeholders could play in CSR development. A stakeholder is defined as “any group or individual who can affect or is affected by the achievement of an organisation’s purpose” (Freeman, 1984), which allows us to define a new image of a company that, through the production of goods and services, wants to satisfy the needs of the different groups that constitute it and on which it depends for its survival (Fernández, 2003). As a result of different cultural conditions involving different norms, values and practices, local interest groups have different expectations regarding business behaviour (Bustamante, 2011; Carroll, 1979).

Culture can be defined as a collective programme of the mind, which is highly invisible, sub-conscious and difficult to change (Hofstede, 1983), affecting the behaviour of citizens and corporations (Vitell et al., 2003). Moreover, the ethics of decision-making processes is expected to have a significant influence (Su, 2006; Singhapakdi et al., 1994), on managers’ behaviour, the organisational structure and the business performance, since it will generate an orientation towards entrepreneurial behaviour that is more or less sustainable (Boyd and Richerson, 2005), and this contributes to determining the commitment that the companies will show in relation to their economic, social and environmental actions.

Culture translates into normative pressures, which detect the prescriptive, evaluative and obligatory dimensions in social life, that is, giving instructions or norms on how people should act and judging or determining the suitability of actions and the morally restrictive obligations (Scott, 2001). According to Minkov (2007) and Hofstede (1983), culture can be defined as a collective programme of the mind that distinguishes the people of one country from those of others. Several models have been developed, such as the Hofstede, GLOBE or Schwartz models, which can help us to understand the societal values that distinguish countries from each other; accordingly, these values are grouped into clusters, as in Hofstede’s dimensions of national culture. In this paper, and due to their dimensions being proposed by other models (de Mooij and Hofstede, 2010) we use the Hofstede Model. This model based on the dimensions proposed by Hofstede (2001) is often used by other authors to analyse the impact of the cultural system on the macro-social context, for example Frías-Aceituno et al. (2013), García-Sánchez et al. (2013), Williams and Zinkin (2008), Ringov and Zollo (2007), Christie et al. (2003), Vitell et al. (2003) and Maignan (2001), and to predict the business ethics or CSR parameters. Adaptations of these parameters to analyse the influence on CSR disclosure practices are also used by Kim and Kim (2010), Orij (2010) and van der Laan Smith et al. (2005).

Hofstede’s national work was realized in the 1960s for IBM. To identify the basic values of citizens and distinguish these values between countries, Hofstede proposed four dimensions, which are referred to as “differences”; however, other authors, such as van der Laan Smith et al. (2005), use the term “dimensions”. Hofstede’s cultural

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