Study Concerning Organizational Culture Influences on Corporate Social Responsibility

Silviu – Mihai Nițu-Granzulea
Andreea Adriana Cioabă
University of Craiova, Romania
nitugranzuleasilviu@gmail.com
cioaba.andreea.f7v@student.ucv.ro

Abstract

This paper looks at the complex interaction between corporate social responsibility and organizational culture to grasp better how internal cultural elements affect the acceptance and integration of an entity's socially responsible activities. Through careful examination, researchers have identified specific cultural dimensions that catalyze or constrain CSR engagement across various organizational contexts. Using quantitative approaches, the study team compiled data from extensive surveys and subjected this material to advanced artificial neural network modeling analysis. The results confirm the leading theory—that company culture significantly corresponds with CSR performance and implementation. Among the many factors under investigation, value alignment and innovation orientation were powerful predictors significantly affecting CSR results. These findings underline the crucial role of creatively sensitive settings and culturally matched ideals in incorporating social responsibility inside the strategic framework of a company.

Key words: organizational culture, corporate social responsibility, value alignment, innovation orientation
J.E.L. classification: L21, M10, M14

1. Introduction

In recent decades, CSR has evolved as a sustainable and ethical corporate discourse pillar. Nonetheless, as Vărzaru and Vărzaru (2013a, 2013b) point out, the genuine integration of CSR within firms goes beyond just responding to external demands or regulatory compliance, drawing substantial influence from internal organizational dynamics—particularly culture. Organizational culture is a fabric of values, beliefs, and behavioral conventions that fundamentally impact how firms interpret, implement, and sustain CSR programs over time.

Linnenluecke and colleagues (2009) eloquently describe how firms understand and implement CSR via the unique lens of their cultural underpinnings. When businesses foster unified cultural frameworks, social responsibility organically thrives, dramatically impacting employee motivations, attitudes, and behaviors (Bocean, 2007a, 2007b, 2009, 2011). Organizations integrate CSR into their identity when their corporate culture promotes active engagement, transparent communication, and alignment of values across all levels of hierarchy. In these supportive settings, corporate social responsibility (CSR) blossoms into a genuine manifestation of the organization's core values, surpassing its function as a strategic checkbox or public relations tool (Alkhadra et al., 2023). Despite these revelations, the exact nature and degree of this cultural-CSR link are still up for question among academics. By pointing out that strong corporate culture does not always translate into better CSR performance, Jaakson and colleagues (2009) carefully question oversimplified correlations and emphasize the need for more complex, context-sensitive research methodologies.

Our study addresses these theoretical developments and empirical uncertainties by investigating the hypothesis that organizational culture positively influences CSR implementation. We employ a quantitative methodology, distributing structured questionnaires among a representative sample and analyzing the resulting data through artificial neural network modeling. This analytical framework excels at uncovering patterns and causal relationships within complex, nonlinear datasets. Our investigation explores how specific cultural variables—including innovation orientation, collaborative dynamics, leadership approaches, and value alignment—interact with multiple CSR dimensions encompassing environmental stewardship, community engagement, ethical business practices, and employee wellbeing.

This research enriches scholarly understanding of how internal cultural dynamics shape CSR implementation while offering pragmatic insights for organizations seeking meaningful alignment between their corporate values and broader societal and environmental aspirations.

2. Theoretical background

The perception and understanding of CSR within an organization are profoundly shaped by its governing culture, as Linnenluecke et al. (2009) emphasize. Organizational culture is a foundational framework that molds its members' values, attitudes, and behaviors, determining how CSR initiatives are integrated and promoted within the organizational structure.

A notable example is the influence of a "clan" culture on CSR. Smircich (1983) argues that such a culture, characterized by a strong emphasis on collaboration, engagement, and solidarity, fosters a positive attitude toward the organization. This cultural environment encourages active employee participation in CSR initiatives, cultivating a sense of belonging and collective responsibility. Workers are inspired to contribute significantly to the company's social and Sustainability objectives because they feel appreciated.

