Good Works: Assessing the Relationship Between Organizational Culture, Corporate Social Responsibility Programs, and Weberian Theory

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Abstract: Organizational culture is a popular, yet complex topic within business today due in part to the massive fluctuations in the economy, changing methods of production and consumption, and varying dynamics of the workforce. Likewise, corporate social responsibility (CSR) is a popular, yet complex topic within the business world of the 21st century. Driven in part by corporate scandals, increased attention on the environment, and greater understanding of the importance of corporate reputation and image on the bottom line, the focus on CSR as a tool for credibility-building has become a vital part of organizational strategy. The purpose of this study is to assess the relationship between organizational culture and corporate social responsibility programs incorporating the theories of Max Weber. To illustrate the connections, the CSR programs at The Walt Disney Company will be analyzed in detail.

Keywords: corporate social responsibility, organizational culture, Max Weber, The Walt Disney Company

Introduction

Organizational culture is a popular, yet complex topic within business today due to the changes in the economy, methods of production and consumption, and changing dynamics of the workforce. Likewise, corporate social responsibility (CSR) is a popular, yet complex topic within the business world of the 21st century. Driven in part by corporate scandals, increased attention on the environment, and greater understanding of the importance of corporate reputation and image on the bottom line, the focus on CSR as a tool for credibility-building has become a vital part of organizational strategy. The purpose of this study is to assess the relationship between organizational culture and corporate social responsibility programs using the theories of Max Weber and industry examples.

A Look At Organizational Culture

When individuals form groups, they become communities or societies, and in turn develop a “culture” that both impacts and is impacted by the ways they behave, the things they value, and the objects they produce and consume. In a business, the “pervasive values, norms, and attitudes is called the culture of the organization” (Timm and Peterson, 129). Timm and Peterson explain that “culture constitutes rules and norms that determine who will succeed, fail, gain power, or gain influence in an organization” (129).
Newstrom and Davis explain organizational culture as “the set of assumptions, beliefs, values, and norms that are shared by an organization’s members” (102). The organizational culture sets the tone for the work environment, and how employees interact with each other and even those outside the company. A number of factors contribute to the creation and continuity of organizational culture, including things controlled by the company, forces outside the company’s control (such as social/national culture), and the basic personal characteristics of individuals within the corporation. Organizational culture is a dynamic system that can be affected by virtually everything occurring within and outside the organization: “Employee behavior, according to social psychologist Kurt Lewin, is a function of the interaction between personal characteristics and the environment around the person” (102).

Organizational culture is not necessarily a set of written rules, although corporate visions and philosophies, visions, mission statements, and business strategies and goals contribute to the overall tenor of an organization’s culture. Newstrom and Davis point out that “the philosophy (model) of organizational behavior held by management consists of an integrated set of assumptions and beliefs about the way things are, the purpose for these activities, and the way they should be” (28). The fundamental philosophy of an organization can be a strong driver of the overall culture that is created and maintained.

The corporate vision, “a challenging portrait of what the organization and its members can be” (Newstrom and Davis, 28) stems from the business’ guiding philosophy and also impacts organizational culture. Philosophies and visions become manifested in corporate mission statements. Mission statements are commonly written declarations for a company that “identifies the business it is in, the market niches it tries to serve, the types of customers it is likely to have, and the reasons for its existence” (28-29). Mission statements are achieved by goal-setting, or “relatively concrete formulations of achievements the organization is aiming for within set periods of time” (29). Reading corporate philosophies, visions, missions, and goals can provide insights into what the organizational culture may be like because “together, philosophy, values, vision, mission and goals exist in a hierarchy of increasing specificity…they all help create a recognizable organizational culture” (29).

**Corporate Social Responsibility Defined**

Ethical theories present many ideas for what is right and wrong and why people should or do act in certain ways. The theories present ways for individuals to conduct themselves ethically, and through individual actions to help collective humanity operate ethically. Businesses are groups of people that perform actions that affect other groups of people. However, there is not a particular ethical theory governing business ethics.

“It is important to recognize that each business has a number of constituent groups—stakeholders, employees, customers, and the community in which it operates (Davidson, Knowles, & Forsythe, 45). By acting ethically, businesses seek to serve each of their constituent groups. When ethical issues arise, they may involve one or more of these constituent groups and thus present a business with an ethical dilemma. Most businesses have created their own code of ethics to guide them through these ethical dilemmas.
Because businesses serve four primary constituents, each with differing needs and expectations, it is not difficult to apply the theory of utilitarianism to business ethics. Utilitarianism posits that: “Actions are judged by their consequences and the amount of pleasure all concerned derive from those consequences; the aim is the greatest happiness of the greatest number” (Flew, 361).

