# Understanding Corporate Social Responsibility
and the case of
Small and Medium Enterprises in a Kazakh Context

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Preface

This dissertation is the result of my own work and includes nothing which is the outcome of work done in collaboration except as declared in the Preface and specified in the text.

It is not substantially the same as any that I have submitted, or, is being concurrently submitted for a degree or diploma or other qualification at the University of Cambridge or any other University or similar institution except as declared in the Preface and specified in the text. I further state that no substantial part of my dissertation has already been submitted, or, is being concurrently submitted for any such degree, diploma or other qualification at the University of Cambridge or any other University or similar institution except as declared in the Preface and specified in the text.

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II

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ABSTRACT

The proposed case study seeks to acquire empirical evidence on the evolution of Corporate Social Responsibility (CSR) in the context of Small and Medium Enterprises (SMEs) in Kazakhstan. This research draws upon primary sources, including in-depth interviews of general managers of Kazakhstani SMEs along with professionals in the field of CSR in Kazakhstan, and a survey of SME customers.

After the collapse of the USSR in 1991, Kazakhstani business culture has been exposed to rapid changes, which affected almost every aspect of social interactions from political and institutional architecture to common cultural references and social norms. Simultaneously, transformations in business and economic relations at the global level have produced a growth in discourse on CSR, particularly in developing countries. These systemic changes and international developments prompted this research to explore what constitutes CSR in the case of SMEs in Kazakhstan? Without a consideration of contextual features, it becomes difficult to understand how and why phenomena such as CSR may or may not be adapted and incorporated into the local Kazakhstani business in the same way as in countries with established free economy markets.

Findings from this research challenge the prevailing belief that local CSR is newly born phenomenon, which was merely brought to Kazakhstan from outside. Instead, this study demonstrates a considerable discrepancy between the Western conceptualisations and the local CSR realities. Contrary to popular assumptions, the notion of social responsibility has a unique and sustained history in Kazakhstan. This study examined the effect of local cultural and historical circumstances in shaping the development, conceptualisation, and adoption of CSR in Kazakhstani SMEs. To do so, this research 1) explored the "local roots" of Kazakstani CSR and analysed the determinants of its unique form, 2) identified the main recipients of SMEs' CSR, whose concerns are prioritised, 3) unfolded the driving forces compelling local companies to adopt CSR practices.

Note on transliteration

I have applied the Library of Congress system (see Appendix 11) for transliteration from Cyrillic to English.

Dedicated to my father, Igor Alimpiev, who is no more in this world;

and to my mother, Lyubov' Nam,

who, with gratitude and God's blessing, is still by my side.

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This research was a big journey. It was big in its meaning to me and discoveries along its way. Big in how it concentrated ideas, events, and emotions. The journey started much earlier than the actual beginning of my PhD course. The question of 'why people give' was, and still is, among the questions that have been living in my head since I was a child, sitting next to the fireplace during traditional family evenings listening to my father. He would smoke his cigarette and meditate upon the meaning of life, morality, wealth, and many things. His idea was that wealth and money are *"to give the pleasure of gift giving",* which is *"a necessity for human beings."* Whether this thinking became a camertone of my later research or not, I still do not feel that this question has been answered to its fullest extent through the completion of this PhD. Indeed, I feel that this will continue to be a lifelong project. Now at the end of my PhD, I have even more unanswered questions than I had at the beginning. Despite coming to Cambridge in my late thirties, with what I thought were already formed views, my time spent here and the people whom I had the chance to meet have transformed both my academic perspectives and personal beliefs. It was truly a life-changing experience.

The thesis has accumulated many debts. My most important debt is to my supervisor, Dr Siddharth Saxena, who guided me through every turn of my PhD journey, from the early beginning discussing my research proposal, until the final defence. The completion of this research would not have been possible without his scholarly and moral support. He has been the best supervisor with a great research intuition in a widest sense. Always believing in me, he would find the right word to inspire and encourage me when I doubted myself. I wish to extend my gratitude to Prajakti Kalra, who was always actively engaged in the academic life of our 'Central Asian' PhD cohort. I am also especially thankful to my graduate tutor at Fitzwilliam College, Dr Rachel Camina, who was always extremely helpful with the challenges that arose during my time in Cambridge.

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ABBREVIATIONS

B2B	Business To Business
CSR	Corporate Social Responsibility
CIS	Commonwealth of Independent States
CSP	Corporate Social Performance
GBP	Great Britain Pound
GDP	Gross Domestic Product
HR	Human Resources
HRM	Human Resources Management
IMF	International Monetary Fund
LLC	Limited Liability Company
MNC	Multi-National Corporation
MNO	Multi-National Organisation
NGO	Non-governmental Organisation
OFP	Organisational Financial Performance
PLC	Public Limited Company
PR	Public Relations
SME	Small and Medium Enterprise
UNDP	United Nations Development Program
USA	United States of America
USD	United States Dollars
USSR	Union of Soviet Socialist Republics

CHAPTER 1. INTRODUCTION

Interest in Corporate Social Responsibility (CSR) has been proliferating rapidly. The reason for this may stem from the discrediting of the old capitalist model, which demonstrates that in today's business environment it is no longer possible to achieve and retain superior performance in the long term by not paying attention to societal demands and focusing merely on profits (Porter & Kramer, 2011). Furthermore, the recent financial crises and the downturn of business giants intensified the societal call for qualitative changes concerning business-society relationships. At present, businesses have to comply with diverse interests and agendas to uphold profitability and to promote socially responsible initiatives.

The Government of Kazakhstan strongly encourages the development of CSR. The former president of the Republic of Kazakhstan, Nazarbayev, repeatedly emphasised the importance of CSR development in Kazakhstan. In 2008, he initiated a national competition for the best CSR practice "Paryz" among Kazakh companies. However, despite efforts put forward by the government, there have been only minor examples of successful CSR initiatives among local businesses with most connected to major MNOs and companies in the mining industry. Regarding SMEs, their CSR role and potential are often overlooked even though SMEs are listed as the main development groups by the Kazakhstani national development programme (Nazarbayev, 2012).

Despite rising demand for understanding the CSR paradigm, there has been no agreement amongst academics and the business world either for understanding CSR or interpreting its rationale for business. While CSR adherents cite certain benefits of CSR involvement (Porter & Kramer, 2011), opponents argue that doubtful CSR effects are outweighed by the losses incurred (Fauset, 2006). Also, while the CSR idea primarily has been advanced in developed Western countries (Chambers, Chapple, Moon, & Sullivan, 2003), there is no evidence on whether it can be directly applied to developing countries setting (Jamali & Mirshak, 2007), and Kazakhstan in particular. As a phenomenon, CSR is closely connected to the fundamental positioning of business in society. Although CSR conceptualisation, practice and motivation largely depend on socio-political, cultural, historical, national, and other contextual factors, the phenomenon has been mainly investigated based on the theories originating from Western schools. This has led to a disregard for the local peculiarities of CSR, specifically those of developing

countries (Halme, Room, & Dobers, 2009). CSR context and content have proved to be strongly interrelated, as I will try to show throughout this thesis. With this in mind, the proposed study aims to contribute to filling the gap in the existing literature by identifying what constitutes CSR in the context of Small and Medium Enterprises (SMEs) in Kazakhstan, and, how and why it may differ from what is commonly believed to represent CSR, a 'standardised' CSR, so to speak.

1.1 Background of the Research

The discourse on CSR has attracted substantial interest in recent years. However, the work on contextualising CSR research is still in a preliminary stage. From what has become apparent through the review of the literature, there is a need for a greater understanding of a 'customised version' of CSR, one that accounts for a particular context. Given that CSR functions at the centre of a business's relationship with its operating environment, contextual distinctions should be accounted for. A context-specific knowledge should help to avoid the 'good or bad' debate on CSR where the majority of questions remain concentrated on whether CSR is a way to achieve superior financial performance or is a waste of money. The vast majority of literature propagates CSR as a "one size fits all" solution for organisations worldwide, regardless of the context in which they exist (Örtenblad, 2016). Another extreme view considers CSR as a mere "window dressing" or "misguided virtue" (Henderson, 2001), which no organisation should take into serious consideration (Friedman, 1970). The question I am raising in this research is not whether CSR is simply good or bad for a business, but how relevant it is to the internal logic and operations of Kazakstani SMEs, as well as whether it can and should mimic global CSR practices. SMEs, and the idea of business in general, are new for Kazakhstan with private enterprises appearing only after the collapse of the USSR. The business culture, as well as the societal expectations of business, is therefore distinct from states with a longer durée of business enterprise.

Bearing this in mind, this research is inspired by an argument that since CSR reflects the expectations and values of local society, its understanding and practice therefore will likely be distinct from what is described in the existing Western literature. Scholars worldwide (Visser W., 2008; Jamali & Mirshak, 2007; Jamali, Lund-Thomsen, & Jeppesen, 2015; Matten & Moon, 2008) have increasingly

recognised the limitations of a universally applicable CSR theory. This has led to a rising interest in the development of indigenous theories and practices that stem from local conditions and socio-cultural factors (Muniapan, 2014). The predominant focus on either American or European CSR traditions has created an imbalance, inclining a learner to ignore the existence of local (vernacular) perspectives, which, in my opinion, may capture CSR phenomenon more accurately. This imbalance is likely to persist unless more efforts are put to address culture-specific (indigenous) CSR, otherwise "…Asians will likely to lose their "Asianess" in near future" as rightly argued by Muniapan (2014, p. 21). In my research, following this recent call for contextualisation of CSR research, I will uncover some of the peculiarities of CSR in the Kazakh context.

1.1.1. Why Kazakhstan?

Kazakhstan attracts attention globally by emphasising the strategic significance of the Central Asian region. Kazakhstan has demonstrated the most successful economic development among post-Soviet countries (Inozemtsev, 2015). After the collapse of the USSR in 1991, few believed that the country would achieve its current level of development. Despite a number of challenges, there have been substantial economic advancements made since independence, as highlighted by a 2013 summary provided by the World Bank: GDP per capita increased by 9 times from 1512 to almost 14 000 USD, and foreign direct investment inward flow increased by about 10 billion USD from 1993 to 2010 (OECD, 2012). However, despite its potential, Kazakhstan remains an underdeveloped region in global terms, accounting only for 0,4% of global GDP (IMF, 2014).

There is no doubt that Kazakhstan has a vast potential for development: as the 9th largest country in the world with the lowest density of the population (6 people per square km), in top 12 country by oil reserves (BP, 2018), and the world's largest uranium producer – 39% of world supply (World Nuclear Association, 2018). Because it is geographically positioned between Russia, China and Europe, it has a great potential to play a role as a mediator and transportation and business hub between East and West. Provided Kazakhstan's role in the development of a global economy, cultural exchange and integration become even more critical, underscored by the recent "One Belt One Road" initiative.

Kazakhstan is still transitioning from being a part of the USSR with a planned economic system, to that of a free market. Starting from 1991, Kazakhstani economic and business culture has been exposed to rapid changes. Without considering distinctive contextual features, it would be impossible to understand how and why a certain phenomenon (CSR) may or may not necessarily be adapted to the local Kazakhstani business culture in the same way as it is accepted and practiced elsewhere. Being a Western business management concept, it is therefore important to understand how CSR is perceived and understood in the context of Kazakhstan.

1.1.2. Why SMEs?

CSR has been explored at length in large enterprises, while SMEs have remained largely overlooked in CSR research in general. Indeed, investigating CSR with a focus on SMEs is highly relevant at least for the following reasons:

Firstly, the focus on CSR in SMEs is vital because SMEs are becoming more important both in volume and value (Jenkins H., 2004). They constitute 95% of private businesses globally (Spence L., 2016). Particularly in Kazakhstan, SMEs represent the most extensive cluster of business life, making up more than 90% of businesses registered in Kazakhstan (Toksanova, 2012), and employing over 30% of the total employable population (Ministry of National Economy of the Republic of Kazakhstan; Committee on Statistics, 2014). The numbers may be even more significant since self-employed entrepreneurs often have been excluded from registration requirements to avoid unnecessary complications. For this reason, they may be under-represented in the formal statistics (Fischer & Reuber, 2005).

Secondly, as suggested by Jamali et al. (2015), SMEs play a crucial role in economic development by contributing significantly to job creation and poverty alleviation. Fischer & Reuber (2005) similarly referred to SMEs as vehicles for generating income and contributors to the GDP growth. SMEs are recognised in the literature as "important backbones of healthy economic growth and vitality, through the employment and nurturing of young entrepreneurial talent and the building up of systemic productive capacities that serve to foster competition and innovation" (Jamali, Zanhour, & Keshishian, 2009).

Also, SMEs are significant for decreasing wage inequality by involving the

local population from lower income brackets (Fischer & Reuber, 2005). Furthermore, Fischer & Reuber (2005) suggested that the economic benefits of SMEs for development are closely linked with specific sociological issues. Because SMEs largely contribute to the development of the region where they operate, they can improve social stability by creating structures that reflect and address local community needs and objectives. Ultimately, they become drivers of social change in a region.

Finally, and most importantly for contextual research, because local SMEs typically appear out of necessity for serving domestic needs and local development, they are more likely to reflect local community interests. Being deeply rooted in the localities where they operate gives strength to CSR effectiveness compared to that of major foreign corporations (Jamali, Lund-Thomsen, & Jeppesen, 2015). This can be observed in Kazakhstan where cultural background may affect the way the CSR is practiced and exhibited in local SMEs. Endogenous pro-social attitudes can have a significant impact on companies' CSR policies, as suggested by Jamali et al. (2015, pp. 12-13): "SMEs tend to be strongly rooted in their communities, and generally closer to their employees and local community". Similarly, Quinn (1997) argued that since branch managers of large companies are fully profit-responsible, the business ethics context is different to that of small business manager/owner. Additionally, SMEs' managers/owners enjoy greater decision-making independence while branch managers operate under more centralised corporate constraints.

SME development in Kazakhstan has become the main focus of the state development programme. The Government of Kazakhstan strongly encourages CSR expansion among SMEs. Since 2009, the government has conducted several large-scale programmes aimed at fostering small and medium-sized businesses. SMEs development is considered a central issue reflected in the Kazakhstan 2050 Strategy, which aims at improving the quality of life in Kazakhstan (OECD, 2017). In the recent state-of-the-nation speech (Nazarbayev, 2018), the former president stressed the importance of SMEs sector development, stating that Kazakhstan needs to bring the SMEs' contribution to GDP up to 50 per cent by 2050. Referring the CSR matters to SMEs in Kazakhstan, the proposed research is motivated by the question: what constitutes CSR in the context of Kazakhstani SMEs and what makes them engage with the CSR practices?

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In order to assess the contextual peculiarities of CSR, more attention must be devoted to specifying the potential contribution of local SMEs in relation to CSR. I believe that these particular aspects require more attention because they provide an understanding of CSR mechanisms in relation to SMEs development and the Kazakhstani economic development processes. Engaging with these questions is even more important in the context of Kazakhstan, and in developing countries in general, provided that the characteristics of SMEs are unique to those of the developed world.

1.2 Research Focus

Having considered that the SMEs sector is viewed commonly as a priority for economic development, and specifically in the case of Kazakhstan, it becomes vital to understand how CSR is represented in SMEs. SMEs have been chosen as a unit for analysis and I anticipate that the results cannot be generalised to the entire case of Kazakhstani businesses. CSR realities are highly dependent upon factors like the size of a company, the industry sector, geographical region and the origin (i.e. rootedness) of a company. To narrow down the focus of this study, specific priority has been given to SMEs with *local origin* because I presume local SMEs to be more representative of Kazakhstani CSR features. There might be a substantial difference between a firm with a local origin compared to one brought from abroad because the latter naturally inherits the management policies of the head office. On the contrary, in local companies, CSR is expected to be more 'localised' by virtue of smaller firms typically appearing from the demands of the local community. Concerning industry sector and geographic location, it was not feasible to account for such factors in this study given that CSR is still a very new idea for a local business in Kazakhstan and limiting the selection options would not have provided a sufficient cases for the study. On the contrary, I intentionally aimed to capture as many insights as possible, leaving all research considerations open. I further elaborate on the rationale of the selection criteria in CHAPTER 3 (METHODOLOGY).

During the pilot study, I found that the Western CSR conceptualisation does not adequately reflect the reality of CSR in Kazakhstani SMEs. After mapping certain inconsistencies, I tried to explore what lies behind this divergence: *how CSR is understood and practiced in local SMEs? What are the driving forces*

(external/internal) that make local companies adopt this CSR concept? Why would local SMEs engage in CSR? Why does it matter? Does SMEs' CSR engagement stem from economic (or non-economic) motivation? How would they do that? How does 'giving back' to society evolve or does it not? How is CSR regarded in Kazakhstani society and what are the factors behind this? These overarching questions later transformed into a set of more specific research directions, allowing me to move from a profit-oriented assumption to one that acknowledge the inherit or naturalness of local CSR understanding and development.

1.3 Research Question

This research has been built upon three key research directions. At the heart of this research was the overarching question:

How Kazakhstani SMEs' CSR is shaped by local value systems and the context?

Having my preliminary literature review at hand (before the fieldwork commencement) I was more inclined towards the assumption in favour of economic drivers, which, I thought, could be predicated on the ground of the widely accepted argument that by being recognised as socially responsible, businesses may gain certain financial benefits (e.g. through improved brand image, recognition, reputation, customer loyalty etc.). Eventually, my preliminary assumption was entirely broken by the findings obtained during the fieldwork. Consequently, I had to unlearn what I read and start a new journey.

Ultimately, what has been examined in the research is analysed through the following baseline directions:

- ***What*** is the perception of CSR in the context of Kazakhstani SMEs?
- ***Who*** are the stakeholders of Kazakhstani SMEs' CSR?
- ***Why*** do Kazakhstani SMEs engage in CSR?

1.4 Research Overview

As the title of my thesis shows "Understanding Corporate Social Responsibility and the case of Small and Medium Enterprises in a Kazakh context," this research explores the CSR paradigm through the lenses of SMEs in Kazakhstan. I analyse ***how Kazakhstani SMEs' CSR is shaped by local value systems and the context*** by looking at the reality of CSR in Kazakhstani SMEs not only through the lenses of SMEs, but also by integrating the perspectives of customer and the local community stakeholders with the effect of historical and cultural factors on the development of CSR idea.

My research departs from existing knowledge on CSR, but endeavours to stay away from any judgements or prescriptive suggestions, including a 'right' (Porter & Kramer, 2006) or 'wrong' (Friedman, 1970) verdict for CSR. Instead, I tried to give more space for exploratory perspectives following the suggestions of Örtenblad (2016), who considers the role of contextual factors such as history, culture and religion in CSR development. Taking this guidance allowed important considerations to be highlighted in the data, and, ultimately, demonstrating that the distinctiveness of the Kazakh socio-economic environment requires a reasonable level of scepticism regarding existing conventiona, bchl theories. The recent and rapid changes shaping Kazakhstani business environment (e.g. the collapse of planned economy) have led to a new set of business ideas and ways in which private businesses understand their responsibility towards society and other stakeholders. As Kazakhstani business generally becomes more socially responsible vis-a-vis current international norms, explanations for such actions typically fall into one of two broad camps. One school of thought attributes this behaviour to marketing strategy while the other claims it to be a demonstration of a pure philanthropy. Taking a more nuanced view, contributors from sociological perspectives suggest that any action (socially responsible/irresponsible) cannot be removed from its context. "'Business ethics does not operate in a vacuum disconnected from the rest of the world" (Spence, Schmidpeter, & Habisch, 2003, p. 19) and actors (SMEs) cannot be detached from their political, economic, and social environment as rules and laws are constructed within it. Therefore, the context (in form of political, economic, social, or physical setting) predefines the way in which SMEs conceptualise and pursue CSR. Taking this perspective, I focus on socio-cultural conditions. Following the evolutionary approach, I attempt to

trace the development and the roots of local CSR idea. I explore historical and cultural conditions in which CSR occurs, rather than ascribing appearance and existence of CSR in Kazakhstan to one that simply follows global trends. Instead, I suggest that socially responsible conduct has always existed in Kazakhstan in one form or another. In other words, by contextualising Kazakhstani CSR, I suggest that one should assume neither historical nor cultural discontinuity. The results of this research show that a superposition of conventional theories fails to reflect the reality with which CSR encounters the Kazakhstani business setting.

The findings of this research suggest that it is not appropriate to analyse CSR through conventional lenses as this approach offers little explanatory power in two fundamental aspects: requirements of 'going beyond legal compliance' (McGuire J., 1963) and 'acting in accordance with international norms of behaviour' (ISO: International Organization for Standardization, 2010). For instance, in the transitional context, where disregard for law becomes a 'norm', not going beyond but adhering to legal requirements may represent a manifestation of company's discretionary social responsibility. Another dilemma is what should be considered right and wrong in relation to norms of ethical business behaviour. For example, employing and promoting relatives would be seen unethical in Western context whereas in Kazakhstani traditions, relatives represent the first recipient layer of a businessman's social responsibility. I elaborate on this and other specific examples in CHAPTERS 4 and 5. How do we reconcile the disagreement between international and local understanding of what the business ethics and responsibility should be? Obviously, crude application of international norms of behaviour to the Kazakhsatani context would fail to depict contextual CSR reality. Thus, this research not only reveals that real-life CSR is subject to contextual interpretations, but also challenges existing conventional knowledge.

I take a bottom-up approach and grassroots perspective, which gives voice to the attitude of SMEs in order to understand how they perceive CSR, what their interests and concerns are, how they practice CSR, and what motivates them to engage in CSR. More technically, employing existing theories, Carroll's CSR Pyramid and Freeman's stakeholders' theory, I explore inconsistencies that occur when CSR is located in different contexts and attempt to explain why this discrepancy exists. Additionally, I try to confront SMEs attitudes regarding their

CSR vis-a-vis external stakeholders (recipients of SMEs' CSR), customers and the local community, which composes a fuller picture.

Although this research did not intend to depict a particular age group initially, it naturally happened that all SMEs participants were aged 40 to 62 (perhaps because generally business owners in Kazakhstan are people of middle age and over). Consequently, interview respondents were businessmen who grew up in the Soviet period and witnessed the transition from a planned to market economy. Such combination captures changes of peoples' and business' attitudes. Furthermore, this is a very unique moment for research on CSR evolution, as it will soon become history, no longer something to trace in real time. Because the younger generation is more exposed to global and external trends and ideas (having been educated in independent Kazakhstan and learning about CSR in colleges) the transformation of their beliefs may eventually make CSR take another turn.

A significant strand of the literature is orienting around economic CSR justifications, explaining CSR phenomenon primarily as a business case through cost-benefit analyses. However, I disagree with the purely transactional view of CSR motivation, which ascribes the superiority of economic motives for pro-social business behaviour as self-evident. I found that driving forces of CSR extend beyond such economic analyses. I found no evidence of such calculated CSR rationales in small firms, as emphasised by Murillo & Vallentin (2012). Neither do I wholeheartedly agree with the stakeholder approach, when it is taken at an instrumentalist level (Peloza & Papania, 2008), framing CSR as a tool to manoeuvre as pressure coming from different types of stakeholders. Referring to CSR as a form of response to external stakeholders' pressure implicitly discounts the purely socially responsible and voluntary component of CSR motivation. Although there may be a certain expectation from society or other SME stakeholders of businesses to prove themselves as legitimate corporate citizens, I argue that the natural aspiration of small companies to provide care for the community has been an endogenous driver for CSR motivation. The findings of this research show that CSR in Kazakhstani SMEs is neither economically driven nor triggered by the pressure from external stakeholders (e.g. government, society, customers, suppliers). Instead, I suggest that the focus on historical and cultural aspects is more relevant for assessing CSR and its driving forces in the context of Kazakhstani SMEs. I do not

deny the possibility of economic benefits from CSR. However, I suggest that those benefits might rather appear as more of a 'side effect' but should not be viewed as an explanatory factor for CSR motivation. In other words, regardless of potential monetary benefits associated with CSR, small companies are driven by a variety of non-economic motives, such as beliefs and values shaped throughout the historical experience. This can be better explained by certain cultural traits rather than economic theories. Throughout this thesis, I pay specific attention to how CSR understanding in Kazakhstani SMEs is linked to local culture and history.

Finally, in a broader theoretical perspective, I suggest that a gap in understanding CSR and a case of SMEs in Kazakhstan can be bridged by combining Carroll's framework and the descriptive part of Freeman's stakeholder approach with historical and cultural perspectives. In particular, I employ: 1) Carroll's pyramid to conceptualise **what** constitutes CSR in Kazakhstani SMEs, 2) Freeman's model – to depict empirical side of CSR, to understand **whose** concerns SMEs address by their CSR, and finally 3) historical and cultural perspectives – to explore ***how Kazakhstani SMEs' CSR is shaped by local value systems and the context***. Despite their strength in providing a thorough explanation of CSR perceptual and empirical perspectives, Carroll's and Freeman's (ahistorical) approaches are limited to a mere 'snapshot' of the current state of CSR. By ignoring how local CSR has emerged, these two theories overlook the fundamental effects of other factors which influence CSR and its historically-dependent drivers, such as cultural values and beliefs. In other words, Carroll's and Freeman's models alone are not capable of providing an adequate explanation of why businesses engage in CSR in the context of Kazakhstani SMEs. I argue that bringing in historical and cultural perspectives, and linking past with present, brings forth a fuller scene of contemporary CSR in Kazakhstani SMEs. Thus, to compensate for the aforementioned limitations, I suggest that a combination of these three perspectives be taken together to yield a comprehensive analysis of what CSR is, who SMEs' CSR stakeholders are, and why SMEs do that. What is being examined throughout this thesis is summarised in Table 1 below:

Table 1 "Research Map"

Level of analysis	Perspective	Instruments/ aspects of analysis	Direction of analysis
Micro (internal) level	Organisational perspective	Carroll's CSR Pyramid	***What*** is the perception of CSR in the context of Kazakhstani SMEs?
	Organisational perspective	Freeman's Stakeholder Approach	***Who*** are the stakeholders of Kazakhstani SMEs' CSR?
	Organisational perspective	Motivation	***Why*** Kazakhstani SMEs engage in CSR?
Mezo (external) level	Customers'/society's perspective	Motivation	***Why*** Kazakhstani SMEs engage in CSR? (test)
Contextualisation			
Macro (external) level	Historical perspective	History	How were prototypes of CSR shaped?
	Cultural perspective (Including Religious)	Culture (+Religion)	CSR pre-requisites, the effect on CSR motivation.

Source: Darmenova Y. (2019)

To summarise, my contention is that CSR in Kazakhstani SMEs should not be seen as a mere import of the Western theories. Instead, I argue that it has an indigenous history and tradition. Despite playing a fundamental role in defining and motivating pro-social business behaviour, these factors have been overlooked by the general literature on CSR. Contrary to what is suggested by business schools, CSR in small Kazakhstani companies is not built upon transactional relationships. As I assert, it is rather the sense of social responsibility driven by intrinsic motives, rooted in cultural and historical experience. I hope that such combination of existing theories with historical and cultural perspectives, and internal and external levels of analysis, will shed more light on what CSR means and why small Kazakhstani firms get engaged in it.

1.5 Outline of the thesis

This thesis is organised in the form of six chapters:

It begins with an introductory chapter, which sets the background of the research along with an explanation of why CSR in Kazakhstani SMEs was chosen as the focus of the study. The chapter continues by introducing the key research

question and the research directions that guided this study, and concludes by providing an outline of the thesis.

The second Chapter provides a literature review. It starts with a more general discussion of CSR - existing definitions and conceptualisation – before moving to a critical analysis of the CSR debate, representing arguments in support and against of CSR. The chapter continues by introducing two influential theories in the field of CSR which form the theoretical framework for this study: Carroll's CSR model and Freeman's stakeholder theory. Finally, and more specifically, this chapter reviews the issues related to the state of CSR in developing countries and in Kazakhstan particularly, CSR in SMEs, the role of the manager as a driver for CSR in SMEs. The chapter concludes by looking at the motivation for CSR in SMEs from economic and sociological perspectives.

The next chapter reviews the choice of methodology and is composed as follows: introduction of a roadmap of the research, consideration of the research design (mixed methods) and strategy (case study), explanation of the procedures related to sampling, pilot study, data collection and data analysis, and, lastly, discussion of delimitations and ethical considerations.

Chapter Four is devoted to the contextualisation of CSR research. In particular, I look at aspects such as history, culture and religion to elaborate on the effect of these contextual factors on the real-life CSR phenomenon in Kazakhstani SMEs. The section on the historical evolution of CSR precursors is organised chronologically, tracing the formation of a CSR proto idea back to nomadic times, then moving into Soviet and transitional periods. Following suggestions of Hofstede, I consider cultural context through the prism of specific dimensions (collectivist traits, family ties, existing social norms), which, in my opinion, significantly affect the CSR motivation in small companies.

Chapter Five is comprised of two parts: findings from interviews and from surveys. I mainly draw upon semi-structured interviews with SMEs managers/owners with the purpose of depicting CSR from SMEs perspective. The presentation of my findings follows the same flow as the subsequent design of the research directions. I present my findings in a way that facilitates a reader's convenience with results being grouped based on the principle of the thematic approach. At the end of this chapter, I suggest four concomitant themes which,

despite not being indicated among my key research directions initially, proved to be fundamentally important for my contextual analysis of CSR.

The final chapter consequently discusses results and findings related to the three primary research directions concerning CSR understanding (Carroll's CSR pyramid), CSR practice (Freeman's Stakeholder model), and motivation behind SMEs' CSR. I explore the interrelation of CSR understanding, practice, and motivation with cultural and historical contextual features in which the real-life CSR phenomenon occurs.

CHAPTER 2. LITERATURE REVIEW

The review of the literature was conducted in several stages. Prior to the fieldwork I studied the literature on existing CSR theories with a purpose of identifying an adequate tool to examine CSR within a specified context. At the second stage I reviewed literature focusing on specific areas such as: CSR in developing countries, CSR in SMEs, and why companies engage in CSR. I thought that I left for the fieldwork with a clear idea of what constitutes CSR and its motivation. However, during the data analysis phase, I discovered that CSR phenomenon is highly contextualised, and often does not behave similarly to theory. More often than not, the explanations provided by this research's respondents did not correspond with what I learnt from the literature. Many surprising facts occurred in the field which required engaging with the knowledge that initially was not seen as relevant. The research progress was kept back at those particular points where empirical findings diverged from suggested theories. I had to compare and sometimes contrast my findings with the existing theoretical knowledge. At the final stage, I conducted a customised reading to integrate, where possible, my findings with existing theories.

This chapter provides a review of key literature, which forms the theoretical background of this research. The section is organised following the thematic approach. It starts with the definitional part, discussing what CSR is, and the main theories in the field of CSR. Proceeding from there, the chapter more specifically explores CSR in the context of developing countries and CSR in SMEs. Finally, it discusses the literature on the CSR motivation, taking account of possible economic and non-economic drivers.

2.1 What is CSR?

Despite the fact that nowadays the notion of CSR is quickly gaining popularity, there is still a high level of uncertainty within academia and the business world in terms of how CSR should be defined. Predominantly, the analysis of the literature related to the CSR paradigm revealed no consistent agreement. Despite more than half a century of academic debates, no universally accepted definition of this term has emerged (Whitehouse, 2006). The problem, however, is not the lack of definitions. On the contrary, the abundance and variety hampers the

development and implementation of the CSR concept (Henderson, 2001; Dahlsrud, 2008). CSR is an "ill and incompletely defined concept" claims Baron (2001, p. 9).

An additional complication is that CSR has often been used as a synonym for concepts such as business ethics, corporate philanthropy, corporate social performance or corporate citizenship (McWilliams, Siegel, & Wright, 2006). Although various disciplines have agreed that CSR fits purposes such as management, marketing, finance, or HRM, each institution defines CSR in line with their specific focus and challenges. Thus, "the current definitions are therefore often biased towards specific interests" (Marrewijk, 2003, p. 96). Various definitions of CSR have been developed over the last decades with certain differences and similarities. Collectively, these assert a focus and a point of view for an institution to ascribe to in providing this definition. The absence of one exhaustive definition complicates the ongoing debate on the CSR. There has been no precise consensus achieved which could provide a basis for further elaboration and actions, as claimed by Henderson (2001, p. 22).

At the beginning, I intended not to look for a particular definition, but, on the contrary to start with an "all-embracing" definition to leave more space for contextual adjustments. Because CSR could not be defined in the Kazakhstani context (as this composed the part of this research), I intentionally wanted to avoid nailing the concept to a very specific definition. I anticipated that should the scope be narrowed down, it would have left many contextual CSR peculiarities out of the grasp. Instead, I wanted to capture as many of possible meanings related to CSR phenomenon as possible. I employed internationally recognised cross-national evidence on CSR with basic overlapping issues to define CSR. The purpose was to test whether or not, and to what extent, it conforms with CSR in a specified context.

CSR is broadly regarded as a "*concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis*" (European Commission, 2011). The idea of being socially responsible has been developed further into not only adhering to but also ***going beyond*** legal compliance, meaning CSR should not be considered a substitute for legislation. The significance of "going beyond" component was first introduced by McGuire (1963, p. 144). He emphasised this extension by asserting, that "*the corporation has responsibilities to society which*

extend beyond these [economic and legal] *obligations*." Similarly, Sethi (1975) stressed that any corporation has to comply with social responsibility going beyond legal interests.

Another more instrumental definition has been developed by the working group of ISO 26000 in the Guidance on Social Responsibility (2010). It defines CSR as:

"The responsibility of an organisation for the impacts of its decision and activities on society and the environment, through transparency and ethical behaviour that:

- ✔ *Contributes to sustainable development, including the health and welfare of society*
- ✔ *Takes into account the expectation of stakeholders*
- ✔ *Complies with applicable law and consistent with* **international norms of behaviour**
- ✔ *Is integrated throughout the organisation and practices in its relationship".*

The requirement that in order to be regarded as socially responsible a company should act in compliance with *"international norms of behaviour"* gave rise to substantial arguments during my fieldwork. The major concern was whether such *international norms of behaviour* should and can naturally fit into CSR reality in the local contexts? This definition was revisited during data analysis. Comments regarding specific inconsistencies, which occur when international norms of behaviour were translated into Kazakhstani context, will be discussed in the section 5.4 Concomitant themes (The inconsistency of local with international norms of behaviour).

2.2 CSR: arguments for and against

The present debate on CSR rationale can be broadly grouped around two major issues: 1) stakeholder-shareholder controversy and 2) cost-benefit analysis of CSR, or CSR practice and an outcome. In other words, it is broadly related to questions like: whether CSR is a waste of shareholder's money (Friedman, 1970) or a new way to enhance economic success through building competitive

advantage (Porter M. E., 1998). More specifically, what opportunities does CSR bring a company if any? What are the potential benefits/drawbacks of CSR? This section of the literature review will be organised following the same flow: it will elaborate on the main ideas underlying the question whether CSR is a "window dressing" (Henderson, 2001) or if it is actually addressing developmental needs of companies (Kotler & Lee, 2005).

Stakeholder-shareholder controversy

Although CSR research is expanding, it has been an object of intense debate and criticism. Because CSR is a relatively new phenomenon, it draws doubts and objections (Mullerat, 2010).

There have been severe attacks on CSR, most notably by Friedman (1970, p. 1) who accused CSR discussion of "analytical looseness and lack of rigor" for the reason that there cannot be any other kind of responsibility for a business rather than increasing its profits. Not only has CSR been vague and artificial, but a dangerous idea for the functionality of a free market economy. Likewise, Henderson (2001, p. XIV) refers to CSR as a "misguided virtue" leading to a decrease of competition, which can be devastating for a free market economy. This can undermine rivalry and business freedom, which have been essential conditions for a private business to grow and prosper. "CSR rests on a mistaken view of issues and events, and its general adoption by businesses would reduce welfare and undermine the market economy" (Henderson, 2001, p. 18). The author asserts that under no circumstances should state responsibility be passed to private businesses. Furthermore, he stresses that CSR becomes an attempt to put a "human face" to a capitalist doctrine. The true aim of policies implemented by companies under the CSR label is to create a protection screen from attacks and critiques rather than to improve performance. "CSR often gives the impression that the corporate sector in general is seriously engaged. The reality is very different" (Utting, 2005, pp. 383-384). The author argues that companies use CSR to manipulate images and to make a show of changes when this is not what is really happening.

Henderson (2001) remains sceptical of the idea that CSR enhances business sustainability, claiming that this link is often overstated and does not account for the actual price and expenditures which likely outweigh illusive CSR benefits.

Other authors argued that CSR is incompatible with business as such (Sternberg, 1997) because it requires sacrificing profits (Baumol & Blackman, 1991) and as a result can be undermining, specifically under conditions of intense rivalry (Baumol, cited in Besley & Ghatak, 2007, p. 1646). Similarly, Fauset (2006) argued that businesses should spend scarce resources for business purposes only. Any non-business commitment, such as CSR, is the clear demonstration of the lack of business concern. Even more resistance CSR arises when the locus is shifted to developing countries. Often in emerging economies "the problem is not that corporations are unethical but that there are not enough of them" (Schumpeter, 2010). Likewise, Utting (2003) argued that despite a vast proliferation of public and business partnership, there are still important questions without answer: has there been a real effect of CSR in developing countries? Does CSR serve the development needs of employees, communities, and businesses in developing countries? Overall, the main arguments against CSR may be summarised as an improper waste of shareholders money, and a 'window dressing'.

Despite existing scepticism and criticism, a dominant belief advocates CSR as a new way to create "shared value" and improve economic success (Porter & Kramer, 2011). The authors assert that not only does CSR address the needs of society, but assists businesses in gaining a "competitive edge" (Porter & Kramer, 2006, p. 4). By being CSR, an organisation transforms from a passive player to a leading actor in the society (Zadek, 2006). In brief, the majority of arguments in support of CSR directly or indirectly link CSR to higher financial returns. CSR gives a company competitive edge, enabling business to improve financial performance through decreased expenditures and increased productivity (Porter & Kramer, 2011; Bowen, 1953; Brown & Fraser, 2006; Drucker, 1984; Kotler & Lee, 2005; Freeman E., 1984; Porter & Kramer, 2006). For example, Sprinkle & Maines (2010) point out that a firm involved in CSR has a higher chance to enjoy benefits such as a reduction of risks, customers' loyalty, 'free' and powerful advertisement, a decrease of production costs, and employee recruitment, motivation and retention. Recruitment and motivation of highly qualified staff are becoming one the primary reasons for CSR engagement with more employees giving weight to a company's CSR reputation (Murray, 2007). Overall, addressing societal concerns is beneficial for businesses both financially and strategically (Falck & Heblich, 2007; Neal & Cochran, 2008; Demacarty, 2009; Weber, 2008).

To summarise, there have been strong arguments provided from both sides: in support of and against CSR. The viability of long-standing disagreement is vividly demonstrated by a recent cross-national survey on the "State of Business", which studies general public belief in socially responsible business. The survey reveals the surprisingly high proportion of respondents (46%) who neglect the role of business in making societal changes, with the majority (60%) of the opinion that businesses are driven by greed rather than societal concern (Edelman Trust Barometer, Annual Global Study, 2018, pp. 21-23). This clearly demonstrates the lack of trust towards the concept of socially responsible business.

Cost-benefit analysis of CSR

The on-going debate on the business case for socially responsible business conduct generally seeks to provide an answer to a question of whether a firm can in fact "do well by doing good" (Kurucz, Colbert, & Wheeler, 2008, p. 84). In other words, can a company reap higher financial returns by targeting both business and societal concerns (Carroll & Shabana, 2010, p. 92)?

The majority of research has documented a mutually positive relationship with outcomes such as: corporate reputation, employee and customer retention, risk reduction, investment attraction and a superior financial performance as a result (Kotler & Lee, 2005; Murray, 2007; Sprinkle & Maines, 2010; Weber, 2008; Pava & Krausz, 1996; Margolis & Walsh, 2001; Margolis & Walsh, 2003; Orlitzky, Schmidt, & Rynes, 2003; Waddock & Graves, 1994; Orlitzky, 2005; Waddock & Graves, 1997; Bhattacharya, 2007; Taghizadeh & Kermani, 2011). In particular, CSR may positively affect organisational financial performance through: improving customer's response (Brown T. J., 1997; Du, Bhattacharya, & Sen, 2007), positive firms' and product identification (Bhattacharya, 2007; Luo & Bhattacharya, 2006; Sen, Bhattacharya, & Korschun, 2006). Other scholars (Bowman & Haire, 1975, p. 54) consider CSR as an indicator of managerial excellency, pointing out that even if the direct link between CSR and organisational financial performance (OFP) cannot be proved, such management interests eventually lead a company towards superior profitability. In other words, CSR is a mechanism to either directly or indirectly facilitate a firm to advance to a higher level of profitability (Dusuki & Dar, 2005). Margolis & Walsh (2003) summarised 127 studies on the link between CSR and economic success of an organisation. The authors pointed out that half of

the studies demonstrated a positive effect from CSR, whereas the rest found no correlation between two, only minor part established that a correlation was negative. Concordant to that, Orlitzky's (2003) meta-analysis (52 studies), supports the conclusion that CSR positively influences a company's financial performance. Also, Pava and Krausz (1996) reviewed 21 studies and concluded that in the majority of cases CSR-adherents perform better than their non-CSR counterparts.

Other authors suggest that there is either a low significance or no effect of CSR on OFP. For instance, Inoue & Lee (2011) and Ullmann (1985) identified no consistent dependency of financial performance on CSR. Also, Aupperle, Carroll & Hatfield (1985) detected no impact of CSR on business profitability. However, the authors pointed out that such results may partly occur due to the difficulties associated with inappropriate CSR measurements. It is not always possible to clearly establish what constitutes CSR and what does not.

To summarise, many scholars have attempted to estimate the returns a company can gain by being engaged in CSR. The majority of authors presumed that CSR and maximisation of economic returns should not be perceived as two contradictory goals. However, until recently, the disagreement remained unresolved. In practice, companies often experience problems assigning themselves the role as altruistic community service provider to profit-oriented business activities, as cautioned by Lantos (2001). The majority of studies linking CSR with improved financial performance not only have produced inconclusive results, but have been based exclusively on the research of large corporations, making such findings inapplicable to smaller enterprises (Jenkins H., 2004).

2.3 Defining theoretical framework

CSR has been conceptualised in a number of ways that reflect its diverse aspects. In the following section, I discuss two main CSR concepts which represent the theoretical framework of this study: 1) Carroll's CSR model and 2) Freeman's stakeholder's theory. I have chosen these two reputable theories in the discourse on CSR as a departing point for my research for the following reasons: they are complementary by approaching CSR phenomena from different angles. Carroll's pyramid provides a focus on the nature and scope of CSR while Freeman's framework operationalises the social responsibilities of a business to a specified

group of stakeholders. Rather than just looking at different domains of CSR, the stakeholder's theory identifies potential groups affected by a company's actions to which a company should be accountable. It suggests analysing CSR through the relationships of a firm with identified stakeholders. In other words, applying both models helps transcend the boundaries of CSR understanding by looking at the phenomenon from two different perspectives. It was also suggested by Carroll (1991, p. 43) that there is a natural fit between the CSR concept and the stakeholder framework. Combining these two theories, I sought a fuller comprehension of nature of CSR in Kazakhstani SMEs.

To sum up, I explore CSR in the context of Kazakhstani SMEs using a combination of two theories. Carroll's pyramid helps to answer the question on what CSR is and how it is being perceived in Kazakhstani SMEs; Freeman's stakeholder theory extends the findings by addressing the issue of to whom Kazakhstani businesses are accountable, as well as which particular group of stakeholders plays the dominant role and why.

2.3.1 Carroll's CSR model

Undoubtedly, the framework defined by Carroll (1979; 1991; 1999; 2003; 2004; 2011; 2016) is one of the most influential and most cited CSR theoretical frameworks in existing literature (Ma, Liang, Yu & Lee, 2012). The model suggests addressing CSR at four levels: economic, legal, ethical and philanthropic, identifying the relative importance at each level. It can, however, be argued that the relative priorities of CSR in the specific context of Kazakhstani SMEs are likely to be dissimilar from those proposed by Carroll's ordering. It may be that Carroll's pyramid works well for CSR general comprehension, but it is not accurate enough for Kazakhstani SMEs.

The idea of CSR encompasses a number of issues, which Carroll (1979, p. 499) incorporates in his model as follows:

1. A basic definition of social responsibility (does CSR go beyond economic and legal concerns?)

2. A classification of issues for which social responsibility exists (what are the social areas in which business should have a responsibility, e.g. product safety, environment, discrimination)

3.   A specification of the philosophy of response (do companies react to the issues or take a proactive and leading role?).

Carroll (1979) suggests that for a definition of CSR to address the full range of commitments of a company towards society, it has to embrace all four dimensions: economic, legal, ethical, and discretionary. The following model not only reflects the basic dimensions of CSR but also categorises the social responsibility of a business in a particular order. Figure 1 below shows the composition of CSR by four major groups defined by Carroll with the proportions and relative magnitude of each aspect of the CSR:

Figure 1 "Categories of Social Responsibility"

	Discretionary Responsibilities	
	Ethical responsibilities	
TOTAL SOCIAL RESPONSIBILITIES	Legal Responsibilities	
	Economic Responsibilities	
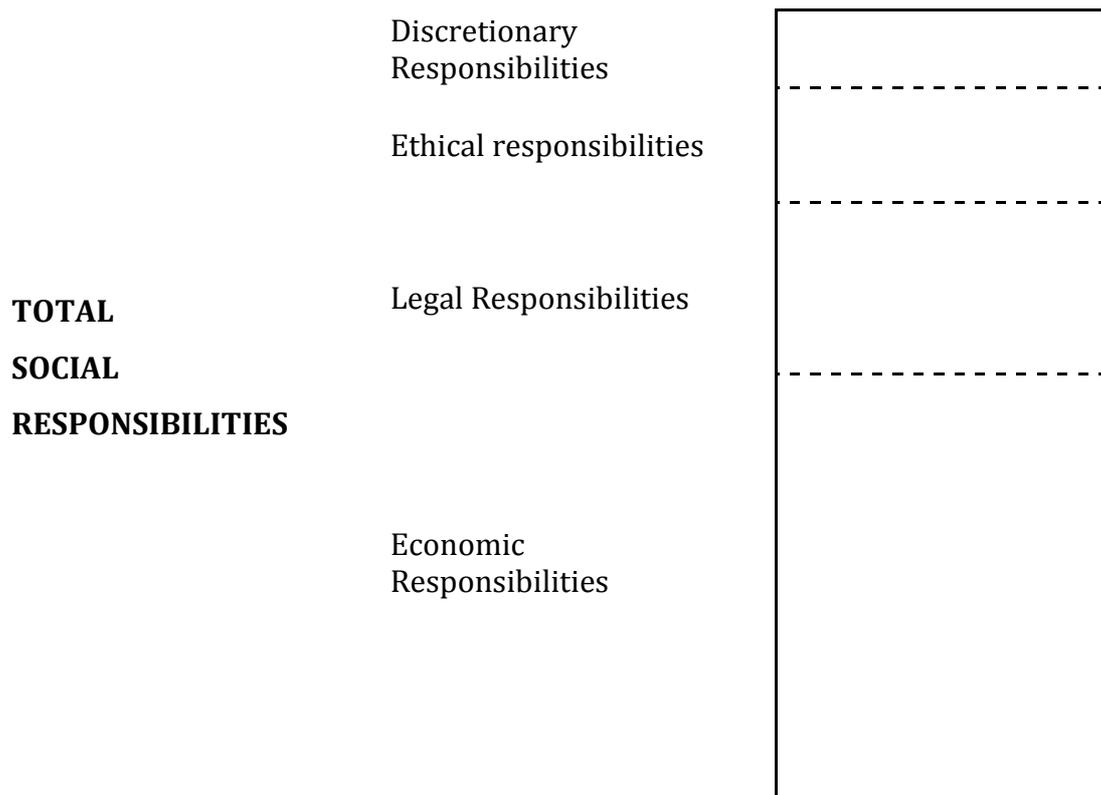
Source: Carroll (1979, p. 499)

Carroll (1979, p. 500) asserts that although these four categories exist simultaneously in business organisation, they "are simply to remind us that motives or actions can be categorised as primarily one or another of these four kinds." The history of business shows the primary emphasis on economic and legal responsibilities, concern for ethical and discretionary responsibilities receiving less significance.

The first and major aspect of social responsibility offered by Carroll (1979) is economic responsibility. The author justifies prioritisation of economic sense over other categories by referencing the primary mission of any business – to produce and offer products or services to the society with "all other business roles are predicated on this fundamental assumption" (Carroll A., 1979, p. 500). The next proportionally most significant responsibility is legal, implying that there are certain legal requirements with which any business pursuit must comply. Ethical responsibilities mean that a society has certain expectations of a business which extend over legal norms, including ones which may not be codified into law. The last aspect presented in the model is discretionary responsibilities, which are left to a business's individual initiative and "at business discretion" (Carroll A., 1979, p. 500). The author claims that ethical and discretionary responsibilities are the most difficult to define within accurate boundaries and, therefore, the most challenging for a business to deal with. Overall, this multi-dimensional model suggests four types of responsibilities which society expects of a business. Carroll (1979) concludes with the definition of CSR based on the proposed model: "The social responsibility of business encompasses economic, legal, ethical, and discretionary expectations that society has of organisations at a given point in time." (Carroll A., 1979, p. 500).

