

■ Research Paper

Factors Affecting Corporate Social Responsibility: An Empirical Study

Masood Nawaz Kalyar^{1*}, Nosheen Rafi² and Awais Nawaz Kalyar³

¹College of Management & Administrative Sciences, Government College University Faisalabad, Faisalabad, Pakistan

²National University of Modern Languages (Lahore Campus), Lahore, Pakistan

³University of the Punjab, Lahore, Pakistan

Corporate social responsibility (CSR) has captured significant attention of managers and executives especially at multinational and multi-divisional firms. However, links between CSR's drivers (strategic planning, firm culture) and CSR have seen little or no empirical verification, particularly in South Asia. The present study aims to test two antecedents if they contribute in shaping firms' CSR. This study considers formal strategic planning and humanistic culture as drivers of CSR. Data were collected from CEOs of 800 randomly selected organizations in Pakistan, with 21.5% response rate. Results from hierarchical regression indicate that formal strategic planning and firm's humanistic culture, over and above the impact of formal strategic planning, are linked positively with CSR. Copyright © 2012 John Wiley & Sons, Ltd.

Keywords corporate social responsibility (CSR); strategic planning; humanistic culture; hierarchical regression

INTRODUCTION

Corporations have usually been considered as profit-maximizing and self-centred entities establishing the central doctrines of capitalism and free market philosophies. The aspects and links among capitalism, economic growth and self-interested corporations remained unquestioned in policy circles until recent corporate scandals Hg (2007). Recent massive corporate failures and scandals have redirected the attention to the subjects of corporate governance (CG), corporate social

responsibility (CSR), accountability, trust and ethics in economic conduct (Jamali *et al.*, 2008; Marsiglia and Falautano, 2005). This led not only entrepreneurs towards growing concerns about corporate governance and CSR but also academia (Margolis and Walsh, 2003). However, little theoretical and empirical attention has been paid in understanding the motives that why or why not corporations act in socially responsible ways (Galbreath, 2010; Rowley and Berman, 2000). Most of the theoretical and empirically oriented research on this subject has shed light on relationships between CSR and corporate financial performance (Cambell, 2007; Rowley and Berman, 2000), and most emphasis there has been is on determining the impact of CSR on financial performance rather

*Correspondence to: Masood Nawaz Kalyar, College of Management & Administrative Sciences, Government College University Faisalabad, Faisalabad 38000, Pakistan.
E-mail: cronoy_mnk@yahoo.com

than on determining the drivers of corporate social responsibility as well as corporate performance (Galbreath, 2010). This paper focuses on determining that what shapes a CSR.

There is growing interest among managers and executives, especially at multinational and multidivisional companies, in the antecedents and significance of CSR. These corporate leaders are attentive to the fact that business norms and standards, regulatory frameworks and stakeholders' demands for CSR can vary considerably across nations, regions and lines of business (McWilliams *et al.*, 2006). Corporate social responsibility consists of the economic, legal, ethical and discretionary responsibilities of firms towards their stakeholders (Maignan and Ferrell, 2000). Demands for CSR come from external stakeholders, such as communities and societies with general expectations or governments with explicit requirements of social legitimacy (Wood, 1991). Some of CSR demands come from internal stakeholders, such as moral and relational needs of employees (Aguilera *et al.*, 2006). Of interest, then, is what shapes a firm's CSR response arising from stakeholders' demands. Moreover, scholars have claimed that the inclination toward socially responsible corporate behavior differs across countries, and much more research is needed to recognize why (Maignan and Ralston, 2002).

Several scholars have viewed strategic planning (Carroll and Hoy, 1984; McWilliams *et al.*, 2006), as a crucial way that firms use to address stakeholders to assess their expectations. Through an active analysis of the environment, for instance, firms account for issues of government regulations, social nature, communities and societies, and develop proper responses (Burke and Logsdon, 1996). Mintzberg (1994) defined strategic planning as 'the articulation and elaboration of strategies, or visions, that already exist'. On the basis of definition of strategic planning, Carroll and Hoy (1984) argued that a firm's strategic planning efforts should guide all those activities necessary to adapt the environment, also including those associated with CSR. In literature, strategic planning represents two positions: formal and informal planning. Nonetheless, apart from strategic planning, CG (Beltratti, 2005) and organizational culture are also important factors

in determining CSR (Wood, 1991). A firm's culture refers to values, beliefs and assumptions that its members hold about the organization. These values define the degrees to which how responsibly or irresponsibly business operations are carried out. A firm's culture shapes behavior in determining ethics in advertising, quality of products and services, and rational treatment of customers and workforce (Herndon *et al.*, 2001). Culture, subject to its type, is likely to have either positive or negative impact on CSR.