Corporate social responsibility (CSR) is not a new concept, but has been at the core of business operations since the advent of the corporation. In general, corporate social responsibility is about managing a business legally and ethically, especially in ways that have positive results for society overall. However, today, corporate social responsibility has taken on expanded meaning. In particular, CSR programs in organizations have become heavily focused on “doing good” in the communities where the business is located, as well as in the world at large. More and more companies are instituting programs that involve donating large sums of money to causes, and enabling volunteer opportunities for employees to “give back” to society.

CSR is referenced by different terms and has a number of different definitions. One of the most common definitions of CSR is “corporate governance.” Other terms used synonymously with CSR include, among others, corporate citizenship, corporate philanthropy, corporate giving, corporate community involvement, community relations, community affairs, community development, corporate responsibility, global citizenship, and corporate societal marketing (Kotler and Lee, 2). In their book, Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause, Philip Kotler and Nancy Lee define CSR as “a commitment to improve community well-being through discretionary business practices and contributions of corporate resources” (3). They point out that key to their definition is the fact that CSR activities are those that are discretionary or voluntary and not those that are mandated by law (3).

The website for the World Business Council for Sustainable Development explains CSR this way: “Business is not divorced from the rest of society. How companies behave affects many people, not just shareholders. A company should be a responsible member of the society in which it operates. That means contributing to sustainable development by working to improve quality of life with employees, their families, the local community and stakeholders up and down the supply chain. It can mean a new kindergarten, a new clinic, health insurance, playgrounds, football pitches, it can mean biodegradable packaging, cleaner fuel for trucks, sortable plastic bottles. It's a huge subject.”

Perhaps most relevant for the focus of this study is a comment on the CSRwire website that says: “CSR can involve almost any aspect of a company’s operations. Every company has a story to tell that sets it apart. It is important for every company to find its story and to tell it. A company that is considered a good corporate citizen is one that demonstrates a commitment to its stakeholders through socially responsible business practices and transparent operations.” It is the story that is being told by companies today, particularly The Walt Disney Company, and how that relates to organizational culture and the theories of Max Weber, that is assessed in this research project.
Max Weber, Organizational Culture, and Corporate Social Responsibility

Although the theories of Max Weber are over 100 years old and have been contested by critics over the years, they are still useful for informing the study of the connections between organizational culture and corporate social responsibility today. While Weber did not specifically theorize on organizational culture and CSR, there are a number of his theories that provide a lens for assessing the topics in relation to each other. For the purpose of this study, I focus on Weber’s thoughts about callings, the iron cage, and bureaucracy as three sites of linkage between organizational culture and CSR programs.

In *The Protestant Ethic and the Spirit of Capitalism* Weber stated: “Man is dominated by the making of money, by acquisition as the ultimate purpose of his life” (Weber, 53). It was also in *The Protestant Ethic and the Spirit of Capitalism* that he wrote of capitalism, or the pursuit of money, as a “calling”:

“What was the background of ideas which could account for the sort of activity apparently directed toward profit alone as a calling toward which the individual feels himself to have an ethical obligation? For it was this idea which gave the way of life of the new entrepreneur its ethical foundation and justification” (75).

He goes on to explain that that:

“The Puritan wanted to work in a calling; we are forced to do so. For when asceticism was carried out of monastic cells into everyday life, and began to dominate worldly morality, it did its part in building the tremendous cosmos of the modern economic order…Where the fulfillment of the calling cannot directly be related to the highest spiritual and cultural values, or when, on the other hand, it need not be felt simply as economic compulsion, the individual generally abandons the attempt to justify it at all. In the field of its highest development, in the United States, the pursuit of wealth, stripped of its religious and ethical meaning, tends to become associated with purely mundane passions, which often actually give it the character of sport” (181-182).

