Sustainability of Logistics and Supply Chain Operations Through Corporate Social Responsibility Initiatives

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So much pressure abounds for supply chains to deliver goods and services in the right quantity, quality, to the right place and at the right time and least cost possible. It is an acceptable fact that supply chain operations, local or global, face numerous unforeseen challenges that expose them to ineffective and inefficient performance. It is evident that organizations that manage environmental, social and economic risks are better positioned to deliver sustainable supply chain operations. The next generation of supply chain management should not be comfortable with the old adage of out-of-sight out-of-mind behaviour as this presents an unacceptable reputational risk level to the sustainability of logistics business operations.

Research Approach: The research adopted a mixed methodology that employed a comparative case study approach, semi-structured questionnaires and content analysis to analyse in order to explain the institutional and stakeholder influences on organizational CSR in supply chains for UK and SA based organizations.

Findings and Originality: The findings here argue that sustainability of logistics and supply chain operations should consider stakeholder perceptions and respond to various institutional pressures within the institutional settings.

Research Impact: The research makes a significant contribution to the specialist body of knowledge by providing insights into corporate sustainability practices in the two countries from an institutional and stakeholder perspectives.

Keywords: Corporate sustainability, corporate Social Responsibility, Logistics, Supply Chain Management, Supply Chain Risks, Environmental, Social, Competitive Advantage. Sustainability, Corporate Reputation.

1. INTRODUCTION

Long gone are days when managers’ responsibility ends with profit maximisation or growth. Rather the managers in these organizations are now expected to take a holistic view of their supply chain operations to include the economic purpose of the firm and also the socio-environmental impacts in pursuit of the economic goals of the organization. Whilst there appear to be problems with what is a corporate sustainability definition, the notions of what constitutes corporate sustainability and related performance, are evident in the ensuing debates, (Dahlsrud, 2008; Roberts, 2006; Sethi, 1979; Van Marrewijk, 2003; Wartick and Cockran, 1985; Maignan and Raison, 2002). Organizations and their supply chains partners are now expected to account for the impact of their operations on the environment whilst contribution to the well-being of society (Visser, 2010). What constitutes corporate sustainability may be shroud with some inconsistencies, but corporate social responsibility (CSR) appears to be the umbrella term that denotes the overarching relationship between businesses respective societies. Most recently research has focused on the direct influences of organizational CSR initiatives on reputation and corporate image.(Barkakati, et al., 2016).

The aim of this paper is to explain the contexts of corporate sustainability and organizational CSR perspectives in the UK and South Africa. Applying a case study approach the paper will make a comparative analysis of organizational CSR between the two countries, focusing mainly on CSR initiatives by those organizations in the two countries that have adopted social responsibility into their operations. In this paper, a review of literature underpinning this inquiry is first provided, and then followed by the research design
for data collection and analysis. The results, discussion and contribution to knowledge will conclude this paper.

2. LITERATURE REVIEW

There are arguments that the precise nature and characteristics of CSR initiatives at organizational level will differ from organization to organization, as well as from country to country (Zadek, et al., 2002; Matten and Moon, 2008). Organizations are therefore expected to consider external environmental factors and demands of stakeholders, (Sarbutts, 2003). Whilst CSR has emerged as an umbrella terminology used by businesses, governments and civil societies, the interpretation and application of this concept has been varied, (Benn, et al., 2010; Matter and Moon, 2008; Van Marrewijk, 2003). The CSR field has also been characterised by external societal pressure and government regulations that have put demands on organizations to take account of operational impacts on the environment, worker safety, and consumers’ rights, (Carroll, 1999). In response to the increasing societal pressure, the apparel industry appears to adopt a diligent approach to CSR by introducing codes of conduct for suppliers upstream (Emmelhaiz and Admas, 1999). However Maloni and Brown, (2006) noted that other industries e.g. the food industry, are yet to infuse CSR into their supply chain networks. The context and nature of corporate social responsibility (CSR) debate included criticisms of CSR (Friedman, 1962, 1970; Haas, 1979; Chamberlain, 1973), with arguments that the use of organization resources for provision of public goods, for example, donations to charity causes, may actually increase the cost of operations thereby reducing profitability, (Pinkston and Carroll, 1996). There are further suggestions that the CSR criticisms have enabled the CSR concept to be thoroughly analysed and examined (Wartick and Cockran, 1985) resulting in frameworks developed on how corporations can respond to social responsibility and stakeholder expectations, (Carroll, 1979; Preston and Post, 1975; Sethi, 1979). There are terminologies that are used to dente CSR, including corporate social performance (Sethi, 1979; Carroll, 1977), corporate social responsiveness, (Carroll 1977), social obligation (Sethi, 1979), public responsibility (Bowman and Haire, 1975), corporate citizenship (Bowman and Haire, 1975), corporate sustainability and corporate social investment, (Salzmann, et al., 2004).