Additionally, CSR is transformed from a mere compliance activity into an authentic practice intricately woven into organizations' strategic fabric and core values when their cultures purposefully prioritize involvement and cooperation (Vărzaru and Vărzaru, 2015a, 2015b). Perceptions drastically change due to this transformation; CSR no longer serves only as an external duty or public relations gimmick but becomes an essential part of an organization's character. According to Alkhadra et al. (2023), such deep integration improves the institution's reputation and increases staff loyalty and commitment, improving long-term organizational success.

Beyond oversimplified cultural typologies, several other cultural factors significantly improve CSR efforts (Jaakson et al., 2009; Lee and Kim, 2017). This discovery raises important questions about the complex relationship between social responsibility and corporate culture, indicating that several contextual elements probably affect this dynamic interaction (Rotea et al., 2023; Georgescu et al., 2024).

3. Research methodology

Using a quantitative research methodology, our study uses questionnaires to examine the correlations between the variables. Table No. 1 provides a detailed presentation of these research factors.

Table no. 1 Research variables

Type	Code	Variables
Corporate Social Responsibility	CSR1	Environmental Responsibility
	CSR2	Community Involvement
	CSR1	Ethical Business Practices
	CSR4	Employee Wellbeing Initiatives
Organizational corporate	OC1	Innovation Orientation
	OC2	Collaboration and Teamwork
	OC3	Leadership Style
	OC4	Value Alignment

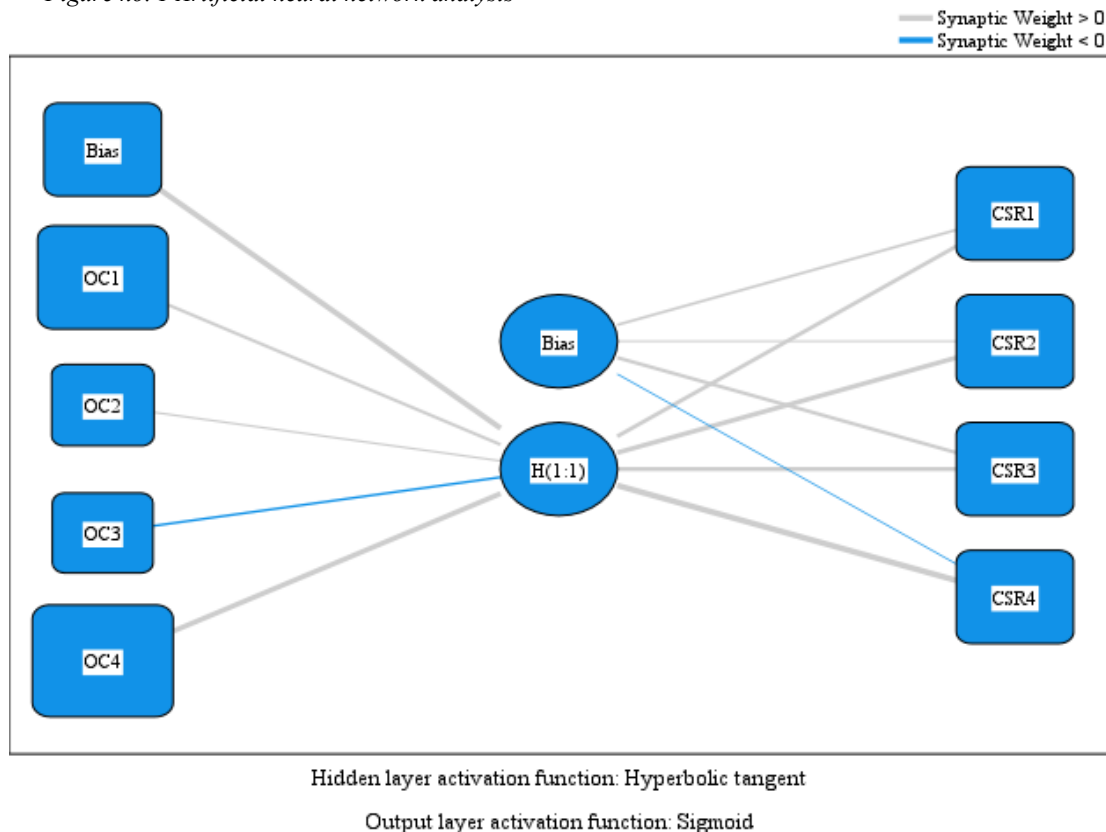*Source*: Developed by the authors based on literature review