In 1991, Carroll reframed CSR model in the form of a pyramid (Figure 2 below). Carroll (1991) suggests that the total CSR is still composed of four similar types of social responsibilities. In the pyramid Carroll (1991) once again asserts a dependency order: "All other business responsibilities are predicated upon economic responsibility of the firm because without it the others become moot considerations."

Figure 2 "The Pyramid of Corporate Social Responsibility"

Philanthropic
Responsibilities

Be a good corporate citizen.
Contribute resources to the
community;
improve quality of life.

Ethical
Responsibilities

Be ethical.
Obligation to do what is right, just,
and fair. Avoid harm.

Legal Responsibilities

Obey the law.
Law is society's codification of right and wrong.
Play by the rules of the game.

Economic responsibilities

Be profitable.
The foundation upon which all others rest.

Source: Carroll A. B. (1991)

Carroll (1979, p. 501) identified challenges concerned with defining social issues which a business must address. The significant challenge is that these issues and their range may change depending on conditions under which a business operates. Considering CSR in a context, it is crucial to understand specific social issues, in terms of how they evolve and change under certain geographic and time horizons.

I use Carroll's CSR pyramid to understand how Kazakhstani SMEs conceptualise and prioritise four categories of CSR. The model was employed due to its relative neutrality. That is, it lies between two extremes: neither distracting from the economic role of business nor disregarding other important aspects. While remaining business-minded, it still considers other aspects such as legal, ethic and philanthropic responsibilities. It was specifically important to look at

how the relative significance of these four domains were weighted and related to one another in the case of Kazakhstani SMEs.

2.3.2 Freeman's stakeholder's theory

Carroll's conceptualisation has been a useful tool for CSR analysis by providing specified dimensions (Jamali D., 2008, p. 215). However, applying Carroll's model alone for CSR understanding in a specific context runs the risk of being insufficient as his model is primarily qualified as an essentially taxonomic approach. I tried to overcome this limitation by combining Carroll's model with a more instrumental stakeholder's approach, as suggested by Jamali (2008). While Carroll's CSR frameworks refer to a relative weighting of different CSR dimensions, Freeman's stakeholders approach clearly articulates to whom specifically a business is responsible. Stakeholder theory has gained popularity in business literature due to its practicality and rationale (Jamali, 2008, p. 213). The analysis of existing literature clearly shows that a substantial number of CSR scholars have investigated it primarily from the vantage of stakeholder theory (Tang & Tang, 2012; Clarkson, 1995; Dunham, Freeman, & Liedtk, 2006; Peloza & Papania, 2008; Russo & Perrini, 2010; Smith, Wokutch, Harrington, & Dennis, 2001).

Stakeholder theory, developed by Freeman (1984), is built upon the idea that in addition to shareholders, there are other agents who are concerned with the actions and the decisions made by an organisation. Using the term "stakeholder" Freeman implies "any group or individual who can affect or is affected by the achievement of the organisation's objectives" (Freeman, Harrison, Wicks, Parmar, & Colle, 2010, p. 207). Any corporation pursuing its business goals is accountable to certain stakeholders, which can affect or be affected by the accomplishment of organisational goals: management, owners, suppliers, employees, customers, competitors, local community, governments, environmentalists and so on, as summarised in Figure 3 below.

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Figure 3 "Stakeholder View of Firm"

Just as stockholders have their prerogative to expect certain actions from companies, the same rights extend to other stakeholders (Freeman, 1984). Freeman's work extends discussion on CSR beyond the traditionally recognised actors (shareholders, employees, customers and suppliers). He suggested that companies have to act responsibly by considering interests of 'silent' stakeholders, such as local communities and the environment. Even if the primary focus is put on shareholders, the ultimate success of shareholders will necessarily be affected by other agents.

Applying the stakeholder theory in a Kazakh context may produce specific insights given that organisations are socially constructed and, therefore, should harmonise their activities with the perception of the surrounding society to a certain degree. Because businesses are limited in terms of resources, they are therefore inclined to prioritise stakeholders according to broader normative

considerations rather than satisfying every group. The stakeholder's concept contains a theory of three different types: empirical, instrumental and normative (Jones, 1995, p. 406). I make use of its practical, and instrumental implications, which respectively identify who the primary stakeholders of CSR practices are and why this particular group of stakeholders matter. Applying Freeman's model, I seek to answer the set of questions related to: Who affects SMEs' CSR? Whose opinion matters? Who are the primary recipients of SMEs CSR?

Overall, there have been specific reasons for using the stakeholder's approach in addition to Carroll's model. The stakeholder's approach may add to Carroll's model by facilitating CSR analysis at the operational level. Additionally for Carroll's pyramid, which focuses only on the scope of CSR, Freeman's approach makes the assessment of practical side of CSR possible.

2.4 CSR in Developing Countries

Despite the fact that interest in the notion of CSR in the developing world is proliferating (Jamali, Lund-Thomsen, & Jeppesen, 2015), discussion on CSR has been dominated by studies coming mainly from the USA and Europe. Matten & Moon (2008) argue whether CSR has only now come into certain societies and does this mean that heretofore business in those societies was socially irresponsible? CSR is a concept which must be regarded in a context as its form and practice can differ depending on how social issues are represented in certain societies (Matten and Moon, 2008).

There is a need for inclusion of the perspectives that would reflect the reality 'on the ground' in developing countries (Prieto-Carrón, Lund-Thomsen, Chan, Muro, & Bhushan, 2006). Both CSR content and implementation have to be adjusted to the geographical and cultural context of the region in which CSR takes place. Numerous articles written on this subject (Jamali & Mirshak, 2007; Ciliberti, Pontrandolfo, & Scozzi, 2008; Dobers & Halme, 2009; Visser W., 2008; Idemudia, 2011; Jamali, Lund-Thomsen, & Jeppesen, 2015) of course, expand the boundaries of understanding of CSR in developing economies. Yet, the research is still far from being exhaustive.

It is often suggested that in countries with a developing economy, the moral purpose of a business is fulfilled by creating jobs, paying salaries, taxes and investing capital in local economies. In other words, by running daily activities,

businesses have already had a profoundly positive effect on the local communities (Zadek, 2006).

While the CSR notion mainly has been performed in Western countries (Chambers, Chapple, Moon, & Sullivan, 2003), there is no evidence whether it can be directly referred to or observed in the same manner in developing countries. It has been implied that the differences often come from organisational capacities as well as understandings of social responsibility issues by CSR decision makers from different cultural and political contexts. Because the majority of literature addresses CSR in the context of developed countries, it might be inapplicable for examining CSR issues in developing economies (Dobers & Halme, 2009).

The inconsistency of the Western-based CSR model with the contextual reality of developing countries

The inconsistency of the Western CSR concept with the reality of the CSR in the developing world is rooted in the origin of this framework as mentioned above. Unlike developing countries, the Western world is usually associated with a highly efficient regulatory system and well-developed institutional environment (Idowu & Filho, 2009). The conventional CSR approach suggests looking at CSR through the prism of reciprocal interactions between businesses with other stakeholders (government, society, employees, customer, NGOs etc.), as suggested by Freeman (2010). However, the institutional environment of business in non-Western countries is often regarded as poorly developed and attributed to the inconsistency of the regulatory system. This explains the difference in relation to the expectations of business' CSR. In such a context, the way business contributes to the local development is by paying taxes and providing jobs (Jamali & Mirshak, 2007). Mamic & Bodwell (2011, p.104-105), who write on how CSR culture and management engage in markets outside of the global north, suggested that in countries with weak regulatory systems and high levels of corruption, the challenge rests primarily with the implementation and oversight of CSR, (as opposed to being a question of whether the intent or interest in performing CSR-like activities is present or not). For companies based in developing countries, many of the institutional frameworks within which business affairs are conducted are relatively new, therefore creating needs for managerial competencies and a familiarity with evolving regulatory landscapes is crucial. The aforementioned

challenges are aggravated in the case of SMEs, which typically have less capital available for CSR related investments (Mamic & Bodwell, 2011, p. 111). Notwithstanding this, some countries have attempted to legislate for CSR, yet since the local businesses may not be accustomed to regulatory CSR policies, a voluntary approach, aimed at CSR capacity building rather than policing, will play the crucial role in generating some of the social benefits linked to traditionally ascribed to CSR activities. Given such conditions, the cultural context and social sense become important aspects to focus on in order for CSR to be effective (Mamic, 2005, p. 91).

The major critique of the mainstream CSR approach, when it is based on premises that do not reflect local circumstances shaping business realities, is that it does not address the real concerns of business-society relationships in developing world (Chapple & Moon, 2005; Matten & Moon, 2008; Khan & Lund-Thomsen, 2011).

Another argument against the universality of CSR comes from the debate around whether businesses should be expected to go beyond legal requirements voluntarily. Some argue that CSR has little sense in the context of developing countries because it is more commonplace that businesses do not conform to legal rules related to fair trade, human rights, fraud or environmental issues. Thus, the challenge sometimes is to meet the basic obligations but not going beyond them (Prieto-Carrón, Lund-Thomsen, Chan, Muro, & Bhushan, 2006). The authors argue that there is a need to extend the understanding of 'people-case' CSR and development, shifting the analytical focus to questions about the nature and scope of CSR in developing country contexts.

Western-based CSR standards, when applied in the developing countries context, often fail to address the problems of the local community (Idemudia, 2011). Some critics go further, drawing upon post-colonial theory to contend that sometimes CSR is perceived as "... part of the wider historical project of Western imperialism in the developing world through which economic resources are extracted from local manufacturers while their perceptions of what constitutes socially responsible behaviour are delegitimised" (Khan & Lund-Thomsen, 2011, p. 73).

Along with questionable responsiveness of conventional CSR model with regard to social and economic demands in the context of developing countries, there have been issues related to locally observable implicit/silent/informal CSR

practices not captured when the Western standards are applied. Often, these practices are rooted in local values, traditions, and religion (Visser W., 2008; Ramasamy, Yeung, & Au, 2010; Brammer, Williams, & Zinkin, 2007). Visser (2008) asserts that the motivation for CSR engagement in developing countries as well as CSR as a practice may differ considerably. CSR in developing countries is often represented by informal practices with no publicity, contrary to predominant strategic profit-seeking CSR motives elsewhere (Khan & Lund-Thomsen, 2011).

Finally, as a concluding remark of this section, I refer to the work of Visser (2008, pp. 492-493), who provides an extensive summary on the distinctive characteristics of CSR in the context of developing countries. According to him, CSR in the context of developing countries is less formalised and institutionalised in terms of CSR codes, standards and reports. Formal CSR is performed primarily by national and multinational corporations in pursuit of global status. Job creation, technology transfer, and tax payment is seen as the major contribution of companies to the development of the local community. Business is often involved in the provision of services typically associated with the state in developed countries (e.g. investment in local infrastructure, education, hospitals). CSR motivation resonates strongly with traditional communitarian and/or religious values.

Overall, as the review of the literature indicates, significant differences may occur depending on the context. CSR research should not be generalised either globally or across developing countries. This brings additional importance to, and calls for an extended examination of CSR context, based on the area-specific characteristics.

2.5 CSR in Kazakhstan

There is indeed no lack of evidence in terms of how society can benefit from local business. Business brings not only capital investments but also provides job creation, skill and knowledge transfer, infrastructure development and numerous social programmes. It is widely acknowledged that the private sector in Kazakhstan is becoming one of the most effective mechanisms for strengthening economic and societal conditions of the society in which it operates. Recognising the vital role of SMEs business in Kazakhstan is highlighted by recent publications discussing the strong potential of SMEs business to impact development

(Nurgaliyeva, 2014; Bektemirova & Eslyamova, 2014). Such business contributions towards the development of the local society are often discussed with the focus on CSR and its effectiveness in the development debate.

CSR is becoming one of the essential requirements in today's business life. Yet, despite considerable progress achieved in the field of CSR and a continually growing number of CSR studies, there is very limited data of CSR realities in Kazakhstan. Since the question of universality and applicability of CSR in different contexts is crucial (Örtenblad, 2016), the diversity of operating environments raises new challenges for CSR research. The purpose of this subsection is to provide an overview of studies on CSR conducted in Kazakhstan.

Studies of CSR in Kazakhstan can be broadly classified into two categories: 1) studies describing CSR practices and 2) studies on attitudes towards CSR in Kazakhstan. There have been several projects initiated by research institutes and NGOs as well which attempted to produce specific recommendations for fostering the development of CSR in Kazakhstan.

Research on CSR practice in Kazakhstan

CSR in Kazakhstan is mainly associated with major national and transnational oil and gas companies, which frequently are referred as to pioneers in responding to certain ethical and social standards posed by the international business community (Baisakalova, 2012-b). Since the major export commodity of Kazakhstan is oil, the companies of the oil and gas sector are seen as the chief promoters of CSR policies (World Trade Organization, 2012) and, as the main contributor to GDP and revenues in Kazakhstan (National Bank of RK, 2016), these companies are expected to be the main contributors to local development. CSR is an actively developing notion in Kazakhstan, but still primarily associated with large corporations in the extractive sectors involved in international trade (Legal Policy Research Centre, 2015). Perhaps this explains why the majority of studies take a case of multinational corporations in the Oil and Gas industry sector in Kazakhstan (Artemyev, 2012; Botvina & Koh, 2011; Buldybayeva, 2014). For example, Botvina & Koh (2011) conducted an analysis of the successful CSR practice in "Tengizchevroil", the major oil company operating in Kazakhstan. Analysing CSR practice, the authors presumed that a company could significantly improve its performance by following international CSR guidelines. Likewise,

Buldybayeva (2014) analysed CSR activities in MNOs in the oil and gas industry in Kazakhstan, offering recommendations on how to improve CSR strategies through strengthening communications with government, local businesses, and community.

Research on attitude towards CSR in Kazakhstan

Potluri, Yespayeva, & Kunev (2010) studied the attitude towards CSR by analysing employees', customers' and general public's opinions. In addition to analysing the attitude towards CSR, Smirnova (2012) identified certain benefits that a company and stakeholders may derive through CSR activities. The author identified a divergence between Carroll's theory and the findings in the context of Kazakhstan. She also conducted comparative research (2015) investigating the state of CSR in five Central Asian counties: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. Baisakalova (2014; 2012; 2012-b; 2012-a) provided an analysis of CSR understanding and perception, emphasising similarities and differences among different stakeholders' groups. Along similar lines, Mahmood & Humphrey (2013) examined the perception of CSR by different stakeholders' groups, stressing that the perception of CSR cannot be the same across different social and cultural conditions despite standardising international operations.

NGOs' and Research Centres' CSR projects in Kazakhstan

There have been several research projects initiated by research institutes. For example, a research project: "CSR in Kazakhstan: actual state problems and perspectives", conducted by "SANGE Research Center" (2013) and Fond Eurasia in Central Asia, focused on understanding attitudes towards CSR from businesses and civil society perspectives. The survey was conducted across seven regions in Kazakhstan: Almaty, Astana, Atyrau, Karagandy, Kostanay, South-Kazakhstan and Eastern-Kazakhstan oblasts, involving 189 companies across various sectors. They stressed the following points: that the influence of government, media, public and expert organisations on CSR discourse is insignificant (2013, p. 7), and companies engaged in CSR were driven by other intrinsic drivers, such as managerial values and beliefs. The data showed that the level of CSR awareness is directly related to the size of a business: the majority of big corporations could conceptualise CSR,

while more than a half of small businesses did not have any understanding of CSR. *"Small businesses are not concerned with CSR due to the lack of information... they have neither time nor money to follow CSR principles. Creating jobs and paying salaries to their employees is their CSR"* (Business Association, cited in SANGE Research Center, 2013, p.15). CSR in Kazakhstan is mainly directed at employee relations and local community concerns. Another project, conducted by the Central Asian Tax Research Center (2013) examined CSR practices and tax benefits across global and local practices. The authors provided some practical recommendations on how to stimulate CSR practices in Kazakhstan by providing certain tax benefits. There also have been several projects similar to a KPMG project on International Responsibility Reporting (KPMG, 2011), which provided some data regarding CSR reporting in Kazakhstan.

Overall, I identified certain emerging themes and convergences in the studies examining CSR in Kazakhstan. According to the findings, understandings and attitudes towards CSR in Kazakhstan are different from those suggested by Western CSR theories (Smirnova, 2012; Baisakalova, 2012-b; Mahmood & Humphrey, 2013). CSR in Kazakhstan is mainly associated with major extractive companies, while small and medium-sized businesses often do not have a clear understanding of CSR meaning (SANGE Research Center, 2013). The majority of studies explored CSR in large corporations, while research on CSR in Kazakhstani SMEs is practically non-existent in academic discourse (Novikova, 2015, p. 44). Yet, CSR practices vary depending on the size of companies.

The majority of CSR activities in Kazakhstan is represented in the form of people-centric and philanthropic activities addressing local community concerns, such as providing support for deprived people or contributing to the local infrastructure development, supporting local universities, school and kindergartens (SANGE Research Center, 2013; Legal Policy Research Centre, 2015). While CSR in Kazakhstan is defined as reactionary in nature, there is no clear evidence to date on the reasons and motivating factors explaining why businesses engage in CSR. The expectations of wider circle of stakeholders are seen as *"uncoordinated, undefined and semi-conscious demand"* (Novikova, 2015, p. 49)*.*

2.6 Defining SMEs

There is no single universally accepted definition of Small and Medium Enterprises. For example, in the UK, small firms are those with fewer than 50 employees, while medium firms have 50 to 249 employees (European Commission, 2015, p. 11). In the USA, a company with 500 staff is regarded as a SME (Hammer, 2010). It is possible to classify an enterprise as Small to Medium or Big business by looking at annual revenue, turnover, or number of employees working for an organisation. I have not come across substantial evidence distinguishing CSR between small/micro and medium enterprises. However, it is important to understand that SMEs are "a heterogeneous group of businesses, ranging from a single artisan working at home and producing handicrafts to sophisticated software product firms selling in specialised global niches" (Fischer & Reuber, 2005, p. 131). Therefore, the authors suggest defining SME more precisely by looking at the number of employees. However, classification schemes based on numbers vary across countries. For example, in Japan, a company with fewer than 300 employees is a small company, whereas in Mauritius, a firm with more than ten employees is a medium sized organisation (Fischer & Reuber, 2005).

To avoid any confusion, I use the term SMEs in my research, as the companies I study are classified as micro firms by some sources, while others consider them as small and medium-sized companies. Because this study was focused on Kazakhstani SMEs, I refer to the Law of the Republic of Kazakhstan "about private enterprise" (2015). According to the legal definition, an enterprise employing more than 250 people is considered a big business. Those with fewer than 250 are classified as SMEs ("Entrepreneurial Code of the Republic of Kazakhstan", 2015).

For the current study, all the companies selected as a sample have had to satisfy the definition provided by the Kazakhstani legislation. Importantly, this entails not only legal selection criteria but also the '***rootedness***' of the company. I assume that a company's origin may affect its CSR. The purpose of the study was to reflect the reality of local SMEs. There is indeed an assumption that SMEs that originate locally (not brought from abroad with established Western CSR patterns) are generally "closer" to local CSR stakeholders (e.g. employees, suppliers,

customers, shareholders) and the local community. I provide a detailed explanation of '*rootedness*' criterion in the section of methodology.

In the Kazakhstani context, it is crucial to emphasise that SMEs with ten employees are very different from those with more than 100 insofar as how the business is run and its approach to CSR. A company with 100 employees is closer to a big business. Because such companies often deal with b2b type of business, they do not have personal interactions with their customers. As a result, they are often detached from customer and local community concerns. The issue of societal concern is entirely different for small owner-managed companies. Mostly, small company owners live in local communities. Therefore, I argue that social responsibility comes naturally. After all, they interact more directly and frequently with customers, affecting the nature of the company-community relationship.

2.7 CSR in SMEs

Over the last decade, the concept of CSR has become a significant concern all over the world (Kuznetsov, Kuznetsova, & Warren, 2009). Yet, research on CSR primarily is considered from the vantage of large multinational corporations (Rodriguez, Siegel, Hillman, & Eden, 2006; Logsdon & Wood, 2002; Snider, Hill, & Martin, 2003; Aguilera, Rupp, Williams, & Ganapathi, 2007; Bartlett & Ghoshal, 1989; Husted & Allen, 2006) with small and medium enterprises receiving relatively little attention (Jamali, D., Lund-Thomsen, P., & Jeppesen, S., 2015). More work is required in the field of CSR in SMEs because findings on CSR in major corporations cannot be generalised to the case of SMEs (Jenkins H., 2004; Jamali, Lund-Thomsen, & Jeppesen, 2015; Perrini, Russo, & Tencati, 2007).

There are specific reasons why small firms' CSR should be addressed as specific cases in the field of CSR research (Spence L., 1999; Spence L., 2016; Holliday, 1995; Moore & Spence, 2006; Murillo & Vallentin, 2012). Because SMEs are not just "small big companies" (Tilley, 2000), there is no possibility to translate these findings to SMEs directly (Stoian & Gilman, 2016). Being mindful of the differences arising out of mere size differences between companies, I focus on the specific SME's features affecting the way in which SMEs approach CSR in this section.

SMEs carry out a variety of CSR related activities. However, those initiatives are not necessarily labelled as CSR (Russo & Tencati, 2009; Jenkins H., 2004).

Often, small companies are doing CSR, but their actions are not described in CSR terms. Instead, they become what is referred as to 'silent CSR' (Jenkins H., 2004), 'sunken CSR' (Perrini, Russo, & Tencati, 2007), or 'informal CSR' (Russo & Tencati, 2009). The authors suggest that the factor defining CSR behaviour of SMEs is size. In addition to the size of a company, Jenkins (2004) stresses there are other exogenous and endogenous dynamics explaining the behaviour of SMEs.

A critical aspect differentiating SMEs from large corporations is visibility (Fischer & Reuber, 2005). Visibility considerations explain why SMEs are less likely to be responsive to bureaucratic pressure coming from legal, state, and public agencies (Jenkins H., 2004). For example, Attig & Brockman (2015) found that large firms, unlike SMEs, tend to be CSR-active due to their higher political visibility and, as a result, are subject to more public and political pressure. Also, the focus of CSR concerns in SMEs is centred on 'closer to home' and people-related issues, such as employees, customers and community. Thompson et al. (1993) established that contributions made by small firms are more likely to be targeted at solving issues in the surrounding neighbourhood. Because there is a high degree of interrelation between small firms and the local community, companies are more likely to act as benefactors (Murillo & Lozano, 2006). Thus, motivational factors, which may encourage SMEs to become involved in CSR, are very distinct from the factors driving CSR rationale in large companies. SMEs motivation is unlikely to stem from external pressure or economic benefits associated with CSR involvement. Having considered the above aspect, Spence (1999) calls for a new set of 'ethic eyes' that would look at small companies without a supposition that it is a mere matter of scalability distinguishing them, but that they are a distinct type of business organisms.

Indeed, there is a qualitative difference behind the engagement of SMEs in CSR as well as the factors motivating this engagement. Hamann et al. (2017) examined what motivates small companies in Africa to do CSR. The authors argued that formal regulations (government, law, and regulatory agencies), as well as NGO pressure, have limited reach to smaller companies, producing a limited effect on company CSR. The authors also assert that the competitiveness concern does not have much influence on the motivation of SMEs for pursuing CSR. Instead, personal values and beliefs of the entrepreneurs drive their voluntary involvement in CSR. SMEs' CSR is usually driven by personal beliefs of those running the business, and

the focus shifts more towards relationships, trust and openness (Russo & Perrini, 2010). As will be discussed, the results of my research echo the significance of the role of cultural context for understanding CSR motivation, even in the absence of the external forces or pressure.

Given different organisational structures, SMEs might act in a different way when handling CSR (Ciliberti, Pontrandolfo, & Scozzi, 2008). Due to the lack of specialised staff in SMEs or sufficient formalities in management structures (MacMillan, 1975), there is no clear division of duties and responsibilities. An owner/manager, therefore, can be fulfilling different business operations at once (Holliday, 1995; Murillo & Lozano, 2006; Spence L., 1999). In particular, a common practice for when a single person manages a business assumes that the attitudes and interests of this individual may have a significant impact on company CSR policies (Tilley, 2000).

With reference to the associating tendencies for business with individual personalities, Burns (2001) considers small companies as social organisations that are based upon, and revolve around, personal relationships. Different to large corporations, business ethics in small companies' commonly is conditionalised by personal characteristics of the entrepreneur/owner (Glancey, Greig, & Pettigrew, 1998; Stewart, Watson, Carland, & Carland, 1998). The motivation usually stems from the personal beliefs of people running the business, who are most often the owners (Perrini, Russo, & Tencati, 2007; Russo & Tencati, 2009). Similarly, Jenkins (2006) concludes that the way CSR is defined and practiced in small enterprises is strongly affected by the manager/owner's personal beliefs and values.

2.8 Role of manager as CSR driver in SMEs

As was pointed out above, there is an extensive body of literature suggesting managers' personal values to be the major motivating force for the CSR engagement in a company (Wood, 1991; Hemingway & Maclagan, 2004; Aguilera, Rupp, Williams, & Ganapathi, 2007; Hamann, Smith, Tashman, & Marshall, 2017; Jamali, Lund-Thomsen, & Jeppesen, 2015; Jamali, Zanhour, & Keshishian, 2009). Wood (1991), refers to managers as "moral actors on the job as well as in other domains of their lives" (Wood, 1991, p. 699). CSR in SMEs is often a direct reflection of the manager's personal ideology and point of view. Indeed, there is strong evidence that the owner/founder of a small company often attempts to

create such a business that will coincide with their personal beliefs and philosophy (Jamali, Lund-Thomsen, & Jeppesen, 2015). Consistent with Aguilera et al. (2007) assertions, they suggest that management is the most powerful influence on a company's CSR involvement in terms of introducing socially responsible initiatives and devoting time and financial resources to CSR campaigns. Not only are managers key actors for processing multiple signals from organisational stakeholders (e.g. customers, society), but their personal motives by large predefine CSR involvement in SMEs. According to Thompson et al. (1993), the personal preferences of the owner are the predominant force for charitable contributions. CSR is not met by some abstract agents, but by individual human actors who make specific decisions based on their individual preferences. Vyakarnam et al. (1997) hypothesised that what constitutes personal and business ethics converges in the cases of SMEs because the owner of a business is also often the manager. Cultural background and life experience have a considerable impact on establishing principles that guide manager behaviour and attitude towards CSR (Wood, 1991, p. 700). The head of a company is a key driver of CSR (Hu & Wang, 2009; Hemingway & Maclagan, 2004). The authors posit that a manager is a philosopher whose beliefs in 'giving back to society' are what drive organisational CSR. They assert that in private sector, it is not 'commercial imperative,' but a manager's personal beliefs that is the main driver of CSR initiatives. For a small firm's manager, there is no need to obey the authority (within the company) or to wait for approval of higher rank management. These constraints may not exist in the context of SMEs. In other words, situational moderators are less significant for small company managers compared to a larger enterprise (Quinn, 1997). In small company, a manager/owner has the right to allow their own CSR aspirations to guide business-related decisions whereas in a large corporation, the employed executive does not have such rights because he/she acts as an agent of enterprise stockholders (Friedman, 1970). Managers of big companies have to be legally, economically and ethically accountable to stakeholders. Such complications do not exist for small business managers. CSR in small firms is not so much a result of corporate but rather individual moral agency. CSR is guided by individual values and beliefs (Spence & Rutherfoord, 2001; Spence L., 2000), sometimes even in defiance of potential risks (Wood, 1991; Swanson, 1999). The effect of a personal

manager's beliefs becomes observable and powerful in the context of small firms' CSR.

2.9 Understanding CSR motivation

How do the motives of company's CSR matter if CSR recipients care more about CSR outcomes rather than antecedents? Understanding the reasons certain companies do CSR has a profound meaning (Kitzmueller & Shimshack, 2012) because motivation resolves the fundamental question over whether a good corporate practice is a self-serving business strategy or selfless philanthropy.

Inspired by an unresolved and often conflicting dispute over whether companies engage in CSR in pursuit of economic benefits or altruistic intentions, I suggest that motivation can shed more light on the very roots and nature of CSR. Undoubtedly, 'strategic CSR' can bring certain social good as a spill-over effect. However, if that good occurred only as a side effect to business profit maximisation, it becomes difficult to understand whether we are discussing a business strategy that employs CSR as a marketing tool, or if the CSR is conceptually distinct from self-interest rationales. Baron (2001) argues that it is specifically motivation behind CSR that reveals socially, as opposed to privately-oriented, responsible behaviour.

Understanding CSR motivation in the context of Kazakhstani SMEs has been at the heart of this research due to the perspective that motivation, in addition to actions, are needed for activities to attain CSR in name. Otherwise, as Baron (2001) suggests, it would make little difference between CSR and any other profit-oriented business strategy. The author argues, that a company, which endeavours to attain a CSR label, is governed by profit maximisation and self-interests, not by idea of social responsibility. For example, two companies could demonstrate similar initiatives under the CSR label, yet one could presumably do so to address community concerns (altruistic preferences) while the other could do so in response to external pressure to better position itself within a market (self-interest). In such situations, researchers may count both companies as having a positive social performance. Yet the actual motivation may have nothing to do with CSR. Thus, evaluating CSR should not be done independently of motivational factors. In order to compose a more precise picture, the following sections represent taxonomy on CSR in the course of motivational aspects.

2.9.1 Economics of CSR motivation

The core phase of my research explored what factors motivate SMEs to pursue CSR. I attempted to discuss possible driving forces from economic, and philosophical/sociological perspectives. I indirectly related the motivational question to whether there was a business case for CSR because I assumed that the justified economic sense of CSR would form a solid base for economic motivation. In other words, I hypothesised that if companies received certain economic benefits from CSR involvement, it would be reasonable to claim that they may be driven by economic calculations. Nevertheless, I bear in mind that even a justified economic sense of CSR does not prove economic motivation. This provided the analytic space for further qualitative inquiry.

Although there has been growing interest in understanding the nature and mechanism of pro-social behaviour in a business setting, the research in this field is still considered to be in its infancy. Among the unresolved issues is the question of what makes companies engage in CSR (Muller & Kolk, 2010; Aguilera, Rupp, Williams, & Ganapathi, 2007). An important new direction within CSR inquiry is no longer whether CSR is a working concept, but rather "what catalyzes organizations to engage in… CSR initiatives…" (Aguilera, Rupp, Williams, & Ganapathi, 2007, p. 837).

The discussion on CSR motivation is mostly split between approaches, which consider CSR to be driven extrinsically or intrinsically. Proponents of extrinsic CSR drivers (Aguilera, Rupp, Williams, & Ganapathi, 2007) link CSR motivation to external pressure (external stakeholders, regulation, media etc.) and suggest that companies engage in CSR in response to pressure from external actors. On the other hand, others argue that CSR emanates from morality (Hemingway & Maclagan, 2004). Although studies on CSR motivation often resist reconciling externally and internally driven models of CSR, some authors attempt to conceptually combine these perspectives and justify their simultaneous or complementary power (Muller & Kolk, 2010). The driving force of intrinsic factors has attracted more attention in CSR literature following the recognition that external pressure may provide only an incomplete explanation. In what Muller and Kolk (2010, p. 6) call the natural "fit between extrinsic and intrinsic drivers," is that practice is neither a managerial commitment to a moral imperative nor outside pressure exclusively, but rather their interplay that matters. It is likely that

external and internal factors, therefore, may be mutually reinforcing. The authors argue that there is a managerial intent, which at the same time is exposed to the external expectations concerning ethical business behaviour. Likewise, Husted & Salazar (2006) consider the moral imperatives of owner/manager and economic incentives being mutually reinforcing, assuming that endogenously motivated CSR can also generate higher economic returns. Similarly, Aguilera et al. (2007) suggest that in practice all organisational motives can be in place, yet admitting that some of them may be more salient than others.

A similar in principle classification, suggested by Baron (2001), distinguishes between 'altruistic' and 'strategic' CSR. He introduces the term 'strategic CSR' to refer to a profit-seeking business strategy that some may see as socially responsible. Although such initiatives may benefit other stakeholders as a result of a 'spillover effect', the motivation remains rooted in profit maximising. The researcher asserts that in a case where the consumer is ready to pay a premium for CSR labelled products/services, a company that supplies those services is doing so in response to market forces and is probably driven by business interests. Such a scenario, therefore, has little to do with social responsibility. On the contrary, 'altruistic CSR' is driven by philanthropic preferences in the absolute absence of self-interest and stakeholder's pressure. More interestingly, the author established that while strategic (stakeholder-attuned) CSR positively influences organisational financial performance, social (altruistic) CSR does not. With these arguments in mind, further insight into the motivation behind socially responsible practices of a company gains additional importance.

There have been many quantitative studies examining the link between CSR and company financial performances (Margolis & Walsh, 2001; Margolis & Walsh, 2003; Orlitzky, 2005; Orlitzky, Schmidt, & Rynes, 2003). Often, quantitative studies treat company motivation as 'black box', focusing on statistical results rather than aiming for a more in-depth exploratory study. Mainstream research on the link between CSR and financial performance does justify the positive effect of CSR on financial returns (Orlitzky, Schmidt, & Rynes, 2003; Pava & Krausz, 1996; Margolis & Walsh, 2001). However, the nature of this correlation, as well as the motivational aspect, is still far from having been fully understood. Moreover, I argue, that since those studies have been of a statistical correlation type, it becomes impossible to

establish causality. Although the explanatory variable CSR positively correlates with the increase of financial performance, it is still not possible to rule out the vice versa causality. Ultimately, statistical studies cannot provide sufficient insight into causal effect and the motivational matters.

Murillo & Vallentin (2012) put forward a proposition that research on CSR motivation must reflect its essentially pragmatic nature. Although CSR motivation in Spanish SMEs is affected by social values, more importantly, it is linked to competition in the business environment. The sustainability of small business by large depends on the sustainability of its relationships with stakeholders. Thus, by acquiring a positive image (social capital), a company may position itself more competitively. Stoian & Gilman (2016) suggest that by being involved in CSR, a SME might reap certain economic benefits. CSR employees concern is vital to avoid sales decline and community-related activities enhance a company's growth. Lee, Herold, & Yu (2016) established that Swedish SMEs pursue CSR only if it promises specific rewards for business, demonstrating that CSR is understood as a complementary profit-seeking activity. The authors stress that even though SMEs justify their CSR engagement with ethical arguments, they are primarily motivated by the economic CSR sense. Santos (2011) suggests that in the context of Portuguese SMEs, CSR is highly practical and business-oriented. Businesses employ CSR to benefit from fostering relationships with their commercial partners (customers and suppliers). The main motivational factors, therefore, are economic estimations that aim at the improvement of business performance through an increase of sales, cost reduction, employees' satisfaction, and customer loyalty.

Many authors relate CSR in SMEs to the pursuit of social capital (Murillo & Vallentin, 2012; Russo & Perrini, 2010; Perrini, Russo, & Tencati, 2007). Russo & Perrini (2010) suggest that CSR in SMEs can be better explained by the social capital notion when the former is complemented by the stakeholders' view of a SME. The authors suggest that it is the community that expects and requires CSR from small businesses and, as a consequence, SMEs are prompted to pursue CSR. Such 'response to external pressure' implicitly justifies the economic nature of CSR motivation. CSR not only directly affects company expenses, but also has a strategic interest in enhancing the competitive position of a company within an industry (Baron, 2001). Aguilera et al. (2007) argued that, first and foremost, managers will engage in CSR only if it is properly aligned with practical interests of

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maximising economic returns. Thus, the authors stress that any motivation is eventually tied up to the profitability.

Up until now, all business activities and decisions, whether directly or indirectly, would seem to justify that the CSR is an economically driven strategy. Despite occasional attention to the sociological perspectives of the CSR notion, the research has been heavily dominated by 'transactional' view, which explains motivation by pragmatic self-interest.

2.9.2 Philosophy of CSR motivation

My findings, presented in CHAPTER 5, demonstrate an inability of the transactional approach to explain why small companies engaged in CSR. It became evident that CSR in Kazakhstani SMEs was driven by different (non-economic) beliefs. To address the research questions regarding the driving forces of Kazakhstani CSR, I found it profoundly important to conceptualise the ethics of business from anthropological and sociological perspectives. The models suggested by Carroll and Freeman provided insight into the nature and the scope of CSR, yet they failed to explain what motivates SMEs to allocate limited resources for CSR. Combining different perspectives allowed for a cross-analysis of the phenomenon in order to analyse CSR motivation as closely as possible. What I found during my fieldwork took me far from the business-oriented approaches and prompted me to reflect on the profound question of culture, ethics, and, the above all, the need of human beings to act according to the socially constructed principles of morality, which some authors link to theories of Aristotle, Kant, Mauss or Bourdieu (Aaken, Splitter, & Seidl, 2013; Smith & Dubbink, 2011).

Anthropology of CSR: the cultural context of giving

A central theme for modern CSR discourse is the motive of giving. Various types of CSR initiatives and forms of support explored in this thesis effectively represent a form of a '*gift*' through the mode of '*giving*'. Does it suggest a remedy to counteract dehumanising effect of neoliberal capitalism that disregards social realities, giving a hope for moral movement towards collective social responsibility and reciprocity in place of calculating mentality?

The current enquiry on gift and giving owes a great deal to Mauss's monumental work (Krausman Ben-Amos, 2008). In his anthropology of giving, Mauss (1990) discusses certain practices of gift offering as a system of human interaction and expressions of solidarity. His analysis generated fundamental insights into the role of 'giving' for forming and nurturing social bonds. Mauss suggested that these actions be viewed as generic and pertinent to human interaction across societies, cultures, and time[1]: "…in this we have found one of the human foundations on which our societies are built" (Mauss, 1990, p. 5). Indeed, "The Gift speaks of everything but the gift: it deals with economy, exchange, contract (do ut des), of raising the stakes, of sacrifice, of gift and of countergift - in short, of everything that in the thing itself impels the gift and the annulment of the gift" (Derrida & Kamuf, 1992, p. 180).

In contrast to market transactions, which represent momentary and impersonal acts, the gift and process of giving create a base for durable social interactions, ties, and commitments. However, rather than contrasting the mode of giving with the modern market relations, in this research I look at CSR as a demonstration of how giving, mutual support, and social commitment may underlie or become interwoven in market operations in a certain context. This thesis attempts to elaborate on dynamics of modern CSR being linked to the notion of giving, inherent to Kazakh society, which has sustained and persisted over its entire period. It also looks at how giving is represented and thought of by businesses and society in the present day Kazakhstani market economy. I suggest that the traditional culture of giving, mutual support, and sense of responsibility in Kazakhstan has not deteriorated in the wake of expanding market pressure, but rather has metamorphosed, diversified, and acquired a modern configuration which will be detailed throughout this thesis.

Bourdieu's perspective on CSR prerequisites

Investigating socially responsible behaviour demonstrated by companies through the prism of Bourdieu's social practice theory allowed this study to acknowledge the influence of voluntaristic and deterministic factors of human

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[1] *"As we shall note that this morality and organization still function in our own societies, in unchanging fashion and, so to speak, hidden, below the surface, and as we believe that in this we have found one of the human foundations on which our societies are built"* (Mauss, 1990, p.5)

behaviour. More importantly, these considerations integrate and reconcile the dispute over the seemingly conflicting views over economic vs. non-economic drivers of CSR (Aaken, Splitter, & Seidl, 2013). Ample examples related to certain benefits, which a business may expect in return for its investments in CSR initiatives, have been discussed in the previous section. Prior to my fieldwork, I had a similar assumption that SMEs in Kazakhstan would have engaged in CSR in pursuit of certain benefits (e.g. to gain more customers and increase their sales). To my surprise, I found out that the majority of the respondents were reluctant to display their CSR activities. This contradicts the principle of transactional and/or strategic CSR which requires communicating a positive CSR image to as wide an audience as possible. Getting a little ahead, I failed to find any evidence of direct benefits associated with CSR. In the context of small Kazakhstani firms, the motivation goes beyond mere economic benefits and is not triggered by any outside pressure. These considerations will be elaborated on in CHAPTER 5 (FINDINGS AND DISCUSSIONS).

The contextual research on CSR assumes exploring phenomenon with consideration of specific cultural, historical, economic and other conditions (Örtenblad, 2016). I suggest that those conditions closely correlate with the idea of *'habitus'*, conceptualised by Bourdieu. Referring to the cultural dimension of economic and business phenomena, economic behaviour is influenced by the perception and understandings, derived from the values and morality of actors. Bourdieu suggests that the system of values and dispositions ('habitus') of owners and managers play a key role in defining a company's strategy. In an attempt to understand 'economic reasons' of behaviour, Bourdieu refers to disjunction that exists between economists' understanding and reality: "there is, on the one hand, the economists' view and, on the other, a more realistic one". Discussing '*economic habitus'*, Bourdieu heavily criticises the idea of 'homo economicus' referring it as to a form of 'anthropological monster'. He accuses this concept of failing to explain the full reality of behavioural motivators (Bourdieu, cited in Swedberg, 2011). Aaken, Splitter, & Seidl, (2013) viewed Bourdieu's approach as a powerful tool for integrating motivation with ethical considerations and determinants of human behaviour.

Pierre Bourdieu (1990) centred his analysis on human behaviour and aspects shaping the way of actions. He argued that in order to understand the

triggers or motives of an individual behaviour, one has to refer to the conditions that produce habitus, "[a] system of durable, transposable dispositions, ... which generate and organise practices and representations that can be objectively adapted to their outcomes without presupposing a conscious aiming at ends..." (Bourdieu, 1990, p. 53). The author suggests looking at individual actions and their incentives from a deterministic perspective[2]. In other words, individual actions are not based on calculated deliberation but are socially shaped and predetermined. Put simply, habitus explains how history and culture shape the mind-set and resultant social actions of an individual. The author refers to history[3] as a factor shaping habitus.

'Habitus' forms an individual's interpretation of every day's life and their responses (Bourdieu, 1977; 1990). The author points out that the 'habitus' is a "society written into... the biological individual" (Bourdieu, 1990-b, p. 63). It is a reflection of a specific cultural and historical contexts underlying the individual's behaviour. 'Habitus' is durable because the process of its formation is a continuous stratification, which goes on over a long period of time[4]. This is not a set of deliberately contained independent beliefs that shape the way people understand the world and behave accordingly, but rather, an internalised history and culture that encourages us to accept certain social values as a norm or common-sense and deal with them in a predetermined way. Therefore, individuals may adopt pro-social practices because they feel this is correct, but not necessarily because they are attempting to acquire more capital or power. In this sense, socially responsible practices may be predetermined by tacit factors rather than rational choice.

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[2] *"...responses are first defined, without any calculation, in relation to objective potentialities... The practical world that is constituted in the relationship with the habitus... is a world of already realised ends – procedures to follow, paths to take... The regularities... tend to appear as necessary, even natural, since they are the basis of the schemes of perception and appreciation through which they are apprehended...".* (Bourdieu, 1990, pp. 53-54).

[3] *"The habitus, a product of history, produces individual and collective practices – more history – in accordance with the schemes generated by history. It ensures the active presence of past experience, which, deposited in each organism in the forms of schemes of perception, thought and action, tend to guarantee the 'correctness' of practices and their constancy over time, more reliably than all formal rules and explicit norms"* (Bourdieu, 1990, p. 54).

[4] *"In each one of us, in differing degrees, is contained the person we were yesterday, and... our past personae predominate in us, since the present is necessarily insignificant when compared with a long period of the past because of which we have emerged in the form we have today. It is just that we don't directly feel the influence of these past selves precisely because they are so deeply rooted within us... The habitus – embodied history,* [is] *internalized as second nature and so forgotten as history"* (Bourdieu, 1990, p. 56).

'Habitus' interprets motivation of pro-social actions as a response without calculations. Instead, it originates from the feeling of "*it is just right thing to do*", exactly as many respondents stated during this study's interviews. For example, the company, which invests its money in meals for pensioners is guided by habitus, not economic or strategic calculations. Such an interpretation provides grounds for further considerations of the non-economic nature of SME's CSR.

To sum up, I suggest that in the context of Kazakhstani SMEs, pro-social behaviour are historically and culturally preconditioned. Aaken, Splitter, & Seidl (2013) assert that to gain an understanding on why companies do or do not engage in socially responsible practices it is crucial to decompose respective habitus of actors. The prerequisites for pro-social actions cannot be understood without addressing the context within which they take place. This consideration reinforces a reference of the core idea of the contextualised approach (Örtenblad, 2016) for looking at the CSR notion through cultural and historical lenses.

"The twofold truth of the gift"

The question on motivation behind socially responsible behaviour (helping, sharing, giving) brings me to the reflection on what the giving is. In other words, what is the gift and why do people give? What motivates people to give and share? Explaining the nature of gift giving, Bourdieu refers to the 'dual truth' of the gift. By dual truth the author means that although the giving side might have hopes for rewards (be it economic returns or recognition), it does not exclude that the giving behaviour might be completely deprived of benefit calculations. "…*It* [gift giving] *is experienced (or intended) as a refusal of any egoistic calculation, and an exaltation of unrequited generosity"* (Bourdieu, 1997, p. 191).

The author emphasises the importance of generating such social conditions which enable disinterestedness to become a norm, a habitus. He criticises assertions of suspicion and total distrust with regard to disinterested giving, as if it was an intention of profit maximisation under the guise of a gift. Ricoeur (1969) and Boltanski (1990) (cited in Silber, 2009, p. 180) argue that any altruistic philanthropic action is actually a mere camouflage for selfish interests. On the contrary, Bourdieu stresses that *"there must exist a form of interest that one can describe … [as] interest in disinterestedness… and then, within parentheses: culture, disinterestedness, the pure, Kantian morality, Kantian aesthetics etc…"* (Bourdieu,

cited in Silber, 2009, p. 180). He suggests that disinterestedness is possible in the form of spontaneous, predetermined or automatic response (predesigned by habitus of generosity) in such kind of social context where generous behaviour and disinterestedness are fashionable[5]. The author explains that in such kind of social settings the one who gives should be aware that his generosity would have a great chance to be recognised by beneficiaries as such, instead of a risk of being perceived as a matter of naivety or a "folly". In such a scenario, the motivation of generous conduct does not come from conscious intention or calculations, but is a product of a habitus' disposition and incontestable code of behaviour. Generosity, giving and ethical conduct, therefore, are the 'only thing to do'[6] for an individual in concordance with collective expectations. The gift exchange maintains the durability of established relationships that neo-liberalist economic theories[7] based on '*ahistorical anthropology*' fail to comprehend. One should first dismiss economic conventions and instead account for contextual conditions of these acts in order to be able to understand how such non-economically motivated conduct may occur among individuals who are, from a homo-economicus perspective, predesigned by nature to be greedy and selfish.

Bourdieu's prescription regarding the valorisation of interest in disinterestedness is striking. By introducing habitus, he brings together the non-economic nature of gift and moral incentives while accounting for potential rewards for generous conduct, be it in the form of minimised market risks or a provision of guarantees based on established rapport with stakeholders. He refutes the accusation that a gift is nothing more but a fable and a social lie (Derrida J., cited in Bourdieu, 2019, pp. 22-28). Bourdieu (1997; 2005) argues

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[5] There should be "...*a permanent investment in institutions that, like a gift exchange, produce and reproduce... generosity... Concretely, this means that the gift as a generous act is only possible for social agents who have acquired - in social universes in which they are expected, recognized and rewarded - generous dispositions adjusted to the objective structures of an economy capable of providing rewards (not only in the form of counter-gifts) and recognition...*" (Bourdieu, 1997, pp. 192-193)*.

[6] *"Through the question of the true gift, the gift that is truly a gift... it is only performed in a way that 'conforms to duty...'"* (Bourdieu, 1997, p. 194)*.

[7] *"The cult of individual success, preferably economic, that has accompanied the expansion of neoliberalism has tended... to obscure the need for collective investment in the institutions that produce the economic and social conditions for virtue, or, to put it another way, that cause the civic virtues of disinterestedness and devotion - a gift to the group - to be encouraged and rewarded by the group... the means that have to be implemented in order to create universes in which, as in gift economies, agents and groups would have an interest in disinterestedness and generosity, or, rather, could acquire a durable disposition to respect these universally respected forms of respect for the universal".* (Bourdieu, 1997, pp. 201-202)*.

against the very idea of a contract, which gradually displaced the sincere, honourable exchange between men of virtue.

