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Applying trompenaars typology of organizational culture to implementation of csr strategy

1. Introduction
Nowadays many authors declare Corporate Social Responsibility (CSR) in strategic terms as it is no longer seen as the invention of some social activist but important source of competitive advantage. However various researchers still struggle to figure out what shape and utility should the tools of CSR have and what implementation model could be the best to fulfill the business objectives.

The study aims to demonstrate whether Trompenaars bipolar model of organizational culture could prove useful while implementing CSR strategy and to propose some good practice in this case.

2. Theoretical framework
Culture

A lot has changed in world of management since 80s and many leaders tend to ask a question whether corporate culture is still important. However high interest in that area seems to be a sufficient prove that it still is. According to a recent survey by management consultancy Bain & Company, 9 of 10 senior executives believe that corporate culture is as important as strategy for business
Corporate culture is described as general constellation of beliefs, mores, customs, value systems and behaviors that are unique for each corporation (Tunstall, 1983)\(^1\). By Schein (1992) organization culture is the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and integral integration. Bratnicki, Stachowicz and Kryś (1988) have also connected culture with integration throughout shared symbols, rituals, meanings and comprehension patterns\(^3\). Cameron and Quinn (1988), define culture as the core values, assumptions, interpretations and approaches that characterize an organization\(^4\). Hofstede states that culture is a collective programming of brain, which goes top-down and bottom-up hence it certainly is based upon feedback.

Organizational culture involves all organizational members, originates and develops at all hierarchical levels, and is founded on a broad-based history that is realized in the material, behavioral and lingual aspects (or artifacts) of the organization\(^5\).

According to Trompenaars (1994) culturally influenced organization can differ among countries based on certain key dimensions on the bipolar typology\(^6\). The typology is based on four cultural types: family, Eiffel tower, guided missile and incubator.

**The Family Culture (a power-oriented culture)** Trompenaars’ first type of organizational culture is characterized by strong emphasis on the hierarchy and an orientation towards person. Individuals within this organizational form are expected to fulfill their tasks as directed by the leader, who may be perceived as the caring parent. Subordinates not only respect the dominant leader or father figure but they also seek guidance and approval.

**The Eiffel Tower (a role-oriented culture)** An orientation toward the task as well as a strong emphasis on hierarchy characterizes this type of culture. The ‘Eiffel Tower’ is intended to symbolize the typical bureaucratic tall organization – narrow at the top and wide at the base where roles and tasks are clearly defined and coordinated by the top leaders. Authority is derived from a person’s position or role in the organization, not the person as such.

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The Guided Missile culture (a task-oriented culture) This type of organizational culture is described by a strong emphasis on equity as well as orientation towards the task. It is based on the motto “getting things done”. Organizational structures, processes and resources are all focused on achieving the specified task/project goals. Power is derived from expertise rather than formal hierarchy.

The Incubator culture (a fulfillment-oriented culture) According to Trompenaars this type of organizational culture is characterized by an orientation towards person as well as a strong emphasis on equality. The Incubator culture is aimed at serving as the incubator for the self-fulfillment and self-expression of its members.

Naturally in practice organizational cultures do not fit neatly in any of selected type, however the groupings can be useful in helping to determine how individuals act when it goes to thinking, learning, change, motivation, conflict and so on. What is more Trompenaars typology, although based on corporations, can be highly dependent on national cultures hence each dimension of is influenced by a group of factors derived from geographical outcome.