WHAT THEN IS CSR?

An important highlight from Carroll, (1999) analysis was that CSR has a European and American origin and that the CSR definitions are all dependent on stakeholders’ opinion. Although the conceptualisation of CSR remains controversial and ambiguous (Wood, 2010), there is a set of descriptive categories of business activities towards social responsibility and these are reflected in the definitions used to describe CSR. For example, the World Business Council for Sustainable Development (WBCSD) (1999) defined CSR as a continuing commitment by business to behave ethically and contribute to economic development, while improving the quality lives of its employees and their families and that of the community. WBCSD later refined their original definition in 2002 to ‘the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life’. The notion here is that organizations are not only expected to mitigate the impacts of their operations on communities, but also to engage in deliberate activities that contribute towards sustainable development, defined earlier as meeting the current needs without compromising the capacity for future generations, (WCED, 1987). According to Rondinelli and Berry (2000) this sustainable concept assumes that organizations consider concurrently the economic growth with long run environmental protection and social equity in their operational objectives. This appears to suggest that CSR definitions have also evolved over time emphasising that the key factors for CSR contextualisation are also time bound (Campbell, 2007). The UK Department for International Development (1997) referred to CSR as a means to protect workers and the environment from the undesirable consequences of the otherwise desirable international trade. Again this appears to reinforce the above notion of time as a key determinant for what constitutes CSR.

Others like Van Marrewijk (2003) have questioned whether CSR should be viewed as a solution for global poverty gaps and social inclusion initiatives as expected by some local and civil societies.

Notwithstanding the foregoing, the CSR debate has put pressure on companies to rethink their
responsibilities within given supply chains (Blowfield and Frynas, 2005). There are arguments that less has been done to investigate how global supply chains safeguard themselves when it comes to fulfilment of social obligation (Pedersen 2006). One of the problems identified with global supply chains is the newsworthy cases of child labour (Hines, 2004). The view posited in yet other debates is that the determinants of environmental and social CSR activities are likely to be different especially for organizations operating in globalised supply chains, (Fernie and Sparks, 2014). The OECD (2006) noted that organizations doing businesses with suppliers and sub-contractors who embraced high standards of business conduct have discovered more benefits such that requesting supply chain partners to comply with social and environmental standards minimises risks. There is evidence to suggest that failure to manage supply chains responsibly has significant risks on the reputation and sustainability of organizations, (Oelze, et al., 2016). However, there are several challenges to the management and control of global supply chains with arguments that organizational capabilities are essential for successful implementation of social and environmental policies for supply chain operations. In other contributions Carter, (2004) noted that the CSR compliance initiatives appear to focus more on upstream alliances than downstream. The challenges and same definitional constructs alluded to earlier present themselves in the adoption of supply chain CSR (Carter, 2004; Carter and Jennings, 2002a, b, 2004) with Maloni and Brown calling for further research in this aspect. Gourley (1998) argue that involvement of downstream partners e.g. distribution centre and other stakeholders is also a critical success factor.

Although there are likely to be several drivers for CSR perceptions and motivations, this paper focuses on institutional environment and stakeholder influences. It has also been argued that the institutional environment is a significant contributor for the level of CSR uptake by organizations, as these environments set the rules of the game for the players, in this case, the organization and its stakeholders (Campbell, 2007; Doh and Guay, 2006; North, 1993; Scott 1987). For Oliver, (1991), the factors within the institutional environment that are also dependent to a large extent on the socio-economic, cultural and political settings within the related timings, have presented organizations with a variety of choices in response to these pressures and expectations. The context of CSR can only be understood by considering the institutional environments that organizations operate within, including the demands and expectations from the stakeholders, (Clarkson, 1995; Doh and Guay, 2006; Freeman, 1984; North, 1990; Preston and Post, 1975). The relationships between organizational CSR capabilities, responsiveness and corporate social performance are moderated by various institutional pressures prevailing. Whilst CSR has become an all-encompassing ‘buzzword’ for a phenomenon that appears to have different configurations and meanings, (Van Marrewijk,2003; Dahlsrud, 2008), there are arguments that the perspectives of corporate sustainability evolve within various socio-political contexts, timescales and pressures from the perceived stakeholder groups (Carroll, 1979; Clarkson, 1995). The perspectives or the nature of organizational CSR responses is therefore shaped by the institutional environment prevailing and perceived stakeholders’ expectations or demands (Oliver, 1991; Meyer and Rowan, 1977). The growing expectation for organizations to behave in ways perceived to be socially responsive is evident, both from the on-going debate on the phenomenon, and from the extent of the coverage of the CSR related initiatives in organizations’ annual reports.

