Chapter 7
Corporate Social Responsibility Values in Transforming Societies:
Are There Country-, Status-, and Hierarchy-Based Differences?

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ABSTRACT

The focus of the chapter is on corporate social values of managers as one important basis, and explanation of the functioning of CSR concepts in CEE organizations. The analysis is based on theoretical concepts explaining the relationship between the national and institutional context, corporate values of managers, and CSR activities, like "upper echelon theory," which consider managerial action as a direct or indirect expression of the individual values of top managers. The situation in transforming societies in CEE countries can be well-described using the concept of situational strength. The empirical findings, with data from the GLOBE-CEO project from 129 firms in East Germany, Estonia, and Romania, show specific country-based combinations of corporate social values in the companies studied, with strategic orientation in East Germany, shareholder focus and a relatively strong religious orientation in Romania, and an orientation on shareholders as well as on employees and community in Estonia.

INTRODUCTION

The term „Corporate Social Responsibility" (CSR) refers to the economic social and environmental responsibility vis-à-vis the various groups of stakeholders of the organization as well as the wider societal environment of the company (e.g. McWilliams & Siegel, 2001; Matten & Moon, 2005, 2008; Dahlsrud, 2008; Aguinis & Glavas, 2012; Wang et al., 2016). The literature distinguishes between explicit CSR, addressed in the corporate policy, and implicit CSR, namely values, standards and regulations already established in the company (Matten & Moon, 2008). While explicit CSR is more closely related to countries of liberal market economies, implicit CSR is typical for neo-corporatist economies like Germany, and CEE countries (Bluhm & Trappmann, 2014, 2015).

The discussion regarding implicit CSR particularly points to the significance of individual values of managers, the so called „managerial CSR values" (e.g. Wood, 1991; Waldman et al., 2006; Choi & Wang, 2007; Chin et al., 2013; Washburn et al., 2018), as relevant predictors of the way decisions are made in organizations in general. One of the prevalent conceptual approach in this respect is the so called "upper echelon theory" (e.g. Hambrick & Mason, 1984). While drawing on this theory or on respective empirical studies, the CSR scholars quite consistently point to the fact that values held by top managers represent one of the factors determining the CSR strategy and practices of the firms (e.g. Manner, 2010; Aguinis & Glavas, 2012; Chin et al., 2013; Mazutis & Zintel, 2015; Grant & McGee, 2017). As a result, CSR practices of organizations are considered there as a direct or indirect expression of the individual values of top managers.

In a similar way, but from a behavioural perspective on leadership, Brown and Trevino (2009) as well as Groves (2013) or Wu et al. (2015) have referred to the relevance of socialized charismatic, transformational or ethical leadership behaviours of CEOs or top managers as important factors for the value congruence between managers and followers, which seems to be a pre-condition for a successful implementation of sustainable CSR practices. In their recent study, Washburn et al (2018) proposed that a high alignment and congruence of CEO or top manager values with those of other members of the management teams may promote deeper organizational changes in relevant work processes, including CSR-relevant procedures, instead only on the formal structure of the organization.

Despite considerable merits of the existing research, the relationship between managerial values and CSR is dominated by universalistic approaches that often neglect an explicit consideration of the wider organizational contexts, like country or national culture or different institutional settings. Several authors have recently pointed to the necessity to include a wider range of context factors into the analysis of CSR practices and socially responsible behaviour (e.g. Stahl & Sully de Luque, 2014; Jamali et al., 2017). The previous research on CSR shares an additional bias: The focus is mainly given to developed countries, and their institutional and business systems, with the situation and local practice in lower developed countries being neglected (e.g., Jamali et al., 2017, p. 344-345). Until now, the country-specific differences regarding managerial values, their antecedents and consequences for CSR activities in CEE organisations remain understudied. Especially the focus on CSR in transforming post-socialist countries represents a research lacuna and needs additional efforts.

The questions of CSR as well as CSR values of organizational actors in Central and East European transformation countries have been addressed only in a few contributions so far, albeit with an increasing interest (e.g., Ionescu et al., 2005; Ishekawa, 2005; Alas et al., 2006; Lang, 2008; Steurer & Konrad, 2009; Kuznetsov et al., 2009; Koleva et al., 2010; Alas et al., 2011; Georgescu, 2012; Remisova et al., 2013; Nagypal, 2014; Bluhm & Trappmann, 2014, 2015, Poór et al., 2015; Alt et al., 2017; Horvath et

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