However, conceptual links between strategic planning, firm culture and CSR have seen little or no empirical verification (Galbreath, 2010). Cambell (2007) and Margolis and Walsh (2003) argued that too much stress has been put on examining the content of CSR activities rather than on assessing the internal factors that may shape or determine such activities. Studies that tested the theories empirically are not too much in the literature creating a gap in understanding organizational constructs and their role in determining CSR (Aguilera *et al.*, 2007). This study is an effort to fill gaps in the literature as, first, it responds to the request of Cambell's (2007) to empirically scrutinize the impact of firm-level variables on firms' CSR policies and practices. It also responds to the call of Galbreath (2010) to investigate the impact of informal strategic planning on CSR. Second, little is known about the impact of strategic planning on organization beyond the financial performance linkage (Devenish and Fisher, 2000; Verreynne, 2006). The present study seeks if formal strategic planning is linked to CSR. Finally, theory suggests that cultural characteristics also impact on a firm's ability to demonstrate CSR. However, little empirical research identifies if such characteristics or formal strategic planning do impact on CSR.

THE CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY

McWilliams and Siegel (2001) defined CSR as an action that perform to further some social good, beyond the interests of the firm and social that which is required by law. Dahlsrud (2008) did an analysis of several definitions and inferred that CSR is the

practice through which firms try to improve all their actions concerned with the five organizational dimensions: stakeholders, social, economic, voluntariness and environmental. However, present study uses the operational definition of Maignan and Ferrell (2000). They defined CSR as actions of firms carried out to meet the economic, legal, ethical and discretionary responsibilities that are imposed on them by their stakeholders. Economic responsibility refers to producing profits and meeting consumption needs, and legal responsibility of firms is to fulfil their economic operations and mission within a legal framework. With respect to the ethical responsibilities, firms have an obligation to obey moral rules defining appropriate behaviors in society. Finally, discretionary responsibilities are those business deeds that are not mandatory but are anticipated by stakeholders as an evidence of good citizenship (Galbreath, 2010).

The operational definition of CSR focuses on the stakeholder management framework rather than society in general (Maignan and Ferrell, 2000) because this defines that firms are responsible to their stakeholders. Stakeholders are those whose interests are linked with the firms, and they can be shareholders, employees, investors, suppliers and customers. Governments are also stakeholders as they provide infrastructures and their laws must be obeyed. Communities and even the natural environment is also stakeholder. Clarkson (1995) advocated that firm survival is based on meeting the needs and anticipations of primary stakeholders because these stakeholders supply critical resources, rather 'secondary' stakeholders as they are actors (e.g. media) and not engaged in dealings with the firm. Therefore, Maignan and Ferrell (2000) did not consider secondary stakeholders in their operational definition of CSR because secondary stakeholders are neither relevant nor essential to firms' survival.

THEORY AND HYPOTHESES

Formal Strategic Planning and Corporate Social Responsibility

Scholars advocating strategic planning as a formal activity argue that it is a comprehensive and

systematic approach used to develop a firm's overall direction. Formal strategic planning facilitates the management in determining right and proper strategic path for the organization as a whole (Andersen, 2000). Carroll and Hoy (1984) and Frederick (1994) suggested that an active and systematic assessment of environmental conditions is necessary for actualizing CSR, because formal assessment of both external and internal environments generates information (Slater *et al.*, 2006) that guides top level management taking proactive actions in uncertain environments (Isabella and Waddock, 1994). By assessing the external environment, Fineman and Clarke (1996) found some issues of non-market nature related to firms formal strategic planning. These issues include behaving socially responsible towards communities and natural environment. Moreover, when firms assess internal stakeholders in their strategic planning (O'Shannassy, 2003), for example if firms are regularly engaging their personnel in strategic discussions as a part of formal planning process, they are going to develop such strategies and practices that increase the likelihood of social responsibility of the firms towards their internal stakeholders (Covin and Miles, 2007).

According to Snow and Hrebiniak (1980) and Ramanujam and Venkatraman (1987b), a formal strategic planning approach integrates participation from a variety of functional areas (such as marketing, finance, R&D, etc.) in order to obtain necessary knowledge required to address stakeholders' demands for CSR (Wood, 1991) and to integrate different functional requirements into a general management viewpoint. The reason for functional integration is that functional 'silos' hinder effective decision making and action taking. This suggests that when different functions interact with variety of stakeholders, they learn about stakeholders' individual needs (Galbreath, 2010). As CSR is multifunctional in nature, integration in various functional areas assists formal strategic planning processes to provide the essential knowledge in developing CSR strategies (Miles *et al.*, 2006).

