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EDITORIAL

Research is a systemized effort to gain new knowledge and discover the unknown. An appropriate and structured literature review is the basis of a sound research. Review of literature not only surveys the past research work done on the topic but it also reveals, compares, brings contrasts and correlates various research observations and findings for the current research. A literature review refers to the research, knowledge in any given field, mainly consists of three layers. The first layer is the primary studies that researchers conduct and publish. The second layer is the reviews of the above studies that summarize and offer new interpretations. The third layer consists of the perceptions, opinions, interpretations, conclusions and recommendations.

There are several approaches that can be adopted in working on a literature review such as, (i) Argumentative, (ii) Integrative, (iii) Historical, (iv) Methodological, (v) Systematic and (vi) Theoretical. Argumentative approach examines supporting or contradicting already established research finding. While an integrative literature review synthesizes the representative literature on a particular topic such that a new perspective and framework are evolved. Social science research can be a good illustration for an integrative research. Historical literature review depicts the evolution of an issue, concept, theory and practice over a period of time. It relates to the state of the art knowledge and identifies its timely future directions. Methodological approach is a systematic way of finding how researches draw upon wide variety of knowledge ranging from the conceptual level to practical level, integrating the qualitative and qualitative dimensions. Systematic approach deals with presenting an overview of formulated research questions critically appraise the relevant research and analyze the findings that are included in the review. Finally, the purpose of the theoretical review is to examine the issue vis-à-vis the concept, theory and phenomena. This form of review helps in establishing the lack of appropriate theories or reveals that the existing theories are inadequate to explain the concept.

Hence it is pertinent to mention here that researchers need to consider different dimensions of literature review, while incorporating the same in their research papers.

This issue of the journal Siddhant: A journal of Decision making presents research papers focused on functional areas of management education such as Marketing, Finance and HR. The readers will find the inputs valuable and enriching. The editorial board of the journal looks forward to the valuable suggestions from the readers for improving the quality of the articles. The board sincerely acknowledges the contributions made by the learned authors and thanks the readers for their interest.

SMangaraj

Prof. (Dr.) Sujata Mangaraj

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Managerial Decision-Making Process in Corporate Social Responsibility (CSR) in a Developing Country Context

Kirti Tyagi[1]* and Prita D. Mallya[2]

ABSTRACT

This research focuses on the micro-social phenomenon in managerial decision-making process in corporate social responsibility (CSR). Sensemaking process was considered as the base and the cognitive, linguistic, and conative processes used by managers are explained in detail by way of substantive theory. This theory is a result of 26 interviews with 21 managers - 3 telephonic and 18 face to face - responsible for CSR decision making from 8 publicly listed organizations from different industry and with different ownership structures in the state of Goa in India – 4 hotels, 2 IT manufacturing firms, 1 automobile manufacturing firm, 1 chemical manufacturing firm. In addition CSR related data from documents of these organizations, both internal and external were analysed. Qualitative approach was adopted to study the decision-making process. Interview and document data was analysed using Grounded Theory Methodology (GTM). Strategic alignment emerged as the central category which pulled all the other categories. The extent of strategic alignment of CSR in an organization determined the degree to which the CSR decision-making process was proactive and structured.

Keywords: Corporate social responsibility, Decision-making process, Strategy, Strategic alignment, Grounded theory methodology, Qualitative methodology, Developing country

INTRODUCTION

Corporate social responsibility (CSR) has been a subject of research in management for more than 45 years (Wood, 2010). Yet to date scholars have not come to a consensus about a common definition of CSR. CSR does not have a paradigm of its own (Crane et al., 2008 and Grafstrom and Windell, 2011 cited in Kraus and Brtitzelmaier, 2012; Preuss et al., 2009; Carroll, 1979; Bhattacharya and Sen, 2004; Crowther and Capaldi. 2008 cited in Cooke and He, 2010). It is an essentially contested concept. It appears unlikely that CSR will get a common definition even in the future (Okoye, 2009 cited in Kraus and Brtitzelmaier, 2012).

CSR essentially consists of five dimensions: economic, environmental, social, stakeholder and volunteerism (Dahlsrud, 2006).

Over the years, CSR has acquired a notable place in business, academics, and research alike (Lockett et al., 2006; Davies and Crane, 2010) and 'is emerging as a key issue in international business' (Bakan, 2004 and Werther and Chandler, 2005; cited in Kim and Scullion, 2013).

LITERATURE REVIEW

Manager's Role in CSR Decision-Making

Wood (1991) stated that managers are 'moral actors'. Despite all the organisational policies in place, managers do have discretion in their actions.

According to the Upper Echelons Theory, managers act differently, bringing their judgements into practice. Managers' behaviour is based upon their 'experiences, personalities, and values' (Hambrick and Mason, 1984

[1]Research Scholar, [2]Principal, VVMs Shree Damodar College of Commerce & Economics, Goa University, Margao, Goa, India
(*Corresponding author) email id: *kirti2122017@gmail.com, [2]prita mallya@vvm.edu.in

and Hambrick, 2007 cited in Chin *et al.*, 2013). 'Values are strong mechanisms that shape actions' (Triandis, 1995 cited in Waldman *et al.*, 2006).

It is important to recognise the values that managers rely upon for decision-making to understand the CSR practice of an organisation (Pant and Lanchman, 1998 and Agle *et al.*, 1999 cited in Waldman *et al.*, 2006).

Top managers are primarily responsible for perceiving institutional and organisational areas of CSR and their embedment (Logsdon and Yuthas, 1997).

The Sensemaking Process

Sensemaking is about how managers think, discuss and act towards their stakeholders and the world at large (Ring and Rands, 1989 cited in Basu and Palazzo, 2008).

Sensemaking can occur before decision-making (Taylor and Van Every, 2000 cited in Angus-Leppan *et al.*, 2010) or it may follow decision-making (Maitlis, 2005 cited in Angus-Leppan *et al.*, 2010).