3. THE PROBLEM

Whilst empirical research suggests that organizations leading in CSR related activities tend to be more stakeholder-oriented (Ricart, et al.,2005), this assumption is likely to result in a diversity of demands and pressures from the multiplicity of expectations from different stakeholder groups. This also presents challenges to organizations and their supply chain partners in deciding and prioritising key CSR issues. Furthermore, the materiality of CSR issues is influenced by the relationships organizations maintain with their key stakeholders, (Agie, et al.,1999; Frooman, 1999; Jones, 1995), and the institutional environment that sets the rules of the game for the business environment. Therefore, CSR is likely to be contextual, (Campbell, 2007), presenting further challenges to globalised business environment and supply chain operations.

THE PURPOSE OF RESEARCH

The purpose of the research study is to investigate the CSR motivations and organizational perspectives in order to explain the influencing
drivers for organizational CSR initiatives. Applying the institutional and stakeholder theory, the research investigates the perspectives of organizational CSR in the UK and South Africa based supply chain organization.

The research questions are:

- What are the key motivations for organization CSR in organizations’ supply chain operations?
- What CSR issues are prominent from sample organizations and how are these prioritised?
- What institutional factors are evident in the UK and SA countries that are likely to influence organizational corporate sustainability?
- Which stakeholder groups are likely to influence CSR actions in a given business environment?

**RESEARCH DESIGN**

The research takes an inductive process using mainly qualitative research methodology, although there are situations where quantitative data analysis was used in the research. As the aim of the research is to investigate the CSR perspectives (the contemporary phenomenon) in UK and SA organizations (natural settings), a case study method is used because it enabled a thorough investigation in order to gain a deeper understanding into the institutional environment, what the CSR practices in the two countries are and how sample organizations prioritise the CSR issues. The sample units are purposefully selected and drawn from two data bases of organizations that the researcher considered to be leading in CSR practices in the two countries. For this reason, data bases of the Johannesburg Stock Exchange (JSE), Social Responsibility Investment (SRI) (SA) and Business in The Community (BiTC), (UK) appear to use CSR related criteria to evaluate and rank member organizations considered CSR compliant. Organizations from the two data bases were selected to provide insights into a variety of institutional factors and related CSR initiatives within prevailing socio-political and economic settings. Full description of case units is provided in Annexure 1.

Data collection methods included primary methods of, semi-structures questionnaires, content analysis from annual reports. Annual reports for period 2010 were obtained from sample organizations’ websites and in some cases direct from the organizations. Content analysis (CA) was therefore applied to analyse sample organizations’ annual reports in order to establish the key institutional factors, stakeholder groups and CSR issues for these. The basic assumption of CA is that frequency of particular words and groups of words reveal some underlying themes or can be associated with underlying concepts, (Duriau et al., 2007; Webber, 1990). For example, the frequency of words or groups of words would quantify CSR issues or describe CSR perspectives in the sample organizations. A semi-structured questionnaire was developed and administered to respondents within the sample organizations. The questionnaire was divided into five specific sections for data collection, e.g., Section A covered institutional factors influencing CSR initiatives and definitional construction; Section B related to stakeholders; Section C focused on CSR issues and prioritisation, Section D related mainly on organizational motivations for uptake of CSR initiatives. The respondents were selected based on their responsibilities within the subject area of CSR.

In the case of CSR issues, the investigation adopted familiar CSR dimensions of economic, social and environmental issues, (Carroll, 1979; Dahlsurd, 2008) and from these dimensions, created themes and related categories drawn from discussions by Annadale and Taplin (2003), Bansal and Roth (2000). Four key CSR themes, namely workplace; market place; community and environmental, were selected from these dimensions as shown in Table 1 below.