3. Corporate Social Responsibility

According to McWilliams and Siegel (2001) the definition of CSR is not always clear, because of so many conflicting goals and objectives. McWilliams stated that CSR could be perceived as actions that appear to further some social good,

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beyond the interests of the firm and that which is required by law. An example of CSR is going beyond legal requirements in adopting progressive human resource management programs, developing non-animal testing procedures, recycling, abating pollution, supporting local businesses, and embodying products with social attributes or characteristics.\(^8\)

Caroll (1974) stated that CSR is referred to as corporate citizenship, corporate ethics, corporate stewardship, and social responsiveness.\(^9\) Sharp and Zaidman (2010) argue that CSR encompasses a broad range of activities oriented to the social good, including environmental commitment, community involvement, a code of ethics, and fair business practices.\(^10\) In this case social responsibility is similar to sustainable development (Laszlo, 2008 p.34), when social responsibility and sustainable development are interchangeable.\(^11\) The term sustainable development was used by the Brundtland Commission (EU) which coined “meets the needs of the present without compromising the ability of future generations to meet their own needs.”\(^12\) According to Crane and Matten (2007) sustainability refers to the long-term maintenance of systems according to environmental, economic and social considerations. As indicated by Crane and Matten sustainability as a phenomenon also represents a specific goal to be achieved which is called a ‘triple bottom line’.\(^13\) TBL represents the idea that business does not have just one single goal – namely adding economic value – but that it has an extended goal set which necessitates adding environmental and social value.

The most established and accepted model of CSR in the literature is the ‘Four-Part Model of CSR’\(^14\) by Carroll and Buchholtz (2000). Carroll and Buchholtz (2000) assert that CSR is a multi-layered concept, which can be differentiated into four inter-related aspects: economic, legal, ethical and philanthropic expectations, placed on organizations by society at a given point in time.\(^15\) According to Carroll economic aspect is concerned with the economic performance of the company, while legal, ethical and voluntary (philanthropic), address the societal aspects of CSR.

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\(^11\) Ch. Laszlo: Firma Zrównoważonego Rozwoju, Studio Emka, Warszawa, 2008, p.34.


\(^14\) sometimes called ‘after profit obligation’ – opposite to ‘before profit obligation’

From the other hand, Maon, Lindgreen and Swaen (2009) argue that ‘CSR is a stakeholder-oriented concept that extends beyond the organization’s boundaries and is driven by an ethical understanding of the organization’s responsibility for the impact of its business activities, thus, seeking in return society’s acceptance of the legitimacy of the organization’.16

Sharp and Zaidman (2010) demonstrate that CSR differs significantly from “standard” business strategy initiatives and entails a number of differences from more standard business initiatives within a company. In this case problems with social responsibility and traditional business activity may arise from four reasons (Table 1).

Table 1: CSR problems during business initiatives

<table>
<thead>
<tr>
<th>Problem</th>
<th>Characteristic</th>
<th>Possible solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contradistinction to business goals</td>
<td>CSR addresses social needs that are virtually infinite, difficult to measure, and largely beyond the organization's immediate control.</td>
<td>Specify social goals and initiatives and link with corporate activity.</td>
</tr>
<tr>
<td>Ethical dimension of CSR activities</td>
<td>Standard strategic business activities are purely profit orientation.</td>
<td>Combine ethical goals with competitive advantage measures.</td>
</tr>
<tr>
<td>Decentralization of CSR activities</td>
<td>CSR activities are less central to the company's primary business mission.</td>
<td>Integrate CSR strategy with business strategy, goals, mission, vision and organizational culture.</td>
</tr>
<tr>
<td>Active involvement of employees as volunteers</td>
<td>Employees act both as employees in a for-profit organization, and simultaneously as volunteers in a not-for-profit organization (identity dissonance for the employees and organizational discord or conflict).</td>
<td>Use CSR activities to integrate and motivate employees (accolades, awards, publication in the company’s newspaper etc.).</td>
</tr>
</tbody>
</table>

Further, corporations tend to develop CSR policies using a stakeholder model (Brammer and Millington, 2003). Following to Waddock, Bodwell

and Graves (2002) during implementation of CSR strategy very important problem is institutionalization of responsibility with company stakeholders. Institutionalization involves input from key stakeholders in a process of mutual learning and engagement by getting their perspectives on the decisions that the company is making. Waddock, Bodwell and Graves (2002) point out that recognizing decisions that are likely to be controversial can be a helpful way to avoid possible problems.

