

**Exploring the structuration of corporate responsibility: current ideas from an action research study.**

**Julia N. Mills\*, Paul D. Hooper and Mark Stubbs.**

Manchester Metropolitan University, UK.

**Abstract:** There is wide agreement that business should play a significant role in moving towards sustainable development. By operating in a responsible way, business is following the broad principles of corporate social responsibility (CSR) or corporate responsibility<sup>1</sup> (CR). The business case, or 'why', of CR has been discussed in great detail within both academic and industry literature. However, there has been much less written about 'how' CR can be implemented into an organisation and thus, put into practice.

This paper outlines the findings of research in progress. The study is based on action research within a large UK-based Plc operating in the aviation sector. A range of barriers and drivers are identified and these allow the suggestion of a number of critical success factors (CSFs) that may exist in the implementation of a CR programme across an organisation. The organisational change required for a company to genuinely embed CR in their mindset and actions means that barriers and drivers include practical, cultural and political factors. Drawing on structuration theory these factors have been organised into a framework that consists of three areas, 'emphasised agenda items', 'patterns of resource allocation' and 'dominant norms'. By placing current findings into this framework and considering the extent to which agenda items and resource allocation do, or can, challenge dominant norms and sanctions, a framework for illustrating processes of change as well as a framework for facilitating change, are simultaneously created.

**Key words:** Corporate responsibility, corporate social responsibility, critical success factors, organisational change, action research, participatory action research, structuration theory.

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\* Correspondence to: Ms Julia Mills, Centre for Air Transport and the Environment, Department of Environmental and Geographical Sciences, Manchester Metropolitan University, John Dalton Extension Building, Chester Street, Manchester, M1 5GD. E-mail: j.mills@mmu.ac.uk

<sup>1</sup> For the purpose of this research, CSR is referred to throughout as Corporate Responsibility (CR) so as not to put greater emphasis on the social aspects of sustainable development.

## **Introduction**

A central challenge of sustainable development as adopted internationally is to deliver economic growth whilst reducing (or at least not exacerbating) any negative environmental and social impacts. Business plays a major role in striving for sustainable development, as it drives the economic growth that is responsible for many and varied social and environmental problems. Business also has the resources (e.g. capital, employees, equipment, profile) to make positive contributions to society as a whole, beyond that of supplying the service or products in the sector in which they operate.

As such, a growing range of stakeholders are putting increasing pressure on business to make efforts to improve their environmental, economic and social activities beyond that required of them by regulation (Hardjono and van Marrewijk, 2001). Both compliant and beyond compliance activity is known as Corporate Responsibility (CR) and it is increasingly built upon a strong sense of internal purpose and values within companies, and on the congruence of these values with those of a growing range of external stakeholders (Elkington, 1997). This 'reorientation' in company values, although still only in evidence at the lead-edge, is fundamental for the evolution to greater CR.

The business benefits of genuinely engaging with CR include improved brand image and reputation, reduced risk of litigation/fines, improved employee morale and retention, and reduced operating costs through increased eco-efficiency. However, defining and implementing a functioning CR programme is a far from straightforward task as it challenges traditional corporate values, responsibilities, structures and practices (Burke and Logson, 1996). Therefore, organisations need to be highly motivated and convinced of the benefits of adopting a CR programme if they are to set about the process of change. Airports represent a group of such organisations given the relevance of the CR agenda to the potential alleviation of the development constraints currently being experienced by aviation. The latter are a consequence of the absolute increases in environmental and social impacts associated with the high growth rates (IATA, 2000) and the ensuing infrastructure demands of aviation (DfT, 2002).

The research described below involves action research (AR) within a large UK-based Plc comprising a group of trading companies in the aviation sector (more specifically the group is an airport operator), referred to hereon in as 'the Group'. The two-year research programme has been active within the group since September 2004 and, at the time of writing, the research in progress is approximately halfway through this specified time scale. The research programme is in the form of a Knowledge Transfer

Partnership (KTP) and is sponsored by the Department of Trade and Industry (DTI) with additional funding from the Group. The partnership gives the Group access to academic expertise from Manchester Metropolitan University's Centre for Air Transport and the Environment and further strengthens the University's involvement in 'hands-on' aviation environmental research.

The aim of the 'action' within the Group is to:

*Design a leading edge and commercially beneficial Corporate Responsibility (CR) Programme through auditing the company's existing initiatives, benchmarking best practice and working with key stakeholders. Thus, integrating corporate responsibility into the Group's business model.*

The aim of the 'research' is to:

*Identify the critical success factors (CSFs) in the design and implementation of an effective corporate responsibility programme using a case study from the aviation sector.*

In an attempt to achieve these aims the researcher is working full time as the Group's Corporate Responsibility Co-ordinator whilst combining this with PhD work on a part time basis. The initiative is monitored and guided by a Local Management Committee, chaired by the Group Chief Executive and comprising representatives from the Group, the University and the DTI. This dedicated resource demonstrates the Group's commitment to corporate responsibility at all levels of the organisation and their agreement to the action research approach.

