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The Corporate Identity through the CSR's Paths

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Abstract

The purpose of this paper is about how the policies, which have been adopted by CSR's factors, affect the identity of a corporation, the sensitivities of the organizations upon social matters, the critical decisions of the management regarding social matters, how those can be a significant advantage for the market and in the same time how CSR affect's the corporate identity after its implementation, how the corporate identity is formulating through the strategic decision who are irrelevant with the CSR's policies, in sales, the profitability and the liquidity, the impact on the strategic planning and how the stakeholder engagement affect the identity of an organization. We have to find from which point the CSR strategies, which have been adopted from an organization, is not just a Public Relationship matter, but also infiltrates into the basic construction and initiates changes that affect the culture and in the end, change or formulate the identity of the same corporation.

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1. Main text

In the last years Corporate Social Responsibility (CSR) is a growing source of concern to both researchers and practitioners. Prior research has suggested that Corporate Social Responsibility (CSR) contributes to organizations competitive advantage by influencing stakeholders' attitudes. While existing research indicates that CSR relates to some employee outcomes, the mechanisms that drive employees responses to CSR initiatives remain largely unexplored (Kenneth D.R. & Ge'raldine Mariqueb, 2014). Many firms recognize the need to strike a balance between profitability and projecting a positive public image by shouldering more social and environmental

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responsibility (Mozes 2011). For example in the hospitality industry, many firms are now actively engaged in environmentally friendly practices and “green” programs (Lee & Heo, 2009). Their positive impact on firms’ value and financial performance has also been studied (Lee & Park, 2009). As well, prior hospitality research has mainly examined CSR from the firms (Hui Fua, Ben Haobin Yea, 2014). It is not until recently that the employee’s perspective has also been considered (Gu & Ryan 2011, Lee 2012). Employees are one of the key stakeholders in CSR and their attitudes and responses to it have important implications for firms. If companies act in a socially irresponsible way, this will reduce employee’s identification with them as negative CSR violates employee’s values, which in turn, threatens their psychological needs, and may evoke negative reactions (Rupp 2006).

1.1. CSR through corporate reputation and culture

Corporate culture is a significant driver of building corporate identity (Melewar 2003). Culture is defined as “a shared system of belief and values” that influences behavior of organizational stakeholders (Vella & Melewar 2008). The concept of corporate culture that is “the rich system of values and beliefs” (Stuart 1999, Balmer & Greyser 2003) has a link to Mintzberg’s ideology in strengthening organizational structure. Strategic CSR focuses on everyday business processes and operations. CSR practices influence corporate culture, consisting of the attitudes, values, beliefs, norms and customs of an organization. As we can see Flatt & Kowalczyk (2006) found that corporate reputation mediates the effects of corporate culture and financial performance based on Fortune’s Most Admired Company survey for 1986 and 1987. Also Firestones (2006) argues that corporate culture is a key indicator of building and protecting corporate reputation and he noticed that in a unique cultural environment such as Asian countries, corporate culture impacts corporate reputation.

So the organizational or the corporate identity derives from the idea of social identity which was firstly proposed in the Social Identity Theory (SIT) (Tajfel & Turner, 1979). Organizational identity is defined as “the perception of oneness with or belongingness to an organization, where the individual defines him or herself in terms of the organization(s) in which he or she is a member” (Maeland & Ashforth 1992). The rationale behind SIT is that people have a desire to identify with groups that allow themselves to view their identity in a distinctive and positive way. A positive image of an organization contributes to a stronger organizational identity (Dutton 1994) which in turn results in a number of individual-level consequences such as greater cooperation among employees, stronger OCB, higher level of job satisfaction, commitment and performance, and lower turnover intention (Dekoulou & Trivellas, 2014; Dutton, 1994; Mael & Ashforth, 1995; Trivellas, 2011; Trivellas et al., 2006; 2007; Trivellas & Santouridis, 2009). CSR appears to enhance the attractiveness of a company’s identity for employees (Marin & Ruiz 2007) and to increase employee’s OI (Mozes 2011).

CSR practices relate to OCBs (Organizational Citizenship Behaviors) in terms of social identity theory, which suggests that the perceptions of an organization’s identity largely affect the strength of employees identification and their subsequent citizenship behavior inside the organization. Dutton suggest that the better reputation employees make with their organization, the more they identify with it, which eventually affects their organizational behavior (e.g., OCBs). Some studies also provide the empirical evidence. It is thus very likely that fair demonstration of CSR practices by an organization will positively influence individuals citizenship behavior toward the organization. Some previous studies also empirically support this positive relationship (Yongrok C. & Yanni Y. 2014).