I take the Bourdieu's perspective as a supplement to the existing CSR research because of its ability to provide a more holistic view of socially responsible practices. It brings together seemingly contradictory views: economic and non-economic drivers, voluntaristic and deterministic aspects of individual behaviour. "It shifts attention to the 'daily experiences and moral problems of real people in their everyday life' (Aaken, Splitter, & Seidl, 2013, p. 28). The Bourdieu's approach considers a deterministic logic of pro-social actions with reference to cultural settings, pre-existing practices and history. Practices are naturally embodied through habitus that forms a stable ground for the driving power of genuine societal concerns. The Bourdieu's philosophical perspective provides a CSR researcher with an opportunity to comprehend pro-social behaviour, generosity and gift not from inside the context but looking at the context from a bird-view. With a strong reference to the importance of a context, this framework enables to elaborate on the question of why people actually give.

Summary of literature review

Overall, the continuing controversy around CSR has been based on the question of whether CSR is a new way to achieve economic prosperity and business sustainability (Porter M. E., 1998), or is a mere attempt by modern corporations to put a human face to business, otherwise called a 'window dressing' (Henderson, 2001). Whereas proponents of CSR (Porter M. E., 1998; Kotler & Lee, 2005; Sprinkle & Maines, 2010; Demacarty, 2009) directly or indirectly link socially responsible practice to higher financial returns, the main opponents of CSR view it as a waste of scarce shareholders resources (Friedman, 1970; Fauset, 2006; Baumol & Blackman, 1991). CSR has been accused of being not only vague and misleading, but a harmful idea for business, decreasing competition and business freedom, which can be destructive for free market functionality (Henderson, 2001). At present, the research on CSR provides inconclusive and often contradictory suggestions.

The question regarding what CSR is - a disguised self-serving business strategy (Henderson, 2001) or truly selfless philanthropy of CSR actors (Hemingway & Maclagan, 2004) - has been divided further between internal vs.

external, and economic vs. non-economic driving forces. The most famous CSR model suggested by Carroll (1991), composed of four domains, takes account of both economic and philanthropic components. Philanthropic concerns also are called 'discretionary' (Carroll A., 1979), meaning that they are a voluntary commitment of business (endogenously driven). The perspectives offered by Freeman's (1984) stakeholder theory emphasise the role of external stakeholders as they affect, and are affected by, organisations pursuing their business goals. Thus, stakeholders may exert an external pressure for businesses to act responsibly (exogenous driver). Another view (Muller & Kolk, 2010), advocates a combined understanding of external and internal motivating factors, arguing that it is the complementary power of both which explains companies' engagement in CSR.

An additional complication in relation to CSR conceptualisation and its developmental role comes from the fact that CSR, its practice, and motivation, have been mainly investigated through the lenses of big multinational corporations (Rodriguez, Siegel, Hillman, & Eden, 2006; Logsdon & Wood, 2002; Aguilera, Rupp, Williams, & Ganapathi, 2007). This makes such findings limited in their analytic applicability for smaller enterprises (Jamali, Lund-Thomsen, & Jeppesen, 2015; Jenkins H., 2004), which significantly contribute to local development through job creation and poverty alleviation (Jamali, Lund-Thomsen, & Jeppesen, 2015). Because small enterprises mostly appear out of necessity in the local population, they are naturally closer to their stakeholders and local community (Jamali, Lund-Thomsen, & Jeppesen, 2015). Therefore, they are more devoted to solving local issues (Thompson, Smith, & Hood, 1993; Murillo & Lozano, 2006). Indeed, SMEs are engaged in various CSR activities. Yet, because they often are not labelled as CSR, practices that become 'silent CSR' (Jenkins H., 2004), and 'informal CSR' (Russo & Tencati, 2009), often fall outside of the scope of CSR research.

Analysis of existing literature on CSR suggests that conventional CSR knowledge has been built upon the postulate that businesses *voluntarily* (European Commission, 2011; Carroll A., 1979; Carroll & Shabana, 2010; McGuire, 1963; Sethi, 1975) extend their responsibilities outside profit and legal obligations. This means that in order to be regarded as socially responsible, firms should go *beyond* mere economic and legal compliance (McGuire, 1963; Davis, 1973). However, there have been a number of recent studies (Dobers & Halme, 2009;

Halme, Room, & Dobers, 2009; Crotty, 2016; Örtenblad, 2016; Visser W., 2008), which argue against the universality of the conventional approach insofar as its ability to account for distinct economic, cultural, and historical backgrounds of developing and transitional contexts. The authors converged at the point that, in spite of globalising standards, the nature of CSR and its motives are predetermined by socio-cultural conditions (what Bourdieu (1990) refers to as deterministic factors of behaviour) in which businesses operate. This leads to a high degree of unaddressed divergent forms of CSR across different contexts. For example, in such environment where violation of legal requirements is commonplace, legal compliance (but going beyond) may well be regarded as a manifestation of socially responsible conduct (Jamali & Mirshak, 2007). Therefore, the capacity of conventional wisdom for providing adequate insight into the reality of CSR outside of Western context is limited.

The research on CSR has to become more contextualised in order to capture what actually represents CSR (Örtenblad, 2016; Visser W., 2008). Without appreciating the effect of historical, cultural/religious, and other contextual factors, which can and do influence the way CSR is conceptualised, the understanding of real-life CSR phenomenon is likely to be misinterpreted (Örtenblad, 2016). A detailed analysis of the impact of the aforementioned factors on the evolution of CSR in the Kazakhstani context is represented in CHAPTER 4 (CONTEXTUALISATION: EVOLUTION OF CSR PRECURSORS).

CHAPTER 3. METHODOLOGY

This chapter reviews the choice of methodology and is composed as follows: I begin by providing a roadmap of the research design and analysis. I continue with an explanation of the basic concepts of the research design of this study, including the use of both qualitative and quantitative methods and the case study strategy. Next, I provide justification of the sampling method and an overview of the pilot study before detailing the procedures concerning my data collection and analysis. Lastly, I conclude with the section presenting the limitations and ethical considerations related to the study.

3.1 A roadmap of the research

This thesis seeks to answer the overarching question: ***How Kazakhstani SMEs' CSR is shaped by local value systems and the context?***

What has been investigated in this research is explored through the following baseline directions with each subdivided further as summarised in Table 2 below.

Table 2 "Research directions"

Research Directions	
What is the perception of CSR in the context of Kazakhstani SMEs?	- How is CSR understood by SMEs? - How SMEs prioritise four domains of CSR proposed by **Carroll**?
Who are the stakeholders of Kazakhstani SMEs' CSR?	- How **Freeman's stakeholder model** is viewed by SMEs? - Who affects SMEs' CSR? Whose opinion matters? - Who is affected by SMEs' CSR? Who are the primary recipients of SMEs CSR?
Why do Kazakhstani SMEs engage in CSR?	- What are the **driving forces** (exogenous/endogenous), which make local companies adopt CSR? - What motivates SMEs to get involved in CSR? - How giving back to society evolves or does it not? What are the factors behind this? - How does CSR matter for the primary stakeholders (customers and local community)?

Source: Darmenova Y. (2019)

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My analysis begins with an examination of the perception of CSR from the perspective of Kazakhstani SMEs. As a departing point, I employ Carroll's CSR pyramid (1991) in order to form a general understanding of what constitutes CSR in Kazakhstani SMEs. For providing an initial and comprehensive explanation of CSR components to structure the early stages of this research, Carroll's pyramid was particularly useful. While the first level of analysis aims at conceptualising CSR in a given context, the second level assesses CSR in practice. In particular, in order to explore who the primary recipients of SMEs' CSR are, I followed the stakeholder's approach offered by Freeman (1984), which takes account of all stakeholders who either may affect or be affected by a companies' CSR.

Because impulses towards societal concern, social commitment, mutual responsibility, care, and giving in particular are central to the concept of CSR, eventually this research was led to consider core question of self-interest and how self-interest is conceptualised in Kazakhstani culture? Aspects of self and self-interest were not apparent as important components at the very beginning of the research; it was brought into view only during later stages of data collection and analysis, and is elaborated on in the section 5.4 (Concomitant themes). This is reflected in the chronological order of how themes and questions appear in the thesis. The order does not imply the degree of relevance or importance, but conveys how the study progressed instead. The contextual understanding of self-interest in Kazakhstani cultural settings is visually elaborated on in the Figure 10 (p. 173) and offered for discussion in CHAPTER 5 (FINDINGS AND DISCUSSIONS). As I will detail later, how one identifies and positions/contrapositions 'self' and 'self-interest' in relation to 'others', in my opinion, directly affects the extent to which he/she will be willing to give, compromise or even sacrifice self-interest for communal benefit. At the beginning I devised specific directions to follow, as discussed in Table 2 above. Making use of Carroll's and Freeman's frameworks allowed for disaggregating local CSR domains and identifying relevant stakeholders for analysis. However, these analyses did not provide satisfactory answers as to: what makes local businesses engage in CSR, how giving back to society does or does not evolve, and the factors behind these choices?

Thus, the third set of questions focuses on the reasons why SMEs engage in CSR. It includes an exploration of the driving forces behind SMEs' CSR, addressing socio-cultural factors which, based on findings, proved to play a decisive role in

CSR motivation. Taking account of historical and cultural perspectives, I attempt to understand what has changed and what has remained in terms of local values and beliefs vis-à-vis social responsibility. The theoretical background related to the development of my research queries is discussed in detail in the CHAPTER 2 (LITERATURE REVIEW) and CHAPTER 4 (CONTEXTUALISATION: EVOLUTION OF CSR PRECURSORS).

3.2 Research design

While there are many distinct research approaches suggested by the studies on research methodology, methodologies have more in common than what is sometimes recognised (Fisher, 2010, p. 49). Wilson (2010, p. 10) suggests that because the main concern for any research is to produce convincing knowledge, it is advantageous to treat different philosophies not as opposing, but as complementary. "It can help to promote mixed methodologies in order to help validate your findings." I adhere to the philosophy of *methodological pluralism*, which favours bringing together different methods. This enables greater methodological flexibility, as suggested by Marschan-Piekkari & Welch (2011, p. 214). In particular, I employ qualitative methods at the exploratory stage, where the main focus I try to capture is the perspective of SMEs, their CSR understanding and motivation. Later, I complement my qualitative findings with quantitative data, a more extensive scale survey, in order to uncover specific trend/position of the broader society (customers/local community) in relation to SMEs' CSR in Kazakhstan.

3.2.1 Mixed-method

This research draws upon a combination of interviews (qualitative method) with SMEs managers/owners and managers of NGOs, and a survey (quantitative method) conducted among customers of the companies. Since the main purpose of the study was to understand the meaning of CSR for SMEs and the reasons why they decide to engage in CSR, in-depth interviews were essential to explore the perspectives of SMEs. Bearing in mind that overreliance on any one method is not appropriate because any research method has its strengths and weaknesses, (Easterby-Smith, Thorpe, & Jackson, 2008), I decided to mix techniques in a way that would complement merits and avoid pitfalls of various methods. In particular,

after the pilot study, I added a survey to gain insight from the customer's perspective and to enrich data derived from SMEs perspective. Qualitative methods, by nature, are designed to cover a limited number of cases whereas quantitative surveys are helpful in gathering more general information about customers/community attitudes and beliefs.

I first conducted a series of interviews to explore the phenomenon in the context from the SMEs perspective. This provided a basis and set a direction for the sequential quantitative data collection. Thus, I followed the *sequential mixed-method technique*, where one type of data (quantitative survey) was built upon the basis of another type (qualitative interviews), as suggested by Hesse-Biber (2010).

The methodological justification for combining qualitative and quantitative methods has been widely accepted by social scientists on the ground that such composition allows to "capitalize on the strength of the two approaches and to compensate for the weaknesses of each approach" (Punch, 2005, p. 240). Denzin (1970) suggests that collecting information from a range of settings and using a variety of tools and methods allows for the necessary combination of tools at different stages to facilitate comprehensive interpretation of the data. (Saunders, Thornhill, & Lewis, 2009). More precisely, I used *dominant/less dominant design*, according to which I conducted a study using a qualitative technique, in-depth interviews with SMEs, as the major method, and a quantitative survey as a complementary tool to support/test perception and motivation of SMEs' CSR from customer/local community perspective. There were specific and practical reasons why each of the particular tools was found to be more effective at different stages of this research. This will be detailed in the sections reviewing data collection.

3.2.2 Case study

The basic idea of a case study is to "study social phenomena through a thorough analysis of an individual case" (Punch, 2005, p. 145); it interrelates a variety of facts to a single (or multiple) case, enabling a researcher to intensively analyse specific details that are often overlooked by other research techniques. There have been three types of case studies summarised by social research methods: intrinsic, instrumental, and collective case study (Punch, 2005, p. 144). An intrinsic case study seeks to better understand a specific case, whereas instrumental type examines a case in order to provide a deeper insight into the

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issue or to refine theory. I extend the instrumental type by adopting *collective case study* to cover several cases with the aim of learning more about the state of CSR in SMEs.

The topic of the research predetermined the deliberate choice of the companies with an approved track record of CSR activities. In other words, to explore CSR in SMEs, I had to identify and "cherry-pick" firms demonstrating socially responsible deeds in practice. To depict the *contextual* reality of CSR in Kazakhstani SMEs, I made a choice in favour of the case study approach because "case study aims to understand the case in depth, and in its natural setting, recognising its complexity and its context" as suggested by Punch (2005). A case study is a preferable technique when "how" and "why" questions are posed and when the focus is centred on modern phenomenon together with its real-life context (Yin, 1994). Likewise, in this research, the purpose has been not only to explore SMEs' CSR, but also to elaborate on the peculiarity of Kazakhstani SMEs context. As mentioned above, studying the cases helps the researcher, by looking at the individual examples, to incorporate them into a body of new knowledge.

3.3 Note on the field

For several reasons, two cities were chosen as the main field for this research, Almaty and Astana. In terms of numbers and accessibility, these are the two major regions with the best representation of small and medium businesses sector (Ministry of National Economy of the Republic of Kazakhstan; Committee on Statistics, 2018). Additionally, because I used to live and work in the corporate sector in Almaty and Astana, I am familiar with the sites and, importantly, have established connections in the business field. This provided me with excellent access to a sufficient number of cases for the study. Both Almaty and Astana are the most developed regions in terms of business life, constituting a significant share in overall Kazakhstani economy development. Together, the two cities contribute over 30% of Kazakhstan's total GDP (Nazarbayev, 2018). Undoubtedly, they largely determine the vector of business culture transformation in Kazakhstan, thereby providing a vibrant opportunity to observe the CSR dynamics in Kazakhstani business settings.

3.4 Reflixivity and positionality of the researcher

Before starting my PhD, I spent 14 years working in a corporate sector in Kazakhstan, mainly in SMEs. My job duties were primarily concerned with commercial strategies, revenue and profit maximisation to stimulate business growth. I also was in charge of activities relating to marketing, sales, and customer relations. Besides this, I worked closely with business development and implementation of cross-functional decisions to achieve company objectives. Cross-functional management is often one of the distinctive characteristics of SMEs because, very often, a small company cannot afford to have separate departments responsible for marketing, sales, consumer relations, or CSR. On the one hand, this is challenging. On the other, cross-functional management allows for a deeper understanding of all processes involved in a business operation. This situation related to my experience as well, which gave me an excellent opportunity to observe from inside and get a better understanding of a business reality in Kazakhstani SMEs. Specifically, I was able to witness how businesses experienced and approached dynamic changes occurring in Kazakhstani business culture. This has formed an intersection between my research interests and my professional experience, resulting in the origins of my research queries.

Given my background in business (education and working experience) I had a strong tendency to favour cost-benefit explanations of CSR and its drivers in the context of Kazakhstani SMEs. Much of my perceptions were derived from the prevailing, orthodox business school approach whereby a business performing CSR is motivated by the promise of economic benefits. That is, attaining CSR label a company intends to receive financial benefits whether through enhanced brand value (recognition, customer loyalty) or through decrease of risks and costs (employee turnover, reputation). Eventually, my preliminary suppositions were totally disproved by the findings of the fieldwork, requiring me to unlearn what I acquired during my business professional life and challenged me to start a new learning pilgrimage.

My mother tongue is Russian, which exempted me from the need to use the help of an interpreter. Certainly using Russian language when conducting interviews and a survey was crucial because the participants treated me as an 'insider', while my position of a researcher kept a reasonable distance necessary for an objective assessment of the CSR phenomenon in Kazakhstani SMEs.

3.5 Sampling

An initial challenge concerning sampling was identifying socially responsible companies. The chance to determine cases through external observation was very weak because adoption of CSR is yet not widespread within Kazakhstani SMEs. Small businesses neither produce CSR reports nor advertise their CSR activities, which would have facilitated identification of target sample. To gather information about socially responsible SMEs as cases for my project, I used my local networks established during my working life in Kazakhstan. I contacted certain people, who provided me with information regarding the cases I needed.

In this study *non-probability sampling*, especially '*snowball method*', was used to establish contacts with certain companies. Probability sampling was disregarded from the beginning because there was a high risk that there would not have been enough CSR-active companies and I would not have collected sufficient data. Also, the decision in favour of purposeful selection was made partly due to restricted access to managers of organisations. This type of sampling is also called convenience sampling, for the reason that it helps a researcher with the selection of most accessible cases (Esteves, 2010). I intentionally aimed to put a certain control over inclusion and exclusion criteria for the selection process: I had to identify whether a company was involved in CSR before including it in the study. This was how "snowballing" proved to be the most suitable technique.

The population of this study consisted of small and medium-sized companies in Kazakhstan. The sample was comprised of six firms. Monette et al. (2010, p. 135) explains that the researcher may get better comprehension from a carefully selected sample rather than from an entire group. In other words, it is advisable that in certain situations the researcher should strive for careful sample selection rather than merely increasing the number of cases. The initial idea was to select the sample with no consideration of the type and size of an organisation because of the concern that there would not be enough cases of CSR-active SMEs for study. However, the final focus was relocated to SMEs. Although CSR in Kazakhstan has traditionally been associated with major MNOs, an emphasis on the rising significance of the SMEs' cluster has led to the recognition of their tremendous social impact. SMEs represent the most extensive cluster in Kazakhstani business life (90% of total number of registered companies) (Toksanova, 2012).

Companies were selected according to predetermined characteristics in order to allow for reasonable and consistent comparison. Because this research was not aimed to be region or industry-specific, the cases were chosen regardless of their location and occupation. However, there were two differentiating factors explaining the selection of cases: *the size of a company* and its *local origination*. To differentiate a company by size, there are several variables that could be used (e.g. turnover, capitalisation market or the number of employees) (Cardebat & Sirven, 2010, p. 22). Using the legal definition of SMEs was challenging due to the risk of large variability, making analytical generalisation difficult. In order to minimise comparison inconstancy, I decided to narrow the selection range based on a number of employees. I anticipated that not all the companies would be willing to share information regarding their turnover or capitalisation, because it simply could represent confidential commercial information. To avoid any unwanted complications, I decided to look at the number of employees because this was the least sensitive information. Specifically, companies with up to 20 employees were chosen. In the Kazakhstani context, such clarification is necessary because, as previously mentioned, bigger SMEs (e.g. with 100 employees) are often detached from the local community, with the style of their business approach resembling big corporations more closely. I contend that such issues as CSR, and CSR motivation specifically, would be regarded differently depending on the size of an organisation. As mentioned in CHAPTER 2, most small companies owners are based in local communities and interact personally with their customers on a daily basis. In such cases, the sense of social concern comes naturally. Another important factor guiding the pre-selection of cases was the origination of a company. Because this study focuses on CSR in a local Kazakhstani context, the companies had to be qualified as 'local companies'. This meant that both the business and Manager/owner had to be located in Kazakhstan (be a Kazakhstani citizen). The explanatory assumption was that SMEs, which originated locally, and whose executives reside in the same area where the business is located, are naturally "closer" to the concerns of local stakeholders. This assumption is supported by Jamali et al. (2015), who argue that founders of smaller companies tend to be more concerned with local issues. This leads them to align their business principles more closely with local beliefs and values. Given that the roots of origin characterise SME, it is important to define an SME not only by size, but by

accounting for the parameter of local origination. Thus, I used SME 'originality' as an additional criterion in order to refine the definition of 'Small enterprise' for this particular research. Table 3 below represents a summary of the cases selected for the study:

Table 3 "Research sample"

Company / Respondent	Headcount	Location	Type of business	Interviewee/ the main decision maker	CSR activities
1	8	Almaty	Café (LLC)	Manager (woman, 40 years old)	Free lunches for WW2 veterans. Once a week.
2	14	Astana	Café (LLC)	Manager (woman, 52 years old)	Free hot meals delivery to elderly people from the local neighbourhood. Two times a week.
3	4	Almaty	Corner-shop (sole trader)	Owner/ Manager (woman, 62 years old)	Organised a "help shelf". Pensioners can get bread and some vegetables for free. Once a week.
4	5	Astana	Corner-shop (sole trader)	Owner/ Manager (woman, 44 years old)	Gives out bread for free for those who cannot pay. Occasionally, tries to do that once a week.
5	12	Almaty	IT-Service (LLC)	Manager (man, 48 years old)	Donates money to the local nursery. Once a year.
6[8]	18	Almaty	IT-Service (LLC)	Owner/ Manager (man 54 years old)	No formal CSR.

Source: Darmenova Y. (2019)

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[8] Although Company 6 was not involved in what could be formally named as CSR activity, I intentionally included this case in the study because it represents a reasonable justification for their form of "CSR" according to their understanding

3.6 Companies' profiles

The study is based on six cases. I deliberately did not aim at the representation of the "best" CSR practice in Kazakhstan. On the contrary, the idea was to depict an average case of business-oriented companies, which were not a priori famous for their CSR related activities and, therefore, more representative of the majority of Kazakhstani SMEs. It is important to stress that the companies are not so-called 'social enterprises', where the idea of addressing social and environmental issues is inseparable from the core of their business specialisation. Instead, firms running their business for profit and performing CSR at the same time were explored. The companies that I studied had following profiles:

<u>Company 1</u> is a small café in Almaty established as LLC. The general manager of the company is a wife of the business owner, 40-year old. The café serves medium-priced meals. CSR initiative – once a week, every Friday, they serve lunches for World War Two veterans. The manager of the company is always present at the café because she needs to control routine daily operations; personally, she controls almost all business operations.

<u>Company 2</u> is a bigger café of a canteen/bistro style, located in Astana, registered as LLC. CSR initiative – every Saturday and Sunday they deliver a certain number of free hot meals to pensioners from the local neighbourhood. The target group is those pensioners who do not have carers. General Manager is a woman, 52-year old. This initiative has no longer been continued because currently, they experience financial deficit. However, they plan to revive this plan as soon as they solve their financial issues.

<u>Company 3</u> is a company located in Kazakhstan, Almaty, registered as a sole-trader. It is a small corner shop run by the owner, which sells groceries and other products for domestic needs. The owner is a 62-year old woman. She is in charge of all the business operations, including business planning, interaction with suppliers, marketing, and logistics. She participates in day-to-day operations as well. She acts as a salesperson during the daytime and interacts with her customers personally. As she pointed out, doing so was the only way to find out about customers preferences and needs. These activities demonstrate her understanding and style of consumer relation management. She has two employees (salespersons) and a part-time worker (cleaning person). One form of CSR she conducts is organising a so-called "Help Shelf", from which elderly people

can get such basic goods like bread, (sometimes eggs), and vegetables free of charge. Because her business does not make considerable profits, she offers the "Help Shelf" once a week. A few individuals from her neighbourhood, who know of the initiative, come every week to the "Help Shelf."

Company 4 is a locally-run corner-shop operating in Astana. The owner is a 44-year old woman. She owns and personally administers her business, working as a salesperson during the day shift. In the evening, another saleslady assists. The shop sells groceries and household products. Her CSR has occasional character depending on the profit she makes, which she tries to offer once a week.

Company 5 is a computer repair shop, located in Almaty, established in the form of LLC. The general manager, a 48-years old man, runs the company. The general manager was chosen to take part in the interviews because he is the chief decision-maker in the company. The owner (brother of the General manager) does not participate in the business operation but receives dividends at the end of a fiscal year. The company deals with retail trade and they are also developing wholesaling. The company's CSR activity corresponds with CSR activities through community support. At present, they donate money to the local nursery and the manager plans to patronise one more kindergarten in the next year depending on business profits.

Company 6 is a limited liability company with a specialisation in computer and IT services. While the company is not involved in any activity that may be formally assessed as CSR, the manager participated in the study providing a detailed explanation of what he considers to be CSR in the local context. He associates his CSR with the employees' and local community' concerns. The company mainly deals with the wholesale trade, selling goods to bulk buyers from other regions of Kazakhstan. The company's main customers are other companies and sole-traders from Astana, Karagandy, Aktobe, Kostanay and other regions of Kazakhstan.

3.7 Pilot study

Since CSR has not been extensively investigated within the context of Kazakhstani SMEs, it was essential to conduct a pilot study in order to be able to identify and address all possible pitfalls prior the actual commencement of the

study. I anticipated revealing issues concerned with a divergence between CSR theory and local practice, and imperfection of my research design.

For the pilot study, I selected a company based on predefined criteria. First, the company had to be concerned with CSR. Second, a potential participant had to be accessible for repetitive discussions. Third, the manager/owner of the company had to possess some knowledge about CSR.

At the initial stage for sample selection, I considered an option of assessing firms' CSR involvement based on their actual expenditures associated with CSR. Theoretically, that would allow for a clearer classifying company as socially responsible. Nevertheless, the pilot study revealed that companies, especially that were registered in the form of sole-traders, often do not document their CSR spending in income statements. Second, because CSR is still an embryonic notion in Kazakhstan, not all respondents recognised a particular activity as CSR. As a result, their financial reports did not reflect the actual situation. In general, disclosure of CSR reporting in Kazakhstan is poorly represented and, for the abovementioned reasons, there has been little chance that the actual spending criteria would yield informative data. All this makes identifying CSR by relating it to the company's CSR spending hardly feasible.

I conducted a pilot study using in-depth unstructured interviews. This allowed for obtaining information that otherwise would have been left out had I opted for assessing the companies' numerical CSR spending. The information I obtained talking to people would not have been available from financial reports. A manager of company "1" pointed out:

> *"CSR is not seen as CSR by small businesses... reporting those practices is not really an issue for us simply because it does not give us any benefits, but rather requires more time to build those reports. There is a weak chance that other companies do. For such firms like us, it does not make any sense."* (R1)

However, the pilot study revealed that the flexibility of unstructured interviews might cause a problem. In particular, because I did not have a prepared interview structure, the discussion took an unplanned path, and, consequently failed to cover some necessary points. This encouraged me to reconsider interview

technique in favour of semi-structured design. I developed a discussion guide for semi-structured interviews in order to keep the conversation in line with the expected route.

Pilot focus group

I conducted a pilot focus group discussion with the manager of Company 1, as well as key employees and customers in order to extend the range of opinions about CSR practices in the company. Conducting a focus group for the pilot was convenient in terms of arrangements and allowed all managers, employees, and customers to be interviewed at the same time would not require conducting separate sessions. However, during the pilot study, I encountered certain obstacles related to the focus group technique. First, not all managers demonstrated a willingness to provide access to customers for extensive focus group discussions. Also, there was a very clear feeling after a pilot focus group that the reason for a business to do CSR is a sensitive topic. The manager did not feel comfortable to share the actual motivation in front of customers. Thus, my second concern was that the focus group might not give me a truthful answer about CSR motivators. It was evident that the participants were not as open as during face-to-face discussions. Thus, in order to capture the customer/local community perspective on SMEs' CSR, I had to single it out from the focus group and carry out a separate session. For this purpose, I conducted a survey.

Overall, after the pilot study, I identified certain pitfalls in the design of my study. In particular, the focus group technique was replaced by the separate sessions of interviews with managers, and employees, and a survey among customers. I also displaced unstructured interviews with semi-structured ones (the revised content of guidance is available in Appendix 2 "Discussion Guide for semi-structured interviews"). I found that the questions I asked during the pilot study were not sufficient for addressing my research questions. I was able to sharpen my interview questions so they were clear for respondents. This particular issue became apparent during the pilot after being asked to paraphrase questions and to make them sound less academic, especially the term CSR. Overall, the pilot study gave me an opportunity to work on the drawbacks related to the research design prior to the actual study.

3.8 Qualitative data collection

As a departing point for the qualitative stage of the research, I followed suggestions of Spence (1999), whose primary focus of study lies in the area of business ethics in SMEs. The author, taking account of Goss' (1991) and Holiday's (1995) arguments, recommends the exploratory approach because it enables building qualitatively-grounded knowledge on the phenomenon *from the small businesses perspective.* Such an approach is especially important for the question of CSR motivation. Unlike many studies, which explain why SMEs engage in CSR based on existing theories, I tried to look at the motivation from within the position of SMEs themselves. Goss (1991) recommends moving away from the 'homogenous' approach towards a more grounded exploration of SME in its social context. Likewise, Holiday (1995) argues against homogenisation. Quantitative research on small firms can disregard important peculiarities, which can be crucial for understanding the perspective of small businesses.

The limited studies on CSR in Kazakhstan have primarily used quantitative techniques (e.g. Baisakalova, 2014; Smirnova, 2012). The use of quantitative techniques such as surveys and close-ended questions fails to cover the range of individual perceptions, explanations, and interpretations regarding SMEs' CSR. By bringing in the qualitative component to my research, I aimed to capture a wider set of situations behind CSR and its motivation from the perspective of the main CSR actors - SMEs. Qualitative, rather than quantitative methodologies, are likely to be the most revealing technique in business ethics research in the context of SMEs (Spence L. , 1999). The author specifically recommends using case study design based on ethnographic and observational exploration, as these approaches allow for a sufficient degree of contextualisation of phenomenon in a particular setting. Overall, my methodological design is composed in accordance with what Spence (1999, p. 170) refers to as the '*coherent methodological approach'.* In the qualitative stage, with an emphasis on the exploratory approach, I attempt to understand CSR in the context of Kazakhstani SMEs and identify CSR issues from the *small companies perspective.* Adhering to suggestions of Spence (1999, p. 171) I zoom in on the following suggestions:

"We should be asking questions such as:… what are their [small firm's owners/managers] *characteristics, motivations and values and what might influence their actions? Where did they learn their values…? What are their priorities and what keeps them doing it?… What are perceived to be ethical issues relevant to the small firm?… Is 'ethics' a competitive selling point or cost?… Are things different in different cultures and regions and if so how?"* (Spence L. , 1999, p. 171).

Interview is the main and the most powerful data collection tool in social research. It is especially useful for investigating people's perceptions, definitions, meanings, and constructions of reality (Punch, 2005). Fontana & Frey (1994) suggest a three-type classification: structured, unstructured and semi-structured interviews. I made use of both unstructured and semi-structured designs. My justifications for using these two particular types of the interview are detailed in the following sections.

Overall, eleven interviews were conducted: an in-depth unstructured interview with the manager of the Company 1 (pilot study), a focus-group with the manager, employees, and customers of the Company 1 (pilot study), semi-structured interviews with six SMEs' managers/owners, two unstructured interviews with NGO professionals in a field of CSR in Kazakhstan, and one informal unstructured interview with employees of the Company 6. The interviews were organised with a focus on the following themes: the awareness of and attitude towards CSR, background information about a company and its CSR, motivation behind SMEs' CSR. A second set of questions was intended to discover managerial values and beliefs in attempt to highlight the motivation for undertaking CSR activities. Using interviews allowed for interactive exchange, which was necessary after the pilot study revealed that respondents might need a brief informal introduction of what I specifically mean by CSR. Oftentimes, a simple clarification allowed for more fruitful discussion. Unlike any other method, the interview is "joint production, a co-production" by researcher and interviewee (Wengraf, 2001, p. 3). A short summary on the qualitative data collection is represented in **Table 4** below:

Table 4 "Summary of Qualitative data collection"

Techniques	Participants
In-depth unstructured interviews (Pilot study)	Company 1
Focus group discussion (Pilot study)	Company 1
In-depth unstructured interviews	NGO 1 NGO 2
Semi-structured interviews	Company 1 Company 2 Company 3 Company 4 Company 5 Company 6
Unstructured (informal) interview with employees	Company 6

Source: Darmenova Y. (2019)

3.8.1 Semi-structured interviews with SMEs' managers

A semi-structured interview is an interview which has to be planned for, but its questions are only partially prepared in advance, therefore requiring improvisation by the researcher (Wengraf, 2001, p. 5). On the one hand, I wanted to capture as many insights as possible, which would imply using an unstructured interview to allow for a greater range. On the other hand, as the pilot study explicitly showed, using unstructured interviews would have had a higher risk of leaving important questions unaddressed if the researcher does not guide discussion even minimally. With regard to structured interviews, I anticipated that this option would not allow for sufficient depth because to compose 'right' interview structure, I must have expectations regarding CSR and its motivation in order to guide, but not lead, interview responses. I could perhaps take existing theories and studies and, based on them, compose questions for a structured interview. However, this would have ignored important contextual CSR peculiarities, which are the main focus of this research. Strictly predefined questions would have taken the conversation towards pre-designed and highly biased directions, focusing on what theories suggest instead of what happens in the local reality. Having weighted the advantages and disadvantages of different types of interviews, I chose the semi-structured method. It allowed for a degree of necessary structure to guide the discussion, while at the same time leaving a

degree of flexibility to ask questions prompted by real-time responses. Also, since this study includes multiple cases, an additional advantage of using the semi-structured design is better comparability of results since this interview type provides a certain standardisation of questions.

During the pilot study, I was able to map out the main CSR concerns from the perspective of SMEs for further elaboration. This provided a broad directory, which was later processed and translated into questions for the semi-structured interview for the main study.

The interviews were designed to reveal whether companies can clearly define CSR, associate it with the certain activities their businesses are undertaking, and the motivation behind their businesses' CSR engagement. All the respondents received the same questions in the same order. Prepared questions gave some control over the discussion flow while leaving some space for improvising follow-up questions. The interviews were designed in a way to capture the whole variety of ideas and positions of the respondents.

On average, each interview lasted approximately one hour and thirty minutes. They were originally conducted in the Russian language and later all transcribed data were translated from Russian to English. All interviews were conducted using Russian language for the reason that the absolute majority of the respondents, including those of Kazakh ethnicity, preferred to communicate in Russian. Even on those occasions when Kazakh language was preferred for the sake of referring to Kazakh traditions or terminology, Russian would still be used when providing explanation. The Russian language in Kazakhstan to date is officially used as a language of international communication, and on equal grounds along with the Kazakh language (The Constitution of the Republic of Kazakhstan, Article 7, amendments of 2019). It is important to point this out given that there are more than 120 ethnicities live in Kazakhstan, with about 40% of non-Kazakh ethnicity (Ministry of National Economy of the Republic of Kazakhstan: Statistics committee, 2009). Also, since the research sample was comprised of businesses located in the cities of Almaty and Astana, using Russian language was advantageous because the population majority of these cities in terms of business communication remains primarily Russian-speaking. Moreover, given that the majority of respondents were in their forties or older, they were educated in the Russian language during the Soviet times. This offers further explanation to the

linguistic peculiarity for why informants felt more comfortable using Russian to discuss Kazakhstani cultural and social heritage.

The logic chain of interviews was organised in a way to start from more general questions of perceptual character (e.g. understanding of CSR) to more specific questions such as "what motivates you to undertake CSR activities". The initial set of questions was developed mainly on the basis of the Pilot study results and analysis of existing literature in the field of CSR.

Why Managers/Owners?

Interviewing SMEs managers/owners regarding their CSR attitude and behaviour was the most appropriate option and of particular interest connected to the following methodological reasons:

First, in small companies, a manager/owner represents the position of the whole company, whereas in large firms, due to the size and a clear functional division, top management perspectives often differ from the view of the middle management and operational staff. SMEs' managers/owners should be in a stronger position to project and implement their ethical concerns onto business (CSR) decisions, unlike in larger companies, where, as suggested by Quinn (1997), managerial actions are mediated and constrained by imposed policies and established norms. In other words, unlike in large corporations where managers represent the individual level of analysis, the managerial position depicts the position of an entire company for SMEs. Besides, because SMEs' engagement in CSR is mainly driven by its owner/manager, managers are the primary source of reliable and competent information, as claimed by Baden et al. (2009, p. 439)

Finally, the decision to interview managers/owners was governed by the issue of credibility. Respondents had to be knowledgeable in order to supply competent information. SMEs' managers are the main and often the only CSR performers, whose vision and personal values significantly influence the path a firm takes concerning CSR, as discussed earlier (section 2.8). The managerial perspective provides primary data on the specific set of questions regarding the motivation behind CSR. In other words, only the managers can shed the light on the question of why small companies in Kazakhstan engage in CSR.

3.8.2 Unstructured in-depth interviews with NGOs

There have been two Kazakhstani NGOs with a record of active CSR-related projects and initiatives. Holding unstructured interviews with CSR experts was essential because I anticipated capturing as many points about CSR in Kazakhstan as possible to broaden my general understanding of the CSR setting in Kazakhstan. Due to the unstructured design of the interviews, the discussions were not anchored to specific questions, but centred on the problems and barriers for CSR popularisation in Kazakhstan. These interviews were particularly helpful in shaping my expectations regarding local CSR representation. I was provided with a view from a different angle about how CSR should be represented rather than what and how it is in reality. We discussed issues related to CSR practices in Kazakhstani businesses, which was a useful supplement. What I learnt from NGOs' experts helped me to revise my set of examples of certain CSR practices for interviews with company managers.

I contacted specialists in NGOs, who dealt with projects related to CSR in Kazakhstan and asked for a time after work and in an informal setting because I was interested in receiving more realistic reflection rather than an official position. Overall, as I further realised, NGO initiatives and perspectives are often based on conventional CSR knowledge, rather than on local reality. Yet these interviews were very helpful, revealing the precise discrepancy between conventional CSR and CSR on the ground.

3.9 Quantitative data collection

This section details the quantitative stage of the project, which dealt with collecting numerical data for the survey. First, it explains the structure of questionnaires, justifying why the certain design was preferred over a number of different options. Next, it continues with discussing content, providing a detailed explanation of the kinds of questions why, and in what particular order. Then, it describes specific procedures related to the distribution of questionnaires. Finally, it concludes with a brief survey's overview in numbers. Table 5 represents an outline of the quantitative data collection.

Table 5 "Outline of quantitative data collection"

Date	July – September 2017
Participants	The consent to survey companies' customers was discussed with six firms, out of which three agreed to participate: Company 1 (Almaty), Company 2 (Astana), Company 5 (Almaty)
Sample	Questionnaires were distributed among customers of the chosen companies. In total 300 questionnaires were distributed, out of which 224 filled forms were received back for analysis (above 75%).

Source: Darmenova Y. (2019)

3.9.1 Questionnaires design

I carried out a subsequent survey to explore CSR from an external (customers/local community) perspective because customers were representatives of the local society, allowing to account for both customer and local community attitudes.

The survey was conducted with the main purpose of verifying or disproving the non-economic nature of CSR, as it was established during interviews with managers. Inclusion of customers' perspective was important because if I ascribed non-economic motivation to companies based solely on the answers provided by companies' themselves, I would have run a high risk that companies might simply underestimate the economic potential of CSR (e.g. possible indirect benefits related to customers' loyalty).

Additional reasons for adding customer's perspectives was to address socially desirable/undesirable matters. As Krosnick & Presser emphasise (2009, p. 37): "*in pursuing goals in social interaction, people attempt to influence how others see them. Being viewed more favourably by others is likely to increase rewards…, which may motivate people not only to convey more favourable images of themselves than is warranted but possibly even to deceive themselves as well"*. People often tend to misreport in favour of a socially desired, rather than undesired direction. In my case, this meant that managers might not be willing to reveal actual CSR motivations (e.g. PR, higher financial returns). It would be difficult to distinguish true motivation from what was communicated. I used a combination of tools to "…'tease out' less self-serving information about the motivations for CSR activity…" as recommended by McWilliams et al. (2006, p. 9).

The potential risk of misreporting relates to the situations where respondents are asked to reveal personal information (names, contact details etc). Krosnick & Presser (2009) suggest ensuring anonymity of questionnaires in order to remove pressure associated with the possibility of being identified, thereby reducing the social desirability bias. I found out that positive attitudes towards CSR might also be regarded as socially desirable position. In accordance with the proposition of Krosnick & Presser (2009), I ensured the anonymity of the interviews and questionnaires to minimise the risks associated with the "social desirability bias".

Designing questionnaires, I intentionally used simple and familiar words as suggested by Marsden & Wright (2010). However, using some specific terminology, such as Corporate Social Responsibility, was sometimes unavoidable. To eliminate ambiguity and any misunderstanding concerned with unfamiliar business terminology, I put a short and simple reference to what constitutes CSR in each specific case at the beginning of each form. Thus, even those who could not conceptualise CSR might still participate in the survey. Questions were structured in a way so as to proceed from general to more specific points. Each questionnaire started with a brief introduction of the researcher and the research project. The content of questionnaires is available in the Appendices 3-5.

I consulted a number of sources discussing certain advantages and disadvantages in using open-ended vs. close-ended questions (Krosnick & Presser, 2009; Wilson C. , 2013; Edwards, Thomas, Rosenfeld, & Booth-Kewley, 1997). I chose the *close-ended design* for several reasons. First, because not all customers were familiar with the CSR concept, which meant that there would be not much involvement if they had to elaborate in writing on their understanding and attitude. Secondly, writing a narrative answer requires more time and effort as opposed to ticking a box. Finally, I had to take into account managers' concerns regarding the content and the length of questionnaires. Managers consistently advised that the latter had to be fast and easy to answer. In addition, there were other benefits of using the close-ended design summarised by Edwards et al. (1997, p. 25): they are easy to code and interpret, they restrict the range of answers to those which are pertinent to the aims of the survey, they offer the same options to every respondent allowing for stronger reliability of findings

interpretation, and, finally and most importantly, they ensure comparability of the findings.

3.9.2 Questionnaire content

The questionnaires consisted of seven questions and thematically focused on the following issues: CSR awareness, attitude towards CSR, customers'/society expectations regarding CSR, and potential financial returns. The first question: *1) "Are you aware of the meaning of CSR?"* was raised with the purpose forming a baseline comprehension regarding society's general awareness of CSR. That is, do people know the meaning of CSR? The second question: *2) "did you know that the company provides free meals for WW2 veterans/donates to local nursery?"* addressed my uncertainty regarding whether company's CSR initiative was actually known to customers (i.e. could SMEs use it as PR tool)?. The third question: *3) "Is it important to you that the company has this CSR initiative?"* relates to the attitude of customers/local society towards CSR. Does it matter to people? This question would shed light on whether CSR is seen as desirable by the local community in general. Because it can be arguable that sometimes what one desires can be different from what he/she realistically expects, the additional question was posed to discover whether or not local society expects that companies should be CSR active: *4) "Do you expect that companies should take such sort of initiatives?"* The following two questions: *5) "When choosing a café/service company, your main concern is the company's CSR activity, quality or price?"* and *6) "Do you prefer the company to other cafes/service companies in the area because of company's CSR activity, quality or price?"* had to link/unlink companies' CSR with any actual benefit associated with customers' choice and as a result higher financial returns. These two similar questions were intentionally reiterated to reinforce the reliability of answers, because the businesses' motivation was one of the major focuses of the survey. The final question: *7) "Would you consider paying more for socially responsible company's services?"* I asked in order to reveal potential economic capacity of CSR. In other words, to forecast how likely it is that CSR (even if not immediately) may provide future benefits.

Since the results of the survey may be influenced not only by the wording, but also by the sequence in which the questions are asked, it is essential to understand why the questions were put in a particular order. Altering the order of

questions may result in changing the weight respondents ascribe to certain factors based on what is available to the respondent at the time of the question (Krosnick & Presser, 2009, p. 51). For example, it was reasonable to forecast that the answer to the question *4) Do you expect that companies should take such sort of initiatives?* could be potentially affected by whether it came before or after the question *7) "Would you consider paying more for socially responsible company's services?"* This may have arisen because one who is not willing to pay for CSR is not supposed to have expectations, and, therefore, might be pushed by conventional logic towards the 'right' answer. However, it was crucial to address both questions separately, breaking the sort of interdependence and bias and to avoid an automatic answer. That is why the questions were put separately.

3.9.3 Questionnaires procedures

The questionnaires were written in Russian language and later translated into English by myself. I negotiated the content of questionnaires with the businesses' managers/owners. After several adjustments, I ended up with seven questions tailored to the business's specifications and their CSR practices. Initially, the opportunity to distribute questionnaires was negotiated with all six companies. However, only three of them agreed to assist and participate: companies 1, 2, and 5 (two cafes and the computer service company). The corner shops refused to take part in questionnaires for certain reasons concerned with feasibility issues. Unlike in the café or computer service, customers of corner-shop usually do not spend more than ten minutes on average in the shop. As managers pointed out, that would result in unwanted congestions because the layout of the shops would not allow people to stop and fill the questionnaires. The situation was different for the cafes and computer service shop in terms of wait times. In the cafes, a usual waiting time is fifteen minutes in average; at the computer service it averaged about twenty minutes. This allowed for an opportunity to get the questionnaires filled without requiring additional time. It made it more reasonable to expect an adequate response rate from the cafes' and computer service customers.

In the cafes, the forms with pencils were left at the tables together with menus. The staff additionally informed customers about the survey being conducted and asked them to fill the forms. In the computer repair shop, the

questionnaires were given to customers when they were waiting to be served or at the till. This seemingly simple strategy was planned thoroughly and adjusted several times with the aid of managers, ultimately producing a high response rate. Managers provided precise information regarding the numbers of customers, which allowed me to estimate how many responses I could potentially receive within a given timeframe. Due to the nature of the businesses' market and clientele, customers typically would not come every day, but two-three times a month. For this reason, the questionnaires were left in the companies for four weeks.

Thus, the questionnaires were distributed among the majority of the company's active customers, ensuring a high degree of representativeness. The overall response rate was about 75%. There were 224 completed forms out of 300 distributed. Table 6 below represents a breakdown of responses among three participating companies.

Table 6 "Responses rate"

Company	Number of questionnaires distributed	Number of responses received	Response rate (%)
Company 1	100	89	89
Company 2	80	61	76
Company 5	120	74	61
Total:	**300**	**224**	**75** **(average rate)**

Source: Darmenova Y. (2019)

3.10 Fieldwork Arrangements

First, a draft of the proposal for participation in the project was sketched and informally discussed with the manager of the Company 1. After all necessary corrections, my propositions were negotiated with other prospective participants. The proposal offered a short report on findings for those who were interested, in exchange for participation in the project. The full form of the proposal is available in Appendix 1 "Introductory letter to organisations". Overall, the invitation for

participation was offered to seven companies, out of which six companies stayed in contact for further participation.

I visited Kazakhstan on numerous occasions during my PhD course. I undertook twelve-week fieldwork trips to Almaty and Astana in the summers of 2016, 2017, and 2018. Overall, eleven formal and informal interviews with managers, employees, and CSR professionals were conducted and three sets of questionnaires were distributed among customers of companies 1, 2 and 5. The reason I divided my fieldwork into several pieces was that I wanted to leave enough time for reflection and for revision of obtained data to ensure that my research questions were sufficiently addressed.

There were several minor challenges during my data collection. First, although the majority of respondents permitted recording, I realised that this heavily affected the level of their openness. To overcome this obstacle, I opted for taking manual notes during interviews. However, this was not always possible to keep concentrated and involved and write at the same time. I tried to write down as many details as possible and to write more thoroughly immediately after the interview in order to not to miss any bit of information.

3.11 Data analysis

Data collection was performed in two subsequent stages: qualitative (interviews) and quantitative (survey); the data analysis was divided respectively.

For qualitative data analysis, I used a number of techniques including, but not limited to *coding, memoing,* and *thematic analysis. Coding* is "efficient data labelling and data-retrieval device" (Miles & Huberman, 1994, p. 65). Following recommendations of Miles & Huberman (1994) I created a list of preliminary codes before the fieldwork commencement in order to connect my data directly to questions and conceptual queries. I kept readjusting my coding system inductively in line with my fieldwork progress, complementing the existing list with more empirically driven labels. Coding was an on-going exercise performed throughout the data gathering process. In addition to coding, I found it helpful to briefly write up the main ideas over the codes (*memoing*). This typically consisted of a few sentences or a paragraph. Miles & Huberman (1994, p. 72) suggested that memoing is the "one of the most useful and powerful sense-making tools at hand". Indeed, memos, in addition to reporting data, tie scattered fragments of data into

recognisable clusters. This facilitates making connections of those clusters with the concepts under investigation. At the later stage of qualitative data analysis, I several times read all interview transcripts with the purpose of *identifying themes* across discussions on CSR and its motivation. Some of the 'scrutiny techniques' suggested by Ryan & Bernard (2003) I found specifically useful for the themes identification process. In particular, I looked for repetitions (topics that reoccur) in the texts, and metaphors and analogies (e.g. "*it is in our blood", "being white is my CSR"*). These were signposts indicating what the informant wanted to emphasise. Through such analyses, I devised a list of new insights related to CSR conceptualisation and motivating factors to contribute to the existing body of contextual CSR knowledge. Details of the thematic categorisation are represented in Table 10. The themes identification exercise yielded the inclusion of four concomitant themes (see section 5.4 Concomitant themes) beyond the key research directions. However, they became highly relevant to the focus of my study. The results of this thematic classification task resulted in inclusion of some additional elements in this thesis, emerging only after empirical data had been analysed.