Addressing CSR and other strategic issues is a complex management challenge, particularly about diversified stakeholders' interests (Wood, 1991). According to Ramanujam *et al.* (1986), a

formal strategic planning effort needs a high commitment of financial, physical and intellectual resources. Using these multiple resources as input in strategic planning process is necessary to ensure that a firm is meeting its CSR. For example, line managers, middle and top level management personnel are of vital importance in collecting, processing and disseminating information on employees, customers and market trends as well as an additional knowledge can be obtained from outside consultants and experts to develop such strategies that meet CSR (Galbreath, 2010). Given that no single individual possesses complete knowledge of all issues related to numerous stakeholders, firms can increase the prospect of meeting demands for CSR via dedicating appropriate proportion of resources to the strategic planning process.

In short, formal strategic planning is an essential precondition for efficient financial as well as CSR performance in all business concerns (Slater *et al.*, 2006). These efforts assess both internal and external environments, use knowledge from multiple resources and enable firms to understand and formulate responses to meet the demands for CSR. On the basis of the aforementioned discussion, a positive impact of formal strategic planning is expected on CSR.

H1: Formal strategic planning has positive impact on CSR.

Humanistic Culture and Corporate Social Responsibility

According to Simons and Ingram (1997) culture refers to social responsibility, because explicit values embedded in the firm influence firms' decisions based on organizational vision, mission and beliefs about how the world works. Firm culture, more specifically the orientation of the culture, affects the overall performance of the organization whether this is financial performance or reliability performance. Galbreath (2010) defined direction and intensity as two dimensions of firms' cultural orientation that are relevant to CSR. The culture that reflects sense of responsibility towards its stakeholders is characterized by

long-term business success and assures ethical conduct (Sinclair, 1993). In case of Johnson and Johnson, for example, the culture of social responsibility led the management to recall the products in order to keep its customers safe from potential harm (Sinclair, 1993). Culture, subject to its types, is likely to have its impact not only on firm's financial performance but also the activities related to firm's CSR. A competitive culture, for instance, focuses on personal achievements, conflict and controlling others rather to develop collaborative environment (Cooke and Rousseau, 1988). In a competitive culture, individuals prioritize their own achievement even at the expense of others, and probability to pay attention to others is minimal. Therefore, stakeholders' demands and interests are more likely to be neglected and social responsibility would be poor (Galbreath, 2010). On the other hand, in humanistic type of culture, the focus on people, collaboration, teamwork, sensitivity and cooperation with others is dominant.

Cooke and Lafferty (1994) defined humanistic culture as a culture of caring, where member are expected to support and an open influence in dealings with each other. Humanistic culture is constructive in nature rather to be competitive fostering care of harmonious and pleasant relationships. Hence, firms where a humanistic culture is cultivated, members not only care for their own needs and interests but also prioritize the needs and interests of others (Galbreath, 2010). Moreover, the orientation of culture towards others' interests and priorities is likely to extend beyond internal stakeholders to external stakeholders. In sum, members in firms that are characterized by humanistic cultures are likely to struggle to respond to stakeholder demands for CSR.

H2: There is a positive relationship between humanistic culture and CSR.

RESEARCH METHODOLOGY

Data Collection

The research study involves the analysis of a survey questionnaire. The questionnaire instrument

consists of statements relating to the formal strategic planning, humanistic culture and CSR. All the survey items of CSR and culture were measured on 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Formal strategic planning was measured on 5-point Likert scale ranging from 1 (no emphasis) to (very strong emphasis). Data were collected from 172 participants (top level management personnel) from 800 randomly selected service and manufacturing organizations in Pakistan. Initially, the names of organizations were drawn from the list of Karachi Stock Exchange (KSE) 100-index listed companies, and 800 organizations were selected using simple random sampling. Questionnaires were distributed by post and electronically to the CEOs of these organizations. A total 800 questionnaires were distributed among the participants, and 196 participants returned the questionnaires (24.5% response rate). Only 172 (21.5%) survey questionnaires were found to be complete from all aspects. Furthermore, participants were assured of confidentiality and the researchers' independence from the organization. Overall, 168 participants (97.67%) were men and only four participants (2.33%) were women. The age of the participants ranged from 36 to 58 years (mean = 46.4).

Construct Measurement

Corporate Social Responsibility

For measurement of CSR, the scale developed by Maignan and Ferrell (2000) was used. This scale uses four dimensions of CSR that consists of economic, legal, ethical and discretionary responsibilities. The CSR was computed by averages of sum of scores across these four dimensions. All items were measured on 5-point Likert scale.