The central hypothesis of our study is that there is a favorable correlation between organizational culture and the application of CSR. This theory aligns with our knowledge that clearly stated organizational cultures, irrespective of their perceived "strength," foster circumstances conducive to creating and applying successful social responsibility plans.

The validity of this hypothesis was examined through the use of structural neural network analysis, following a methodology similar to that applied by other scholars (Vărzaru and Vărzaru, 2016; Nicolescu and Vărzaru, 2020; Vărzaru, 2024).

4. Results and discussions

We can draw several insightful conclusions regarding the relationship between organizational culture and CSR based on the data obtained through artificial neural network analysis. The model incorporated variables grouped under two main dimensions: CSR and Organizational Culture. In investigating the relationship between these constructs, particular attention was directed toward testing the hypothesis that organizational culture positively correlates with CSR. The results support this hypothesis with noteworthy confidence (Figure no.1).

Figure no. 1 Artificial neural network analysis

Hidden layer activation function: Hyperbolic tangent

Output layer activation function: Sigmoid

Source: Developed by the authors based on data using SPSS v 27.0

The parameter estimates from the neural network model highlight a strong influence of certain organizational culture variables on CSR-related outcomes. Value Alignment (OC4) emerged as the most significant predictor, showing the highest normalized importance at 100%. This suggests that when organizational values are aligned and communicated across all levels of the organization, they significantly enhance the implementation and integration of CSR practices. Innovation Orientation (OC1) followed closely in importance, with a normalized value of 77.3%, indicating that a culture that embraces innovation tends to promote socially responsible behavior, possibly by encouraging sustainable solutions and forward-thinking approaches (Figure no. 2).

Figure no. 2 Absolute importance
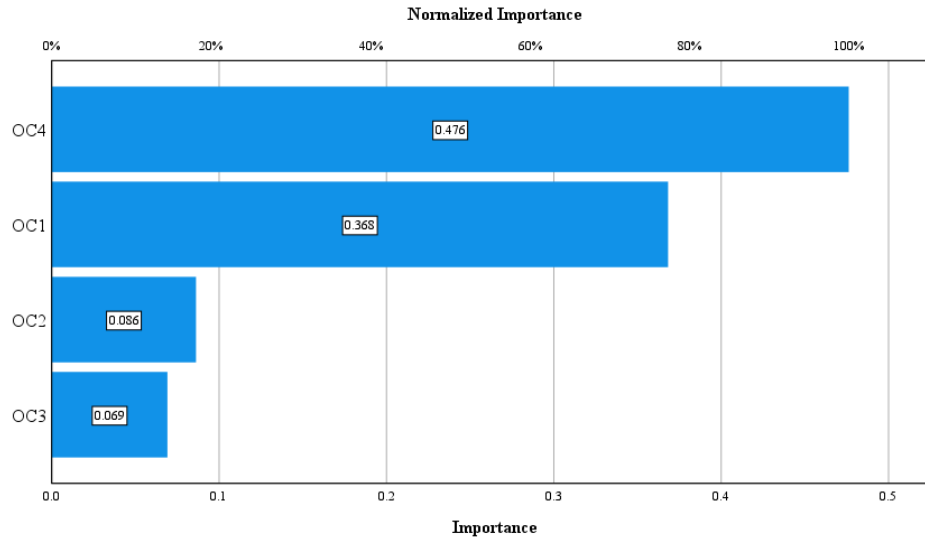
Source: Developed by the authors based on data using SPSS v 27.0

In contrast, Collaboration and Teamwork (OC2) and Leadership Style (OC3) showed considerably lower importance, with normalized scores of 18.1% and 14.5%, respectively. While still relevant, these variables appear to play a more secondary role in driving CSR outcomes than value alignment and innovation orientation.