It is also in *The Protestant Ethic and the Spirit of Capitalism* that Weber expounded on the idea of the “iron cage.” He likens workers to cogs in a wheel and envisions them as being like captives constantly working solely for the pursuit of profit. Weber wrote:

“The modern economic order…is now bound to the technical and economic conditions of machine production which today determine the lives of all individuals who are born into this mechanism, not only those directly concerned with economic acquisition, with irresistible force…The care for external goods should only lie on the shoulders of the ‘saint like a light cloak, which can be thrown aside at any moment.’ But fate decreed that the cloak, should become an iron cage…Today the spirit of religious asceticism…has escaped from the cage. But victorious capitalism, since it rests on mechanical foundations, needs its support no longer…No one knows who will live in this cage in the
future, or whether at the end of this tremendous development, entirely new prophets will arise, or there will be a great rebirth of old ideas, or, if neither, mechanized petrification, embellished with a sort of convulsive self-importance. For of the last stage of this cultural development, it might well be truly said: ‘Specialists without spirit, sensualists without heart; this nullity imagines that it has attained a level of civilization never before achieved” (180-182).

One of Weber’s most famous topics is bureaucracy. To Weber, bureaucracy is a rational structure within which people labor toward their goals. He does not paint bureaucracy as a negative thing per se, but as a necessary reality. In Essays in Sociology, Weber explained:

“Once it is fully established, bureaucracy is among those social structures which are the hardest to destroy. Bureaucracy is the means of carrying ‘community action’ over into rationally ordered ‘societal action’. Therefore, as an instrument for ‘societalizing’ relations of power, bureaucracy has been and is a powerful instrument of the first order—for the one who controls the bureaucratic apparatus” (228)

In The Theory of Social and Economic Organization, Weber further discusses bureaucracy:

“The development of the modern form of the organization of corporate groups in all fields is nothing less than identical with the development and continual spread of bureaucratic administration…The whole pattern of everyday life is cut to fit this framework. For bureaucratic administration is, other things being equal, always, from a formal, technical point of view, the most rational type. For the needs of mass administration today, it is completely indispensable. The choice is only that between bureaucracy and dilletantism in the field of administration” (337).

The Case of the Walt Disney Company

The Walt Disney Company is considered a major multinational corporation that has a presence all over the globe through its consumer and media products and popularity of its theme park tourist destinations. Disney is primarily viewed as a “place” due to its theme park locations in America, France, Japan, and China, however, the company has offices with thousands of employees in cities throughout the world where there is no theme park. Visit www.disneycareers.com for a partial look at openings in cities throughout the world where Disney has current job opportunities.

Upon review of the www.disney.com website, it is difficult to ascertain a direct representation of the company’s current overall mission statement. In the past, as an employee of the theme park division of the company, mission statement was a prominent part of the first day of training as: “to provide the finest in family entertainment to people of all ages everywhere.” The most direct representation of a current version of the company’s mission found on the website today was in the “Investor Relations” area of “Corporate Information” area of the site that stated:
“The Walt Disney Company's objective is to be one of the world's leading producers and providers of entertainment and information, using its portfolio of brands to differentiate its content, services and consumer products. The company's primary financial goals are to maximize earnings and cash flow, and to allocate capital profitability toward growth initiatives that will drive long-term shareholder value” (“Investor Relations”).

The diversification of the company’s products has led it to attempt to distance itself from completely relying on its “family” entertainment image, however, because the products most often identified with the name Disney, such as the theme parks, characters, and Disney Channel are primarily oriented toward kids and families, the company maintains the family image. Disney’s products seem largely intangible because of the ideologies associated with them. They make people happy, and that is difficult to put a price tag on. Therefore, inherently, people almost feel that the price tag is too high on the product or that the products should somehow be free of charge. From Home Depot or McDonalds, people buy tangible products, food or tools, but from Disney they buy entertainment, happiness, magic, and dreams. For these reasons, and more, it is vitally important that Disney is seen as a good corporate citizen that gives back to the community/world, more than most companies. Disney has set a high standard of excellence for themselves, and people expect them to live up to it. McDonalds hamburgers fill people’s stomachs, and that is important, but Disney characters put smiles on people’s faces and fill their hearts with joy—they become a part of people’s lives from birth through adulthood like members of their family—and people expect them to help others.

Disney’s CSR programs are visible in numerous ways. For research purposes, the corporate website provides valuable information especially at the company’s “Corporate Info” page. On this page there are five prominent tabs at the top of the page, one labeled “Corporate Responsibility.” The introductory text on the Corporate Responsibility page provides an overview of the company’s CSR strategy:

“At The Walt Disney Company, we believe that being a good corporate citizen is not just the right thing to do; it also benefits our guests, our employees and our businesses. It makes the Company a desirable place to work, reinforces the attractiveness of our brands and products and strengthens our bonds with consumers and neighbors in communities the world over.

The Company has put in place a comprehensive, integrated approach to corporate responsibility, building on our established infrastructure for addressing crucial issues related to the environment, community, workplaces and product development. Special emphasis has been placed on how these issues affect our key audience of kids and families.

