Istituto Universitario
SOPHIA
University Institute

Tesi Dottorale in
Economics and Management

# INTEGRATING SOCIAL RESPONSIBILITY INTO CORPORATE CULTURE
## A multiple case study of Economy of Communion companies


Dissertazione di
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MATRICOLA Nº 14DOEM0261

ANNO ACCADEMICO 2024-2025

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I dedicate this work to my parents, who have always prioritized and encouraged my education; to my wife, who supported me from the very first to the very last day; and to my children, to whom I wish a world of peace and communion.

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To God, who in His immense love inspires the highest desires in our hearts and gives us the strength to always begin again and persevere amid every kind of limitation and fragility.

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*There was no needy person among them. Acts 4:34*

*“Industries and businesses should emerge here, entrusted to competent and talented people, so that they can manage them and put the profits into communion.”*
*(Chiara Lubich)*

## ABSTRACT

This study explores the integration of Corporate Social Responsibility (CSR) into Organizational Culture (OC), addressing a key question in management and organizational theory: under which conditions can a company's social orientation be effectively internalized and sustained through its culture? Drawing on a multiple case study of three medium-sized companies belonging to the Economy of Communion (EoC) movement - based in Brazil, Italy, and Belgium - this research adopts a qualitative approach grounded in semi-structured interviews, focus groups, and direct observations. Theoretically, the thesis bridges insights from CSR scholarship and organizational culture studies, offering an interdisciplinary framework that includes ethical considerations. Among its key contributions, the study develops a conceptual model that connects CSR and organizational culture, demonstrating how leadership, strategy and governance mechanisms support deeper CSR integration. Second, the findings confirm that CSR proves more effective in people-oriented organizational cultures characterized by integrity, benevolence, and universalism. Third, the research highlights that intrinsically motivated CSR fosters higher employee engagement, satisfaction, and identification with the company. Fourth, it identifies three distinctive contributions of the EoC movement to CSR practice: (1) job creation as a core tool for social development and poverty reduction, (2) direct and dignified relationships with individuals in poverty, and (3) cultural education as a means of economic and social transformation. Ultimately, this study argues that CSR becomes authentic, durable, and transformative when rooted in organizational cultures aligned with ethical and humanistic principles, and it calls for further research into the expansion of stakeholder theory through the concepts of relational goods and fraternity, and the interdisciplinary connection between anthropology and management.



Keywords: Corporate Social Responsibility, Organizational Culture, Economy of Communion, Ethical Leadership, Employee Commitment.



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# INTRODUCTION

The growing complexity of global markets, social expectations, and ethical considerations has made corporate social responsibility (CSR) an essential dimension of modern business strategy. Companies are increasingly expected to go beyond profit-making and actively contribute to environmental sustainability, social equity, and ethical governance. However, while CSR has gained significant traction as a corporate priority, its successful implementation remains a challenge, particularly in terms of internalization and long-term integration into business operations. This study addresses a key question in this regard: how can CSR become an intrinsic part of corporate culture rather than merely an external obligation?

Organizational culture plays a decisive role in shaping corporate values, behaviors, and decision-making processes. It influences how companies perceive their responsibilities, interact with stakeholders, and sustain ethical commitments. While CSR initiatives can be introduced through formal policies and external pressures, their endurance largely depends on their alignment with the organization's underlying cultural framework. If CSR is not deeply embedded within the culture, it risks being perceived as superficial, failing to achieve meaningful impact. This research investigates this dynamic by exploring how corporate culture enables - or restricts - the long-term sustainability of CSR.

This study takes a distinctive approach by examining CSR and organizational culture within Economy of Communion (EoC) companies, a global network of businesses committed to integrating economic activity with social justice. Unlike conventional businesses that may approach CSR as a market-driven necessity or branding strategy, EoC companies adopt social responsibility as a core business philosophy. Their commitment extends beyond compliance with external standards, reflecting a proactive engagement in creating positive societal change. By analyzing these companies, this research provides insights into how CSR can be fully integrated into organizational culture, offering valuable lessons for both academia and business practitioners.

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The intersection between CSR and organizational culture has been explored in management literature, but significant gaps remain. While previous research has examined CSR's impact on financial performance, stakeholder engagement, and corporate reputation, fewer studies have addressed the internal cultural mechanisms that shape its adoption and endurance within organizations. Moreover, much of the existing research focuses on large multinational corporations, often overlooking medium-sized enterprises and purpose-driven businesses such as those in the EoC movement. This study contributes to filling this gap by providing a multiple case study analysis of EoC companies, offering a nuanced understanding of the cultural dynamics that drive social responsibility.

In light of these considerations, this research aligns itself with the broader academic discussion on sustainable business practices, corporate ethics, and value-driven organizations. It seeks to demonstrate that CSR is most effective when it is not merely an add-on to corporate strategy but rather an integral part of the company's cultural DNA. This perspective reinforces the need for a shift in how CSR is conceptualized and implemented, moving away from reactive and compliance-based approaches toward a deeply embedded model of corporate social responsibility.

*Research problem and justification*

At the heart of this study lies a fundamental question: How does the choice of having a social purpose become part of corporate culture? Does it shape and reflect organizational identity, deeply influencing decision-making and business operations, or does it remain an external, secondary commitment - an initiative detached from the company's internal culture and strategic priorities?

The problem addressed in this study is the difficulty many companies face in integrating CSR into their organizational culture in a way that ensures consistency, resilience, and strategic alignment. CSR initiatives are often introduced in response to external pressures - such as regulatory frameworks, consumer expectations, or investor demands - rather than being deeply rooted in the company's identity and values. This can result in CSR efforts that are superficial, fragmented, or

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unsustainable, particularly when leadership changes or external incentives shift. Without cultural integration, CSR risks being reduced to a branding strategy rather than a transformative force within the organization.

This issue is particularly relevant in the contemporary business landscape, where companies face intensifying pressures from stakeholders - including customers, investors, suppliers, employees, activist groups, media, NGOs, and government agencies - to account for the social and environmental consequences of their actions. Beyond financial performance, firms - especially large corporations - are increasingly monitored based on their commitment to human rights, fair trade, resource management, ecosystem preservation, and climate change mitigation. These concerns are no longer peripheral to business strategy; rather, they are shaping a new paradigm in which economic success is inseparable from social responsibility.

Over the past decades, corporate engagement with social issues has undergone a profound transformation. Initially framed within the discourse of corporate social responsibility - which sought to encourage businesses to integrate ethical considerations into their activities - this movement has evolved into something far more radical in recent years. Today, we witness the rise of collective initiatives that challenge traditional economic paradigms, calling into question established convictions about the very purpose of businesses. These emerging approaches propose an alternative vision of corporate identity, one that also prioritizes people and planet as core business imperatives, rather than as external concerns addressed through philanthropy or compliance.

The driving forces behind this shift are complex and multifaceted, but one of the most decisive factors is the deepening social and environmental crisis triggered by the current model of production and consumption. The economic transformations brought about by the industrial revolutions, technological advancements, globalization, and financialization have fundamentally altered the structure of society. However, in the absence of critical reflection and ethical discernment, these changes have also exacerbated inequalities, generating severe conflicts related to capital distribution, labor conditions, and social well-being.

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In this context, businesses have emerged as both key agents of progress and contributors to social failure. When profit maximization becomes the sole guiding principle, companies risk placing capital above human dignity, reinforcing exploitative practices that widen socio-economic disparities. At the same time, the recognition of this corporate protagonism has sparked two distinct but interconnected responses. On one side, stakeholders - including consumers, academic institutions, and regulatory bodies - are demanding greater corporate accountability for social and environmental performance, pressuring companies to adopt more transparent, responsible, and ethical business practices. On the other hand, entrepreneurs and business leaders are redefining the mission and strategy of their companies, incorporating social purpose as a constitutive element of their long-term vision.

This raises an urgent and underexplored research challenge: What differentiates companies that authentically integrate a social mission into their culture from those that treat it as an isolated initiative? Under what conditions does a social purpose become a core element of organizational culture, rather than a reactive adaptation to external expectations?

To answer these questions, this study focuses on the Economy of Communion companies, a unique business movement that explicitly incorporates social justice, fraternity, and reciprocity into its corporate ethos. While these firms offer an ideal setting to examine the integration of social purpose into corporate culture, they also face challenges regarding value transmission across generations of leadership, employee engagement, and institutional mechanisms for sustaining their ethical commitments over time. Understanding these dynamics is critical not only for the future of EoC companies but also for the broader business community seeking to align corporate identity with a socially responsible and sustainable vision.

By bridging organizational culture and CSR, this research makes a meaningful contribution to current debates on the future of business ethics. It offers insights that go beyond EoC companies, helping leaders and scholars navigate the complexities of integrating social purpose into business strategy. Ultimately, it responds to a pressing societal need: how to create business models that are not only profitable but also regenerative, inclusive, and human-centered in an era of profound economic and social transformation.

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*Methodology overview*

To investigate how CSR becomes an integral part of corporate culture, this study employs a qualitative multiple case study approach. This methodological choice aligns with the research objective of understanding whether and how social purpose is internalized within organizations, shaping their identity and operations. Given the socially constructed nature of organizational culture (Schein, 2004) and the values-driven orientation of CSR, a qualitative approach enables an in-depth exploration of the perceptions, behaviors, and contextual factors that influence CSR integration.

A multiple case study design (Yin, 2018) was selected to examine three companies affiliated with the Economy of Communion movement. This approach allows for cross-case comparisons, identifying common themes while also capturing the unique challenges and opportunities that arise in different organizational settings. The selected companies, located in Brazil, Italy, and Belgium, were chosen based on their active engagement in CSR - particularly through the adoption of a significant profit-sharing process aimed at addressing pressing social challenges -, willingness to participate in the study, and diversity in industry. These companies operate in enteral nutrition production, household installations, and precision mechanics providing a varied yet comparable landscape for exploring the cultural embedding of CSR principles.

To ensure a comprehensive and triangulated analysis, data collection combined semi-structured interviews, focus groups, and direct observations. A total of 50 participants - including founders, executives, middle managers, and employees - were interviewed, allowing for a broad range of perspectives. Focus groups provided additional insights into shared experiences and collective perceptions, while observations enabled the capture of non-verbal cues, workplace interactions, and cultural artifacts that reflect the companies' commitment to CSR.

Thematic analysis (Braun and Clarke, 2006) was employed to analyze the qualitative data, ensuring patterns and themes emerged both inductively from the data and in dialogue with existing theoretical frameworks. This approach facilitated

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the identification of core cultural attributes that support or hinder CSR integration, the role of leadership in cultural transmission, and the degree to which CSR values are internalized at different organizational levels.

Despite some limitations, the chosen methodology offers a context-sensitive approach to understanding how CSR is embedded within organizational culture. By focusing on EoC companies - businesses that explicitly align their mission with social responsibility - the study provides valuable insights into the mechanisms through which social oriented companies sustain their ethical commitments over time. The findings contribute to broader discussions on CSR implementation, organizational identity, and corporate governance, offering both theoretical advancements and practical implications for socially responsible business practices.

*Thesis structure and organization*

This dissertation is structured into five main chapters, in addition to the introduction and conclusion. The organization follows a logical progression, starting with the theoretical foundations of corporate social responsibility and organizational culture, moving through the integration of these two fields, and culminating in an empirical study of the Economy of Communion companies. The research findings are then discussed in relation to existing theories, leading to a synthesis of key insights and concluding reflections.

The first chapter provides a historical and theoretical foundation for understanding Corporate Social Responsibility. It examines the classical definitions of CSR, followed by a discussion on motivations and ethical considerations that drive companies toward socially responsible practices. The chapter then explores corporate social orientation as an alternative paradigm and discusses recent CSR theories and categories. The final section presents a timeline of CSR evolution, outlining key milestones and trends that have shaped contemporary CSR discourse.

Chapter Two shifts the focus to organizational culture, outlining its conceptual evolution and the key contributions of seminal authors in the field. It explores the relationship between leadership and corporate culture, discusses how culture

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impacts performance and employee commitment, and presents strategies and tools for effectively managing and developing organizational culture. This chapter establishes the cultural dimension of business organizations, laying the groundwork for its later integration with CSR.

Building on the previous chapters, Chapter Three explores the interconnection between CSR and organizational culture. It examines cultural antecedents that facilitate or discourage CSR adoption and implementation, followed by an analysis of CSR outcomes, particularly in shaping employee commitment. The chapter also presents the conceptual model developed in this study, which identifies key cultural traits and management strategies that most effectively support CSR integration. This model serves as a framework for understanding how social responsibility becomes embedded in corporate culture, guiding the discussion on further considerations for integration and setting the stage for the empirical study that follows.

Chapter Four presents the empirical component of this study, beginning with an overview of the Economy of Communion movement. It then details the research methodology, outlining the case study approach, data collection methods, and analytical framework. The findings are organized into three individual case studies, followed by a cross-case analysis that highlights common themes and key differences among the examined companies.

Chapter Five interprets the research findings in relation to CSR and organizational culture theories. The discussion first evaluates the empirical results through the lens of CSR theories, assessing how EoC companies align with or challenge existing CSR frameworks. It then explores the findings within the context of organizational culture theories, highlighting the role of leadership, governance, and employee engagement in sustaining CSR commitments. This chapter serves as a critical reflection on the research findings, identifying key insights, theoretical contributions, and practical implications for businesses seeking to integrate CSR into their corporate culture.

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*Contribution and relevance of the study*

This study addresses a critical gap in the intersection of corporate social responsibility and organizational culture by exploring how social purpose becomes embedded in corporate identity. While CSR has often been analyzed from strategic, regulatory, or ethical perspectives, there is still limited understanding of how it can be sustained through cultural mechanisms, ensuring its long-term impact within organizations.

By examining EoC companies - businesses that integrate social values into their core ethos - this research provides a unique empirical setting to explore how corporate culture fosters, constrains, or transforms CSR initiatives. The multiple case study approach enables a deeper, context-specific understanding of how socially responsible business models evolve over time and navigate challenges in transmitting their values across generations. The study contributes theoretically by bridging CSR and organizational culture, offering insights into how ethical, people-oriented business models can become institutionalized. Practically, it provides business leaders with guidance on embedding CSR into corporate culture, ensuring it becomes an intrinsic and enduring element.

From a societal perspective, this research contributes to the broader debate on the future of business ethics and sustainable development. In an era marked by global crises - including social inequalities, environmental degradation, and declining trust in corporate institutions - there is an urgent need for business models that prioritize both financial performance and social good. By exploring how organizations can institutionalize solidarity, reciprocity, and ethical responsibility, this study offers valuable insights for shaping a more human-centered and sustainable economic system.

Ultimately, this research is both timely and necessary, as it addresses one of the central challenges of contemporary business: how to embed social responsibility into corporate DNA in a way that is both meaningful and enduring. By offering a deeper understanding of the interplay between organizational culture and CSR, the study provides an essential foundation for future research and business practice in the evolving landscape of corporate responsibility.

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# CHAPTER ONE: The evolution of the Corporate Social Responsibility concept

Do we expect more from companies than generating wealth and obeying the law? The response provided by the current movement toward social orientation in companies is affirmative. Being sustainable in a competitive and global market is not an easy task and, even so, there is a growing fair demand that companies integrate consideration for other stakeholders into their operations; ultimately, consideration for the society and environment where they are located and those they impact. Sustainability, triple bottom line, stakeholder management, business ethics, ESG (environmental, social and governance) and others are theoretical and practical propositions, which together with Corporate Social Responsibility (CSR) bring to light the important issue of the relationship between companies and society, each proposition highlighting something in particular, but generally referring to the same fundamental issue.

## 1.1. Classical Definitions to the Concept of CSR

The contemporary era of CSR was initiated by Howard Bowen's groundbreaking book, *Social Responsibilities of the Businessman*, published in 1953. The aforementioned book raises the question of **what responsibilities to society may businessmen reasonably be expected to assume?**

Corporate Social Responsibility has been an explicit framework to better understand the business and society relationship. Carroll (2015) presents us an overview of the conceptual use of CSR in recent decades:

> "Early on, CSR was used as a general term arguing that managers ought to seriously consider their impacts on society. It was later thought to embrace those actions which managers and organizations take to protect and improve the welfare of society along with business's own interests. In this view there are two active aspects of CSR, protecting and improving. To protect society implies that companies need to avoid their negative impacts (e.g. pollution, discrimination, unsafe products). To improve the welfare of society suggests that companies need to create positive benefits for society (e.g. philanthropy, community relations).

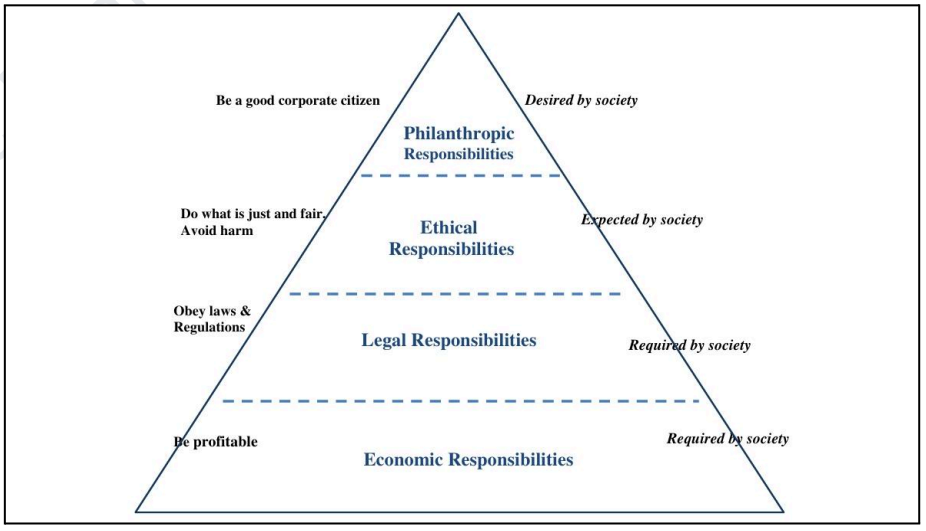
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> Another early thought was that companies not only had economic and legal obligations but also certain responsibilities that extended beyond those obligations, though these were not spelled out." (Carroll, 2015, p.90)

Although there are many different definitions and dimensions of CSR in current use, Carroll's (1991, 1998) definition with four CSR dimensions has been commonly adopted: economic, legal, ethical, and philanthropic CSR. Economic CSR refers to actions that make goods and services and create lucrative outcomes throughout the process. The economic CSR should be achieved within legal boundaries that the society outlines. Therefore, obeying laws and regulations stated by governments in its operations is considered as legal CSR, the second dimension. Ethical CSR, the third one, is beyond the scope of codified regulations and laws, and it is defined as a company's endeavors to fulfill expectations of the society and to be a moral company, in other words, meet expectations of stakeholders and protect them regardless if these activities are not codified into law. Philanthropic CSR, the fourth dimension, is regarded as a company's voluntary activities such as endowing money to charitable organizations, promoting support programs for a low-income group, and having their employees involved in humanitarian programs. He says "business should not fulfill these responsibilities in sequential fashion but that each is to be fulfilled at all times" (Carroll, 1999, p. 289).

In the following figure, the author presents his four-part definitional framework, classically known as Carroll's pyramid of CSR:

Figure 1: Carroll's pyramid of CSR




Source: Carroll, 2016, p.5.

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Sheehy (2015) considers Carroll's work - and we agree - the most popular and long standing definition of CSR, leading it to "beyond compliance" with the ethical and philanthropic aspects, while the economic and legal responsibilities are minimally contentious.

For this author, since Carroll's original article, there have been significant efforts to refine the term, but few have actually changed the basic understanding, adding instead new ways of looking and classifying CSR.

> "Among this group there are three seminal contributions: one is R Edward Freeman's idea of stakeholders—the specific groups business should consider (Freeman 1984). The second contribution is a refinement of the normative foundation, the triple bottom line idea of economic prosperity, social justice, and environmental quality advanced by Elkington (1997). This refinement is an innovative articulation of CSR using accounting terms and it spawned a revolution in business scholarship and practice. The third significant contribution is Wood's analysis. In her 1991 article she produced a three level framework. She identified those levels as the institutional, organizational and individual levels (Wood 1991). Much of the literature now focuses on the organizational and individual levels as the institutional level has been deemed settled in the political economy of neo-liberalism (Ireland and Pillay 2009; Utting and Marques 2009; Fleming and Jones 2013). As shall be argued, however, it is the institutional level which in the intervening decades has become increasingly important (Brammer et al. 2012) and leads to a definition of CSR as international private business self-regulation." (Sheehy, 2015, p.635)

Carroll (2021) observes that the concept of the triple bottom-line (Elkington, 2007) has undoubtedly been central to the sustainability movement in business. Over the past decade, companies have adopted sustainability language more extensively than any other idea in this domain.

> "The concept of sustainability has expanded and complemented much of the CSR discussion during the past 20 years. Although initially defined and discussed in the 20th century, sustainability has become one of the most enduring topics shaping CSR in the 2000s. Although the idea of sustainability is embedded in CSR and they are interrelated, the term itself has become ever more popular with both the

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> business and the academic communities. The business community likes it because it gets away from what many of them consider to be the fatigued nomenclature of CSR, which they interpret to be that they have unrelenting responsibilities to society and stakeholders for which they should be held accountable. As for the academic community, many of them prefer the terminology for the same reason and also because it creates a fresh idea that focuses on stakeholder survival and success in the future." (Carroll, 2021, p.1266)

Another highly influential contribution to the field is Freeman's (1984) Stakeholder Theory. From the perspective of stakeholders, a business can be seen as a network of relationships among various groups that have an interest in its activities and operations.

> "It is about how customers, suppliers, employees, financiers (stockholders, bondholders, banks, etc.), communities and managers interact to jointly create and trade value. To understand a business is to know how these relationships work and change over time. It is the executive's job to manage and shape these relationships to create as much value as possible for stakeholders and to manage the distribution of that value." (Parmar, Freeman, Harrison, et al. 2010, p.405)

Waldman et al. (2006), drawing on stakeholder theory, identify three dimensions of managerial values relevant to CSR. These categories are presented in the table below, as we consider it important to examine CSR from the perspective of relationships with various stakeholder groups.

Table 1: Managerial values relevant to CSR

| | |
|---|---|
| Shareholder/Owner dimension | Responsibility to maintain or increase sales and control costs in an effort to maximize economic returns. |
| Broader (non-financial) stakeholder relations dimension | Ethical and positive relations with groups that have a direct influence on the viability and survival of firms, such as employees, consumers and suppliers. |

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| | |
|---|---|
| Community/State welfare dimension | Responsibility to the larger society, through philanthropy and engagement in community-based development projects. |

Source: Developed by the author based on Waldman et al., 2006, p.824-825.

According to Karassin and Bar-Haim (2016, p.111), “CSR initiatives have been considered a way of responding to multiple stakeholder priorities and of balancing these against the economic and reputational interests of the firm, at the same time reducing the social costs of doing business” and “despite conflicting demands and pressures, the prevailing view in literature has been that stakeholders do influence CSR”. Stakeholders can include consumers, suppliers, employees (and unions), financial institutions (as banks and insurers), the local community and other interest groups. Potential demands by stakeholders are varied and may contradict each other, so it is the role of the firm to balance these conflicting claims.

Upadhaya et al. (2018), by providing a synthesis on agency theory and stakeholder theory, indicate the important passage that CSR has been making for decades. They also claim that “the tension between maximizing shareholder value and addressing social and environmental issues stresses the need for implementing CSR in a strategic way so that organizations can balance the needs of both shareholders and stakeholders” (p.111).