Although the sample of this study consisted of only six companies, it produced sixty pages of transcripts, requiring a significant amount of time to extract, reduce, and assess raw data. To transpose Carroll's CSR pyramid in a local context for domain prioritisation, I converted qualitative data to numbers. It was essential for avoiding pitfalls arising from inaccurate interpretation or minor reporting errors resulting in a different order of CSR domains. By adopting the format of *Likert Scale*, I was able to translate attitudinal perspectives (about four CSR domains) into numbers, to enhance the precision of interpretation. The content analysis revealed certain patterns in CSR motivation in the context of local SMEs, which allowed for synthesising individual views into a contextual model.

For quantitative data assessment I performed *descriptive analysis,* on the variable-by-variable basis (Punch, 2005). This type of analysis helped to make sense of a large amount of data, which facilitated comparison across units and cases. Descriptive statistic techniques allowed me to process raw numbers into usable forms. Bernstein & Bernstein (1999) suggested this technique as a powerful tool for collecting, organising, summarising, and presenting numerical data.

3.12 Limitations

This study has certain limitations, which have paved the way for further research. Although I attempted to produce a comprehensive, in-depth analysis regarding the state of CSR in the specified context, several factors restricted the conclusions. This section acknowledges delimitations related to the project, which can be drawn as follow:

First of all, I investigated the attitudinal CSR issue using interviews, which might encounter an element of bias. Typically, when respondents are asked about their attitudes towards such issues as CSR, they naturally have intrinsic desire to appear more concerned, and, thereby, endeavour to provide socially desirable answers instead of truthful ones. This might be especially true in the case of managers and CSR experts, hoping to appear more committed. There was a risk that information provided by managers regarding their CSR motivation might be overstated and simply answering questions does not necessarily indicate the same attitude. Also, conducting interviews presents the concern that a researcher's subjective interpretation will influence the outcome of the data analysis. To minimise these risks, I complemented my research with a quantitative survey, where I attempted to address sensitive issues such as the motivation behind company' CSR from an external perspective. In particular, in addition to managers, I examined the customers perspectives on the potential attractiveness of CSR, which could result in a higher financial return for SMEs.

Second, due to the strict time limitations, the research is restricted to organisations located in Almaty and Astana. I did not intend to statistically generalise my findings to entire Kazakhstan nor to all SMEs. I limited my project to firms involved in CSR and that were available for inclusion, yet this still allowed for a degree of analytical generalisation.

Next, I attempted to investigate CSR and its motivation based on the responses of participants who were in their late forties and older. They grew up before the Soviet Union collapse and, because their beliefs and attitudes were shaped under relatively similar conditions, it was expected that they were more likely to demonstrate characteristics, or the cultural inheritance, of the Soviet corporate culture. In other words, research participants of this demographic would hold beliefs that would differ from those of the younger generation. People born after 1991 (USSR collapse), may have different predispositions, such as being more

accepting of Westernised values. As a result, the businesses they run may more closely resemble that of a foreign corporate culture. If a similar study would have been conducted among companies with managers aged twenty to thirty, it may not have highlighted the impact(s) of the Soviet legacy on present-day business practices of SMEs in Kazakhstan. I presumed that this would result in a different insight into the company-community relationship and motivation behind businesses' CSR. Thus, it is necessary for future research to sample different demographics within the Kazakhstani population to explore understandings of CSR and CSR motivations according to different age cohorts.

Also, my findings have been based on the opinions of a particular group of respondents (SMEs owners/managers, customers, NGOs) who do not represent the expectations of the wider society and other stakeholders (e.g. government, media, etc.).

My findings did not reveal a strong reference to political factors. SMEs appeared to be less politicised compared to major corporations with the presence of a state agency being minimal in the case of small companies. Therefore, it is important for the future research to address the role of the state in relation to CSR and how certain political factors may influence the way CSR is shaped and practiced in Kazakhstani businesses.

Furthermore, given the strict constraints related to the size of the thesis, I was not able to discuss the importance of the geographical location. However, this consideration needs to be acknowledged as it may influence the way CSR is shaped. Because Kazakhstan is geographically positioned between China and Russia, they may have a certain impact on the political and economic culture of Kazakhstan. Moreover, they have been the main economic partners of Kazakhstan. Since Kazakhstani economic, political, and cultural contexts differ considerably from the ones of Russia and China, the effect of business culture dissemination might be clearly observable. In particular, I would assume that there might be certain requirements imposed on local CSR standards in instances where Kazakh companies are dealing with foreign partners. Therefore, it would be logical to expect that Kazakhstani CSR may display Chinese and/or Russian characteristics.

Finally, the limited number of companies available for this investigation may result in a lack of generalisability of the presented findings. Justified conclusions regarding the state of CSR in Kazakhstani SMEs for several companies

may not necessarily refer to the majority of SMEs in Kazakhstan. For the aforementioned reasons, the possibility of generalising findings to the entire case of Kazakhstani SMEs might be somehow restricted.

Given all limitations stated above, I do not claim to produce an entirely representative portrait of the SMEs' CSR for the whole of Kazakhstan. Instead, this work intends to offer a better understanding of the real-life CSR event in the context of small businesses in Kazakhstan, acknowledging contextual peculiarities and highlighting the importance of more contextualised research on CSR in general.

3.13 Ethical considerations

When conducting a study, a researcher always has a responsibility to conduct an investigation with respect to the interests of participants (Wilson J. , 2010). Ethical concerns are an issue, which I have carefully considered from the beginning because this research is concerned with individual participants. In particular, I addressed issues including, but not limited to:

- Recruitment and informed consent – I carefully provided all participants with details regarding research objectives and ensured the willingness of participants to take part in the study.

- Anonymity – an option to remain unidentified was negotiated with respondents before data collection commencement. The majority of respondents required that presented opinions remain anonymous, ensuring that neither the names of individuals nor companies were cited. To address this aspect, I referred to the participants using pseudonyms: Company/Respondent 1, 2, 3, 4, 5, 6. Anonymity assured participants' identity protection by means of addressing participants by false names.

Summary

This research used a mixed-method approach to investigate the real-life CSR event in a context of Kazakhstani SMEs. The study was carried out in the form of a multiple case study by using a variety of research tools. In particular, I conducted unstructured and semi-structured interviews with NGO representatives and SMEs managers, respectively. I also carried out a survey to address the perception of CSR and its motivators from different perspectives (customers/local

community). Qualitative methods allowed me to explore the phenomenon by examining the experiences of individual cases while quantitative methods helped extend findings to a broader setting.

This research did not aim for establishing a scope of CSR acceptance and popularity in Kazakhstani businesses or for generalising the findings statistically to the entire population of Kazakhstani SMEs. Yet, the analytical generalisation of the findings offered a reasonable degree of precision. I neither aimed to stress how widely CSR is represented in Kazakhstani SMEs, nor did I want to claim that my findings were representative of the whole of SMEs in Kazakhstan. On the contrary, I understand that CSR, as a concept, is very new notion for Kazakhstani business. This is clearly demonstrated by the scarce number of studies on Kazakhstani CSR, and the cases I chose do not prove that all Kazakhstani SMEs are socially responsible. However, my contention is that in those cases where CSR exists, it should be studied through the lens of the local understandings rather than according to conventional knowledge.

CHAPTER 4. CONTEXTUALISATION: EVOLUTION OF CSR PRECURSORS

"Just as children are born into a world of already-socialized adults, similarly, organisations are established in societies that are already institutionalized" (Schneiberg & Clemens, 2006, p. 217). The behaviour of actors, whether an individual or groups, is conditioned by higher-order contextual factors. If individual actions are derived from a cultural-dependent system, then social science research must inquire into the cultural and historical factors comprising that system. Therefore, tracing the cultural prerequisites and history of CSR may explain how and why companies are motivated to adopt the concept of CSR.

I followed the approach suggested by Örtenblad (2016), who stresses that CSR research should try to avoid the "not invented here" syndrome. This is achieved by looking at CSR through the prism of contextual factors such as history, social norms, customs, culture, religion, geography, political structures, level of economic development and civil society institutions. Moreover, the author points out that these factors can be more or less relevant and the degree of their importance will vary depending on the context (Örtenblad, 2016, p. 33). The findings from this research correlate with Örtenblad's suggestion in terms of different relativity of abovementioned factors. For example, such factors as a political system and the level of economic development significantly affect the way in which large corporations practice CSR. However, these considerations appeared to be less relevant for understanding CSR in small businesses in Kazakhstan. During fieldwork, it became evident that small businesses in Kazakhstan are less politicised. As a result, government promotions of CSR do not affect the way in which SMEs perceive and practice CSR. The companies examined in this research made responsible business choices for a variety of differing reasons which I discuss in the CHAPTER 5 (FINDINGS AND DISCUSSIONS). From the results of this pilot study, the most influential factors were highlighted to act as magnifying glasses for the further detailed analysis. In particular the historical, cultural and religious background of CSR in Kazakhstan was considered. Moreover, this research situated the argument that culture and history are interconnected by virtue of heredity to examine this relationship through the prism of CSR.

4.1 Historical context: evolution of CSR precursors

"All new is just well forgotten old"[9]

I provide this proverb, translated from Russian, which was recited by one of the respondents, as an epigraph for this section as succinctly it directs the reader to the overarching ideas of the following section.

This part of the thesis addresses the question of 'recent CSR occurrence' in the developing world, specifically Kazakhstan. With CSR entering into Kazakhstani discourse in recent years, what was the nature of socially responsible practices in business enterprises previously? If the discourse just arrived recently in Kazakhstan, does this imply that enterprises in Kazakhstan were previously socially irresponsible or unaware of social responsibility issues? Did CSR occur in Kazakhstan out of a vacuum? Was CSR brought to Kazakhstan from outside or were there certain precursors that enabled a greater interplay between the evolution of vernacular ideas with modernity rather than a mere import?

There is a widespread vision in relation to CSR, particularly with reference to developing and transitioning countries that such business-society relations did not exist before shifting to a free market economy. In a setting where local companies may not be accustomed to socially responsible business' conduct, there may be little incentive or established regulatory mechanism to motivate businesses to engage in CSR. Conventional wisdom suggests that the inception of CSR in former USSR republics stems from MNCs, which export a 'tradition' of socially responsible behaviour and a commitment for business to address societal concerns. Is such interpretation actually correct? How does this assertion depict the reality of CSR development in Kazakhstan?

Koleva et al. (2010), posits that in former socialist countries CSR is not driven by MNOs but such responsible practice towards the local community was in place during the Soviet era and survived transition. Visser (2008, pp. 480-481) in his research goes even further suggesting that "CSR in developing countries draws strongly on deep-rooted indigenous cultural traditions of philanthropy… and community embeddedness… some of these traditions go back to ancient times". Indeed, there is ample evidence that CSR is not simply an attribute of the level of

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[9] *All new is just well forgotten old* - folk proverb translated from Russian; original "Все новое – это хорошо забытое старое."

economic development. Rather, it is a complex reflection of the respective local social norms and moral principles. For example, Logsdon et al. (2006) reject the myth that CSR in Mexico is a new and imported practice that reflects business patterns in the USA. Instead, the authors contend that CSR is more of a representation of political and social history merged with modern reality. Similarly, Visser & McIntosh (1998) recall that respective moral principles of business conduct in many developing countries are closely connected to religions, such as Hinduism, Buddhism, Islam, and Christianity. Therefore, CSR can be seen as dating back to the ancient times. This is consistent with Frynas (2006, p. 17), who specifies that "business practices based on moral principles were advocated by the Indian statesman and philosopher Kautilya in the 4th century BC... The Motives of CSR may have a peculiar local flavour in emerging economies today". Gary Becker (1993, p. 386), who received the Nobel Prize for extending the microeconomic analysis to human (including nonmarket) behaviour, defines people's behaviour as forward-looking and consistent over time. He further stresses that *"forward-looking behaviour, however, may still be rooted in the past, for the past can exert a long shadow on attitudes and values"*. From this perspective and to better understand how CSR has evolved, it is necessary to consider and understand the history of the context in which the modern phenomenon of CSR has emerged.

I argue that the unique historical (evolutionary) path by large shaped the understanding and the form of modern CSR in the local Kazakhstani context. This research traces the early roots of CSR notion to pre-Soviet times when social relations were regulated by norms, traditions, and customs, which closely correspond to the main principles of modern CSR. Some examples of these traditions and customs include *'Asar', 'Zeket', 'Koghendik'* but will be detailed in the following sections. During the Soviet period, principles of social responsibility were deeply embedded in many spheres of Soviet regulations. In a Communist setting, in the absence of private ownership and business activity, the understanding of business practices (including CSR), has a very different conceptual starting point compared to countries with a longer institutional history for establishing and developing free markets. Another significant chapter in the history of Kazakhstan is the transition era, which is often referred to as the "wild 90's"; it is characterised by Kazakhstan's transition to the modern era.

Kazakhstani CSR, in terms of its emergence, is a very specific case, which was moulded within a context of wider political, cultural and economic upheaval. Kazakhstani CSR perhaps like no other country, is a fusion of Kazakh traditional values with recent communistic beliefs, and transitional legacy. This unique historical context of modern Kazakhstan unfolds the emergence and development of the local CSR concept and explains why CSR, as well as its perception and motivation, are so different from Western understandings.

I intentionally do not refer to any specific date to construct a threshold of CSR in Kazakhstan because I do not want to claim that CSR either was 'invented' in Kazakhstan or that it began at a precise date. Instead, I suggest that looking at the historical beginnings and continuity of CSR in Kazakhstan in its various evolutionary forms is more meaningful. I argue that it does not necessarily have to start or stop at a particular moment. Halme et al. argue that since a context is interwoven with history, "*no account of CR* [Corporate Responsibility] *could be complete without a strong reflection on historical developments and the dynamics in the relationship between business and society*..." (Halme, Room, & Dobers, 2009, p. 3). What this research engages with is how the core principles of proto-idea of modern CSR evolved in Kazakhstani context. In this chapter, l identify and discuss the key elements of local social norms, which have existed in Kazakhstan, that signify an 'early CSR' emergence. I then trace how they evolved under the effect of pre-soviet, Soviet, and transitional legacies. I argue that the way in which today's' CSR is perceived, and the motivation behind SMEs' CSR are strongly influenced by Kazakhstan's specific history.

4.1.1 Pre-soviet legacy

In this section, I describe the pre-Soviet, nomadic context of Kazakhstan within which the Kazakhstani CSR proto-type began to take root. Sovietisation of Kazakh culture happened on a ground of "pastoral nomadic civilisation". To introduce the context of pre-soviet Kazakh society and culture (how the nomadic society functioned, how the life of an individual and his/her social relations were organised), I will mainly draw upon the work of prominent Kazakhstani ethnographer, Masanov (1995), who provides a very detailed account of life cycle support mechanisms in nomadic societies.

Referring CSR, the seemingly modern business concept of CSR will be situated in the nomadic past to consider: is the very idea of CSR actually new? 'Business,' from general understanding, is work related to production, selling or exchanging of products or services. The origin of the word 'corporation' comes from the Late Latin, *corporation(n-),* which means 'combine in one body' (Oxford Dictionary of English (3 ed.), 2010). 'Corporation', 'organisation' or 'firm', terms that are used interchangeably in CSR literature, in reality, represent a group of people working towards shared interests and aims. From this perspective, CSR is first concerned with individuals and the relationship of the individual with other people in the process of production, allocation and consumption of the resources. Moreover, because in the case of small businesses CSR is effectively a relationship between business (run by individuals) and society, it becomes crucial to understand what kind of context shapes both individuals and society and what kind of expectations society can have towards individuals and vice-versa. For this section, the idea of social responsibility will be considered at the individual level, in order to understand how the proto-idea of CSR emerged and in which particular setting, because in effect responsibility is not what company but individuals feel towards other people.

Social structures; significance of family ties, communes, and kinship solidarity

In pre-soviet Kazakhstan, genealogical kindred played a profound role in the social life of nomads. In particular, it influenced the positioning of individuals within the society and regulated their relationships with one another (Masanov N., 1995). One specific reason, highlighting the matter of kindred relationship was extremely important is that no individual was capable of neither providing nor producing sufficient food and living essentials to survive in the rough steppe conditions. As a result, it became necessary to form larger communes to work collectively to secure minimum subsistence (Masanov, N., Abylkhozhin, Zh., Erofeeva, I., Alekseenko, A. & Baratova, G., 2000).

People formed communes on the basis of a kindred relationship (Shakhmatov sited in Masanov, 1995). Tolybekov (sited in Masanov, 1995) looked at the blood kindred more specifically. He considered nomadic communes as the

unions of *auls*[10], clans, and tribes. *"Commune is a life of a group of people and not just alongside but together. And this multitude… has a live interaction, transforming from 'I' to 'You'. Commune is where the unity occurs"* (Buber sited in Masanov, 1995, p. 134). An important aspect of this group organisation is that it emphasises not merely collectiveness, but the group's unity. All the members of nomad communes participated in the production processes and other community activities based on the *traditional principles of mutual help* (Masanov N., 1995, p. 136). The author refers a Kazakh nomadic commune as to a well-organised micro-society, microcosm, a well-thought-out system of collective self-sustaining, resource allocation, and consumption. A well-developed tribal organisation in a commune is one of the main attributes of nomadic society. It is characterised by a group of hierarchically organised, patronymic groups that are closely interrelated through a common genealogical tree. Bacon asserts that: *"the Kazaks had a tradition of descent from a single primogenitor and a tribal genealogical tree… the Kazaks cherished their tribal genealogies, suggesting a strong cultural drive among the nineteenth-century Turko-Mongol Kazaks as among the medieval Mongols to fit all groups of their people into a neat genealogical framework…"* (1958, pp. 67-68). The genealogical tree was built according to a vertical patronymic line, which had considerable depth, tracing 20 and sometimes more generations. As it was constituted in the *'traditional law of Kazakhs',* kinship is considered as far back as 40 generations (Grodekov, 1889, cited in Masanov N., 1995, p. 146). Masanov articulates that the main reason for the predominance of the genealogical kinship rule among nomads was the existence of a vertical (from elder to younger) principle of information and property transmission. This meant it was very difficult for an individual to independently gather property and/or knowledge in the course of their life. In turn, this ancestral property and knowledge was saved, accumulated, and augmented for future generations. In other words, maintaining a nomadic pastoral lifestyle only became possible in a group and on the basis of inherited property (livestock and other belongings) and knowledge. This explains why seniority[11] was one of the most important criterion of status. Overall,

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[10] *Aul* is a Kazakh nomadic camp (a village in modern days).

[11] The importance of seniority aspect up to date is very well preserved in a modern Kazakh society; seniors are always respected and honoured, they always have priority even in the routine life, be it allocation of sits at the feast or the right to speak or be served first.

genealogical kinship was crucial for the positioning of an individual within the society.

An individual's kind of belonging within a patronymic family defined his/her social status, position in the society, and regulated their relationship with other society members. "The one excluded from a group of relatives was completely deprived of his rights…" (Masanov N., 1995, p. 148). Such a system of social relations, thus, could enrich or deprive an individual of rights, power, and respect. Within such family groups, an individual would socialise and learn norms and rules of the traditional culture. Another important issue of belonging to a particular group, besides a status, was the issue of *solidarity, collective guarantees, and mutual responsibility*. Members of the patrilineal kin group were bound together by ties of *reciprocal responsibilities* (Bacon, 1958). Such kind of *collective responsibility* implied that the responsibility of a group's members lay with that group's relatives to provide vendetta, protection, debts and material support (Grodekov, 1889, cited in Masanov, 1995). The settlement on all disputable problems, arbitration, also took place within the patronymic kinship group of 6-7 generations. Thus, all issues related to the daily life of nomads were regulated within the kinship group. Such patronymic groups are often referred to as to 'clans' or 'tribes'. "*Protection, patronage, mutual help and care* were the main principles of such clans" (Vladimirtsov 1934, cited in Masanov N., 1995, p. 153).

Property

The main property for nomads was livestock, which could de-jure belong to an individual. In reality, however, it was reallocated continuously among relatives, from father to children and so on. This practice/tradition did not allow for a concentration of wealth in one hand. Lands were regarded as a communal property with each member of the group possessing rights of ownership to the land. Cooperation was inevitable for pastoral nomads because of an insufficient number of individually owned livestock for reproducing and maintaining herd numbers. Moreover, there were many labour-intensive tasks that could not be fulfilled individually. In such situations, the call for "*asar*" [12] entailed that the task be performed by collective efforts.

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[12] '*Asar*' – call for help of a commune

It was very common that to make felt for example, *"a woman usually invited all women from the extended family, commune, to do it collectively, after that she would usually treat them with some food – such calls happen every time"* (Bronevskiĭ 1830, cited in Masanov 1995, p. 196). A necessity for such sort of cooperation made individuals highly dependent on the group. The collective exploitation and constant reallocation of the resources prevented any social stratification. In a sense, this became a mechanism of natural equilibration (Bonte, 1978, cited in Masanov, 1995). As a result, nomadic societies were generally undifferentiated, egalitarian, and equal in rights societies (Brown R., 1998, p. 915).

Summary

The adaptation of humans to a nomadic way of life resulted in the formation of a specified nomadic cultural setting, oriented towards *collective responsibility* and the *priority of communal over individual* beliefs and interests: *"Nomadic way of life created a distinctive type of people"* (Slovookhotov, 1905, cited in Masanov, p. 241). Masanov (1995) stresses that nomads explicitly opposed the culture, system of values and understanding of wealth to the ones of sedentary people. Fundamentally, the idea of material wealth accumulation in one hand did not have much sense for nomadic Kazakhs of that time. The author cited words of Kasym-Khan[13] from late medieval time, which, according to Masanov's opinion, underlined the set of beliefs and attitudes of nomadic Kazakhs towards the accumulation of material wealth: *"We are the steppe people, we possess neither any luxurious things nor expensive goods. Our wealth is our horses; they are our food and our clothes…"* (Masanov, 1995, p. 246).

This section discussed the characteristics of nomadic societies and how associated value system evolved from particular environmental conditions. Collectivist cultural traits, such as collective responsibility and collective ownership, together with the rejection of the idea of material wealth accumulation, perhaps formed the basis for collective social responsibility to occur and flourish.

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[13] Kasym-Khan – the fourth Khan of Kazakhs Khanate from about 1511 to 1521

4.1.2 Soviet legacy

The occurrence of CSR notion in post-communist countries did not happen in the vacuum, but instead was built upon socially responsible practices 'inherited' from the Soviet system. This produced a specific hybrid of CSR which integrated 'old' (endogenous) and modern (exogenous) standards of socially responsible conduct (Koleva, Rodet-Kroichvili, David, & Marasova, 2010; Stoian & Zaharia, 2012).

In fact there is no irrefutable evidence provided to the question of where the ideology of CSR originates. Whether CSR is actually a capitalist doctrine or may have socialist origins (as implied by the presence of the word 'social' in its name), is questioned by Idowu (2012, p. 239).

In Kazakhstan, the beginnings of social responsibility traditions can be seen in following nomadic cultural orientations (mutual help and responsibility, a priority of collective over individual interests) to consider how they evolved during Soviet times. Soviet state control and the system of the planned economy took responsibility for providing public goods and social care (World Trade Organization, 2012). According to the principles of central planning, entities operated at the centrally planned rate of efficiency and were not tasked with maximising profits. Instead, the primary goal was to accomplish the planned economic tasks. However, concerns went far beyond production functions and profit interests: Soviet corporations played a central role in addressing the needs of the society. In other words, unlike privatised firms in a free market, which are mainly concerned with maximising profits and try to eliminate societal concerns (because that is a responsibility of state), Soviet enterprises were more devoted to ensuring public welfare. The idea of social responsibility, therefore, was incorporated in the core of any business operation. Corporations together with the government were responsible for addressing all major societal concerns, such as housing, childcare, schools, higher education, healthcare, summer camps, sanatoriums, sport and facility construction. Soviet corporate culture nurtured the sense of belonging among its workers. This strongly correlates with the responses, which I obtained during a discussion on what motivated companies to engage in CSR. Some respondents clearly related their CSR understanding to the Soviet past with a distinct nostalgia:

"…to me this is just a natural continuity back from those days…" (R1)

Kazakhstani companies described their community concerns as a motivation that is not new, but which has rather always existed since the Soviet times:

> *"… You are just using very foreign words - CSR … but actually, if you think about what was in the Soviet times, this was not any different. I would even say that the scale of these social things was much broader, but it was not called CSR, it was just a standard… Providing care for your workers, community etc. was a standard… We just did not fully appreciate that because we thought that is how it has to be…* (R3)

Another respondent referred to the local proverb with an intention to stress that novelty of CSR concept is arguable:

> *"…No wonder then that people say: 'All new is just well forgotten old'"…* (R2)

There is clear evidence from the interviews suggesting that businesses do not perceive CSR as an imported modern idea, but instead, consider it as a natural continuity of 'Soviet traditions'. Soviet antecedents, apparent in paternalistic attitudes to business-community relations, often act in unison with CSR philanthropic aspects. However, the responsibility of addressing societal needs is transferred from the state to businesses.

4.1.3 Transitional legacy

Kazakhstani business culture, as well as CSR, evolved as a result of the interplay of post-socialist cultural and political factors and inflow of the Western business concepts. The transitional period, which started after the collapse of the USSR in 1991, witnessed a shift from a centralised, planned economy to a modern free market economy. The rapid shift was a tremendous transformation on all levels and directions of politics, economy, culture, mentality, values and beliefs. Immediately after the fall of the Soviet Union, privatised businesses removed

concerns such as social responsibility, putting mere profit maximisation at the focus.

There also was a dramatic shift to the other extreme with business culture of the transitional period often referred as to the business of the 'wild 90's', or 'wild market'. Given volatile operating conditions, businesses could not develop long-term planning. In many cases, the immediate economic benefit by any means became not just important but the only priority for businesses. The inflation rate in Kazakhstan in 1992 reached 3061 per cent (Ministry of National Economy of the Republic of Kazakhstan; Committee on Statistics, 2001). The conditions of the transition period produced an ideological vacuum, characterised by 'responsibility evasion', or 'responsibility shift.' Issues related to social responsibility were put aside and ascribed to the liability of the state.

The transition era in most post-Soviet states is usually described in terms of the rise of corruption, tax evasion, a growing shadow economy and other problems associated with the state inspection system fallibility. Total distrust and violation of the legal rules became commonplace. András & Rajcsányi-Molnár (2015) pointed out that such problems might be regrettably referred to those companies that otherwise had commendable CSR practices. "The norm has become the disregard of norms" (András & Rajcsányi-Molnár, 2015, p. 8) which underlies the distrust towards businesses. As a result, the Soviet business etiquette was displaced by the idea of immediate wealth acquisition. Rare individuals and firms could resist the temptation of getting rich 'easily'. In such conditions of 'unrule of law', which overshadowed the early transitional period, CSR would not mean going beyond but instead staying in compliance with the law (Kuznetsov, Kuznetsova, & Warren, 2009; Crotty, 2016; Jamali & Mirshak, 2007). Such economic and political recession set former Soviet Union republics back relative to advanced economies. The depression in CIS countries and Kazakhstan in specific lasted for a decade (Svejnar, 2002).

Later in the 2000s, together with the influx of foreign capital and business ideas, CSR became a fashionable movement for large corporations and an emblem associated with advanced Western business patterns. Large corporations looking for access to new foreign capitals were gradually becoming more concerned with CSR issues. Companies would compete on the basis of how reliable and trustworthy their images appeared to foreign investors. In such an environment,

the value of the image becomes significant, and firms work to make the stakeholders feel how 'caring' is integral to their businesses practices in order to increase the value of their brand (Turan & Hoxhaj, 2015).

Given such transitional heritage what represents CSR under conditions of severe distrust is likely to differ between contexts where legal compliance is a basic norm and taken for granted. This discrepancy is likely to be reflected in the way CSR is understood and practiced. In such conditions, business responsibility means to operate in compliance with legal formalities, not to necessarily *going beyond* them. In other words, in the conditions of regulatory systems fallacy that was in place in the early period of transition, it is no surprise that businesses took social responsibility to be a mere abidance by the legal rules, which goes concordat with the following statements:

> *"...Under unfair competition, isn't it a social responsibility that I pay 100% tax, while I could just declare less[14]? To me, this literally means that I do business in a socially responsible way...*
> *The wages of my employees are fully declared as well, and I did that because I care about my employees...*
> *You know the practice how businesses did* [in 90's]. *Sometimes one's salary was 40 000 tenge, but on papers they put it like twice less, to pay less tax... I intentionally prefer to work in compliance with the law. Isn't it a form of responsibility?..."* (R6)

According to the conventional CSR, the understandings expressed above do not conform to general CSR interpretations. This is because paying taxes and acting in compliance with legal norms is not optional, but mandatory. This example vividly illustrates the divergence in understanding CSR stemming from historical contextual differences. Since some companies deliberately prioritised a responsible way of conducting business over immediate benefits from tax evasions, smuggling, or undeclared wages, they reasonably considered this as a form of their social responsibility. In weak institutional settings, regulatory compliance may be perceived as a manifestation of CSR. This suggests that the

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[14] The respondent implies the practice related to underground economy when a part of the income has not been reported – it is not a subject to taxation.

propositions that a company should extend its responsibilities beyond the level required by law in order to be regarded as socially responsible calls for modification (Kuznetsov, Kuznetsova, & Warren, 2009, p. 42). Getting ahead, the findings of the current study reveal distinct motives which go beyond traditional CSR understanding. This demonstrates that in the settings of different contexts, CSR may have a different turn (Dobers & Halme, 2009; Halme, Room, & Dobers, 2009).

Situating the concept of CSR in the Kazakh context, it becomes evident that the reality of CSR often does not correspond to the conventional discourse. Findings from this study signify that a failure to capture CSR according to its local understandings and practices may result in important aspects being overlooked or omitted. In particular, in cases where a company's CSR adheres to legal standards but opt to not go above what is required for contributing to social benefits, is currently absent in the CSR theory. Such perspective discovers that CSR and its motivating factors are both often subject to misinterpretation when CSR is studied in non-Western settings; Western CSR discourse fails taking account of these realities as argued by Crotty (2016).

Kazakhstani business culture and social responsibility concerns represent a unique case having emerged from an interplay of local pre-soviet, Soviet, transitional factors and the inflow of the Western business patterns. András & Rajcsányi-Molnár (2015) ascribed the 'glocal character' to such kind of CSR; they pointed out that the process of transition from socialist central planning to market economy was not without problems, and that the socialist legacy still reverberates through local corporate culture.

Overall, the understanding of business and its relationships with society in Kazakhstan has evolved on the basis of local realities. In turn, the local environment was moulded based on some components of vernacular cultural traditions with the less distant history of the centrally planned economy and its recent collapse.

Summary

Looking at the historical background of Kazakhstani context, I am not trying to establish where, when, and who 'invented' CSR, nor do I intend to advocate superiority of 'home-grown' CSR practices by comparing and opposing them to the

Western standards. My purpose is to assert that one needs not to assume a historical discontinuity. Instead, I argue, that evolutionary approach allows bringing into analysis different angles that are usually not considered together: historical, cultural, philosophical, sociological and practical. In other words, I attempt to capture and explore a coexistence of diverse CSR triggers and possible precursors and their merge with modern CSR conceptualisation. Koleva et al. (2010) point out that such a task puts a question mark on the appropriateness of a conventional framework for an analysis of CSR development in non-Western countries. Authors stress that because the transitional context (such as Kazakhstani context) is extremely mobile (concerning its political, economic and social changes happening at the fast pace and simultaneously), the development of CSR, and its examination, should not be disconnected from changes in the business environment. That is the additional reason why historical perspective is an absolute necessity for contextualised research. Indeed, one should not look at the CSR as a mere business concept, but rather as a *"tradition that resonates with the past, and creates a sensation of continuity in a fast-changing environment"* to borrow András & Rajcsányi-Molnár phrase (2015, p. 12). Indeed, taking an evolutionary approach to the exploration of CSR notion enables a researcher to better investigate the composition of the modern CSR, taking into account its proto-forms, the context of its transformation, and the interplay between vernacular elements drawn from the past.

4.2 Cultural context: evolution of CSR precursors

For CSR knowledge "to be effective, it has to be rooted in the cultural soil of the country, where is it practiced" (Muniapan, 2014, p. 20). Culture is one of the most significant factors, which has to be taken into consideration to shape contextual understanding of the phenomenon, yet scarce attention has been paid to the nation's cultural effect on CSR reality (Aguilera, Rupp, Williams, & Ganapathi, 2007, p. 838). Because CSR knowledge is culture-specific, it is crucial for developing countries to explore their vernacular thoughts based on indigenous wisdom, rather than merely replicating existing frameworks (Muniapan, 2014). To do so, it is essential to take into consideration such factors as culture, religion, social norms and customs (Örtenblad, 2016). Though the effect of religious aspects

on the sense of social responsibility is a stand-alone topic, for this research I considered religious aspects under the umbrella of culture because religion is inherently cultural in nature. Indeed, religion, national context, and culture are closely intertwined with one another (Cohen, Wu, & Miller, 2016). Given that this research is based on the query of understanding motivation behind SMEs' CSR, exploring CSR through the prism of culture was inevitable, because only culture may provide explanations, and expectations in relation to behaviour and the motives behind that (Wedenoja & Sobo, 1997).

While the definition of culture is continually discussed in anthropology research, a general consensus takes culture to be traditional and shared knowledge that is passed on between generations by means of learning. This shared knowledge includes values, beliefs, attitudes, norms, standards of behaviour, traditions, customs and world-view, that is everything we do or think (Wedenoja & Sobo, 1997). Kluckhohn (cited in Triandis H., 2001) addresses culture in the following way: "culture is to society what memory is to individuals". It depicts and holds what worked in the society's experience and has been worth passing to the future generations. I refer to culture here as what Schwatrz (1997) defines as a sum of values, ideas, beliefs, social norms and behaviour that are shared by other members of the society, a set of unwritten rules of the social game. *"Culture is always a collective phenomenon because it is at least partly shared with people who live or lived within the same social environment, which is where it was learned... It is the collective programming of the mind that distinguishes the members of one group or category of people from others"* (Hofstede, Hofstede, & Minkov, 2010, p. 6).

Countries, as well as cultures, contrast considerably between peoples' beliefs and how these beliefs interact with one another. Many agree that culture is a critical aspect of the motivation behind actions of an individual. Thus, to make sense of motivating factors, it is important to account for the cultural context in which this behaviour occurs (Munro, 1997). To stress the significance of influence of culture on people's' mind-set, Hofstede et al. use the analogy of culture with 'mental programming'. The authors assert that an individual holds specific patterns of ideas, beliefs, feelings that were acquired throughout his/her lifetime experience. These templates are durable, and as soon as those patterns are set, one must unlearn them in order to be able to perceive something different. Moreover,

blanking is more difficult than learning for the first time (Hofstede, Hofstede, & Minkov, 2010, p. 5). In addition to individual learning, the durability of cultural orientations testifies to the profound impact of the transfer of cultural traits from previous generations and of passing them to the future. Culture is durable because in a sense it reproduces itself.

There have been some recent works that I find particularly relevant to the paths of my study of CSR motivation and its interrelation with cultural aspects. In particular: Kitzmueller & Shimshack (2012) suggest looking at the existing social norms as a way to identify the roots of the CSR incentives. Authors investigate the motivation with the focus on how and why CSR arise and what the underlying incentives of its occurrence are. Based on the role of social norms and stakeholder preferences in determining a company's pro-social behaviour, they classify CSR as a non-economic motive. In other words, they explore the firms' motivation behind pro-social business conduct and the precise mechanism on how preferences transform into CSR. The authors posit that the incentive to do CSR may stem from commonly accepted social norms, 'cultural-cognitive forces' that discipline businesses into certain pro-social behaviour. Likewise, Attig & Brockman (2015) studied local roots of CSR demand, defining pro-social attitude as "voluntary actions undertaken to benefit others, such as sharing, donating, caring, comforting, and helping". They conclude that CSR is strongly aligned with residents' cultural orientation (Attig & Brockman, 2015, p. 479). The authors posit that it is more likely that companies will implement CSR if they are located in the settings where certain pro-social behaviour (the proxy for CSR activities) is expected and approved by the large fraction of local residents (stakeholders).

At the same time, aligning businesses' CSR and local social norms enables a firm to gain competitive advantage through enhanced stakeholder commitment. CSR can be a valuable corporate strategy if it conforms to prevailing attitudes of the local population. This implies that CSR is rooted in the communities where the company is located. Attig & Brockman's (2015) evidence is specifically germane to the part of my study that focuses on the effect of local cultural context. I follow Attig & Brockman insights regarding the relevance of the geographical location and its relation to specific cultural patterns for businesses in terms of influencing its CSR involvement. My research, however, offers a different analytic perspective from Attig & Brockman (2015) in one key respect. While the authors addressed the

impact of culture on CSR by the assessing pro-social behaviour of a local population, I focus on the evolution of local social norms through the prism of cultural and historical contexts, by studying CSR from managers' and customer'/local community's perspectives.

4.2.1 Collectivist vs. Individualist thinking and the idea of 'self-interest.'

The individualism/collectivism cultural orientation is widely presented as the most influential differentiating factor between cultures (Triandis H., 1996). 'Mental programs' differ as much as the social environments do in which they were shaped. Understanding the individual vs. the collective in society can assist in assessing the difference in business-society relations. My contention is that specific cultural dimensions (e.g. collectivist thinking, the importance of family ties etc.) may profoundly affect the nature of CSR.

There is a myriad of research (Triandis H., 2001; Hofstede, Hofstede, & Minkov, 2010; Örtenblad, 2016; Triandis, Bontempo, Villareal, Asai, & Lucca, 1988), which refers to the examples of how individualist may differ from the collectivist society in terms of social norms and a way people interact. Another crucial differentiating aspect exemplified by authors is concerned with the family ties and structures. The previous studies suggested that these are the aspects, which help to resolve the meaning and motivation of CSR in a given context.

Triandis (2001) provides distinctive definitions for collectivism/individualism cultural syndromes. In collectivist societies, individuals are interrelated with reciprocal dependence within in-groups (family, tribe, clan, nation etc.). The goals and ideas of a group are prioritised over individual ones; individuals behave in accordance with the group norms. The relationship in such societies is of the paramount concern. Placing the commune before the self naturally assumes a higher inclination towards socially responsible attitude and CSR as a result. On the contrary, in an individualist culture, people are more self-governing, self-oriented and autonomous from their in-groups. The personal goal prevails over a group goal. The behavioural patterns are shaped on the basis of own beliefs rather than in-group norms. Consonant to that Goodwin (1997) points out that in individualist societies people put an emphasis on "I" and "this interests me", giving preference to individual goals.

On the contrary, in collectivist culture it is "we" that dominates and the stress is put on solidarity and shared activity. People in such cultures are more inclined to protect and help. This attitude is not limited to in-group but extends to those less helpful outside the group as well (1997, p. 53). Likewise, Hofstede (2011, p. 11) asserts that in individualist cultures, the connection between individuals is loose and the individual is expected to care for him/herself. In collectivist societies "people from birth onwards are integrated into strong, cohesive in-groups, often extended families (with uncles, aunts and grandparents) that continue protecting them in exchange for unquestioning loyalty". Miller (1997, p. 180) argues that in modern Western cultural settings, the self is not only detached from but in opposition to the surrounding. Any social duties for the benefit of others (other than those associated with the pursuit of the personal goals) are seen as artificial rather than natural. Contrary to that, in collectivist cultures, having social duties is a natural state of mind of an individual.

There have been several empirical studies that examined the effect of cultural individualism/collectivism dimension on CSR (Gallén & Peraita, 2018; Hu & Wang, 2009; Waldman, Sully de Luque, Washburn, & House, 2006). The results of the research in relation to the question of whether CSR motivation stems from cultural inclinations have been inconclusive. For example, Gallén & Peraita (2018) postulated that the cultural dimension of collectivism/individualism predicts a correlation with CSR disclosure, in particular, there is a negative link between individualism and CSR disclosure. Meanwhile, Hu and Wang (2009) conclude that CSR is not a 'natural orientation' and that there is no any significant correlation between CSR and the individualism/collectivism dimension.

Waldman et al. (2006) go further distinguishing between institutional and in-group collectivism. They define institutional collectivism as the extent to which the collective action and collective distribution of resources are expected, encouraged, and rewarded. In-group collectivism pertains to the loyalty and cares for an immediate smaller circle, such as families, or particular groups within a community, this dimension is associated with the belief that the self should be responsible and have obligations not to the greater collective, but to the in-group. The authors established a positive association of institutional collectivism with CSR, while they found no substantial relation between CSR and in-group collectivism. I do not distinguish between institutional and in-group collectivism

orientations because Kazakhstani culture is relevant to both, with in-group collectivism being relevant to the Kazakh nomad culture, whereas institutional collectivism is an orientation acquired during Soviet Union times. General assumptions ascribe collectivist cultural orientations as a predictor of CSR motivation, suggesting that in collectivist societies people are more perceptive to the business-society relationships. However, given such inconsistency in relation to the results of the cultural studies on CSR, it remains unclear why companies adopt CSR, as well as the extent to which CSR engagement can be linked to cultural norms?

The Individualist vs. Collectivist doctrine vividly demonstrates the divergence in people's beliefs and perceptions in relation to CSR. However, it has to be acknowledged that because culture is a very complex and dynamic, trends or contextual characteristics can be generalised to a certain degree (Triandis H., 1995; Triandis H., 2001). There are individuals who hold collectivist beliefs in individualist cultures, as well as people with individualistic cultural orientations within collective societies. Individualist and collectivist orientations are not mutually exclusive and can coexist both at the individual level and within a broader social context (Green, Deschamps, & Paez, 2005). In this research, the use of the term 'collectivist societies' does not assume any political implications. It does not imply the power of the state over the individual but instead refers to the power of the group.

Business has mostly remained an individualist science. Most of its major knowledge contributors are based in the Western countries, which are primarily individualistic. That makes the majority of business theories and related CSR ideas limited in their applicability to societies with collectivist traditions. This issue may have profound consequences for the economic development of emerging countries. There is a need for contextualised research that considers cultural differences in these dimensions (Hofstede, Hofstede, & Minkov, 2010, p. 128).

The authors assert the importance of understanding cultural differences by referring to Maslow's (1943) ideas regarding human motivation, which represents the hierarchy of human needs. The highest human motivation according to Maslow (1943) is self-actualisation, with a strong reference to autonomy and independence. However, while this may be an ultimate goal in individualist

settings, for a collectivist beliefs actualisation is only possible by means of in-group appreciation, respect and honour.

It is important to emphasise that the idea of self-actualisation, defining your 'ego' as opposed to 'other', makes little or no sense in collectivist societies because the 'ego' is inseparable from in-group and other social settings (Hofstede, Hofstede, & Minkov, 2010). Likewise, the idea of *'self-interest'* in collective Kazkhstani society does not entirely match the Western individualist understanding, because 'self-interest' is eventually translated into the interest of the in-group, in a form or redistribution of what one possesses/achieves to other members of the group. The immediate extension of the self in this context is a family. Since in a Kazakh context 'self-[interest]' does not exist separately from the in-group, 'self-interest' becomes at the same time a collective interest. Such divergence in beliefs and values shaped within individualism/collectivism cultural settings are responsible for many misinterpretations and plays a fundamental role in understanding the idea of 'self-interest,' as well as individuals' pro-social attitude and resulting CSR motivations. An appraisal of cultural influence on an individual's behaviour should address both cultural and individual levels. Triandis (2001) suggest linking cultural and individual levels of analysis. He refers to customs as aspects of culture and habits as aspects of personality. The author documented conformity of customs, norms and values to habits and the way individuals behave. I borrow the individualist/collectivist framework of Triadis (2001) and consider culture in the form of customs, norms and values, together with habits as one of the possible explanatory factors for pro-social behaviour in Kazakhstani small and medium businesses.

4.2.2 Family ties in Collectivist society

Hofstede (2011) explains distinctiveness of behavioural patterns in the context of collectivist vs. individualist societies from the perspective of social psychology. He acknowledges that children brought up in collectivistic society think of him- or herself as a member of 'we' group by default. Such a mutual dependence relationship is not based on the rational choice, but is given by nature. Collectivism refers to those societies in which individuals are strongly integrated into cohesive in-groups from birth. These in-groups then provide them with protection in exchange for allegiance. On the contrary, individuals who grew up in

individualist societies where the personal concerns are prevalent over collective interests, learn to assert the 'I' identity, which is distanced from others. In such societies, a basic social unit is a nuclear family, which consists of a couple with their children, other relatives are distant and met rarely. Individualism, therefore, pertains to societies in which the connection between people is loose: everyone is expected to care for himself and a nuclear family (Hofstede, Hofstede, & Minkov, 2010, p. 92).

On the contrary, family integrity is one of the main aspects of collectivist culture (Triandis H., 2001). In collective societies, such as Kazakhstan, the perception of 'family' goes beyond just parents with children, to a number of relatives such as grandparents, husband-wife, siblings, nephews, nieces, uncles, aunts, cousins and other relatives. Extended family can account for fifty-seventy people on average, which may effectively form a considerable part of the local community. Then in a small *aul*[15] for example with the population of five hundred people, it can be ten extended families. This number can grow when people marry, with in-laws also become relatives and uniting two big groups into one.

"My 'small' Kazakh family" (see Appendix 9 "My 'small' Kazakh family": an extension of 'self'") is a caricature reference to a family, which implies a huge number of relatives, close and distant ones, who are considered members of a family. It has always been important for Kazakhs, historically and at present, to have a big and strong family because family is a primary source of mutual help, support, defence and trust. This is well captured by the popular saying: "which Kazakh can do without his family". As Tasibekov (2015, p. 41) summarised, a situation when the one in need is refused help from relatives is unthinkable. The severe conditions of the nomadic life formed a strong and a well-developed system of mutual help and responsibility, with a strong kinship at the basis of the system.

For Kazakhs a *bai*[16] was perceived not as a nobleman, but rather a richer relative, who had more horses and who would provide support (Tasibekov, 2015, p. 95). One can always rely on members of his/her family. The more people in the group, the more opportunities one can enjoy and the higher the chances are for the whole family to prosper. Not only family integrity, but family honour is a fundamental hallmark of a collective culture (Goodwin, 1997). It is widely claimed

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[15] *Aul* – a village
[16] *Bai* –a rich Kazakh

that Kazakhs must know and to be able to recite their *"Jety Ata"*[17], ancestors seven generations back. This system of genealogical record is called *"Shejere"*[18] and is a matter of pride for a 'true' Kazakh. Marriage in seven generations kinship is not allowed to prevent inbreeding because people within this group are considered too close of blood relatives. Relatives within seven generations group belong to the same *"Ru"*[19], members of which related themselves to the same ancestor seven generations back. It is obligatory for relatives to help each other. There are numerous Kazakh proverbs (available in Appendix 10 "Kazakh folk proverbs", which assert the importance of ancestry and family ties for Kazakhs, for example: *"ЖЕТІ АТАСЫН БІЛМЕГЕН – ЖЕТЕСІЗДІК"* (незнание семи поколений предков – бездуховность) – ignorance about your seven generations is immorality; or *"ТҮБІН БІЛМЕГЕН ТҮГІН БІЛМЕЙДІ"* (не знающий своих истоков не знает ничего) – the one who does not know his ancestors knows nothing.

Another vivid example of importance of maintaining close connections with relatives/community is a wedding celebration. No Kazakh wedding can happen with fewer than two hundred people and the vast majority of invitees are relatives. This does not relate to rich people only, but is a norm, regardless of one's level of income. This is not acceptable to leave someone out: "ұят болады" meaning that you will be ashamed if you happen to forget to invite someone. The invitation has to be given and also must be accepted. This is still the tradition, even in modern and liberal Kazakh society. The same practice relates to funeral, where there might be five hundred people or the entire village coming to pay their respect to the deceased. Both examples I cited are a matter of showing respect and care from both sides. The number of invitees demonstrates that not only do Kazakhs have many relatives, but that they also actively communicate with them. Not only family relations but relations (befriending), in general, is a strong feature of collectivist societies such as Kazakhstan. In general, Kazakhs are oriented towards building relationships with those people with whom they have contacts; e.g. it is difficult to distinguish business from personal (Tasibekov, 2015).