Based on the themes established from literature review and previous research, some key words and phrases were selected as recording units for context analysis. In order to investigate organizational CSR motivations the inquiry adopted Baku and Palazzo, (2009) and Carroll, (1979, 1991) motivation dimensions of Performance-driven CSR; Value-driven CSR; Stakeholder-driven CSR; Compliance to Government regulation; Community related CSR and Risk Management CSR were used to categorise CSR motivation. In order to gain a deeper insight into the nature and context of CSR, i.e., the CSR perspectives in the two countries, this inquiry requires that the investigation includes the organization’s CSR context and its motivations for adopting the CSR initiatives, (Basu and Palazzo, 2009).
4. FINDINGS

INSTITUTIONAL CONTEXT

Tables 2 below, reveals some formal institutions that have been identified to have, over the last decade, shaped organizational responses for CSR in the UK. The formal institutions identified have been further grouped into six main constituents of; Government Policy; Government Incentives; Awareness and Promotions; Industry Standards; International Influences; Education and Training; and Voluntary Schemes. These will be described and analysed further below.

There is a strong regime of legislation regarding health and safety at work and consumer protection in the UK. According to Fox, et al., (2002), this appears to be a mandating role being played by government in that the legal framework sets the minimum standards for business corporate social performance. For example, a key aspect included in the Companies Act, (2006) requires organizations to pay attention to wider issues like honesty with their products, due care to safety, the environment and employee related matters (Mackenzie, 2007). These legal institutions provide an explicit requirement for organizations and their boards to conform to legal and ethical concepts of CSR, e.g., workplace and market place issues.

Table 3 below reveals that various acts of parliament identified in SA but not limited to these, have been passed since 1995, to directly or indirectly address and provide guidance in areas associated with CSR, thereby assuming a mandating role (Fox, et al., 2002). These policy frameworks appear set to address key issues that are associated with CSR, although perceived to be caused or associated mainly with the historical imbalances. These issues are considered key public policy issues (Guthrie and Parker, 1990; Trotman, 1979; Alluche, 2006) and will influence the choices that organizations in the country will take towards CSR. Although the level and commitment in the above depends to a large extent on context and situation (Lind and Tyler, 1998), it would appear that poverty and inequality are the main focus for the government legislation.

Overall the inquiry suggests a conducive institutional environment for organizational CSR in the UK as sample organizations have identified with the formal and informal factors, as suggested by Campbell, (2007); North (1994) and Scott, (1987). Sample organizations in the two countries consider government policy to be a key factor for CSR initiatives through legislation and other policy incentives. Although from analysis of annual reports and questionnaire responses, there is no specific regulation that appeared to be common for sample organizations in the UK, it is evident that sample organizations in SA considered specific regulation (BEE Act) in their CSR initiatives. It would appear that in South Africa the institutional environment is a mixed bag of legislated CSR, mainly due to the legacies of colonialism and post-apartheid periods (Hamann 2003).

Table 1. CSR Issue Themes.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Theme</th>
<th>Coded to theme if it refers to</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Work place</td>
<td>Socio-economic and organization’s initiatives within the work environment towards financial performance improvement</td>
<td>Staff health and safety; training and skills development;</td>
</tr>
<tr>
<td></td>
<td>Market place</td>
<td>CSR described in terms of initiatives towards enhancement of supply and customer experiences</td>
<td>Products and services issues; procurement and supplier diversity</td>
</tr>
<tr>
<td>Social</td>
<td>Community</td>
<td>Business concerns for social issues</td>
<td>Charity donations, social concerns in business operations; contribute towards the betterment of society</td>
</tr>
<tr>
<td>Environmental</td>
<td>Environment</td>
<td>Concerns for the natural environment</td>
<td>Waste management, climate change; energy use; environmental impact</td>
</tr>
</tbody>
</table>

government has assumed a leading role in institutional reform necessary to address perceived poverty and inequality gaps. The analysis results as set out in Table. 3 below found that government plays both mandatory and facilitation roles for organizational CSR in the UK and SA. This is also reflected by respondents in SA who ranked government policy as a key factor for CSR initiatives, higher than responses from the UK respondents.