In March 2009, Disney published a comprehensive Corporate Responsibility Report detailing our progress in this area for fiscal year 2008. Click on the image to be taken to the CR Report Web site” (“Corporate Info”).
On this page, there is a link to a “mini-site” designed in true Disney fashion. On the mini-site there are yet more links to deeper levels of information that illustrate the massive effort going on within the company to make CSR an important part of the corporation’s philosophy, vision, mission, and goals, thereby directly and indirectly affecting organizational culture. As the introductory message from Disney’s CEO, Bob Iger, explains:

“Over its 85-year history, The Walt Disney Company has brought great stories, characters and experiences to children and families the world over while endeavoring to be an organization that people want to invest in, work for, live near and do business with. While there's always room for improvement, we seek to be a good corporate citizen and hope to be as admired for the way we do business as for the quality of the family entertainment we create.

There are good reasons for doing so. A strong commitment to corporate responsibility makes our brands and products more attractive. It strengthens our bonds with consumers. It makes our Company a more desirable place to work. And it builds goodwill in the communities in which we operate. All of this adds shareholder value.

There is something deeper too. Many years ago, Walt Disney spoke of the "awesome responsibility" he felt as a "shaper of the world of tomorrow." Children and families are at the heart of so much of what we do at Disney, which is why setting positive examples through the entertainment and experiences we produce is critical to our business approach.

Disney has a wonderful legacy of charitable giving, of volunteerism and of environmental stewardship. We have long been a major supporter of children's hospitals and wish-granting organizations around the world. We just celebrated the 25th anniversary of our VoluntEARS program, through which our Cast Members and employees have donated more than 5 million hours to the betterment of their communities. And, for over a decade, our Disney Worldwide Conservation Fund has supported habitat preservation and efforts to save endangered species.

Our approach to corporate responsibility extends beyond philanthropy. Two years ago, we decided to associate our brands and characters with a range of healthy food items, an initiative that has been received enthusiastically by our Guests and consumers. Families appreciated that we had their best interests at heart while the creation of a promising new business helps promote shareholder value.

In this report, we have set out to provide greater detail and insight into how we approach crucial corporate responsibility issues. As I've noted, many of our programs and policies in these areas are longstanding and have already resulted in substantial benefits. But the report is set against the backdrop of substantial change in the way we view corporate responsibility and amid a push to integrate our many efforts across all businesses and around the world.
At Disney, we produce all kinds of creative content for different media platforms across multiple geographical and cultural boundaries. We run vast theme parks and resorts that serve tens of thousands of Guests daily on three continents. And we are the largest licensor of manufactured goods in the world, with products ranging from fine furniture to plush toys that bear the Disney name. Our impact, in other words, is diverse and substantial. To get things right, we take many different approaches.

Our Corporate Responsibility team has developed a cohesive strategy for the company with that in mind, incorporating existing outreach, safety, nutrition, environmental and labor programs and working with executives across Disney, ABC and ESPN to coordinate and strengthen our company-wide efforts. They've organized our approach around five broad areas - Children & Family, Content & Products, Environment, Community and Workplaces – with the goal of further embedding corporate responsibility into Disney's business DNA, making sure it continues to be taken into consideration in decisions big and small.

We're enthusiastic about making our corporate responsibility efforts even more effective. Our approach has been guided by Disney's enduring principles of integrity, optimism and decency as well as a results-oriented strategy that we believe can lead to steady improvements in the way we do business.

This report is the first major snapshot of our efforts, one in which we point to our successes and identify areas where we can still do better. It is, in other words, the opening step in a long journey to greater transparency and accountability, and one which we hope you will find illuminating. We're really proud to be sharing all this information with you in a single place and hope you'll let us know what you think” (http://disney.go.com/crreport/overview/messagefromceo.html).

To research deeper into Disney’s CSR programs on this mini-site is simple—there are five buttons to the main elements of their outreach: “Children and Family, Content and Products, Environment, Community, Workplaces, and Looking Ahead” (“Corporate Responsibility”). Disney explains that their commitment to CSR in the area of Content and Products stems partly from the time that Children and Families spend on their products. The company estimates that:

“In 2007, …consumers spent over 33 billion hours watching ABC, Disney Channel or the four largest ESPN networks in the U.S. Consumers also spent significant time at our parks, logging approximately 800 million hours worldwide. Another 5 billion hours were spent listening to our radio networks, watching our movies, playing our video games, logging onto our Web sites, attending our live shows, going on our cruises or reading our books.