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[17] *Jety Ata* – from Kazakh seven grandfathers, means that a 'true' Kazakh has to know his ancestors seven generations back.
[18] *Shejere* – from Kazakh a family tree
[19] *Ru* – Kazakh language, an extended family or tribe

I suggest that the importance of family ties and relationships in Kazakh collectivist context affects the way people understand responsibility towards society. Responsibility to the local community can be seen as a sort of natural extension of the responsibility towards in-group. In other words, responsibility towards the local community in such context (where many members of the community can be relatives or people whom the individual knows personally) comes naturally and feels much stronger rather than the responsibility towards 'abstract' stakeholders. In individualist cultures, the society represents 'other' people with no strong connection to 'myself'. On the contrary, in a Kazakh context local communities may often comprise of several extended families; interests of 'we' directly reflect concerns of the community. From this perspective, addressing societal concerns is no more responsibility towards abstract, detached society. A detailed explanation is provided in CHAPTER 5 (FINDINGS AND DISCUSSIONS).

4.2.3 Giving, sharing, mutual help and responsibility as a social norm

Attig & Brockman (2015) emphasised that the pro-social component of a local community plays a significant role in defining companies' CSR. They contend that heterogeneity in pro-social attitudes of local residents when compared to Western patterns underlies the difference across CSR practices. *"CSR activities reflect a firm's initiatives to conform to prevailing social norms and the system of values of which it is a part"* (Attig & Brockman, 2015, p. 493). To what extent such principles, underlying key CSR ideas of mutual help, responsibility, and charitable giving, are the social norms that may also differ from society to society. In other words, the likelihood that an individual will be willing to help, give, or share depends on whether and to what extent such kind of behaviour is shared, approved or expected by the society (Wang, 2014). The same tendency may be extrapolated to the small businesses, run by individuals who are based in local community.

Berkowitz (1972, p. 65) suggests that in contradiction to 'exchange theories', a great incidence of selfless conduct occurs even when any reciprocal or expected benefits are absent. He further specifies that such kind of action is induced under the influence of certain social rules, norms, internalised standards of behaviour. The author argues that people may be inclined to act altruistically with no expectations to get anything in return but because they feel it as the right

thing to do. Berkowitz & Daniels conducted a series of experiments, which confirmed that people are motivated to help others because help is enjoined by a cultural 'social responsibility norm. Such socially responsible conduct is often in place even when there is no any reward to be received through the effort (Berkowitz & Daniels, 1964, p. 275).

There are numerous studies that attest to the explanatory and predictive value of social norms in relation to individuals' behaviour (Cialdini, Kallgren, & Reno, 1991; Berkowitz, 1972; Berkowitz & Daniels, 1964; Fishbein & Ajzen, 1975). According to these theories - social norms, in the form of shared perception, attitude and beliefs – have considerable and regular impact on individual's behaviour. Since 'norm' can be defined differently in academic usage, in order to eliminate confusion attendant to the understanding of *norms* in human behaviour, Cialdini et al. (1991, p. 202) suggest specifying the meaning of norm as what is commonly done, what is approved as normal, and what is accepted by society. The authors further distinguish between two types of the norms. They describe norms related to the perception of what the majority of people in the given social group do as to *"descriptive norms."*[20] *"Injunctive norms"*[21] represent the perception of what most people approve/disapprove of. In other words, descriptive norms motivate actions by means of presenting evidence of what the most people believe and do. If the majority of people believe, think or do, it must be reasonable to do the same. With regard to injunctive norms, they prescribe what has to be done and what constitutes moral rules of the group. The motivation often comes from a promise of social rewards or sanctions in response to actions. Thus, descriptive norms motivate behaviour by informing, and injunctive, by enjoining. The majority of the studies found a strong positive effect of descriptive norms on pro-social behaviour, such as charitable giving (Shang & Croson, 2009; Agerström, Carlsson, Nicklasson, & Guntell, 2016; Lindersson, Guntell, Carlsson, & Agerström, 2018). Overall, the studies suggest that descriptive norms reinforce peoples' intention to give; e.g. giving intentions increase when people have been informed about previously made donations. In other words, people are more likely to do so when they know that other people did the same because they consider this as an appropriate course of action. In this research I look at the effect of social norms, be

[20] Descriptive norms... have sometimes been called popular norms
[21] Injunctive norms... as prescriptive norms... " (Cialdini, Kallgren, & Reno, 1991, p.203).

it descriptive or injunctive. This may compel pro-social behaviour in accordance with the understanding of what has to be done regardless whether this is what most people do or do not do.

Triandis (2001) provides an overview of several cross-cultural studies of helping behaviour and the distribution of resources through the prism of collectivist/individualist cultural orientations. The welfare of the collective has a supreme value over individual welfare in a collective society. People in collectivist culture distribute resources among in-group based on the principle of equality, whereas individualist people are guided by equity. Also, helping behaviour is driven by different motives. In collectivist societies, individuals see providing help to members in duty-based terms, contrary to that, individualist helping behaviour is considered to be a matter of personal choice (Miller, 1997).

Charitable giving, mutual help, and responsibility are prescriptive social norms and widely accepted moral rules that are reflected in local Kazakh traditions and literature. This is not very different from what we can ascribe to the modern CSR in Kazakhstani SMEs today. I provide the references to particular customs and literature to exemplify and to juxtapose the main CSR principles with local cultural orientations. The aim of doing so is to demonstrate the natural continuity and evolution of CSR prerequisites.

Why some people strive for wealth accumulation whereas others prefer sharing and equality, or some strictly follow traditions contrary to those who are eager for novelty, only partly depend on individual preferences in motivation. The significant explanatory power of such questions comes from 'mental programming' – culture (Schwartz, 1997, p. 69). Although individuals can react and behave in unexpected ways, knowing the cultural background makes individual behaviour more predictable and understandable.

The juxtaposition of main CSR principles with local customs

An intuitive appeal to the local customs and traditions from a CSR perspective shows that they propagate the same values, beliefs and principles. It is not implied that there is a clear-cut match, but the features of Kazakh traditional values are easily recognisable in the motives and practices of SMEs' CSR. Indeed, this can be seen if we consider the core principles of the modern CSR, juxtaposed with local Kazakhstani customs and traditions. For instance, central for Kazakh

traditions are fair wealth distribution, justice, giving back to society, mutual help, and mutual responsibility. These ideas are all closely related to the very idea of CSR. It was clearly articulated by some of the respondents that CSR or business ethics is not very different from the local traditional values (the primary motivation of socially responsible behaviour). This opens up additional perspective for looking at the CSR not as an imposed concept, but as a natural extension and evolution of the local value systems and social norms; a phenomenon, which to some extent, pre-dates modern CSR theory. Figure 4 below is a visual representation of an overlay of local customs with the main principles of modern CSR.

Figure 4 "Juxtaposition of CSR principles with local customs"
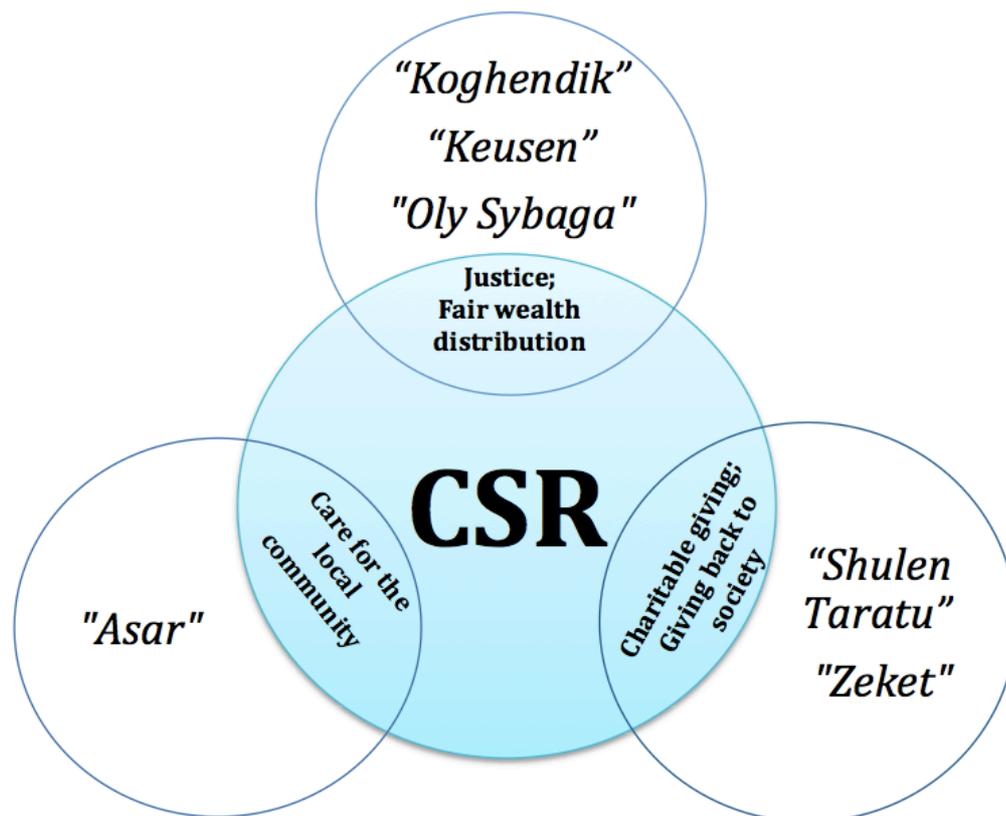
Source: Darmenova Y. (2019)

"Asar" (mutual help and neighbourhood cooperation) is an old Kazakh tradition, which assumes working together towards the common good, common goal. The main idea is mutual help and care for a wider community, rather than just your own household. Asar is understood as a

call for help, joint effort. Participation in Asar was voluntary (Masanov N., 1995; Ospanuly, 2009).

"Koghendik" is a tradition referred to as a charity and mutual help. At the core of this tradition is a principle of fair wealth distribution through fair sharing and care for the poor, disabled and seniors. The one who was wealthier would be supposed to share food with the poorer (Ospanuly, 2009).

"Zeket" means providing material help for poor families (Ospanuly, 2009).

"Keusen" is a tradition related to farmers. It suggests giving a part of a farmer's harvest to deprived people from the local community (Ospanuly, 2009).

"Oly Sybaga" meant fair sharing of fish caught with other community members (Ospanuly, 2009).

"Shulen taratu" was associated with a charitable giving and material help to the members of local community. Usually in autumn, when local people would have to get ready to wintertime, wealthy people would organise giving out food, cattle and clothes to other un-provided community members (Ospanuly, 2009).

Motives of social responsibility in local narratives

Having discussed the possible effect of existing social norms on motivation of certain pro-social behaviour, it is also worth to look at how culture influences human behaviour. Kashima (1997) suggests a *narrative* as a part of the answer to the question on what the process these cultural components are internalised, is. The author outlines two pieces of evidence for proposing a narrative as a mechanism by which culture influences human behaviour: it is universal, and prevalent in everyday discourse. The significant value of a narrative (be it myths, folktales, or novels etc.) is its "worldmaking function." It composes a meaningful world of human experience (Kashima, 1997, p. 18). By doing so, it creates a guiding line, suggests a sort of a behavioural template to follow, and facilitates problem-

solving and planning. The social function of a narrative is to produce a scheme, that is a socially shareable form of meanings of events and actions, as well as what is believed to be right or wrong. Narratives facilitate reproduction of cultural beliefs and people may subconsciously use them for interpretation of everyday events and actions. Kashima (1997) suggests that the explanatory power of culture for exploring the motivation behind human behaviour may be well addressed by examining stories that are often told in a particular culture.

Given the power of the narrative for defining people's pro-social orientations and motivation, it becomes noteworthy to reference Abaĭ (1845-1904), a prominent Kazakh thinker. His "Book of words", offers a critical reflection on the reality of Kazakh life of pre-Soviet times, and summarises the main issues related to Kazakh world-view, moral, and social norms. Until now "Book of words" is perceived by Kazakhs as a cultural code of local beliefs and values. It is particularly interesting since he offers an early and explicit conceptualisation of CSR-related issues such as charitable giving, giving back to society, understanding wealth and wealth accumulation:

- *"There is a great difference between the wealth which one accumulates to get higher social position and the wealth to help people in need..." (Word 38)*
- *"Everything you do should be of benefit to other people; otherwise all you do is useless." (Word 38)*
- *"Striving for charitable giving is based on the ability to be satisfied with fewer things, never stop giving." (Word 38)*
- *"The hand which takes has to know how to give." (Word 5)*
- *"The one who gives breaks the wall of estrangement" (Word 5),* (Kunanbaev, 2016).

Having thought over the Kazakh cultural orientations, with reference to the local traditions and literature, it becomes evident that a certain overlap exists between the local system of values and the modern CSR. In particular, issues as charitable giving, fair wealth distribution, and care for local community were widely held and historic norms in Kazakh society. Perhaps they largely predefine the vector of natural development of pro-social orientations.

4.2.4 Religious context and CSR

It is widely recognised that fundamental understandings of right or wrong are constructed by religious texts and ideas. Undoubtedly, religion and religious heritage significantly contribute to the dissemination of moral and ethical concerns. Because many of these norms are consistent with CSR aims, any CSR-related analysis should account for religious influences and how they may affect attitudes towards CSR (Brammer, Williams, & Zinkin, 2007). From this perspective, extending understandings of CSR motivation to religious considerations is important. While not elaborating on religious distinctions, I am going to acknowledge that religion poses a certain influence on CSR conceptualisation: the concept of charitable giving, sharing, mutual help which are also the primary pillars of CSR motivation. Therefore, it is not surprising that a business operating under specific religious heritage might be guided by pro-social practices correlated with the aforementioned virtues. Even when CSR actors are not religious, their ethical considerations may still be affected by the rules of religion dominant within a local community (Perry and Ahmad, sited in Örtenblad 2016).

I am going to provide just a brief overview because there have been numerous studies (Dusuki A., 2008; Cohen, Wu, & Miller, 2016; Atan & Halim, 2012; Khan & Karim, 2010; Williams & Zinkin, 2010; Epstein, 2002) that specifically examined CSR and its motivation through the prism of religion. Although religious perspective was not in the main focus of this research, it is important to acknowledge the interrelation of religious matters with CSR motivation. In the case of Kazakhstan, religious perspectives form a part of modern cultural identification. While not intending to provide thorough theological analysis, I will, however, touch upon some examples of potential CSR motivators associated with religious aspects consistent with Kazakhstani case.

Modern Kazakhstan is a secular state with no official religion declared. However, Kazakhstan has been experiencing culture-religion syncretisation since independence. While Kazakhstan has a recent atheistic legacy from Soviet times, religion (predominantly Islam) interacts with cultural aspects in shaping modern Kazakh identity. I refer to Muslim traditions because in pre-Soviet times, the majority of Kazakhs followed Islam. Today, around seventy per cent of people in Kazakhstan are Muslims (Edelbay, 2012, p. 208).

The close interconnection of cultural and religious perspectives is reflected by the proposition of Geertz (1966), who looks at "religion as a cultural system." It is also well-portrayed by the quote of Schumaker (1997, p. 193) who asserts "Religion is an important motivational system that interacts closely with the working of culture". The author further refers to a general consensus that religion is apparent in all cultures in the world with the majority of people (including in secular societies) displaying some degree of religious motivations. The author provides an example of post-Soviet Russia, where religion bounces back once freedom of expression has been recovered. This is similar to the experience in Kazakhstan, in terms of the restoration of religion.

I refer to Islam more from a cultural perspective, in relation to how it might influence the formation of beliefs and values within Kazakh culture. By religious context, I do not strictly mean "the belief in and worship of a superhuman controlling power, especially a personal God or gods" (Oxford Dictionary of English 3 ed., 2010) but I rather adhere to a more liberal approach of Cohen, Wu, & Miller (2016) in terms of what should be counted as religion. By religious context, I mean certain cultural traits and values, which emerged under the influence of Islam in Kazakhstan.

A very common situation for people in Kazakhstan when asked "what is your religion?" they answer: "I am not religious, but I am culturally Muslim", or "I am a Muslim by birth." However, what they mean by this is that even if they have no strong religious background, they may still identify themselves as Muslims because their religious identification extends beyond a particular worship to the sense of traditions and heritage. This is what Hann & Pelkmans (2009, p. 1527) referred as to *'cultural Islam'*. For example, there are plenty of agnostics and atheists in Kazakhstan who would still celebrate Eid, Christmas, engage in fasting, sacrifice and so forth. Soviet policies in Central Asia transformed and weakened religious identities, confining them to the social and cultural spheres as noted by Pauline Jones Luong (2002). In the Kazakhstani context, Islam has always been

more of a cultural rather than purely religious identification[22] (Hann & Pelkmans, 2009, p. 1524). It would be inaccurate to disregard someone as a believer and the influence of religion on pro-social attitude based only on explicit belief in God (Cohen, Wu, & Miller, 2016). Thus, I intentionally address the possible effect of the certain religious norms under the section that explores the effect of cultural context. This is done so because I found no strong evidence on the motivational force of stand-alone religious values. However, there were certain references provided by the respondents during interviews to the specific Islamic norms behind their CSR motivation, which brought me to consider the religious context as well. Noteworthy, these references were given not by religious people, but by atheists. This reinforces my supposition that certain Muslim norms (such as 'sadaka'[23], 'zakat'[24] etc) are more indicative of cultural rather than religious orientations. I argue that in the context of modern Kazakhstan, certain religious traits are dissolved/built into cultural dispositions, which is well captured by the following response:

> *"…you know a standard practice for Muslims to share one-third of what they have with those who are in need. I am not religious, but I am culturally Muslim. I do not pray five times a day, but I do 'sadaka' or CSR if you like because I think people have to care for each other. If God is giving me such an opportunity, I have to pass it further…"* (R4)

This statement shows that there are certain parallels between specific religious and cultural traits. They both prescribe acting in accordance with particular moral codes and values. In line with Kazakh traditions, Islam cultivates a spirit of charitable giving, mutual help and responsibility. In this sense, Kazakh cultural and religious aspects appear to have several elements in common. Non-religious

[22] Religious practices… were increasingly framed around ideas of cultural heritage (Shahrani 1984). Thus a Kazakh who was a member of the Communist Party and who by definition held an atheist worldview would still claim to be a Muslim when asked to indicate his cultural background. From a local perspective the notion of 'atheist Muslim' was not perceived as a contradiction. The 'folklorisation' of religion (Peyrouse 2004; Pelkmans 2007) detached it from doctrine and spirituality… In short, the socialist encoding of religious identities through nationality politics led… to a folklorised, 'cultural' Islam, in which ties to national traditions were deemed more important than scriptural knowledge… (Hann & Pelkmans, 2009, p. 1524).

[23] *'Sadaka'/'Sadaqa'/'Sadakah'* is a charitable giving in Islam

[24] *'Zakat'* is an obligatory payment made annually under Islamic law on certain kinds of property and used for charitable and religious purposes. Origin: via Persian and Urdu from Arabic zakā(t) 'almsgiving' (Oxford Dictionary of English (3 ed.), 2010)

respondents provided a reference to religious norms (often with inaccurate interpretation), which demonstrates how religious aspects transform into local cultural orientation. Another vivid example of such fusion is Kazakh tradition "Zeket"[25] (discussed earlier), which obviously derives from Islamic "Zakat", yet often people would define it as a Kazakh tradition, rather than a religious norm. Atan & Halim (2012, p. 71) suggest that the philanthropic domain of CSR is represented through 'Zakat', one of the five pillars of Islam. 'Zakat' means an obligatory annual contribution of part one's wealth of all Muslims to poor people in need. Similar Muslim concepts related to sharing and giving are "Sadaqa" and "Waqf[26]".

According to Islamic norms, a man is not permitted to pursue his economic nor social activities as a self-centred, utility-maximising economic agent. This is contrary to neoclassical economic prescriptions (Chapra, 1992). Instead he/she is expected to balance between individual interests, right, and responsibilities and that of society. Hence, "the notion of social responsibility is firmly inscribed within the religious bond" (Dusuki A., 2008, p. 14). The author identifies parallels within certain Islamic paradigms and links them to the motivation behind social responsibility. In particular, the author looks at "Taqwa"[27,] which is central to the understanding of Shari'ah, and argues that it "plays a unifying role, binding the community together and constitutes its source of equality, solidarity and freedom" (Kamali, 1989b cited in Dusuki A., 2008, p. 15). According to Dusuki (2008) "Taqwa" fosters a cultural mentality that puts at the focus a commitment to such ethical norms as human dignity, free will, equality, and trust and responsibility (Dusuki A., 2008). In doing so, it forms a strong prerequisite for business conduct in accordance with an ethical orientation for serving the well-being of the local community. Table 7 "Implications of religious norms for CSR" presents a summary on Dusuki's (2008) findings where the author links certain Islamic norms with the core principles of responsible business conduct, CSR:

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[25] *"Zeket"* is a local Kazakh custom, which means providing material help for low-income families.

[26] *"Waqf"* is an endowment made by a Muslim to a religious, educational, or charitable cause (Oxford University, 2010).

[27] Central to the understanding of *Shari' ah* is *taqwa,* which means wariness of God, or God-consciousness. It implies making a deliberate effort to achieve the objectives of *Shari'ah* in the ways prescribed by *Shari'ah* itself (Dusuki A., 2008, pp. 15-17).

Table 7 "Implications of religious norms for CSR"

"Taqwa"	Implications/precursors for responsible business conduct
Human dignity	"This spiritual acceptance of man's responsibilities is of fundamental importance in the Islamic economic vision and business philosophy, as it implies that human welfare cannot be satisfied by just concentrating on material needs alone."
Free Will	"The purpose of imposing constraints is not to diminish human freedom but to prevent humankind from arbitrary self-interested social behaviour. This has a great implication for how human beings conduct their affairs."
Equality and rights	"Hence, human interactions should be based on trust, equity and justice (Parvez, 2000). They should not attempt to dominate or wrong each other; instead, they should collaborate and support each other towards fulfilling their role of vicegerency. Therefore, the right attitude towards human beings is not a 'might is right' struggle to serve only one's own or a national 'self-interest'... but the mutual sacrifice and cooperation to fulfil the basic needs of all... preserve and protect the interest of collective well-being."
Trust and Responsibility	"The concept of trust, in Islam, is inseparably linked with responsibility, implying that the wealth that is entrusted to a human being is indeed a responsibility... These include spending in accordance with the Divine wishes... helping the poor (not only a matter of charity but an acknowledgement of the poor's right on one's wealth)..."

Source: summarised from Dusuki A. (2008, pp. 15-17).

The reflection of Islamic norms in business conduct implies that business conduct should not be driven exclusively by self-interest and profit maximisation. Instead, businesses should also pursue its social responsibilities towards others (employees, customers, other society members).

Yet, it is critical to assert that altruism and philanthropy are not confined to Islam. Moral values appear in all major beliefs and religions. Indeed, the importance of providing care for other people can be seen other religions as well, including (but not limited to) Buddhism, Christianity, Judaism. The reference to Islamic norms in this research is given with an idea to not compare or to contrast Islamic norms to other confessions, but to account for the possible cultural-religious nexus (Islam in the context of Kazakhstan) on pro-social behaviour of individuals. Also, I am not implying that Islamic values entirely coincide with moral values in Kazakhstan. I assume that the motives of pro-social attitude and behaviour of small businesses in Kazakhstan can be an effective mixt of beliefs and values which are shaped by cultural and religious influences. Indeed, any one of these aspects might equally be considered as drivers of CSR, as supported by Hemingway & Maclagan (2004).

Overall, Islam's emphasis on justice ensures a balance between rights and responsibilities of an individual towards other people, as well as between self-interest and altruistic values (Naqvi, 2003, cited in Dusuki, 2008). This balance, in turn, creates a strong motivation for just behaviour. It neither neglects major collective concerns nor does it ignore individual interests in personal gain. Thus, "moderation and concern for the needs of others, along with one's own, become an integral part of the Islamic perspective of CSR" (Dusuki A., 2008, p. 19). Businesses, as well as individuals, are expected to share, give, sacrifice, and donate their wealth to the needy, expecting no rewards in return. By promoting that spirit of sacrifice and responsibility in relation to others, the Islamic value system shifts the focus from self-centredness to cooperation, care and compassion between humans. Portraying this position of Islam in relation to the concept of CSR, Dusuki (2008, p. 19) suggests looking at CSR as "a continuum ranging from irresponsible and self-centred attitudes to the religious or *taqwa-centric".*

Summary

Although the discourse on CSR has attracted substantial interest in recent years, the work on contextualising CSR research is still at an early stage. Because CSR has proved to be highly contextual and territory dependent (Koleva, Rodet-Kroichvili, David, & Marasova, 2010), there is a need to examine local realities. In other words, there is a necessity for more understanding of a "customized version" of CSR. A context-specific knowledge helps to avoid "good or bad" debate on CSR where the majority of questions are still concentrated around the matter whether CSR is a new remedy or unnecessary spending.

The analysis of literature has provided explanations that CSR and its drivers in Kazakhstani SMEs can be best comprehended by considering cultural and religious factors in Kazakhstani societies, as well as its socio-political history, and their influences on forming complex business-society relationships. The transmission of Kazakh traditional principles, values, and beliefs from nomadic, Soviet and current historical phases comprise distinct social histories. Examining each, therefore, allows for a better understanding of the social evolution of modern CSR phenomenon. Principles existing in pre-modern Kazakhstan such as giving, sharing, mutual help, and responsibility, retain important trace of pre-requisites, which we observe in today's CSR. The contextual analysis shows that the

Kazakhstani CSR model has rather emerged from an earlier system and is not simply a Western imitation.

In Kazakhstani collectivist culture, which has been shaped by the nomad lifestyle and Soviet-era legacies, an understanding of 'self-interest' is presented as something that necessarily extends beyond the immediate self to the group. Ideas of mutual help, collective responsibility, sharing and giving, have become widely-held social norms. Consequently, in such cultural environment expectations for businesses to share does not coincide with individualist cultural settings and their strong preference for self-centred interests. In addition, the spirit of sacrifice and responsibility towards society strongly correlates with the Muslim value system. As a part of modern Kazakhstani cultural orientation, this also shifts the accent from self-oriented behaviour towards one of mutual care and compassion (Dusuki A., 2008). The failure to account for the historical and cultural conditions, under which CSR has developed, may result in significant misinterpretations. A specific example of this is CSR during the transitional period in Kazakhstan. When a violation of legal requirements was commonplace, legal compliance (e.g. paying taxes), instead of '*going beyond*' obligations (Davis, 1973), would be regarded as CSR (Crotty, 2016). Thus, a contextual approach to CSR research suggests that understanding CSR and its driving forces is open to interpretations and does not always coincide with traditional CSR knowledge.

In this section of analysis, I raise the question about the nature of CSR in Kazakhstan and more specifically how local CSR understanding and expectations are shaped by cultural/religious and historical conditions. I agree with Logsdon et al. (2006) who argue against the idea that businesses worldwide should operate with understandings that are similar to Western interpretations of CSR because CSR is 'much further developed' in these countries. The authors emphasise that such a position is patronising and incorrect and does not sufficiently consider complex realities. The majority of literature propagates CSR as "one size fits all" solution for all organisations worldwide, regardless of the context they exist in (Örtenblad, 2016). However, it is misleading to consider CSR as a unified standard. Instead, it should be considered as analytical contour to be topped up with the explicit and specified meaning, pertinent to a given cultural context (Wood, 1991, p. 700).

CHAPTER 5. FINDINGS AND DISCUSSIONS

This chapter offers the results of data analysis for the current study. This chapter is composed as follows: it starts by unfolding the understanding and conceptualisation of CSR in Kazakhstani SMEs. Using Carroll's CSR model I tried to allocate and prioritise different CSR domains to see if, and to what extent, the model can fit into the context of Kazakhstani SMEs. The chapter continues with an analysis of CSR practice in SMEs, identifying the primary stakeholders of Kazakhstani SMEs' CSR to understand whether or not local CSR practice conforms to existing patterns offered by Freeman's stakeholder theory. Next, I conduct an analysis on the driving forces of CSR, exploring why Kazakhstani SMEs decide to become socially responsible. This is done by considering what are the driving forces - whether it comes in the form of pressure from outside (external drivers) or voluntary commitment (internal drivers); and is the motivation of an economic or non-economic nature? Finally I provide an insight into the same issue but from the perspective of customers/local community.

'Small CSR'

There is no doubt that business culture in Kazakhstan has been subject to dramatic changes. It has been evolving from being fully planned to a market-oriented economy. Often, Western business concepts, such as CSR, are taken as an example to follow. Yet it is evident that there is a considerable divergence between the theoretical models and local business reality. Because CSR lies at the intersection of business and social concerns, as well as being tied to predetermined social values and beliefs, it is important to pay careful attention to the context. The questions I attempt to answer are concerned not only with how and why businesses understand and practice CSR in Kazakhstani SMEs, but also why this difference exists. The cases of the six companies depict a reality of CSR in Kazakhstani SMEs, where the interpretation, the practices, and motivation are often different from what is suggested by conventional CSR knowledge.

Based on information obtained from the interviews with NGO experts and personal observations, certain companies in Kazakhstan seem to be more concerned with the explicit form of CSR when they seek access to foreign investments. This is particularly the case under financial crisis conditions and in

the face of fiscal deficits in the national financial system. This perhaps is true (at least for large corporations) that CSR in Kazakhstan, generally is evolving to more explicit forms, encouraged by specific reasons: 1) seeking access to global capital, 2) merging with a foreign company, which imposes an explicit CSR pattern, 3) when a company is entering the international market. However, it is unlikely that the same mechanisms would explain the state of CSR in SMEs. It brings the question: does CSR in Kazakhstani SMEs have the same meaning? Which particular CSR definition is relevant to the context of Kazakhstani SMEs?

Turning to the point of the indigenousness of CSR in Kazakhstani SMEs, this research was inspired by an argument that one should not consider the notion of CSR in Kazakhstan as a mere import. Instead, I found a strong reference to endogenous components of local culture (traditions, customs, religion, etc.) and social norms. The encompassing ideas of CSR are postured around principles of giving, sharing, fair wealth distribution, giving back to society, mutual help and responsibility, which closely correspond to the principles reflected in local culture (e.g. Kazakh traditions such as "Asar", "Kogendyk", "Keusen", "Oly-sybaga", "Shulen Taratu"). This new evidence suggests that pro-social attitudes aligned with the local cultural and historical background play a significant role in determining contextual CSR and businesses' engagement in it. I strongly support the position of Attig & Brockman (2015), who assert that CSR initiatives are indeed engaged in creating value only when they are appropriately aligned with pro-social norms of the local context.

In Kazakhstan, small companies are often regarded as not having a conscious understanding of their CSR and relationships with the society (SANGE Research Center, 2013). However, my contention is that this does not necessarily mean that those companies are being socially irresponsible. Instead, it might be indicative of a different (more implicit/informal/silent) way of approaching CSR. It might be naturally embedded in their daily operations but not recognised by them as CSR. As pointed out by Matten and Moon (2008, p. 406) "The assumption of social responsibility by corporations remains contextualised by national institutional frameworks and therefore differs among countries". Thereby, the arguable absence of explicit CSR in Kazakhstan does not necessarily mean that businesses do not recognise CSR, but different contexts might affect the way the Kazakhstani CSR deviates from explicit Western patterns. I found out that in small

Kazakhstani firms CSR is often undocumented activity, which they carry out informally, yet this does not mean that CSR is being neglected by SMEs.

Even after having finished my data collection, I still come across numerous examples of '*small CSR*'. I informally call it *'small'* for the reason that SMEs' CSR is small in scale (SMEs can afford to invest only commensurate with their ability), and small in ambition (SMEs do not hope for big economic returns from their CSR). Such practices often do not have the big label of CSR (they do not advertise or call it CSR); it is practiced by small firms (e.g. corner-shops or cafes), and it is very deep in terms of its roots. CSR in Kazakhstani SMEs is not Westernised but has very indigenous embodiment. Figure 5 below provides just some examples and the evidence on the case of CSR in small Kazakhstani firms. These are the small corner-shops, street food kiosks, and a small café. Some of the examples shown here I observed after the fieldwork, and some pictures were taken from the Internet.

Figure 5 "Small CSR"

Interviews

5.1 Carroll's pyramid in the context of Kazakhstani SMEs

"What is the perception of CSR in the context of Kazakhstani SMEs?"

Having reviewed the specific literature on CSR in developing countries and CSR in the context of small businesses, the question is: are the current Western models accurate enough for depicting CSR in the context of Kazakhstani SMEs? Considering the research on Carroll's CSR pyramid, it becomes evident that the vast majority of findings are relevant for American or European contexts. However, there have been studies (Visser, 2008; Örtenblad, 2016), which argue against such generalisation, suggesting instead that when CSR is located in a non-Western context, it may differ considerably from conventional ideas concerning CSR. In particular, cultural and historical context may have a serious influence on CSR perception (Visser, 2008). Visser (2008) addresses this argument explicitly by providing a thorough analysis of Carroll's CSR model in the context of developing countries. He points out that, while Carroll's four-part pyramid is undoubtedly a useful tool, the prioritisation of four domains has manifested differently in the context of developing countries. In the same way, I intend to test the effect of contextual difference on the perception of CSR using Carroll's pyramid in the Kazakhstani context.

Pertinent to what Wood (1991) defines as 'managerial discretion', this section of analysis was designed with an idea to test how managers perceive and address the four CSR domains outlined in Carroll's Pyramid of CSR: economic, legal, ethical and discretional responsibilities. Wood (1991, p. 702) suggests that knowing more about managerial perceptions can investigate more precisely the contextual and thus realistic conditions of CSR.

It has been widely acknowledged that terms such as legitimacy, obligations, social well-being, ethics, and so on, are limited to the specific context in which CSR is located. These terms are neither universal nor do they have an absolute meaning. Instead, they are "time and culture-bound". Therefore, CSR "should not be thought of as absolute standards, but as analytical forms to be filled with the content of explicit value preferences that exist within a given cultural… context…" (Wood, 1991, p. 700). Consistent with the suggestions of Wood, evidently, the relative weighting of Carroll's (1979) four different domains of CSR often does not

correspond with the prioritisation given by the managers in different settings. Aupperle et al. (1985) emphasised the hierarchical relative weighting of the four domains of Carroll's CSR pyramid, with economic and legal responsibilities being the base principles. Discretionary responsibility (corporate philanthropy) was given the least significant weight between the four company responsibilities. As reflected in the least conceptual weight, discretional responsibility is subject to the 'last in first out' scheme of placement in a firm's CSP as argued by Wood (1991, p. 698). In contrast to that, my findings suggest that in the context of Kazakhstani SMEs these facets are prioritised differently. For instance, there have been managers, who are certainly oriented towards philanthropy without primary regard of the legitimacy concerns of their business. Composing Carroll's pyramid in the local context provides the answer for the question:

What is the perception of CSR in the context of Kazakhstani SMEs?

The analysis of the prioritisation and of the relative significance of four CSR domains also provides an insight into why such a contextual difference exists.

Although all six companies were selected for the study based on their involvement in CSR, not all of the respondents could refer those practices to CSR. I had to refine what I mean by CSR and offer particular examples to foster the discussion. I began interviews by asking question like *how do you understand CSR? What is your attitude towards CSR? Are you involved in any kind of activities, which you could relate to CSR?* From what I heard, it became apparent that though some people struggled to define what the CSR is clearly, they all had their understanding and interpretation of it. I found out that terminology does not reflect an accurate meaning of the concept. The main concern was that the respondents did not perceive themselves as corporations. The Respondent 2 (R2) said that the wording Corporate Social Responsibility is a confusing "business jargon". Nevertheless, that was clear that despite that the companies did not acknowledge that they were involved in CSR, they all had CSR initiatives in place. All identified respondents were apparently involved in CSR without naming it CSR, thus answering the popular rhetoric *whether there is a case for CSR in SMEs in Kazakhstan*. To put it simply, there is a case for CSR in Kazakhstani SMEs. However, it exists not as a business strategy but rather in the form of informal initiatives, which the majority

of managers do not regard as CSR.

Ranking order analysis (relative significance)

There were four dimensions identified for the first part of interviews based on Carroll's model: economic, legal, ethical, and philanthropic responsibilities were discussed on the matter of what was the most/least important category of social responsibility from SMEs perspective. This task was designed with a purpose to test the CSR pyramid in order to understand whether CSR in Kazakhstan is composed of the same components and in the same particular order suggested by Carroll (1991). I aimed to understand how the theory fits within a different setting. For 'most-least important' task, participants were asked to grade four aspects. A ranking exercise summary, and the distribution of responses are represented in Table 8 below. Frequencies are presented to facilitate understanding of findings.

Table 8 "Frequency table for coded qualitative data"

Coded qualitative data	Frequency
Economic Responsibility	
- Extremely important	6
- Important	0
- Neutral	0
- Unimportant	0
- Extremely unimportant	0
Legal Responsibility	
- Extremely important	1
- Important	2
- Neutral	3
- Unimportant	0
- Extremely unimportant	0
Ethical Responsibility	
- Extremely important	2
- Important	3
- Neutral	1
- Unimportant	0
- Extremely unimportant	0
Philanthropic Responsibility	
- Extremely important	3
- Important	3
- Neutral	0
- Unimportant	0
- Extremely unimportant	0

Source: Darmenova Y. (2019)

For weighting of qualitative data on CSR categories' perception obtained from interviews, all responses were graded on the basis of a four-point scale from extremely important (4 points) to extremely unimportant (0 points). I suggested prioritising four CSR aspects to formulate an understanding of how *CSR is composed of four aspects in the local context.* The discussion was intended to reveal whether CSR in a local context is different from the one formulated by Carroll. The results are shown in Diagram 1 "Ranking of CSR segments" Diagram 1 below, which represents an average score referred to four CSR segments. The absolute majority of interviewees assigned the most significant score to Economic responsibilities (4 points), closely followed by philanthropic responsibilities (3,5 points). It was noteworthy that philanthropic and ethical responsibilities (3,2) were regarded to be more important than the legal once (2,7).

Diagram 1 "Ranking of CSR segments"
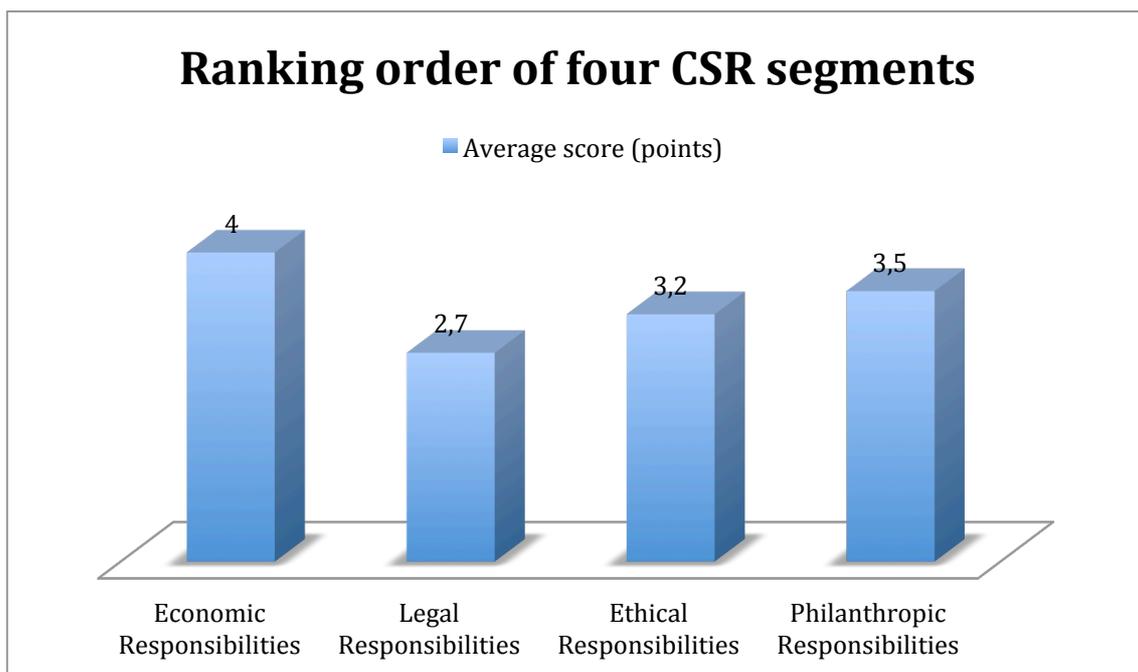
Source: Darmenova Y. (2019)

The ranking order was produced to give a precise picture to a reader and to assert the difference in the local perception of CSR. Ranking gives specific insight into what CSR effectively means for Kazakhstani SMEs. Having qualitative data quantified enabled me to reproduce and project Carroll's pyramid of CSR on the local context. Figure 6 below is a visual representation of my findings on CSR in

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Kazakhstani SMEs in comparison to Carroll's CSR pyramid. In particular, the order in which respondents prioritised suggested categories has been different. Carroll (1991) suggested a model with economic responsibilities at the baseline, followed by legal, ethical and philanthropic responsibilities, while in Kazakhstani context the hierarchy and relative significance of four domains has been different.

Figure 6 "Carroll's CSR pyramid in a context of Kazakhstani SMEs"
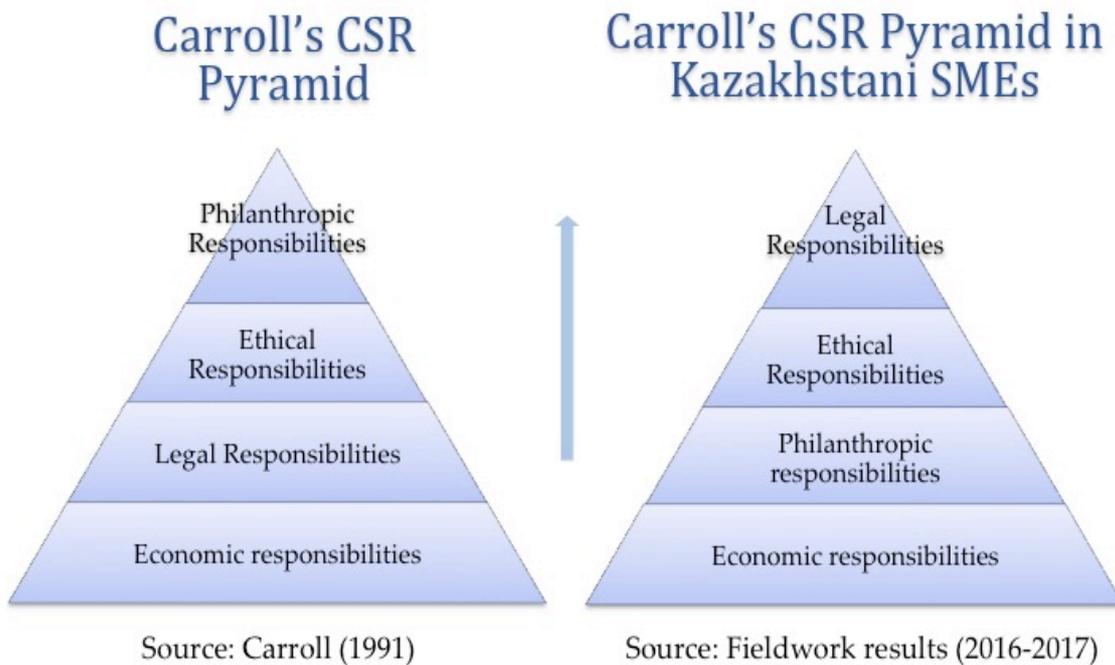
Source: Darmenova Y. (2019)

In Kazakhstani SMEs, economic responsibilities are still given the first priority. However, as distinct from the original pyramid, philanthropic and ethical responsibilities received more emphasis than the legal, as portrayed in Figure 6. All four domains were discussed thoroughly with an idea not just to rank them, but also to gain a deeper understanding of what forms this difference. The explanation of each of the four sectors is discussed separately in the following sections.

Economic responsibilities

The inclusion of this category was very confusing at the beginning. The way it is perceived by managers/owners is that a company cannot have economic responsibilities because *"… any business should have an economic sense, but this is*

more like the main purpose of a business rather than responsibility" (R5). This view corresponds to Visser's (2018) argument concerning the domain of economic responsibility, which points out that there is a lot of confusion about this specific type of responsibility: "*that is like saying my purpose is to breathe, it is nonsense*". Similarly, in SMEs this misunderstanding comes from the fact that in small companies often the owner and a manager are the same person. This is why it seems "*there is no logic to be responsible to yourself*" (R1). It made more sense, however, when we turned economic responsibilities to other stakeholders (e.g. employees). Eventually, all companies put that as a baseline agreeing that the economic responsibilities are the most important once because no other form of a business responsibility can exist if a company is not profitable. Fox (2004) claims that the prioritisation of economic sense in the context of developing countries should not be considered in the negative connotation, but rather from a more development-oriented perspective, which is oriented towards creating an environment for responsible business conduct and putting forward economic and equity aspects to the sustainable development agenda.

Philanthropic responsibilities

Philanthropic concerns received the second highest level of importance, ranking higher than the remaining aspects. My prejudice that philanthropic responsibilities might be less relevant for Kazakhstani SMEs was disproved by these findings. People do feel the need to do good for the community even when stakeholders do not have particular expectations. It is worth stressing that in this respect, the way SMEs in Kazakhstan approach CSR is proactive rather than reactive. In other words, CSR in Kazakhstani SMEs is neither driven by external pressure (stakeholder's expectations) nor does it assume any economic returns. Instead, it is rooted in philanthropic aspirations of managers/owners, something which was clearly articulated during interviews:

> "*I do that* [CSR] *not because others expect that from me but because I feel the need to do that… regardless if I benefit from that or not.*" (R1)

Philanthropy involves giving back to a community and is driven not by self-interest, but by altruism, implying no benefits in return. CSR in these SMEs is an

explicit example of 'altruistic CSR', which, contrary to strategic CSR, does not bring any financial benefits (Baron, 2001). This 'altruistic CSR' often exists in the form of informal practices, which small companies do not even recognise as CSR and therefore never advertise that as such. The fact that no company attempted to advertise its CSR activities indirectly supports the proposition in favour of 'altruistic CSR'. I intentionally asked if they were going to advertise it somehow (for example taking photos and uploading them to their website). The Respondent 1 said:

"...I do not feel comfortable to film those elderly people eating and moreover to use them as an advertisement on our website. I think this would really devalue the whole idea of doing that. "If you have done a good thing, throw it to the water[28]..." (R1)

"I am not saying to my customers that I donate to the nursery. This is my own thing. I do this thing not because I want others to know about that but because I feel that I need to do that." (R5)

"...because I live in the same place, I know some customers personally, and they often know my parents, and their opinions really matter to me. It's more a feeling rather than a logic." (R4)

Indeed, the fact that they do that with no any advertising purpose forms a strong basis in favour of an argument that the motives are not related to economic returns, but stem from the cultural orientations. Visser (2008) explains the higher priority of philanthropic motivation by the effect of indigenous traditions of philanthropy in developing countries. The author also suggests additional reasons for prioritising philanthropy. He points out that this is partly because developing countries' CSR is still in its immature stage and often companies equate CSR and philanthropy, rather than embedding strategic approach. However, I believe that this specific argument is more relevant to the size of the company rather than the country development level, by which I mean strategic CSR is mainly associated

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[28] The respondent recites the quote from the Soviet cartoon - *"If you have done a good thing, throw it to the water"*, which means that good things should be done silently, you should never announce it.

with bigger companies, while small firms often undertake informal CSR practices regardless their geographical location. Thus, I would avoid extending this generalisation from the level of business maturity to the maturity/immaturity of a whole country's economy.

Ethical responsibilities

Although I naturally considered ethical responsibilities as an extension of legal aspects (if we think of law as codified ethics), and therefore logically to be put after them, ethical responsibilities appeared to be more relevant for SMEs than legal ones. For some respondents it was challenging to draw the line between ethical and philanthropic responsibilities:

> *"They* [ethical and philanthropic responsibilities] *do not seem to be very different…."* (R5)

However, overall the majority of respondents ascribed the third priority to ethical responsibilities, after philanthropic concerns, as shown in Figure 6 before. SMEs considered philanthropic responsibilities as an all-embracing umbrella, which included ethical concerns or at least formed a base for the latter once:

> *"…ethical responsibilities is what others expect, the same like you are expected to act ethically… But philanthropy comes from your heart, inner beliefs."* (R1)

> *"I think that ethical responsibility is a part of philanthropic ones. One cannot be driven by ethics, it* [ethical responsibility] *is just a basic standard…"* (R6)

This explains why participants prioritised philanthropic issues over the ethical. The high dependence of attitudes regarding the ethical dimension on the context corresponds with Carroll's (2004, p. 117) view, where he admits that this domain may represent a variety of national views, due to the significant discrepancy between ethical standards, norms and values. Unlike Visser (2008), who suggests that in developing countries ethical responsibilities seem to have the least

significance for the CSR agenda, I found that in Kazakhstani SMEs ethical aspiration, specifically in terms of its motivating capacity, enjoy a higher priority than legal aspects.