> “Adopting the agency theory perspective, Friedman (1970) argues that the only social responsibility of business is to increase profit, and social issues are beyond the scope of businesses and their managers. Friedman's (1970) argument is based on the assumption that CSR destroys shareholder profit, and distracts managers from their assigned roles and responsibilities. According to this perspective, CSR practice is a misuse of organizations' resources and therefore managers should not adopt CSR at the cost of shareholders' interests.
>
> In contrast, researchers adopting the stakeholder theory perspective argue that organizations should take responsibility for their social and environmental impact and invest in CSR despite a possible reduction in immediate cash flow or profit (Mackey et al., 2007). According to this perspective, organizational performance should not be viewed on a narrow dimension or for short-term profit because of the

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undermining effects on other important non-financial stakeholders, such as customers, employees, creditors, suppliers, investors, and the community, which may affect the long-term success and survival of organizations (Werther & William, 2011; McWilliams et al., 2006).” (Upadhaya et al., 2018, p.111)

Garriga and Melé (2004), also criticize Friedman's view in their article “Mapping the territory” of CSR:

> “In fact, although the main concern in the Friedman view (Friedman, 1970; Friedman and Friedman, 1962) is for wealth creation, as we have pointed out above, this concern is rooted in certain cultural values regarding the free market, private property and the fact that wealth creation is good for society (…) It is held that business operating in a free market is the best way to allocate scarce resources because society can achieve an optimum situation in the sense of Pareto (Pareto Optimum). This means that the satisfaction of all people involved in the situation is the greatest possible or, at least, the situation satisfies most of them without being detrimental for others. However, in the presence of externalities, when decision-makers do not take into account secondary effects of their actions that burden or benefit others, the market is inefficient and the equilibrium is not a Pareto optimum. When externalities appear, another system of society, the political system, should act. The political system must confront these externalities through taxes, regulation and minimum package of rights. So, business contributes to the welfare of society through the market mechanism and in compliance with the law.” (Garriga, Melé, 2004, p.64)

Fifty years ago, Votaw (1972) wrote the following about the meaning of CSR:

> “Corporate social responsibility means something, but not always the same thing to everybody. To some it conveys the idea of legal responsibility or liability; to others, it means socially responsible behavior in the ethical sense; to still others, the meaning transmitted is that of ‘responsible for’ in a causal mode; many simply equate it with a charitable contribution; some take it to mean socially conscious; many of those who embrace it most fervently see it as a mere synonym for legitimacy in the context of belonging or being proper or valid; a few see a sort of fiduciary duty imposing higher standards of behavior on businessmen than on citizens at large.’’ (Votaw, 1972, p. 25)

Thirty years later, Garriga and Melé (2004), in their effort to map the territory, presented a classification of the main CSR theories, relating them into 4 groups:

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instrumental, political, integrative and ethical theories. Summarizing the result of their work, we bring here the theories we consider most relevant in each category, in terms of impact on academic research:

Table 2: Main CSR Theories

| Instrumental theories |
| --- |
| Maximization of shareholder value (Friedman 1970, Jensen 2000); Strategies for competitive advantages: Social investments in a competitive context (Porter and Kramer 2002), Strategies based on the natural resource view of the firm and the dynamic capabilities of the firm (Hart 1995, Lizt 1996), Strategies for the bottom of the economic pyramid (Prahalad and Hammond 2002, Hart and Christensen 2002, Prahalad 2003); Cause-related marketing: Altruistic activities socially recognized used as an instrument of marketing (Varadarajan and Menon 1988, Murray and Montanari 1986). |
| Political theories |
| Corporate (or business) citizenship: The firm is understood as being like a citizen with certain involvement in the community (Wood and Lodgson 2002, Andriof and McIntosh 2001, Matten and Crane - in press). |
| Integrative theories |
| Stakeholder management: Balances the interests of the stakeholders of the firm (Mitchell et al. 1997, Agle and Mitchell 1999, Rowley 1997); Corporate social performance: Searches for social legitimacy and processes to give appropriate responses to social issues (Carroll 1979, Wartick and Cochran 1985, Wood 1991, Swanson 1995). |
| Ethical theories |
| Universal rights: Frameworks based on human rights, labor rights and respect for the environment (The Global Sullivan Principles 1999, UN Global Compact 1999); Sustainable development: Aimed at achieving human development considering present and future generations (World Commission on Environment and Development - Brutland Report 1987, Gladwin and Kennelly 1995); The common good: Oriented towards the common good of society (Alford and Naughton 2002, Melé 2002, Kaku 1997). |

Source: Developed by the author based on Garriga and Melé, 2004, p.63-64.

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They explain the categories used as follows:

> “1. A first group in which it is assumed that the corporation is an instrument for wealth creation and that this is its sole social responsibility. Only the economic aspect of the interactions between business and society is considered. So any supposed social activity is accepted if, and only if, it is consistent with wealth creation. This group of theories could be called instrumental theories because they understand CSR as a mere means to the end of profits. (maximization of shareholder value, strategic goal of achieving competitive advantages)
> 2. A second group in which the social power of corporation is emphasized, specifically in its relationship with society and its responsibility in the political arena associated with this power. This leads the corporation to accept social duties and rights or participate in certain social cooperation. We will call this group political theories.
> 3. A third group includes theories which consider that business ought to integrate social demands. They usually argue that business depends on society for its continuity and growth and even for the existence of business itself. We can term this group integrative theories.
> 4. A fourth group of theories understands that the relationship between business and society is embedded with ethical values. This leads to a vision of CSR from an ethical perspective and as a consequence, firms ought to accept social responsibilities as an ethical obligation above any other consideration. We can term this group ethical theories.” (Garriga, Melé, 2004, p.52-53)

The categories proposed above encourage us to think beyond a mere classification of CSR theories and to explore the motivations that drive companies to act in socially responsible ways. In our view, the primary differentiating factors of these motivational bases are the “instrumental” and “ethical” orientations. Clearly, nothing prevents ethically motivated CSR from generating material gains for a business, which would reflect the evolution of our society. Similarly, instrumentally motivated CSR can lead decision-makers to recognize the ethical value of their actions, deriving satisfaction and a sense of purpose from them.

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## 1.2. Discussion on Motivation and Ethics in CSR

In the field of CSR practices, particularly regarding their motivational foundations, we find that the classification of "instrumental" and "intrinsic" best encapsulates the underlying reasons why companies engage in social responsibility. The “intrinsic” motives capture a range of philanthropic and voluntary organizational initiatives driven by convictions and purpose. Additionally, we can include the category of "compulsory," as governments or markets frequently impose socio-environmental responsibility practices that companies must comply with, regardless of whether these are practices they would deliberately carry out for intrinsic motivations, instrumental incentives, or would not otherwise be undertaken.

In a speech to business executives, Pope Francis (2016) warns that the practice of CSR in an organization should not become just an occasional activity to somehow “soothe the conscience”.

> “There is no shortage of examples of solidarity’s actions in favor of those most in need, carried out by people in businesses, clinics, universities, or other work and study communities. This should be a common way of acting, the result of profound convictions in everyone, to prevent it from becoming only an occasional activity to soothe one’s conscience, or even worse, a way to obtain a return in terms of publicity.”

And on yet another occasion, addressing a similar group, he criticizes what could be seen as a profound contradiction:

> “Aircraft pollute the atmosphere, but, with a small part of the cost of the ticket, they will plant trees to compensate for part of the damage created. Gambling companies finance campaigns to care for the pathological gamblers that they create. And the day that the weapons industry finances hospitals to care for the children mutilated by their bombs, the system will have reached its pinnacle. This is hypocrisy!” (Pope Francis, 2017)

Baden and Harwood (2012), in a literature review of CSR terms, seek to uncover how the economic business case has become the dominant driver behind CSR action and find a “moral muteness” in the Management discourse. They argue that CSR has been detracted from the imperative for ethical justification of such business practices. “CSR has won the battle but lost the war in the sense that

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although it has achieved acceptance in academic and business circles, most of the debate has been conducted in terms of contribution to business success." (Baden, Harwood, 2012, p.616)

> "Numerous studies and meta-analyses have attempted to determine linkages between corporate social performance (CSP) and corporate financial performance (CFP) (Al- louche and Laroche 2005; Margolis et al. 2007; Orlitzky et al. 2003). Indications for the interest in this topic are the exceptionally large number of articles published relating CSP and CFP (e.g. a search of papers including both terms 'Corporate Social Performance' and 'Corporate Financial Performance' in the title on Google scholar yielded 217 results at the time of writing). However, many of these papers also make reference to the methodological difficulties of finding appropriate metrics to measure both CSP and CFP, and of the further difficulties of establishing cause and effect relationships between them (see Vogel 2005 for a review)." (Baden, Harwood, 2012, p.616)

When ethical concerns are not a strong motivator to engage in CSR, the attempts to justify it in terms of shareholders' interests is understandable, but brings a cost. "Once CSR loses its foundation in ethics it becomes not only irrelevant, but counterproductive as it distracts attention from more effective solutions to social and environmental impacts." For them, "to focus their CSR efforts on the most profitable projects and practices (e.g. energy saving projects or those that provide positive marketing opportunities), rather than those that are most needed by society" is a result of the emphasis on the business case and raises the question: "what if CSR is not good for business? Should we then abandon it?". (Baden, Harwood, 2012, p.617)

Hemingway and McLagan (2004), in a theoretical paper, present a 'proactive responsible' perspective on CSR, contrasting it with a responsive approach focused on image management. In other words, they advocate for taking responsibility for CSR regardless of public opinion. This raises the question: Is CSR truly defined by voluntary actions that go beyond legal standards and anticipate public opinion? According to Mosley et al. (apud Hemingway and Mclagan, 2004, p.34), "Corporate social responsibility refers to managements' obligation to set policies, make decisions and follow courses of action beyond the requirements of the law that are desirable in terms of the values and objectives of society." And also, Waldman et al.

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(2006, p.824) state “Although most of the academic attention on CSR focuses on its linkage to performance (e.g., Rowley and Berman, 2000), it is possible for firms to engage in CSR on largely moral or ethical grounds, without clear strategic rationale (Donaldson and Preston, 1995).”

On the other side:

> “The theory of the firm argument is that the concern of management is to maximize shareholder value. From this viewpoint, CSR is a response to the competitive environment and the demands on managers from various stakeholder groups (Menon and Menon, 1997; McWilliams and Siegel, 2001). It may also entail manipulation of those stakeholder groups, in order to seek the survival of the firm (Desmond and Crane, in press;7). Similarly, Gray et al. identify the inclusion of stakeholders in corporate affairs and CSR reporting as ‘... mechanisms by which the organizations satisfy (and manipulate)...’ pressures on them to demonstrate satisfactory CSR performance (GRay et al., 1995, p.65). Thus, CSR disclosure and reporting can be viewed in terms of corporate image management, a strategic marketing activity. Here the tools of marketing communications are employed, notably public relations activity, in order to improve the competitive position by delivering the messages designed to create or maintain a good image (Adkins, 1999a, b; Darby, 1999). Consequently, the marketing literature concentrates on marketing’s role in the management of stakeholder (especially customer) perceptions and CSR’s effect on the (corporate) brand. ‘Doing good deeds’ produces a positive public relations story.
>
> It has also been argued that corporations adopt CSR to cover up the impact of corporate misdemeanour. Sceptics have accused companies of taking a public ethical stance in order to project a ‘good’ image, regardless of their unpublicized unethical practices (Caulkin, 2002).” (Hemingway, Mclagan, 2004, p.34-35)

Sheehy (2015) also highlights the search for relationships between financial performance and social performance, as an important stream of CSR scholarship, in both economics and business.

> “The reason that search has preoccupied business scholarship is that if the relationship is established, CSR changes from an optional ethical decision to a managerial imperative. A second stream of business scholarship examines CSR as an aspect of the relationship between business and society. So, for example, CSR

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> has been viewed as a manifestation of business ethics (Segon and Booth 2009), a social license (Howard-Grenville et al. 2008), a reputation risk management tool studied for its marketing implications of CSR (Varadarajan and Menon 1988) and in consumer studies, a sub-discipline of business, a type of social consumption (Devinney et al. 2010, p. 183).” (Sheehy, 2015, p.630)

Central to the discussion on motivation and ethics in CSR is the challenge of conciliating the demands for social protection and improvement with the pursuit of profit maximization. Regarding how this issue relates to a more complex and enduring vision of companies, Gui (2015) states:

> “All this to say that exercising decision-making power over a company while focusing solely on the interests of shareholders, without considering the complexity of the company's relationships with other stakeholders, leads to incorrect decisions both from the perspective of justice and efficiency. The aforementioned vision (shareholder value model) conflicts with the idea of a company as a stable coalition of resource providers (not only financial, but particularly labor), all of whom share a common interest in achieving a collective goal and are therefore motivated to establish a long-term collaboration.” (Gui, 2015, p.139)

In this work, we highlight an approach that views profit as the foundation of business, but not its ultimate goal. This perspective integrates both the viewpoint that profit serves as a key indicator of efficient resource use and the satisfaction of human needs, as well as the belief that the true purpose of a company lies beyond its maximization.

### 1.3. Redefining CSR as Corporate Social Orientation

What responsibility does a company have toward the society in which it operates? This fundamental question lies at the heart of the work that has evolved into what we now recognize as CSR and its various forms. While all business actors have encountered this question at some point, the majority have not succeeded in answering it completely due to its complexity and far-reaching implications.

It is evident that a company is part of society: first, because it consists of a community of people working within it, and second, because it exists to meet societal

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demands, from which it derives its income. However, the question runs deeper. Beyond the rules that govern fair business practices for all those involved - whether the internal community of workers and investors or other stakeholders -, what is the nature of the relationship between businesses and society? This relationship includes the society from which companies draw their workforce, natural and technological resources, and with which they engage in cultural exchange through relationships, shared knowledge, and development fostered by their organizational activities.

There is a growing recognition that companies are not isolated islands or impenetrable fortresses within their cities. Yet, organizational theory and practice continue to struggle with defining how businesses should integrate into this broader social ecosystem. In this context, CSR initiatives offer critical pathways to explore this relationship and address the increasing social and environmental demands placed on companies.

Sheehy (2015), in his effort to define CSR, observes that no consensus has been reached among industry participants, academics, or other stakeholders. He raises important questions, such as how an organization can justify its socially responsible practices amidst this conceptual challenge, and whether defining the term is truly desirable or even feasible.

For him, CSR can be understood as a management initiative to improve stakeholder and social relations, or may reflect a corporate decision to participate in an explicit standard (such as ISO 26000 ou Global Reporting Initiative - GRI), and still could be defined behaviourally simply as corporate philanthropy, “then a billion dollar corporation giving a hundred dollars while continuing to contaminate large swathes the environment allows the corporation to claim it is practicing CSR” (Sheehy, 2015, p.628).

> “The basic contest is whether CSR is simply ‘‘greenwash’’ (Greer and Bruno 1996)—i.e. merely businesses claiming environmental credentials and other social contributions while continuing to generate excessive harms such as social costs, i.e. ‘‘business as usual’’ (KPMG and UNEP 2006; OECD 1999, 2003; UNEP 2000; Palazzo and Richter 2005). Or whether CSR is indeed a genuine and serious effort to regulate and change behavior for the purposes of spreading more equitably the costs

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> and benefits of industrial production— i.e. spending profits for non-revenue generating social aims, whether reducing harms like social costs or generating a public good such as poverty reduction (Blowfield 2009).” (Sheehy, 2015, p.626)

He also states that CSR is becoming a type of international private business regulation of harms and public good, and not simply some random voluntary business initiative. “It marks CSR as an endeavor distinct from political lobbying by left or right, from marketing endeavors or mere internal management practices. It frames the debate, locates the issues, identifies the norms and provides a way forward.” (Sheehy, 2015, p.643)

The reason finding a consensus on the definition of CSR is such an extremely complex task lies in the fact that CSR is a phenomenon that, despite some similar externalities, arises from highly diverse motivations and practices - ranging from small philanthropic donations to complete business re-engineering based on principles of social responsibility.

An increasing, though still insufficient, emphasis in both literature and organizational practice reflects what Argiolas (2014) identifies as the 'social orientation of a company'. Regarding this internalization of human and social values within governance and people management practices, he states:

> “Therefore, in the light of what has been reported so far, the perspective we intend to suggest is that of seeing the company capable of internalizing a real social orientation. Adopting the social orientation means ensuring that the perspective of social responsibility is not limited to single actions, but pervades the company as a whole, starting from the mission, passing through the governance up to permeate its strategic decisions and operational actions. The importance, indeed, the centrality attributed to the person and the quality of the relationships that are activated within the company and its relationships established with the environmental context, constitute what substantially qualifies the social orientation of the company.” (Argiolas, 2014, p.92)

The question of how to internalize a social orientation that goes beyond isolated actions and becomes part of a company’s mission, strategy, and governance - based on the premise that this would only be possible through intrinsic motivation - is the central objective of this work. However, before addressing this, we must first

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examine the recent contributions to the field of CSR and then establish a dialogue with studies on organizational culture.

### 1.4. Recent CSR Theories and Categories

To continue this chapter, we present four approaches that have emerged over the past two decades as evolutions of what was originally treated as CSR, and gained a lot of relevance in the current debate. These approaches - ESG (Environmental, Social, and Governance) factors, B Corps, Creating Shared Value (CSV), and Corporate Purpose - have, to some extent, relegated the term CSR to a secondary role in the business and academic landscape. However, they address similar issues while introducing new dimensions to the discussion. To better understand the current debate on Corporate Social Responsibility, we provide definitions, relevant aspects, and the origins of these approaches.

Formally established by the “Who Cares Wins” report (UN Global Compact, 2004), the **ESG** forms an integrated framework of factors that help to measure the sustainability and social impact of business activities. Even if it is usually a standard used by investors to evaluate corporate behavior and future financial performance, ESG as a concept is gradually becoming mainstream in the practical field, and it has aroused the interest of scholars from all over the world.

> “A better inclusion of environmental, social and corporate governance (ESG) factors in investment decisions will ultimately contribute to more stable and predictable markets, which is in the interest of all market actors. (...) In addition, we believe that markets do not yet fully recognise the importance of new emerging trends, such as the growing pressure on companies to improve corporate governance, transparency and accountability and the increasing importance of reputation risks related to ESG issues.” (UN Global Compact, 2004, p.3)

Li et al. (2021) in the paper “ESG: research progress and future prospects” observe that the three fundamental ESG factors are key considerations in the investment analysis and decision-making process and further emphasize that these factors are continuously shaping a new paradigm of sustainable development. These researchers offer an update of the environmental, social and governance matters

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offered almost twenty years before by the aforementioned UN report, with a more detailed list of what is demanded from businesses in order to accommodate, as follows:

> "Environmental factors: GHG emissions, energy consumption and efficiency, air pollutants, water usage and recycling, waste production and management (water, solid, hazardous), impact and dependence on biodiversity, impact and dependence on ecosystems, innovation in environmentally friendly products and services.
>
> Social factors: Workforce freedom of association, child labor, forced and compulsory labor, workplace health and safety, customer health and safety, discrimination, diversity and equal opportunity, poverty and community impact, supply chain management, training and education, customer privacy, community impacts.
>
> Governance factors: Codes of conduct and business principles, accountability, transparency and disclosure, executive pay, board diversity and structure, bribery and corruption, stakeholder engagement, shareholders rights." (Li et al., 2021, p.2)

It is worth highlighting that in the definition given by Li et al. (2021) for ESG factors we find "matters that may have a positive or negative impact on the financial performance or solvency of an entity, sovereign, or individual", proving that this approach sustains, over the years, the model of an investment concept and role in measuring the future financial performance and social influence of enterprises.

The **B Corps** represent a movement that currently includes more than 9,000 companies across 105 countries in 160 economic sectors (data accessed in November 2024 from bcorporation.net).

> "Founded in 2007, the BLab organization promotes socially aware business practices by providing an opportunity for a business to voluntarily adopt responsible standards of decision making. By voluntarily joining and meeting a certain level in socially responsible standards set by B Lab, a certification entity, a business can become a B Corp." (Hiller, 2013, p.290)

The B Corp Certification, as described on the movement's official website, "is a designation that a business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials".

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In pursuit of certification, a company is required to:

- Demonstrate high social and environmental performance by achieving a B Impact Assessment score minimum.
- Make a legal commitment by changing their corporate governance structure to be accountable to all stakeholders, not just shareholders.
- Exhibit transparency by allowing information about their social and environmental performance to be publicly available.

The process of certification generates a B Report that is categorized into five distinct impact areas that represent the company's governance and key stakeholder groups:

- "Governance evaluates a company's overall mission, engagement around its social/environmental impact, ethics, and transparency. This section also evaluates the ability of a company to protect their mission and formally consider stakeholders in decision making through their corporate structure (e.g. benefit corporation) or corporate governing documents.
- Workers evaluates a company's contributions to its employees' financial security, health & safety, wellness, career development, and engagement & satisfaction. In addition, this section recognizes business models designed to benefit workers, such as companies that are at least 40% owned by non-executive employees and those that have workforce development programs to support individuals with barriers to employment.
- Community evaluates a company's engagement with and impact on the communities in which it operates, hires from, and sources from. Topics include diversity, equity & inclusion, economic impact, civic engagement, charitable giving, and supply chain management. In addition, this section recognizes business models that are designed to address specific community-oriented problems, such as poverty alleviation through fair trade sourcing or distribution via microenterprises, producer cooperative models, locally focused economic development, and formal charitable giving commitments.
- Environment evaluates a company's overall environmental management practices as well as its impact on the air, climate, water, land, and biodiversity. This includes

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the direct impact of a company's operations and, when applicable, its supply chain and distribution channels. This section also recognizes companies with environmentally innovative production processes and those that sell products or services that have a positive environmental impact. Some examples might include products and services that create renewable energy, reduce consumption or waste, conserve land or wildlife, provide less toxic alternatives to the market, or educate people about environmental problems.

- Customers evaluates a company's stewardship of its customers through the quality of its products and services, ethical marketing, data privacy and security, and feedback channels. In addition, this section recognizes products or services that are designed to address a particular social problem for or through its customers, such as health or educational products, arts & media products, serving underserved customers/clients, and services that improve the social impact of other businesses or organizations."
  (https://kb.bimpactassessment.net/support/solutions/articles/43000574683)

Diez-Busto et al. (2021) in their systematic review of the literature on the B Corp Movement, asked themselves the question: *What is the relationship between B Corp and Corporate Social Responsibility (CSR)?* From their examination of fifty articles, they derived the following conclusion:

> "The relationship between B Corp and Corporate Social Responsibility (CSR) is that the certification focuses on the main CSR initiatives. Harjoto et al. (2019) indicate that the key principles and aspects followed by B Corp are consistent with the six factors of the CSR framework: actions are voluntary, externalities are managed, multiple stakeholders are taken into account, social and economic responsibilities are aligned, CSR is embedded in the value system and CSR is embedded in the core business operation. In other words, their principles are very similar, since becoming a B Corp is voluntary and is only decided by companies; its management of externalities is explicit, since its purpose is to generate a positive net impact on society; they take into consideration all stakeholders in decision-making and incorporate them into the company's bylaws; they are for-profit companies that balance social and economic responsibilities, incorporating CSR into their value systems and operations." (Diez-Busto et al., 2021, p.12)

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The “six factors of the CSR framework mentioned” in this quote were proposed by Crane et al. (2008) as the essential features of the concept that tend to get reproduced in some way in academic or practitioner definitions of CSR.