Formal Strategic Planning

A 5-point Likert scale was used to measure formal strategic planning. According to McKiernan and Morris (1994), single or uni-dimensional measurements of formal strategic planning are questionable to include the whole system and henceforth may fail to accurately measure the construct. Thus, a multidimensional scale was adopted from Galbreath (2010). The scale consists of five dimensions (i) external orientation in planning; (ii) internal orientation in planning; (iii) functional coverage in planning; (iv) resources provided in planning; and (v) use of analytical techniques in planning (Figure 1).

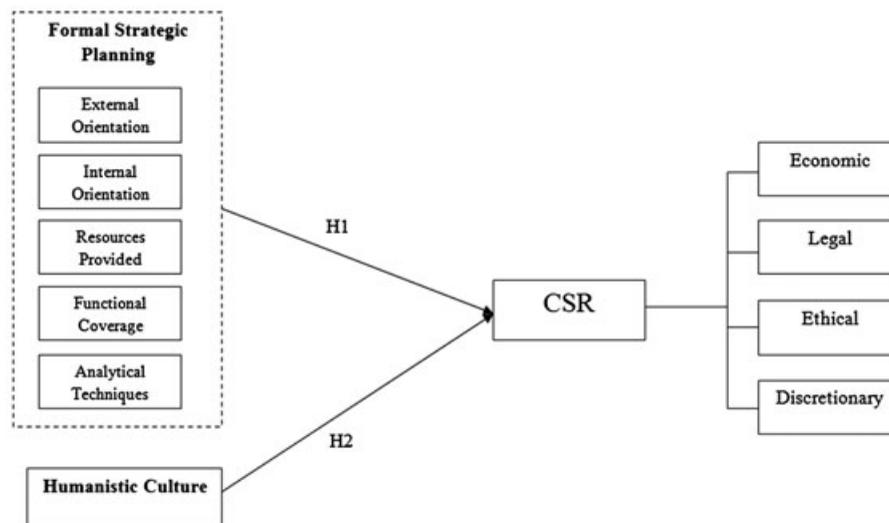


Figure 1 Hypothesized conceptual model

Humanistic Culture

The scale for humanistic culture was adopted from Cooke and Lafferty's (1994) Organizational Culture Inventory (OCI). OCI extensively used instrument that has been consistency and reliability to measure organizations' cultural types. All the items of the scale were measured on 5-point Likert scale.

DATA ANALYSIS AND RESULTS

Table 1, given in the succeeding text, presents the means, standard deviations of variables and Pearson's coefficients of correlation among the research variables. As theoretically suggested, corporate social responsibility and its antecedents are found to be significantly correlated. Table 1 also contains Cronbach's alpha values reflecting internal consistency of the sample. A value of alpha close to 1 shows more reliability and internal consistency of the sample.

In order to test for statistical significance and strength of relationship, hierarchical regression analysis was run using IBM SPSS 20 (IBM Corporation 1 New Orchard Road Armonk, New York 10504-1722 United States). Nevertheless, before testing the hypotheses, tolerance and variance inflation factor (VIF) values were calculated to confirm that results are not accompanied by multicollinearity. VIF values ranged from 1.139 to 1.506. On the other hand, tolerance values ranged from 0.668 to 0.878. Given that tolerance values nearby

0 and VIF values greater than 10 are supposed to be problematic (Hair-Jr *et al.*, 1995), the results suggest that multicollinearity is not of concern in this sample.

In Table 2, the results from hierarchical regression analysis propose that formal strategic planning has overall a positive link with CSR. The results illustrate that Model 1 is significant ($F = 59.34$; $p < 0.001$) with an R^2 of 0.62. The standardized beta weights for all of the planning dimensions are significant showing that strategic planning has statistically significant and positive impact on CSR. Thus, findings support the Hypothesis 1 that formal strategic planning has positive links with firm's CSR.

To test the incremental influence of humanistic culture, Model 2 holds all the variables. The results show that humanistic culture has a positive and statistically significant impact on corporate social responsibility, over and above the impact accounted for by the variables containing formal strategic planning. Findings of the study show that Model 2 is also significant ($F = 85.26$; $p < 0.001$) with an R^2 of 0.73. By including humanistic culture into the analysis, the R^2 change from Model 1 to Model 2 is 0.11, which is significant ($\Delta F = 93.29$; $p < 0.001$), whereas the standardized beta for humanistic culture is 0.642, also significant ($t = 7.67$; $p < 0.001$). In Model 2, with the exclusion of external orientation, all the formal strategic planning dimensions are significant, whereas firm size ($b = 0.07$; $t = 3.71$; $p < 0.05$) is also significant. Findings also support Hypothesis 2 that firm's humanistic culture is positively linked with CSR.