Basu and Palazzo (2008) developed the dimensions of the sensemaking process to understand the CSR decision-making process; cognitive, linguistic and conative. The authors say that to assess CSR outcomes, it is not sufficient to assess CSR activities – 'analysing CSR by examining CSR' can lead to misleading results because it does not reflect the real reasons for taking up CSR activities, and there can be manipulations in CSR reporting as well. This was the first attempt to understand CSR from a process perspective.

The sensemaking process helps understand the managerial decision-making process better (Angus-Leppan *et al.*, 2010).

CSR in Developing Countries

Mainstream literature in CSR generalises the CSR experience of North America or Western Europe (Khan and Thomsen, 2011).

Many models and frameworks of CSR have been developed but all in the context of developed countries. Some researchers claim that the CSR system of developed countries like the United States and the United

Kingdom can be adapted to developing countries (Dumitrescu and Simionescu, 2014). Other researchers, however, state that this is not possible on account of differences in culture, competencies and strategic opportunities available. For example, Lindgreen *et al.* (2009) cited in Dumitrescu and Simionescu (2014) criticised the CSR framework used in developed countries, for its non-applicability in developing countries.

Therefore, there should be a country specific model for CSR. Framework development is a major issue in developing countries (Dumitrescu and Simionescu, 2014).

CSR IN INDIA

'While the western world believed that the business of business was just business, the Indian ethos was far removed from the thought' (Subramaniam and Gaur, 2016).

Social responsibility is deeply embedded in the Indian culture (Subramaniam and Gaur, 2016). CSR activities have been practised in India for centuries (Kumar *et al.*, 2016; Vamsy, 2016). Many Indian firms have been executing CSR initiatives for years, more so by setting up trusts (Gupta and Gupta, 2008 cited in Kumar *et al.*, 2016). The concept of CSR has undergone an evolution; from charity and philanthropic perspective in the 1990s–2000s to a strategic one now (Gupta and Gupta, 2008 cited in Kumar *et al.*, 2016; Subramaniam and Gaur, 2016).

In the current decade, sustainability has been the focus (Subramaniam and Gaur, 2016). Although companies in the West are capitalistic, Indian firms are also governed by the altruism aspect (Atale and Helge, 2014).

Expectations of the government and the public from companies have also led to this changed view of CSR (Mohan, 2001 cited in Kumar *et al.*, 2016). This is due to the incidents of corporate resources being used inappropriately, power politics, limiting economic benefits to self and so on (Subramaniam and Gaur, 2016). Liberalisation has placed expectations on private companies to participate actively in CSR (Gupta and Gupta, 2008 cited in Kumar *et al.*, 2016). In the last 20

years, stakeholders' expectations from corporates have increased substantially (Subramaniam and Gaur, 2016).

As per Planken *et al.* (2010) cited in Ghosh (2016). most Indian companies focus on local community developmental initiatives (Chambers *et al.*, 2005). CSR activities that Indian firms carry out are, in order of priority, environment protection, sustainable development and local community support (Narwal and Singh, 2013 cited in Kumar *et al.*, 2016).

The Ministry of Corporate Affairs proposed voluntary CSR guidelines in 2009 in an attempt to ensure that companies pay attention to their stakeholders and society (Chaudhri, 2016). The guidelines suggested that companies go beyond philanthropy and laws, and advised corporates to formulate a CSR policy and focus on engaging stakeholders. Organisations were also urged to allocate a certain amount towards CSR activities and maintain communication with stakeholders (Corporate Social Responsibility Voluntary Guidelines, 2009 cited in Chaudhri, 2016).

In 2010, the Department for Public Enterprises made CSR mandatory for public sector companies. One of the reasons was that they were sitting on cash reserves of billons of rupees (Atale and Helge, 2014).

The Government of India has now incorporated CSR in the law under Section 135 of the Companies Act 2013. Every company that has a net worth of INR five billion or more (USD hundred million or more), or a turnover of INR ten billion or more (USD two hundred million or more), or a net profit of INR fifty million or more (USD one million or more) has to spend 2 per cent of the average net profit on CSR activities. As per the Act, the company must constitute a CSR committee: the Act also provides comprehensive guidelines on the scope of CSR activities. It is considered to be a landmark initiative by the government and the first of its kind in the world (Kumar *et al.*, 2016; Subramaniam and Gaur, 2016).

Background of Goa

Goa is one of the smallest states of the Indian Union but is one of the most advanced states in terms of practically all development indicators. As per the Reserve Bank of India Governors Committee's Multi-Dimensional Index of Backwardness, in 2013, Goa was ranked the least backward state in the country. Goa is far better off than other Indian states particularly in the areas of education, poverty and health (Business Standard, 2013). Goa has one of the highest per capita incomes in the country – three times the national average.

As per Goa Development Report (Planning Commission, Government of India, 2011), the poverty ratio in 1999–2000 was the second lowest in the country after Jammu and Kashmir. On most demographic indicators such as the literacy rate, gross enrolment at all levels of education, maternal mortality rate, female mortality rate, infant mortality rate and so on. Goa is way ahead of most other states in India.

RESEARCH GAPS

(a) Wood (2010) recommends linking CSR with other domains to take research in CSR forward. Wood (2010) also contends that very little research has been made in linking the decision-making process with the field of CSR. This study seeks to fill this gap.

(b) Most of the research in CSR is content-based than process-based (Anagnostopoulos *et al.*, 2014). This study seeks to study the CSR decision-making process phenomenon in depth.

(c) There is little research in CSR in a developing country context. Developing country dynamics affect CSR in a different way than in developed countries; thus it is important to understand and develop a CSR framework for a developing country (Jamali and Mirshak, 2007; Dumitrescu and Simionescu, 2014; Gugler and Shi, 2009).