Introduced by Porter and Kramer (2011), in the article “**Creating Shared Value**: how to reinvent capitalism and unleash a wave of innovation and growth”, CSV has since spread and been adopted by large companies such as Novartis, Nestlé, Unilever, Walmart and others. The founding authors define shared value as “policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates.” (p.6) They also state that “creating shared value presumes compliance with the law and ethical standards, as well as mitigating any harm caused by the business.” (p.15)

In a systematic review of 242 articles published from 2010 to 2020, Menghwar and Daood (2021) define it also as “the strategic process through which corporations can solve a social problem which is relevant to its value chain while making economic profits.” Wójcik (2016), on how this concept differs from Corporate Social Responsibility, says “its biggest contribution is that CSV sees business activity through the lens of value creation in two dimensions: economic and social.” (p.33)

Regarding this differentiation, Menghwar and Daood (2021) deepen the debate as follows:

> “CSV reflects, systematizes disconnected concepts and promotes a view that corporations can contribute positively to society while advancing profitability. There is no doubt that CSV is closely related to existing models such as strategic CSR and stakeholder theory. In addition, scholars are quick to use fashionable tags for slightly different and interrelated constructs, or to present a new take on the same problem under a different title. (...) We propose that CSV is different from related concepts due to an additional dimension that focuses on integrating corporate strategy in responding to societal problems (...) we assert that while CSV is neither revolutionary nor a buzzword, it represents a meaningful, incremental addition to the prior literature.” (p.467)

Porter and Kramer (2011) in their seminal article explain that “companies can create economic value by creating societal value” and add “there are three distinct

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ways to do this: by reconceiving products and markets, redefining productivity in the value chain and building supportive industry clusters at the company's locations" (p.7). But, despite the significant increase that this approach brings to the field of CSR, it is clear that it is a reinvention of the same old capitalism, as stated by the authors themselves:

> "Creating shared value represents a broader conception of Adam Smith's invisible hand. It opens the doors of the pin factory to a wider set of influences. It is not philanthropy but self-interested behavior to create economic value by creating societal value. If all companies individually pursued shared value connected to their particular business, society's overall interests would be served. And companies would acquire legitimacy in the eyes of the communities in which they operated." (Porter and Kramer, 2011, p.17)

Even though it is difficult to identify the origin of **Corporate Purpose**, its popularity is marked by the 2019 Statement, or Commitment, of the Business RoundTable - "an association of more than 200 CEOs of America's leading companies working to promote a thriving economy and expand opportunity through sound public policies that create and maintain long-term economic prosperity." (Business Roundtable, 2024)

Signed by 180 CEOs, the 2019 Statement contained the following commitment, which proposed to modernize the principles of a corporate's purpose, discarding a conception of companies that exist primarily to serve shareholders in order to create value for all stakeholders, whose long-term interests are inseparable:

> "While each of our individual companies serves its own corporate purpose, we share a fundamental commitment to all of our stakeholders. We commit to:
>
> Delivering value to our customers. We will further the tradition of American companies leading the way in meeting or exceeding customer expectations.
>
> Investing in our employees. This starts with compensating them fairly and providing important benefits. It also includes supporting them through training and education that help develop new skills for a rapidly changing world. We foster diversity and inclusion, dignity and respect.
>
> Dealing fairly and ethically with our suppliers. We are dedicated to serving as good partners to the other companies, large and small, that help us meet our missions.

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> Supporting the communities in which we work. We respect the people in our communities and protect the environment by embracing sustainable practices across our businesses.
>
> Generating long-term value for shareholders, who provide the capital that allows companies to invest, grow and innovate. We are committed to transparency and effective engagement with shareholders.
>
> Each of our stakeholders is essential. We commit to deliver value to all of them, for the future success of our companies, our communities and our country." (Business Roundtable, 2024)

This movement was preceded by the annual letter from BlackRock CEO Larry Fink that same year, in which he defends the inextricable link between profit and purpose, explaining the meaning of the latter, integrating the relationship with all stakeholders and long-term growth.

> "Profits are in no way inconsistent with purpose – in fact, profits and purpose are inextricably linked. Profits are essential if a company is to effectively serve all of its stakeholders over time – not only shareholders, but also employees, customers, and communities. Similarly, when a company truly understands and expresses its purpose, it functions with the focus and strategic discipline that drive long-term profitability. Purpose unifies management, employees, and communities. It drives ethical behavior and creates an essential check on actions that go against the best interests of stakeholders. Purpose guides culture, provides a framework for consistent decision-making, and, ultimately, helps sustain long-term financial returns for the shareholders of your company." (BlackRock, 2019)

Jimenez et al. (2021) in a "Review of Corporate Purpose" brings together the main conceptual elements of the term and also makes a detailed comparison of this approach with that of CSR. They present it as the company's fundamental reason for being that goes beyond profits, that describes why a company exists and the impact it wants to make. "Corporate Purpose conciliates profit with the needs of the planet and people, allowing businesses to be the most powerful vehicle to create social change." (p.2)

> "… the notion of CSR focus on premises such as (a) being a "responsible" corporation; (b) compliance with the social and environmental standards; (c) being a

> good citizen and a generous company [27,39]. These premises are not related to the profitable activities of the corporation, rather a cost center activity [27]. Therefore, motivation to be a responsible company is separated from the core business activities. Consequently, CSR practice results exclusively in a trade-off for business and occasionally in redistributions of wealth [27,39]. Academic research [22,40], describes that CSR has played a communicative role in arbitrating corporation and societal relationships with fundamental conflict that requires alternative pathways such as Corporate Purpose. Other authors [41,42] stand on a similar perspective highlighting several constraints to create economic value from CSR. Consequently, in practice, CSR's reach is limited to minimum compliance requirements, and is highly related to philanthropy and brand image. In contrast, Corporate Purpose is embedded in the core business of a company to drive societal change determining how companies can make profit by responding to the needs of society." (Jimenez et al., 2021, p.5-6)

The limitations indicated by these authors regarding CSR partly correspond to a necessary process of evolution, where it must be increasingly interconnected with organizational strategy and culture. However, they also reflect a perspective that seeks to restrict CSR solely to the realm of profit-generating activities. This needs to be seriously discussed to ensure that the progress made so far does not end up disregarding, within the scope of CSR, the reflection on the distribution of wealth, in favor of reducing it to merely another means of generating wealth and nothing more.

In a more recent publication, Sarah Kaplan (2023) severely criticizes part of the signatories of the 2019 Statement on Corporate Purpose, in what she refers to as the use of "social responsibility" as a cover for damaging actions. According to the author, instead of actually repudiating shareholder primacy in favor of creating value for all stakeholders, those firms make socially desirable claims to maintain their legitimacy and their social license to operate.

> "Many of the signatories of the roundtable statement are companies that have aggressively sold addictive drugs, such as opioids; instituted mandatory arbitration for sexual harassment claims; offshored profits to avoid taxes; supported politicians who actively undermine women's rights, transgender people's rights, and civil rights; funded research to undercut claims about the dangers of fats and sugars; sold assault rifles; or sponsored pro-oil and coal ad campaigns. (...) Firms whose CEOs signed the statement had higher numbers of regulatory compliance violations,

> emitted more carbon, and relied more on government subsidies than firms whose CEOs did not." (Kaplan, 2023, p.289)

She raises a valid point, arguing that corporate purpose or social responsibility should not be viewed as a means for companies to regulate themselves. Relying on self-regulation could reduce the necessity for government policies and oversight by other stakeholders who act as legitimate representatives of public interests. "This 'self-regulation' can be a means for firms to shape choices so that they favor the corporate bottom line (profit). It also risks eroding democratic control in both the economy and society by corporatizing the public sphere (Rhodes and Fleming 2020, Goodman and Makinen 2023)." (Kaplan, 2023, p.290)

This warning is particularly relevant when considering the belief expressed in the preceding paragraph of the 2019 Statement, which underpins the neoliberalism perspective of the mentioned group of executives: "We believe the free market system is the best means of generating good jobs, a strong and sustainable economy, innovation, a healthy environment and economic opportunity for all." (Business Roundtable, 2019)

In listing these four recent contributions, we cannot overlook some similarities with earlier concepts, such as: the three ESG factors and the triple bottom line of planet, people, and profit; B Corps as an evolved application of what was once proposed as Corporate Social Performance; the idea of addressing people at the base of the economic pyramid with the perspective of solving social problems through shared value creation; and a shareholder primacy underlying both CSV and Corporate Purpose.

Carroll (2021), in his ongoing monitoring of the theoretical framework of CSR, finds in Munro's (2020) work an appropriate explanation of how recent developments are being integrated:

> "The key principles and themes for CSR 4.0 would include "purpose" as an essential priority; innovation, inclusion, and collaboration with all partners; identification, engagement, and co-creation with all stakeholders; shared and integrated value at a deeper level; deep transformation and networking in a new ecosystem; measurable Sustainable Development Goals (SDGs) with ongoing assessment and renewal; a systems orientation at the C-suite and employee level;

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and circular social missions with environmental loops." (Carroll, 2021 apud Munro, 2020, pp. 217–219)

Upadhaya et al. (2018), in their article examining the mediating role of organizational culture in the relationship between CSR and strategy, provide a concise list of activities that represent key dimensions of CSR.

> "The social dimensions of CSR encompass a wide range of activities, such as poverty alleviation, health care, contribution to charities, infrastructure development, health, safety and wellbeing of employees, and consideration of the interests of other stakeholders in decision making (Bansal, 2005; Torugsa et al., 2013). The environmental dimension includes measures aimed at limiting organizations' negative impact on the natural environment (i.e., land, water, and air), such as pollution control, recycling of waste materials, controls on emissions and toxic discharges, adopting environmental management systems, and promoting sustainable development (Bansal, 2005; Henri & Journeault, 2010; Torugsa et al., 2013). The economic dimension is related to increasing profit and remaining competitive in the market, and is considered of prime importance to organizations (McWilliams & Siegel, 2001)." (Upadhaya et al, 2018, p.111)

We find it useful to present the following table as a synthesis of the contributions from the four categories listed in this section. The table outlines CSR initiatives - some of which serve more as control indicators - organized by themes that highlight a company's key stakeholders and the factors influencing its sustainability and societal impact. As Rupp et al (2024) say:

> "Also needed are comprehensive taxonomies of CSR beneficiaries and initiative characteristics that could be used to study CSR impact more directly and with more nuance. This includes research mapping the types of initiatives comprising organizations' CSR portfolios, the extent to which indicators of success are preestablished for various types of programs, and the evaluation methods firms use to gauge impact. Together, such research would provide more direct guidance for organizations, nonprofit partners, communities, and policy-makers to engage with CSR more effectively." (Rupp et al, 2024, p.11)

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Table 3: Summary of CSR Initiatives

| Themes | Initiatives |
|---|---|
| *Employees* | Career training and development programs, financial security initiatives, employee health and wellness strategies, workforce satisfaction measures, fair compensation, employee ownership models, diversity and equal opportunity, support to individuals with barriers to employment, free labor and freedom of association. |
| *Customers* | Ethical marketing practices, customer health and safety, data privacy and security, feedback channels, development of shared value through addressing societal needs, and improvement of customer outcomes. |
| *Governance & Strategy* | Codes of conduct, transparency and disclosure, stakeholder engagement, executive pay and board diversity policies, anti-corruption measures, mission-driven governance structures, accountability mechanisms, integration of CSR into mission, vision and corporate strategy, long-term value creation for stakeholders. |
| *Value Chain & Cluster* | Supply chain management, redesigning logistics, supporting local suppliers, investing in public infrastructure, local cluster development initiatives, improving sustainable procurement practices, and fair trade sourcing. |
| *Society* | Poverty alleviation, support for disadvantaged communities and local economies, charitable giving, microfinance initiatives, fostering civic engagement, promoting education and skills training. |
| *Environment* | GHG emissions management, energy consumption and efficiency, air pollutants control, water usage and recycling, waste production and management (solid, hazardous), impact on biodiversity, innovation in environmentally friendly products and services, renewable energy, and conservation efforts. |

Source: Developed by the author based on contributions from UN Global Compact (2004), B Lab (2024), Porter and Kramer (2011), and Business Roundtable (2024).

The United Nations Global Compact - a UN initiative launched in 2000 - aims to encourage businesses worldwide to align with the 17 Sustainable Development Goals (SDGs), adopted by Member States in 2015 through the 2030 Agenda for Sustainable Development. Additionally, it indicates initiatives not fully covered in the framework above but still worthy of note: promote full and productive employment, reduce inequality within and among countries, ensure sustainable consumption and production patterns. (Cf. UN Global Compact, 2025)

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## 1.5. The CSR timeline and further reflections

Bringing together key contributions that have shaped the evolution of CSR over the past 70 years, we present the following timeline:

Figure 2: 70 Years of CSR Timeline




Source: Developed by the author.

In the evolution of the CSR concept, many answers have been offered to questions concerning the relationship between businesses and society. Not all were adequate, but many proved decisive. Below, we list a significant portion of these questions, aiming to ensure they remain part of organizational practice and research. Furthermore, we hope to deepen the understanding of the role of businesses in a time when humanity and nature face significant challenges, while technological and scientific progress continues to advance rapidly.

*How should the relationship between businesses and society be defined, or what is the role of a company in society? What are the impacts of a business on society? Is a company responsible only for protecting its surroundings, or should it also improve them? Should businesses have social responsibilities beyond their formal obligations? What are the ethical parameters in a company's relationship with its stakeholders? Is profit maximization the primary goal of a company? How can the social and environmental impacts of a business be measured? What is a company's environmental role? Is the solution to undertake entrepreneurial initiatives in the social and environmental fields? What should be the minimum acceptable standards for a company to operate with legitimacy today? How can investors demand these standards? Is it possible to move beyond short-term metrics to focus on long-term value creation? Should social responsibility depend on the business case, the feasibility of its returns?*

These important questions have guided the discussion on CSR over the years, but we believe they cannot provide the truly necessary answers to the significant issues of our time unless they are complemented by deeper questions of an anthropological nature.

We consider the awareness of the equal dignity of all human beings as a premise for enabling those who run businesses to become agents of social transformation, employing their unique vocation and the resources at their disposal. In this sense, social responsibility is better understood as an act of justice, ensuring that the primary needs of individuals are met, including the one that secures the future and provides opportunities for choice and dignified living conditions: property ownership - which should preferably be acquired through work.

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It is increasingly necessary for companies to incorporate social and environmental competence into their business practices. The deterioration of the global environment, which leads to greater social degradation - felt most acutely by the poor - demands a radical environmental sustainability approach that considers the impacts of production and consumption on water, air, land, and biodiversity. In other words, companies must acknowledge and respond to the economic roots of the ecological crisis. Moreover, the effects of contemporary lifestyle on mental health should not be overlooked.

For the creation of wealth to take on a fully positive meaning, it must be conceived in a broad sense and developed through economic relationships inspired by the pursuit of justice. Wealth, in its broad sense, encompasses not only capital but also technology and knowledge, and it must be intrinsically linked to the common welfare. In other words, it is real wealth when it fosters the prosperity of the communities involved, preserves nature for the present and future generations, and avoids causing harm to those unable to defend themselves.

Regarding fair economic relations, particularly in compensating for the contributions and risks that each stakeholder brings, we highlight an inspiring proposal from a document of the Catholic Church:

> “As creators of wealth and prosperity, businesses and their leaders must find ways to make a just distribution of this wealth to employees (following the principle of the right to a just wage), customers (just prices), owners (just returns), suppliers (just prices), and the community (just tax payments and other contributions to the community).” (DPIHD, 2018, p.19)

In the same publication, DPIHD (2018) outlines three practical ethical principles that businesses are encouraged to adopt: i. address genuine human needs through the creation, development, and production of goods and services (good goods); ii. organise good and productive work (good work); and iii. use resources to create and to share wealth and prosperity in sustainable ways (good wealth).

By analyzing the evolution of the CSR concept, we can affirm that the efforts undertaken by those who practice and study it are largely aimed at promoting justice

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in business relationships and positively impacting the external society in which they operate, including its habitat. However, this evolution often seems to fall short of the transformation demanded by the socio-environmental situation of our time, leading us to question whether there are missing points in this domain.

Establishing one or more gaps in a field that has received so many important contributions over seven decades would be a highly ambitious endeavor. At the same time, considering the reflection undertaken in this review, it seems appropriate to propose placing greater emphasis on the value of solidarity within organizations. What was previously named as the social orientation of a company, when viewed through the lens of solidarity, can offer an even deeper understanding of the human and social purpose of economic activities and wealth creation.

Solidarity, as a concept, reflects the interdependence among people. Derived from the Latin *solidus*, it conveys the understanding of being "whole, complete, total" in relation to others. As a principle of action, it arises from the recognition of the equal value of all human beings, involves an awareness of the duty everyone has toward society, and is expressed through initiatives aimed at overcoming inequalities and injustices.

Fremeaux, Grevin, and Sferrazzo (2023) conducted an empirical, multi-case study examining how a culture of solidarity develops within organizational settings. Through a comprehensive review of the literature, they conceptualized solidarity as a principle aimed at promoting the common good, ensuring that every individual has access to the goods and services necessary for a dignified life. Solidarity, they argue, goes beyond mere concern for others; it is rooted in a deep awareness of the interdependence that exists among individuals. Regarding the connection between the common good and individual well-being, they assert that

> “Like the common good principle (Melé, 2009), the solidarity principle supposes that the flourishing of the community can enhance the integral development and well-being of the individuals in that community (Guitián and Sison, 2022), thereby differing from the liberal principle of the individual pursuit of self-interest, naturally leading to the greatest aggregate good for all in society.” (Fremeaux et al, 2023, p.97)

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However, effective and lasting corporate solidarity is unlikely to arise without direct, first-hand knowledge of the reality faced by communities and individuals deprived of those basic conditions recognized as human rights. It is through the pursuit of greater closeness to those who are on the “margins” of society and in the perspective of universal fraternity that we believe greater outcomes in justice, solidarity, and true progress can be achieved. The same ethical foundation that grants human rights also demands social responsibility, ensuring their protection and accessibility for all.

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# CHAPTER TWO: Organizational culture fundamentals

Organizational Culture (OC) has become a central topic in management studies and organizational theory, reflecting the increasing recognition of its impact on performance, innovation, and employee commitment. As a dynamic and multifaceted concept, it encompasses the values, norms, and practices that shape the identity and functioning of an organization. Understanding its fundamentals is crucial not only for academic exploration but also for practical applications in navigating the complexities of contemporary business environments. This chapter seeks to explore the essential pillars of organizational culture, building on seminal contributions and perspectives that have shaped this field over the past decades.

In the business environment, the implementation of best management practices with a focus on organizational culture can have positive impacts on various levels. In the realm of people management, it promotes engagement, retention, satisfaction, and consequently, productivity at work. Companies with a well-defined organizational culture aligned with their business strategy tend to exhibit higher performance and resilience. They are also better equipped to respond to market changes when their cultures emphasize flexibility and adaptability. Moreover, an organizational culture can be developed to strengthen relationships with stakeholders and enhance external reputation or to foster the development of creative solutions, encouraging experimentation and continuous learning.

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## 2.1. The Rise of Organizational Culture Studies

The emergence of organizational culture studies coincides with the development of new socio-economic contexts at the end of the last century, notably: the globalization process, which exposed companies to different national cultures; the increase in mergers and acquisitions, making the topic of integration a priority in change management; and the impact of reengineering and downsizing practices. In recent years, additional changes in the labor market have been driven by the digital revolution, financial and health crises. Among these, the rise of remote work and the

growing emphasis on sustainability and social responsibility stand out. The integration of the latter with organizational culture is the focus of this thesis.

Deal and Kennedy (1982) made one of the most influential contributions to the field of organizational culture with their book Corporate Cultures: The Rites and Rituals of Corporate Life. This work was one of the first to popularize the concept of organizational culture as a critical factor for business success. Treating the concept as what lay underneath the rational-technical veneer of business or the inner workings of the informal network, a communication hub that almost always outperforms the official channels or the formal chain of command, they identified the following key components that constitute an organization's culture:

> "A robust culture in a cohesive enterprise is committed to a deep and abiding shared purpose. Its robustness is highly dependent on a unifying cultural tapestry woven over time as people cooperate and learn together. It is woven from the interplay of a set of interlocking cultural elements: History yields values. Values create focus and shape behavior. Heroic figures exemplify core values and beliefs. Ritual and ceremony dramatize values and summon the collective spirit. Stories broadcast heroic exploits, reinforce core values, and provide delightful material for company events." (Deal and Kennedy, 2000, loc.94)

A sixth component, described as the cultural network, refers to the informal yet critical social network within an organization through which employees share knowledge and build social capital. Deal and Kennedy (2000) also highlighted two factors that influence cultural patterns and practices: (i) the degree of risk associated with a company's core activities and (ii) the speed at which the organization receives feedback on the success of its decisions or strategies. In other words, how quickly an organization can make and implement decisions and how promptly it can determine whether those decisions and strategies were effective for its business.

Although the popularization of the concept was influenced by the previously mentioned authors, in this chapter we chose to highlight the work of three others to present the fundamentals of organizational culture and its integration with the categories of leadership and performance. The decision to focus on the works of Edgar Schein (1985), Geert Hofstede (1980), and Shalom Schwartz (1992) is based on their foundational contributions to the study of organizational culture. These

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scholars represent complementary perspectives that together provide a comprehensive understanding of cultural dynamics within organizations and their broader contexts.

Schein's Three-Level Model offers a deep insight into the internal structure of organizational culture by categorizing it into artifacts, espoused values, and underlying assumptions. His work is fundamental for understanding how culture is formed, sustained, and transformed within organizations. Hofstede's Cultural Dimensions, derived from empirical research on national cultures, bridge the internal dynamics of organizational culture with external, cross-cultural contexts. His model remains a cornerstone in global business studies and intercultural management. Schwartz's Theory of Universal Values enriches the discussion by connecting individual and societal values to organizational practices, highlighting the interplay between human behavior and cultural systems.

While other scholars have made significant contributions to the field, the works of these three stand out for their enduring influence and their ability to address cultural dynamics from multiple analytical levels: organizational (Schein), national (Hofstede), and individual/societal (Schwartz). This selection aligns with the objective of this chapter to provide a robust theoretical foundation before exploring more specific applications.