Drawing on documentary analysis, general day-to-day work and in-depth interviews with key personnel across the organisation, this paper presents findings to date. It attempts to identify some of the key drivers and barriers to embedding a corporate responsibility mindset across a multi-site organisation. In turn, these barriers and drivers will suggest the critical success factors in the ultimate design and eventual implementation, of an effective CR programme. Structuration theory is drawn upon in presenting and making sense of the findings.

## Methodology

The development of the Corporate Responsibility (CR) programme involves following a carefully defined process. This process is divided into four main phases, which address the need to:

1. Establish current levels of CR activity and perceptions across the Group's trading companies (*CR review*).
2. Compare this with CR performance worldwide, both in aviation and among lead-edge sectors (*CR benchmarking*).
3. Identify areas where good practice can be promoted to 'best-in-class' (*CR gap analysis*).
4. Deliver change throughout the Group by the design and implementation of a lead-edge CR programme (*CR programme*).

This paper will discuss only the findings of the CR review (phase 1). The purpose of the review was to consider the current levels of understanding of the concept of CR and to facilitate the compilation of an itinerary listing existing CR-related activities carried out across the Group companies. To give the CR programme the best possible chance of success, it is crucial that employees are not only interested, but also buy-in to the idea of embedding CR into their day-to-day activities (as opposed to add-on/extra work) and decision-making. In order for this to happen, people have to feel it is relevant to them, hence the review investigated personal interpretations of CR in relation to individuals' own values and work roles. Respondents were also encouraged to consider the link between the company values and CR. Remote information collection and face-to-face in-depth interviews were used to investigate these CR issues and perceptions.

Respondents for the review phase were selected by using organisational charts to identify people who would represent a diverse range of departments. Little input was sought for this exercise so as to avoid selecting individuals due to preconceptions. Thus, data for the CR review was collected from a representative sample of employees.

The first step of the review involved collecting standard information from each potential interviewee. An explanatory covering letter was sent to individuals together with a short questionnaire that they were asked to complete and return prior to the interview. The purpose of the questionnaires was to gather background

information on the role of each person to avoid going into an interview 'cold' and to make more efficient use of people's time. A follow-up phone call to each person was used to arrange meetings (referred to here as interviews) and also to chase any questionnaires that had not been returned.

Interviews lasted between 30-60 minutes and were pitched as detailed discussions. For this reason, interviews were recorded (except where an objection was made) thus enabling the interviewer to focus fully on engaging in the dialogue. By using an unobtrusive recording device and a flexible interview schedule, interviewees were encouraged to be open and express opinions as well as relay facts. Several respondents, however, did refuse to be recorded due to concerns about anonymity and confidentiality. Wherever possible, interviews were conducted in the respondents' own building/office. This gave further insight into the nature of the interviewees' role as well as making them more relaxed in terms of being on their own 'territory' (this did indeed reveal itself to be a significant factor). In addition, some written notes were taken during the interviews. Each interview was then part transcribed to extract key themes, activities and interpretations/opinions. As the action researcher has worked full time for 11 months (at the time of writing) within the organisation, findings are also drawn from everyday experiences, informal conversations and observations.

All of these methods form an approach to research known as action research (AR). Action research was chosen for its appropriateness in dealing with theory development within a practice discipline and thus, is conducive to the very nature of a KTP project. Both AR and KTPs aim to bridge the gap between theory, practice and research. Some features of action research assist the action, some assist the research, and some assist the "and" i.e. they help the action and the research fit together (Dick, 2002). AR does this by placing the researcher, as an actor, inside the social system on which they are carrying out research. Thus, members of the social system, in this case stakeholders of the Group, are also participants in AR and therefore, influence change. This participation is also helps to generate commitment to change. De Guerre (2002) describes AR practitioners as inside-outsiders. One advantage that de Guerre identifies of this positioning is that insiders are too caught up in the action to be reflective, whilst a pure outsider is not close enough to understand what is really going on.

The twin outcomes of AR are facilitated through a process of acting, reviewing and planning. Dick (2002) quite rightly likens this to our natural behaviour rhythms. We do something and then check if it worked as

expected. If it didn't, we analyse what happened and think about what we could do differently. If necessary, we repeat the process.

The reflective cycles of action research means that the researcher is always in a process without a formal beginning or ending. As Sarah et al (2002) point out; this can constitute an uncomfortable 'position' for a PhD researcher who must inevitably produce a thesis with a beginning and an ending. However, this cyclic process gives AR flexibility to be responsive to changing situations. It also provides regular critical and systematic reflection that increases the rigour of the research, particularly by continuously seeking disconfirming evidence.