(d) CSR has not been understood from a micro level (Aguinis and Glavas, 2012).

(e) Sensemaking analysis at the individual level is missing in the CSR field (Brickson, 2007 and Campbell, 2006, cited in Basu and Pallazo, 2008).

(f) The managerial decision-making process in CSR is a black box. The cognitive processes of decision makers have not been studied (Wang *et al.*, 2015).

RESEARCH OBJECTIVES

(a) To understand the managerial decision-making process in CSR formulation and implementation.

(b) To develop a substantive theory on managerial decision-making process using sensemaking process in CSR formulation and implementation.

RESEARCH QUESTIONS

How do managers use the sensemaking process for CSR decision-making?

(a) How do managers use cognitive processes for CSR decision-making?

(b) How do managers use linguistic processes for CSR decision-making?

(c) How do managers use conative processes for CSR decision-making?

RESEARCH METHODOLOGY

This study has adopted a qualitative approach –grounded theory methodology (GTM). In GTM 'data collection leads to analysis; analysis leads to concepts; concepts generate questions; questions lead to more data collection so that the researcher might learn more about those concepts (Corbin and Strauss, 2008, p. 145). This circular process continues until the research reaches the point of "saturation"; the point in the research where all concepts are clearly defined and explained' (Anagnostopoulos, 2013).

GTM was selected as it helps the researcher to see the world of CSR decision-making through the manager's perspective and to decipher the micro-social process contained therein. This study has adopted the Straussian variant of GTM – it is the most used variant of GTM (Khambete and Athavankar, 2010), which involves three analytical steps: the open coding, axial coding and selective coding. Coding refers to naming data segments that summarise the main idea. Actions and processes are coded (Charmaz, 2006). The data are compared with one another to find the similarities or dissimilarities – constant comparison.

For the purpose of this research, data was collected by conducting interviews with managers involved in CSR decision-making process, and internal and external documents, and analysed over a period of 15 months from November 2015 to January 2017.

Some of the interview questions asked were: What are your thoughts on CSR?, How has CSR evolved here?, What values do you espouse while taking CSR decisions?, What criteria are considered while selecting a CSR activity?, What are the facilitating and hindering factors in CSR decision-making?, What are the external and internal factors that affect CSR decision-making?, How do you monitor a CSR activity?, How do you manage relationships with stakeholders? The interviews were recorded and transcribed by the researcher, after which they were coded. 26 interviews were conducted with 21 participants, resulting in 20 interview hours. The identity of the participants and their originations has been kept confidential.

Sampling

The researcher interviewed managers from eight units (four services and four manufacturing) of public companies in Goa with different ownership structures and different orientation towards CSR.

Purposive Sampling

To understand the CSR scenario at the national level, two CSR professionals located at New Delhi were interviewed telephonically. The researcher identified these two participants while attending the 'Global Summit in CSR' at New Delhi in 2015.

Next, following the operational definition of CSR, a five-star hotel unit of the Indian conglomerate was identified to begin the field work. The Indian conglomerate is a pioneer in CSR in the country and is well known for its CSR activities. The conglomerate was chosen as there would be substantial scope for studying the managerial decision-making process in CSR, as it has been carrying out significant CSR activities even before the enactment of the law.

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Documentary data of the Indian conglomerate and Hotel 1 available on the website were analysed and coded before conducting the first interview. Documents of other firms were analysed and coded during and after the interviews.

Theoretical Sampling

Theoretical sampling is the hallmark of GTM.

After interviewing managers from the first unit of the hotel belonging to the Indian conglomerate – Hotel 1. managers from another unit of the same brand – Hotel 2 at a different location were interviewed, to understand the similarities and differences in managerial decision-making process in CSR in the two organisations in the same industry and with the same ownership.

Next, managers from Hotel 4 were interviewed to understand the similarities and differences in the decision-making process in another five-star hotel unit at a different location with a different ownership structure. Hotel 4 is a unit of an Indian Hotel Group with business interest only in hotels. It has been carrying out CSR activities for many years and is yet to align its processes with legal requirements. Here one more telephonic interview was conducted to understand the managerial decision-making process in formulating CSR activities at the corporate level in New Delhi.

At this point, similarities and differences in the managerial decision-making process in CSR in hotels of an Indian conglomerate and a hotel of an Indian hotel chain were understood and theoretical saturation reached.

The researcher then proceeded to try and understand the managerial decision-making process in CSR of the same Indian conglomerate mentioned above, but this time in a manufacturing setup. In this regard, managers from manufacturing unit 4 (automobile) and manufacturing unit 2 (IT) were interviewed. The Indian conglomerate is a major shareholder in manufacturing unit 4, whereas manufacturing unit 2 is wholly owned by them; the ownership structure is therefore different. Manufacturing unit 4 has been doing CSR for substantial number of years, it is mostly reactive in nature and the organisation has streamlined its processes to fit in with the legal requirements. In this manner, the researcher was able to gather an understanding of the similarities and differences in managerial decision-making process in CSR in two manufacturing units of the same Indian conglomerate but different ownership structure.

The researcher then interviewed managers from manufacturing units 1 (chemical) and 3 (IT). Manufacturing unit 1 began its CSR activities recently to comply with the law, whereas manufacturing unit 3 has been doing CSR activities for several years but mostly in an ad hoc manner and is yet to align its processes with the legal requirements. The former is foreign owned, whereas the latter is Indian owned. At this stage, the similarities and differences in managerial decision-making process in CSR between a foreign-owned manufacturing unit doing CSR at the behest of the law and an Indian owned-manufacturing unit doing CSR voluntarily were understood and theoretical saturation reached.

Snowball Sampling

Snowball sampling came into play during field work while interviewing managers within a particular organisation. The first point of contact usually helped in identifying or connecting with other managers involved in the CSR decision-making process in the same organisation.