Further insights arise from the weight distribution within the hidden layer of the neural network (Table no. 2).

Table no. 2 Model parameters

Predicted		Hidden Layer 1	Output Layer			
		H(1:1)	CSR1	CSR2	CSR3	CSR4
Input Layer	(Bias)	1.231				
	OC1	0.589				
	OC2	0.220				
	OC3	-0.230				
	OC4	1.065				
Hidden Layer 1	(Bias)		0.322	0.137	0.696	-0.126
	H(1:1)		0.827	1.062	0.852	1.242

Source: Developed by the authors based on data using SPSS v 27.0

The connection weights suggest that the internal structure of the model places substantial emphasis on the pathway linking OC4 and CSR dimensions, reinforcing the earlier interpretation regarding its central role. The favorable weight of 1.065 for OC4 in the hidden layer indicates a strong positive effect, which is further amplified through the hidden node outputs to CSR dimensions such as Community Involvement, Ethical Practices, and Employee Wellbeing. Similarly, OC1 shows a moderate but positive influence, whereas OC3 carries a slight negative weight (-0.230), which may reflect inconsistent leadership practices that do not necessarily foster socially responsible initiatives.

The analysis supports the hypothesis that organizational culture positively influences CSR, particularly when that culture is rooted in shared values and innovation. The findings underscore that CSR is not an isolated function but deeply embedded within the broader organizational context. Companies that succeed in cultivating value-driven and forward-thinking cultures are better positioned to implement effective and meaningful CSR strategies.

This evidence validates the original hypothesis and highlights areas within organizational culture that merit greater attention from researchers and practitioners aiming to strengthen CSR initiatives.

5. Conclusions

This study set out to examine the influence of organizational culture on CSR, guided by the hypothesis that a well-defined internal culture fosters the development and implementation of meaningful CSR practices. The findings support this assumption robustly, revealing that organizational culture is not merely a contextual backdrop but an active driver in shaping how CSR is perceived and enacted within organizations.

Value alignment emerged as the most influential factor among the cultural dimensions explored. Organizations, where internal values are clearly articulated, shared, and consistently practiced, tend to display more substantial commitments to CSR. This suggests that when people within an organization feel connected to a common purpose, they are more likely to engage in socially responsible behaviors. Innovation orientation also played a significant role, indicating that cultures encouraging experimentation, adaptability, and forward-thinking tend to be more proactive in adopting sustainable and socially conscious initiatives.

Conversely, while still relevant, leadership style and collaboration demonstrated a less pronounced impact in the model. This does not imply that these elements lack importance but that their influence on CSR may depend on the context in which they are practiced or how they interact with other cultural variables. For example, leadership that lacks consistency or clarity in supporting CSR may inadvertently weaken its integration despite a culture of collaboration being present.

Artificial neural network analysis added depth to the interpretation, allowing for a more nuanced understanding of the nonlinear and complex relationships between cultural elements and CSR outcomes. The model highlighted specific pathways through which culture influences CSR, reinforcing that CSR is deeply embedded in the organizational fabric rather than a set of isolated activities imposed from the outside.

Ultimately, this research underscores the strategic importance of cultivating an organizational culture that embraces shared values and encourages innovation for social impact. Companies seeking to strengthen their CSR performance would benefit from investing in cultural development initiatives that align internal behaviors with broader social and environmental goals.