For SA, the key regulation that appears to be cited is the BEE Act that sets out policy towards economic empowerment of the disadvantaged population groups in South Africa. This mandatory role for CSR, (Fox et al., 2002) appears to use what Albadera et al., (2007) considered to be an outdated approach of hard power to influence organizational CSR as opposed to organizations voluntarily pursuing CSR related issues. Nonetheless, Joseph et al., (2003) argued that the hard approach alone does not ensure the right response from business, especially in CSR initiatives. As sample organizations in both countries made reference to specific regulations they considered in their annual reporting of CSR initiatives, it is therefore possible to infer that legal compliance is a key motivator for organizational CSR for sample organizations in the two countries. Other institutional factors that are key factors influencing CSR initiatives include national and industry standards; managerial competences; culture and public opinion on CSR. Therefore the inquiry findings reveal that institutional environment play a significant role in CSR initiatives for sample organizations in both countries.

**CSR ISSUES**

This inquiry reveals that sample organizations consider CSR as an important activity and have adopted some reporting mechanism in these areas. There is evidence that sample organizations have in place strategies and policy directed towards CSR, although the main focus varies in terms of key CSR issues and stakeholders. Definitional constructions for CSR incline similarly towards same issues. For UK sample organizations, there is more emphasis on

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<table>
<thead>
<tr>
<th>Type of policy</th>
<th>Agency</th>
<th>Instrument</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy guidelines</td>
<td>Political Structure</td>
<td>Minister Responsible for CSR</td>
<td>March 2000, the British government created the political figure of The Minister for CSR responsible for CSR policies, and his/her main duty is to develop the government’s CSR strategy</td>
</tr>
<tr>
<td></td>
<td>Department of Trade and Industry (DTI)</td>
<td>CSR strategy</td>
<td>The UK government’s CSR strategy in six key elements</td>
</tr>
<tr>
<td></td>
<td>Environmental Reporting Guidelines – Key Performance Indicators (KPIs)</td>
<td>Environmental Reporting Guidelines</td>
<td>Will help companies address their most significant environmental impacts, identify environmental risks relating to company performance, and report on these in a way that meets the needs of the industry</td>
</tr>
<tr>
<td></td>
<td>The Companies Act 2006</td>
<td>Act</td>
<td>Enshrined in statute the principle of enlightened shareholder value, which expects that long-term sustainable success depends on companies paying appropriate regard to wider matters such as environmental impacts and employees.</td>
</tr>
<tr>
<td></td>
<td>National policy</td>
<td>Various Acts</td>
<td>Regulate the conduct of employers in various aspects of health and safety at work, e.g., HSWA 1974. Other legislation relates to sales of goods and services aimed at protecting the consumer, e.g. the Sale of Goods Act, 1979; Bribery Act, 2010; Consumer acts</td>
</tr>
<tr>
<td></td>
<td>Employment law</td>
<td>Various acts</td>
<td>Employment Act; Equality Act, 2010</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pensions Act</td>
<td>Disclosure of Social, environmental and ethical considerations into investment decisions</td>
</tr>
</tbody>
</table>

The analysis reveals more focus on stakeholder dialogue as is reflected in the stakeholder identification and dialogue process that appears to be more comprehensive for SA sample organizations. CSR issues from sample organizations in SA appear to be more of a response to socio-economic development and this has been a key focus of specific legislation in the country. There are many regulations in the UK that deal with some aspects of CSR for example, equality, health and safety in workplaces. This tends to support the Carroll's hierarchical view of CSR that legal compliance is a key CSR domain that should be satisfied before moving to the next levels of CSR. The assumption

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1 Information inequality (Simpson, 1997) was considered a constitutional right in order to mobilize people for national development and monitoring corporate citizenship. This aspect can also be linked to awareness, promotions, education and training in CSR.
therefore, is that sample organizations in SA view legal compliance as a key CSR issue.

When asked what motivates organizational CSR, respondents in the UK revealed the following results in Figure below.

The results as shown in Fig. 1 above show an inclination towards protection of brand and organization’s brand for most UK respondents. This could reflect the institutional results where respondents rated culture and public opinion to be a key factor for CSR initiatives in the UK, implying that the CSR initiatives by sample organizations in the UK are likely to facilitate advantageous relationships with key stakeholders.

Further analysis of responses from sample organization in SA (Fig 2…below) reveal that response to government legislation is a key motivator for respondents in SA sample organizations. The other key motivator is ‘brand and organization reputation’ followed by ‘financial and operational performance’. The only motivator that did not receive a low rating is ‘government responses with ‘mitigation against potential internal and external threats’ receiving the lowest rating of all.

Fig. 1. CSR Motivations for UK Sample Organizations.