In case of Hotel 3, the participant was identified through snowball sampling from a manager in Hotel 2. Hotel 3 is another unit of the Indian conglomerate at a location close to Hotel 2. The manager interviewed was responsible for implementing a central CSR activity of the hotels of the conglomerate in Goa. The manager was interviewed to understand the decision-making process for a specific CSR activity (Table 1).

In summary, the similarities and differences in managerial decision-making process in CSR were studied in

(a)   Three hotel units (same brand) belonging to Indian conglomerate versus a hotel unit of an Indian Hotel Group.

Table 1: Profile of organisations from which managers were interviewed

S.No.	Organisation	Description	Managers Interviewed	CSR Status
1	Hotel 1	Industry: hospitality Sector: service Ownership: Indian conglomerate with international operations	Human resource (HR) Manager, learning & development (L&D) Manager, assistant finance manager, executive chef	The conglomerate to which it belongs is a pioneer in CSR in the country. The unit too follows the conglomerates' footsteps. The brand of the hotel is a 5 star hotel
2	Hotel 2	Industry: hospitality Sector: service Ownership: Indian conglomerate with international operations	General manager (GM), HR manager	The conglomerate to which it belongs is a pioneer in CSR in the country. The organisation too follows the conglomerates' footsteps. The brand of the hotel is a 5 star hotel
3	Hotel 3	Industry: hospitality Sector: service Ownership: Indian conglomerate with international operations	L&D manager from another unit of the same brand; the manager is in charge of a central CSR activity-for all the hotels of the group in Goa	The conglomerate to which it belongs is a pioneer in CSR in the country. The organisation too follows the conglomerates' footsteps. The brand of the hotel is a 5 star hotel
4	Hotel 4	Industry: hospitality Sector: service Ownership: Indian hotel group	HR manager, resident manager	The group is actively involved in CSR and so is this unit of the hotel since its establishment
5	Manufacturing unit 1	Industry: chemical, B to B Sector: manufacturing Ownership: foreign	Non-executive/independent director, chairman of CSR committee, company secretary	This is the only organisation which started its CSR activity after the CSR law was enforced under the Companies Act in 2013
6	Manufacturing unit 2	Industry: IT Sector: manufacturing, manufactures electronic products for businesses Ownership: same cited in the case of organisation 1 – Indian conglomerate with international operations	HR manager	The conglomerate to which it belongs is a pioneer in CSR in the country. The organisation too follows the conglomerates' footsteps. This unit has been doing CSR in a structured manner
7	Manufacturing unit 3	Industry: IT Sector: manufacturingit manufactures networking products Ownership: Indian; recently acquired by a foreign company	GM-administration, director	The organisation is involved in CSR for the past 15 yearsIt does CSR on an ad-hoc/reactive basis
8	Manufacturing unit 4	Industry: automobile Sector: manufacturing It manufactures buses Ownership: various; majority shares held by Indian conglomerate same cited in the case of Hotel 1	Independent director and CSR committee member, CEO & executive director / CSR committee member, company secretary, HR manager	The conglomerate to which it belongs is a pioneer in CSR in the country. The organisation too follows the conglomerates' footsteps. The organisation has been doing CSR since 2010 on an ad-hoc basis but has recently streamlined its systems as per the requirement of the law

(b) Two manufacturing units belonging to Indian conglomerate with different ownership structures.

(c) Two manufacturing units with different ownership structure, one carrying out CSR activities due to legal obligation and the other is doing it voluntarily.

Constant comparisons were done within and across (a), (b) and (c) and a pattern in managerial decision-making process in CSR was discovered.

The Coding and Categorising Process

A total of 1,153 open codes (including in-vivo codes) were generated from the first set of data (interviews and documents). 22 codes were generated from unrecorded sessions. The researcher had substantial data/codes to generate categories and properties & dimensions and to develop relationships between categories; thus axial coding was started during this stage itself.

A total of 21 categories were formed from interviews and 13 categories each from codes generated from internal and external documents.

On further collection of data, 581 codes were generated from interviews and documents, giving a total of 1,734 codes. Constant comparison was carried out throughout the process, comparing the new codes (581) with previous codes (1,153), categories, properties and dimensions.

After several iterations, the coding and categorisation process resulted in 128 codes arranged in eight categories and nine subcategories. Seven of the final codes were in-vivo codes (Table 2).

SUBSTANTIVE THEORY OF MANAGERIAL DECISION-MAKING IN CSR

Strategic alignment of CSR or the lack of it explains the variances in the decision-making process in CSR across these eight firms. The greater the strategic alignment, the more structured and proactive is the decision-making process in CSR.

Each of the categories that form the substantive theory of managerial decision-making process in CSR is summarised below (Figure 1):

1. In the category external conditions, socioeconomic conditions and compliance requirements affect the choice of CSR projects to be undertaken.

2. External conditions in turn affect the internal conditions. There are certain key aspects that are considered before formulating a CSR activity, such as preference to be given to the local community, as the managers have control over the process and also because they feel a sense of responsibility towards the local area where their operations are located. Whatever activity is taken up, including partnering decisions, managers make sure to preserve the brand image of the organisation. Managers aim to create as high an impact as possible through CSR activities, be it in terms of the number of beneficiaries covered or the lasting value of the activity. Managers want the CSR activity to be useful for the targeted beneficiaries and seek appreciation from them. Managers occasionally face pressure from political groups, and with the passage of time as the intensity of the activities increase because of mandatory nature of CSR, managers anticipate interference from local power houses. The decision-makers believe in maintaining a firm stand against such forces. Managers try to use the strength of the organisation – the core competency, the skills of the employees and other such internal resources to conduct their CSR activities, thus leveraging their strengths.