Argiolas (2014), presenting culture as the framework of organizational excellence, explains:

> “To know and understand the culture of an organization, of a company, means creating the appropriate conditions to guide its action over time; it means carefully considering the fundamental coordinates for consolidation or organizational change; it means equipping oneself with strategic and operational tools that are essential levers to direct it towards success.” (p. 33)

Goffee and Jones (1996), in an article for the Harvard Business Review, attempt to define corporate culture and explain the context in which the topic gained importance in organizational studies:

> “The organizational world is awash with talk of corporate culture - and for good reason. Culture has become a powerful way to hold a company together against a

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> tidal wave of pressures for disintegration, such as decentralization, delayering, and downsizing. At the same time, traditional mechanisms for integration - hierarchies and control systems, among other devices - are proving costly and ineffective. Culture, then, is what remains to bolster a company's identity as one organization. Without culture, a company lacks values, direction, and purpose." (Goffee, Jones. 1996, p.133)

Irimias and Pop (2022), in an analysis of 639 abstracts and 47 selected articles, found that corporate culture became a very popular subject in the management literature mainly after 1980. Especially between 1982 and 1996 "almost 80% of the models were published in an interval which represents 20% of the analyzed time frame (and has) changed at a slow pace after the middle of the nineties" (p.59). On identification with organizations' values they state "Poor culture exists where there is no human resource identification with the organization's values and where power has to be exercised through cumbersome procedures and bureaucracy" (p.56). In an attempt to define the term based on relevant contributions to this field of study, they say:

> "Research on organizational culture indicates that human resources perceive it as having unique characteristics that are stable over space and time but shared by the members of an organization (Oh & Han, 2020). Although individuals' perspectives on real world phenomenon are as numerous as the individuals who exert them, the perceptions of organizational culture converge to form a unitary system of thinking (G. J. Hofstede & Minkov, 1991), a complex set of norms and values that the group has learned while solving problems (Schein, 1985; Serrat, 2017). In other words, individuals at distinct levels of culture or at different hierarchical levels of the organization tend to agree on important aspects of culture, and the organization is seen as an entity through its organizational culture. New members are taught the right way to perceive, think and feel organizational culture (Schein, 1996). Despite the different definitions of organizational culture, there are a few common elements included by management scholars (Argyris & Schön, 1997; Heilpern & Nadler, 1992; Schein, 1985)." (Irimias,Pop. 2022, p.155)

Groysbrg et al. (2018) undertook a comprehensive study of organizational culture and outcomes to explore the link between them, integrating findings from commonly used social and behavioral models. They analyzed the cultures of more than 230 companies along with the leadership styles and values of more than 1.300

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executives across a range of industries, regions, and organizational types. Then, diagnosed those cultures using online survey responses from approximately 25.000 employees together with interviews of company managers.

Through a synthesis of seminal works by the authors presented in the next section, along with contributions from other leading scholars, four widely recognized attributes of organizational culture have been identified, published at HBR as “The leader’s guide do corporate culture”:

> “Shared. Culture is a group phenomenon (…) It resides in shared behaviors, values, and assumptions and is most commonly experienced through the norms and expectations of a group - that is, the unwritten rules.
>
> Pervasive. Culture permeates multiple levels and applies very broadly in an organization (…) It is manifest in collective behaviors, physical environments, group rituals, visible symbols, and legends.
>
> Enduring. Culture can direct the thoughts and actions of group members over the long term. It develops through critical events in the collective life and learning of a group (…)
>
> Implicit. An important and often overlooked aspect of culture is that despite its subliminal nature, people are effectively hardwired to recognize and respond to it instinctively. It acts as a kind of silent language.” (Groysbrg et al., 2018, p.4)

Their review of the literature for commonalities and central concepts revealed two primary dimensions that apply to most organizations: people interactions and response to change. According to them, understanding a company’s culture requires determining where it falls along these two dimensions.

> “People interactions. An organization’s orientation toward people interactions and coordination will fall on a spectrum from highly independent to highly interdependent. Cultures that lean toward the former place greater value on autonomy, individual action, and competition. Those that lean toward the latter emphasize integration, managing relationships, and coordinating group effort. People in such cultures tend to collaborate and to see success through the lens of the group.

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> Response to change. Whereas some cultures emphasize stability - prioritizing consistency, predictability, and maintenance of the status quo - others emphasize flexibility, adaptability, and receptiveness to change. Those that favor stability tend to follow rules, use control structures such as seniority-based staffing, reinforce hierarchy, and strive for efficiency. Those that favor flexibility tend to prioritize innovation, openness, diversity, and a long-term orientation." (Groysbrg et al., 2018, p.5)

The study of organizational culture has evolved significantly since its early conceptualization, reflecting the growing awareness of its critical role in shaping business success and adaptability. From the primary contributions of Deal and Kennedy (1982) to the nuanced perspectives of contemporary scholars, the field continues to expand, offering valuable insights into how culture influences people, processes, and outcomes. As this chapter progresses, the exploration of seminal works will provide a deeper understanding of the theoretical frameworks that underpin organizational culture, laying the groundwork for its integration with performance and leadership in broader contexts.

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## 2.2. Seminal works and key concepts

The study of organizational culture has been shaped by numerous influential scholars whose works have provided critical frameworks for understanding cultural dynamics within organizations. This section delves into the seminal contributions of three foundational thinkers - Edgar Schein, Geert Hofstede, and Shalom Schwartz - each of whom has profoundly influenced the field.

Edgar Schein, often regarded as the "father" of modern organizational culture, introduced the renowned three-level model, which categorizes culture into artifacts, espoused values, and basic assumptions. His work emphasized the pivotal role of leadership in both shaping and transforming organizational culture. Schein's seminal book, Organizational Culture and Leadership (1985), remains a cornerstone in understanding the mechanisms through which culture is created, maintained, and evolved within organizations.

Geert Hofstede brought a global perspective to the field with his development of the cultural dimensions model. This framework analyzes how cultural differences influence organizational behavior, particularly in multicultural and cross-border contexts. Hofstede's groundbreaking work, Culture's Consequences (1980), has become essential for studies on intercultural management and global business strategies.

Shalom Schwartz complemented these perspectives by introducing a model of universal values that explores how individual and societal values influence organizational practices. His research bridges the gap between individual behavior and cultural systems, providing insights into the interplay of values across organizational and societal levels. Schwartz's seminal article, "Universals in the Content and Structure of Values" (1992), further enriches the field by connecting universal human values with organizational dynamics.

These three scholars represent diverse but interrelated approaches to organizational culture, offering a comprehensive foundation for understanding its complexity. Their seminal works continue to guide both academic research and practical applications in the evolving landscape of organizational studies.

Edgard Schein (1984) presents the essence of a group's culture as its pattern of shared basic assumptions expressed through values, behaviors and other observable artifacts. He defines culture as a sequence of these common basic assumptions developed by the group as it solved external adaptation and internal integration issues that have worked well enough to be considered valid, and thus the new members are guided to perceive, think and incorporate into it.

> "Organizational culture can be analyzed at several different levels, starting with the visible artifacts - the constructed environment of the organization, its architecture, technology, office layout, manner of dress, visible or audible behavior patterns, and public documents such as charters, employee orientation materials, stories. (...) To analyze why members behave the way they do, we often look for the values that govern behavior, which is the second level. (...) However, in identifying such values, we usually note that they represent accurately only the manifest or espoused values of a culture. That is they focus on what people say is the reason for their behavior, what they ideally would like those reasons to be, and what are often their

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rationalizations for their behavior. Yet, the underlying reasons for their behavior remain concealed or unconscious. To really understand a culture and to ascertain more completely the group's values and overt behavior, it is imperative to delve into underlying assumptions, which are typically unconscious but which actually determine how group members perceive, think and feel." (Schein, 1984, p.3)

Table 4: Levels of Culture

| | |
|---|---|
| Artifacts | Visible organizational structures and processes (hard to decipher) |
| Espoused beliefs and values | Strategies, goals, philosophies (espoused justifications) |
| Underlying assumptions | Unconscious, taken-for-granted beliefs, perceptions, thoughts and feelings (ultimate source of values and action) |

Source: Developed by the author based on Schein, 2004, p.26.

The scholar has also examined how organizational leaders transmit their beliefs and values, creating conditions for cultural formation. Schein (2004) presents two lists, each containing six mechanisms through which cultural socialization occurs, with the first list representing the most prominent means for this purpose.

Primary embedding mechanisms: regular measurements and controls; leaders' reactions to critical incidents and crises; criteria for resource allocation; deliberate role modeling and teaching; principles of reward dispensation; and the way leaders select, promote, and dismiss.

Secondary reinforcement mechanisms: organizational design and structure; processes and procedures; rites and rituals; design of physical space; stories about important events and people; and formal statements of organizational identity.

Other mechanisms should be added to those mentioned, as they are part of the current routine in many medium and large-sized organizations, such as the content of internal communications, governance instruments, training programs, and employee evaluation methodologies. Schein (2004) also highlights that the importance of these mechanisms varies according to the stages of organizational maturity.

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Geert Hofstede (1980) is also responsible for seminal work in the field of organizational culture. In an earlier project, the author covered differences among national cultures using an existing data bank from a large multinational business corporation (IBM), covering comparable employee populations within national subsidiaries across 64 countries. The structure revealed by the IBM data comprised four largely independent dimensions reflecting differences in national value systems: power distance, uncertainty avoidance, individualism vs. collectivism, and masculinity vs. femininity. Later, two other dimensions of national culture were added to the theory: long term orientation vs. short term normative orientation, and indulgence vs. restraint.

According to him and his fellow researchers, as we find at hofstede-insights.com, the cultural dimensions represent independent preferences for one state of affairs over another that distinguish countries from each other. The cultural dimensions are described as follows:

> "Power Distance Index: This dimension expresses the degree to which the less powerful members of a society accept and expect that power is distributed unequally. The fundamental issue here is how a society handles inequalities among people.
>
> People in societies exhibiting a large degree of Power Distance accept a hierarchical order in which everybody has a place and which needs no further justification. In societies with low Power Distance, people strive to equalise the distribution of power and demand justification for inequalities of power.
>
> Individualism Versus Collectivism: The high side of this dimension, called Individualism, can be defined as a preference for a loosely-knit social framework in which individuals are expected to take care of only themselves and their immediate families.
>
> Its opposite, Collectivism, represents a preference for a tightly-knit framework in society in which individuals can expect their relatives or members of a particular ingroup to look after them in exchange for unquestioning loyalty. A society's position on this dimension is reflected in whether people's self-image is defined in terms of "I" or "we."
>
> Masculinity Versus Femininity: The Masculinity side of this dimension represents a preference in society for achievement, heroism, assertiveness, and material rewards for success. Society at large is more competitive. Its opposite, Femininity,

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stands for a preference for cooperation, modesty, caring for the weak and quality of life. Society at large is more consensus-oriented.

In the business context Masculinity versus Femininity is sometimes also related to "tough versus tender" cultures.

Uncertainty Avoidance Index (UAI): The Uncertainty Avoidance dimension expresses the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity. The fundamental issue here is how a society deals with the fact that the future can never be known: should we try to control the future or just let it happen?

Countries exhibiting strong UAI maintain rigid codes of belief and behaviour, and are intolerant of unorthodox behaviour and ideas. Weak UAI societies maintain a more relaxed attitude in which practice counts more than principles.

Long Term Orientation Versus Short Term Orientation: Every society has to maintain some links with its own past while dealing with the challenges of the present and the future. Societies prioritize these two existential goals differently.

Societies who score low on this dimension, for example, prefer to maintain time-honoured traditions and norms while viewing societal change with suspicion.

Those with a culture which scores high, on the other hand, take a more pragmatic approach: they encourage thrift and efforts in modern education as a way to prepare for the future.

Indulgence Versus Restraint: Indulgence stands for a society that allows relatively free gratification of basic and natural human drives related to enjoying life and having fun. Restraint stands for a society that suppresses gratification of needs and regulates it by means of strict social norms." (Hofstede et al, 2023)

National cultural dimensions offer a robust framework for understanding the deeply rooted societal values that influence individuals' behavior in the workplace. However, these authors also propose six additional dimensions to explain cultural differences between organizations. Some of these dimensions bear similarities to each other and do not constitute an exhaustive list of all cultural differences observable among organizations. Defining organizational culture as "the way in which members of an organization relate to each other, their work, and the outside world in comparison to other organizations", they summarize the organizational culture dimensions as follows:

“Dimension 1: Organisational Effectiveness. Means-Oriented VS. Goal-Oriented.

This dimension is closely connected to the effectiveness of the organisation. In a means-oriented culture, the key feature is the way in which work has to be carried out; people identify with the “how”. In a goal-oriented culture, employees are primarily out to achieve specific internal goals or results, even if these involve substantial risks; people identify with the “what”.

Dimension 2: Customer Orientation. Internally Driven VS. Externally Driven.

In a highly internally driven culture employees perceive their task towards the outside world as a given, based on the idea that business ethics and honesty matter most and that they know best what is good for the customer and the world at large. In a very externally driven culture the only emphasis is on meeting the customer’s requirements; results are most important and a pragmatic rather than an ethical attitude prevails.

Dimension 3: Level Of Control. Easygoing Work Discipline VS. Strict Work Discipline.

This dimension refers to the amount of internal structuring, control, and discipline. A very easygoing culture reveals a fluid internal structure, a lack of predictability, and little control and discipline; there is a lot of improvisation and surprises. A very strict work discipline reveals the reverse. People are very cost-conscious, punctual and serious.

Dimension 4: Focus. Local VS. Professional.

In a local company, employees identify with the boss and/or the unit in which one works. In a professional organisation, the identity of an employee is determined by his profession and/or the content of the job.

Dimension 5: Approachability. Open System VS. Closed System.

This dimension relates to the accessibility of an organisation. In a very open culture newcomers are made immediately welcome, one is open both to insiders and outsiders, and it is believed that almost anyone would fit in the organisation. In a very closed organisation it is the reverse.

Dimension 6: Management Philosophy. Employee-Oriented VS. Work-Oriented.

This aspect of organisational culture is most related to the management philosophy. In very employee-oriented organisations, members of staff feel that personal problems are taken into account and that the organisation takes responsibility for the welfare of its employees, even if this is at the expense of the work. In very work-oriented organisations, there is heavy pressure to perform the task even if this is at the expense of employees.” (Hofstede et al, 2023)

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This dual focus sets the stage for exploring organizational cultural dimensions in greater depth. These dimensions, unlike the value-based approach of national cultures, concentrate on the practices that define the day-to-day functioning of organizations. Understanding this distinction is crucial for diagnosing cultural challenges and leveraging organizational culture as a tool for strategic advantage.

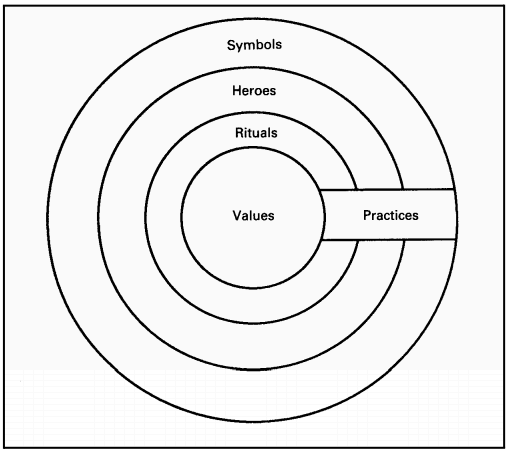
In a study on organizational cultures conducted in twenty units from ten different organizations in Denmark and the Netherlands, Hofstede et al. (1990) confirmed their hypothesis, based on data gathered from in-depth interviews and a questionnaire survey, that “organizational cultures are partly predetermined by nationality, industry, and task, partly related to organizational structure and control systems, and partly unique products of idiosyncratic features like the organization’s history or the personality of its founder” (Hofstede et al., 1990, p. 306).

In this article, the authors present a statement that, even three decades later, remains highly relevant to the field and is of particular significance to the present work:

> “U.S. management literature rarely distinguishes between the values of founders and significant leaders and the values of the bulk of the organization’s members. Descriptions of organizational cultures are often based only on statements by corporate heroes. In our case, we have assessed to what extent the leader's messages have come across to members. We conclude that the values of founders and key leaders undoubtedly shape organizational cultures but that the way these cultures affect ordinary members is through shared practices. Founders’ and leaders’ values become members’ practices.” (Hofstede, 1990, p.311)

Similar to what Deal and Kennedy (2024) identify as key elements and Schein (2004) describe as artifacts in the manifestation of organizational cultures, Hofstede et al. (1990) classified cultural manifestations into four categories: symbols, heroes, rituals, and values, as illustrated in the following figure.

Figure 3 : Manifestations of culture




Source: Hofstede et al., 1990, p.291.

> Symbols are words, gestures, pictures, or objects that carry a particular meaning within a culture. Heroes are persons, alive or dead, real or imaginary, who possess characteristics highly prized in the culture and who thus serve as models for behavior (Wilkins, 1984). Rituals are collective activities that are technically superfluous but are socially essential within a culture - they are therefore carried out for their own sake, In Figure 1, we have drawn these as the successive skins of an onion - from shallow, superficial symbols to deeper rituals. Symbols, heroes, and rituals can be subsumed under the term “practices”, because they are visible to an observer although their cultural meaning lies in the way they are perceived by insiders. The core of culture, according to Figure 1, is formed by values, in the sense of broad, nonspecific feelings of good and evil, beautiful and ugly, normal and abnormal, rational and irrational - feelings that are often unconscious and rarely discussable, that cannot be observed as such but are manifested in alternatives of behavior. (Hofstede et al, 1990, p.291)

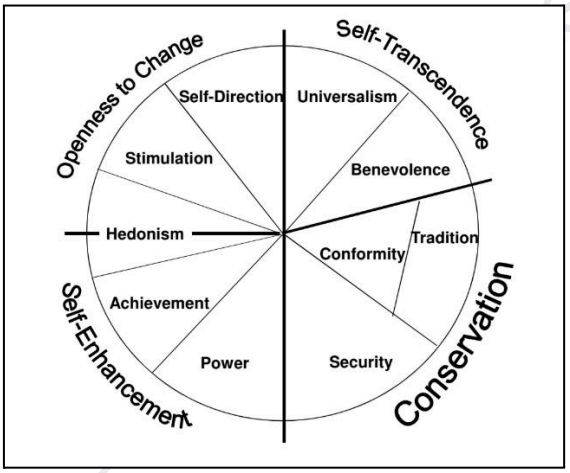
A third prominent scholar in the field of organizational culture, Shalom Schwartz (2012), presents a theory of basic human values that is worth mentioning in this work. His theory identifies ten fundamental personal values recognized across cultures. Findings from 82 countries, based on the Schwartz Value Survey (SVS), the Portrait Values Questionnaire (PVQ), and other methods, provide evidence for the theory's validity across cultures while highlighting significant differences in individuals' value priorities. Interestingly, however, the average value priorities of most societal groups tend to follow a similar hierarchical order.

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The value theory (Schwartz, 2012) adopts a conception of values that specifies six main features that are implicit in the writings of many theorists: (i) values are beliefs linked inextricably to affect; (ii) values refer to desirable goals that motivate action; (iii) values transcend specific actions and situations; (iv) values serve as standards or criteria; (v) Values are ordered by importance relative to one another; and (vi) the relative importance of multiple values guides action.

This theory, although not exclusively or originally applied to the organizational field, is highly significant for exploring the nature of one of the most fundamental concepts of culture: values and their interrelationships.

Figure 4: Theoretical model of relations among
ten motivational types of value.




Source: Schwartz, 2012, p.9.

> These values are likely to be universal because they are grounded in one or more of three universal requirements of human existence with which they help to cope. These requirements are needs of individuals as biological organisms, requisites of coordinated social interaction, and survival and welfare needs of groups. Individuals cannot cope successfully with these requirements of human existence on their own. Rather, people must articulate appropriate goals to cope with them, communicate with others about them, and gain cooperation in their pursuit. Values are the socially desirable concepts used to represent these goals mentally and the vocabulary used to express them in social interaction. (Schwartz, 2012, p.4)

We find the exclusion of Spirituality values present in earlier versions of the theory intriguing. The pursuit of ultimate meaning, spiritual life, transcendence

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beyond everyday reality, and inner harmony could constitute a distinct value separate from Universalism.

Findings of representative national samples from 37 countries, through the SVS and PVQ analyses, also showed that “the oppositions of self-transcendence (universalism, benevolence) to self-enhancement (hedonism, achievement, power) values and of openness to change (stimulation, self-direction) to conservation (security, conformity, tradition) values are virtually universally present” (Schwartz, 2012, p.12). This occurs because of

> “the fact that actions in pursuit of any value have consequences that conflict with some values but are congruent with others (...) Of course, people can and do pursue competing values, but not in a single act. Rather, they do so through different acts, at different times, and in different settings.” (Schwartz, 2012, p.8)

Regarding the relative importance of the ten values across societies: “In the vast majority of nations studied, benevolence, universalism, and self-direction values appear at the top of the hierarchy and power, tradition, and stimulation values appear at the bottom” (p.17). “It (this hierarchy) probably derives from the adaptive functions of values in maintaining societies and from our common human nature” (Schwartz, 2012, p.14).

The findings of the Schwartz Theory of Values are particularly relevant to this thesis, which addresses the integration of social responsibility into organizational culture. By highlighting Benevolence and Universalism among the most valued principles across numerous nations, these findings underscore the central role of corporate responsibility toward people and communities in shaping stakeholder expectations regarding organizational outcomes and relationships.

> “Benevolence values derive from the basic requirement for smooth group functioning (cf. Kluckhohn, 1951) and from the organismic need for affiliation (cf. Maslow, 1965). Most critical are relations within the family and other primary groups. Benevolence values emphasize voluntary concern for others’ welfare. (helpful, honest, forgiving, responsible, loyal, true friendship, mature love)
>
> This (Universalism) contrasts with the in-group focus of benevolence values. Universalism values derive from survival needs of individuals and groups. But people do not recognize these needs until they encounter others beyond the

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> extended primary group and until they become aware of the scarcity of natural resources. People may then realize that failure to accept others who are different and treat them justly will lead to life-threatening strife. They may also realize that failure to protect the natural environment will lead to the destruction of the resources on which life depends. Universalism combines two subtypes of concern—for the welfare of those in the larger society and world and for nature (broadminded, social justice, equality, world at peace, world of beauty, unity with nature, wisdom, protecting the environment).” (Schwartz, 2012, p.7)

This is still highly relevant to the field of organizational culture today because it provides a universal framework for understanding the values that drive individual and collective behavior. By identifying ten basic human values recognized across cultures, the theory bridges the gap between personal and organizational values, offering insights into how these values influence workplace behavior, decision-making, and cultural practices. This universality is particularly useful for organizations operating in multicultural environments, as it helps leaders align diverse teams around shared values while respecting cultural differences.

### 2.3. The relationship between organizational culture and leadership

Leadership and organizational culture are intertwined, shaping and reinforcing one another. While organizational culture establishes the shared values, norms, and behaviors that guide how work is performed and relationships are managed, leadership plays the role of cultivating, sustaining, and transforming this culture. Leaders act as cultural agents, with or without intention, influencing the beliefs and practices that permeate an organization.

Understanding this relationship is critical for exploring how culture both shapes and is shaped by leadership within organizations. Culture provides a framework of shared values and practices that leaders navigate, reinforce, or transform through their decisions and behaviors. This dynamic interplay influences not only employee engagement and performance but also the organization’s ability to adapt to external changes and challenges.