Legal responsibilities

Legal responsibilities are the ones that received the most controversial comments. First of all, as was pointed out by the respondents, small businesses in Kazakhstan are not subject to CSR-specific regulatory legislation. Respondents mentioned that there are no specific norms to regulate companies CSR activities. Although there have been benefits associated with a tax deduction for specific CSR-related initiatives, e.g. employing disabled people, pensioners or single parents (CATRC: Central Asian Tax Research Center, 2013), some of the respondents did not know about them; others stated that costs related to composing CSR reports (hiring a knowledgeable accountant) outweigh those insignificant benefits:

> *"To be honest I do not know if there are benefits, but even if there are I am sure it will not worth bothering. I do not have an accountant; I will have to make reports, means I will have to pay to an accountant to make those reports for me."* (R3)

This closely corresponds with the findings of SANGE Research Center (2013), which found out that there have been only a few companies (17%) in Kazakhstan, which knew about benefits, even fewer companies (about 4%) have used those benefits, with the absolute majority of those companies not being SMEs but major foreign corporations and joint enterprises (CATRC: Central Asian Tax Research Center, 2013).

Although it is considered a requisite, oftentimes businesses are looking for a way to minimise expenditures by using loopholes in tax legislation. According to Visser (2008) in the context of developing countries legal responsibilities in general is the matter of lesser concern as compared with developed countries. Yet, this does not imply that companies neglect the law, but simply that there is far less pressure for responsible conduct because the state regulatory system typically is less developed and the primary concern of companies is the lack of resources and efficiency.

In the case of Company 5, legal responsibilities had relatively less weight due to the lack of trust in the system of tax redistribution:

> *"I am not really sure how will the state allocate the money, which I paid in the form of taxes. I am not sure if the tax I paid will be spent on improving our town infrastructure or schools and kindergartens maintenance or a part of it will get lost on its way. If I have money, I would better give it directly to that local nurseries and school... In that case, I will be sure that it goes where it has to go... I do not trust authorities."* (R5)

This explains why philanthropic responsibilities have been prioritised by respondents over the legal aspects in terms of their motivational capacity. However, this should not be perceived as an indication of how law abiding Kazakhstani small businesses are or not in general, but more just the representation of their concerns in this specific case.

Christensen & Murphy (2004) pointed out that tax fraud is still the most significant example of business irresponsibility in developing countries. A very similar situation was in place in post-Soviet republics during the early transitional period. This formed the public mistrust of business and businesspeople, suspicions concerning fair competition, and state regulatory system, which is reflected in the following statement:

> *"...this is not a secret that sometimes companies do not declare 100% of what they earn... Under unfair competition, isn't it a social responsibility that I pay 100% tax, while I could just declare less?"* (R6)

Admittedly, Kazakhstan has made significant progress in improving legislation and the system of state control; there have been a lot of successful campaigns initiated by Kazakhstani government to combat shade economy. This effectively reduced the level of grey market share (Government of the Republic of Kazakhstan, 2015) and increased transparency of business conduct in general. This reference (Respondent 6) is more an exception rather than a rule; however, sometimes such perception of business people (formed under the influence of

transitional legacy) remains a severe limitation, reducing the capacity of legal aspects as a motivating force for CSR. Furthermore, in the majority of cases, while regulatory compliance could discourage firms from doing harm, they may not be motivational factors themselves. Together with economic responsibilities, they are seen by the respondents as self-evident requirements but not as motivation.

Summary of Carroll's CSR pyramid in the context of Kazakhstani SMEs

I composed the contextualised version of Carroll's CSR pyramid not to advocate how CSR should look like in the given context, but to portray the reality of the field, to address the question on how CSR is represented and conceptualised when it is put in the context of Kazakhstani small businesses. In other words, I neither imply that legal or ethical responsibilities should be given less priority, nor do I mean to justify that this is the 'right' way to look at CSR. Rather, my contention is that what is suggested to be CSR by Western theories does not coincide with what constitutes the reality of CSR in Kazakhstani SMEs. The reasons, which explain why such difference exists, are in details explored in the following sections.

5.2 Stakeholder Theory in the context of Kazakhstani SMEs

"Who are the stakeholders of Kazakhstani SMEs' CSR?"

I analysed and allocated the different CSR initiatives, according to their relation to a particular stakeholder group (Table 9 below) with the aim of constructing a picture of what constitutes CSR practice in Kazakhstani SMEs based on the stakeholder's theory-composition. For the vast majority of the companies, CSR activities were represented by the people-centric concerns. There have been two key areas around which all the businesses focused their CSR activities: local community and employees, reflecting a robust philanthropic perception. This also corresponds with the high significance ascribed by the respondents to the philanthropic domain of Carroll's pyramid. Interestingly, all managers did CSR because they felt the need to address a concern of the local community. No activities were documented as being driven by economic or legal concerns. This correlates with the findings of Sen & Cowley (2013), who pointed out that in Australian SMEs, CSR motivation stems from the feeling of social obligation but not economic and legal responsibilities of business.

No company had a formal approach to CSR. Firms neither recognise responsible practices as a CSR activity nor do they account for these activities in their business strategies. The findings reveal that the donations, which companies make, often have an unplanned character. As confirmed by the findings of Thompson et al. (1993), the majority of small firms do not have written policies and their donations mostly have an occasional character. Some of the managers talked about care, which they provide for employees, others were more inclined to direct their CSR at addressing local community needs. No company had CSR as a planned strategy and budgeted expenditure. Table 9 below summarises the main CSR activities and relates them to specific stakeholder's groups using Freeman's (1984) stakeholder approach.

Table 9 "CSR in Kazakhstani SMEs and its recipients"

Company	CSR activity	Stakeholder	Formal/informal
Company 1	Free lunches for WW2 veterans	Local community	Informal
Company 2	Free hot meals delivery to elderly people from the local neighbourhood.	Local community	Informal
Company 3	'Help shelf': free bread and vegetables for pensioners	Local community	Informal
Company 4	Free bread for those who cannot pay for it	Local community	Informal
Company 5	Donates money to a local nursery	Local community	Informal
Company 6*	Fully declared salary*	Employees	*

Source: Darmenova Y. (2019)

Some of the respondents felt that they make their contributions by just running their business. Nevertheless, all acknowledged the importance of "*extended*" responsibilities in a wider meaning. Some companies did CSR from time to time and, for others, this was a consistent practice. No respondents incorporated CSR in a formalised management strategy. SMEs seem to take into account the interests of certain stakeholders, especially employees and the local community. They were more inclined towards people-oriented CSR activities rather than doing *"abstract good"* (R1).

The respondents reported that they did not feel influence (pressure, expectations) on firms' CSR from their stakeholders. This proposition resonates with the findings of Sen & Cowley (2013) who also pointed out that there was no impact on SMEs' CSR from the stakeholder's side. Furthermore, regardless the non-existence of any stakeholder's effect (pressure), the respondents explained their participation in CSR as a voluntary involvement, not in response to stakeholders' expectations but as a proactive activity stemming from the managers' personal beliefs.

My findings indicate that a small company does not relate its CSR with the influence and concerns of such external stakeholders as suppliers, NGOs, media, or government etc. Instead, SMEs' CSR has a more 'people-centric' character, being more inclined towards philanthropic CSR addressing employees and local community/customers concerns, as illustrated in Figure 7 below.

Figure 7 "Stakeholder view of the firm in a context of Kazakhstani SMEs"
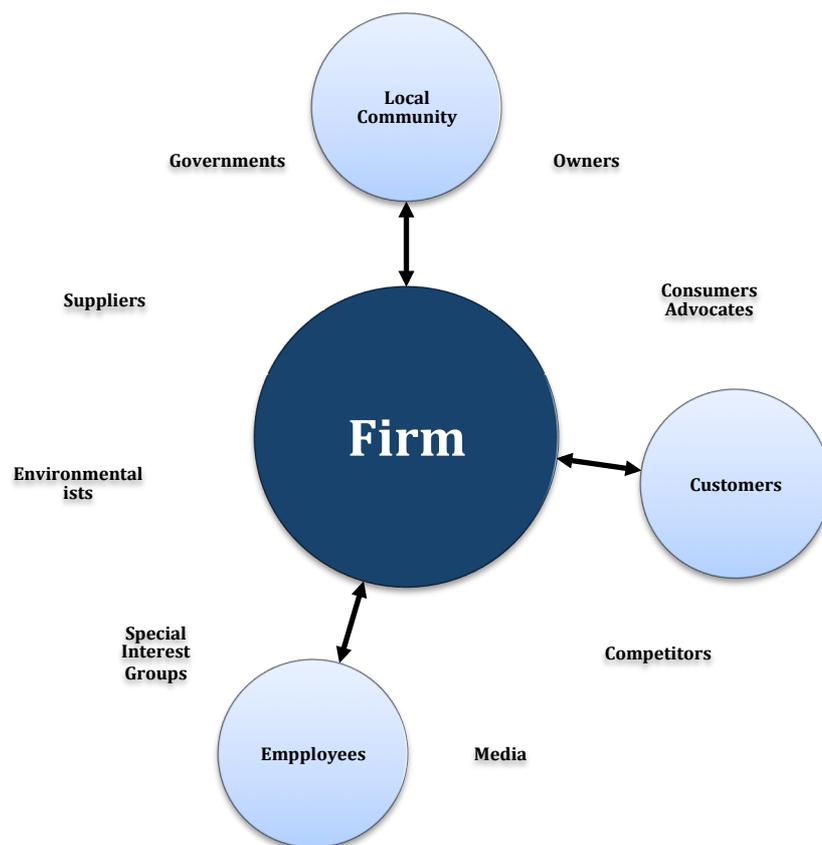
Source: Darmenova Y. (2019)

There have been specific explanations given by the respondents of why their CSR motives do not extend to such stakeholders as government, environmental issues, etc., but stop at the employees and community concern:

> *"My CSR is employees because we all spent more time here rather than even at home. Our collective is more like a family, and it is important that people working here have the feeling of belonging and support..."* (R6)

> *"I think such things as care for the environment are more relevant to manufacturers because they can directly affect the environment by their deeds. Like about air pollution you need to speak with a factory, whose production is associated with harmful emissions. But how a small company like me can harm the environment."* (R6)

> *"This* [environmental issue] *is a global issue... I think it is unfair to put it on the shoulders of small guys, this is a problem, but it has to be solved by the government, not us* [SMEs].*"* (R5)

> *"As you just mentioned, there are certain initiatives undertaken by government or NGOs, but first of all, I do not know about them... I did not know even that those NGO existed... Another point that even if I knew, I do not think this* [government, and NGO initiatives] *would drive me* [to do CSR]. *I do that not because someone from podium says this is good or right, I do that only because I believe it is right."* (R1)

> *"My CSR has nothing to do with politics* [the state initiatives]*; it is simply because I see that there are people in need and it is obvious that the state does not provide enough."* (R4)

Dunham et al. (2006, pp. 37-38) broadly distinguished between two groups of stakeholders: communities (which a firm affects or is affected by) and immediate stakeholders such as employees, customers, and suppliers (upon whom a firm relies for support). Furthermore, authors suggest that the businesses' interaction with the latter must be marked by a closer collaboration. Contrary to

this, my findings suggest that stakeholder proximity is not a factor defining Kazakhstani SMEs' CSR engagement: community issues were predominantly at the forefront of CSR (in five out of six companies), and social responsibility towards the dominant stakeholders was exclusively confined to employee stakeholders. I found no evidence in support of the major influence of immediate stakeholders (employees, customers, suppliers) on CSR motivation and decisions. Personal manager's/owner's philanthropic orientations towards local community appeared to be the most powerful driving force for SME CSR engagement, but not economic motives as commonly believed (Murillo & Lozano, 2006). Furthermore, the disregard of CSR policies directed to 'satisfying customer's/suppliers expectations' once again justifies that CSR is not regarded as a mere profit maximising tool by SMEs (Spence & Rutherfoord, 2001). Likewise, legal compliance did not appear to be the primary concern of CSR aspiration in small Kazakhstani businesses as was in details discussed in the previous section (Legal responsibilities). Contrary to Williamson et al. (2006), who established legal regulation considerations was one of the main drivers of pro-social behaviour, this was not seen as a factor motivating CSR for Kazakhstani SMEs.

The fact that small companies CSR does not go beyond employees and local community concerns is explained by the extent to which those stakeholders can affect and be affected by SMEs business. Such contextual depiction better fits with the 'narrow' stakeholder definition, suggested by Freeman and Reed (1983), who distinguished between concepts of 'narrow' and 'wide' stakeholder definitions. The 'narrow' definition suggests that there are certain groups of stakeholder, which are crucial for a firm's existence and success. The 'wide' definition embraces any group who may potentially benefit or be harmed by a given corporation's actions. According to my findings, using the 'narrow' stakeholders circle is more relevant in the context of small enterprises, which referred to 'wide stakeholders' as *"abstract stakeholders"* (R5) or *"extension, which has nothing to do with SMEs' practice"* (R1). Furthermore, some respondents expressed a very sceptical attitude towards 'extended' practices in SMEs in general. Such an attitude comes from the idea that when CSR (in a form of 'extended' responsibilities) is a marketing campaign, it is not a CSR but a business strategy:

"I do not value such CSR; everything has to have a real name. I do not

> *like when it is done to advertise how good you are because I do not feel*
> *it honest."* (R1)

Interestingly, the owner's concern was not regarded as a relevant issue for CSR even though owners are the most immediate stakeholders of any business. Such exclusion is built upon a belief that with owners, there is another (economic) type of responsibility, which has no relation to social matters:

> *"Social responsibility is a responsibility towards the society as I*
> *understand, so CSR can be a responsibility to people, right? Who are*
> *those people: it is your family, employees, customers and finally local*
> *society. That is how I see that. With owners, it is economic*
> *responsibility... obvious business matter, but not CSR. In my case owner*
> *is my husband, so responsibility is not like to the owner but as to a*
> *family."* (R1)

Responsibility towards customers, while stated to be in place, had a slightly different flavour. One would think of addressing customer concerns as a direct link to a business orientation (sustaining profitability of a business). However, the responses showed that SMEs speaking of CSR viewed addressing customers' concerns not as a tool to increase demands for their services, but a way of addressing local community demand concerning the high quality product and service standards to be provided by SMEs:

> *"Customers are... the same community members, why do you separate*
> *social responsibility towards customers from the local community?"*
> (R4)

Overall, for all interviewed companies, CSR existed on a form of people-centric (philanthropic) campaigns, with the purpose of contributing to solving concerns of local community and employees. These initiatives, in all cases, were driven by the personal manager's/owners' initiative but never by the external pressure or expectations of wider stakeholders' group (e.g. government, NGOs, media, suppliers etc.). Small companies' CSR can be viewed as a response to the

state's inability to provide sufficient care for its citizens, and a resulting endeavour to fill this gap. No company had CSR incorporated into its business strategy. On the contrary, CSR practices had a more informal character with no intention to receive any benefit in return.

While my research stopped at the level of employees and local concerns insofar as understanding which stakeholders SME's managers viewed as important or not important in terms of CSR concerns, there is no doubt that national, political and socio-economic environment may influence the way in which companies practice CSR. I did not extend my analysis to the impact of the state and its policies because it was clearly articulated by the respondents that CSR in SMEs (and more specifically CSR motivation), unlike in large enterprises, are neither driven nor seriously affected by state policies. However, I admit that there are 'silent' factors, which even if not recognised by SMEs, may influence companies' CSR. However, because the study explores the phenomenon in the context of SMEs, the perspective of SMEs was the primary focus.

A crude application of Freeman's (1984) stakeholder model, especially when considering the prioritisation of stakeholders based on salience and proximity (Mitchell, Agle, & Wood, 1997), fails to address the question on CSR motives in small businesses. Such stakeholder's prioritisation does not answer the question of why seemingly dominant stakeholders (e.g. suppliers) are less emphasised by SMEs, whereas community (a discretionary stakeholder) receives the most attention.

Summary of Freeman's Stakeholder Theory in the context of Kazakhstani SMEs

Overall, small companies' CSR was directed towards addressing concerns of two groups of stakeholders: local community and employees. SMEs were found to have active involvement in philanthropic (discretionary) activities, perhaps because "small firms are close to the communities they serve" (Amato & Amato, 2007, p. 229), which contradicts with what Curran et al. (2000) referred as to "non-participation" of SMEs in local development. Contrary to the argument that "small business owners tend to be detached from the locality" (Curran, Rutherfoord, & Lloyd Smith, 2000, p. 128) my findings support the proposition of Spence (2000) and Sen & Cowley (2013), who suggest that smaller companies are

more devoted to local community concerns, thereby disproving the long-held and popular supposition that SMEs are disengaged from CSR. However, unlike Sen & Cowley (2013) who suggest that in the current business milieu a local community influence on SME is strong enough not just to decrease but displace owner's/managers personal beliefs and interests, I found that in Kazakhstani SMEs the personal values of the manager still play a predominant role in CSR decision making. This, however, may be because in the given context there was no conflict between the two (i.e. managers and local community values). All the factors behind SMEs' CSR motivation, including the effect of personal managerial beliefs, are in details discussed in the following section of CSR motivation.

5.3 Motivation of CSR

"Why do Kazakhstani SMEs engage in CSR?"

This section is related to the question, which seeks to understand what motivates small companies to engage in CSR? This section offers a discussion and analysis of the leading CSR motives in a context of Kazakhstani small businesses. In contrast to extensive research suggesting that pressure from major corporations may motivate small company CSR (Murillo & Vallentin, 2012; Russo & Perrini, 2010; Perrini, Russo, & Tencati, 2007), the responses of this study clearly demonstrated that the external pressure on small businesses, and CSR expectations from suppliers, community, government and other stakeholders, was either non-existent or very limited. SMEs do not regard such considerations as motivating factors. In accordance with Jenkins (2004), my findings suggest that small businesses feel no external pressure, and external pressure could not be the reason for their CSR motivation. Instead, CSR initiatives are driven by a desire to do 'right and good' things. Moreover, managerial personal beliefs are shaped under the influence of a specific cultural and historical heritage. The analysis that revealed CSR motivators, specific for Kazakhstani context, are summarised in the form of a brief overview in Table 10 below:

Table 10 "Synopsis of CSR motives in Kazakhstani SMEs"

Shaping context	Quotes from the interviews	The influence of social norms: Motivation through the prism of context *(historical/cultural/religious)*
Traditional inheritance	*"It is in our blood."* *"'Asar'[29]... means "altogether."* *"It matters what other people think of me."* *"Sadaka[30]."*	A reference to traditional cultural orientations of nomadic Kazakhs; The importance of family ties and in-group relationships in collectivism; The influence of religious norms.
Soviet inheritance	*"I feel ashamed to be richer than average."* *"Don't have 100 roubles[31] but have 100 friends."* *"To me, this is just a natural continuity back from those days."*	The Soviet attitude towards material wealth and its accumulation; The Soviet understanding of 'wealth'. The CSR is not regarded by companies as imported concept, but rather as a natural continuation of traditional Soviet care for the community that has always been in place in the USSR.
Transitional inheritance	*"Being 'white'[32] is my CSR."* *"I do not trust authorities."*	A total distrust and tax evasion became a common practice during the early 90's, which resulted in the formation of 'transitional' understanding of CSR as a mere law abidance.

Source: Darmenova Y. (2019)

In this section I elaborate further on the study findings related to *how Kazakhstani CSR is shaped by local value systems and the effect of historical and cultural contexts*. This section is divided into three subsections, each relating to distinct attitudes and motivating factors for SMEs CSR engagement. I consider the evolution of CSR precursors through the prism of historical and cultural context.

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[29] *Asar* in the Kazakh language means a call for help of a commune
[30] *Sadaka* is a charitable giving in Islam
[31] *Rouble* was a currency of the Soviet Union
[32] The term *"white"* here means that a company works in compliance with the legal norms

Because these two factors have been closely interrelated, the analysis draws upon these aspects jointly. I analyse CSR evolution and cultural changes over the certain periods of Kazakhstani history, and present answers (concerning beliefs that underlie respondents' CSR motivation) following a thematic approach, focusing not on individual stories, but the influence of historical together with cultural contexts.

In this section, findings will be presented frequently in the form of direct quotes in order to highlight the issues held major respondents' concern. This section starts by looking at the CSR phenomenon through the lenses of pre-soviet nomad culture, the second and the third parts address the CSR motivation through the prism of the business mindset that is strongly affected by the Soviet and transitional past, respectively.

Overall, the data analysis revealed that CSR in the case of Kazakhstani SMEs is often not market driven, as suggested by Lee et al. (2016), nor comes from external pressure (Aguilera, Rupp, Williams, & Ganapathi, 2007). Different motives were identified by this study. In particular, I found out that the motivation in the case of Kazakhstani SMEs could be better explained by the effect of local culture (collectivist culture orientations, significance of family ties, local social norms, traditions, values, beliefs, religious attributes), and historical experience (Nomad, Soviet, and transitional legacy).

5.3.1 CSR motivation: Pre-soviet legacy

"It is in our blood."

The understanding of CSR and its practice in the local context is strongly affected by the historical together with cultural contexts of the environment in which the CSR has evolved, as was mentioned before. One of the respondents ascribed his CSR to a sort of specific cultural 'DNA' inherited from the nomadic past. He pointed that out and explained why, from the earlier times and up to the present, the idea of mutual help has always been important for Kazakhs. He linked his CSR to past traditions, indicating that his CSR understanding stems from personal beliefs that closely correspond with prescriptive social norms existing in Kazakh culture since pre-Soviet times:

"It [CSR] *is in our* [kazakh] *blood. It has always been important for Kazakhs... to provide help to the people in need, and not for poor people only. In nomadic times it was crucial because when one travelled and had to cover long distances, he should always be able to count on the help of another person. And even if someone does not know you personally, they will never refuse to provide help or a shelter.... That is why the traditional mutual help and hospitality are important parts of nomadic culture. The traditional "Asar" for example means "altogether", in particular, it refers to the idea that what is difficult and undoable for a single person can be done through cooperation, collective effort...* (R5)

"The traditions of mutual help have always been here [in Kazakhstan]. *You know how it is important for Kazakhs to support their relatives. If one brother happens to be more successful, he will necessarily take responsibility for the other members of the whole* [means extended] *family... family ties are a vital part of Kazakh culture."* (R4)

In the following part of the interview, a belief in the success of a collective effort together with the distrust towards the ability of the state to provide adequate social care were articulated very clearly. The respondent pointed out that what is not possible for an individual to tackle, can be done by means of a collective effort. He explains why he donates money to the local nursery. He explains his CSR as both a Kazakh cultural 'DNA' and pragmatic business-community cooperation to address the local society's concerns. The flow of our conversation gave me a chance to mark out specific CSR prerequisites. The respondent first mentioned that certain CSR aspects are incorporated into Kazakh social norms before pointing out a gap formed by the state failure to provide for its citizens, and his CSR functioning as a tool to fill in this gap:

"In principle, this [CSR] *is not very different from what I do. I donate some money to a local kindergarten. My child goes to the same nursery, and I know other parents businessmen who do the same. They are our kids and our responsibility. We cannot refer these problems to*

impersonalised state. But even if I waited until someone comes and solves this for me – this would have never happened. This relates to me as well as it relates to anyone from the local neighbourhood… Look, our local authorities do not have enough money… or whatever reason it is they haven't addressed our needs anyway… I would not be able to support this nursery by myself only, this is just too much for a single person to tackle, but there are other business guys whom I know, so we decided to cooperate; each of us contributes as much as he can, and it works!" (R5)

In fact, in this case, the CSR is a complex aggregate - his understanding of CSR as a sort of traditional genome is rooted in traditional principles of mutual help and mutual responsibility. At the same time, his motivation came from a lack of trust towards the state and, when the government was not able to adequately address societal concerns and deliver 'safety-net' provisions, CSR driven by traditional principles filled this gap.

"It matters what other people think of me."

The importance of family ties, building warm relationships with an in-group, and a sense of belonging, are strongly associated with the collectivist mentality fostered by Kazakh (collectivist) traditions alongside Soviet (collectivist) cultural orientations. The significance ascribed to family ties - building warm relationships and in-group integrity - is based on principles of interdependence and sociability. These form the pre-requisite for CSR concerns such as mutual responsibility and care for the local community. In social psychology studies, the extent to which helping is favoured (or expected) by community defines the likelihood that agents will enact helping behaviour (Schwartz, 1977). The influence of a social normative of helping behaviour is profound. In this particular case, such helping and charitable activities of the respondent were enacted by former social norms (shaped under Kazakh cultural, religious and historical context). As she explained, she felt the need to *help* people. Therefore, CSR in her case was more of a 'duty,' rather than a business strategy, motivated by a moral imperative related to helping and not by the possibility of economic gains.

"I do that just because I feel the need. None actually forces me to do that. I live in the same neighbourhood where my shop is located, and I know personally the majority of people living here. You probably noticed that this is not a 'rich' district. The majority of people who live here are not rich. I mean these tiny contributions will neither take away nor add to my business economically but for those people who take bread and veggies the saving of 3000 tenge[33] (ten percens of their pension), per month is a considerable help and means a lot...

I have elderly parents, and I know that with no my financial support they would not be able to live a normal life... We have to care for and help one another (R4)

Further, the respondent provided a reference to a Muslim practice of sharing in the form of giving out one-third part of one's income. It is noteworthy that she mentioned this practice even though she is not religious. Identifying herself as 'culturally Muslim', this portrays how religious norms transform into a cultural setting in the specified context. Respondents frequently expressed altered interpretations of religious norms. They would refer to certain religious norms mainly to signify the importance of giving, sharing, and helping, rather than Muslim sharing, suggesting Islam as more of a cultural component, rather than a religion in the given context. This is a typical situation for Kazakhstan when certain Muslim values migrate to local social norms. An example of such transformation of religious norms to the local traditions would be Eid[34] in Kazakhstan. The majority of Kazakh people, regardless of their faith, celebrate Eid, a religious festival marking the end of Ramadan. There are many other examples as well, such as 'sadaka'[35] or 'zeket'[36], which move between religious and local social norms:

"...you know a standard practice for Muslims to share one-third of what they have with those who are in need. I am not religious, but I am culturally Muslim. My parents were atheists during USSR times but

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[33] *Tenge* is a local Kazakhstani currency; 3000 tenge = 7GBP approximately.
[34] '*Eid*' is a Muslim festival, marking the end of Ramadan, the culmination of the annual pilgrimage to Mecca (Oxford Dictionary of English (3 ed.), 2010).
[35] '*Sadaka*' is a charitable giving in Islam
[36] '*Zeket*' is an obligatory payment made annually under Islamic law on certain kinds of property and used for charitable and religious purposes. Origin: via Persian and Urdu from Arabic zakā(t) 'almsgiving' (Oxford Dictionary of English (3 ed.), 2010)

with the Muslim background. I do not pray five times a day, but I do 'sadaka' or CSR if you like because I think people have to care for each other. If God is giving me such opportunity, I have to pass it further..." (R4)

Additionally, the respondent directly referred her CSR motivation to her family and immediate community expectations, and a need for approval. She pointed out that what others think is a matter of high importance, which conforms to such profound values of collectivist thinking connected to family ties and relationship with an in-group:

> *"We discussed this* [CSR initiative] *with my mom, and she supported me, she said this is the right thing to do, and what she says really matters to me. It is a very rewarding feeling to see how my parents are proud of me; they would always find a chance to tell about that during our bigger family gatherings. Not everyone but the majority of my relatives also favour these things...*
>
> *This actually matters what my parents, relatives and other people, whom I know personally, think of me and my business. It gives me more confidence in life; this is a very rewarding feeling. I grew up in a village where the respect and the opinion of people matter when you do something bad the main appeal of my mother always was "it is a shame... what other people will think about you?..."* (R4)

The respondent also emphasised the importance of building warm interpersonal relationships (a trait of collectivist culture), which she considers to be the key to personal fulfilment in a Kazakh context:

> *"I know the vast majority of my customers personally, and this is really really nice when they come and smile at me. This is the return I get in the form of very warm and friendly contacts with my customers rather than just impersonal business relations...*

I think success is a kind of external evaluation of one's achievements, but the sense of fulfilment is inner appreciation. So, it [CSR] *gives me the feeling of fulfilment."* (R4)

In the case of Company 4, CSR is driven by a variety of factors. In particular, the direct reference to the importance of family and in-group approval behind the pro-social behaviour as well as religious norms (incorporated in the local social norms) is observable. In the context of Kazakhstan, such norms are often detached from their religious connotation and are widely used by citizens of Muslim, non-Muslim, or atheist backgrounds. CSR in SMEs is mostly represented by people-centric concerns with the first layer of giving back to society meaning giving to the family and immediate community. This is how the importance of such collectivist cultural orientations, such as family/community ties and relationships between in-group members, play out in relation to SMEs' CSR.

5.3.2 CSR motivation: Soviet legacy

"I feel ashamed to be richer than average."

The manager of the Company 3 pointed out that the factor motivating her to initiate socially responsible practices came from her own will. She wanted to contribute to solving community concerns; there was no commercial interest behind her CSR:

> *"I simply feel much better when I see those people coming, taking a loaf of bread and sending me their blessings instead of complaining that the prices are increasing every day while the pension they receive is so tiny and that is simply not enough to survive sometimes. I feel that if I happened to be wealthier than the majority of people here, I must share."* (R3)

It is important to point out that the corner-shop operates in a neighbourhood, where generally the customers are pensioners or low-income people. The owner-manager is a woman in her sixties with an apparent Soviet mentality. Although the answer on the surface was her will to contribute, I later found out that there was

another implicit motive, which the respondent would not articulate directly. The next part of the conversation was revealing and shed light on the very roots of her motives. Her belief is strongly influenced by communistic ideas. She referred "*strive for earning more money*" to "*capitalist evil*":

> "*I feel ashamed to be richer than average. Only some twenty-five years ago* [during the USSR period] *we were always told that everyone should have the same amount of wealth and there was no way to earn more in any different way. Any business activity was illegal. You cannot have more than others and if you happen to do it was often associated with illegal deeds.*" (R3)

After seventy years of central planning, where the idea of 'equality' was a predominant belief and entrepreneurship was defined as 'speculation'[37] (an illegal activity forbidden by law), it comes as no surprise that a considerable proportion of the population (especially in the 90's) looked at the emerging SMEs sector with a specific suspicion inherited from the Soviet past. Such negative attitude is well captured by popular in the 90' cliché "*оказался ближе к кормушке.*"[38] the negative implication of which suggests that becoming an entrepreneur and running a personal business was reserved for privileged, richer people with well-established connections, "*по блату[39]*". Between the lines of such thinking was the argument that start-up capital was a luxury and not affordable for ordinary people. The question logically was then 'how one could accumulate enough wealth to own business in the system where everyone was supposed to be equal?'. Especially subversive for the reputation of private business in this context was the effect of

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[37] *Speculation* was a crime, defined as "the purchase and sale of goods and other objects with the intention of making profit" (Soviet Criminal Law, Economic Crimes, article 154), (Feldbrugge F.J., 1963)

[38] "*Оказался ближе к кормушке*" from Russian literally means "happened to be closer to a feeding bowl", a specific reference to those newly established businessmen who due to connections (by *blat*) enjoyed unequally and unfairly higher chances to acquire (privatise) more property, assets and so on. In early 90' businessmen, especially those who benefited from privatisation, were often regarded as usurpers of the wealth, which was created by and belongs to the public. The general attitude in relation to business was that they did not own assets legitimately but took them over by means of fraud.

[39] "*Blat*" is the use of personal networks and informal contacts to obtain goods and services in short supply and to find a way around formal procedures. The word is virtually impossible to translate directly into English (Ledeneva, 1998, p.1)."The term *blat*… is one of those many flavoured words which are so intimate a part of a particular culture that they can be only awkwardly rendered in the language of another. The word implies the use of personal influence for obtaining certain favours to which a firm or individual is not legally or formally entitled" (Berliner, 1957, p.182).

the privatisation, called *"прихватизация"*[40] among folks, as was noted by the respondents (R3, R6). Perceived as deeply unjust by many, such wealth in many cases was not seen as produced, but merely conveyed from the state to 'privileged' individuals. Kuznetsov et al. (2009, p. 39) points out that Russian privatisation "turned out to be a particularly messy and murky affair that traumatised many Russians psychologically and hurt them financially…", this was very much the same case for all post-Soviet countries, including Kazakhstan. This explained why deep mistrust towards businesses which, as was widely believed, took advantage of privatisation, has remained among a large part of the population (Fifka & Pobizhan, 2014). Therefore, in post-Soviet countries, such attitudes often referred to private business as not very 'noble' activities and not acceptable for those who want to earn money in an 'honest way' (Hübner, 2000). Evidently, these predispositions were significantly different from those of societies where people grew up in the environment of a free market where the existence of SMEs was perceived as an entirely positive phenomenon. This negative perception was reinforced by the feeling of insecurity coming from the total and unexpected collapse of the old lifestyle, the radical introduction of the free market system (the so-called "shock therapy"), and the entire disappearance of the state social protection.

The memory of this transition exerts serious pressure on entrepreneurs understanding of 'earning' and profit maximisation, creating internal barriers and a cultivated feeling of guilt, as clearly demonstrated by the case of Company 3. The respondent mentioned that she felt discomfort, but now her *"small CSR let her sleep with a peaceful mind"*. Perhaps, in this case, the CSR might be understood as a form of compensation, indulgence in a sense, because the respondent mentioned that doing business does not feel comfortable sometimes. She has a feeling like she earns her money *"at the expenses of other poorer people"*. In a context of a post-soviet business mindset, if a businessperson makes a good profit, he will often try to justify himself, and one possible option is to share and give back:

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[40] *"Прихватизация"* comes as an wordplay of russian spelling of the word *"Приватизация" (eng. Privatisaion)*. Coarse and deliberate distortion of the word 'privatisation' – *Privatizatsiya = Prihvatizatsiya'*. It has extremely negative connotation, implying usurpation of the state-owned property in the process of privatisation illegally or at an intentionally understated price.

> *"This is a paradox, but sometimes you feel ashamed for earning more money!"* (R3)

To elaborate on this issue, I asked several more questions regarding whether it is not desirable to be rich. In particular, I was trying to understand how this conflict between profit maximisation, a very idea of any business as such, and the feeling of guilt plays out. Further suggestions expressed during the discussion reinforced my belief that CSR, specifically its motivating factors, should be considered with reference to the specific context (cultural, historical etc.). This is an unequivocal demonstration of how CSR perception, as well as its practice and motives, vary depending on the context.

> *"In this part of Almaty, a lot of people have really low incomes. When I talk to my relatives and friends, some people say 'rich' is not a problem for them, but it may become a problem when one thinks that I am rich, even though I am not at all. It becomes obvious if you run own business. A businessperson is often regarded as "burjui"[41]. Here* [in the neighbourhood] *there are many people… who are puzzled with a question how to survive with 50 000 tenge[42] per month I feel guilty for being successful. This is not right maybe, but just what is on top of my mind… that is how I feel."* (R3)

It is likely that one possible driver stems from an unconscious conviction that to be rich is a shame. Also, it might be considered as a form of fear to be condemned by society/customers. Perhaps this fear and belief are firmly rooted in the Soviet past, where the dominant communist ideology, an idea of total equality, was deeply internalised. People all had to live according to the same standards, opportunities and income levels. To stand out of the crowd was reprehensible. Smirnova (2012) refers to the question: is it unethical to focus on profits? She explains the controversy in relation to entrepreneurship by existing perception, which partly survived from the era of USSR when "all organizations were not-for-profit, and

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[41] The Respondent uses the term *"Burjui"* (bourgeois) as a curse word. It is still often used to refer to a person who does not work properly but always wants to benefit at the expenses of working people, as opposed to labour class. *"Burjui"* in this context has a strongly negative connotation.
[42] *Tenge* is a currency of Kazakhstan; 50000 tenge is approximately 120 GBP

operating for their own, but not for the state benefit, was prosecuted" (Smirnova, 2012, p. 409). The strongest Soviet propaganda perhaps still resonates in people's mind-set, especially those businessmen who are in their late forties and older. It is still subconsciously felt that it is not safe to possess more than average as was indicated by the respondent. One should not have more than others. Knowing that there are many people who are in need, it is simply uncomfortable to be rich in such kind of environment. Cumulatively, this might have a pressing effect on entrepreneurs. The very idea of business is to maximise profits, but business people often feel intrinsic shame as the respondent pointed out. This forms a psychological discomfort, which makes business people strive for putting themselves 'right with the majority/society'. As it became clear from interviews, they might often try to 'pay off' to the society, by means of giving away the part they earned in one form or another:

> *"...They are the same people and the same Kazakhs, brothers and sisters, so how can one stay indifferent... We must share..."* (R3)

These Soviet beliefs are reinforced by the context of Kazakh culture because very similar principle lies in the base of understanding of wealth distribution among family, relatives, and community in nomad culture. For example, it is very common for a Kazakh family when those who are more successful will normally share their earnings with the rest of family members. For instance, one might pay for education or invest in the business of a relative depending on the opportunities. In other words, collectivist thinking predetermines such kind of attitude and one can ascribe these to both Kazakh and Soviet social norms. In this case, the idea of fair wealth distribution is affected by the Soviet model together with Kazakh culture. The Soviet legacy is best portrayed by the feeling of guilt for maximising profits, and for earning more than others. In such a situation, CSR can be understood as a tool to address the contradiction between two mutually exclusive ideas of doing business and the feeling of guilt for earning 'at the expenses of other people'. What was indirectly communicated by the respondent, brings me to the point that in such a context CSR might be regarded as a way of justification for business. Thus, these specific reasons of why business people get

involved in CSR is affected by the ideas formed in the Soviet time and reinforced by Kazakh cultural orientations.

Of course, nowadays the perception of SMEs is changing. Yet, it may take more time before the society internalises the idea of private business as a positive development. Hübner (2000) points out that the present reality in the transitional economies is usually characterised by a mixture of old-mannered with a new more positive thinking about private business. Such contextually specific perspectives may carry an important message for a study on an understanding of business-society relationship. A study, which explores the latter, must take into consideration existing inadequacies from the perspective of the business by society, as well as by business people themselves.

"Don't have 100 roubles[43] but have 100 friends."

Maintaining good relationships with the people was a matter of vital importance in the collective culture, be it Soviet or traditional Kazakh society. A collectivist flavour, in some of the cases, was observable, or communicated directly by the respondents. As the semi-structured design of interview allowed for a certain degree of flexibility, sometimes the discussion deviated from the direct path of CSR motivation towards the reflection on related subjects. One such topic was the understanding of 'wealth', which I later found very useful in terms of its explanatory value in relation to understanding the motivation behind CSR. I devote a separate section, summarising concomitant themes emerging during the interviews because I found them to be highly relevant despite being outside of my initial research focus. The discussion on the motivation of CSR with the manager of Company 2 brought me to the point of how the understanding of 'wealth,' and its accumulation, may influence attitudes towards CSR:

> *"A true wealth is friendship and mutual understanding. Remember there was a very popular song in Soviet times by Alla Pugacheva[44] "Do not have 100 roubles but have 100 friends" and this became a proverb, this was very true for that time* [time of the Soviet Union]*. Money is*

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[43] *Rouble* – here USSR currency
[44] Alla Pugacheva is a pop queen of the Soviet show business.

> *not the main thing is life. As people say: money is a problem, big money is a big problem."* (R2)

The respondent constantly referred to the time of the Soviet Union with certain nostalgia. I turned the discussion towards the point of why, according to the respondent's opinion, friendship and good relationships mattered more than money in the Soviet Union. The respondent convincingly explained that there were particular reasons why 'befriending' and building good relationships prevailed over money accumulation:

> *"...because it was difficult to buy things which were in deficit. There even was a specific term 'dostat'[45], which literally meant that you could get it if you have good connections, 'blat'[46]. There was no strong incentive to gain money. Even if you had money, you still couldn't buy stuff. Connections mattered more than money in the USSR."* (R2)

Such kinds of explanation complements the importance of building rapport in the Soviet context. In particular, building a good relationships may serve a dual purpose. On one hand, establishing connections might be seen as potential capitalisation of the relationships, which corresponds with Bourdieu's idea of social capital, which can transform into economic capital through leveraging such connections. In a sense, personal consumption and connections in Soviet times represented an arena for demonstrating one's interpersonal and organisational abilities, providing space and incentive for individuals to connect and interact with society, potentially inflating the value of social connections as suggested by Chernyshova (2013). On the other hand, it does not exclude an actual 'befriending,' an essential aspect of a collectivist culture. This does not necessarily mean that building rapport should be entirely undermined by such a supposition, but instead, it reinforces the explanation of why the relationships were prioritised over the accumulation of money.

In the next part of the interview, I asked the respondent whether she could potentially think of using her CSR as a PR tool in order to gain certain financial

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[45] *'Dostat'* in Russian means to acquire goods, which were in deficit using connections.
[46] *'Blat'* is the use of personal networks and informal contacts to obtain goods and services in short supply and to find a way around formal procedures (Ledeneva, 1998, p.1).

returns. I tried to understand whether there could be any potential benefits for a company from their CSR involvement, which would help me to mark the motivation of the company's CSR as market driven:

> *"...No, we do not have any aim to make it an advertisement, look we don't even have a website, and none can actually see that because we do not do that right in the café, we deliver meals right to their homes. First of all, because I do not have enough space here, you see there are just six tables, and during the daytime, we are fully busy. The cafés orientation is the lunches for people who work in the area, and we cannot keep tables occupied by people having free meals. I mean the owner would not like that. The second thing is that often those people just cannot come due to the health conditions... Also, this is not my own business, so advertising is not mine but the owners' problem... This idea comes not from the owner but our group* [colleagues]. *And this is not a very big deal because we all live nearby and those people, for whom we do that delivery, live in this building block. We do delivery on our way home. We usually close at 5-6 pm, and it takes no longer than 15 minutes..."* (R2)

The respondent provided the detailed explanation of how this initiative appeared; by doing so she tried to reinstate her position regarding the non-economic motivation of CSR. She mentioned that the idea to provide free meals for pensioners appeared spontaneously, with no deliberate pre-calculations. There was no strategically planned vision regarding a CSR initiative; instead, this incentive was more of a response to local community concerns:

> *"...At the beginning there were just two of us, but now we became a bigger group, other colleagues joined, and our owner now supports this too. Good deeds are very catching, now more of my colleagues became infected [laughing]!*
> *...It all started with just one old lady, my neighbour, I started doing that by myself for her from time to time, but that was just my personal thing at the beginning. Then it became bigger, and now it is at the*

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expenses of our business because our owner participates in that, he pays for that…" (R2)

In the concluding part of the interview, the respondent again stressed the importance of 'another kind of return' from being involved in CSR, in the form of establishing good relationships and the feeling of fulfilment from what she was doing:

> *…It works like a boomerang; now we became friends with that granny. I have a grandson in primary school, and sometimes she keeps an eye on him because sometimes he returns from the school when I am at work. "Do not have 100 roubles but have 100 friends". I think this is more important. I am 52, and I know that I will never become really rich… and this* [CSR] *will not make me any poorer. I will also become old one day, and I think of those times; hopefully, I will not be in the same situation as these people, but you never know… We must care about each other at least those who can."* (R2)

The respondent concluded the conversation by referring to the point of her understanding of wealth and attitude towards material wealth accumulation. Again, she stressed the importance of building good relationships over maximising monetary profit.

"To me, this is just a natural continuity back from those days."

> *"To be honest, I cannot think of a particular answer on why I do that* [CSR]. *I do not actually think that I may benefit from that somehow… This is more a feeling rather than logic. I think what makes this feeling occur is that I grew up here and you imagine I know personal stories and struggles of those people for whom I try to provide care…"* (R1)

There was an explicit reference provided to the similar kind of practices that normally existed in the Soviet Union past. The respondent mentioned that providing care for the local community was a social norm. Remarkably, the Soviet

system nurtured a feeling of social responsibility not only at the level of state enterprises, but starting from the early childhood. Undoubtedly, this formed a stable predisposition to orient individuals towards a durable pro-social attitude, which is observable in this case:

> *"…I remember when I was a school girl we used to organise something very similar in my school. There was an initiative in the school to provide help for World War 2 veterans. As I remember this initiative was dedicated to an anniversary of the Great Victory. At that time many veterans lived in our area, some of them did not have carers. Often their children lived far away and could not provide care on a daily basis. It was fairly easy to identify those people because the majority of people who lived in the neighbourhood knew each other. Each student from the class was responsible for providing help to one or two veterans."* (R1)

It is noteworthy to zoom in on what the informant mentioned regarding her school practice, because "the attitudes and values of adults are enormously influenced by their childhood experience"; behaviour is driven by a much wider set of values rather than by a narrow idea of self-interests (Becker, 1993, p. 399). Much of what is carried by an individual throughout the life (patterns of thinking, values, the potential for acting) is obtained in early childhood when, as suggested by Hofstede (2010), an individual is most susceptible to learning. Soon as those feeling-thinking-acting patterns are internalised, one must unlearn them prior to be able to accept different patterns, and such unlearning is much more difficult than learning itself. The respondent referred to her early childhood experience within the discussion on her CSR aspirations. Furthermore, the fact that she voluntarily continued pro-social activities, even during her holiday times, explicitly portrays the transformation of existent prescriptive norms to the internalised feeling of 'personal social responsibility' - what had been an imposed duty before, became an intrinsic moral imperative:

> *"Our duties were to deliver hot food from the school canteen* [to veterans]*, assist with basic stuff like doing groceries, sending their*

postage, and so on. We every day... spent one hour after school with those people, and the interesting point was that we built strong bonds with them - it became our personal social responsibility and I remember even during holidays when it was not expected we would still go and do that..." (R1)

In this point of view, individual motivation is presented as the development directed towards greater self-determination. Miller (1997, p. 181) suggests that the process of internalisation can be detected in all situations when behaviour is undertaken in conformity to social expectations; the process evolves from responding to external regulation (motivated by external authority) and is accomplished when the individual not only conforms to extrinsic regulations, but also integrates them into his/her own values and behavioural commitments. Likewise, in a case of Respondent 1, she started this activity at the age of ten, when this was a duty imposed by the school (motivated by external authority), she kept doing that during vocations, and more importantly she explains her today's CSR as 'natural continuity', which means that the motivation has been entirely internalised. When social constraints have been internalised, an individual acts with a full feeling that the behaviour is freely given rather than motivated by the social expectations/pressure (Miller, 1997).

"...So to me, this is just a natural continuity back from those days... Look nothing is actually different, businesses are run by the same people, and they deal with the same people, and such kind of responsibilities have always been in my life in one or another form. Now I have my own business together with my husband, and I know that this is just a tiny thing I can do... It is a sort of business etiquette if you like. It is the same for me as being polite... And it comes entirely from my personal will to do so. And it is not because I earn much it is just because I feel much more comfortable when I am doing that [CSR]..." (R1)

To summarise, the effect of the USSR antecedents on the local CSR was clearly observable, the respondents directly linked their understanding of wealth

and importance of relationships in the Soviet times. Furthermore, she expressed a very clear understanding of CSR as a natural continuity of the old and 'kind' Soviet tradition of mutual help and care that has always been in place.

5.3.3 CSR motivation: Transitional legacy

"Being 'white'[47] is my CSR."

In contrast to what was discussed regarding pre-soviet and Soviet cultural orientations forming a pro-social base for businesses, political changes of the transitional time have altered understandings to affect the nature of CSR (as in case of Company 6). The general manager of Company 6 is a man who became an entrepreneur in the early 90's, a difficult period for businesses as Kazakhstan struggled with transitioning from a centrally-planned to a market economy. He cited things such as a payment of tax as a form of his CSR, which would be viewed not as CSR but a compulsory measure in the Western context. This corresponds with the findings of Jamali and Mirshak (2007), which demonstrate that because in the context of developing countries, practices such as tax evasion and fraud are in place a socially responsible business would be one that acts in compliance with the legal norms, not necessarily going beyond them. Given the turbulent business environment during the transition era, it comes as no surprise that some companies regarded their legal compliance as a form of social responsibility, highlighted by this interview quote below:

> *"Isn't it a form of social responsibility that I provide jobs for local people and pay taxes... I believe that it is. I run a very small business, and we sometimes struggle to survive, I am not even talking about profit maximisation..."* (R6)
> *"Look around, this is not a secret that sometimes companies do not declare 100% of what they earn. One may work for cash to avoid VAT payment. Of course, as a result, they pay less tax than I do. That all affects the prime-cost of the product they sell, right?... They simply can offer better prices for more or less the same product while I cannot because I have more taxes to pay... Under unfair competition, isn't it a*

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[47] The term *'white'* here means that a company works in compliance with the legal norms

social responsibility that I pay 100% tax, while I could just declare less?
To me, this literally means that I do business in a socially responsible
way because the tax I pay will contribute to the solving of social
problems. And it is not only about VAT. Let's take another example. The
wages of my employees are fully declared as well…" (R6)

Manager of Company 6 is confined to the principle of legitimacy because he believes that he is acting in a socially responsible way by providing jobs and paying taxes. Further, the responded in details explained why he regarded mere compliance as a form of CSR and how from SMEs' perspective this compliance is translated into CSR employees' concern:

"…I did that [declared wages] *because I care about my employees;*
otherwise, I would just pay wages "in envelops"[48]…, it means that they
can apply for a bank loan, mortgage and so on. The majority of my
workers are young people and not from Almaty originally, and their
first concern is to buy a flat. The only way for them is a mortgage. But
banks will not even look at the application unless they can show that
they are officially employed, have a working history and getting paid
enough money to be able to pay for a loan… You know the practice
how businesses did [in 90's]: *sometimes one's salary was 40 000 tenge,*
but on papers they put it like twice less, to pay less tax again. I could do
the same, but I intentionally prefer to work in compliance with the law.
Isn't it a form of responsibility?..." (R6)

Providing jobs and declaring salaries is reasonably seen as a social responsibility addressing employee concerns and, more broadly, those of the local community. The respondent pointed out that by employing people, he contributes to solving the unemployment problem.