3. Strategic alignment, as mentioned before, has been identified as the core category. This can further be subcategorised into

i. Approach: Approach is associated with the thought process behind CSR. Managers either have a proactive or a reactive approach towards CSR. Over time it is a mix of both, heavily skewed towards the initial approach with which CSR was started. Firms with a strategic approach adopt a proactive stance towards CSR. Managers believe in mutual development, inclusiveness – the company and the vicinity should develop together. Sustainability of activities is ensured, one-off activities are ruled out. However, this is not the case in a reactive approach.

Table 2: Definitions of categories and sub-categories

S.No.	Category/Sub-Category	Definition
1	External conditions	Refer to factors relating to an organisation's external environment which influence CSR decision-making
2	Internal conditions	Refer to factors within the organisation, including an organisation's focus area, and its perception of CSR, influence CSR decision-making
3	Strategic alignment	Refers to the extent to which CSR is integrated with business strategy
3.1	Sub-category 1 – Approach	Refers to the thought process behind CSR decision-making
3.2	Sub-category 2 – Structure	Refers to how the thought has been incorporated into the systems
4	Formulating	Refers to how managers select a CSR area and identify the potential beneficiaries or partners for executing CSR
4.1	Proactive process	Refers to managers' adoption of a process where CSR is structured either due to strategic inclination or due to compliance
4.2	Reactive process	Refers to managers' adoption of a process where they have strong local contacts and where CSR activities are carried out in an ad hoc manner
5	Implementing	Refers to the managerial decisions regarding executing CSR activities either through employees or through a third party
5.1	Sub-category 1-Employee volunteering	Refers to employees' participation in the CSR activity organised by the company
5.2	Sub-category 2-Partnering	Refers to managers' decision to tie-up with a third-party (NGO/institution) so that they can reach out to a larger number of beneficiaries. Managers' look for trustworthy partners with complementary skill sets
5.3	Sub-category 3-Monitoring	Refers to how managers keep a check on the CSR activities undertaken
6	Assessing impact	Refers to the manner in which managers assess the outcome of a CSR activity
7	Facilitating	Refers to the processes integral to managers and top managers, more specifically their past experience and values; and how they manage the relationship with the stakeholders – employees, beneficiaries, partners
7.1	Sub-category 1-Managerial aspects	Refers to the intrinsic factors related to the managers such as the past experience and values that influence CSR decision-making
7.2	Sub-category 2-Managing relationships	Refers to the management of relationships with stakeholders, particularly with employees, beneficiaries, partners, top management
8	Communicating	Refers to the way in which managers communicate with internal and external stakeholders

CSR is seen as a strategic differentiator amongst those who pursue CSR proactively. CSR formulation and implementation is an empowered process. The top management lays down broad guidelines, managers have to adapt the activity to local needs. Proactive firms, or those having a strategic approach towards CSR, have high ethical standards and follow universal principles.

ii. Structure: This is about how the approach gets translated into systems, thus leading to actions.

Proactive firms have a structured process, whereas those carrying out CSR activities on an ad hoc basis have an unstructured process. Though the process is initiated from the top, it eventually shifts to a bottom-up process when localising CSR efforts. The bottom-up process is followed during brainstorming, reporting, consulting and seeking approval. With the entry of regulatory requirements, controls at various levels have been put up through CSR Committees, thus bringing in accountability. Proactive firms assign responsibility to human resource managers as they
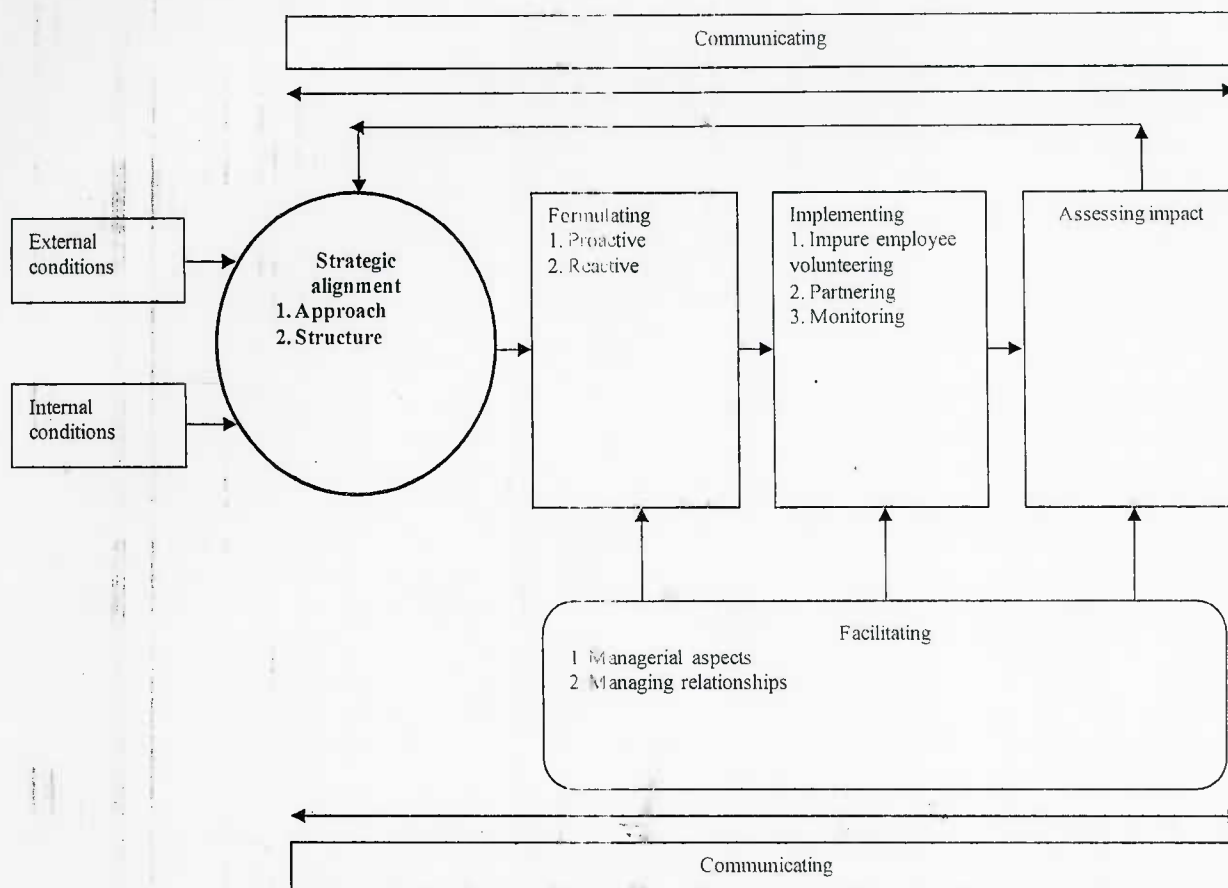
Figure 1: Substantive theory of managerial decision-making process in CSR