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Regarding the role of leadership in shaping an organization's cultural development, Schein (1997) states:

> “Leadership is originally the source of the beliefs and values that get a group moving in dealing with its internal and external problems. If what leaders propose works and continues to work, what once were only the leader’s assumptions gradually come to be shared assumptions. When a set of shared basic assumptions is formed by this process, it defines the character and identity of the group and can function as a cognitive defense mechanism both for the individual members and for the group as a whole.” (p.27)

According to Kargas and Varoutas (2015), the aforementioned academic also asserts that leaders shape culture during the initial stages of business creation but that, as the business matures, it is the culture that shapes leadership. In their analysis of the theoretical framework and the relationship between leadership and organizational culture, they present:

> “From a different perspective, there are researchers that give emphasis on the importance of leaders’ role on cultural development. Brooks (1996) claimed that leaders use their knowledge of organizational culture to affect change, while Chodkowski (1999) concluded that leaders’ behavior influences the perception of organizational culture among followers. Block (2003) concluded that the leadership of immediate supervisors is strongly associated with the cultural perceptions of employees, but failed to link transformational and transactional leadership with distinct cultural elements. In addition, Torpman (2004) recognized that leadership becomes a factor of organizational culture and is incorporated into the daily organizational routine, while Taormina (2008) explored whether leadership behaviors are predictors of organizational culture.” (Kargas and Varoutas, 2015, p.3)

It is worth noting that when discussing leadership, despite the significant influence of founders and top executives, the literature often includes the entire network of leadership, extending to the most operational levels. On the importance of culture and strategy for leadership, and the relatively lesser understanding of the former, Groysberg et al. (2018) state:

> “Strategy and culture are among the primary levers at top leaders’ disposal in their never-ending quest to maintain organizational viability and effectiveness. Strategy

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> offers a formal logic for the company's goals and orients people around them. Culture expresses goals through values and beliefs and guides activity through shared assumptions and group norms. (...) Leadership goes hand-in-hand with strategy formation, and most leaders understand the fundamentals. Culture, however, is a more elusive lever, because much of it is anchored in unspoken behaviors, mindsets, and social patterns. (…) They may lay out detailed, thoughtful plans for strategy and execution, but because they don't understand culture's power and dynamics, their plans go off the rails. As someone once said, culture eats strategy for breakfast.
>
> It doesn't have to be this way. Our work suggests that culture can, in fact, be managed. The first and the most important step leaders can take to maximize its value and minimize its risks is to become fully aware of how it works." (Groysbrg et al., 2018, p.3-4)

Hofstede et al. (2023) also agree that many managers fail to recognize the importance of organizational culture, focusing exclusively on strategy instead. Organizational culture, however, should be viewed as a vital tool for achieving organizational goals. Leadership, in turn, is one of the most critical aspects of any organization, as what leaders do and how they act sets expectations for both employees and customers. Leadership plays an especially significant role in shaping an organization's culture, influencing its direction and overall dynamics.

> "If, for instance, the employees are advised to follow strict guidelines and stick to processes but management is known for disregarding these same rules, it is not surprising that this contradictory behaviour trickles down. On the other hand, if leaders are known for living the organizational values, it is likely that employees will follow suit.
>
> It is important for leaders to be aware of how their behaviour is influencing the culture of their organization. Are they setting the right example? Do their actions align with the organizational values? These are important questions for leaders to consider." (Hofstede et al, 2023)

In a cross-sectional study on the relationship between organizational culture, leadership behavior, and job satisfaction, Tsai (2011) collected data through 200 questionnaires targeting hospital nurses in Taiwan. The results revealed a significant

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correlation between organizational culture and the other two categories. She explains:

> "Culture within an organization is very important, playing a large role in whether or not the organization is a happy and healthy place to work. Through communicating and promoting the organizational vision to subordinates, and in getting their acknowledgement of the vision, it is possible to influence their work behavior and attitudes. When there is good interaction between the leader and subordinates, there will be contributions to team communication and collaboration, and encouragement of subordinates to accomplish the mission and objectives assigned by the organization, which in turn enhances job satisfaction." (Tsai, 2011, p.8)

The Taiwanese professor emphasizes that the core values of an organization originate from its leadership, shaping the leadership style and influencing subordinate behavior. As leaders and subordinates align their actions, values, and beliefs, a strong organizational culture emerges. Leaders must appreciate their role in maintaining this culture, fostering consistent behavior, minimizing conflicts, and creating a healthy work environment for employees.

The relationship between organizational culture and leadership is deeply interconnected, with leadership both shaping and being shaped by cultural norms and practices. This section has drawn still on the seminal works of Schein and Hofstede, alongside contributions from more recent research, to explore the mechanisms through which leaders influence and are influenced by organizational culture. While Schwartz's theory of universal values offers valuable insights into the alignment of values and culture, it has not been included here as its focus lies more on individual and societal values rather than the direct interplay between leadership and culture. Understanding these dynamics provides a strong foundation for examining how these insights can be translated into practical applications within organizations to address contemporary challenges and opportunities.

### 2.4. Organizational culture, performance and commitment

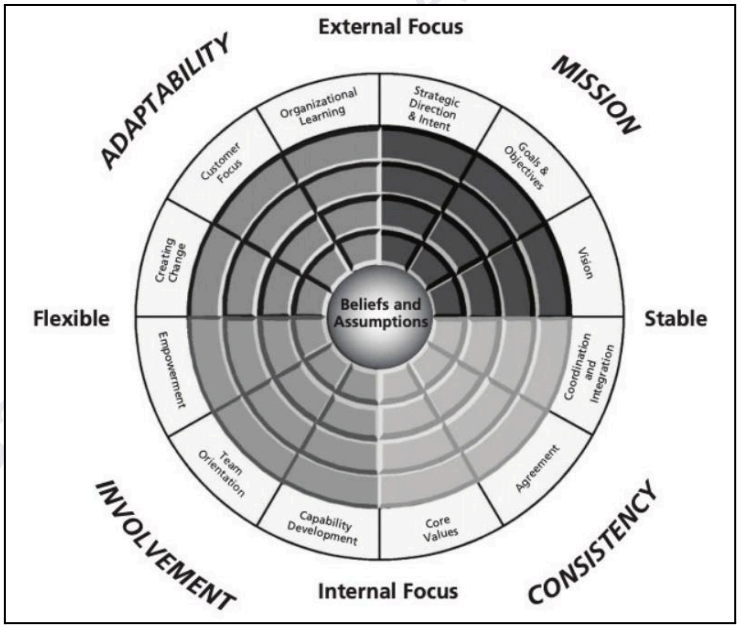
There is a growing recognition of the role organizational culture plays in driving performance, shaping how employees engage with their work and how

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organizations achieve their goals. We examine the connection between culture and performance, focusing on the Denison Model (2006), which provides a comprehensive framework for understanding how cultural traits influence organizational effectiveness. By exploring key dimensions, we gain insights into how culture directly impacts outcomes like productivity and innovation. To complement this analysis, we also delve into the critical role of employee commitment, drawing on Olayiwola and Akeke's (2022) research to highlight its significance in fostering a high-performing organizational environment.

Denison's model of organizational culture focuses on four traits that have been shown in the research literature to be linked to various measures of corporate performance: involvement, consistency, adaptability and mission. Each of these traits is measured with three component indexes. The validation of the model was, at first, based upon a sample of more than 35,000 individuals, from 160 different organizations.

Figure 5: The Denison Organizational Culture Model




Source: Denison et al., 2006, p.6.

"Like many contemporary models of leadership and organizational effectiveness, this model has focused on a set of tensions or contradictions (Denison, Hooijberg, & Quinn, 1996; Quinn & Cameron, 1988). For example, the trade-off between stability and flexibility and the trade-off between internal and external focus are the basic dimensions underlying the framework. In addition, the diagonal tensions in the

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> model are also important to understand. Internal consistency and external adaptability represent a well-known tension in organizational theory (Lawrence & Lorsch, 1967), while mission and involvement point to the inevitable tensions between top-down direction and bottom-up influence." (Denison et al., 2006, p.9)

Building on the foundation established by Schein (2004), which posits that beliefs and assumptions are the deepest level of culture, Denison (2006) places them at the center of his model. For him, beliefs and assumptions about the organization, its employees, customers, marketplace, and industry, as well as the purpose of the firm, create a tightly woven logic that binds the organization together. Values and behavioral norms are directly connected to these underlying assumptions.

The cultural traits used by the author are concepts previously developed in the organizational studies literature that appear to influence corporate performance and effectiveness. The model serves to integrate these concepts, develop a set of valid measures, and apply them as a foundation for a cultural diagnostic process. Regarding performance indicators, the model specifies that high levels of external focus are associated with innovation, sales growth, and market share; high levels in the stability quadrant are linked to profitability; internal focus is connected to quality and employee satisfaction; and, finally, flexibility is tied to creativity and customer satisfaction.

> "The survey-based measures of organizational effectiveness used in this study give good support to the idea that the culture of an organization is closely related to organization performance. (...) this general finding suggests that culture may be regarded as a form of social capital which, in principle, should show a "return" over time. Organizational cultures without the traits described in this model, of course, would be more likely to present an organization with a negative return." (Denison et al., 2006, p.20)

Denison's Model should be used with caution, as it simplifies the complexity of organizational culture into just four traits, potentially overlooking the nuanced dynamics of diverse organizations. Additionally, its reliance on quantitative measures, such as surveys, may neglect qualitative elements like symbols, stories, and rituals, which are equally important in shaping an organization's identity. The model also assumes a causal relationship between culture and performance, leaving

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it unclear whether strong cultures drive performance or if high performance fosters strong cultures. Despite these concerns, it remains a significant tool for understanding organizational culture, offering valuable insights and encouraging further exploration.

Regarding the trait of involvement in the OC model, Denison et al. (2006) state the research literature “has shown that effective organizations empower and engage their people, build their organization around teams, and develop human capability at all levels. Organizational members are committed to their work, and feel a strong sense of ownership.” (p.6) We believe it is relevant, still within the topic of performance, to delve deeper into one of the behavioral indicators most closely linked to productivity and, therefore, deserving of attention in organizational culture studies: employee commitment.

According to O’Reilly (1989), organizational commitment is “an individual’s psychological bond to an organization, including a sense of job involvement, loyalty, and belief in the value of the organization” (p. 17), and it involves three phases: compliance, identification, and internalization. In the first phase, employees accept the influence of others in the company in exchange for extrinsic rewards such as compensation. In the second phase, employees accept this influence to maintain a self-defining relationship with the company. Finally, in the internalization phase, employees perceive that the company’s values align with their personal values, which becomes intrinsically rewarding for them.

When Argiolas (2014) presents culture as the framework of organizational excellence, he provides a very useful explanation that can also serve as a definition for employee commitment:

> “It is of utmost importance that the members of an organization have a high degree of participation in decision-making; that there is consensus among the members of the organization on the core values that guide the way of being and acting within the organization; that there is the ability to adapt to internal changes and environmental changes; that there is a purpose that 'keeps members focused on what is important to the organization' (Champoux 2011, 83).” (Argiolas, 2014, p.36)

Olayiwola and Akeke (2022) conducted a study with 269 employees from three aviation companies in Lagos State, Nigeria, to explore the relationship between

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employee commitment and four components of organizational culture: reward system, communication, teamwork, and management support. These components were drawn from a study by Naser (2016, as cited in Olayiwola and Akeke, 2022), which reported that only these dimensions have a significant impact on employee commitment. While this list may be considered incomplete, the study's findings are valuable for understanding the importance of cultivating organizational culture management to enhance key business performance indicators.

The aforementioned authors introduce the meaning and importance of employee commitment as follows:

> "The level of employee commitment and loyalty to their jobs can be reinforced through positive organizational culture which is usually evident in employees' feelings of pride, social interconnectedness, entertainment and honour (Al-Roweitei, 2004; Agwu, 2013). Over the years, employee commitment had been a major focus in management and business research due to its capability and potentials of influencing labour turnover, performance and employee productivity. Acquah et al. (2020) observed that the willingness of employees to remain with a company can be measured by their level of commitment. Thus, employee commitment reflects the belief employees have in the vision, mission and goals of the organization which in effect can be applied towards striving for goals and objectives achievement (Newstrom, Davies, 2002; Niacker, 2008)." (Olayiwola, Akeke. 2022, p.51)

In their literature review, they provide additional contributions to clarify the concept of organizational commitment "as the sense of continued association with the organization by an individual, appreciation of the values and goals of the organization and willingness to help the organization achieve those goals and values" (Pareek, 2004 apud Olayiwola and Akeke, 2022, p.56) and "a desire on behalf of the company to exert high levels of effort, to remain a part of a given organization and the confidence in the beliefs and value of the company and its goals." (Luthans, 1995 apud Olayiwola and Akeke, 2022, p.56)

> "Organizations should ensure that policy measures are put in place to guarantee that organizational culture dimensions are significantly improved upon in organizations in order to promote employees' commitment. Through this employees are motivated to provide quality service to the organizations and nation in general. Organizations should carry out a periodic audit of the organizational culture

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> dimensions in order to identify area(s) for improvement on one hand and also to appraise employees' commitment in order to enjoy highly motivated work forces that will guarantee quality service for the general public." (Olayiwola, Akeke. 2022, p.65)

The Nigerian researchers also link employee commitment, and consequently organizational culture, to communication and training practices, but this relationship will be addressed in the subsequent section.

### 2.5. Organizational culture development: strategies and tools

To conclude this chapter, it is essential to highlight key organizational practices that foster the development of a company's culture. This development encompasses both the alignment of employee behavior with the organization's strategic objectives and core competencies, as well as the cultural adaptation necessary for navigating change processes in response to evolving market demands.

What we describe here as development can also be understood as alignment, facilitation, or even management. However, it is crucial to exercise caution, as management typically applies to tangible aspects, whereas culture encompasses a broad range of intangible elements that require a more nuanced approach. It is necessary to recognize the limitations of an instrumental approach to a dynamic and multifaceted phenomenon, as well as to maintain an ethical stance regarding initiatives aimed at aligning employee values and behaviors with organizational interests. Various tools for measuring organizational behavior - such as climate or culture - are available on the market, but all ultimately simplify the complexity of reality. Culture is better understood than controlled, and while the intentional effort to comprehend it cannot be relegated to a secondary priority by leaders, it continuously evolves autonomously based on social interactions.

Several aspects of the profound changes over the past fifty years have already been mentioned, underscoring the necessity and growing interest in organizational culture and its practical applications. The intensification of globalization - driven by market liberalization, the expansion of multinational

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corporations, advancements in transportation and communication, and heightened competitiveness - has created unprecedented demands for business adaptation. This pressure has been further amplified by the prevalence of mergers and acquisitions.

From the 1990s onward, practices such as reengineering and outsourcing gained traction, significantly reshaping organizational environments. The work of scholars like Hofstede (1990) became instrumental in navigating this evolving landscape. Additionally, the digitalization of work, now integral to nearly all professional fields, presents both challenges and opportunities. The coexistence of digital natives with those less accustomed to technology requires careful management, while also contributing to greater organizational diversity.

Beyond these internal transformations, businesses are also facing increasing societal demands to integrate sustainability into their core operations. This movement challenges long-standing cultural norms and practices, pushing organizations to rethink their fundamental approaches to business.

The use of effective strategies and tools to constructively manage organizational transformations - and even to initiate change - is essential in light of all that has been presented. It enables companies to adapt to market shifts and embrace innovation while maintaining their core identity. Behavioral measures and organizational culture diagnostics, such as Denison's model (2006), provide a foundational understanding for the strategies that can subsequently be implemented.

Many of these strategies stem from the field of people management, particularly internal communication practices, training programs, and reward systems. Regarding the first two, we cite below what Olayiwola and Akeke (2022) have to say:

> “Employee commitment cannot be effective to the extent of contributing very well to the achievement of an organization if there is little or no effective communication. This means that the levels of both horizontal and vertical communication must be taken seriously for the efficiency of operation in an organization. If need be, let there be decentralization depending on the structure of the organization to allow free flow of communication from the top to bottom as well as from one functional level to the

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other, this encourages smooth operation and relationship within the organization and between persons (Miller, 1993). It reduces noise and other irrelevant things that are capable of truncating the goal of the enterprise. Effective communication enhances commitment and brings job satisfaction at all levels of the organization." (Olayiwola, Akeke. 2022, p.59)

"Training and development can be defined as the process of providing employees with new skills or supporting those deficiencies in correct performance (Poh, 2001). Past research studies have provided substantial evidence that training and development foster skills advancement and lead to greater commitment, well-being and sense of belonging, thus directly enhancing the company's competitiveness (Acton & Golden, 2000). Bartlett (2001) investigated the association between employee attitudes towards training and organizational engagement with a study of 337 registered nurses from five hospitals, using the social exchange hypothesis as a guide for the relationship research. He found that the perceived access to training, the social impact of training, the incentive for learning and the perceived benefits of training lead to organizational commitment in a positive way. An efficient training and development plan will create more favorable attitudes and loyalty for staff, according to Cherrinton (1995), and enable employees to strengthen and promote themselves. Furthermore, Deming (1986) emphasized the importance of training and growth for continuous updating and improvement, identifying one source of human motivation at work as intrinsic motivation: the desire to grow; to learn and to improve oneself. Cherrington (1995) also found that most learning environments are profoundly improved due to the satisfaction and commitment associated with the production of new knowledge or skills." (Olayiwola, Akeke. 2022, p.55)

In addition, the principles and processes surrounding personnel selection, performance evaluation, and even termination play a crucial role in shaping and communicating organizational values to employees. Equally significant are governance mechanisms, the formulation and implementation of organizational strategy, and the various leadership practices that influence the company's cultural framework.

Buarque (2008) outlines the benefits that learning practices bring to organizations, emphasizing that beyond their instrumental applications for specific objectives, they cultivate a continuous need for adaptability, innovation, and growth. Among the advantages he highlights are adaptation to change, stress reduction,

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improved decision-making, increased performance efficiency, fewer organizational errors, greater potential for behavioral change, and enhanced effectiveness in strategic action. In a study on software development companies, Buarque (2010) further underscores the value of experiential learning, emphasizing the effectiveness of workplace-based learning practices that use daily tasks as primary educational tools.

Still within the field of organizational culture, a well-known theoretical framework developed by Kotter (2007) is the “8-step process for leading change.” This work also highlights many of the strategies and tools already mentioned, reinforcing their importance in the development of organizational culture. He emphasizes that many managers overlook the fact that transformation is a gradual, multi-stage process rather than a singular event. Each phase builds upon the previous one, and meaningful change often unfolds over several years.

According to him, the process for leading change, in order to achieve its objectives, must follow these 8 steps:

1. Establish a sense of urgency.
2. Form a powerful guiding coalition.
3. Create a vision.
4. Communicate the vision.
5. Empower others to act on the vision.
6. Plan for and create short-term wins.
7. Consolidate improvements and produce more change.
8. Institutionalize new approaches.

From the early stages of the change process to its final phases, the renowned professor advises the use of management strategies and tools such as communication channels, management education, regular meetings, and other personnel management practices. The following two quotes provide further confirmation of this point:

> “In more successful transformation efforts, executives use all existing communication channels to broadcast the vision. They turn boring, unread company newsletters into lively articles about the vision. They take ritualistic, tedious

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quarterly management meetings and turn them into exciting discussions of the transformation. They throw out much of the company's generic management education and replace it with courses that focus on business problems and the new vision." (Kotter, 2007, p.6)

"Two factors are particularly important in institutionalizing change in corporate culture. The first is a conscious attempt to show people how the new approaches, behaviors, and attitudes have helped improve performance. When people are left on their own to make the connections, they sometimes create very inaccurate links. (...) Helping people see the right connections requires communication. (...) The second factor is taking sufficient time to make sure that the next generation of top management really does personify the new approach. If the requirements for promotion don't change, renewal rarely lasts." (Kotter, 2007, p.8)

Developing and sustaining an organizational culture aligned with strategic goals requires deliberate and structured efforts. A variety of strategies and tools are available to leaders and managers to influence, reinforce, and align cultural practices within an organization. These tools not only support the internalization of desired values and behaviors but also enable the effective integration of culture into broader organizational processes, such as strategy execution, governance, and leadership interactions. The following table presents key strategies and tools for organizational culture development, offering definitions and practical examples for their application.

Table 5: Strategies and tools for organizational culture development

| Practices | Definition | Examples |
|---|---|---|
| 1. Behavioral Measures and Cultural Diagnostics | Tools and methods used to assess and understand organizational culture and its alignment with strategic goals. | Surveys, interviews, focus groups. |
| 2. Internal Communication Practices | Channels and strategies to disseminate cultural messages and align the organization, including all other communication channels. | Intranet, newsletters, digital platforms. |
| 3. Training and Development Programs | Structured programs aimed at instilling desired cultural behaviors and competencies across the organization. | Workshops, onboarding training, leadership development programs. |
| 4. Recognition, Promotion, and Rewards Processes | Systems designed to reinforce cultural values through public recognition, career advancement, | Public recognition programs, merit-based promotions, bonuses. |

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| | | |
|---|---|---|
| | and reward structures. | |
| 5. Selection, Evaluation, and Termination Processes | Processes that ensure alignment of recruitment, performance evaluation, and offboarding with organizational culture. | Behavioral interviews, performance appraisals, structured exit processes. |
| 6. Governance Tools | Mechanisms to ensure organizational culture is maintained through compliance, ethics, and accountability frameworks. | Code of conduct and ethics, governance indicators, compliance policies. |
| 7. Strategy Definition and Execution | Involves the explicit declaration of organizational identity in mission, purpose, vision, and values, as well as integrating these into strategic maps and plans. | Mission statements, vision documents, strategy maps. |
| 8. Leadership Interactions | Includes intentional leadership efforts and everyday interactions and decisions aligned with the desired culture. | Speeches, narratives, ceremonies, feedback, team meetings, resource allocation criteria. |

Source: Developed by the author.

With this list, we aim to demonstrate the variety of tools available to leaders for the demanding task of consolidating or transforming organizational culture - a responsibility from which none can be exempt. In practice, all these activities, in the way they are carried out, reflect the values and principles of the organization and its leaders. It is up to the latter to use them in an integrated manner, aligned with the chosen strategic direction.

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# CHAPTER THREE: Towards Corporate Social Responsibility and Organizational Culture Integration

CSR, as a manifestation of business ethics rooted in the recognition of human dignity and a corresponding commitment to solidarity, receives from an Organizational Culture (OC) intentionally designed to convey and reinforce the values of benevolence and universalism the social capital necessary to develop processes and implement programs - taking on responsibilities - with increasing socio-environmental impact. According to Floris (2012), this social capital can be understood as the formation of bonds and groups around specific tasks within a network of formal and informal relationships, facilitating shared knowledge in the pursuit of common goals. In return, CSR enhances stakeholder willingness to commit, engage, and express satisfaction, particularly among employees. This dynamic becomes especially effective when supported by the strategies and tools discussed in the previous chapter.

The figure below illustrates this dynamic:

**Conceptual model 1: OC-CSR Integration**




Source: Developed by the author.

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The proposed model illustrates the integration of these two categories under analysis from a mutual benefit perspective, facilitated by the application of management strategies and tools. These strategies were outlined at the end of the previous chapter. In this chapter, we focus on reviewing the literature that specifically explores the relationship between organizational culture and corporate social responsibility. Another way to describe this circular relationship is by framing it in terms of organizational culture antecedents - what organizational culture contributes to the successful implementation and development of social initiatives - and CSR outcomes - what CSR returns to the organization and its culture, particularly through positive attitudes that can significantly enhance business performance.

There are three scenarios in which this model may not function as proposed: (1) when the underlying culture is misaligned with the described framework, meaning that the cultural elements, declared values, and core beliefs - particularly those of the leadership - do not align with benevolence, universalism, and a people-oriented approach; (2) when the cultural heritage is not effectively communicated or developed through established and proven strategies in this field; and (3) when corporate social responsibility initiatives lack sufficient impact to meet stakeholder expectations, given the company's size, capacity, and social commitments.

Aguinis et al. (2024), a prominent voice in the field of CSR, highlight in a recent publication the importance of studies that integrate CSR with variables such as behavior and culture.

> “Historically, CSR research has focused on organizational-level factors that address environmental and social issues and the firm's resulting financial performance, with much less focus on individual-level factors. (…) However, a newer stream of research has considered how individual-level variables (that is, individual behaviour) influence and are influenced by CSR. (…) the emergence of this body of work comes from the realization that the actual creation and implementation as well as results of CSR initiatives are directly affected by how individuals not only inside but also outside the organization perceive, engage with and react to CSR.” (Aguinis et al., 2024, p.219)

Understanding organizational culture traits as antecedents is essential for assessing their impact on CSR adoption and strategic integration. Scholars have

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explored how cultural factors shape the implementation of CSR initiatives, emphasizing the role of leadership values and a people-oriented culture, particularly the values of benevolence and universalism. Research consistently underscores that organizational culture is a key determinant of a company's commitment to social responsibility efforts. Studies have aimed to identify the cultural dimensions that either facilitate or hinder CSR integration, offering insights into the intricate relationship between culture and social business practices.