4. Cultural factors influencing CSR

According to Brown (1992) organizational culture appeals to emotions as a way to shape attitudes and behaviors of individuals. In this way it strengthens desirable behaviors and weakens those which are not appreciated. Thus it can make people more active or passive as far as their initiative is concerned.

CSR as a strategy aims particularly at both social and environmental aspects of doing business and is concentrated on gaining competitive advantage. This in fact has a lot in common with a role of organizational culture. As a result CSR strategy might be driven by cultural factors such as norms, values, beliefs, attitudes, assumptions and behaviors.

Organizational culture (e.g. by Trompenaars) is often expected to create the need for social responsibility and thus influence specific actions from its workforce. Those actions can be either top-down or bottom-up depending on the described cultural factors (Figure 2). Most important they need to be strictly linked to company “sense of belonging”.

Figure 2: Model of cultural impact on corporate social responsibility strategy implementation

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5. The model of culturally driven CSR strategy

The initiative towards implementation of CSR strategy could have different backgrounds based on the characteristics of Trompenaars model. The more hierarchical the company is the more power distance it reveals and thus employees mainly follow orders instead of stepping forward with their own ideas and concepts. Strict obedience in these cultures is highly valued. In this way the “top-down” approach suggests that managers ought to be the initiators responsible for the whole process from planting the CSR meaning into employees’ heads up to initiating final strategy. Their job is, above all, to provide employees with clear understanding of economic, legal, ethical and philanthropic responsibilities which are culturally driven aspects of CSR. Hence the managers need to come up with the ideas of how to fulfill strategic objectives such as:

− realization of important social interest through amassing capital, creating jobs, goods and services,
− hiring and managing people, selling goods and services to the customers, establishing business relations,
− harmonizing social and own benefits by avoiding negative social phenomena as well as prevent them.

On the other hand the initiative towards implementation of CSR strategy could take the form of bottom-up one and originate with the regular employees. According to Trompenaars the more egalitarian cultures the more those employees have to say. Hofstede states that in such organizational cultures are most often characterized by low-strata and consist of highly educated people. These cultures in fact encourage and promote individuals with their own ideas, proposals and concepts. As a result less powerful members of the company are very much welcome to submit their own projects related to the strategy of Corporate Social Responsibility.

Table 2 presents example models of CSR implementation by changing the placement and direction of CSR activities inside organization, and regarding to proper Trompenaars culture types.

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20 G. Hofstede: Kultury i organizacje, PWE. Warszawa 2000, s. 51.
Table 2: Models of CSR implementation aligned with Trompenaars cultural types

<table>
<thead>
<tr>
<th>Models of CSR implementation</th>
<th>Incubator</th>
<th>Guided missile</th>
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</thead>
<tbody>
<tr>
<td><strong>Bottom-up</strong> (via-employees)</td>
<td>Employee centered approach</td>
<td>An integrative CSR framework (planned change – but evolutionary)</td>
</tr>
<tr>
<td>- group of employees decided to embark on volunteer projects</td>
<td>(Nord, Riggis Fuller)</td>
<td>(Maon, Lindgreen, Swaen)</td>
</tr>
<tr>
<td>- individuals (TRs)</td>
<td>CSR as an emerging activity/strategy</td>
<td></td>
</tr>
<tr>
<td><strong>Top-down</strong> (via management)</td>
<td>Family</td>
<td>Eiffel tower</td>
</tr>
<tr>
<td>- global level</td>
<td>Strategization of CSR</td>
<td>Total Responsibility Management</td>
</tr>
<tr>
<td>- local national management</td>
<td>(Sharp, Zaidman)</td>
<td>(Waddock, Bodwell, Graves)</td>
</tr>
<tr>
<td>CSR as a part of organizational strategy</td>
<td></td>
<td></td>
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</tbody>
</table>