Key characteristics of AR include (Egan and Lancaster, 2005):

1. It engages real social systems
2. It is conducted in real time, not retrospectively or in advance of data gathering
3. It is a change-oriented process interested in making improvements beyond the current organisational state
4. It is interactive and requires involvement by organisational stakeholders
5. It is a cyclical and iterative process that is action and reflection oriented
6. It uses a variety of data collection approaches
7. It is values oriented
8. It is applicable to a variety of human systems from individuals to organisations and even larger frameworks.

Walker and Haslett (2002) also describe AR as a dynamic process of interaction between action, learning, and reflection and as such they classify AR as an open system. They argue that this highlights a shortcoming of using traditional codes of ethical conduct as these provide a framework for conducting research rather than a clear-cut prescription and as such represent a closed system. Walker and Haslett believe that due to the involvement of human participants, there is a need for a different kind of, and more comprehensive ethical framework. The general ethical issues that are raised in a long-term AR study include those relating to informed consent, confidentiality and anonymity, data interpretation and objectivity/subjectivity, and selection and voluntary participation. Despite the array of ethical issues requiring consideration, the benefits of AR are clearly evident.

Meyer (2000) states that its emphasis is on working with people to identify problems in practice, implement solutions and to monitor the process and outcomes of change. It could also be said that AR focuses, in addition, on identifying opportunities in practice and implementing their utilisation.

There is a tension between the theories and approaches of AR and the traditional research paradigm, thus the action researcher has to be pragmatic and acknowledge the context in which they are operating (Sarah et al, 2002). For this reason, the action researcher draws on methods that suit the context of the study as opposed to obeying fixed or traditional methods. The method is often considered a rejection of more traditional positivist and interpretative views of science (Meyer, 1993). Understandably, pragmatism is often more successful in a business context than idealism.

A key benefit of AR, as already identified above, is its simultaneous contribution to social science and social change. More specifically, it helps us to better understand and improve practice at the same time as generating findings for wider dissemination into both commercial and academic communities (Meyer, 2000). It is important to acknowledge that 'The success of action research is not whether change can be positively demonstrated, but more what was learnt from the experience of trying to change practice' (Meyer, 2000: p.9).

## **Findings**

In the grounded tradition of action-research, data gathering; activities to develop theoretical sensitivity; and sense-making all proceeded in parallel. As emphasis moved from conducting interviews to identifying and communicating recurrent themes, it was apparent that some kind of categorisation framework would aid the structuring process; and it became increasingly clear that Giddens's (1976, 1979, 1984) Structuration Theory (ST) offered a powerful meta-framework with which to accomplish this task.

Buhr (2002, p.18) describes ST as 'a means to examine the interplay between the agent and structure'. The agent is human action, whilst the structure is society. Buhr expands on this by saying that the 'central notion of structuration rests on the duality of structure...the ongoing nature of society is a result of human action and the ongoing nature of human action is a result of society.' This means that structure is a process

as opposed to a product or a steady state. Structuration theory is therefore based on a constant closed cycle between action and structure.

It is worth noting that Giddens (1984, in Buhr, 2002) presents the agent as operating in both a deterministic and voluntaristic manner, whilst experiencing different levels of consciousness. Giddens divides the latter into discursive consciousness, which refers to what actors are able to say about social conditions and the conditions of their own actions, and practical consciousness, which refers to what actors know about social conditions, but can not express discursively (Buhr, 2002).

The review phase of the project identified an impressive range of CR activities presently undertaken within the Group. It revealed, in particular, strong empirical evidence of the Group's ongoing commitment to engagement with their local communities as well as its well-established, comprehensive environmental management programme. However, these are operational activities in the main and are not symptomatic of a CR programme at a strategic level. The review also demonstrates that awareness and understanding of CR is only well developed in a minority of employees. On a more positive note, most respondents could identify aspects of CR and relate them to their own work roles. In addition, elements of CR were often seen to correlate with employees' personal values.

The prevailing structure in the Group and its scope to be influenced/changed by action could be identified through emphasised or expanded agenda items (i.e. context/word). The extent to which influence can occur is in part dictated by patterns of resource allocation (processes/capacity/deed). Again, Giddens (1979, p100, in Buhr, 2002) divides these into two types. Authoritative resources are capabilities that generate command over people, while allocative resources are capabilities that generate command over objects or other material resources. The outcomes of the context and the processes that occur within it are evident in the dominant norms or sanctions of that particular social system (in this case, the case study organisation).