All of this adds up to people being immersed in Disney products for approximately 39 billion hours a year! This is a source of tremendous pride for the Company. We believe this also gives us billions of chances to show our commitment to responsibility in action.
while delivering the expected Disney magic and fun” (“Content and Products: Our Reach).

On the topic of the environment, Disney explains that their commitment to environmental issues is based both in the company’s legacy of environmental awareness and the fact that many of their products have environmental themes. They touch on how environmentalism is integrated into the organizational culture, stating: “Today, we make concerted efforts to embed environmental stewardship into the decisions and actions of our employees, Cast Members and Guests through a series of new programs and policies, grounded in science and taking advantage of the best of our company's talents and abilities” (“Environment”). The site goes further into the environmental policies Disney has in place, promoting their “Environmentality” program and annual “Enviroport” statements.

The “Community” section of the site goes into great detail about the volunteer efforts of the Disney employees. The site states that there are 130,000 Disney employees in 42 countries, as well as major resorts on three continents. The images of all types of employees from all types of cultures working as Disney VoluntEARS demonstrate the diversity of people and cultures that can be represented within one company in different locations, some of them immigrants or guest workers in that location, that can come together for common causes to make a difference. Not only the images, but also the text-based narrative of the website, point to details of how Disney VoluntEARS are making an impact on people in cities in America, Europe, China, and India. Many of the VoluntEARS shown helping in their communities are the same people that serve tourists on a day-to-day basis in their “real” jobs. In this way, they serve the global community on a daily basis, as well as serving locally in the VoluntEAR capacity. In volunteer hours, the report states that:

“During 2008 alone, Disney VoluntEARS contributed more than 495,000 hours of volunteer service. Since the program’s inception 26 years ago, VoluntEARS in more than 42 countries have donated some 5 million hours of service.”

Pointing to the connection between organizational culture and CSR, the report states:

“To support and encourage volunteer efforts, Disney maintains the following:
• EARS to You, a program that provides an opportunity for Cast Members and employees to earn financial support from Disney for the charities to which they volunteer their time
• Employee team-building events through volunteerism
• Self-service website that matches employee skills and interests with volunteer opportunities
• Annual awards program recognizing employee volunteer serviceVoluntEARS activities span a range of service issues and types, in many cases supporting the same charitable causes to which Disney provides financial support. VoluntEARS give thousands of hours every year working with and helping children, collecting and delivering toys, preserving the environment and supporting arts and culture.”
The emphasis on Disney VoluntEAR activity as shown on the website is one indicator of the finances that Disney devotes to community service initiatives. The 2008 Corporate Social Responsibility Report, a 100 page comprehensive report of CSR programs (http://a.media.global.go.com/corporateresponsibility/pdf/Disney_CR_Report_2008.pdf), shows that $41 million was donated in cash, $42 million in products, and $126 million in In-Kind Donations during 2008. In many cases, though not all, Disney VoluntEAR activities are performed during working hours and employees may be paid for the time. In the cases when volunteer work is done on company time, the company is essentially paying the employee for the service.

In the area of “Workplaces,” Disney again touches on the connection between organizational culture and CSR, stating: “The Walt Disney Company is committed to fostering safe, inclusive and respectful workplaces - whether in our parks and resorts, where Disney Cast Members enhance the guest experience every day; in our Disney-owned stores, distribution centers or offices; or in factories around the world where Disney-branded products are made.” The “Workplaces” section of the site goes into detail regarding: “Working at Disney, Training and Development, Diversity, Occupational Health and Safety, and Supplier Diversity.” As part of the insight into the organizational culture, the “Working at Disney” section states:

“As a company whose mission it is to provide quality entertainment for people around the world, our values naturally focus on the human element of our business - not only our guests, consumers and audiences, but also our employees and Cast Members.

At Disney, we value the fact that our heritage and reputation demands that we be held to a high standard of quality, ethics and social responsibility. For many, that's the reason they chose Disney as an employer. And for Disney, it's how we strive to treat our employees, as well.”

Two Contrasting Cases

The Disney example provides a favorable view of the connections between organizational culture and CSR programs. In contrast, there are many companies where the connections are not as clear, nor as favorable. Two of these cases are the now defunct Lehman Brothers organization and British Petroleum (BP).