### 3.1. Organizational culture antecedents

This section explores key cultural dimensions, including people orientation, and their influence on CSR decision-making processes. It also examines the role of leadership in fostering a culture that supports CSR initiatives. These insights offer a comprehensive foundation for understanding how organizational culture can both facilitate and challenge the pursuit of social responsibility.

In a study conducted by Upadhaya et al. (2018), 132 Nepalese companies were examined to explore the mediating role of organizational culture in the relationship between CSR and strategy. The study found, for instance, that a culture of “respect for people” is crucial for the successful integration of CSR into organizational strategy.

> “Prior studies suggest that culture can influence the adoption of CSR (Linnenluecke & Griffiths, 2010; Visser, 2008). In particular, the respect for people dimension of culture, which values fairness, tolerance, respect for individual rights, and being socially responsible can be expected to follow fair work practices both within and outside the organization and engage in fair trading and ethical business practices. It can be argued that managers who respect their team members or employees will also value other stakeholders, such as customers, suppliers, investors, and the general public.” (Upadhaya et al, 2018, p.113)

The researchers also highlight that relatively little attention has been given to examining the role of organizational culture in the adoption of CSR and emphasize the differences between developing and developed countries.

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> "The priority of CSR in developing countries may include poverty alleviation, health care, education, infrastructure development, electricity, and drinking water, whereas CSR in developed countries is more likely to focus on issues such as fair trade, the green economy and climate change issues (Visser, 2008; Lockett et al., 2006)." (Upadhaya et al, 2018, p.110)

On this matter, Waldman et al. (2006), in a longitudinal study analyzing 561 firms across 15 countries on five continents, reported the following results:

> "The results show how managers in wealthier countries are clearly less inclined to think about the welfare of the greater community or society in their decision-making. Perhaps they focus their attention 'closer to home' in terms of shareholders/owners, while leaving greater community or societal concerns to the government or other institutions. In contrast, in poorer countries, managers may feel more of a personal responsibility toward the community and society at large, especially as governmental institutions or other agencies in such countries may be less able to deal with these concerns." (Waldman et al, 2006, p.833-834)

Peters et al. (2009), in turn, argue that for a company - particularly its CEO - to act in a socially responsible manner, the primary determinants are personal values, stakeholder culture, and environmental munificence (or scarcity). Focusing on the first of these:

> "researchers have also turned to individual values to help explain and predict the ethical disposition of employees as well as managerial proclivity toward ethical and CSR decision-making. (...) With specific respect to managers, authors have long argued that the value ascription of those with decision-making authority in organisations contribute to the social responsibility of their respective firms (Wood, 1991; Drumwright, 1994; Swanson, 1995; Hood, 2003; Hemingway and MacLagan, 2004)." (Peters et al., 2009, p.41)

We have already presented in the previous chapter Schwartz's (2012) theory on basic human values and his definition of self-transcendence values: benevolence and universalism. Below is how Peters et al. (2009) address their role in CSR decision-making.

> "In addition, persons rating high on benevolence value their communities, natural environments (Grunert and Juhl, 1995; Karp, 1996) and those who they perceive as belonging to their 'in-groups' or social circles. (...) Because CSR requires both an

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acknowledgement of stakeholder interests as well as a willingness to protect and enhance these interests, we posit that any value that promotes cooperative behaviour and a facilitation of the welfare of others will positively impact CEO–CSR decision-making. Since, CEOs that ascribe highly to benevolence are already predisposed to fostering the good of multiple stakeholders, we predict that they will be more likely to act in a socially responsible manner.

Individuals who subscribe to universalism tend to value social justice, equity and world harmony (Schwartz, Sagiv and Boehnke, 2000). They are committed to the common good of society, and feel morally obligated to protect the interest of both people and the natural environment (Axelrod, 1994). They see the world as a single community and therefore, unlike benevolence, distinguish less between in-groups and out-group members. Because of this holistic approach to stakeholder obligation, we expect CEOs high on universalism to consider and fulfil the interests of multiple stakeholders equally. Since there is less likelihood of stakeholder prioritisation, we also expect the influence of universalism to be greater than that of benevolence." (Peters et al., 2009, p.42-43)

The scholars observe that because benevolence primarily safeguards the interests of groups with which individuals interact most frequently, this prioritization influences the relationship between this value and pro-CSR decision-making, which is further moderated by organizational and environmental factors. In the case of universalism, which is "closely infused with morality and self-sacrifice, we expect organisational and environment determinants to be less deterministic of their impact on willingness to implement CSR" (p.44). They also analyze the implications of 'power' as a value but argue that, while "the first two values emphasised the social dimension of CSR, power focuses on the instrumentality of CSR to the firm. The CEO who values power will implement CSR to gain social legitimacy and, corresponding control over stakeholders" (p.44).

Karassin and Bar-Haim (2016) refer to 'environmental factors' as 'institutional-level' factors and found that regulatory demands and financial institutions - among other stakeholders - are strongly associated with CSR decision-making.

"Regulatory demands: The finding is consistent with the fact that corporate responsibility is not derived exclusively from internal mechanisms and motivations,

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but also brought about by external regulatory pressure (Lenox and Nash, 2003; Bansal, 2005; Williamson et al., 2006).

Financial institutions: This finding is generally consistent with the literature regarding the positive influence financial institutions may exert on firms to advance CSR in general and CER in particular, as a form of risk reduction (Scholtens, 2006).” (Karassin, Bar-Haim, 2016, p.117-118)

And also:

“Various aspects of corporate governance have been shown to affect CSR (Gill, 2008). Ownership structures that tend toward openness, such as those with independent directors, show a positive relationship with CSR performance (Johnson and Greening, 1999). Positive relationships with CSR have also been documented for long-term institutional ownership (Neubaum and Zahra, 2006), top management equity (Johnson and Greening, 1999), and dispersed ownership structures (Li and Zhang, 2010).” (Karassin, Bar-Haim, 2016, p.114)

Using a sample of 11 Israeli firms, comprising 412 workers and 54 managers, the aforementioned scholars examined the effect of key variables on the prevalence of CSR, with a particular focus on Corporate Environmental Responsibility (CER), as they termed it. The study analyzed variables across three levels: institutional, organizational, and individual. The findings indicated that the most significant factors influencing CSR were organizational culture and managers' behaviors and attitudes toward CSR, both of which fall under the organizational level.

Regarding the influence of employees in the initial implementation of CSR, they state “individual level variables were found to be insignificant in relation to CER.” (p.117).

“Arguably, attitudes of managers towards CSR could be included in the individual level since managers, like other employees, are individuals. Their attitudes may be shaped through “organizational socialization” and can be modified by organizational values (Van Maanen and Schein, 1979). Yet, we have decided to include managers' attitudes as well as behaviors in the organizational level, as CSR research has shown the direct effect managers have on establishing organizational practices of CSR compared to other individual employees.” (Karassin, Bar-Haim, 2016, p.113)

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Their findings suggest that managers' stated motivations, attitudes, norms, and declared actions regarding CSR are indeed aligned with actual performance. “This finding is consistent with theoretical postulations and empirical findings concerning the importance of managerial norms and attitudes as drivers of CSR and of sustainability in firms.” (Karassin, Bar-Haim, 2016, p.118). The scale used was based on attitudes and behaviors such as collecting information related to the firm's social and environmental performance, utilizing various strategies to advance social and environmental goals (monetary, organizational, moral, personal), and the perceived existence of a norm expecting managers to meet social and environmental performance goals alongside economic and operational objectives.

Waldman et al. (2006) examined cultural and leadership variables associated with the corporate social responsibility values that managers incorporate into their decision-making processes. As results they show how CEO visionary leadership and integrity were uniquely predictive of such values. “We define leader integrity behavior as (1) being open and sharing critical information with followers; (2) keeping one’s word; and (3) serving the interests of followers, rather than oneself” (Waldman et al, 2006, p.827). Additionally, the national cultural dimensions of institutional collectivism and power distance also serve as predictors of certain social responsibility values among top management team members.

> “Values are likely to be enduring over time. Based on the work of Shamir et al. (1993), we propose that the vision and integrity of a leader will indeed enhance the social responsibility values of followers, especially pertaining to shareholders and other stakeholders… beyond the effects of national cultural values.” (Waldman et al, 2006, p.828)
>
> Our findings suggest that managers in cultures valuing institutional collectivism value most aspects of CSR in the decision-making process. Such cultures encourage delaying immediate needs or gratification for future concerns and priorities, and they promote thinking about how managerial actions pertain to the concerns of the larger collective or society. (...) As articulated by Sankar (2003), integrity may be an under-researched variable in the leadership literature. Indeed, when we analyze CSR stakeholder values and shareholder/owner values, both vision and integrity are significant, unique predictors. Leader integrity is perhaps associated with other, more tangible types of organizational outcome, such as the

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> reduction of business costs (Thomas et al., 2004). Future research might examine the extent to which CSR values mediate the relation between leader integrity and various firm-level outcomes." (Waldman et al, 2006, p.834)

In a theoretical paper, Hemingway and McLagan (2004) analyzed three key drivers of CSR decision-making: corporate image management, the integration of a global workforce, and managers' personal values. The latter contrasts with the first two, which appear to align more with a business instrumental approach.

> "An underlying assumption is that the commercial imperative is not the sole driver of CSR decision-making in private sector companies, but that the formal adoption and implementation of CSR by corporations could be associated with the changing personal values of individual managers. These values may find expression through the opportunity to exercise discretion, which may arise in various ways. It is suggested that in so far as CSR initiatives represent individuals' values, so the 'responsibility' in evidence is less obviously 'corporate'. Our emphasis on personal initiative is intended to counter a tendency to view the corporation as the agent, and may serve to remind us that individuals can, indeed, make a difference." (Hemingway, Mclagan, 2004, p.33)

They also propose two key dimensions for analyzing CSR in practice. The first dimension pertains to motivation - whether CSR aligns more closely with a commercial strategy or an altruistic/idealistic objective. The second dimension concerns the locus of responsibility - whether CSR is primarily driven at the corporate or individual level.

> "Can a corporation be regarded as a moral agent, or should moral action be acknowledged as the behavior and responsibility of the individual? The answer to this question, in particular cases, may help to determine whether the values, motives and actions leading towards CSR initiatives are essentially attributable to specific individuals, or are better understood as corporate. (…) Similarly, in the context of CSR, Maclagan (1999, p44) asserts that to establish responsibility in organizations, one must '... consider the values, motives and choices…' of those involved in policy formulation. (…) It would seem, however, that where individuals are clearly championing CSR, there is a question raised as to whether attributing these initiatives to the corporation is valid. (…) While CSR is most commonly explained in terms of the strategic commercial interest of the organization (image and reputation management, the manipulations of stakeholders and the integration

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> of the organization into its host community) this is not always the case. Where individual managers can exercise influence, they may initiate or change specific projects in order to address their personal moral concerns. Thus, evidence that individual managers do champion social responsibility, as opposed to simply acting as agents of corporate policy, may inspire or remind employees that they can 'make the difference' in an organization without a formally adopted CSR culture." (Hemingway, Mclagan, 2004, p.40-41)

It could also be argued that the motivation for engaging in CSR is always driven by some kind of self-interest, as "it is always difficult to tell whether behaving ethically towards external stakeholders is prompted by altruism or self-preservation" (Rollinson, 2002 apud Hemingway, Mclagan, 2004, p.34). Nevertheless, they hypothesized that executives' personal values and interests in a particular social cause can be a motivating factor for CSR, and "a new, younger generation of managers is emerging, educated to the needs of their fellow citizens and the planet and anxious to do the right thing" (Wilson, 2002 apud Hemingway, Mclagan, 2004, p.38).

### 3.2. CSR outcomes

The impact of Corporate Social Responsibility on organizations extends beyond external reputation and compliance; it deeply influences internal dynamics, including employee commitment, organizational identity, and customer perceptions. Scholars have explored various approaches to CSR, assessing its effectiveness in fostering genuine relationships and driving sustainable business success. This section delves into the consequences of CSR by examining theoretical perspectives and empirical findings, emphasizing the role of organizational virtues, strategic integration, and the emotional attachment of stakeholders. By understanding these dynamics, businesses can better align their CSR initiatives with their core values and long-term objectives, ensuring both authenticity and effectiveness.

Chun (2016), in the Harvard Business Review article titled "What Aristotle Can Teach Firms About CSR," presents three philosophical approaches that companies use to guide their ethical actions. These approaches are rooted in the teachings of philosophers Jeremy Bentham, Immanuel Kant, and Aristotle himself.

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> “The German philosopher (Immanuel Kant) argued people should act out of moral obligations. Say you see someone begging for money on the street and you don’t feel compassion for that person. You will help anyway, because you feel you have a duty to, or that it is the right thing to do. That’s coming from public pressure, but not from your true respect or empathy for that person. Corporate social responsibility efforts have this disconnect, too.
>
> Another corporate approach which is more dominant is Jeremy Bentham’s utilitarian way. The English philosopher argued a unit-based approach; as long as the outcome is bigger than the input, the action is justified. Profit-driven organizations see CSR from the utilitarian perspective as a way of gaining a business advantage or to recover from a reputation loss.
>
> The problem with most corporate social responsibility efforts is that these duty-based and utilitarian approaches are essentially based on rationality, albeit with contrasting motivations. The company is there to make money, but it also tries to appear to meet the public expectation of acting ethically. To customers and employees, that can simply come across as calculating and superficial. That’s why the CSR activities often don’t ring true.” (Chun, 2016)

The author advocates for the Aristotelian approach as the most appropriate for CSR, emphasizing the development of a virtuous character that ultimately leads to happiness. She explains that, according to Aristotle - and applying his philosophy to CSR practices - success in life is not achieved by directly pursuing it, but rather by living virtuously. For companies, this translates to consciously acting in a virtuous manner, as it represents the only true path to meaningful and sustainable progress.

To support her hypothesis, Chun (2016) conducted a survey with 2,500 employees and customers from five British service sector companies, aiming to identify the relationship between organizational virtue and satisfaction through identification, defined as emotional attachment to the company. The study found a positive correlation between organizational virtue and the following virtues: integrity, empathy, zeal, conscientiousness, warmth, and courage.

> “My findings suggest two organizational virtues are key for this. For employees, identification with a firm is driven most significantly by integrity (such as being honest, trustworthy). For customers, identification with the company is driven chiefly by empathy (such as being concerned, reassuring). In other words, when employees perceive an organization to hold high integrity, this leads to employee

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> identification. This emotional attachment then leads to satisfaction, and eventually differentiation (unique attributes that employees perceive as better than competing employers). Similarly, when customers perceive an organization to show strong empathy, it enhances their emotional attachment to the company. This leads to satisfaction and eventually differentiation. The emotional attachment is the important mediator of CSR success." (Chun. 2016)

She suggests that for a company to adopt CSR in a way that fosters empathy and organizational integrity among customers and employees, it should integrate CSR initiatives into its corporate strategy - since isolating CSR within a separate department may send a negative signal. Additionally, she emphasizes the importance of periodically reviewing the alignment between communicated CSR efforts and those implemented in practice, as CSR initiatives must continuously reflect the evolving reality of the organization. She further adds: "A global firm that won multiple CSR industry awards but has poorly perceived integrity and empathy by stakeholders should not be surprised when consumers decide to disidentify themselves by buying less, or worse, boycotting the brand altogether" (Chun, 2016).

Regarding this last statement, it can be affirmed that companies are increasingly recognizing the need to respond to society's evolving expectations. However, they must do so 'from the inside out' - genuinely and authentically - otherwise, the outcome may be counterproductive. The widespread access to information has reached a level where it is difficult to disguise insincerity. Marketing can no longer work the miracles it once did unless it communicates what is truly authentic about the company. It is no longer sufficient for companies to merely engage in socially responsible initiatives that are disconnected from their strategy; they must embrace a socially conscious mindset.

J. Kim et al. (2016), based on a survey conducted with data collected from 310 employees of a casino company in South Korea, indicate a positive relationship between CSR and organizational commitment:

> "Confirming previous CSR studies conducted in other contexts (Maignan et al., 1999; Maignan and Ferrell, 2003; Peterson, 2004), the positive effect of CSR can be explained by SIT (social identity theory) which suggests employees reinforce their self-esteem and augment their self-image by identifying themselves with their

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company when it is known for its social responsibility (Ashforth and Mael, 1989; Pratt, 1998; Tajfel and Turner, 1985).” (J. Kim et al, 2016, p.30)

Aguinis et al. (2024), aiming to enhance the understanding of the interconnections between CSR and individual behavior, categorized existing research into three broad constructs particularly relevant to the individual level of analysis - perceptions, attitudes, and behaviors - explained as follows: CSR perceptions refer to individual-level perspectives on what an organization is or is not doing in terms of CSR, as well as evaluative judgments about the level of CSR activity; CSR attitudes encompass emotions and beliefs that arise specifically in response to an organization’s CSR efforts - or the absence thereof; CSR behaviors, on the other hand, are actions directly related to an organization’s CSR strategy and initiatives.

Regarding CSR perceptions specifically, it is worth including the authors' explanation that

> “involve individuals evaluating an organization’s effort, resources allocated to CSR, opportunities for participation in CSR initiatives and the firm’s authenticity in carrying out activities in the name of social responsibility (as opposed to covertly serving its self-interest). CSR perceptions also involve cognitions surrounding how fairly an organization treats both its internal and external stakeholders, as well as individual assumptions about an organization’s motives for engaging in CSR, such as profit-seeking, corporate relations or ethicality.” (Aguinis et al., 2024, p.221)

In their review, they identified studies highlighting various factors that impact the three individual-level categories mentioned. These include examples such as positive attitudes toward an organization’s volunteerism program, which increased employees’ organizational identification and subsequently influenced their intentions to remain loyal to the firm (i.e., not quit). Similarly, the active involvement of middle managers in CSR initiatives was shown to create a cascading effect throughout the organization, encouraging employees to engage in CSR behaviors not explicitly included in their job descriptions.

The exploration of CSR consequences emphasizes the profound influence of ethical corporate practices on internal relationships and organizational outcomes. As research demonstrates, CSR initiatives that are authentically integrated into

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business strategy can significantly enhance stakeholder commitment, engagement, satisfaction, and overall organizational differentiation. However, the effectiveness of CSR depends on its alignment with core values, and its ability to foster genuine stakeholder engagement. Companies that adopt a strategic, inside-out approach to CSR are better positioned to achieve sustainable success and societal impact.

### 3.3. Further considerations on the integration

To fulfill their social, environmental, and economic responsibilities, some organizations integrate CSR into their core business strategies, while others adopt a more superficial approach, restricting their efforts to occasional philanthropic activities. McWilliams and Siegel (2001) define CSR as actions that appear to advance social good beyond the firm's interests and legal obligations. Increasingly, CSR is also being recognized as a strategic tool that enables organizations to differentiate their products, foster strong relationships with stakeholders, enhance their reputation, boost employee morale, access new markets, and achieve a competitive advantage.

In this study, our primary focus was on the internal audience of the organization and how they engage with and through corporate social responsibility. Further research is needed to explore other stakeholder categories, particularly customers – the most important external group for a company. On this matter, Upadhaya et al. (2018) state:

> "It follows that CSR can be an integral part of organizations' differentiation strategy as customers value CSR attributes (McWilliams & Siegel, 2001; McWilliams et al., 2006). Examples include product innovation, in which customers value products that contain social and environmental attributes, and process innovation, where customers value the goods that are produced in a socially responsible manner (McWilliams & Siegel, 2001). Accordingly, many organizations differentiate their products by offering unique social and environmental attributes, such as engaging in fair trading practices, prohibiting child labor (Epstein & Roy, 2003; Bansal, 2005), supporting local communities, promoting diversity in the workplace (McWilliams & Siegel, 2001), minimizing negative impacts on the environment, and disposing of waste responsibly (Bansal, 2005). However, in order for organizations to make CSR

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> differentiation successful, the role of corporate communication, such as publication of annual reports, is important as it will help raise consumer awareness about CSR practices (McWilliams & Siegel, 2001).” (Upadhaya et al, 2018, p.111)

The findings and discussions presented in this chapter highlight the intricate relationship between corporate social responsibility and organizational culture. A well-aligned organizational culture can significantly enhance the successful integration of CSR initiatives. Conversely, CSR efforts can reinforce and shape cultural attributes by fostering stakeholder commitment, employee engagement, and overall organizational differentiation. While this chapter has primarily focused on the internal dynamics of CSR and culture, it is important to acknowledge that such integration is expected to yield broader implications, potentially influencing organizational performance and productivity. The effectiveness of this integration, however, depends on strategic alignment, the authenticity of initiatives, and the organization’s ability to meet stakeholder expectations. Moving forward, organizations must adopt a holistic approach, ensuring that their CSR efforts are deeply embedded within their cultural frameworks to achieve sustainable business success and broader societal impact.

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# CHAPTER FOUR: A multiple case study of Economy of Communion companies

This chapter presents the methodological approach used to investigate how Corporate Social Responsibility is integrated into the organizational culture of companies within the Economy of Communion (EoC) movement. It begins with an overview of the EoC, outlining its origins, principles, and distinctive approach to profit allocation, which serves as a critical foundation for understanding the companies selected for this study.

A qualitative multiple case study design was chosen to explore these dynamics in depth, focusing on three companies from Brazil, Italy, and Belgium. The chapter details the data collection methods - semi-structured interviews, focus groups, and observations - and the thematic analysis process, illustrating how patterns and themes were identified to reveal the interplay between CSR and organizational culture. The chapter concludes by demonstrating, through the findings, how CSR is embedded within the organizational frameworks of the studied companies.

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## 4.1. Economy of Communion (EoC)

Founded in 1991, following a visit by Chiara Lubich, founder of the Focolare Movement[1], to São Paulo, Brazil - where she witnessed the stark contrast between skyscrapers and favelas, symbolizing social inequality and the suffering of countless people -, she proposed to the members of the movement accompanying her the idea of creating businesses where profits would be freely shared, ensuring that those within the movement who were experiencing hardships could have their basic needs met. This proposal quickly evolved into a system for allocating profits in three

[1] The Focolare Movement is an ecclesial movement within the Roman Catholic Church founded in 1943 by Chiara Lubich. Its mission is to promote unity among people and foster a sense of universal brotherhood. Originating during World War II, today, the Focolare Movement is present in 182 countries, with permanent centers in 87 of them. It includes Christians from 350 different Churches and ecclesial communities, as well as members of other religions and individuals with no religious affiliation, all of whom share the movement's spirituality and objectives in various ways. (focolare.org)

specific directions, as will be detailed later, and over time, the project expanded to include individuals in need and entrepreneurs outside the movement, reaching various parts of the world. According to the Brazilian website of the movement, there are currently 970 businesses adhering to EoC (edc.com.br/quemsomos).