Nord and Riggs Fuller (2009) reported a case studies involving both perspectives of CSR strategy. They believe that the activities associated with increasing CSR should also be viewed from a wider perspective so that it attends to actions of lower-level organizational participants, whose actions also can and often do affect change in organizations. Further, Nord and Riggs Fuller (2009) noted that the traditional view treats CSR as part of the organization’s overarching strategy, seeing change as a product of deliberate decisions made by top-level executives and implemented in a top-down manner. In contrast, employee-centered perspective, containing “small wins” and activity of “tempered radicals” (TRs) views CSR change as, at least in part, produced incrementally through actions initiated by people at all levels of the organization. When done the right way and in the right place, spontaneous actions by lower-level participants can have positive effects (direct impacts and stimulate other members) on organizations’ CSR behavior. It involves both viewing small steps (rather than organizational goals) as legitimate change and recognizing that the change can come from lower-level employees.

25 “Small wins” - are controllable opportunities that produce visible results. Achievement of one small win sets up conditions for other small wins.
26 “Tempered Radicals” - people who want to succeed in their organizations yet want to live by their values or identities, even if they are somehow at odds with the dominant culture of their organizations.
Waddock, Bodwell and Graves (2002) stated that CSR is similar to quality management systems. They developed systemic approach to CSR for setting and managing responsibility goals within companies by using total responsibility management (TRM) systems approaches for managing responsibilities to stakeholders and the natural environment. TRM approach involves three major processes: inspiration or institutionalizing a vision of responsible practice throughout the enterprise, integration of responsibility into corporate strategies, building human resource capacity, management systems, improvement and innovation through indicators that measure responsibility and learn from experiences. Furthermore, the key element of TRM approach is ensuring that CSR is built into the corporate vision and associated values with the support of top management to ensure that everyone in the organization and its supply chain is aware of that commitment and seeks to meet it. It is called inspiration processes and includes: a) responsibility vision, values b) leadership built on foundational values c) stakeholder engagement. During integration processes TRM is putting into practice by translating vision into reality within: a) strategy b) human resource c) responsibility d) integration into management systems e) responsibility measurement systems. An innovation and improvement process implies learning from the past and it is required: a) improvement: remediation, innovation, and learning b) results: performance, stakeholder, and ecological outcomes and responsibility c) transparency and accountability. Waddock, Bodwell and Graves (2002) derived some ideas to prepare managers for implementing TRM approach into organization e.g.: create a vision and related set of values that articulate the company’s core responsibilities and relate those responsibilities to corporate strategies, engage all stakeholders in continuing dialogue (meet society’s and stakeholders’ expectations by feedback and inputs on possible problem areas), build employee capacity to understand and take responsibility for corporate impacts and become a learning organization (identify key performance indicators that measure improvements or highlight problems).27

Sharp and Zideman (2010) applied model of strategy as practice, developed by Jarzabkowski (2005). This kind of approach views strategy as “something that people do”. Sharp and Zideman noted that “strategization” refers to the process by which a strategy is integrated into organizational behavior and culture, and it is the ongoing interplay between top managers and the strategizing practices in shaping strategy over time.28 As related in Table 1 CSR differs significantly from “standard” business strategy initiatives however CSR meets three strategic criteria: CSR is a goal-oriented activity both in content and in form, CSR engages the three actors: top management, the community of employees, and goal-
directed activity. Third, the model assigns to the organizational community in strategization, to explain the process by which a CSR initiative penetrates an organization. The success of a CSR program depends on the organizational community’s internalization and acceptance of CSR. Following Sharp and Zideman (2010) CSR have unique, value-centric nature of activity, which is an effect of lack of resistance to CSR within the organizational community. There is a tendency for CSR activity to migrate from group volunteerism to individual volunteerism and institutionalized CSR in the organization. This transition can serve as an indicator that voluntary activities can be standardized and routinized in the organization.