The Lehman Brothers organization was one of the hallmarks of capitalism. The introduction to the company’s Code of Ethics stated: “The Code of Ethics embodies the Firm’s commitment to conduct business in accordance with applicable law and the highest ethical standards. It is intended to provide guidance to help recognize and deal with ethical issues, to provide a mechanism for the reporting of unethical or unlawful conduct, and to help maintain a culture of honesty and accountability” (Lehman Brothers website). The code goes on to state:

“Truly ethical business practices are the product of more than a fear of legal ramifications or an appreciation of the competitive value of a good reputation. Ethical business practices entail a clear understanding of right and wrong, and a motivation on the part of our directors and
employees to act at all times in a manner of which they and the Firm can be proud. This means adhering to not only the letter but also the spirit of all applicable laws and regulations. The Firm thus defines standards of excellence and success to include adherence to a strong set of ethical principles at every step. This Code of Ethics has been prepared specifically to address Lehman Brothers’ business globally and the unique requirements of the Firm, and to provide a framework within which to work both legally and ethically. More importantly, the Code of Ethics reflects how we think and feel about doing business, the values we hold and look for in others and how we want to distinguish ourselves as a firm” (Lehman Brothers website).

I have no personal knowledge of the organizational culture inside Lehman Brothers prior to the collapse, but if the Code of Ethics is considered a cultural object that impacted the norms and values of the organization, it would appear that their culture promoted honesty and fairness. In addition, Lehman Brothers, prior to their collapse, would have been noted as having a fairly robust corporate social responsibility program. For instance, in October 2007, Lehman Brothers formed a corporate-academic partnership with Spelman College in Atlanta to establish the Lehman Brothers Center for Global Finance and Economic Development. The company committed $10 million to the program at the outset. At the time, the chairman and chief executive officer of Lehman Brothers stated:

“We believe it is our responsibility to leverage our institutional knowledge, expertise and capital to address today’s challenging issues. There is a clear need to increase participation of historically under-represented groups in the global financial industry. We are in a unique position to partner with Spelman College to create a new model that will prepare women of African descent for successful careers and leadership in the corporate world.” (Spelman College website)

Unfortunately, as the recent financial crisis proves, Lehman Brothers is one of many businesses for whom the Code of Ethics and responsibility to society is revealed to have little to no influence on the culture and operation of the corporation. The company appears to have not adhered to any one of the ethical theories. Through unethical actions, the individuals leading Lehman Brothers derived the greatest pain for the greatest number of people. By mismanaging their operation, they brought great consequences to the stakeholder, employee, and customer constituents they are intended to serve. More importantly they brought dire consequences to not just a local community of constituents, but to the global business community.

British Petroleum has been called “the poster child of CSR gone wrong” (Adler, Forbes.com). Despite the companies promises of going “Beyond Petroleum” and investing in worthy environmental improvements, including alternative energy sources, within short order they faced one crisis after another that did not uphold the image they were trying to project. The pipeline leak in Alaska, the explosion at their Texas City refinery, and the oil spill in California were all reasons to make the public believe that their corporate social responsibility efforts were all talk.

For numerous reasons, BP helps to illustrate what Betsy Atkins in the article, “Is Corporate Social Responsibility Responsible?,” explains as a more straightforward definition of corporate
social responsibility. Rather than the responsibility meaning programs or donations by a corporation, corporate social responsibility overall means:

“--Be transparent in your financial reporting.
--Produce a quality product, and don’t misrepresent it.
--If you know something about the product that endangers the consumer, be forthright and let the public know.
--Do not use predatory practices in offshore manufacturing, such as child labor.
--Do not pollute your environment or other environments, and adhere to laws and regulations.
--Be respectful, fair and open in your employment practices” (Forbes.com).

Because of the crises that BP has faced, they have intensified their efforts to be more environmentally conscious. BP issued a statement regarding their foibles and commitment to move forward, stating, "These events are unacceptable to us, and we regret and apologize for them. We have $7 billion dedicated to our U.S. safety and integrity effort, and earlier this year announced plans to spend an additional $1 billion over the next four years to improve operational integrity and process safety in our U.S. refineries" (Adler, Forbes.com).

**Discussion**

Do organizational culture, CSR, and Weberian theory connect with each other? Does a company’s CSR approach impact organizational culture, or vice versa? Do the concepts of organizational culture and CSR align with Weber’s theories?