The 'Identification Card' of the EoC outlines, among other aspects, the movement's aspiration to contribute

> "in giving life to businesses which they feel as their mission to eradicate social injustice so as to help build an economic system and a human society of communion, (... and) in creating new wealth and jobs with creativity and innovation, and sharing of profits for the goals of the EoC Project, even beyond the environment of its interested carriers." (EoC, 2025)

The request to adhere to the EoC by individuals and institutions should be followed by requirements such as:

> "Openness to allot business profits, when they are present, according to the three goals of the project, which are: (1) a concrete help to the poor, (2) the formation of "new men and women", (3) development of the business and/or distribution to associates;
> Inspires the governance of the business by fraternity;
> Understands and lives in relationship with persons in situations of poverty on a level of dignity, substantial equality, respect, reciprocity and communion;
> Considers the business and/or action as a place or instrument to reduce poverty and injustice, both at the local and global level." (idem)

In organizational contexts, the claim that "governance should be inspired by fraternity" is not easily understood. Since this is not a category typically examined in management studies, we will turn to political theory and theology to clarify its meaning and, later on, suggest how it may open new horizons for deeper exploration.

> "Fraternity can be understood as a horizontal relationship between free and equal subjects, who recognize in one another a common origin and belonging that precede any subsequent rule. Their actions are such as to recognize, respect, and promote each one's distinct identity, and to restore conditions of freedom and equality whenever these have been undermined." (Baggio, 2019, p.5)

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Coda (2007) further recalls that fraternity is a category of Judeo-Christian origin, one that rejected the prevailing divisions of its time: the religious division between Jews and Greeks, the social division between slaves and free persons, and the anthropological division between men and women. He emphasizes that fraternity, understood in this way, asserts itself as the fullest expression of social relationships. This view aligns with Baggio (2019), who also characterizes fraternity as an anthropological structure that defines the human being - one that impels individuals toward responsibility for the other, that is, the ability to respond for one's brother, and as a foundational condition of social life. Thus, fraternity may be described as a fundamental quality of relationship, in which social norms are preceded by the recognition of human commonality - of shared origin and belonging. It requires respect for individuality and freedom, in the pursuit of the common good.

Bruni (2014), one of the leading scholars and promoters of the Economy of Communion, explains the tasks in which the movement's businesses are encouraged to engage as follows:

> “1. Contribute to a fair economic system by using profits to promote development programs and by starting companies with goals beyond profit-making.
>
> 2. Create jobs, foster productive inclusion, and support community development (poverty means above all exclusion from productivity, the community, and society).
>
> 3. Fight extreme poverty and promote a new “culture of giving”.” (Bruni, 2014, p.37)

He also states that one of the key messages from which current politics and economies can significantly benefit is the idea of addressing poverty and inequality through relational goods and labor. Relational goods are intangible assets that arise from interpersonal interactions, fostering well-being and cooperation (Gui, 2013). Due to the centrality of this argument and the author's significance to the Economy of Communion, we let his words speak for themselves:

> “Although sometimes caused by a lack of income and wealth, their origin (poverty and inequality), and therefore their solution, is not economic but rather relational and social (…) If we do not first heal and rebuild relationships, the necessary interventions in income, public goods, and meritorious goods will remain ineffective (…) In the EoC this experience of embracing (the poor) is lived by giving tangible assistance through communitarian experience and, above all, by not resting until

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> the poor are offered jobs in EoC businesses through concrete productive inclusion (…) In the past few decades, inequality has been growing at a greater rate. The EoC calls on companies to share their profits in a daring project to foster a more equal and brotherly economy and society. In fact, true brotherhood or fraternity comes only with an equal distribution of wealth and income, and therefore of capabilities, rights, and freedoms (…) In these times of crisis, they (entrepreneurs) must use their talents and entrepreneurial vocation to combat poverty and exclusion by creating new forms of work (…) We should not forget that the crisis in which we are living derived not from business profits but from the financial speculation (…) Today, combating poverty means fighting unemployment (labor poverty)." (Bruni, 2014, p.38-40)

We would like to highlight that viewing profit through the lens of three distinct objectives fundamentally transforms its role in business - from being an ultimate goal to serving as a means to broader ends. Due to its profound connection with Corporate Social Responsibility, we will dedicate the remainder of this section to examining how this multifaceted approach to profit allocation not only reshapes business practices but also strengthens the integration of social and ethical values within organizations.

The standard business model, which measures its effectiveness by the profit generated and considers it the ultimate goal, evolves to at least another level, which is further divided into three, highlighting the multiplicity of an organization's purpose. This perspective of profit as a 'requirement' for business integrates both the viewpoint of those who consider it a key indicator of the efficient use of organizational resources and the satisfaction of human needs, and the perspective that the true goal of a company goes beyond profit maximization.

The function of profit in EoC enterprises can be understood through three key dimensions, corresponding to these designated purposes for its distribution within the movement. The first function of profit is to ensure the competitiveness and development of the business itself, reinvesting it in activities that promote sustainability, which inherently includes a social perspective by guaranteeing the maintenance and, at times, the creation of job opportunities. The second function is the redistribution of wealth for the common good, and it is noteworthy that within the EoC, this redistribution takes place through non-welfare initiatives based on the

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principles of subsidiarity and mutual care, aiming to empower individuals and communities rather than fostering dependency. The third function of profit is to support educational initiatives through courses, meetings, and publications that foster a culture aligned with the movement's guiding principles, such as solidarity, gratuitousness, and reciprocity. Reciprocity is understood as the economic behavior "to which transfers cannot be dissociated from personal relationships. In other words, the objects of exchange are not detached from the subjects who create them" (Zamagni, 2014, p.49).

Furthermore, when analyzing the function of profit within EoC, companies can be understood as (i) a working community, where individuals collaborate toward shared goals; (ii) an integrative agent, serving the broader community and contributing to societal well-being; and (iii) a cultural environment, where individuals internalize and practice ethical values and behaviors inspired by the movement's principles.

Regarding the implications of this model for the functions of wealth redistribution and cultural formation, Leite (2007) writes:

> "In contemporary society, and especially since the 1930s, the State has been conceived as the ideal-typical place for collective interests, that is, the realm of the "public" or even of solidarity. The experience of the Economy of Communion presents elements that contradict this dichotomous model of social order because, through its practice, it demonstrates that it is possible to use the market as a tool for public purposes. Rather, it shows that the market can be utilized not only for the efficient production of wealth but also as a means to redistribute it according to certain equity parameters. Until now, the State has been regarded, within our culture, as the primary institution responsible for redistribution.
>
> The EoC, by affirming that the market - under very particular conditions - can become a tool to strengthen social ties by promoting both the distribution of wealth and the creation of an economic space capable of fostering regenerative values such as trust, cordiality, and benevolence - values on which the market often depends -, aims to support our hypothesis that the EoC challenges the obstacles imposed by the current economic order to establish, within it, a new balance between capital and labor." (Leite, 2007, p.238-239)

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The EoC proposal also preserves the model of the entrepreneur as an ‘innovator’ rather than a ‘speculator’, a figure prevalent in today's financial capitalism, which prioritizes the ultimate goal of profit maximization, reducing the entire corporate life to this single objective. Additionally, it emphasizes the moral dimension inherent in every type of economic activity - whether in financing, production, or consumption - since these processes are always intrinsically linked to human beings, their relationships, and their needs.

> ““Aiming at a higher goal” – a goal greater than profit – while not “rejecting profit”, represents the great challenge facing today’s business leaders who are seriously concerned to promote the common good and development – business leaders, in other words, who see their activity as a task and a vocation. The exclusive pursuit of profit proves inadequate as the economy and society nowadays have to deal with new challenges, including the environment, “common goods” and globalization.” (Bertone, 2011)

We can further illustrate this topic with a study published by John Gallagher and Jeanne Buckeye, conducted on 12 U.S. and Canadian companies affiliated with the EoC movement. The research includes a section dedicated to the theme of ‘leadership and profit distribution’, highlighting the commitment of the examined companies to this principle while also presenting complex challenges, such as the frequency and employee participation in profit distribution.

> “If there is a model among EoC enterprises regarding the frequency of profit redistribution, it is that they make specific redistribution decisions on an annual basis, coinciding with the end of each calendar or fiscal year. Many companies also decide to redistribute profits twice a year, particularly in June and December.
>
> Certainly, there is great consideration for people within the corporate culture of EoC enterprises, often expressed through explicit yet informal articulations of the value attributed to individuals and relationships. However, at the same time, profit redistribution decisions tend to exclude others. From a leadership perspective, it can be argued that full and open participation in profit redistribution decisions represents an opportunity to further strengthen key values (and thus reinforce the corporate culture) while also serving as a means to put these values into practice in terms of communication and celebration.” (Gallagher & Buckeye, 2014, pp. 150-153)

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The profit-sharing model within the Economy of Communion is also rooted in the tradition of Civil Economy and its three regulatory principles for a social order. "The exchange of equivalents, the redistribution of wealth, and gift as a means of reciprocity. Societies develop harmoniously when all three principles are active and well combined, preserving this triadic structure." (Bruni and Zamagni, 2004, p.23). These principles respectively ensure, within a socio-economic system, efficiency, equity, and social cohesion, fostering a fabric of trust and public faith.

Finally, profit, understood as a fundamental requirement of corporate life, serves specific functions within the Economy of Communion: fostering organizational development and addressing the needs of society, particularly those most at risk. For this reason, it is essential to promote the values of a culture of fraternity and to educate men and women committed to this purpose. “The sharing of profits thus emerges as the ultimate expression of a life of communion, which is reflected in the entire way of being of the enterprise, both in its internal and external dimensions” (Argiolas, 2009, p.339). The way profit is managed within the EoC reflects an anthropology that views the human person as the center and ultimate purpose of economic and social life, aligning with broader efforts to humanize the economy.

The choice to conduct this research within companies adhering to the Economy of Communion movement stems from their recognition of social commitment as an essential part of their identity. This commitment is expressed through their mission, strategic plans, and a sustained dedication to fostering a culture of sharing and communion, as well as allocating resources for this purpose. That is, they adopt a model that surpasses the current standard regarding Corporate Social Responsibility.

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## 4.2. Research Methodology

*Research design*

This study seeks to answer the research question: **How does the choice of having a social purpose become part of corporate culture? Does it reflect and shape organizational identity, or does it remain an external, secondary commitment?**

While some organizations integrate social responsibility deeply into their values, decision-making processes, and stakeholder relationships, others may adopt it as a superficial or externally motivated initiative. Understanding whether and how a social purpose becomes an intrinsic component of corporate culture is crucial for assessing its long-term sustainability and impact. This research explores the mechanisms through which companies internalize or marginalize their social commitments, shedding light on the factors that influence the depth of CSR integration and its role in shaping organizational identity.

We employed a qualitative research design, specifically adopting a multiple case study approach, to explore the integration of corporate social responsibility and organizational culture within three selected companies. The qualitative approach is well-suited for this research, as it enables an in-depth exploration of participants' perceptions, behaviors, and contextual factors that influence CSR practices within different organizational settings. A multiple case study design allows for comparisons across different organizational contexts, providing rich, context-dependent insights.

The chosen qualitative methodology is justified by the study's objective to achieve a comprehensive and interpretative understanding of how CSR initiatives are embedded within organizational culture. Given the dynamic and socially constructed nature of organizational culture (Schein, 2004), a qualitative approach allows for capturing deeper insights that go beyond mere numerical representation. As noted by Janicijevic (2011), qualitative research is particularly effective in organizational culture studies, as it captures the subjective meanings and shared beliefs that shape corporate practices.

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In the context of CSR, where initiatives often stem from intrinsic values and leadership-driven efforts, qualitative methods facilitate an exploratory investigation into how it is perceived, communicated, and internalized across different organizational levels. This aligns with previous studies that have employed qualitative methodologies to examine CSR implementation in various cultural settings (e.g., Visser, 2008), further reinforcing the relevance of this approach.

The case study design was chosen due to its ability to provide an in-depth and holistic analysis of CSR integration within organizational culture. A case study is particularly appropriate for investigating complex social phenomena within their real-life context (Yin, 2018). This method allows the researcher to examine the phenomenon in its natural setting, gaining insights from multiple perspectives and sources of evidence. Furthermore, a qualitative case study approach provides flexibility in exploring the interplay between CSR initiatives and cultural elements such as values, leadership styles, and employee engagement.

Given that organizational culture and CSR are multifaceted constructs, a multiple case study design was employed to enhance the reliability and richness of it. This approach facilitates comparative analysis across different companies, enabling the identification of common patterns as well as unique contextual variations.

The use of multiple cases, rather than a single case study, enhances the study's validity and generalizability within the context of qualitative research. The inclusion of three companies across different sectors and geographic locations (Brazil, Italy, and Belgium) provides a broader perspective on how CSR is embedded within different cultural frameworks. According to Eisenhardt (1989), multiple case studies allow for the triangulation of data, ensuring that findings are more robust and credible through cross-case comparisons.

Triangulation is achieved through the use of multiple data sources - semi-structured interviews, focus groups, and direct observations - enabling a comprehensive understanding of the phenomenon under investigation. The combination of these data collection methods helps to mitigate biases and provides deeper insights into the organizational dynamics that influence CSR adoption.

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*Selection of cases*

The selection of cases in this study was conducted to ensure a well-rounded understanding of how organizational culture influences the integration of Corporate Social Responsibility initiatives. The study focuses on three medium-sized companies, each with distinct operational characteristics yet unified by a shared commitment to social responsibility through the Economy of Communion movement. As previously mentioned, the movement is characterized by its emphasis on fostering business models that balance economic performance with social solidarity, directing a portion of profits to initiatives aimed at alleviating poverty and promoting social inclusion.

The selected companies operate in diverse sectors and are located in three different countries - Brazil, Italy, and Belgium. Each organization employs between 50 to 70 employees, contributing to a manageable yet representative sample for a qualitative multiple case study. The companies' core business areas include:

- Precision Mechanics: This company specializes in the distribution and servicing of high-precision mechanical products, serving a niche market with stringent quality demands.
- Enteral Nutrition Production: Operating in the healthcare sector, this company focuses on the manufacturing and commercialization of nutritional products designed for medical use.
- Household Installations: Providing solutions for residential installations, including energy-efficient systems, plumbing, and domestic appliances.

Despite their sectoral differences, all three companies align with the EoC principles, voluntarily committing a significant portion of their profits to fund social projects. These projects address a wide range of social issues, including poverty alleviation, education, and healthcare access. However, variations exist in their organizational structures and leadership models. For example:

- In one company, all key shareholders and executives are active members of the EoC movement, ensuring deep alignment with its values.
- In another, only the majority shareholder is an EoC adherent, while the CEO and management team operate with more conventional business practices.

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- The third case presents a hybrid scenario, where CSR initiatives are integrated at multiple levels, although with varying degrees of employee engagement and leadership commitment.

These contextual differences provide valuable insights into the varying degrees of cultural integration of CSR principles across different organizational frameworks.

The selection of the three participating companies was guided by a set of strategic criteria to ensure the relevance and richness of the study's findings. The criteria applied are as follows:

- Active CSR engagement:
  The companies were required to demonstrate a long-standing commitment to CSR initiatives, particularly through the adoption of profit-sharing models aimed at addressing pressing social challenges. Each company needed to have a track record of integrating social responsibility into its business model and decision-making processes.
- Diversity in organizational culture:
  The selection aimed to capture a range of organizational cultures, reflecting different management styles, leadership approaches, and employee engagement levels regarding CSR initiatives. This diversity enables a comparative analysis of how varying cultural frameworks influence the implementation and sustainability of CSR efforts.
- Willingness to participate:
  Access to key stakeholders, including top management, and employees across different hierarchical levels, was a critical factor. Companies were selected based on their openness to providing such access and their willingness to engage in interviews, focus groups, and observations.
- Geographic and sector diversity:
  The inclusion of companies from distinct geographical regions and industry sectors allows for a broader understanding of CSR integration in varying economic, cultural, and regulatory environments. The differing sectoral challenges faced by the companies - ranging from highly regulated healthcare

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markets to precision manufacturing - offer a rich comparative framework for examining CSR strategies.

The rationale behind selecting companies from different sectors and countries was to ensure cross-case comparison, enabling the identification of common themes and unique challenges related to CSR implementation within organizational culture. By selecting firms that share a commitment to the EoC movement, the study benefits from a common foundational philosophy while allowing for exploration of the contextual and cultural differences that influence CSR practices.

Furthermore, selecting medium-sized companies provides insights into the CSR challenges faced by organizations that may lack the extensive resources of large multinational corporations but still strive to balance profit-making with social impact. The findings are expected to offer valuable perspectives for similar organizations seeking to embed CSR within their corporate culture.

*Data collection methods*

To ensure triangulation and enhance the credibility and reliability of the study, data were primarily collected through semi-structured interviews, with the supplementary use of focus groups, and observations. While data collection was limited to a single focus group per company, semi-structured interviews played a central role in understanding how organizational culture influences the integration of Corporate Social Responsibility across the three participating companies. Observations were conducted on the days when the interviews took place, and the combination of these qualitative techniques provided a more detailed and in-depth understanding of the phenomenon under study, adding robustness to the conclusions.

The primary source of data collection consisted of semi-structured interviews, conducted with a total of 50 participants across the three companies. Interviewees included founders, executives, middle managers, and employees from various departments to ensure a diverse range of perspectives and experiences. The participants also varied in terms of sex, age, and length of time with the company,

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further contributing to a comprehensive understanding of the organizational culture and CSR integration from different demographic viewpoints.

Semi-structured interviews are a widely used qualitative research method that combines the flexibility of unstructured interviews with the consistency of structured interviews. This approach allows the researcher to explore specific topics while providing participants with the opportunity to express their thoughts freely, leading to richer and more nuanced data. According to Kvale (2007), semi-structured interviews are particularly effective in organizational studies as they facilitate the exploration of participants' lived experiences, motivations, and perceptions within a given social and cultural context.

The interview protocol in this study explored various aspects that influence organizational culture and CSR practices within the company, including:

- Core competencies: The competencies considered essential for work within the company, highlighting key elements of the company's identity and any differences compared to others.
- Knowledge and value transmission: The organization of knowledge and value transmission necessary for the job, including training and development processes.
- Communication channels: The means and content used for communication within the company, such as printed materials, digital communication, meetings, events, and periodic activities.
- Human resources practices and work climate: The processes by which people are selected, evaluated, promoted, and dismissed within the company.
- Leadership style: How leaders motivate and monitor employees, addressing challenges with a particular anthropological vision.
- Company performance: The indicators regularly monitored and the areas of focus regarding the company's budget, including costs and expenses.
- Stakeholder relationships: How relationships with customers, suppliers, and competitors are managed.
- CSR practices: The implementation and execution of CSR practices within the organization.

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- Meaning of CSR: The personal significance of CSR activities and the concern for the poor, including whether employees share these values and would act similarly.
- History of CSR: Notable CSR initiatives that have shaped the company's approach to CSR.
- Challenges: The most challenging moments in the company's adaptation and internal integration, and how those challenges were addressed.
- Philosophy and values: The guiding philosophy or set of principles of the company, as well as the practical meaning of any explicit company values.

These topics provided a comprehensive understanding of the organizational culture and CSR integration, enriching the overall analysis of how these elements are perceived and practiced within the companies.

To ensure unbiased responses, participants were not informed that the study focused on CSR, nor were they made aware of the interest in Economy of Communion. The initial presentation of the study emphasized organizational culture and strategy only. The exception was made for founders and executives, who were aware of the study's focus on CSR and EoC. During the interviews, these topics were addressed when the interviewees spontaneously touched on the subjects. This approach allowed for a more organic and natural conversation, ensuring that the participants' responses were not influenced by preconceived notions about the research's focus. All interviews were recorded and transcribed verbatim to ensure accuracy and facilitate subsequent thematic analysis.

Focus groups were conducted within each of the three companies to gather collective insights and shared experiences regarding CSR practices. These sessions served as an interactive platform for employees to discuss their perspectives, fostering a deeper understanding of the cultural alignment with CSR initiatives.

A focus group is a qualitative research method that brings together a group of participants to discuss a specific topic under the guidance of a moderator. It is particularly effective in uncovering shared norms, attitudes, and collective perspectives that may not emerge in one-on-one interviews (Krueger and Casey, 2015). Focus groups promote dynamic interactions and allow researchers to observe

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group dynamics and consensus-building processes, providing a rich source of data for analyzing organizational culture.

Each focus group consisted of 5 to 8 participants representing different hierarchical levels and functions within the organization. The discussions revolved around the same themes addressed in the interviews. Their discussions were audio-recorded, transcribed verbatim, and coded to identify recurring themes.

Direct observations were conducted within the organizational settings to capture non-verbal cues, workplace interactions, and cultural artifacts that reflect the companies' commitment to CSR. Observations provided an additional layer of understanding by highlighting symbols and organizational dynamics in their natural environment.

Observation is a qualitative research method that allows researchers to gain insights into organizational behavior through direct engagement with the research setting. Observational research provides real-time data that complements self-reported data from interviews and focus groups (Yin, 2018). It enables the researcher to identify discrepancies between what is said and what is done, offering a more comprehensive view of organizational reality.

Observations focused on the following aspects:

- Language and modes of treatment: Peer-to-peer interactions and leadership behaviors.
- Dress code: The attire employees wear and how it reflects organizational norms and values.
- Habits: Routine behaviors that reflect cultural practices within the company.
- Physical structure: The layout of workspaces, technology, and art present within the company.
- Working conditions: The environment and physical conditions under which employees perform their tasks.
- Relationship climate: The quality of relationships and overall job satisfaction.
- Symbols: Items or representations that convey cultural or organizational values.

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- Other cultural aspects: Sector-specific, predominant occupations, or regional cultural influences.

These observations provided deeper insights into the organizational culture and CSR integration, complementing the interview data and further enriching the overall analysis. By employing a multi-method approach to data collection - semi-structured interviews, focus groups, and observations - this study ensures a triangulation of data, enhancing the reliability and validity of findings. The diverse sources of data provide a comprehensive view of the interplay between organizational culture and CSR practices, capturing both individual and collective perspectives within the participating companies.

*Data analysis*

Data analysis is a critical phase in qualitative research as it allows the researcher to extract meaningful insights, identify patterns, and establish connections within the collected data. In this study, a thematic analysis approach was employed to analyze data obtained specially from semi-structured interviews, but also focus groups, and observations. Thematic analysis is particularly well-suited for research involving complex social phenomena such as the integration of corporate social responsibility and organizational culture (Braun and Clarke, 2006). The analysis process was conducted iteratively, ensuring that themes were grounded in the data and reflected participants' experiences and perceptions.

Thematic analysis is a widely used qualitative analytical method that allows for the identification, analysis, and reporting of patterns (themes) within the data. According to Braun and Clarke (2006), it offers flexibility and can be applied across various epistemological and theoretical approaches. It enables researchers to move beyond merely describing the data to interpreting its deeper meanings and implications within a broader theoretical framework.

In this study, thematic analysis was applied to identify recurring themes related to CSR practices and their relationship with organizational culture. The themes were derived inductively from the data while also being informed by existing

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literature, ensuring a comprehensive understanding of the phenomenon under investigation.

The thematic analysis was conducted following Braun and Clarke's (2006) six-phase framework, which provides a structured and systematic approach to qualitative data interpretation:

1. Familiarization with the data:
   The process began with reading and re-reading the interview transcripts, focus group discussions, and observation notes to gain an in-depth understanding of the data.
2. Initial coding:
   Data segments were systematically coded to identify relevant concepts and emerging patterns. Codes were reviewed to ensure consistency and clarity in capturing meaningful units of data.
3. Theme identification:
   Similar codes were grouped to form initial themes that captured the essence of the data.
4. Theme review:
   Identified themes were refined and reviewed to ensure their coherence and alignment with the research objectives.
5. Theme definition and naming:
   Each theme was clearly defined to capture its core meaning and relevance to the research questions.
6. Reporting:
   A narrative synthesis was developed, presenting the themes with supporting quotes from participants. The results were organized in a way that provided a comprehensive and coherent story about CSR integration and its cultural implications.