Fig. 2. CSR Motivations for SA Sample organizations.
From the analysis the factors driving and influencing CSR responsiveness and initiatives for both countries are varied but the inquiry reveals that in some areas there are similarities in factors that drive and influence CSR initiatives across the organization and the two countries.

5. DISCUSSION

As suggested earlier, the institutional theory provides a coherent framework of analysing the different dimensions within and between countries that have influenced organizational practices, (DiMaggio, 1988). Drawing upon the institutional theory, a strong and positive environment exists for CSR initiatives in the UK. This would imply that the uptake of CSR initiatives would be high for organizations in the country. This inquiry confirms that institutional settings and stakeholder demands determine the CSR perspectives and resultant organizational CSR motivations and initiatives, (Lozano, 2005; Sison, 2008; Ulrich, 2008; Branco and Rodrigues, 2007; Mitchell et al., 1997). Because of the variations in what constitute CSR and the wide variety of CSR initiatives, (Basu and Palazzo, 2008; Crane and Matten 2004; Fairbrass 2005; Van Marrewijk, 2003; Welford, 2005) it is imperative that the discussion begins with definitional constructions for CSR in the context of the investigation. This is also based on Idemudia, (2008) who argued that any analysis of CSR should start with some definition in order to adequately engage with the key determinants of the phenomenon.

**CSR DEFINITION**

It has not been possible to establish a single definition for CSR for sample organizations in the two countries, however there is evidence to suggest that data analysis of annual reports tended to define CSR in more normative terms, that is, more of the general principles of CSR, than the respondents’ definitions that were more specific to include the activities or initiatives that the respective organizations are engaged in. For sample organizations in the UK, annual reports definitions appear to focus on decisions and actions taken by the organizations in integrating the effects or impacts on stakeholders and the environment into business operations, thereby resonating definitions as defined by Davis, (1960) and Waddock (2004; 2006). The link between CSR initiatives to business strategy is also evident from SA sample organizations’ annual reports, suggesting that overall CSR for sample organizations in the two countries is viewed as a means towards achievement of corporate objectives, thereby implying some elements of enlightened self-interests driving the CSR initiatives, (Branco and Rodrigues, 2007; Du et al., 2007; Hamann, 2003). There are more of similarities than dissimilarities in the construction of the CSR definition by respondents in sample organizations in the two countries. The reference towards stakeholder, environment, sustainability and community issues for CSR definitions, suggest orientation towards CSR-Community; CSR-Stakeholder; CSR-Environment and Sustainability (Torres, et al., 2012). This resonates the views that collaboration
between CSR-stakeholder and CSR-environmental is good for corporate environmental management, (Cheung, et al., 2009).

**INSTITUTIONAL ENVIRONMENT**

The analysis reveals a mixture of mandating and facilitating roles for both countries, although the UK government appears to play more of the facilitation role, especially in the provision of incentives. Table 4 below shows a stronger political structure and will for the UK than in South Africa. There is more awareness and incentives provided towards the promotion and encouragement of uptake of CSR into the operations of organization in the UK, with a more voluntary approach. Clearly governments in the two countries play a significant part in institutional environment for CSR.

This government role also aligns with the notion that government, as an actor within institutional settings, is a significant influence of social, political and economic life in any country, (Arya et al., 2008; Fox, et al., 2002; Kherallah and Kisten, 2002). The institutional theory has therefore illuminated the cross-country CSR perspectives from an institutional environmental analysis. The research considered this to be a prerequisite for understanding organizational CSR in the two countries. What is likely to emerge out in the ensuing discussion is the extent to which organizations respond, conform to, or strategize the CSR responsiveness, will differ contextually, (North, 1990; Oliver, 1991; Scott, 1990).

**STAKEHOLDER INFLUENCES**

What came out clearly in this inquiry is that sample organizations in the two countries have explicitly identified stakeholders that are considered essential in their CSR initiatives; this in itself is evidence to support the notion that organizations recognise the importance of stakeholders in their CSR strategies, (Branco and Rodriguies, 2007; Clarkson, 1995; Freeman, 1984; Xhaufflair and Zune, 2006). However, identification of stakeholder alone without interpretation of their expectations may not constitute social responsiveness, (Clarkson, 1995; Donaldson and Preston, 1995; Lindgreen et al., 2009; Werther and Chandler, 2011). Sample organizations have identified different stakeholders normatively and, in some sample organizations, there are structures and policies for managing the stakeholders in the process CSR initiatives. From a variety of stakeholder identified, the results reveal a set of stakeholders to be common to the sample organizations in the two countries as shown in Figure 4.