6. References

- Alkhadra, W.A., Khawaldeh, S. and Aldehayyat, J., 2023. Relationship of ethical leadership, organizational culture, corporate social responsibility and organizational performance: a test of two mediation models, *International Journal of Ethics and Systems*, 39(4), pp. 737–760. https://doi.org/10.1108/IJOES-05-2022-0092
- Bocean, C.G., 2007. *The Impact of Active Labour Market Policies in Romania*, [online] Available at: < https://mpra.ub.uni-muenchen.de/10397/> [Accessed 9 March 2024].
- Bocean, C.G., 2009. *Managementul performanţelor personalului* [Personnel performance management]. Bucharest: Tribuna Economică Publishing House.
- Bocean, C. G., 2011. Project-based organization-an integrated approach, *Management & Marketing-Craiova*, 9(2), pp. 265-273.
- Bocean, C. G. 2007. *Echilibre şi dezechilibre pe piaţa muncii din România: managementul pieţei muncii* [Equilibriums and imbalances on the Romanian labor market: labor market management]. Craiova: Universitaria Publishing House.
- Georgescu, I., Bocean, C. G., Vărzaru, A. A., Rotea, C. C., Mangra, M. G. and Mangra, G. I. (2024). Enhancing Organizational Resilience: The Transformative Influence of Strategic Human Resource Management Practices and Organizational Culture. *Sustainability,* 16(10), 4315. https://doi.org/10.3390/su16104315
- Jaakson, K., Vadi, M. and Tamm, K., 2009. Organizational culture and CSR: an exploratory study of Estonian service organizations', *Social Responsibility Journal*, 5(1), pp. 6–18. https://doi.org/10.1108/17471110910939962

- Lee, M. and Kim, H., 2017. Exploring the organizational culture's moderating role of effects of corporate social responsibility (CSR) on firm performance: focused on corporate contributions in Korea', *Sustainability*, 9(10), p. 1883. https://doi.org/10.3390/su9101883
- Linnenluecke, M.K., Russell, S.V. and Griffiths, A. 2009. Subcultures and sustainability practices: the impact on understanding corporate Sustainability, *Business Strategy and the Environment*, 18(7), pp. 432–452. https://doi.org/10.1002/bse.609
- Nicolescu, M.M. and Vărzaru, A.A. 2020. Ethics and disclosure of accounting, financial and social information within listed companies. Evidence from the Bucharest stock exchange. *2020 Basiq International Conference: New Trends in Sustainable Business and Consumption,* 2020, pp. 73-80.
- Rotea, C. C., Ploscaru, A.-N., Bocean, C. G., Vărzaru, A. A., Mangra, M. G. and Mangra, G. I. 2023. The Link between HRM Practices and Performance in Healthcare: The Mediating Role of the Organizational Change Process. *Healthcare*, 11(9), 1236. https://doi.org/10.3390/healthcare11091236
- Smircich, L., 1983. Concepts of culture and organizational analysis. *Administrative Science Quarterly*, 28, 339-358. https://doi.org/10.2307/2392246
- Vărzaru, M. and Vărzaru, A.A., 2013a. Knowledge management and organizational structure design process. *Annales Universitatis Apulensis: Series Oeconomica*, 15(2), pp. 716-724. https://doi.org/10.29302/oeconomica.2013.15.2.35
- Vărzaru, M. and Vărzaru, A.A., 2013b. *Leadership Style and Organizational Structure in the Context of Mintzberg's Vision*. Proceedings of the 7th International Management Conference: New Management For The New Economy, pp. 466-475
- Vărzaru, M., Vărzaru, A.A., and Albu, C.C. 2013. *Knowledge Management and Organisational Structure: Mutual Influences*. Proceedings of 13th European Conference on Knowledge Management (ECKM), Univ Politecnica Cartagena, Spain, pp.1255-1261.
- Vărzaru, M. and Vărzaru, A.A., 2015a. Design and implementation of a management control system. *Finance: Challenges of the Future*, 17, pp.195-200.
- Vărzaru, D.C. and Vărzaru A.A., 2015b. Adjusting the human resources information system to the requirements of using the balanced scorecard. *Annals of the University of Craiova, Economic Sciences Series*, 2, pp.222-238.
- Vărzaru, D.C. and Vărzaru, A.A., 2016. The Contribution of the Human Resources Information System to Human Capital Performance Management within the Organization. *Ovidius University Annals, Economic Sciences Series*, XVI(1), 2016, pp.429-434.
- Vărzaru, A. A. 2024. Unveiling Digital Transformation: A Catalyst for Enhancing Food Security and Achieving Sustainable Development Goals at the European Union Level. *Foods*, 13(8), 1226. https://doi.org/10.3390/foods13081226