Table 1 Means, standard deviations and correlations

	Cronbach's alpha	Mean	S. D.	1	2	3	4	5	6
1. External orientation in planning	0.79	4.03	0.66						
2. Internal orientation in planning	0.84	3.71	0.61	-0.002					
3. Resources provided in planning	0.81	3.76	0.44	-0.117	0.287**				
4. Functional coverage in planning	0.86	3.66	0.46	-0.053	0.127	0.172*			
5. Analytical techniques in planning	0.77	4.05	1.01	0.159*	-0.082	-0.052	0.519**		
6. CSR	0.84	3.80	0.39	0.153*	0.458**	0.413**	0.731**	0.551**	
7. Humanistic culture	0.79	4.18	0.49	-0.083	0.143*	0.046*	0.506**	0.467**	0.521**

$N = 172$.

CSR, corporate social responsibility.

* $p < 0.05$, ** $p < 0.01$.

Table 2 Results of hierarchical regression

Independent variables	CSR		Collinearity Statistics	
	Model 1	Model 2	Tolerance	VIF
Firm age	0.09	0.11	0.728	1.301
Firm size	0.08*	0.07*	0.681	1.162
Formal strategic planning				
External orientation in planning	0.176**	0.098	0.664	1.506
Internal orientation in planning	0.322**	0.392**	0.878	1.139
Resources provided in planning	0.198**	0.282**	0.867	1.153
Functional coverage in planning	0.652***	0.300**	0.674	1.484
Analytical techniques in planning	0.13**	0.09*	0.668	1.497
Humanistic culture		0.642***	0.675	1.483
R ²	0.62	0.73		
ΔR^2		0.11		
F	59.34***	85.26**		
ΔF		93.29**		

CSR, corporate social responsibility; VIF, variance inflation factor.

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

DISCUSSIONS AND CONCLUSION

Recent massive corporate failures and scandals have captured the attention of business community towards the subjects of CG, CSR and ethics in economic conduct (Jamali *et al.*, 2008; Marsiglia and Falautano, 2005). This led not only entrepreneurs towards growing concerns about corporate governance, ethics and CSR but also academia (Margolis and Walsh, 2003). However, little theoretical and empirical attention has been paid in exploring and understanding the drivers that shape firm's CSR (Galbreath, 2010). The present study is aimed to present some confirmations as to what those antecedents are.

Particularly, the findings of the paper propose that formal strategic planning has its links with CSR. As an upshot, the present study supports the literature of strategic planning advocating that firms who systemically analyze environmental conditions, allocate resources for planning and assure functional integration to address both market and non-market issues, result in evident CSR. On the basis of the argument, it seems that firms who adopt a formal approach to strategic planning possibly develop deep insight into the demand of social responsibility, thus enabling and promoting CSR policy and practice. The findings also support the belief that stakeholders are critical in strategy development, and that

understanding their wants and expectations is essential for survival (O'Shannassy, 2003). According to Ramanujam and Venkatraman (1987a), validation in the need for functional coverage and allocation of required resources is essential for strategic implications in understanding and responding towards stakeholder demands for CSR.

Herndon *et al.* (2001) argued that firm's culture can affect a firm's capability in demonstrating CSR. 'Shared values, beliefs and ways of doing things' influence employee's behavior at workplace, and values embedded in the firm also influence decision makers throughout the organization (Kalyar *et al.*, 2011; Simons and Ingram, 1997). By paying attention towards humanistic culture, one that is likely to exhibit concern and sensitivity towards internal and external stakeholders, the findings illustrate such a culture's incremental expounding power in determining CSR, after explaining the impact of formal strategic planning. The findings of present study also support the belief that culture is a phenomenon that exists at organizational levels (Allaire and Firsirotu, 1984) and that it influences on a firm's inclination towards CSR.

So far as managerial implications are concerned, this study raises a question as to the value of planning formally. It is a common thing that organizations spend substantial efforts in a formal planning without solid favourable results. To deal with

such problems, research reveals that, in the main, formal strategic planning is positively linked with financial performance (Boyd, 1991). On the basis of the findings of this study, formal strategic planning also has a positive link with CSR.