<table>
<thead>
<tr>
<th>Institutional Factor and Rating</th>
<th>UK</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>Government policy through Legislation</td>
<td></td>
<td></td>
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<tr>
<td>Government policy through other incentives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Standards of responsible behaviour</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General awareness and promotion of CSR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry standards and codes of practice</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voluntary CSR schemes</td>
<td></td>
<td></td>
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<tr>
<td>International conventions on CSR</td>
<td></td>
<td></td>
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<tr>
<td>Managerial competencies in CSR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture and public opinion about CSR</td>
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</table>

The groups appear to be in line with Clarkson, (1995) classification of stakeholders in that they have some claim of ‘ownership, rights or interest in the organization and its activities, past, present and the future’, (pp. 106). For example, some stakeholders shown above (customers, suppliers, employees and shareholders) are considered key market actors for sustainable organizational strategies. According to Joseph, et al., (2003) the market actors are important stakeholders as they are capable of withdrawing the flow of essential resources into the organization, (Frooman, 1999; Yang and Rivers, 2009). The challenge associated with the application of the stakeholder theory to CSR is how organizations can respond to the multiplicity of the stakeholders and their seemingly conflicting interests and expectations. As Matlay, (2011) noted ‘stakeholders’ expectations are complex and varied; reflecting a heterogeneous range of individual, group and community needs’ (pp.355).

It should be noted that stakeholder management is also influenced by the prevailing institutional environment. For example, the institutional environment for UK and SA appears to facilitate and encourage stakeholder engagement in some formalised ways. It would be possible to hypothesise that in more formalised institutional environment there is higher CSR opportunities, as organizations respond to institutional pressures and stakeholder demands. The organizational responsiveness and material CSR issues are therefore based on organizational perceptions of stakeholders’ influences within prevailing institutional environments. It is also possible to hypothesize that in less formalised institutional environments, comprising of for example, less legislations in social responsibility issues; lower levels of CSR awareness and promotion; less CSR related training programmes, will likely result in lower uptake of organizational CSR initiatives.

This inquiry proposes a tool that aims to consider and assess stakeholder’s influence towards CSR in the context of institutional settings. Adopting Mendelow, (1991), four key categories of stakeholders, can be identified, i.e. High Interest-Low power, (HILP-S); High Interest - High Power (HIHP-S); Low Interest - High Powerful (LIHP-S); Low Interest -Low Power (LILP-S). The inter play of the stakeholder groups with respective

organizations or key actors is likely to be influenced by institutional settings as suggested by (Oliver, 1992). Therefore Fig. 6 below builds on and combines Mendelow’s model of stakeholder mapping within a multi-level institutional contexts with a resultant varying organizational social responsiveness. In this model, whilst stakeholder analysis is central to CSR issues prioritisation, the interests and power of these stakeholders are also influenced and determined within respective institutional settings, (Mitchell, et al., 1997 and Dunham et al., 2006). By adopting clear stakeholder identification and mapping process, within an institutional framework, organizations are likely to build better social capital derived from carefully planned systems and structures for stakeholder dialogue with appropriate specific stakeholder groups within specific timescales.

CSR PERSPECTIVES

The CSR perspectives and motivations are reflected in the organizational responses, the institutional environment and the stakeholder influences on the CSR initiatives, (Branco and Rodrigues, 2007; Lozano, 2005; Mitchell et al., 1997; Silverton and Warren, 2007, Hughes, et al., 2013; Mzembi and Julia, 2014). This inquiry revealed that CSR is a significant strategic issue for sample organizations in the UK and SA. Clearly, the growing attention to CSR as a global phenomenon (Matten and Moon, 2004) is also evident in this inquiry, with some explicit CSR statements made and related organizational initiatives taken by sample organizations in both countries. There are also similarities revealed in the nature and context of organizational CSR perspectives in sample organizations. Basing on Gariga and Mele, (2004), the motivations reveal more of the instrumental and integrative CSR perspectives for both countries (Fig.6).