According to Maon, Lindgreen and Swaen (2009) developed integrative framework, based on multiple case study and Lewin’s planned change model, highlights four stages that span nine steps of the CSR design and implementation process. First step is raising CSR awareness inside the organization as the result of the influence of four key drivers: economic, social, political, and individual. This framework considers both top-down and bottom-up processes. Step two is assessing corporate purpose in its societal context. It contains uncovering corporate norms and values, identifying key stakeholders and critical stakeholders’ issues. It is very important to improve organizational fit, a CSR program must align with the values, norms, and mission of the organization. Another problem is to defining which stakeholder categories the organization should cooperate with and include. Step three is establishing a vision and a working definition for CSR (the motivation supporting the commitment to CSR and the stakeholders and issues identified as most important to the organization). During step four there is assessing CSR status by auditing current CSR practices and benchmarking competitors’ practices and CSR norms and standards. Step five is responsible for developing a CSR-integrated strategic plan which has to be implemented in step six. To empower process of implementation, step seven includes communication about CSR commitments and performance, and step eight evaluates this implementation. The last step is institutionalizing CSR via continuous stakeholder dialogue, because CSR have been adopted as the long-term strategy and decision-making guide.

6. Conclusions and recommendations

Theoretical study of CSR indicated connections between organizational culture types and corporate social responsibility. Based on the literature analysis the model describing how Trompenaars cultural types predict facets of CSR was developed (Figure 1, Table 2).

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According to Tolhurst, Pohl, Matten and Visser (2010) there are many different factors influencing cultural issues for CSR, what CSR issues are addressed and how to “walk the talk”. These factors are: a) diversity in how the societal, legal, political and economic institutions in a country interact; b) corporate governance structures, organizational characteristics, behavior, and strategies adapted to CSR; c) cultural differences across industry sectors and organizations, and within organization; d) analysis of risks, bottom-line, corporate culture and values of its leaders; e) cultural issues arise for joint ventures, mergers or takeovers; f) diverse thinking on CSR at different levels of the company e.g. the top management, across boarder, executives, or operational level; g) diverse thinking across the functional areas within a business e.g. among ‘more boundary spanning’ functions (HR, Marketing, Public affairs, Community affairs, Environmental affairs) and the ‘less boundary spanning’ functions (Finance, Legal, R&D, Engineering); h) vested interests, values and expectations differ across different stakeholder groups e.g. investors, employees, suppliers and neighboring communities; i) ideological differences among members of different sectors e.g. government, civil society and business (what CSR issues are prioritized, expectations and what is accepted or practiced as CSR)30.

Analysis of different CSR models and conditions explaining the nature of CSR inside the organization with special regarding to three important issues:
1) the most presented models of CSR implementation are mixed in nature, because of interactions inside organizations and rising awareness of employees, not only managers at the top of organization,
2) CSR could be a part of wider formal strategy or an emergent strategy,
3) CSR need to fit to organizational pattern of strategy and culture.

Probably the main problem is not which way to go, but how to institutionalize responsibility. According to Waddock, Bodwell and Graves (2002) the institutionalization of responsibility is not downwardly unidirectional and internal to the firm, but it is a two-way street, down and up within the firm and its suppliers (…) Engaging stakeholders and getting their perspectives on the decisions that the company is making, particularly decisions that are likely to be controversial, can be a helpful way to avoid possible problems.31

References


Hofstede G.: Kultury i organizacje, PWE. Warszawa 2000, s. 51.

Laszlo Ch.: Firma Zrównoważonego Rozwoju, Studio Emka, Warszawa, 2008, p.34.


Abstract

The paper is a consequence of authors’ interests in the fields of organizational culture as well as corporate social responsibility (CSR). Nowadays both fields continue to gain the managers’ attention as they seem to be important component of what company is all about. The study aims to demonstrate whether Trompenaars bipolar model of organizational culture could prove useful while implementing CSR strategy and to propose some good practice in this case.