As firms around the globe are facing ever growing challenge to demonstrate that they take corporate citizenship seriously (Waddock *et al.*, 2002), formal planning is likely to help in the development of such deeds and actions that prove good corporate citizenship behavior. Nonetheless, the findings show a link only and not causality; therefore, the findings are not suggesting that firms following informal planning process demonstrate irresponsible behavior or poor citizenship. Finally, culture of an organization can affect the degree of demonstration as to socially responsible practices. The findings of the study suggest that managers should carefully scrutinize the culture of their firms. They should also take necessary actions to make sure that the culture is in place that nurtures harmonious relationships, exhibits a concerned attitude and develops members who are supportive, productive and influential in their dealings with key stakeholders.

LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Strategy scholars claim that answering to environmental stimuli needs a formal and system strategic planning to take the initiatives and actions mandatory to adapt to the environment, containing those associated with CSR. This paper has its significance as it contributes to the literature in confirming positive links between formal strategic planning and CSR. However, because the beliefs, values and norms in a firm are supposed to impact on the degree to which firms are acting responsibly or irresponsibly, firm culture is also suggested to have an influence on CSR. Humanistic culture, as presented in the analysis, the findings of present study add to the literature by proving that some other internal factors are also linked to CSR, over and above the impact of formal strategic planning.

Along with some important managerial and academic implications, the present study also has some limitations. First, data were collected from

single respondent from each organization that can lead towards common method bias. As suggested by Podsakoff *et al.* (2003), Harman's *ex post* one-factor test was used, and the results showed that a single factor solution did not emerge. So, any common method bias was unlikely. Second, the data were collected from a sample of firms in Pakistan. Therefore, generalizability of the results is limited. Finally, with respect to formal strategic planning, a problem exists between planning and implementation. This study focused on formal strategic planning approach and used five dimensions to operationalize the construct rather than to measure implementation.

Future studies can explore the extent to which corporate governance structures influences top level executives in determining and developing strategies related to CSR. Considering other dimensions of organizational culture, better understanding can be developed to see if other cultural dimensions have links with firm's CSR. Finally, as this study focused on formal strategic planning in demonstrating CSR, future studies could, for example, use scales from McKiernan and Morris (1994) or Luke and Verreynne (2006) to investigate the relationship between informal strategic planning and CSR.

REFERENCES

- Aguilera RV, Rupp DE, Williams CA, Ganapathi J. 2007. Putting the S back in corporate social responsibility: a multi-level theory of social change in organizations. *Academy of Management Review* 42: 836–863.
- Aguilera RV, Williams CA, Conley JM, Rupp DE. 2006. Corporate governance and social responsibility: a comparative analysis of the UK and the US. *Corporate Governance: An International Review* 14: 147–158.
- Allaire Y, Firsirotu ME. 1984. Theories of organizational culture. *Organization Studies* 5: 193–226.
- Andersen TJ. 2000. Strategic planning, autonomous actions and corporate performance. *Long Range Planning* 33: 184–200.
- Beltratti A. 2005. The Complementarity between Corporate Governance and Corporate Social Responsibility. *The Geneva Papers on Risk and Insurance Issues and Practice* 30: 373–386.
- Boyd BK. 1991. Strategic planning and financial performance: a meta-analytic review. *Journal of Management Studies* 28: 353–374.
- Burke L, Logsdon JM. 1996. How corporate social responsibility pays off. *Long Range Planning* 29: 495–502.