Rationalising the elements of structuration theory in this way enables the construction of a framework in which to input current findings and observations. The entries into this framework then provide input into an additional framework that can be fed back into the cycle in an attempt to facilitate change. For the purpose of this paper an exhaustive list of findings is not presented. Instead, five key strategic findings will be illustrated using the structuration framework (see Table 1). Strategic findings seem particularly suited to

the structuration framework as they often represent drivers or barriers to change for which action is not immediately or easily identifiable. By reflecting and dissecting findings in this way, actions to aid change can become easier to recognize.







**Table 1: Examples of some current findings within a structuration framework.**

<b>Findings</b>	<b>Emphasised agenda items</b>	<b>Patterns of resource allocation</b>	<b>Dominant norms and/or sanctions</b>
1	CR placed and communicated as a key business priority.	Dedicated role created for CR programme co-ordination (allocative resource). CR co-ordinator permitted to contribute to business strategy and to influence stakeholders (authoritative resource).	CR co-ordinator uninformed about CR communication to management. CR function under-resourced. CR is key business priority for the minority only.
2	Corporate values, particularly via management 'away days' and purpose specific magazine.	Dedicated time for attendance at away days. Time and money resources put into raising profile of the values (allocative resource). Executive participation at values events (authoritative resource).	Perception of 'away days' as a day out/get together. Perception of values as business speak/paying lip service. Magazine perceived as more paperwork. Often goes to the bottom of employees' inboxes to be flicked through when trying to clear inbox.
3	Group motto to be 'Simply Better'.	Used mainly for internal communication – implicitly linked to the Group's mission (authoritative resource).	Motto is interpreted to mean doing whatever it takes to increase revenue and expand capacity of the Group's trading divisions.
4	Management to feed back values messages and encourage their staff to use personal interpretations of them.	No time given to employees to 'think' or reflect on the integration of values into their own roles (allocative resource). Line managers disapprove of time spent on anything but immediate and 'important' work (authoritative resource).	Frustration at mixed messages. Values perceived as just words from management/HR. Carry on as 'normal'.
5	Employees are encouraged to act on CR i.e. 'Do the right thing', although this often done in a half-hearted way.	Willingness to do this where CR is aligned with individuals' personal values (authoritative resource). Unable to act on CR due to the existence of cultural factors e.g. bullying (authoritative resource). Time not built in to allow gradual integration of CR for those who are willing and/or other business issues take priority (allocative resources).	CR is sidelined. Employees are frustrated as unsure what they should be doing in relation to CR. Any initial commitment/willingness to act on CR agenda is diminished. Momentum of whole CR integration is slowed.



The findings inserted in the framework require little by way of explanation in that comprehensive information is provided under each heading. As Meyer (2000) recommends, findings from AR should be meaningful and persuasive by reporting them in rich contextual detail and accessible language.

The framework clearly highlights a disjunct between emphasised agenda items and dominant norms and sanctions that were revealed by the review phase. This is in agreement with the wider CR literature, which states that the focus of a CR programme must be at a strategic level and have commitment from senior management in order for it to be successfully integrated into the management systems, policies and mindsets of an organisation.

### **Conclusions**

By placing the review findings (i.e. the example findings above as well as other findings from the review phase) into the structuration framework, recurrent themes highlight areas that are in need of attention. A number of factors were identified as looking set to inhibit further action if not addressed effectively. These include:

- An inability to translate commitment into action at certain levels.
- Concerns over the time available to devote to CR activities.
- The existence of an 'us and them' culture

A positive aspect of the recursive structure-action relationship in ST is that it suggests each action carries with it the seeds of structural change, however, the status quo is often a difficult thing to change. The trick may lie in identifying change actions that can find support from other accepted structures. For instance, building on the Groups accepted norms of work plans and performance reviews, one recommendation could be to include CR responsibilities within these and then to ask what communication would be needed to make sure personnel at strategic and operational levels appreciated this shift? What changes would be needed to the way resources were allocated to ensure that the initiative had appropriate weight behind it to be taken seriously? What role could exemplars, heroes and champions play?

Currently, the prevailing structures of the Group are causing frustration for employees, and telling them to act on the CR agenda in these new ways would be risky if they are left with their existing understanding of

what the organisation is about. There is some commitment to CR at a senior level as is evident from the allocation of a dedicated resource (the CR Co-ordinator/action researcher), but how can evidence of top management commitment and behaviours be demonstrated in order to generate a 'pull' for employees rather than a 'push'? How can this aid the creation of an organisational culture that is conducive to CR?

Clearly these are only preliminary suggestions, which are intended to be refined in the light of benchmarking against lead-edge organisations (phase 2 of the project). Nevertheless, they offer some interesting areas on which to focus in the next stage of the CR programme and the key to embedding CR will lie, not just in why the Group does it, but how it does it.

Structuration theory and indeed, action research, has so far been extremely useful in helping this action researcher in making sense of a complex situation and furthermore, pointing the way to designing and building support for a viable package of interventions that answers the questions raised by the ST review.

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