In their seminal study, “Putting the S Back in Corporate Social Responsibility: A Multi-Level Theory of Social Change in Organizations,” Aguilera, et. al. provide a convincing argument that corporations receive pressure to engage in CSR programs from inside and outside the organization based on the organizational culture that exists for both employees and consumers. The authors posit that “employees push for CSR directly by actively advocating for, leading, and participating in CSR initiatives as well as indirectly by reciprocating socially responsible actions through heightened performance and firm loyalty/commitment” (10). The authors argue that “firm performance is likely to increase because employees see a socially responsible organization as a fair organization and reciprocate this fairness through dedication, loyalty, and increased productivity” (10). Likewise, the authors explain that:

“Social movement research has turned its attention to the cultural frames, identity and meaning of group members and the use of that collective identity to pursue conscious strategic efforts. In this regard, consumer groups and “market campaign” activists in CSR tend to share certain understanding of the world and of themselves that legitimate and motivate their collective action (McAdam, McCarthy, & Mayer, 1996). We argue that the collective identity of consumers is a relational motive that will lead them to pressure
companies to engage in CSR practices. Collective identity in social movements refers to “the interactive, shared definition produced by several individuals (or groups at a more complex level) ... that must be conceived as a process because it is constructed and negotiated by repeated activation of the relationships that link individuals (or groups) [to the movement]” (Melluci; 1995: 43)” 22-23.

This appears to prove true in the case of Disney. The organizational culture at Disney is that of happy, smiling, helpful employees. Not only on the job, but also through volunteer participation, an organizational culture of helpfulness is created and reinforced for employees. The organizational culture perceived by those who come in contact with the company is also that Disney employees are happy, friendly, and helpful. The CSR initiatives of the company align with this perception of the organizational culture. The fact that the company commits time and resources to helping others and the environment through its CSR programs makes sense. Because of the perception of Disney’s organizational culture by consumers, there is a pressure on them to “give something back.” This is done through the programs explained on their website including philanthropy and volunteerism.

There is another way to connect organizational culture and CSR by using Griswold’s concept of the “Cultural Diamond” (14-17). The Cultural Diamond has four points that interconnect in various ways depending on the topic under consideration: “Social World, Receivers, Cultural Object, and Producers” (16). In explaining the Cultural Diamond, Griswold states:

“Cultural objects are made by human beings, a fact intrinsic to all the various definitions—culture is ‘the best that has been thought and known by human beings (Arnold); culture is the ‘meanings embodied in symbols’ through which human beings communicate and pass on knowledge and attitudes (Geertz); culture is the externalization, objectification, and internalization of human experience (Berger)—and is the basis for the familiar distinction between culture and nature” (14-15).

Griswold goes on to explain that:

“...the Cultural Diamond is an accounting device intended to encourage a fuller understanding of any cultural object’s relationship to the social world. It does not say what the relationship between any of the points should be, only that there is a relationship. Moreover, the texture of that relationship lies as much in the links as in the four points” (16).

Another way to connect organizational culture and CSR is by considering CSR programs as an object of an organization’s culture. CSR programs are one way that an organization communicates and transfers knowledge, attitudes, and experience. In this way, the four points of the Diamond are all interconnected. Disney’s VoluntEARS programs provides evidence of this connection. Disney employees are the producers and members of the community are the receivers. However, through this interaction Disney employees are also impacted, so in effect the volunteer act is producing something for the employee to receive.
Even the CSR “mini” website that is contained within The Walt Disney Company corporate website is somewhat an object of the organizational culture. It stands as a symbol to all who “receive” it that the organization is focused on “good works.” However, it is in the review of the company’s overt commitment to CSR as detailed on the website that Weberian theories come more clearly into focus.

Milton Friedman, famously said, "The business of business is business." However, progressive companies have found that acting with social responsibility leads to better business. Alan Hassenfeld, chairman of Hasbro, in the article “Can Corporations Save the World,” stated: "In order to make a profit in this day and age, companies are not going to exist if they don't have corporate responsibility. You have to do the right thing" (Adler, Forbes.com). When companies feel a responsibility to society, regardless of whether they do it for their own gain or not, the greater good is served. As Gillian Caldwell, the executive director of WITNESS, a human rights organization, stated, "Companies can do well by doing good, and that's OK. It will take a collective commitment to do what we can to ensure the sustainability of the planet" (Adler, Forbes.com).

The points made in the preceding paragraph point to the connection between Weberian theories, organizational culture, and CSR. Weber’s focus on the “calling” in a profession being primarily for the pursuit of profit calls to mind the question of “why?” Why are companies, whose aim is profit, spending so much time and effort on CSR programs and “giving back.” How does the intense focus on CSR programs align with Weber’s “iron cage” concept? I believe the answer to these questions serve to surface additional questions about the true motives of CSR programs, the actual results of these programs, and the interconnectedness of organizational culture, CSR, and corporate profit.