- Cambell JL. 2007. Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility. *Academy of Management Review* **32**: 946–967.
- Carroll AB, Hoy F. 1984. Integrating corporate social policy into strategic management. *Journal of Business Strategy* **4**: 48–57.
- Clarkson MBE. 1995. A stakeholder framework for analyzing and evaluating corporate social performance. *The Academy of Management Review* **20**: 92–117.
- Cooke RA, Lafferty JC. 1994. *Organizational Culture Inventory*. Human Synergistics: Plymouth, MI.
- Cooke RA, Rousseau DM. 1988. Behavioral norms and expectations: a quantitative approach to the assessment of organizational culture. *Group & Organization Studies* **13**: 245–273.
- Covin JG, Miles MP. 2007. Strategic use of corporate venturing. *Entrepreneurship Theory and Practice* **31**: 183–207.
- Dahlsrud A. 2008. How corporate social responsibility is defined: an analysis of 37 definitions. *Corporate Social Responsibility and Environmental Management* **15**: 1–13.
- Devenish P, Fisher T. 2000. Is strategic planning worth the effort? A study of firm performance versus planning comprehensiveness in Australia. *Journal of Management & Organization* **6**: 1–13.
- Fineman S, Clarke K. 1996. Green stakeholders: industry interpretations and response. *Journal of Management Studies* **33**: 715–730.
- Fredrick WC. 1994. From CSR1 to CSR2. *Business & Society* **33**: 150–164.
- Galbreath J. 2010. Drivers of corporate social responsibility: the role of formal strategic planning and firm culture. *British Journal of Management* **21**: 511–525.
- Hair-Jr JF, Anderson RE, Tatham RL, Black WC. 1995. *Multivariate Data Analysis: With Readings*. Prentice-Hall, Inc.: London.
- Herndon NC, Fraedrich JP, Yeh QJ. 2001. An investigation of moral values and the ethical content of the corporate culture: Taiwanese versus US sales people. *Journal of Business Ethics* **30**: 73–85.
- Hg M. 2007. An essay on social responsibility and the limits of the corporate form: a perspective on environmental protection. *Journal of Environmental Law and Practice* **17**: 115–139.
- Isabella LA, Waddock SA. 1994. Top management team certainty: environmental assessments, teamwork, and performance implications. *Journal of Management* **20**: 835–858.
- Jamali D, Safieddine AM, Rabbath M. 2008. Corporate governance and corporate social responsibility synergies and interrelationships. *Corporate Governance: An International Review* **16**: 443–459.
- Kalyar MN, Chaudhry MS, Rafi N, Kalyar AN. 2011. Effects of self-leadership, knowledge management and culture on creativity. *European Journal of Business and Management* **3**: 1–11.
- Luke B, Verreyne ML. 2006. Exploring strategic entrepreneurship in the public sector. *Qualitative Research in Accounting & Management* **3**: 4–26.
- Maignan I, Ferrell O. 2000. Measuring corporate citizenship in two countries: the case of the United States and France. *Journal of Business Ethics* **23**: 283–297.
- Maignan I, Ralston DA. 2002. Corporate social responsibility in Europe and the US: insights from businesses self-presentations. *Journal of International Business Studies* **33**: 497–514.
- Margolis JD, Walsh JP. 2003. Misery loves companies: rethinking social initiatives by business. *Administrative Science Quarterly* **48**: 268–305.
- Marsiglia E, Falautano I. 2005. Corporate social responsibility and sustainability challenges for a Bancassurance Company. *The Geneva Papers* **30**: 485–497.
- McKiernan P, Morris C. 1994. Strategic planning and financial performance in UK SMEs: does formality matter? *British Journal of Management* **5**: S31–S41.
- McWilliams A, Siegel D. 2001. Corporate social responsibility: a theory of the firm perspective. *The Academy of Management Review* **26**: 117–127.
- McWilliams A, Siegel DS, Wright PM. 2006. Corporate social responsibility: strategic implications. *Journal of Management Studies* **43**: 1–18.
- Miles MP, Munilla LS, Darroch J. 2006. The role of strategic conversations with stakeholders in the formation of corporate social responsibility strategy. *Journal of Business Ethics* **69**: 195–205.
- Mintzberg H. 1994. The fall and rise of strategic planning. *Harvard Business Review* **72**: 107–107.
- O'Shannassy T. 2003. Modern strategic management: balancing strategic thinking and strategic planning for internal and external stakeholders. *Singapore Management Review* **25**: 53–67.
- Podsakoff PM, MacKenzie SB, Lee JY, Podsakoff P. 2003. Common method bias in behavioural research: a critical review of the literature and recommended remedies. *Journal of Applied Psychology* **88**: 879–903.
- Ramanujam V, Venkatraman N. 1987. Planning and performance: a new look at an old question. *Business Horizons* **30**: 19–25.
- Ramanujam V, Venkatraman N, Camillus JC. 1986. Multi-objective assessment of effectiveness of strategic planning: a discriminant analysis approach. *Academy of Management Journal* **29**: 347–372.
- Rowley T, Berman S. 2000. A brand new brand of corporate social performance. *Business & Society* **39**: 397–418.
- Simons TL, Ingram P. 1997. Organization and ideology: kibbutzim and hired labour, 1951–1965. *Administrative Science Quarterly* **42**: 784–813.
- Sinclair A. 1993. Approaches to organisational culture and ethics. *Journal of Business Ethics* **12**: 63–73.

- Slater SF, Olson EM, Hult GTM. 2006. The moderating influence of strategic orientation on the strategy formation capability–performance relationship. *Strategic Management Journal* 27: 1221–1231.
- Snow CC, Hrebiniak LG. 1980. Strategy, distinctive competence, and organizational performance. *Administrative Science Quarterly* 25: 317–336.
- Verreynne ML. 2006. Strategy-making process and firm performance in small firms. *Journal of Management & Organization* 12: 209–222.
- Waddock SA, Bodwell C, Graves SB. 2002. Responsibility: the new business imperative. *The Academy of Management Executive* 16: 132–148.
- Wood DJ. 1991. Corporate social performance revisited. *Academy of Management Review* 16: 691–719.