Also within the existing literature, the theory of social identity theory (Ashforth & Mael 1989) has been used to describe not only how individuals identify with groups and organizations (Pratt 1998) but also how employees become attracted to companies based on CSR initiatives (Marin & Ruiz 2007). We also find evidence that high-quality employees are attracted to and are more easily retained by organizations with strong CSR programmes (Turban & Greening 1997, Fombrun & Van Riel 2004). So we can say that companies with a strong identity and public image has had a distinct impact on their ability to attract new recruits, probably allowing this companies to access a higher calibre of new recruit than might have otherwise been available. Also this has salience for SMEs wishing to attract a higher level of employee, as the cases suggest that being known for undertaking CSR initiatives could be a means of attracting better applicants.

But also in the public relations agenda, the notion of giving back to community is misled and seen as a one-off event. In a more dynamic environment, CSR shape the corporate identity of the company strategically. So through a CSR agenda, companies pay particular attention to key determinants such as moral/ethical, discretionary and

relational practices. In the context of corporate marketing and in view of managing corporate branding, a firm focuses on three key drivers: product innovation, environmental concern and community involvement (Keller & Aaker, 1998). Acquiring depth of CSR understanding requires an interdisciplinary approach and senior management involvement to reflect an overall corporate strategy. Today's corporate strategies focus on sustainability as the new business model. Sustainable, the company achieves the ultimate business asset – the corporate reputation – in the long term.

On the other side the researchers has yet to examine moral licensing at the organizational level, we propose that, because top leaders influence firms strategic decision-making processes (Finkelstein & Hambrick, 1996, Finkelstein, Hambrick, & Cannella, 2009; Sakas et al, 2014), the implementation of a CSR strategy will license them to engage in organizational wrong doing. Specifically, given that people desire to appear moral, top leaders may feel pressure to develop socially responsible strategies that consider the needs of multiple stakeholders (Nasiopoulos, Sakas, Vlachos, 2014). The development and implementation of a CSR strategy may help leaders create a moral image of themselves and their firm, and ultimately provide a sense of accumulated moral credits. For example, the Enron scandal, former CEO Kenneth Lay endowed chaired positions at universities as well as donated vast amounts of money to charity (Philanthropy News Digest, 2001). Indeed, “upon his taking the helm of the corporate merger that resulted in Enron, Lay became a big player in the charitable and philanthropic environment of Houston, the state, and the nation” (Non-Profit Quarterly, 2006; Nasiopoulos, Sakas, Vlachos, 2014). Such behavior on the part of the leader builds his social responsibility credits, which may license him to commit socially irresponsible behavior in the future. In other words, top leaders may feel that when they have acquired moral credits through a CSR strategy that balances the needs of multiple stakeholders, they can then put forth a strategy that cuts corners or is potentially harmful to stakeholders. (Zulhamri A. & Yuhani A.A., 2014)

Specifically, Siegel and colleagues argued that firms engage in CSR initiatives because CSR is a form of investment that can complement the company's business strategies, which can ultimately increase the profitability or shareholder wealth of the company (McWilliams & Siegel, 2001).

A lack of research linking CSR actions to key concepts such as corporate identity, reputation and image leads us to a study institutionalizing CSR within corporate communication and its impact on corporate reputation, legitimacy and culture. David (2005) initiated a dual-process model of CSR in framing three CSR practices:

1. Moral/ethical,
2. Discretionary,
3. Relational practices.

This model contributes to the body of corporate identity knowledge. It is fruitful to expand the key concepts of the dual-process CSR model and evaluate the impact on corporate reputation, legitimacy and culture. Thus, it is imperative to study CSR practices in the context of corporate communication and corporate identity.

2. Conclusions

As we can see the implementation of SCR policies has a strong impact in the identity of a corporation. Sometimes corporation starting to adopt CSR policies but they don't have fully realized that they are walking to a whole new path for them but also for their stakeholders. Corporal Social Responsibility is not just an advertisement or just public relation campaign, it's much more complicated. It's a two way situation in which the corporate is reforming its environment or is just being adjust to it, we can also notice that changes the corporate identity in a significant way, and sometimes the managers didn't even make it to predict when they started initiating the CSRs policy.

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