CSR programs appear to point to a need for a “higher calling” than just what can be found in mere capitalistic pursuits. It appears people in organizations are increasingly expressing a need and desire to do good works for society in addition to doing good work for the corporation only. Griswold clarifies Weber’s position about the “calling,” explaining that “Protestants could bolster their conviction of salvation through good works, self-control, and purposeful activity” (39).

However, the rhetoric on the Disney website explaining the rationale for the CSR programs more than hints at an underlying profit-making motive. Doing good works for society does benefit society, and that is a good thing that should not go unappreciated. Yet, CSR programs eventually come back to benefit the company. One of the realized benefits of CSR programs can be a strengthening of the organizational culture. This was pointed out in the Disney website rhetoric, and the Aguilera et. al. study, mentioned earlier which posited that:

“...employees who perceive their firm to be socially responsible will be more committed to the firm and out-perform (both in terms of their work as well as CSR activities) those employees who perceive a great deal of irresponsibility. This should in turn pressure organizations to increase CSR activity in order to recruit and retain a top quality workforce. Moreover, firm performance is likely to increase because employees see a socially
responsible organization as a fair organization and reciprocate this fairness through
dedication, loyalty, and increased productivity” (10).

The increasing emphasis on CSR programs, especially as illustrated in the Disney case, also
speaks to Weber’s “iron cage” concept. Based on the lengths that Disney goes to so that
employees can be involved in volunteer activities, seems to indicate that workers are not simply
satisfied being a cog in the wheel that keeps the corporate machine turning. Instead, they are
looking beyond the iron cage at opportunities to make their work larger than the day-to-day
performance of tasks for pay. CSR programs seem to support the idea that “an embedded
self…is reflected in Max Weber’s insistence that social arrangements are composed of moral
action as opposed to merely instrumental transactions” (Cerulo, 132).

A final correlation between organizational culture, CSR programs, and Weber is in the area of
bureaucracy. The Disney case provides a striking example of the bureaucratic implications of
organizational culture and CSR. The Disney CSR mini-website alone stands as a testament to
massive bureaucracy. The facts and figures listed within the site point to extreme levels of
internal corporate accounting and reporting that would have to be required to administer CSR
programs. The creation and management of such a bureaucracy requires an organizational
structure and staff, which in the case of many CSR programs are fairly recent developments, rose
out of the corporation as a completely new entity. Even though workers may want to harken to a
higher calling, be loosened from the iron cage, and pursue moral activities in addition to (but
connected with) pursuit of their daily bread, they find themselves again ensnared in a
bureaucracy. As Weber explained: “When those subject to bureaucratic control seek to escape
the influence of the existing bureaucratic apparatus, this is normally possible only by creating an
organization of their own which is equally subject to the process of bureaucratization” (Social
and Economic, 337).

Implications for Further Research

The implications for further research on the connections of organizational culture, CSR, and
Weber are tremendous. A paper of this scope cannot begin to touch on the myriad possibilities
for how these topics interconnect. I have only touched on three of Weber’s concepts here, when
there are a multitude of ways to consider Weberian theories in relation to organizational culture
and CSR—not to mention there are many other theorists with ideas that could be overlayed in
place of Weber. I have also touched on the case of one company in relation to this topic, when
there are thousands of companies across the globe involved in CSR programs—and all with
organizational cultures of their own. In addition, the literature on the topic of CSR programs is
in its infancy. The body of knowledge has only recently started to grow, and there is much
ground yet to cover.

Conclusion

Based on the limited review of organizational culture, CSR, Weberian theory, and Disney CSR
programs approached in this paper, there is clearly a compelling connection between the
concepts. Whether organizational culture is being reflected in the development of CSR programs (bottom up pressure), or the creation of a robust CSR program is being infused into the organizational culture (top down pressure) is worthy of continuing research. Regardless, the good that CSR programs bring to those inside and outside the organization certainly supports the utilitarian theory of the greatest good for the greatest number. If corporations did not feel the need to implement CSR programs, there would be more underserved institutions and people. Despite what the corporate motivation may be for investing in CSR programs, they appear to be beneficial for all involved: the business, those who work within the organizational culture, and those who receive the benefits produced by CSR programs in the larger society.

Works Cited


http://disney.go.com/crreport/environment/legacyofaction.html


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http://disney.go.com/crreport/workplaces/introduction.html