I asked a question "*how likely is that you would change your attitude towards CSR if you had enough money to invest in that?*" the respondent answered that he would be happy to consider including CSR matters in his business operations. This demonstrates that those struggles, given the local context, may result in such kind

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[48] "In envelops" means undeclared wages

of CSR understanding. Perhaps it does not necessarily mean how irresponsible Kazakhstani small businesses are, but it is rather a manifestation of their primary concerns:

> *"I might think of doing CSR if I manage to survive this unfair competition."* (R6)

The discussion on the matter of stakeholders' potential expectations or involvement in CSR shed further light on the reality of "CSR". The respondent explained why he thinks it is not feasible for businesses neither to pursue CSR nor to expect any monetary returns. He stressed that it is not viable to employ CSR as a potential strategy to improve business performance:

> *"I am telling you that no customer will pay extra ten tenge[49] for socially responsible services. I know that for sure because the only thing my customers care about is the price. I have been trading for fifteen years. I have lots of 'loyal' customers, who are with me since the beginning, and with whom we established really good partnership and do you know what usually happens? They can call me and say: you know your competitor offer is two hundred tenge[50] cheaper, if you don't offer the same or cheaper price I'm going to buy it from them. Sometimes I just cannot decrease my price, and they refuse to buy from my shop. Seems like people value coins more than a long-term and stable partnership. Do you really think that they would buy because I am a CSR company?"* (R6)

The manager of the Company 6 expressed a strong opinion regarding customers' expectations in relation to CSR, as well as the absolute absence of any potential benefits for a business associated with CSR activities. However, I admit that such an attitude demonstrated by the customers of the Company 6 might be attributed to the type of business he does. The Company 6 is a company, selling parts for personal computers and the majority of its revenue comes from the bulk buyers.

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[49] Tenge is a local currency in Kazakhstan. Ten tenge is approximately 0,02 GBP.
[50] Two hundred tenge is 0,43 GBP

For the bulk buyers, the difference of 0,5 GBP in price per item may result in 500 GBP difference for bulk of thousand. Another important point, which I assume may strongly affect the attitudes of customers and managers, is that the firm mainly deals with customers from other regions. In other words, they never communicate in person, but through e-mails and telephone calls. Company 6 is geographically detached from its customers, which may also play a certain role in the type of relationships they established. The Company 6 is located in Almaty, which has traditionally been the centre of trade in Kazakhstan, especially in this sector. Any import first arrives to Almaty to 'distributor companies', which they resell to other regions for a small charge from the vendors selling these wares. Although the number of staff in this company is almost the same as in other chosen companies, the type of the business they do is very different, possibly explaining the type of relationships they have with the customers.

To sum up, this attitude draws a distinct line between the CSR from the perspective of the Western school of thoughts and the conceptualisation of CSR in Kazakhstani small business contexts. In this case the understanding of a businesses' social responsibility, which formed in the 90s, has a strong reference to Kazakhstani transitional past, a time in which a violation of legal requirements became a 'norm' and legal responsibilities were often considered seen as 'optional,' as illustrated in Figure 8 below. In such conditions, discretionary responsibility of business would be to comply with legal requirements, but not necessarily to go beyond them.

Taking a look from this perspective sheds light on the question of why respect for the rule of law is perceived as a discretional form of social responsibility. This becomes comprehensible not only in terms of what the difference between Western and local CSR understanding is, but also why this difference occurred.

Figure 8 "Discretionary Responsibility in the transitional context"
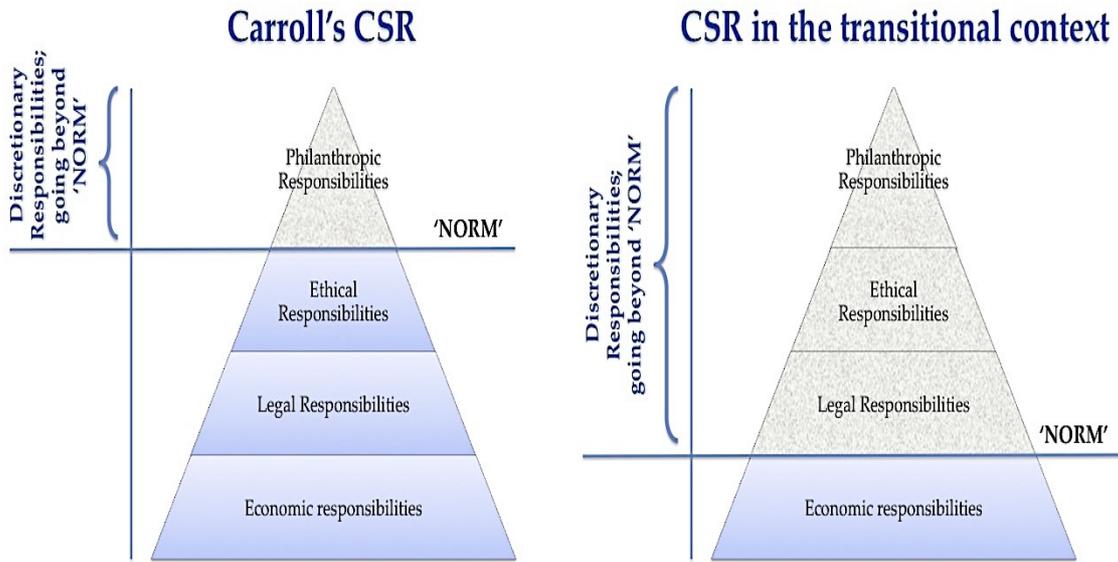
Source: Darmenova Y. (2019)

"I do not trust authorities."

Other participants defined their CSR as the replacement of the responsibility of the state to provide social care for its citizens. The amount of social care provided by local authorities was sometimes not enough to meet the needs of the local population as was clearly was clearly articulated by the Respondent 5. The CSR motivation in the case of Company 5 is not associated with economic incentives of a business, but stems from the insufficiency of the state safety-net provisions together with mistrust towards the system of the tax redistribution:

> *"I am not really sure how will the state allocate the money, which I paid* [tax]. *I am not sure if the tax I paid will be spent on improving our town infrastructure or schools and kindergartens maintenance or a part of it will get lost on its way. If I have money, I would better give it directly to that local nurseries and school as a donation. In that case, I*

will be sure that it goes where it has to go... I do not trust authorities."
(R5)

Overall, the analysis of the effect of transitional legacy on the Kazakhstani business environment gives a contextualised insight into the evolution of CSR. Kazakhstani small businesses often define their social contributions incongruously with what is written in business textbooks on CSR. Because companies would often use loopholes to avoid the tax payment during the transitional period, regulatory compliance was viewed as optional. This explains why companies ascribe their law abidance to a form of CSR. Transitional business heritage resulted in the formation of a distinct type of CSR, what Crotty (2016) calls a 'transitional' CSR. The motivation of small business CSR under such conditions is often triggered by the inability of the state to provide sufficient goods for the local community. State inability creates a gap, which is filled by the local businesses, as indicated in the discussions above. Applying considerations of the transitional context adds more explanatory possibilities as to why respondents prioritise philanthropic responsibilities over the legal aspects in Kazakhstani SMEs, unlike what is displayed in Carroll's pyramid. This is not necessarily an indication of an absence of CSR in Kazakhstani small businesses, but more just the representation of their primary concerns.

CSR: non-economic motivation

"If you have done a good thing, throw it in the water."

Having analysed data from the interviews, I found no support for the assumption that somehow CSR might augment a company's financial state. In none of the sampled companies was CSR advertised nor did it appear as an explicit component of their strategy. On contrary, managers/owners felt uncomfortable to advertise their CSR:

> *"We have this initiative* [providing free hot meals to WW2 veterans] *running for six years and there become fewer and fewer veterans every year, and that is very pity. Now we have only two of them coming. We are planning to extend this plan to elderly people next year...*

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No, to be honest, I do not feel comfortable to film those elderly people eating and moreover to use them as an advertisement on our website. I think this would really devalue the whole idea of doing that. I think this would be really unethical. "If you have done a good thing, throw it water."[51] (R1)

"I am not saying to my customers that I donate to the nursery. This is my own thing. I do this thing not because I want others to know about that but because I feel that I need to do that." (R5)

Such reluctance to making use of CSR through PR or advertisement campaigns supports an argument in favour of the non-economic CSR nature in Kazakhstani SMEs. Indeed, having scrutinised every CSR story from the interviews, I conclude that CSR in Kazakhstani context can be explained by various motives, including, but not limited to, nomadic 'DNA', a specific understanding of self-interest, wealth and its distribution, giving, mutual help and responsibility, implicit feelings of guilt, collectivist cultural traits and so on. The absolute majority of these predispositions can be disaggregated down to the dominant effect of cultural/religious and/or historical context, but not economic motives.

Summary of the Interviews

Overall, the effect of cultural alongside historical contexts insofar as shaping individual beliefs, in relation to socially responsible behaviour, becomes easily observable. Managerial personal beliefs are the main driving force that operates inside an individual, encouraging or discouraging one to prioritise a particular choice or action over others. Culture, which is strongly bound up in historical context, works as "collective programming of the mind" (Hofstede, Hofstede, & Minkov, 2010, p. 327), thereby playing an obvious role in understanding CSR motivation. Whereas one may explain devoting his/her efforts to CSR based on certain financial interests, an individual from a different cultural/historical background may refer to the traditional collective care and mutual responsibility as the driving force behind CSR.

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[51] The respondent recites the quote from the Soviet cartoon, which means that good things should be done silently, you should never announce it; otherwise it loses its value.

5.4 Concomitant themes

At the time of my fieldwork I did not fully apprehend the potential depth of the CSR 'roots' until after conducting the data analysis. This is why discussions with participants were not vectored specifically towards collecting these highly specific bits of information (e.g. understandings of 'wealth' and 'self-interest'). It was only afterward that such factors occurred as potentially being directly relevant to the study. I fully anticipate that the findings I present are rather suggestive than comprehensive and each separate section of this study could represent a stand-alone topic for another research, be it a cultural aspect of CSR, historical evolution of CSR as a notion, or philosophical perspective on CSR. However, there were certain concomitant issues, which I felt could not be ignored nor addressed in proper depth within the limits of this dissertation. To be specific, such issues as understanding of *'wealth'* in the Soviet Union, and contextualised understanding of *'self'* and *'self-interest'* were raised occasionally by some of the respondents. During analysis of interviews, they proved to be directly related to an understanding of CSR, despite the fact that initially these subjects were beyond the main focus of my research. With the feeling of urgency to address these issues, I list them here and suggest that further in-depth research to elaborate more in these directions should be conducted.

These issues opened additional perspectives and concerns that participants expressed regarding CSR in Kazakhstani SMEs. The bullet points of the respondents' concerns that emerged beyond my research question are summarised in Table 11 below.

Table 11 "Concomitant themes"

Themes	Concerns
Wording and terminology is misleading	*"It is difficult to understand what you mean by CSR…. It feels too academic."* (R5) *"Why do we discuss Corporate Social Responsibility, I am not a corporation but just a tiny shop. But if it is about good things I do, I am happy to call it social responsibility of my business. 'Corporate' sounds a bit frightening."* (R3)
Understanding of 'wealth' in the Soviet Union	*"We did not consider money as an ultimate goal."* (R3) *"To call someone 'bogatei'[52] was incompatible with the idea of socialism."* (R3) *"Money was not the most important thing."* (R5) *"…striving for money was sinful."* (R5) *"A true wealth is friendship and mutual understanding."* (R2) *"I feel ashamed to be richer than average."* (R3)
Understanding of 'self' and 'self-interest' in a Kazakh society	*The extended version of 'self' and 'self-interest.'* *"Family means 'seven I's'."*
The inconsistency of local with international norms of behaviour	*Is employing and promoting relatives at work unethical?* (R5) *Is overtime work unethical?* (R6)

Source: Darmenova Y. (2019)

CSR terminology

Contrary to Jenkins (2004, p. 20), who suggests that *"terminology is not the point",* I found out that this was the first point of participants' concern. Companies, which have already had certain CSR practices in place, often could not clearly understand the terminology, therefore making it difficult to identify and relate such practices to CSR. The results of the interviews show how difficult it was for entrepreneurs to extend the meaning of CSR beyond the particular initiatives carried out by firms. I also did not find support of a causal relationship between CSR practice and knowledge on CSR. The majority of participating companies experienced difficulties defining and identifying CSR despite having CSR practices in place. With this in mind, my findings correspond to the argument of Petts et al. (1999) in that SMEs do not think about their social responsibility as CSR. Often,

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[52] *'Bogatei' (bourgeois)* – a rich person, money-bag (negative connotation)

they underestimate the positive impact they bring for the local community by being engaged in CSR.

To eliminate ambiguity associated with the wording, I had to supplement the content of interviews with alternative terminology and specific examples to explain what I meant by CSR. I used substitutive terms, such as "social responsibility of business" or "care for local society" to explain CSR. I tried to make it more empirical by discussing certain CSR examples in Kazakhstani small businesses. I was prepared to provide those examples because, prior to my fieldwork, local NGOs informed me of how CSR is represented in Kazakhstani small businesses sector. In many cases I had to refine what CSR generally means, *"to translate CSR into normal language"* (R1). The confusion mainly came from the word *'Corporate'* because small businesses do not usually associate themselves with corporations, illustrated by the following statements:

> *"It is difficult to understand what you mean by CSR, and you confuse me with your recorder. It feels too academic."* (R5)
>
> *"It made little sense till the moment you gave me practical examples. I just realised that we also do this CSR."* (R5)
>
> *"Why do we discuss Corporate Social Responsibility, I am not a corporation but just a tiny shop. But if it is about good things I do, I am happy to call it social responsibility of my business. Corporate sounds a bit frightening"* (R3)
>
> *"…it seems like someone intentionally sophisticated things to make them sound better and less understandable. Why you, guys, always complicate things?"* (R3)

After I offered specific examples, the managers could map particular CSR activities of the company. Five out of the six participants were engaged in specific pro-social initiatives, such as providing free food, free products or donating to the local kindergarten, yet they did not recognise these activities as CSR.

Understanding of 'wealth' in the USSR

To the best of my knowledge, there has been no research acknowledging the significance of culturally specific perceptions of 'wealth' in relation to

conceptualisations of CSR. However, my findings suggest that the way people comprehend 'wealth', 'value of money', and its accumulation/maximisation, have a direct implication on understanding motivations for CSR. For example, where the idea of common good is prevalent over individual wealth, it is more likely that 'sharing' can be approved and expected within society. In such settings, CSR takes a different twist.

The collectivist USSR culture nurtured a value system that prioritised relationships over money and individual welfare. Striving for individual wealth and profit maximisation were often seen as negative. The respondents gave a precise explanation of why money was considered less important than rapport:

> "A true wealth is friendship and mutual understanding. Remember there was a very popular song in Soviet times by pop start Alla Pugacheva "Do not you have 100 roubles but better have 100 friends" and this became a proverb, this was very true for that time." (R2)

> "Value of money in USSR? We did not consider money as an ultimate goal. Yes, we worked for a salary but not in pursuit of richness or luxury. We never thought of raking money ("nagrebsti"[53]) and building a palace for example. None actually could do that simply because there was no private ownership for a property. Houses were in possession of the government. But the government provided people with a flat or a house. The idea of equality was predominant; people were neither rich nor poor. A normal way to deal with any surplus was to deposit it in sberknizhka[54] but not buy diamonds or any luxury stuff... if you happen to be in a bad situation, you could easily ask anyone for help. One could always count on the help of the state, relatives, society, neighbours, employer and so on..." (R3)

In the Soviet ideology any type mercantilism demonstration was condemned:

> "You would often hear from parents: 'no need to inure kids to money'. Money often was considered to be a source of vice. I remember even in

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[53] From Russian - to get hold of the enormous amount of money (in a negative connotation)
[54] *Sberknizhka* – saving account in the state bank of the USSR

literature for school-age children there were stories where… material wealth, human greed were always in contradistinction to friendship for example. Literature in a school programme always put forward the idea that striving for money is sinful, be it Dostoyevskiy or Gogol.' (R5)

"Friendship that what mattered, now it's more about money. Money was just meant to sustain ourselves and to have enough… neither more nor less than our peers… To be 'bogatei'[55] or bourgeois was incompatible with the communist beliefs. As they say: 'Money is a problem, and big money is a big problem'." (R3)

During Soviet Union times, earning and maximising wealth by entrepreneurship was illegal activity. It was called 'speculation'[56] and was forbidden by law in the USSR. For seventy years, communist propaganda has been attempting to portray entrepreneurs as immoral exploiters who are getting rich at the expenses of working-class people (Kuznetsov, Kuznetsova, & Warren, 2009), as clearly reflected in this interview:

"I feel ashamed to be richer than average. Only some twenty-five years ago [under the Soviet regime] *we were always told that everyone should have exactly the same amount of wealth and there was no way to earn more in any different way. Any business activity was illegal. You cannot have more than others and if you happen to do so was often associated with illegal deeds."* (R3)

Some respondents provided very practical explanations of why money was devaluated as compared to building robust relationships with the local commune:

"…it was difficult to buy things which were in deficit, there even was a term 'dostat'[57], which literally meant that you could get it if you have good connections. There was no incentive to gain more monetary

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[55] 'Bogatei' *(bourgeois)* – a rich person, money-bag (negative connotation)
[56] *Speculation* was a crime, defined as "the purchase and sale of goods and other objects with the intention of making profit" (Soviet Criminal Law, Economic Crimes, article 154), (Feldbrugge F.J., 1963)
[57] *'Dostat'* in Russian means to get hold of goods that were not openly on sale; acquire deficit goods was only possible by means of connections (*blat*)

wealth. Even if you had money, you still couldn't buy. Connections mattered more than money in the USSR, but you could not have connections if you did not have good relationships with those people."
(R2)

Although in this part of the interview, one might see sense a commodification of relationships, I would suggest taking a broader view. 'Connections' and 'deficit' were a part of Soviet reality, however connections did not displace the importance of rapport but rather were built upon it. The respondent referred to a matter of connections not to imply commodification of relationships but to give it a relative weighting in comparison to the value of money.

Some of the references given by the respondents during the interviews strongly reminded me of a Soviet propaganda, a very powerful machine, that was directed against mercantilism, consumerism, utilitarianism and any striving for individual material wealth maximisation, which was associated with the "decaying capitalism"[58]. This instead cultivated and promoted the idea of total equality, comradeship, friendship, and unity. The socialist USSR model was fundamentally incompatible with the economic model of human behaviour. Figure 9 below is a visual representation of a strong emotional narrative, which illustrates the understanding of 'wealth' in the USSR and contrapositions it to the one in the West. These are examples of Soviet propaganda posters employed to discredit the capitalist value system and to bring up a true Soviet citizen.

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[58] *"Parasitic or decaying capitalism",* as Lenin (1934, p.92) characterised it, became a set phrase, which was used to refer to capitalist countries during Soviet times.

Figure 9 "Understanding of 'wealth' in the Soviet Union"

№1
*"Human to human is friend,
comrade and brother"*

№2
*"Money is shit, give it to us,
we will build a steam
locomotive"*

№

№4
*"Insatiable pouched creature.
Belongs to the class of
parisites. Feeding at the
expenses of someones labour.
Inhabits in capitalist countries
exclusively"*

The communist values were represented in the form of true friendship, unity and solidarity and were openly opposed to the idea of individual material wealth maximisation that was directly associated with capitalism. Bourgeois were portrayed as wealthy and greedy 'creatures' whose sole concern is money. On the contrary, in the socialist USSR, collective interests are above the individual once, and the interests of the society are above all – a clear contraposition of capitalist richness to Soviet comradeship. The message in the poster number 2 refers money as to *'shit'*, a direct manifestation of disinterestedness and neglect towards individual economic prosperity (individual material wealth). Such kind of 'mental programming' against individual profit maximisation yielded a formation of a specific Sovietised perception of what material wealth and money are. In such an environment, the interest in what Bourdieu (1997) calls 'disinterestedness' in relation to material wealth maximisation became a norm.

Understanding of 'self' and 'self-interest' in a Kazakh society

Given that the very idea of CSR refers to societal concern, care, and sharing with others, it eventually implies compromising or sacrificing self-interest for the collective good. From this perspective, it is essential to understand what 'self-interest' means in the context of Kazakhstani culture. As discussed earlier, the idea of self-actualisation and self-interest can have a different meaning in collectivist vs. individualist cultural settings. In collectivist societies, as argued by Hofstede (2010), it makes little or no sense, because the 'self' in this context is inseparable from the in-group. Valentine (1997, p. 107) suggests that in a culture where a 'self' is perceived more widely, conformity becomes "*an aspect of identification, assimilating self and other, sharing the sense of self... Conformity that involves mutual identification promotes the sense of belonging that allows one to speak of "we", and express shared selves...*". In such contexts acting for "us" is no longer elusive. Even 'selfishness' has a different shade when the 'self' is identified with and connected to others. In this sense, the idea of personhood is extended far beyond the limits of self. Connectedness and indebtedness of oneself to others is a notable feature of collective societies. However, this does not mean that there is no individuality (not to be confused with individualism), as suggested by Valentine (1997).

Unlike in individualist societies, where self-interest is detached and is often in opposition to the interest of 'others', in Kazakh culture, self-interest should be viewed within the same spectrum as collective interest as individual interests eventually extend to the interest of other people (family, in-group, commune). Figure 10 below represents an approximation of how 'self-interest' in a Kazakh context could be translated vis-à-vis 'self-interest' in individualist cultural settings:

Figure 10 "Understanding of 'self-interest'"
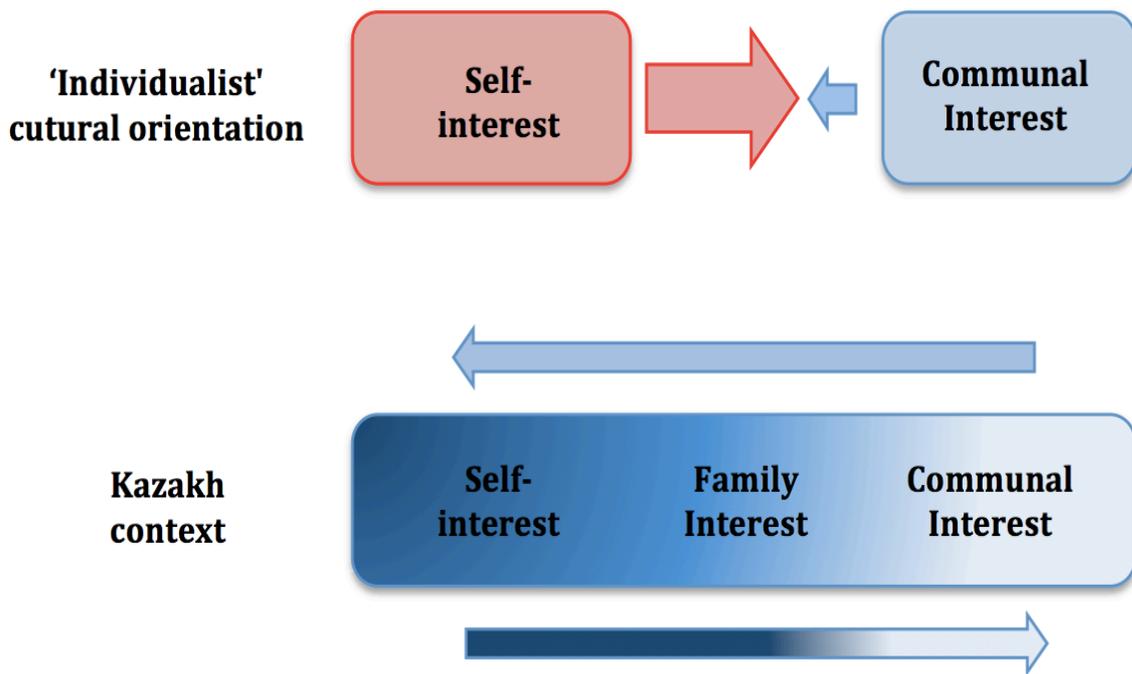
Source: Darmenova Y. (2019)

Of course, this is a simplified representation, which calls for the further in-depth investigation. Moreover, I should stress that this observation has a more suggestive rather than explanatory value. Yet, fundamental discrepancy is certainly worth emphasising.

In individualist culture, it is implied that there is a natural tension between 'self-interest' and the interest of others. On the contrary, in Kazakh understanding, the interest of others (family) is a central part of the self-interest and, moreover, sometimes prioritised over individual interests. There are numerous every-day life examples of how this blurring of 'self-interest' with the collective interest is translated into practice. For example, it is a very common situation that a

responsibility of a more successful individual extends from the nuclear family to the rest of the extended family members. It can be one, who will take care of the family of his cousins, pay for the education of his nephew, buy a car to his brother, and so forth. In general, such kind of responsibility and support is very natural for Kazakhs, be it in the form of redistribution of personal (!) possessions to other in-group members or the overall patronising and support of any other kind. In Kazakhstan, one can often hear that 'family' means 'seven I's', meaning that family is the same as 'I' multiplied by seven. Although this is not more than just as interplay of the Russian word spelling *семья*[59], yet the popularity of this connotation is an indication of how people position 'I' within a family and a group.

In such conditions, even if the idea of 'self-interest' does exist as such, it often has an extended version (interpretation), which is important to take into consideration for how far self-interest can be detached from collective interest. My contention concerning the understanding of 'self-interest' is that such contextual divergence may be responsible for many misconceptions in relation to why and how people decide to give, share and take responsibility for others. Collectively, these actions, when translated into the language of business, effectively constitute CSR.

The inconsistency of local with international norms of behaviour

There has been a significant inconsistency of the proposed and widely accepted CSR definition suggested by the International Organization for Standardization (2010), as revealed during this fieldwork. According to this definition, in order to be regarded as socially responsible, a company should act *"in compliance with applicable law and consistent with **international norms of behaviour**"* (ISO: International Organization for Standardization, 2010), which gave a ground for arguments from the side of SMEs regarding whether or not such kind of norms can fit in Kazakhstani context. Several issues were identified and discussed with participants, who raised concern about that. The issues were related to the inherent conflict between understandings of the norms of behaviour in the Kazakhstani context vs. international norms, in particular: *Is employing and promoting relatives at work unethical? Is overtime work unethical?*

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[59] Disaggregated word '*Семья*' = '*Семь Я*' is '*Seven I's.*'

Is employing and promoting relatives at work unethical?

The manager of Company 5 has two relatives working in the company. In detail, he explains why he prefers to hire and to promote relatives and friends. In his opinion, there is no conflict between business ethics and the practice of promoting relatives, which is seen as 'favouritism in promotion' according to international standards:

> *"I recently appointed my cousin to the head of the department position... because trust is important. I know this person for all my life, it is I think very logical, and I do not see any problem with that... You question whether this was a merit-based promotion, well, if you think of being trustworthy as a merit, and it certainly is, then you can understand that this is not a protectionism but a business decision as well."* (R5)

> *"...this is caring for a member of my family, what is wrong with that? It is very natural. It would have been unethical if we worked in government and I have promoted him, but since it is my business and this is not the state who pays him but me, I do not see any problem... Simply such logic does not work at the ground level."* (R5)

The issue that raised a greater concern was a dissonance of what is meant to be 'right and good' according to international norms vs. Kazakhstani traditional reality. This is captured by the following quote:

> *"It would be at least strange if I promoted another person but not him* [cousin]. *I will tell you more; my family would not understand that I would be told off heavily."* (R5)

Promoting relatives in small companies is reasonably seen not as business misconduct but as care for family. The first circle of care recipients in a collective society is a family, progressing to an in-group, then wider society. Following the logic of local small businesses, it becomes clear why such a practice is widely

accepted. Furthermore, when such conflict between international and local norms exists, how one is supposed to resolve it? What would be the right compromise?

Is overtime work unethical?

Another controversial point, which would be defined as violating labour legislation in the Western context, was overtime work. One respondent did not simply ignored, but argued for overtime. He justified overtime work by means of 'cost-benefit analysis' referring to the opportunity for employees to earn more money. Overall, the attitude of this respondent is likely to be different from the conventional understanding of CSR but highlights circumstances of the local reality:

> *"Yes, it is a usual situation when we all stay at work after the working day is over, including me. But this is not because I want to exploit people, but on the contrary, we do overtime work to earn more money. And that is for the benefit of all employees, not my self only; you can ask anyone here. Our wages system is designed in the way: the more the company earns, the higher salary we will all earn at the end of the month. We have a stable part of the salary, which ensures that every employee is guaranteed to get a basic minimum at the end of the month... Another part of the salary is flexible and directly depends on the profit... the system is absolutely transparent. We have software that calculates the input of a particular employee, and according to that the salary of each is calculated individually. It is available to everyone to see in the real-time mode... People do want to stay and work overtime because they want to earn more. We stay after work because our business specifics make us being fully occupied with serving clients* [during the working hours]. *There are so much routing tasks, which do not allow for enough time for things like planning and other important stuff* [during the working hours]. *We work with foreign suppliers, and we often need to skype with them. Since there is a time difference, we stay till very late sometimes..."* (R6)

The respondent pointed out that it is not only employees, but himself stay overtime and regard this as an opportunity to earn more in order to survive under severe competition. I managed to informally talk to two of the employees in the Company 6, and I found out that they were not only happy, but highly enthusiastic about staying overtime:

> *"this* [overtime] *is just an additional opportunity to earn more... why would I complain?... and none forces me; if you like - you stay, but all of us here are happy to stay after working day is officially over... Most often boss provides food; sometimes we contribute sometimes he just does it for us. I feel here as a family outside of my home; I am happy to work here..."* (Employee of the Company 6).

Manager of Company 6 mentioned that his employees actually benefit from that, because if the company goes broke the same employees will stay without job:

> *"Look, within seven years I do not have any* [employee] *turnover, ...they* [employees] *see that as a good opportunity to earn unlike in other companies where the wage is limited to standard eight hours working day... This is a small business, and we have to survive and compete somehow with bigger guys. To stay alive, to stay profitable and provide decent salaries for employees is a primary goal which I think justifies all the other stuff* [overtime] *which one might think does not look right or like CSR... you have to put your CSR in our circumstances, and you will look at that differently, you will see what I mean... Lots of people struggle to find a job, and I think this is another form of responsibility that I provide jobs. Doing that I address the problem concerned with unemployment..."* (R6)

Overall, all six participating companies accepted the issues related to overtime work and the promotion of relatives with great tolerance and, in those companies exhibiting such practices a detailed justification of why international norms are not viable in a Kazakh context was provided. I neither try to support nor oppose

the position of Kazakhstani SMEs in relation to these specific situations. Rather, I seek to explore the understanding of the reality of local SMEs.

Evidently, a crude application of international standards of behaviour to the case of Kazakhstan (as clearly seen in these examples) would either fail to address contextual reality or result in business behaviour misinterpretation. One might argue that the provided are the simple indication of business irresponsibility. Yet, it might be useful to look at the core of the disagreement, which apparently stems from the inconsistency between value systems rather than irresponsibility. The question is how does one reconcile this conflict between international norms of business behaviour and the local understanding of what the business ethics should be? The dilemma is what should be taken as right or wrong? With no intention to answer those questions, nor be judgemental, I attempt to raise the issue, which, in my opinion, deserves more attention, especially for a contextualised research.

Survey

5.5 CSR from customer's/community perspective

The survey-questionnaires work to test and to enrich results derived from qualitative findings. In particular, knowing customer/community attitudes was necessary to understand whether or not companies could potentially benefit from their socially responsible practices. Scholars who propagate the economic sense and motivation of CSR (Lee, Herold, & Yu, 2016; Santos, 2011) adhere to the belief that companies engage in CSR because they can gain certain benefits, such as, better employee retention (Bode, Singh, & Rogan, 2015), improving company's social capital (Murillo & Vallentin, 2012; Perrini, Russo, & Tencati, 2007) resulting in greater customer satisfaction and loyalty (Santos, 2011; Luo & Bhattacharya, 2006). Freeman (2010) suggests that CSR development is subject to the influence of various stakeholders groups because CSR represents the interaction of business with those stakeholders with their interests playing a crucial role in shaping CSR practice. In particular, society and customers may encourage firms to behave in a socially responsible way by imposing certain expectations or demands over businesses (Russo & Perrini, 2010). Because, in the cases chosen for this study where CSR is represented solely by practices addressing societal concerns, it is evident that the primary stakeholders whose interests companies take into account are customers and society. The customers' view allowed addressing both customers and local community perspectives at the same time because the majority of customers were the people from local neighbourhoods.

To arrive at the conclusion on potential economic benefits of CSR, I first had to understand customers' awareness and attitudes in relation to companies' CSR. If they had certain expectations of companies socially responsible conduct, I considered the extent to which there would be support of socially responsible initiatives from such customers. Put differently, for a company to be able to gain certain benefits from CSR, it is necessary that customers have a clear understanding of, positive attitude, possess expectations of CSR endeavours, and be ready to encourage CSR initiatives through patronage. The analysis of survey results is composed according to the same flow.

5.5.1 Customers' CSR awareness

Customer's responses obtained from the survey enabled me to extend the interpretation of my findings to two more stakeholder's perspectives. The first question addresses customers/society general CSR awareness. The second question is posed to investigate whether customers knew about the company's CSR practices.

Diagram 2 "Customer's CSR awareness"

Customers' CSR awareness (Company 1)

Number of responses

1) Are you aware of the meaning of CSR? — Yes: 9, Not sure: 38, No: 42

2) Did you know that [name of the company] provides free meals for WW2 veterans? — Yes: 41, Not sure: 37, No: 11

Customers' CSR awareness (Company 2)

Number of responses

1) Are you aware of the meaning of CSR? — Yes: 4, Not sure: 8, No: 49

2) Did you know that [name of the company] provides free meals for elderly people from the local community? — Yes: 9, Not sure: 1, No: 51

Customers' CSR awareness (Company 5)

Number of responses

1) Are you aware of the meaning of CSR? — Yes: 39, Not sure: 11, No: 24

2) Did you know that [name of the company] donates money to the local nursery? — Yes: 7, Not sure: 0, No: 67

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Consonant to findings of SANGE Research Center (2013) the Diagram 2 above demonstrates that in the cases of Company 1 and Company 2, the vast majority of customers do not have any knowledge regarding CSR. Only 9 out of 89 and 4 out of 61 respondents correspondingly had a clear understanding of CSR meaning. However, when I specifically asked whether customers were informed about the company's CSR activities in order to estimate if CSR was advertised and/or used as a PR tool, the number was quite high among the Company 1 customers. Though the manager of Company 1 stated that they did not advertise their CSR actions, the majority of customers knew about this initiative. This may be explained by the fact that, unlike Company 2, which provides free meal delivery, Company 1 serves free food on site, allowing customers could learn from their own observations.

Contrary to the findings of Turan & Hoxhaj (2015), which posit that companies operate with certain respect to CSR issues in post-communist states because society is well informed about CSR and its best practice, my findings reveal that not many people are informed about the meaning of CSR. Customer responses confirmed the findings from the interviews where the majority of the managers stated that they did not feel any pressure or expectations encouraging SMEs to pay more attention to socially responsible business conduct, either from the state nor from the local community.

With regard to Company 5, customers demonstrated a much higher level of general CSR awareness. There are specific reasons why the number of customers informed about CSR is significantly higher in the case of Company 5 compared to Companies 1 and 2. First, because Company 5 provides IT services not only to individuals, but to other companies as well, a bigger segment of its customers is composed of other entities and sole-traders. Based on my observations, business people are more knowledgeable about business related concepts, including CSR, rather than the general public. Another possible explanation is based on the age of the respondents, 70% of Company 5 respondents were people in the age group between 18 – 30 years old (Table 12 below). This could mean that the younger generation is more exposed to Westernised ideas. Obviously, if they acquired education during the time of independent Kazakhstan, I can assume that they would probably learn about CSR in colleges, universities and other institutions.

Table 12 "Survey breakdown by the age groups"

Age group	18-40	40-50	50+
Company 1	33	42	14
Company 2	18	34	9
Company 5	52	14	8

5.5.2 Customer's attitude and expectations towards CSR

Diagram 3 below represents a summary of the customers' perspective regarding the importance of CSR and their expectations of businesses' social responsibility.

Diagram 3 "Customers' attitude and expectations towards CSR"

Customers' attitude and expectations towards CSR (Company 1)

Customers' attitude and expectations towards CSR (Company 2)

Customers' attitude and expectations towards CSR (Company 5)
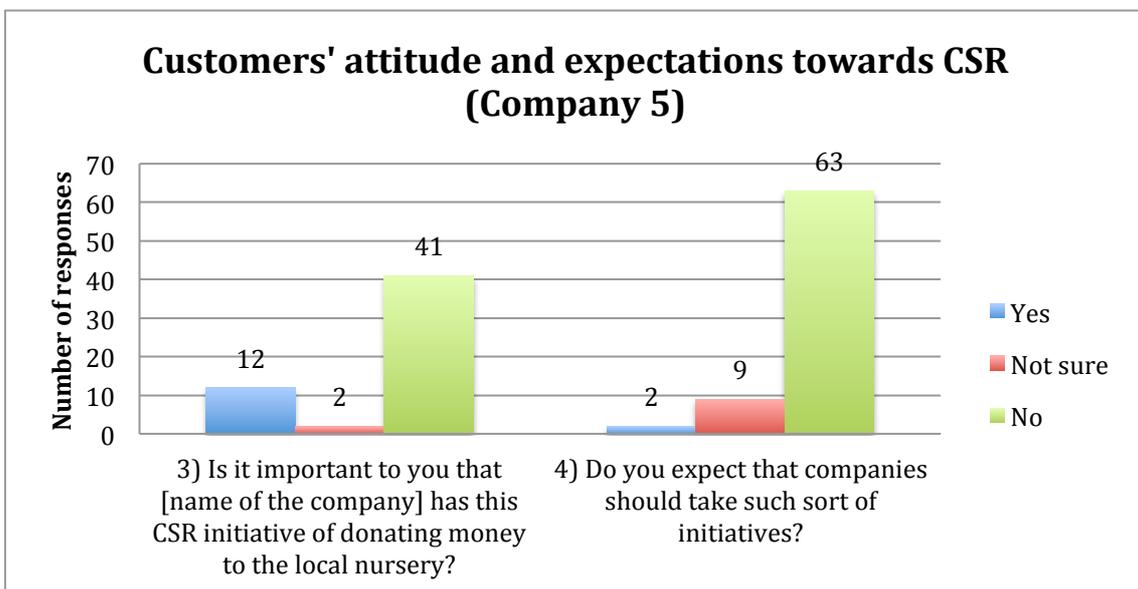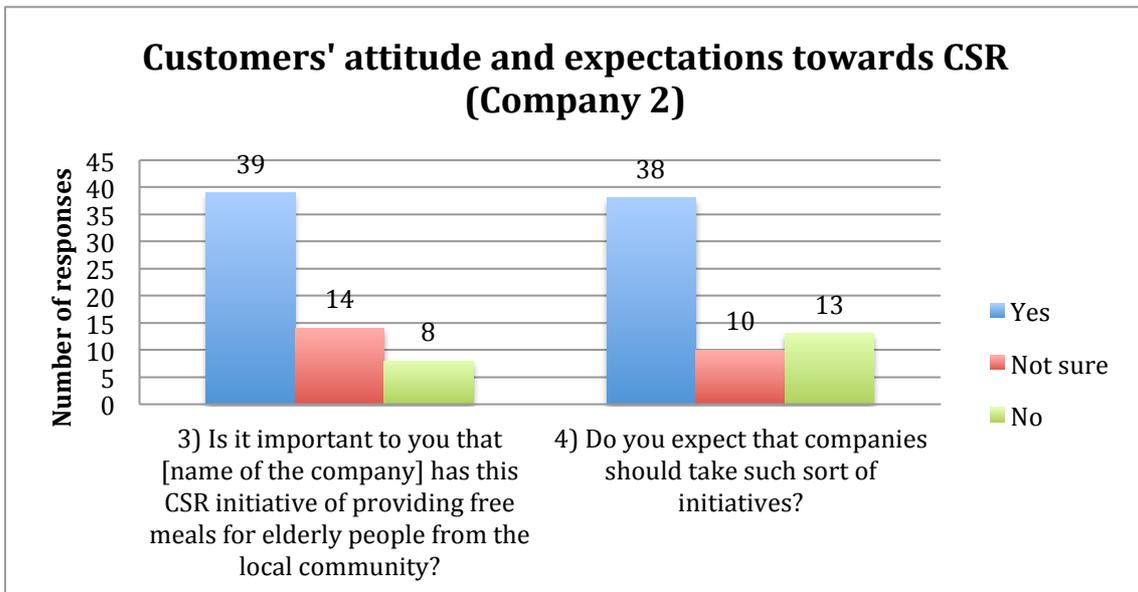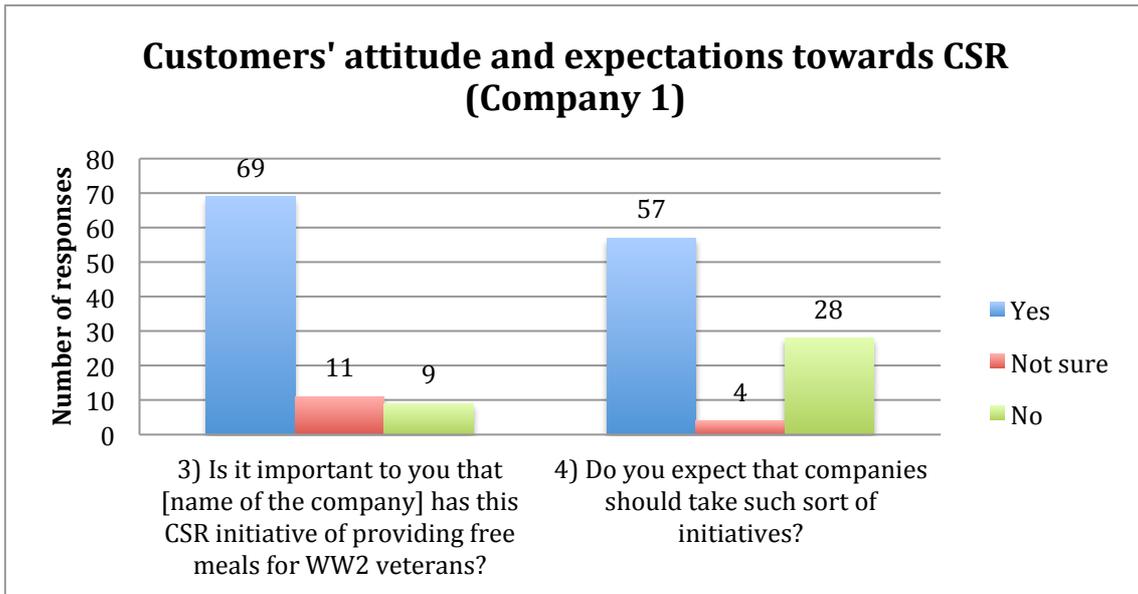
I found mixed evidence in relation to customer attitudes and expectations regarding a company's responsible social behaviour. To begin with, there is no correlation between CSR knowledge and the attitude towards CSR. Although the majority of the respondents of the Company 1 and 2 cannot clearly define what the CSR is, the short introduction of the certain CSR practices provided in the questionnaire revealed that the majority expressed that they have a positive attitude and certain expectations regarding CSR activities. Such attitudes coincide with the position of SMEs engaged in CSR, although CSR is not formally recognised by SMEs as such. Thus, knowledge on the specific CSR definition alone does not act as an indicator of actual CSR presence or vice-versa in the context of Kazakhstani small businesses. In other words, the fact that companies and their stakeholders frequently cannot define what the CSR is should not imply that businesses are socially irresponsible.

On the contrary, in the case of the Company 5, the majority of customers have certain knowledge of CSR. Yet, these customers neither regard it as an important concern, which the business should take into consideration, nor do they have expectations that businesses should be involved in socially responsible initiatives. It is worth mentioning that the majority of survey participants in Company 5 are aged 18 – 40. This may imply that those customers who did not experience the responsibility of enterprises in the socialist system have no high expectations regarding a business's socially responsible behaviour, even though they have much better awareness about the term CSR. Because the younger generation grew up in the 90's, perhaps their expectations were formed by the reshaping of business behaviour during the transitional period, where the priority of profit maximisation displaced social responsibility concerns. It demonstrates that expectations, as well as socially responsible conduct within the companies, are not shaped by knowledge alone but perhaps are rooted in past experience. My findings in this respect strongly correspond with the conclusion of Stoian & Zaharia (2012). Taking the employees' dimension in post-socialist Romania, they suggest that those stakeholders who experienced care provided by the socialist system show high expectations in relation to businesses' pro-social attitude. The authors refer to the Soviet Union legacy as a 'channel' of endogenous CSR.

5.5.3 Does CSR matter?

I attempted to gather information regarding customer's preference underlying a choice of company (café, IT-Service) to form an understanding of how CSR matters for customers, insofar as whether it attracts potential buyers to choose in favour of a company based on its social responsibility records. Having this data at hand, I could explore whether or not CSR had any economic rationale.

Diagram 4 "Customers' preferences underlying choice of a company"

Customers' preferences underlying choice of a cafe (Company 1)

Number of Responses

5) When choosing a café, your main concern is:
- Café's CSR activity: 2
- Quality: 49
- Price: 38

6) Do you prefer [name of the company] to other cafes in the area because of:
- Café's CSR activity: 4
- Quality: 44
- Price: 41

Legend:
- Café's CSR activity
- Quality
- Price

Customers' preferences underlying choice of a cafe (Company 2)

Number of Responses

5) When choosing a café, your main concern is:
- Café's CSR activity: 1
- Quality: 40
- Price: 20

6) Do you prefer [name of the company] to other cafes in the area because of:
- Café's CSR activity: 0
- Quality: 39
- Price: 22

Legend:
- Café's CSR activity
- Quality
- Price

Customers' preferences underlying choice of IT-Service (Company 5)

Number of Responses

5) When choosing an IT-Service company, your main concern is:
- Company's CSR activity: 0
- Quality: 12
- Price: 62

6) Do you prefer [name of the company] to other companies in the area because of:
- Company's CSR activity: 0
- Quality: 6
- Price: 68

Legend:
- Company's CSR activity
- Quality
- Price

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Regarding customer priorities, the numbers vividly demonstrate that the main priorities underlying the choice of a particular café in the cases of Companies 1 and 2 were food quality and price. In other words, they pay significantly more attention to the service quality, while CSR is regarded neither as primary nor even secondary concern for customers. Very similar numbers appear for customers of Company 5, with the only difference being that quality was less important than price. No customer prioritised a company's CSR involvement. The only determinant for choosing in favour of a particular company was the price. This suggests that the chances for companies to employ their CSR for economic benefits are highly limited, or non-existent in the case of Company 5. Such findings demonstrate that it is unlikely that companies' motivation behind CSR is one of an economic nature, which confirms information obtained from the interviews of SMEs' managers/owners.

5.5.4 Potential CSR attractiveness

Unlike the previous questions that tried to explore customer preferences and how these affect business patronage patterns, the question of whether customers would consider paying more for socially responsible initiatives was asked to investigate whether there could be a potential opportunity for companies to gain economic returns for their CSR. In other words, the future projection on customers' considerations would allow me to double-test the nature (economic/non-economic) of CSR motivation in Kazakhstani SMEs.

Diagram 5 "CSR customers' projections"

Would you consider paying more for socially responsible company's services? (Company 1)

Yes
2%

May be
3%

No (I would opt for other options)
95%

Legend:
- Yes
- May be
- No (I would opt for other options)

Would you consider paying more for socially responsible company's services? (Company 2)

Yes
2%

May be
10%

No (I would opt for other options)
88%

Legend:
- Yes
- May be
- No (I would opt for other options)

Would you consider paying more for socially responsible company's services? (Company 5)

May be
3%

No (I would opt for other options)
97%

Legend:
- Yes
- May be
- No (I would opt for other options)

Findings from all three companies clearly demonstrate that the absolute majority of the customers would not consider contributing their money to support a company's' socially responsible initiatives. This confirms the proposition of the manager of Company 6, who stressed that *"… no customer will pay ten tenge more for socially responsible services"* (R6). Thus, I found no support for the preliminary assumption in favour of the economic motivation behind CSR in small Kazakhstani businesses.