see CSR as a people-oriented process; those acting out of obligation assign the task to the company secretaries as they act as a bridge between management and compliance requirements, and those concerned with managing relationships with the local community members assign the responsibility to administration in-charge. Firms with strategic intent incorporate CSR targets into managers' performance targets either directly or indirectly.

4. Formulation of CSR activities happens under certain other micro-conditions such as democratic decision-making style, seeking mutual benefit through activities, resources available with the managers, leveraging strengths and a flexible approach in selection of activities.

i. Proactive: First, based on the macro and micro conditions, managers identify a social issue to work towards. Next they identify the beneficiaries. This can be done either through internal or external sources. Internal sources include employees or well-informed top managers. External sources include websites and the like. The next question is whether to reach these beneficiaries directly or indirectly by partnering with civil society organisations. This would eventually decide the type of activity undertaken: direct or indirect. Direct is when the managers engage first hand with the beneficiaries to implement the CSR activity and indirect is when they appoint a third party such as an NGO to do the work for them. The duration of the activity may be either short or long.

ii. Reactive: Managers receive requests from local community members, which are then assessed. The assessment is based upon the genuineness of the request. Managers' past experience and the level of trust and the strength of the network determine the final decision.

5. Implementing requires cumulative effort. Managers either involve employees in implementing a CSR activity or outsource it to implementing agencies by way of partnering, thus facilitating the process.

i. Employee volunteering: The level of employee participation depends on the strength of the employees. Further, managers have to induce participation from employees by using a variety of tactics; thus in practice, it is impure volunteerism. To encourage maximum employee participation, managers schedule activities at a time and day when most employees are free; support from heads is also sought. The culture of CSR or volunteerism is inculcated right at the induction stage. Managers find young employees to be more active in CSR participation. They further help in increasing employee volunteering by word of mouth. Employee volunteering is integrated with employee engagement. clubbing CSR with HR practices.

ii. Partnering: Trust is an important determinant of partnering, based on past association or reputation in the society. Complementary partnering is sought; both the company and the NGO bring with them complementary skills to achieve the common objective. Managers choose to partner when the domain they want to work in requires expert intervention. Second, NGOs help the firm in reaching out to beneficiaries. Partnering is also sought to conduct a larger number of CSR activities. Partners are identified either through internal or external sources. Internal sources are employees or knowledgeable managers, whereas the Internet is the most common external source. Physical proximity is a key determinant of the choice to partner. Credibility of partners is assessed through managers' past experience, their networks – strength of local contacts. The performance of an implementing partner is assessed for its consistency or inconsistency in completing a project, and accordingly the decision of continuation or discontinuation is taken. It is not just NGOs that the managers partner with, but they may also need to approach the influencers/local power houses to implement an activity. In other cases, they may even need to seek approval from the concerned external authorities.

iii. Monitoring: CSR activities are monitored based on the requirement. Progress is monitored periodically in the case of long-term projects, or if the implementer is lagging behind in the task. In the case of an activity of short duration, the utilisation of the support provided is assessed and reported.

6. Impact assessment is carried out by taking feedback from beneficiaries either formally or informally. Feedback may be objective or subjective, depending upon how structured the CSR process is. Most organisations assess impact quantitatively rather than qualitatively.

7. Facilitating: Managers have to manage relationships with their employees, beneficiaries and partners on an ongoing basis. There are certain managerial aspects that help in managing relationships and in carrying out the entire managerial decision-making process in CSR.

i. Managerial aspects: Managerial aspects pertain to both top and middle level managers. Managers lean on their past experience to take decisions. They are driven by both personal and organisational values. They have strong local contacts which help them identify the issue, reach out to the right partner or beneficiary. Top management ensures alignment of CSR activities with the company's policy, values and compliance with law. They support and guide managers implementing CSR. Top management including the board members are knowledgeable about local issues which help them contribute towards better decisions.

ii. Managing relationships: Managing relationships with employees, partners and beneficiaries is an ongoing

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process. Relationship with employees is managed by continuous communication through formal and informal channels. Relation with partners and beneficiaries is managed by keeping in touch making regular visits, interacting with them, understanding their requirements. Activities conducted for a particular beneficiary group is conducted year on year, thus continuing the association. This continued association also means that the beneficiaries too approach the managers with any further requirement. Consequently, there is some activity happening all the time, and the association is maintained. Over a period of time, trust is developed. Managers focus on building prolonged relationship with their partners and beneficiaries to ensure sustainability.