APPENDIX A: CORPORATE SOCIAL RESPONSIBILITY^a

A - Economic

- (1) Our business has a procedure in place to respond to every customer complaint.
- (2) We continually improve the quality of our products.
- (3) We use customer satisfaction as an indicator of our business performance.
- (4) We have been successful at maximizing our profits.
- (5) We strive to lower our operating costs.
- (6) We closely monitor employees' productivity
- (7) Top management establishes long-term strategies for our business.

B - Legal

- (1) Managers are informed about relevant environmental laws.
- (2) All our products meet legal standards.
- (3) Our contractual obligations are always honoured.
- (4) The managers of this organization try to comply with the law.
- (5) Our company seeks to comply with all laws regarding hiring and employee benefits.
- (6) We have programmes that encourage diversity of our workforce (in terms of age, gender or race).
- (7) Internal policies prevent discrimination in employees' compensation and promotion.

C - Ethical

- (1) Our business has a formal code of conduct.
- (2) Members of our organization follow professional standards.
- (3) Top managers monitor the potential negative impacts of our activities on our community.
- (4) We are recognized as a trustworthy company.
- (5) Fairness towards co-workers and business partners is an integral part of our employee evaluation process.
- (6) A confidential procedure is in place for employees to report any misconduct at work (such as stealing or sexual harassment).
- (7) Our salespersons and employees are required to provide full and accurate information to all customers.

D - Discretionary

- (1) The salaries offered by our company are higher than industry averages.
- (2) Our business supports employees who acquire additional education.
- (3) Our business encourages employees to join civic organizations that support our community.
- (4) Flexible company policies enable employees to better coordinate work and personal life.
- (5) Our business gives adequate contributions to charities.
- (6) A programme is in place to reduce the amount of energy and materials wasted in our business.
- (7) We encourage partnerships with local businesses and schools.
- (8) Our business supports local sports and cultural activities.

FORMAL STRATEGIC PLANNING^b

A - External orientation

- (1) Analysis of community-based issues
- (2) Analysis of environmental issues
- (3) Analysis of technology issues
- (4) Analysis of political/regulatory issues
- (5) Analysis of competitive issues
- (6) Analysis of general economic and business conditions

- (7) Analysis of customers and end user preferences
- (8) Analysis of supplier issues

B - Internal orientation

- (1) Analysis of internal capabilities
- (2) Analysis of employee issues
- (3) Analysis of efficiency of operating processes
- (4) Analysis of strengths and weaknesses
- (5) Analysis of past performance
- (6) Analysis of reasons for past failures
- (7) Analysis of shareholder and/or investor issues
- (8) Attracting and retaining high-quality employees

C - Functional coverage

- (1) The role of the human resources function in strategic planning
- (2) The role of the marketing function in strategic planning
- (3) The role of the finance function in strategic planning
- (4) The role of the information technology function in strategic planning
- (5) The role of the research and development function in strategic planning
- (6) The role of the manufacturing function in strategic planning
- (7) The role of the customer service function in strategic planning
- (8) The role of the purchasing and procurement function in strategic planning

D - Resources provided

- (1) Resources provided for strategic planning
- (2) Degree of emphasis in using input from several individuals in strategic planning

- (3) Non-managerial employees' engagement in strategic planning
- (4) Line managers' engagement in strategic planning
- (5) Use of outside experts (e.g. consultants) in strategic planning
- (6) Time spent by the CEO in strategic planning

E - Analytical techniques

- (1) Portfolio approaches
- (2) Core competencies analysis
- (3) Cost-benefit analysis
- (4) Financial models
- (5) Strengths Weaknesses Opportunities Threats (SWOT) analysis
- (6) Stakeholder analysis
- (7) Brainstorming
- (8) Budgeting
- (9) Forecasting
- (10) Scenario techniques

HUMANISTIC CULTURE^a

- (1) Help others to think for themselves
- (2) Help others to grow and develop
- (3) Show concern for the needs of others
- (4) Resolve conflicts constructively
- (5) Be supportive of others
- (6) Involve others in decisions affecting them
- (7) Take time with people
- (8) Be a good listener
- (9) Give positive rewards to others
- (10) Encourage others

a - 5-point scale ranging from *strongly disagree* to *strongly agree*

b - 5-point scale ranging from *no emphasis* to *very strong emphasis*