5.5.5 Customers expectations vs. real engagement

I intentionally contrapose these two questions to assert the existing imbalance between the customers' expectations and their factual readiness to act in response. Diagram 6 below contrasts customers' expectations in relation to business' CSR involvement with their actual willingness to contribute to supporting SMEs' CSR initiatives.

Diagram 6 "Customers' expectations vs. real engagement"

Customers' expectations vs. actual engagement (Company 1)

Customers' expectations vs. actual engagement (Company 2)

Customers' expectations vs. actual engagement (Company 5)
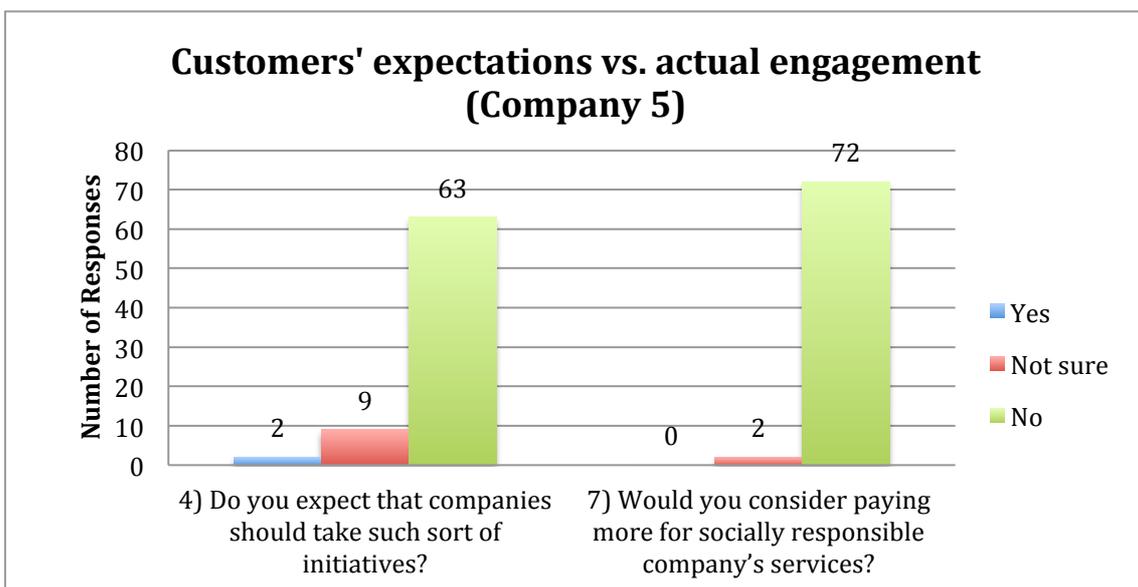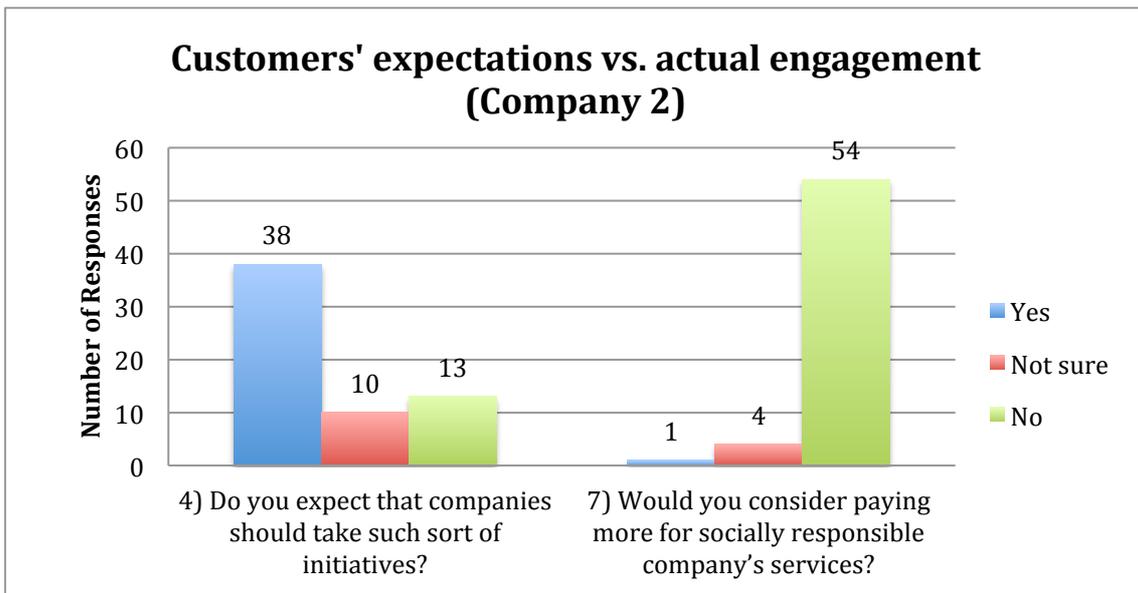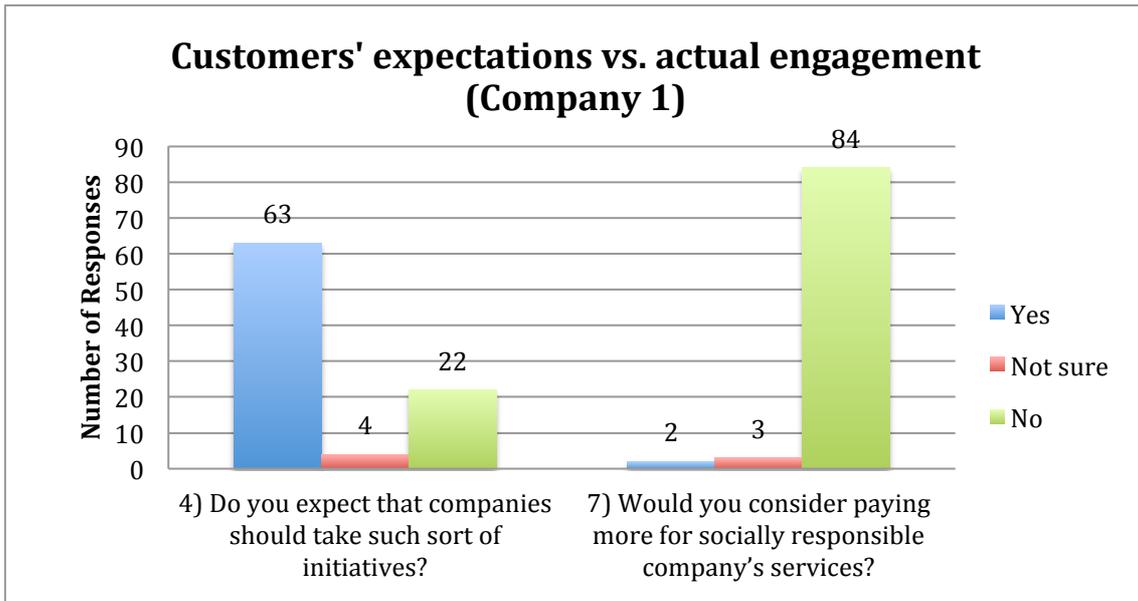
In the case of the Company 5, the findings suggest that the customers neither have a will to make any contribution in support of businesses' CSR, nor they reasonably have any expectations regarding a firm's pro-social behaviour. Likewise, linking the customers' expectations of businesses' CSR with whether customers would consider paying more for socially responsible services, I anticipated that there should be a logical correspondence between these two questions. If we consider attitudes as predispositions, as suggested by social psychology studies, I would expect that one who stresses the importance of CSR and expects it from a company would perhaps be ready to support CSR, particularly by paying more to CSR-active companies, because, as suggested by Fishbein & Ajzen (1975), an attitude is typically regarded as a latent factor that induces or influences behaviour.

However, despite the fact that the majority of the respondents of Company 1 and Company 2 (over 70% and 62%, respectively) declared that they expected companies to continue their CSR activity, there were almost no respondents (less than 2% for both companies) willing to pay additional money to support a socially responsible company. This led me to the conclusion that although the customers consider CSR to be a meaningful notion and expect that from the company, this only extends up to the moment when it does not require any contribution from their side to financially support CSR. Such attitudes of customers/society perhaps may be best explained by referring to the Soviet mentality, where people were used to receiving all sorts of care from the enterprises and the state with no need to do anything in return. Because in the Soviet times a corporation would normally take paternalistic-style care for its employees, their families, and the local community, it would cultivate the high expectations of care provision while the will to do something in return is kept at the rudimentary level.

Summary of the Survey

Overall, the results of the survey showed that, while not many people from the general public have a clear understanding of the CSR concept, this does not mean that the positive effect of CSR is entirely disregarded. However, as vividly shown by the majority of people (when CSR has been identified with a particular practice), having a positive attitude towards SMEs' CSR and certain expectations, CSR is not in the list of customer preferences when they make a choice in favour of

a café/IT-company. People neither regarded CSR as company's competitive advantage, nor did they demonstrate a readiness to support SME's CSR by contributing personally. In other words, customers/local community are happy to witness CSR in SMEs and to benefit from companies' CSR until it requires any contribution from their side. The findings of this survey, in addition to providing insight into CSR from customer/community perspective, offer convincing evidence that in the absence of economic sense of CSR for SMEs, the business school approach to CSR fails to explain Kazakhstani SMEs motivation.

CHAPTER 6. CONCLUSIONS

I have carried out this research with a purpose to understand *how Kazakhstani SMEs' CSR is shaped by local value systems and the context.* This study has been conducted on the basis of two conventional theories in the field of CSR: Carroll's CSR Pyramid and Freeman's Stakeholder model while accounting for contextual factors such as culture and history according to the recommendations of Örtenblad (2016). This study draws upon three logically sequential research queries, which have been explored by employing mixed method research instruments, interviews and survey. Figure 11 below represents the overall structure of this research.

Figure 11 "Research outline"
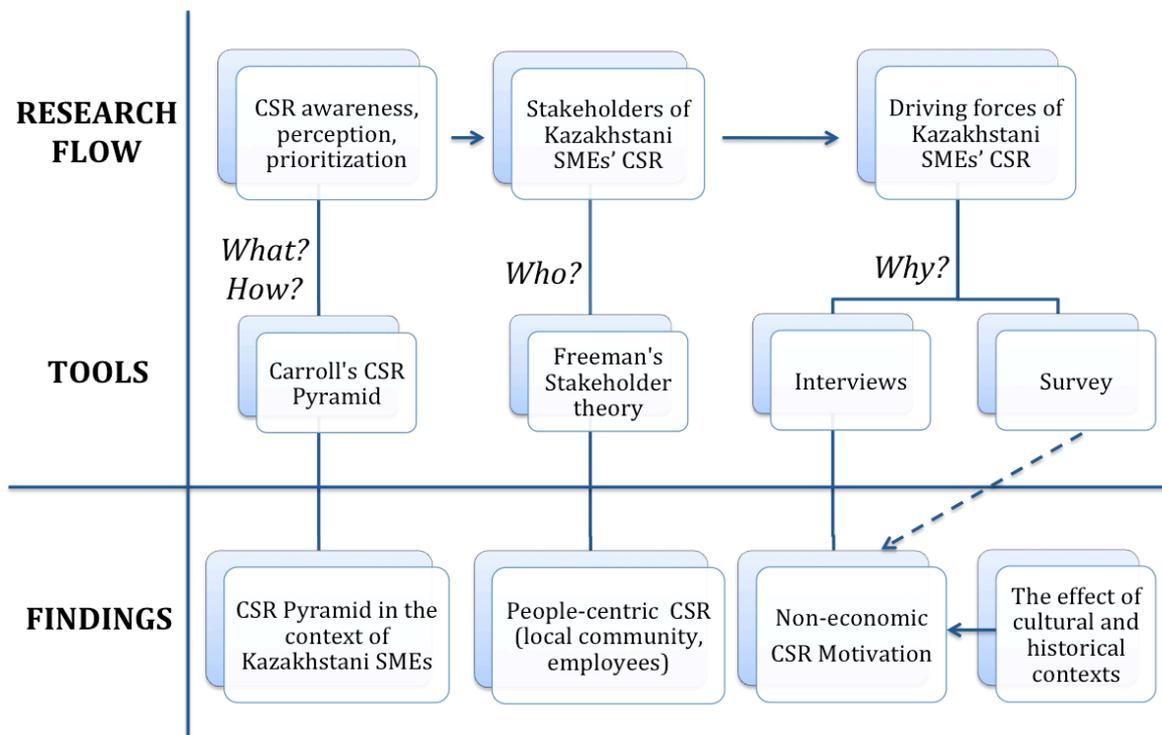
Source: Darmenova Y. (2019)

The exploratory nature and sample size of this research prevent drawing immutable conclusions, which could be generalised for the entire case of Kazakhstan. Instead, the conclusions should be viewed as tentative until a more

extensive study – involving other regions, industry sectors, and companies – has been undertaken. Until then, some preliminary conclusions can be suggested.

This research was carried out with an attempt to better understand what constitutes CSR in the context of Kazakhstani SMEs and how it is shaped by local value systems and the context. Based on empirical evidence derived from real-life cases, I first tried to address the understanding of CSR from the perspective of SMEs. Next, I attempted to identify whose concerns SMEs address through their CSR and, finally, I explored the motivation behind SMEs' CSR through a careful examination of SMEs' alongside customer/community views. The research specifically focuses on deepening the insight of the interplay between the factors behind entrepreneurial CSR comprehension and motivation, as well as the historical and cultural settings in the Kazakh context.

Having considered the findings discussed above, with a reasonable level of self-imposed scepticism as required based on the case-study approach limitations, several conclusions can be drawn. Careful analysis of the existing body of knowledge on CSR, together with the empirical evidence obtained during this study enables me to take a different position regarding conventional wisdom on CSR. In particular, I have not found sufficient evidence in support of my preliminary assumptions about economically driven CSR in the context of Kazakhstani SMEs. Although I admit that CSR involvement can promise certain benefits associated with an increase of companies' social capital (Murillo & Vallentin, 2012; Perrini, Russo, & Tencati, 2007), I disagree with the primogeniture of the economic incentives as the main factor for CSR motivation in SMEs in Kazakhstan. On the contrary, I found that no company had any economic pre-calculations when they performed their 'small CSR'. Moreover, as the survey results clearly demonstrate, it is unlikely that in this specific context companies can actually hope to receive those benefits from their customers and community. To elaborate on the concluding part of this research, I suggest several reflections:

How CSR is represented in the context of Kazakhstani SMEs?

I started my research with a set of questions: *What represents CSR in the context of Kazakhstani SMEs? What is the perception of CSR in the context of*

Kazakhstani SMEs? How do SMEs prioritise the four domains of CSR proposed by Carroll?

In the process of addressing this set of queries, I identified how CSR is comprehended from the perspective of SMEs and examined whether or not a contextual CSR can fit within existing theories. As I encountered dissimilarities, two response options emerged: 1) to ignore the contextual understanding of CSR together with the justification provided by SMEs, based on the fact that this understanding considerably differs from the offered templates, or 2) admit that the internationally accepted definition being in use is insufficient. Taking the first option meant disregarding the reality of Kazakhstani small business's CSR. I concluded that the existing definition was not adequate because it failed to address CSR when located beyond the geography of the countries with a developed market economy. My contextual findings challenge the appropriateness of the existing definition of CSR at least in two profound points: in order to be regarded as socially responsible, a company should ***go beyond the legal compliance*** and ***act in accordance with international norms of behaviour***. More specifically, my findings demonstrate that, given the transitional legacy, not stepping beyond the legal requirements but an adherence to the law can already represent a manifestation of business social responsibility in the case of Kazakhstani SMEs. Despite this dissonance regarding the 'not going beyond' position, it is evident that mere law abidance can serve as a departing point for further debates on understanding CSR in transitional contexts. This brought me to the argument of Kuznetsov et al. (2009) and Crotty (2016), who argued that unlike in the Western context, in the setting of transition, regulatory compliance may well be a regarded as a manifestation of CSR. Therefore, limiting boundaries of the definitional framework posits a high risk of essential peculiarities of CSR contextual realities being misinterpreted or even dismissed. Not all the CSR findings fall within this internationally recognised CSR definition; such contextual deviation calls into question the universality and applicability of the accepted definition. So far, the existing definitional framework is not only inappropriate, but produces complications for contextual research on CSR. It does not foster, but limits the depth of inquiry in the field of contextual CSR research. Thus, this begs the question: what is the added value of such definition, one which is not only

conceptually unclear, but harmful? This question does not seem to have received any thorough response in the academic literature.

Using Carroll's pyramid of CSR, I have sought to examine the nature of CSR in the context of Kazakhstani SMEs. More specifically, I tried to look at how the relative significance of four distinct domains of CSR is represented in Kazakhstani SMEs. The evidence demonstrates that prioritisation of four domains in Kazakhstani SMEs diverges from what is offered by conventional wisdom. For instance, legal and ethical responsibilities carry the least amount of concern from the position of Kazakhstani SMEs. Contrarily, philanthropic aspirations were regarded as the second most important domain. Nevertheless, I do not claim that legal and ethical responsibilities should be less important, I also do not suggest that this is the right way to conceptualise CSR in general. Instead, I argue that what conventional theories ascribe to CSR often does not reflect the contextual reality of CSR. My contention in this regard is that crude application of conventional theories, and Carroll's Pyramid in particular, to Kazakhstani CSR with no necessary contextual adjustments, will either distort or omit the reality of CSR in Kazakhstani SMEs.

Who are the stakeholders, whose concern matters most?

Having established how Kazakhstani SMEs conceptualise CSR, I continued my research with the following set of questions: *who are the stakeholders, whose concern matters most? Who affects, and is affected by, the CSR of SMEs?*

Using Freeman's stakeholder model, I investigated how CSR in Kazakhstani SMEs is practiced, what kind of initiatives SMEs had, why they addressed the concern of these particular stakeholders groups, and if their CSR was more proactive and voluntary or in response to external pressure.

In all six cases, CSR was represented by people-centric campaigns: the primary recipients of SMEs' CSR were local community members and employees, corresponding with the high prioritisation of philanthropic responsibilities. There was no company that incorporated CSR into its business strategy. All initiatives were carried out informally with the majority of respondents not associating these activities with CSR.

CSR in Kazakhstani SMEs neither affects nor is affected by other

stakeholders' groups. The only CSR recipients of the companies were local community members and employees. I have not found any evidence on the external pressure, from such stakeholders as government, NGOs, media, suppliers, environmentalists, competitors, or customers, which are suggested to influence companies' pro-social behaviour according to Freeman's Stakeholder theory. Contrary to the conventional logic of stakeholders' prioritisation based on proximity factor (Mitchell, Agle, & Wood, 1997), which implies that a company's CSR is directed to the concern of dominant stakeholders who are in position to impose pressure, the main recipients of SMEs' CSR are the less dominant stakeholders (i.e. the local community and employees). Perhaps because CSR in SMEs is not triggered off external pressure, but represents pro-active voluntary involvement, there was no link between SMEs' CSR and those stakeholders who may constitute the most significant power (e.g. state, NGO, environmentalists, media etc.). In all cases, companies' CSR actions were motivated by manager's/owner's values and beliefs but not stakeholders' pressure or expectations. Although I did not find evidence suggesting the influence of exogenous factors as a fundamental motivator for SMEs CSR, I cannot exclude the effect of 'silent' factors in general. Such factors may become salient should the research move beyond the focus on SMEs' perspective.

Having examined Freeman's (1984) stakeholder model in the context of Kazakhstani SMEs, it becomes evident that the mere application of existent theories, without taking into consideration contextual peculiarities, fails to explain why powerful and dominant stakeholders (e.g. state, competitors, suppliers etc.) are not represented in the primary concerns of SMEs' CSR. Instead, the main CSR recipient is a discretionary stakeholder (local community), the one that provides little or no pressure in the case of Kazakhstani SMEs.

Why Kazakhstani SMEs engage in CSR?

In the concluding part of my research, I looked at *why Kazakhstani SMEs engage in CSR? What are the driving forces which make local companies adopt CSR? What motivates SMEs to get involved in CSR? How does giving back to society evolve or does it not? What are the factors behind this?*

The transactional approach would suggest that CSR engagement is motivated by self-preservation but not philanthropic concerns. "It is always difficult to tell whether business that behaves ethically towards its environment is prompted by altruism of something else" (Rollinson, 2008, p. 54). The discourse on the reasoning behind CSR engagements mainly concentrates around two academic perspectives: economic and non-economic. While the proponents of the economic school of thought approach a company or individual as a rational organism whose behaviour can be explained and predicted by the motivation oriented towards maximisation of utilities and wealth, the sociological view, on the other hand, argues that decisions and actions are driven mainly as a product of prevalent social norms rather than profit maximisation. Moreover, actors' behaviour often runs contrary to the rational utility-maximising programme propagated by orthodox economics. Specifically in the cases of small businesses in Kazakhstan, I found that CSR involvement in SMEs is not motivated by economic calculations. Consistent with some of the studies on the CSR motivation in SMEs (Quinn, 1997; Vyakarnam, Bailey, Myers, & Burnett, 1997) my findings demonstrate, considering altruistic and disinterested CSR actions, a clear confluence between entrepreneurs' CSR motivation and existing social norms with a strong reference to historical and cultural contexts. In this sense, I found some of the propositions summarised by Murillo & Vallentin (2012) to be highly relevant. They stress that the businessmen' comprehension and attitude towards CSR proceed down to a set of accepted and approved social norms, customs, and habits. The SMEs' owners/managers have been the main driving force behind CSR actions – they make a decision and take actions governed by their own volition. In such context the social norms and values determined by culture are the origin of CSR actions (Murillo & Vallentin, 2012). Consequently, I adhere to a sociological view of CSR, which admits that businessmen act conditionally on such social influences. What I suggest in this regard is that in order to address the question on motivation and driving forces behind a CSR action of SMEs, it becomes inevitable to come down to the level of analysis of an individual and the social environment that shapes his/her moral prescriptions. In turn, an exploration of this social space is not possible without addressing the peculiarities of the historical and cultural (together with religious) contexts. Taking a sociological perspective, the interrelation of individuals and

collective beliefs becomes more visible. Entrepreneurs, being the part of the same social system as any individual, act according to the existing social norms.

Finally, even the business sense of CSR, which implies that a company may reap certain benefits associated with CSR practice, does not exclude non-economic motivation. In response to the fundamentally economic propositions, I argue that even with an economic potential from CSR (which may obviously exist), an entrepreneur can still be driven by purely philanthropic beliefs if such 'interest in disinterestedness' is considered to be a norm within a society as suggested by Bourdieu (1997). I suggest that such kind of academic contrapositions (economic vs. non-economic nature of CSR) function not as clarifiers, but as barriers that urge the researcher to take one or another (often opposite) view. In CSR reality, these two seemingly conflicting ideas often come together with no clear distinction line. Instead, I believe one should consider and accept that the twofold nature of CSR – business potential and philanthropy – not as conflicting but complementary forces. A purely non-pragmatic desire to give back to society without deliberate economic estimations may generate an enhanced likelihood to be rewarded even if it was not the motivating factor. Generally, pro-social behaviour of an entrepreneur may go in line with both: existing social norms, and possible rewards. Yet, it is important to stress that I consider financial returns of CSR to be a side-effect, rather than motivating factor. In the Kazakhstani context however, I found no evidence of a link between CSR with the pursuit of any financial returns.

To sum up, in contrast to the studies that assert that there has to be a critical mass of exogenous factors (e.g. active engagement of civil society, free market) to enable CSR (Campbell, 2007; Matten & Moon, 2008), this study suggests that CSR is often driven by endogenous motivation; by which I mean that CSR in Kazakhstani SMEs is not necessarily a response to the external encouragement but is guided by endogenous motivators, and can occur even in the absence of an active engagement of civil society. In those terms, I agree with Bowie (2017), who argues that pro-social behaviour is neither necessarily motivated by potential economic benefits nor by the reaction to the outside pressure. Rather, it may arise naturally with no reflection. Likewise, the motivation behind CSR actions in the context of Kazakhstani SMEs does not come from an economic rationale, but from the individual managerial beliefs and values, shaped under the effect of the

accepted social norms, which can be better understood by taking account of peculiarities of historical and cultural contexts.

Overall Summary

The findings from this mixed-method case study provide an insight into the contextualised nature of the CSR. They demonstrate that when CSR occurs in Kazakhstani small and medium businesses, it is strongly affected by the historical and cultural heritage of nomadic, Soviet and transitional periods. In particular, the most observable effects stem from the more recent Soviet past. I assume that because the majority of the participants were in their forties or over, their value systems and beliefs may have been influenced most significantly by the Soviet cultural heritage. The managers/owners of SMEs participating in this research hold beliefs which differ from those of the modern generation. People born after the collapse of the USSR demonstrate different cultural predispositions, such as being more accepting of Westernised ideas and values, evidenced by the survey results (section 5.5.1). Thus, their understanding of business-society relationship may more resemble that of foreign business culture. Such a dissimilarity of attitudes based on age difference reaffirms the validity of the effects of cultural and historical contexts for CSR research.

The purpose of this study was to extend CSR research agenda by bringing historical and cultural contexts into CSR analysis. From here, this combination could improve the comprehension of CSR as a multi-faced and context-dependent phenomenon. My findings offer a number of implications for the existing body of literature on CSR and challenge conventional CSR theories.

To start with, there are both similarities and contradictions when the findings are compared with other research on CSR within the limited number of studies on CSR in Kazakhstan and other post-soviet countries. Consonant to the results of other studies (Crotty, 2016; Koleva, Rodet-Kroichvili, David, & Marasova, 2010) my findings unfold that historical and cultural legacy not only have a profound impact on the understanding CSR in the context of Kazakhstani SMEs, but also significantly define the driving forces of CSR.

While the findings add to the existing limited literature on CSR in Kazakhstan, there is still a need to conduct more studies of a similar nature in order to fully elaborate on the nature of CSR and its motivators. There have been

contextual findings in this research that challenge a number of propositions within the suggested Western theories on CSR definition, conceptualisation, stakeholder view, and motivation. These findings offer new insight that is distinct from conventional CSR knowledge.

I found out that when CSR is located in Kazakhstani context, it was not guided by international norms of behaviour, an adherence to legal norms instead or going beyond them as typically conceptualised by Western-derived CSR theories. Although small companies may simply run their businesses in compliance with the legal rules, this may still result in a company making a considerable contribution to addressing local society concerns. The findings suggest that CSR, positioned in a different area, may have very different 'twist' (Dobers & Halme, 2009; Halme, Room, & Dobers, 2009). For instance, in line with the suggestions of Jamali and Mirshak (2007), some participants ascribed regulatory compliance, such as tax payment, to the social responsibility of their businesses. Indeed, when the disregard of legal requirements becomes standard practice, the domains of legal and ethical responsibilities may well be regarded as discretionary concerns, what conventional CSR understanding ascribes solely to philanthropic aspects of CSR (as shown in Figure 8). Existing CSR theories fail to give a satisfactory record of this reality. Echoing Crotty (2016), this research not only indicates that real-life CSR is subject to context-dependent interpretations, but also challenges existing conventional definitions, such as a requisite to go 'beyond legal compliance' (e.g. McGuire J., 1963). By considering this gap, this research addresses aspects currently absent in the CSR theories. When conventional definitions are put aside, distinct CSR varieties are revealed.

Participating companies articulated distinct motivations of their CSR engagement. There was no evidence of possible economic motivation (Santos, 2011; Lee, Herold, & Yu, 2016). Rather, neither companies nor customers appreciated the potential of economic attractiveness of CSR. The majority of CSR cases were informed by historical and cultural legacies from pre-soviet, Soviet and transitional periods, coinciding with Bourdieu's theory of *'habitus'* and Hofstede's *'programming of mind.'* Both theories assert the importance of history and culture (but not economic pre-calculations) as predefining factors for pro-social attitudes and behaviours. Through recalling the past (pre-revolutionary, Soviet, and transitional periods), respondents provided clear explanations of where the roots

of their CSR motivation lie. They referred to CSR as *'just a natural continuity'* of Soviet traditions (R1), a sort of cultural nomadic DNA that *'is in our blood'* (R5). It was explicitly observable that companies did not perceive CSR as an imported concept, but as a traditional form of care, mutual help and responsibility which have always been in place in Kazakhstan in one form or another. Therefore, by contextualising Kazakhstani CSR, I suggest that one should assume neither historical nor cultural discontinuity.

The discrepancies, which became apparent when the findings of this study were positioned within the Western theories, demonstrate that the failure to take a broader perspective on what CSR is may result in misinterpretation of the contextual reality of CSR. CSR in Kazakhstan has its distinct history that is dissimilar to Western paths. These findings challenge the conventional wisdom on CSR regarding its understandings and driving forces, presenting evidence that CSR can have a different provenance affected by cultural orientations and history. As rightly pointed out by Crotty (2016), any allusion that CSR may be anything other than a Western construct is also, no wonder, lacking in the existing literature.

To summarise, I have found clear evidence that the extent of customisation of CSR in small businesses in Kazakhstan is considerable. As mentioned before, if one does not take account of CSR's nuanced realities in non-Western contexts, understandings will be limited or misinterpreted. It is, therefore, necessary that research focus more on context-based settings, either to disprove and/or to broaden the adaptability of these findings. Only by extending the scope of CSR inquiry can the understanding of what constitutes CSR in other (non-Western) settings, and why companies decide to engage in CSR, be achieved.

Overall, the traditional business school approach, which views CSR through the prism of transactional relationship and omits contextual settings (history, culture/religion), clearly fails to explain CSR when put in the context of Kazakhstani SMEs. From a sociological perspective, even if one could say that an individual's behaviour is driven by self-interest or pursuit of individual gains, the very idea of 'self-interest' may extend beyond an individual self (Figure 10). Likewise, understandings of wealth and attitudes concerning individual wealth accumulation may be tinted with a very specific contextual colour, as vividly demonstrated by sayings like *"A true wealth is friendship and mutual understanding"* (R2). The local attitude towards money accumulation sometimes

goes even further *"...striving for money was sinful"* (R5), *"I feel ashamed to be richer than average"* (R3)...

Despite that the global expansion of neoliberal doctrines, with their emphasis on individual interests, is gradually transforming people to 'homo economicus', economic spending perceived as irrational by neoliberal terms is still practised in Kazakhstan. Acts, that conceptually and functionally translatable to definitions of CSR, were highlighted by this study of Kazakhstani small businesses. This means that morality and responsibility are durable and that humankind has not become 'calculating machines'. Whether this transformation should eventually occur or not is another question, but there is no doubt that transitional economies, and the Kazakhstani case in specific, represent a fruitful opportunity for studying the social nature of giving. When interpreted in the modern language of management, indeed this very giving embodies CSR in the context of small businesses in Kazakhstan. In light of this, I deliberately tried not to limit the scope of query on CSR by unduly restricting it to solely the business school perspective, but to immerse this research in the social sphere. Therefore, my approach was not separating and categorising motives, but observing and analysing what was given. Moreover, in this research, it was practically impossible to separate various elements of social and economic relations because they shape one another under the effect of culture and history.

Indeed, the motivational force for individual's actions eventually comes to the profound effect of cultural and historical context (see Figure 12 below). Bourdieu (1990) ascribes this to the idea of 'habitus', which is formed by the past (history). Following a trans-disciplinary standpoint, I hold that to better understand and explore real-life phenomenon, research on contextual CSR would benefit from further delving into thoughts of other academic communities (e.g. anthropology, economic sociology, history, social psychology), because the CSR paradigm is at the same time economic, sociological, philosophical, anthropological in its nature. It is economic in a strict sense, concerning the idea of utility, self-interest, accumulation, maximisation and redistribution of monetary wealth, spending. It is also sociological by representing the interrelations between business and society. It is philosophical because it concerns questions of morality, philanthropy, altruism, giving, and understandings of self within the greater

environment. It is anthropological as takes cultural perspective for observing and explaining human behaviour.

Therefore, research on CSR in SMEs should avoid isolating the area and incorporate the perspectives of other disciplines. Gradually, with various degrees of precision, attempts to provide an explanation of reality that transcends traditional academic divisions can emerge.

Figure 12 "Composition of the contextual platform for CSR"
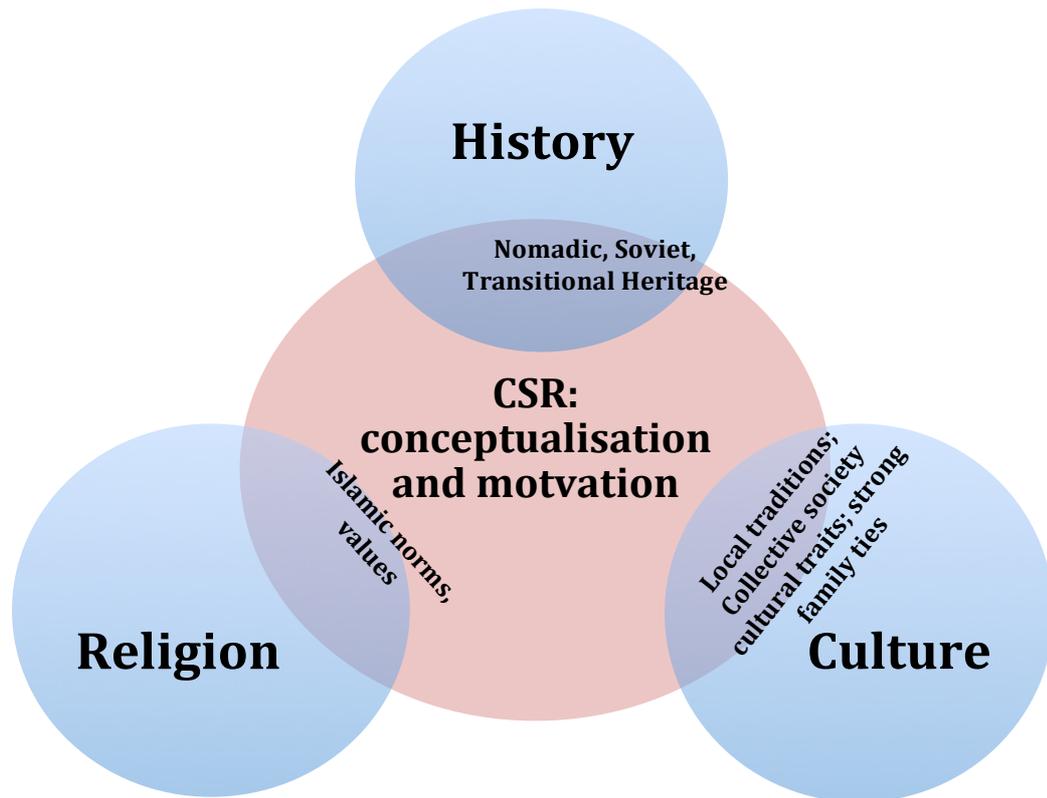
Source: Darmenova Y. (2019)

Appendix 1 "Introductory letter to organisations"

"CSR is Kazakhstani small and medium business"

Dear Sir/Madam, my name is Yuliya Darmenova, I am a postgraduate student at the Centre of Development Studies, University of Cambridge, UK, conducting research on Understanding Corporate Social Responsibility and the case of Small and Medium Enterprises in a Kazakh context.

I am respectfully asking for your participation, which will involve in-depth interviews and discussions on the matters related to the topic of my research. Your valuable opinions will make a significant contribution to the understanding of modern days reality of CSR in small and medium businesses. I will be happy to share my findings in exchange for your participation.

Specifically, the interview will contain questions on what you think and feel about CSR in your real-life business settings and what motivates you to undertake socially responsible practices. The interviews are aimed to take about an hour. This research is entirely anonymous both for interviewees who participate as well as organisations. Neither your personal details nor individual answers and other identifying information will be disclosed. Your participation in the study is voluntary which enables you to withdraw from the project at any point you wish. Should you have any questions, please do not hesitate to contact me.

I sincerely hope that you will have some interest to participate in this project!

THANK YOU!

Sincerely,
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Appendix 2 "Discussion Guide for semi-structured interviews"

The interview is anonymous which means that you will be referred to as "Respondent" unless you express the will to be referred by your real name or the name of your company. Your participation is voluntary which enables you to withdraw from the study at any moment. The discussion on the subject *"Understanding Corporate Social Responsibility and the case of Small and Medium Enterprises in a Kazakh context"* is composed on the basis of three subsections:

__Discussion topic 1"How is CSR understood in the context of Kazakhstani SMEs?"__

- How do you understand CSR? What is your attitude towards CSR? Is your company involved in socially responsible initiatives?

__Discussion topic 2 "Carroll's CSR pyramid in Kazakhstani SMEs."__

- Given that CSR comprises of four basic parts: economic, legal, ethical, and philanthropic responsibilities, how would you prioritise those domains and why?

__Discussion topic 3 "Who are the stakeholders of SMEs' CSR?"__

- Whose concern is important for your company: local community, owners, consumer advocates, customers, competitors, media, employees, SIG, environmentalists, suppliers, and governments and why?
- What are the main CSR policies in your company? Who are the main stakeholders/recipients of your company's CSR?
- Who affects your company's CSR? Whose opinion matters?

__Discussion topic 4 "Why does your company engage in CSR?"__

- Why does your company engage in CSR? What motivates you to engage in CSR?
- What makes your company adopt CSR? (external/internal drivers?)
- Is there any expectations or pressure from the government or society that makes you engage with CSR?
- How does your company's CSR matter for the stakeholders/recipients?

THANK YOU VERY MUCH FOR PARTICIPATION!

Appendix 3 "Questionnaire: Company 1"

Dear Sir/Madam,

I am a PhD student at the University of Cambridge, kindly asking for your participation, which will require you to fill out a brief questionnaire, which comprises of six questions. It will take approximately five minutes to complete. Your participation in this survey is voluntary and anonymous. This study is looking at the understanding of Corporate Social Responsibility (CSR) in the context of small Kazakhstani enterprises. If you have any questions regarding this study, please contact Yuliya Darmenova by e-mail: yd270@cam.ac.uk. The filled form will be considered as your consent for participation.

The CSR activity of this café is providing free meals for WW2 veterans once a week.

Please tick the box with your choice.

1) Are you aware of the meaning of CSR?
- [ ] Yes
- [ ] Not sure
- [ ] No

2) Did you know that [name of the company] provides free meals for WW2 veterans?
- [ ] Yes
- [ ] Not sure
- [ ] No

3) Is it important to you that [name of the company] has this CSR initiative of providing free meals for WW2 veterans?
- [ ] Yes
- [ ] Not sure
- [ ] No

4) Do you expect that companies should take such sort of initiatives?
- [ ] Yes
- [ ] Not sure
- [ ] No

5) When choosing a café, your main concern is:
- [ ] Café's CSR activity
- [ ] Quality
- [ ] Price

6) Do you prefer [name of the company] to other cafes in the area because of:
- [ ] Café's CSR activity
- [ ] Quality
- [ ] Price

7) Would you consider paying more for socially responsible company's services?
- [ ] Yes
- [ ] Not sure
- [ ] No (I would out for other options)

Your age group:
- [ ] 18 - 40
- [ ] 40 - 50
- [ ] 50 +

Date_____

THANK YOU!

Appendix 4 "Questionnaire: Company 2"

Dear Sir/Madam,

I am a PhD student at the University of Cambridge, kindly asking for your participation, which will require you to fill out a brief questionnaire, which comprises of six questions. It will take approximately five minutes to complete. Your participation in this survey is voluntary and anonymous. This study is looking at the understanding of Corporate Social Responsibility (CSR) in the context of small Kazakhstani enterprises. If you have any questions regarding this study, please contact Yuliya Darmenova by e-mail: yd270@cam.ac.uk. The filled form will be considered as your consent for participation.

The CSR activity of this café is organising a free hot meals delivery to elderly people from the local neighbourhood twice a week.

Please tick the box with your choice.

1) Are you aware of the meaning of CSR?
☐ Yes   ☐ Not sure   ☐ No

2) Did you know that [name of the company] provides free hot meals to elderly people from the local neighbourhood?
☐ Yes   ☐ Not sure   ☐ No

3) Is it important to you that [name of the company] has this CSR initiative of providing free hot meals to elderly people from the local neighbourhood?
☐ Yes   ☐ Not sure   ☐ No

4) Do you expect that companies should take such sort of initiatives?
☐ Yes   ☐ Not sure   ☐ No

5) When choosing a café, your main concern is:
☐ Café's CSR activity   ☐ Quality   ☐ Price

6) Do you prefer [name of the company] to other cafes in the area because of:
☐ Café's CSR activity   ☐ Quality   ☐ Price

7) Would you consider paying more for socially responsible company's services?
☐ Yes   ☐ Not sure   ☐ No (I would out for other options)

Your age group:
☐ 18 - 40   ☐ 40 - 50   ☐ 50 +

Date_____

THANK YOU!

Appendix 5 "Questionnaire: Company 5"

Dear Sir/Madam,

I am a PhD student at the University of Cambridge, kindly asking for your participation, which will require you to fill out a brief questionnaire, which comprises of six questions. It will take approximately five minutes to complete. Your participation in this survey is voluntary and anonymous. This study is looking at the understanding of Corporate Social Responsibility (CSR) in the context of small Kazakhstani enterprises. If you have any questions regarding this study, please contact Yuliya Darmenova by e-mail: yd270@cam.ac.uk. The filled form will be considered as your consent for participation.

The CSR activity of this computer service company is donating money to a local nursery once a year.

Please tick the box with your choice.

1) Are you aware of the meaning of CSR?
☐ Yes ☐ Not sure ☐ No

2) Did you know that [name of the company] donates money to a local nursery?
☐ Yes ☐ Not sure ☐ No

3) Is it important to you that [name of the company] has this CSR initiative of donating money to a local nursery?
☐ Yes ☐ Not sure ☐ No

4) Do you expect that companies should take such sort of initiatives?
☐ Yes ☐ Not sure ☐ No

5) When choosing a computer service, your main concern is:
☐ Café's CSR activity ☐ Quality ☐ Price

6) Do you prefer [name of the company] to other computer service companies in the area because of:
☐ Café's CSR activity ☐ Quality ☐ Price

7) Would you consider paying more for socially responsible company's services?
☐ Yes ☐ Not sure ☐ No (I would out for other options)

Your age group:
☐ 18 - 40 ☐ 40 - 50 ☐ 50 +

Date_____

THANK YOU!

Appendix 6 "Survey responses breakdown: Company 1"

1) Are you aware of the meaning of CSR?		
Yes - 9	Not sure - 38	No – 42
2) Did you know that [name of the company] provides free meals for WW2 veterans?		
Yes - 41	Not sure - 37	No - 11
3) Is it important to you that [name of the company] has this CSR initiative of providing free meals for WW2 veterans?		
Yes - 69	Not sure - 11	No - 9
4) Do you expect that companies should take such sort of initiatives?		
Yes - 57	Not sure - 4	No - 28
5) When choosing a café, your main concern is:		
Café's CSR activity - 2	Quality - 49	Price - 38
6) Do you prefer [name of the company] to other cafes in the area because of:		
Café's CSR activity – 4	Quality - 44	Price - 41
7) Would you consider paying more for socially responsible company's services?		
Yes - 2	Not sure - 3	No (I would opt for other options) – 84
Your age group:		
(18 – 40) - 33	(40 – 50) - 42	(50 +) - 14

Appendix 7 "Survey responses breakdown: Company 2"

1) Are you aware of the meaning of CSR?		
Yes - 4	Not sure - 8	No – 49
2) Did you know that [name of the company] provides free meals for elderly people from the local community?		
Yes - 9	Not sure - 1	No - 51
3) Is it important to you that [name of the company] has this CSR initiative of providing free meals for elderly people from the local community?		
Yes - 39	Not sure - 14	No - 8
4) Do you expect that companies should take such sort of initiatives?		
Yes - 38	Not sure - 10	No - 13
5) When choosing a café, your main concern is:		
Café's CSR activity - 1	Quality - 40	Price - 20
6) Do you prefer [name of the company] to other cafes in the area because of:		
Café's CSR activity – 0	Quality - 39	Price - 22
7) Would you consider paying more for socially responsible company's services?		
Yes - 1	Not sure - 6	No (I would opt for other options) – 54
Your age group:		
(18 – 40) - 18	(40 – 50) - 34	(50 +) - 9

Appendix 8 "Survey responses breakdown: Company 5"

1) Are you aware of the meaning of CSR?		
Yes - 39	Not sure - 11	No – 24
2) Did you know that [name of the company] donates money to the local nursery?		
Yes - 7	Not sure - 0	No - 67
3) Is it important to you that [name of the company] has this CSR initiative of donating money to the local nursery?		
Yes - 12	Not sure - 21	No - 41
4) Do you expect that companies should take such sort of initiatives?		
Yes - 2	Not sure – 9	No - 63
5) When choosing an IT-service company, your main concern is:		
Company's CSR activity - 0	Quality - 12	Price - 62
6) Do you prefer [name of the company] to other IT companies in the area because of:		
Company's CSR activity – 0	Quality - 6	Price - 68
7) Would you consider paying more for socially responsible company's services?		
Yes - 0	Not sure - 2	No (I would opt for other options) – 72
Your age group:		
(18 – 40) - 52	(40 – 50) - 14	(50 +) - 8

Source: Kadyrbaev V. (2018). Gazeta "Vremia"

Appendix 10 "Kazakh folk proverbs"

Original: Kazakh language	Russian translation	English translation
Relatives		
Қазақ жөн сұраса келе, қарын бөле болып шығады	казахи, расспросив друг друга, оказываются двоюродными по материнской стороне	If two Kazakhs ask each other about their lineage they will turn out cousins.
Сұрай берсең қатының – қарындасың	будешь расспрашивать, жена – сестренка	If you inquire, it will turn out that your wife is actually your sister.
Бір көрген – біліс, екі көрген – таныс, үш көрген – туыс	встретились раз – знакомые, два – приятели, три – родственники	You meet once – you become acquaintances, twice – friends, thrice – relatives.
Қанына тартпағанның қары сынсын	пусть рука поломается у того, кто не болеет душой за единокровных	May the hand of the one who doesn't care about their kin break!
Атасыз ұл жетесіз, жетесізден ақыл сұрап не етесіз	безродный человек – глупая голова, к чему у такого спрашивать совета	The one whose lineage is not known is a fool head – not worth of asking for an advice.
Бай болам деген жігіт айырбасшыл келеді, адам болайын деген жігіт туысшыл келеді	тот, кто станет богачом, со всеми меняется тот, кто станет человеком, с родственниками общается	The one who becomes wealthy his attitude changes, but the one who becomes a good man will keep close to his relatives.
Көргенсіз дегенге арланба, тексіз дегенге арлан	назовут невоспитанным – не обижайся, назовут безродным драться кидайся	If someone calls you uneducated, no need to be offended, but if someone calls you rootless fight him.
Тексіздің тегі – құл	не знающий своей родословной – раб	The one who doesn't know his lineage is a slave.
Көппен көрген ұлы той	быть с большинством – большой праздник	To be in a group means you are in a celebration.
Жалғыз жүріп жол тапқанша, көппен бірге адас	чем в одиночку идти правильной дорогой, лучше со всеми вместе плутать	It is better to go astray with a group rather than going alone on a right path.
Wealth		
Байлық – қолдың кірі	богатство – грязь на руках	Money is dirt on your hands.
ТОҚТЫҚ АДАМДЫ АЗДЫРАР	достаток человека развращает	Wealth spoils humans.
СЕМІЗДІКТІ ҚОЙ ҒАНА КӨТЕРЕДІ	излишний жир спокойно переносит только баран	Only sheep can deal with extra fat.

Source: Tasibekov K. (2015)

Appendix 11 "Transliteration Table"

Vernacular	Romanisation	Vernacular	Romanisation
Upper case letters		**Lower case letters**	
А	A	а	a
Б	B	б	b
В	V	в	v
Г	G	г	g
Д	D	д	d
Е	E	е	e
Ё	Ё	ё	ё
Ж	Zh	ж	zh
З	Z	з	z
И	I	и	i
І	Ī	і	ī
Й	Ĭ	й	ĭ
К	K	к	k
Л	L	л	l
М	M	м	m
Н	N	н	n
О	O	о	o
П	P	п	p
Р	R	р	r
С	S	с	s
Т	T	т	t
У	U	у	u
Ф	F	ф	f
Х	Kh	Х	kh
Ц	TS	ц	ts
Ч	Ch	ч	ch
Ш	Sh	ш	sh
Щ	Shch	щ	shch
Ъ	" (hard sign)	ъ	" (hard sign)
Ы	Y	ы	y
Ь	' (soft sign)	ь	' (soft sign)
Ѣ	IE	ѣ	ie
Э	Ė	э	ė
Ю	IU	ю	iu
Я	IA	я	ia
Ѳ	Ḟ	ѳ	ḟ
Ѵ	Ẏ	ѵ	ẏ

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