8. Communication occurs throughout the decision-making process. Managers use formal/informal, verbal/non-verbal ways of communicating depending upon the requirement. The process is both top-down and bottom-up. Managers create awareness about the activity to encourage employees to participate. They lead by example to induce employee participation. At times they also have to convince employees, other managers, partners to make an activity happen or to maintain a relationship. They keep in touch with partners and beneficiaries. Managers also associate emotions with CSR decision-making. It is an emotional call for them to select an activity and develop the people in the vicinity. The same soft aspect is used to convince the committee to take up a certain CSR project. Decisions at the unit level are justified objectively or subjectively. The results of monitoring are reported to the top management. Reporting to the stakeholders serves the purpose of informing them about CSR activities undertaken, reinforcing commitment towards CSR and laws, decisions are justified objectively and/or subjectively, numerical evidence is provided in terms of beneficiaries covered and the like, and the history of the organisation is invoked, justifying carrying out a certain CSR activity, and commitment towards CSR.

DISCUSSION

The micro-social processes of managerial decision-making during formulation and implementation of CSR activities in a developing country context has been put forward in detail.

The cognitive, linguistic and conative aspects of managerial decision-making process at the micro level were studied taking sensemaking theory as the base. The cognitive, linguistic and conative dimensions of sensemaking process developed by Basu and Palazzo (2008) are integrated in the substantive theory that has been developed as an outcome of this research.

The broad framework developed by Tyagi and Mallya (2016) for decision-making process in CSR also guides the theory in limited aspects, in terms of linking it with macro and micro factors and the overall relationship of managerial decision-making with the internal and external organisational factors (Figure 2).

The theory is also linked with the broader CSR framework suggested by Watrick and Cochran (1985), Wood (1991), Carroll (1979) cited in Wood (2010), Schwartz and Carroll (2003), Swanson (1995), Jamali and Mirshak (2007) highly cited in CSR literature. Further, the micro details of the process explained in this theory fit well in the framework for design and implementation of CSR by Maon et al. (2009). Based on Lewin's Model of Change, Maon et al. (2009) proposed a framework for designing and implementing CSR. Top management recognises the need for change at the sensitisation stage, and CSR planning takes place at the unfreeze stage. This framework helps managers to identify the critical success factors. CSR development and implementation can be considered similar to a situation of organisational change and development, which requires analysis and inclusion of the stakeholder concerns and demands. Managers need to be aware of the context and expectations. This theory can also easily be linked to CSR theories proposed by Garriga and Melé (2004), Klonoski (1991), Windsor (2006) cited in Kraus and Brtitzelmaier (2012).

Anagnostopoulos et al. (2014) stated that managers act is based upon the prevailing situation (external and
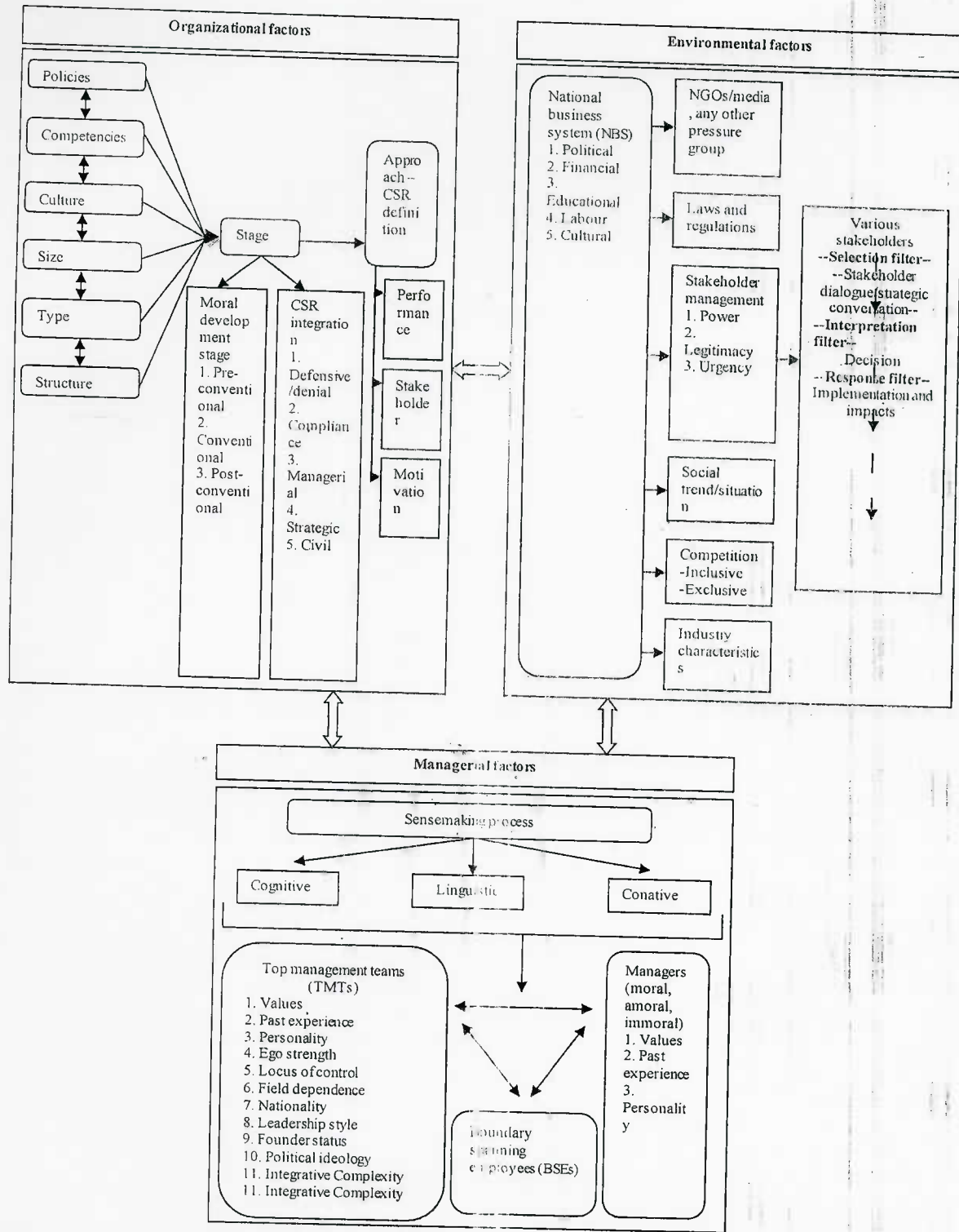
Figure 2: Framework for CSR decision-making process
Source: Tyagi and Mallya (2016), pp. 44.

internal conditions) at the time and the resources available; they try to preserve the image of the company, they respond to social needs and has also highlighted the importance of trust in managing relationships and conditional partnering. These aspects are similar in case of this theory as well.