The instrumental perspective is based on the view that sample organizations have explicitly linked success and sustainability of their business operations to CSR initiatives. It is inferred that the initiatives are believed to be in the best interest of the organization, while motivation aligns to the notion of enlightened self-interest, (Branco and Rodrigues, 2007) where organization’s CSR initiatives are a means towards profit and shareholder value maximisation, (Friedman, 1970; Gariga and Mele, 2004). The integrative perspective is evident from the data analysis in that sample organizations appear to interact and respond to expectations from the institutional environment. The notion of integrative perspective in this inquiry is based on the inquiry’s results of stakeholder – driven, compliance to government and community relations motivations, that suggests attempts by organizations to balance the interests and expectations from the environment,

**Fig. 5. Stakeholder mapping and institutional setting.**
(Ackerman, 1973; Jones, 1980; Sethi 1975). These aspects of the integrative perspective, support arguments that CSR, particularly in developing countries like SA, has considerable scope to contribute towards addressing social issues, (Kaku, 1997) and upholding economic empowerment expectations, (Crane et al., 2008; Hamman, 2004).

6. CONCLUSION

This study set out to explore the institutional and stakeholder influences for CSR perspectives in the UK and SA. In doing so the inquiry integrated the stakeholder and institutional theories to identify the institutional factors and stakeholder influences that are most likely to influence organizational CSR perspectives in UK and SA. By combining exploratory and explanatory approach, this study has been able to provide insights of the key determinants for CSR initiatives in different organizational environments and developed a conceptual model for CSR analysis (Figure 9 below). The notions of CSR, i.e., business embedding social responsibility initiatives into their strategies, are evident for sample organizations in the UK and SA, and it can be inferred that CSR is a key policy matter for organizations in the two countries. The inquiry firmly confirms the notions that institutional factors and stakeholder influences appear to play a crucial role in shaping what organizations consider to be social responsibility, thereby concurring with the proponents of stakeholder (Freeman, 1984; Donaldson and Preston, 1995) and institutional theories (DiMaggio and Powell, 1983; North, 1990, 1994). Business strategy and policy that are socially responsive are those that understand the respective institutional demands and expectations from stakeholders.

Fig. 6. CSR Motivations: Comparison.

CONTRIBUTION TO FIELD

This work makes a number of contributions to the CSR literature. In order to fully understand the organizational CSR perspectives, this inquiry developed a framework for business, researchers and practitioners, (Annexure 1), that combines previous work by Sethi, (1975), Wood, (1991) and Wartick and Cockran, (1985) in setting out how organizations can go about developing CSR programmes that are socially responsive to institutional setting and the expectations of key stakeholders. Setting out what appears to be a linear or phased approach to policy and strategy formulation, the application of the framework ensures that the key factors of the institutional environments are adequately assessed in order to adopt sustainable organizational CSR perspectives. The CSR responses, commitments and key CSR issues are considered in terms of priorities and resource provision. This framework also allows organizations to proactively determine the key resource requirements for CSR programmes, with mechanisms for monitoring and controlling the actual social responsiveness of the organization’s initiatives. The universality of the framework is
that it can be used or adopted within any given context and timelines.

The inquiry empirically informs the debate surrounding business practices and the wider society by providing a deeper understanding of the notions, rationale and influences of CSR in the UK and SA. The study also provides both science and practice with a solid foundation for discussion and implementation of CSR. By drawing insights into context of CSR practices and concepts, gaps inherent in CSR theories can be overcome, providing more groundwork for understanding the dynamics of CSR from a global perspective.

Second, the research fills a gap in the literature in that there is little in-depth examination of CSR dimensions across Europe and Africa, particularly between South Africa and United Kingdom. Although previous studies have explored sectors or cross-sectoral country and regional CSR perspectives, (Idovu and Towler, 2004; Jones, et al., 2005; Lund-Thomsen, 2004; Lynes and Andracuk, 2008; Quazi and O’Brien, 2000; Robertson and Nicholson, 1996) few have explored South Africa and the United Kingdom recently. This study therefore enhances the understanding of the phenomenon by describing similarities and dissimilarities of CSR initiatives within particular organizational contexts.

Third, the inquiry applied stakeholder and institutional theories to broaden understanding of how the contextual factors influence organizational CSR initiatives in the two countries. The comparative analysis between the two countries places CSR in country specific context distinguishing the key stakeholder expectations and institutional factors that have influenced decisions and choices those organizations made in responding to these pressures and factors as argued by Bramer and Millington, (2003).

Finally, the research study findings also provide impetus of application of CSR concepts across organization, by integrating institutional settings and stakeholder views with organizational objectives, between and across respective regions or countries.

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ANNEXURE 1: CSR PERSPECTIVES FRAMEWORK