The Stimulus–Organism–Response (S–O–R) theory is applicable here. When a manager feels he/she has greater personal control, he/she can make effective decisions. Personal control is defined as 'an individual's beliefs, at a given point in time, in his or her ability to effect a change in a desired direction, on the environment' (Greenberger and Strasser, 1986 cited in Partington, 2000). It has five dimensions such as autonomy, resources, self-efficacy, opportunity, the expected cooperation of staff. S–O–R theory helps in explaining how managers think about using resources as per their perceived control. It also comes into the picture when managers try to seek cooperation of employees and other managers for implementing CSR. The extent of freedom they have in taking certain decisions can also be explained by the S–O–R theory. Managers seek approval or guidance from senior managers or the corporate office for decisions that are complex in nature.

Personal, organisational and institutional factors also influence managerial CSR decision-making (Wang et al., 2015).

Logsdon and Yuthas's (1997) classification of an organisation's moral development is also applicable to this study, as different companies have different orientation towards CSR, and thus their CSR activities and processes differ. The authors integrate it with corporate social performance by linking it with the stakeholder theory. The three stages of moral development are pre-conventional, where the decision-making criteria is based on pleasure/pain calculation; conventional, here the decision-making criteria is based on peer expectations and social controls; and post-conventional, here universal ethical principles guide the decision-making.

ACADEMIC CONTRIBUTION

The present research has contributed towards the advancement of knowledge in the substantive area of 'managerial decision-making process' in CSR in the following way:

(a) CSR is a field within management, and not a discipline. It depends on other fields for its development in both theory and practice. In this regard, to sustain scholarship in CSR, it is necessary to develop its link with other domains, decision-making being one of them, which has been the focus of this research.

(b) In the past, scholars have studied CSR from the content perspective. This research has deciphered CSR from a process perspective. This research attempted to study the micro-social processes which lead to CSR outcomes.

(c) Sensemaking has mostly been studied at the organisational rather than at the individual level. As the sensemaking process helps in understanding the decision-making process, it was integrated into the research to capture the micro-social processes that managers undergo to take CSR-related decisions -- their cognitive, linguistic and conative processes.

(d) CSR practices in developing countries vary from those in developed countries mainly due to cultural differences. Accordingly, the process behind CSR decisions will also vary. Developing countries need their own CSR framework. The outcome of this research is a contribution in this regard.

(e) The outcome of this research – a substantive theory of managerial decision-making process in CSR – has the following salient features:

i. The decision-making process is linked with both macro and micro level conditions.

ii. The concept of strategic alignment or the lack of it explains the variations that occur in CSR processes. The research emphasises that integrating CSR with strategy makes the managerial decision-making process proactive and structured.

iii. The concept of impure volunteering has been captured at the micro level. A framework on the same has been developed which helps in understanding how employees can be encouraged to participate in CSR activities and how employee volunteering is linked with employee engagement.

MANAGERIAL IMPLICATIONS

(a) The theory highlights that the more strongly the CSR process is aligned with business strategy, the more proactive and structured will be the process.

(b) Managers will be able to create maximum impact through CSR activities by leveraging organisational strengths.

(c) Internal conditions such as preferring local conditions, preserving brand image, creating impact, seeking appreciation from beneficiaries, would help managers select CSR activities and decide the objectives.

(d) The concept of impure volunteering which has emerged from this research will help managers plan and organise CSR activities so as to induce maximum employee participation.

(e) Young employees are more willing to participate in CSR activities, and CSR should therefore be brought into the system right at the induction stage. This helps in building a CSR culture.

(f) The theory also emphasises the importance and ways of managing relationships with employees, beneficiaries and partners.

(g) The theory provides guidance on the managerial decision-making process in CSR formulation and implementation in areas such as identification and selection of beneficiaries and partners, scheduling employee volunteering activities and managing relationships. As CSR is now mandatory, the theory is even more relevant and timely.

FUTURE RESEARCH

(a) Research in the Western countries suggests that employees with families and older employees tend to volunteer more. But this research shows that younger employees volunteer more actively for CSR activities. This age-related phenomenon can be studied further -- why this difference in volunteering between the developed and the developing world.

(b) A similar study can be conducted in a particular industry to understand the similarities and differences from the current theory, and how industry nuances affect the CSR decision-making process.

(c) A similar study can be conducted in another part of the country. Due to diverse cultural backgrounds, new variables might emerge, which influence the CSR decision-making process.

(d) Overall, upon reviewing literature, it was found that most concepts featured in this theory have been scantily researched – CSR culture, role of HR in CSR, employees' role in CSR, the link between employee volunteering and employee engagement, relationship between business and NGOs, CSR communication especially reporting, and strategic CSR. Thus, they have immense scope for future research, more so in a developing country context.

LIMITATIONS

(a) In requirement of filling the research gaps in the body of knowledge concerning 'Managerial decision-making process in CSR', the research is exploratory in nature.

(b) Despite several requests and attempts, in the case of the Indian conglomerate, the researcher could not gain even telephonic access to the managers responsible for CSR formulation at the corporate level, due to the company's policy. Had such access been granted, the researcher might have been able to identify more factors involved in managerial decision-making at the top management level.

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