By utilizing thematic analysis, the study offers a structured and insightful approach to understanding how organizational culture shapes and is shaped by CSR initiatives across the three companies studied.

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*Limitations of the study*

Despite the rigorous approach undertaken in the research, this study has inherent limitations that must be acknowledged. These limitations pertain to the qualitative research approach, the multiple case study design, the data collection methods, the thematic analysis technique, and the specific characteristics of the selected cases. Recognizing these constraints allows for a more nuanced interpretation of the findings and offers guidance for future research.

Qualitative research provides rich, in-depth insights into complex social phenomena, such as the integration of corporate social responsibility within organizational culture. However, its subjective nature poses certain challenges:

- Lack of generalizability: Since qualitative studies focus on context-specific insights, the findings may not be applicable to other organizational settings or industries. The exploratory nature of this study limits the possibility of drawing broad conclusions beyond the cases analyzed.
- Researcher bias: Despite efforts to maintain objectivity, the research process is inherently influenced by the researcher's interpretations, preconceptions, and interactions with participants. Reflexivity was practiced to mitigate bias; however, complete neutrality remains a challenge.
- Time and resource intensity: Conducting qualitative research, particularly in multiple case studies, requires significant time and resources to ensure a thorough exploration of the subject matter, which may have impacted the depth of data collected.

The use of a multiple case study design enhances the robustness of the research by allowing comparisons across different organizational contexts. However, it also presents certain constraints:

- Case selection bias: The selection criteria aimed to ensure diversity in CSR engagement and organizational culture; however, the chosen companies do not fully represent the broader spectrum of firms practicing CSR and EoC.
- Complexity in cross-case comparisons: While cross-case analysis provides valuable comparative insights, the uniqueness of each company’s context,

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industry, and cultural factors complicates direct comparisons, potentially leading to context-bound interpretations.

- Limited number of cases: Although three cases were studied to allow for comparative analysis, the limited number constrains the potential to capture the full diversity of experiences and practices within CSR-focused organizations.

The study utilized a combination of semi-structured interviews, focus groups, and observations to achieve triangulation. Despite this methodology, some challenges were encountered:

- Semi-structured interviews:
    - Participant responses were sometimes influenced by social desirability bias, where employees may have provided answers aligned with perceived company expectations rather than their true opinions.
    - Interviews were conducted at different hierarchical levels, which may have resulted in varied perspectives and inconsistent depth of information.
    - Language and cultural differences across the three countries posed challenges in interpreting nuances, despite the use of professional translation.
- Focus groups:
    - Group dynamics and dominant voices may have influenced the discussions, limiting the ability of quieter participants to express their perspectives freely.
    - Scheduling focus groups with employees of different departments was challenging and may have affected the diversity of viewpoints captured.
- Observations:
    - Observations were limited to specific timeframes and work environments, which may not have provided a holistic view of day-to-day interactions and cultural expressions related to CSR.

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    - Observer presence may have influenced employee behavior, potentially leading to an overemphasis on some cultural traits during observation periods.

Thematic analysis was chosen as the data analysis technique due to its flexibility and effectiveness in identifying patterns across qualitative data sources. However, it presents the following limitations:

- Subjectivity in theme identification: The interpretation of themes is inherently subjective, with potential biases influencing the coding and categorization processes.
- Data reduction challenges: The vast amount of qualitative data required simplification into manageable themes, which may have resulted in the loss of nuanced insights.
- Reliability of coding: Although efforts were made to ensure consistency, the subjective nature of thematic analysis can still result in variations in interpretation.

The specific characteristics of the three companies studied introduce certain constraints that should be considered when interpreting the findings:

- Cultural and geographic differences: The companies are located in Brazil, Italy, and Belgium, which introduces regional cultural differences in CSR perceptions and practices. These differences may limit the comparability of results across contexts.
- Ownership structure variability: In one company, all shareholders belong to the Economy of Communion movement, whereas in another, only the majority shareholder is affiliated. This distinction may impact the depth of CSR integration across the cases.
- Industry-specific dynamics: The different industries - precision mechanics, enteral nutrition, and household installations - face unique market demands and regulatory pressures, which may have influenced their CSR priorities and cultural responses differently.

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- Leadership involvement: The variation in leadership commitment to CSR across the cases might have led to differing levels of cultural embedding and employee engagement.

Future research can address these limitations by adopting the following strategies:

- Expanding the sample size: Including a larger number of companies from diverse industries and geographic regions to enhance generalizability.
- Longitudinal studies: Conducting research over an extended period to capture the evolution of CSR integration within organizational culture.
- Mixed-methods approach: Combining qualitative and quantitative methods to obtain a more comprehensive understanding of the impact of CSR.
- Enhanced participant involvement: Utilizing participatory research techniques to ensure a broader range of employee perspectives and experiences.

While this study provides valuable insights into the intersection of CSR and organizational culture, it is important to acknowledge these limitations when interpreting the findings. Despite these challenges, the study's methodological approach offers a solid foundation for understanding how CSR is embedded within organizational culture across different contexts, specially inside the EoC movement.

*Conclusion*

This chapter has provided a comprehensive overview of the research methodology employed in this study, detailing the qualitative multiple case study design, data collection methods, and analytical techniques used to explore the integration of CSR within organizational culture. By adopting a qualitative approach, the study enables a deep exploration of participants' perceptions, behaviors, and contextual factors that influence CSR practices across different organizational settings.

The selection of three companies from diverse sectors and geographical locations - Brazil, Italy, and Belgium - ensures a broad understanding of CSR

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integration while maintaining a focus on the shared commitment to the Economy of Communion movement. The strategic selection criteria, including active CSR engagement, organizational cultural diversity, and willingness to participate, have contributed to the richness and relevance of the data collected.

Through the data collection strategy, the study achieves methodological rigor and enhances the reliability and credibility of its findings. The use of thematic analysis, guided by Braun and Clarke's (2006) framework, has provided a structured approach to identifying patterns and insights related to CSR and organizational culture.

Despite the study's strengths, several limitations were acknowledged, including the challenges inherent in qualitative research, the complexity of cross-case comparisons, and the potential biases in data collection and analysis. These limitations underscore the need for cautious interpretation of findings while highlighting avenues for future research to further validate and expand upon the insights generated.

Ultimately, the methodological approach adopted in this study provides a solid foundation for understanding the interplay between CSR and organizational culture. The findings derived from this research are expected to offer valuable contributions to both academic literature and practical applications, assisting organizations in fostering a culture that genuinely supports and sustains socially responsible business practices. Moving forward, the integration of CSR into organizational culture should be examined through a broader lens, considering its potential implications for business performance, stakeholder engagement, and long-term sustainability.

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### 4.3. Findings

The three companies surveyed, in addition to being part of the Economy of Communion movement, share the characteristic of being medium-sized enterprises, each employing between 50 and 70 people. However, despite the fact that in all three cases the majority shareholder is a member of the movement, only in one

company are all other shareholders also members. In contrast, in another case, the partner who serves as CEO is not affiliated with the movement, representing a clear distinction from the other cases. In terms of social investment, all three companies allocate a significant percentage of their profits to institutions that develop projects aimed at addressing pressing contemporary social issues. This section presents the results of the thematic analysis conducted across these three cases, highlighting the distinct ways in which Corporate Social Responsibility is integrated into their organizational cultures.

To ensure ethical compliance and protect the privacy of participants, the identities of the companies and interviewees involved in this study will not be disclosed. All data collected have been anonymized to safeguard sensitive information and maintain the confidentiality of both individuals and organizations. Pseudonyms or generalized descriptors are used in place of real names to prevent the identification of specific entities or individuals. Additionally, any contextual details that could indirectly reveal the identity of participants have been modified or omitted without compromising the integrity of the research findings. This approach aligns with ethical research standards, ensuring that participants felt secure in sharing candid insights, thereby enhancing the credibility and authenticity of the data collected.

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## CASE 1: The Red Company

At first glance, Red Company closely resembles a traditional, family-owned business. It operates from a modest three-story building situated in a commercial area surrounded by other enterprises. The facility houses administrative offices, inventory storage, a showroom, and a central communal space, where banners showcasing products and suppliers are displayed. The furniture is conventional - nothing appears new - yet it is well-maintained and functional. The overall environment is professional, with employees exhibiting polite and respectful behavior toward visitors, including the researchers. The atmosphere conveys a strong sense of productivity, as evidenced by the presence of files, folders, and documents on desks, complemented by a balanced and appropriate dress code.

However, the distinctive qualities of this company become more apparent through interactions with its employees. Through observations, interviews, and informal conversations, what might be described as the ‘soul of the company’ begins to surface - formally recognized as its organizational culture. To introduce this case, we identify four key characteristics that stand out. While these traits may not be the most overt elements of the company’s culture, they reflect the underlying patterns and values that permeate the organization.

A particular vision of the human person: The perceptions and narratives surrounding the relationships between employees and various categories of stakeholders are consistently replicated across all stakeholder groups. The fundamental principles that govern these relationships remain largely the same, regardless of the stakeholder's role or the type of contribution they provide to the organization.

Value-based management: This approach places particular emphasis on recognizing the intrinsic value of the human person. Decisions based on financial and operational indicators are given equal weight to those concerning the well-being of individuals. Notably, one dimension does not take precedence over the other; instead, they are consistently evaluated in tandem.

Self-taught management style: There is no evidence of external influences, such as consultants or prominent authors in the field of management, shaping the characteristics described above. The only exception lies in specific collaborations for ‘team building’ activities, which are organized by the company with the support of external partners. The management practices and resulting style appear to stem from the personal experiences of the partners, shaped through a dialogical and collegial approach to decision-making. This process is guided by principles of mutual trust and a shared commitment to unity.

Charismatic Leadership: Interviewees frequently reference the company’s founding partner when explaining its defining characteristics, particularly in remarks that highlight what differentiates the organization from others. This recurring attribution underscores the influential role of the founder in shaping the company’s unique identity and culture.

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The points outlined above provide a general overview of the case under study. However, the following section presents the results of the thematic analysis conducted within Red Company. Seven key categories emerged as the most prominent, identified both through the frequency of their mention by respondents and the emotional significance of the stories and examples associated with them. These initial seven categories are related to the organizational culture as a whole. Later in this section, we will present the categories that are specifically linked to Corporate Social Responsibility, highlighting how CSR practices are embedded within the company's broader cultural framework. These categories are as follows: i. Serenity; ii. Attention to the person and the human aspect; iii. Family; iv. Teamwork and collaboration; v. Humble leadership; vi. Collegiality and inclusive participation; vii. Openness in self-expression.

As we analyze each category, it is essential to amplify the voices of the interviewees through an explanation, which synthesize the collective perspectives on the research questions, and direct quotations, which highlight individual statements that clearly illustrate the identified themes. Given that hierarchical level is the primary differentiating factor among respondents in this study, we will distinguish quotations by categorizing them as follows: Employees (E), Managers (M), and Top Executives (T).

To ensure clarity and maintain focus, each cultural feature will be illustrated with no more than one quote from an employee and another from either a manager or a top executive, providing both an individual and an organizational perspective. Other potential distinctions among respondents, such as gender, age, tenure in the company, or functional department, could offer additional insights; however, these variables will not be highlighted in this analysis.

**SERENITY**. This category reflects the outcomes of deliberate efforts to ensure that employees maintain a **fair and manageable workload**, one that supports a balanced personal life, with particular emphasis on **family well-being**. The frequency with which this theme emerged during the interviews was unexpected, as serenity is not typically associated with business environments. This category will be revisited in the discussion of organizational dilemmas, particularly in relation to the

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**tension between maintaining serenity and meeting demands for productivity and speed**.

*E: "But what's beautiful is the ability to work in serenity. If there are any problems, we can talk about them and improve things, because when things improve, we work even more serenely."*

*T: "We try to maintain a serene relationship (...) It's natural, for our collaborators and among ourselves, to behave serenely, to collaborate, and to avoid unnecessary tensions and problems."*

**ATTENTION TO THE PERSON AND THE HUMAN ASPECT.** Respondents frequently emphasized that they do not feel like mere **'numbers'** within the company, a sentiment largely attributed to the personalized approach adopted by managers. This attention is reflected in the managers' genuine interest in employees as individuals, demonstrated through their **willingness to provide support** not only in professional matters but also in addressing personal challenges.

*E: "It's a very supportive company, really attentive to people's needs, not just work-related. There's a lot of attention and sensitivity, even toward personal or family needs."*

*M: "There's attention to the person, in the sense that people's potential and qualities can be fully expressed. (...) There's also a great deal of attention to any problems that arise."*

**FAMILY**. While the first three categories share overlapping meanings, their consistent and distinct mention by respondents justifies presenting them separately. The concept of **'family'** in this context carries a dual meaning. On one hand, it reflects the company's **attention to employees' family needs**, as evidenced by the positive reception of pregnancies, flexible leave policies, and opportunities for part-time work. On the other hand, it refers to the company itself being perceived as a **familial environment**, characterized by the supportive and relational dynamics among colleagues.

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*E: "I would say... more than just friendly, I get this feeling: when I arrive in the morning, it feels like I'm entering a family space, not a company. And I know that's not something to take for granted."*

**TEAMWORK AND COLLABORATION**. This category reflects a clear **intentional effort by top management** to instill values that are consistently translated into behaviors. Teamwork is a recurring theme, frequently emphasized by individuals in managerial positions and reinforced through **periodic team-building activities** designed to foster collaboration among employees. The founding partner articulates this characteristic in terms of **'reciprocal trust'**, presenting it as the foundational element of both collaboration and communion within the organization.

*E: "There's a great deal of collaboration among us. Everyone lends a hand."*

*M: "At Red, it's been said and repeated many times: what matters is teamwork. The principles we want to emphasize are valuing everyone so that each person can grow."*

**HUMBLE LEADERSHIP**. This leadership style is characterized by a **non-authoritarian**, friendly, and respectful approach, to the extent that employees often remark that **"the difference between management and staff is hardly noticeable."** Top managers actively embody this principle by offering assistance in operational tasks - such as stocking - whenever necessary, further reinforcing a sense of equality and shared responsibility within the organization.

*E: "You don't really feel the presence of a leader in the way it's usually understood. No one positions themselves in an overly authoritarian way. Our leaders don't have the typical leadership attitude we're used to seeing."*

*T: "We've always tried not to overvalue the roles. I've never felt the need to call myself a director, I've always seen myself as just one of many."*

**COLLEGIALITY AND INCLUSIVE PARTICIPATION.** Closely related to the concept of humble leadership, this feature also highlights one of the key dilemmas faced by the organization: the **balance between inclusive participation and the need for speed in decision-making**. Participation extends beyond involvement in

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decision-making processes to include the **shared recognition of the company's successes**, even among the youngest or most recently hired employees. Additionally, there is a noticeable effort to **foster this participatory approach** among the business partners themselves, reinforcing a culture of collective engagement and mutual respect.

*E: "You feel like part of the company, you don't feel like just an employee. You really think you belong here, so you work as if it were your own."*

*T: "It's rare for a decision to be made by just one person. On the one hand, this can slow things down, which isn't always ideal, but on the other hand, it's a real strength."*

**OPENNESS IN SELF-EXPRESSION.** This category is reflected in a **preference for direct, face-to-face interactions or phone calls** over more impersonal forms of communication, such as emails. It is further demonstrated by an organizational culture that **encourages employees to openly address issues** and resolve problems with a significant degree of **autonomy and freedom of action**.

*E: "If there are any problems, you can talk to a manager, we can be honest with each other, you can look someone in the eye (...) There is always an open door, and ideas are always welcomed."*

*M: "You need to have experience in different companies to really appreciate this style, to see how different it is and how lucky you are to work in a place where you have the freedom to express yourself, without someone breathing down your neck for everything you do."*

Another important element in the development and understanding of organizational culture is the use of symbols by its members to express and explain cultural values and norms. These symbols - such as stories, examples, images, and specific vocabularies - serve a dual purpose. On one hand, they help articulate the cultural characteristics of an organization, providing metaphors and everyday examples that make these characteristics more relatable and understandable. On the other hand, they play a crucial role in transmitting and reinforcing cultural values

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and behaviors, as they often carry an emotional or affective dimension that deepens members' connection to the organization's identity.

Among the symbols identified during the interviews at Red Company, three stand out. The first is the **solidarity contract**, a practice the company has adopted twice in its history, in accordance with national labor laws. This mechanism allows for the temporary reduction of working hours and, proportionally, employee salaries during periods of economic crisis. What transformed this practice into a symbol was the company's decision to adopt it with the active participation of all employees, ensuring that the workload and salary reductions applied to everyone without exception, including top managers. As a result, no layoffs were necessary. This story was frequently cited by interviewees and consistently framed within the narrative of the company as 'a family', emphasizing inclusivity and mutual support. It was often linked to the broader cultural value of attention to the person, highlighting the company's commitment to the well-being of its employees.

Closely related to the 'family' category - but also aligned with the value of serenity - is the company's practice of allowing employees to take a **day off** when needed for personal matters, a policy frequently cited by interviewees as a symbol of the company's supportive culture. Another symbolic practice is the company's flexibility for employees with young children, including **the option to work part-time** and the consistently positive reception of pregnancy announcements.

Another important element for the description and analysis of the cases is the mechanisms used by leaders, especially top executives, to convey values and beliefs, thereby creating conditions for the development of cultural aspects aligned with their own principles. In Red Company, four such mechanisms were identified during the interviews, which we now present.

The first is the **Christmas Dinner** organized by the company, where spouses and children are invited as special guests. During this event, speeches are often given emphasizing the importance of family as a vital source of support for employees. Another closely related mechanism to one of the highlighted themes is the **periodic team-building activities**, which reinforce both the practice and language associated with teamwork and collaboration. As these attitudes are central

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to the company's culture, they utilize team-building training, facilitated by an external consultancy, conducted in locations outside the company, and often accompanied by interactive and recreational activities.

A third mechanism can be described as the **theme of the year,** which involves selecting a cultural value at the beginning of each year to be emphasized and actively practiced by all members of the company. This theme is incorporated into both general and training meetings to reinforce its significance. The themes from the last four years were: trust, team unity, hope, and pride. In the first year, trust was chosen because the company was undergoing a management reconfiguration, making it particularly important to foster trust—both in the company and among employees. Last year, pride was selected due to the positive results achieved despite a challenging economic environment. This theme aimed to encourage employees to recognize and celebrate the company's success, promoting a sense of satisfaction and engagement.

Finally, and notably, Red Company has developed **governance rules** in recent years that promote, among other aspects, the behaviors that business partners wish to uphold and perpetuate within the company. Prioritizing collegiality, one of the rules states that "the members decide together, striving for unanimity (...) with one vote per person, regardless of their individual quotas." Additionally, another rule establishes that "new members should be younger than the current ones," reinforcing both generational continuity and the transmission of values by senior members.

Regarding the company's 'not purely economic' purpose - meaning its non-speculative profile - several governance rules stand out. One states that "only active members in the company may be part of the group of business partners," ensuring a strong internal focus on decision-making. Another rule mandates that "we must share the results with the Economy of Communion, particularly through the annual distribution of 10% of profits." Additionally, a salary cap is established, specifying that "the maximum remuneration of a business partner in the company must not exceed five times the lowest salary within the organization," alongside a percentage limit for dividend distribution. These last provisions aim to encourage

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reinvestment in the company and foster job creation, an aspect of particular importance to most senior partners.

Governance plays a crucial role in consolidating and sustaining an organization's culture by transforming values and principles into structured, long-term commitments. By embedding key cultural elements into formal policies and decision-making frameworks, governance ensures that the organization's identity remains intact even through leadership transitions and market fluctuations. Clear rules and structured processes provide stability, guiding behavior and reinforcing the company's core values beyond the influence of individual leaders.

Within this context, governance is particularly essential for embedding solidarity as an enduring organizational practice. Rather than being dependent on the goodwill of leadership or subject to changing economic priorities, solidarity initiatives - such as profit-sharing, reinvestment strategies, and ethical compensation policies - are safeguarded through formalized commitments. These structures prevent the dilution of solidarity over time, ensuring that social responsibility remains a fundamental and actionable part of the company's operations. By institutionalizing solidarity through governance, companies create a sustainable framework where ethical commitments are consistently upheld and integrated into business strategy.

The solidarity aspect represents one of the central themes of this investigation, as the study aimed to assess the extent to which social responsibility, particularly in its discretionary dimension, is embedded within the organizational culture. In the following section, we present the three categories from the thematic analysis that emerged as the most prominent in the dialogues with employees, managers, and top executives. Each category will be explained in detail and supported by direct quotes from the interviews to illustrate how these values are perceived and practiced within the organization.

**A PURPOSE BEYOND ECONOMIC GAIN.** This aspect is reflected both in the prioritization of profit reinvestment within the company and in the generation of employment opportunities - a focus more clearly recognized by top managers and managers than by employees. Additionally, it is evident in the financial contributions

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to social initiatives and in the modesty displayed by top managers, who avoid expressions of luxury or ostentation.

*E: "It's not a company that's trying to enrich itself (...) it's always very modest, and that feels right. The partners could keep the money for themselves, but instead, it's shared."*

*M: "The profits don't all go into the partners' pockets, because part of it stays in the company and is also invested in other activities, like charities."*

**ORGANIZATIONAL PRIDE LEADING TO EMPLOYEE SATISFACTION.** This category reflects how employees' pride in the company's CSR initiatives contributes to their overall job satisfaction and personal fulfillment. Employees feel a sense of purpose and engagement when they see their organization actively contributing to social causes, reinforcing their connection to the company's values and mission.

*M: "In my opinion, there's something to be proud of, the fact that we all helped a small South American enterprise and a nursery school in Morocco."*

*E: "It's also an added value when a company decides to make donations. I can see that the executives' choices have an impact on the employees too."*

**LACK OF SPECIFIC AWARENESS.** While employees and many managers are aware that solidarity initiatives exist and recognize them as a priority for the company's partners, they lack specific knowledge regarding the details of these activities. This includes limited awareness of the financial amounts involved, the exact destinations of the contributions, and the frequency with which these initiatives are carried out.

*E: "I know the company is involved in a project, sharing part of the revenue, but I don't know much about it."*

*M: "I'm not able to give specifics because this part has always been handled more by the partners. They're the ones who choose which sectors to help."*

As mentioned before, several of the values and behaviors that shape the culture of Red Company often stand in contrast to the broader business culture,

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which tends to prioritize profit maximization over other indicators. This divergence gives rise to real dilemmas, seemingly positioning a humanistic approach to work in opposition to a more traditionally professional and efficiency-driven model.

The first two dilemmas can be articulated as follows:

**• Personal needs vs. Operational efficiency.**

**• Serenity and collegiality vs. Productivity expectations.**

The interviewees who articulated these dilemmas express a strong desire to find a middle ground where both values can be preserved. They encounter these challenges on a regular basis, particularly in their efforts to identify tools and strategies that support effective decision-making. Some respondents reported feeling taken advantage of by individuals who exploit the organization's sensitivity to personal needs, while others suggested that the perceived serenity within the company might stem from having more employees than the workload actually requires. It is also important to note that many of these challenges are common among companies transitioning from small to medium-sized enterprises, as they navigate the complexities of growth and organizational change.

The third dilemma can be expressed as follows:

**• Discreet vs. Explicit Solidarity Communication.**

This dilemma is closely related to the last category presented on solidarity: the lack of specific awareness. Some respondents expressed the need to improve communication regarding the company's social initiatives and to identify ways to actively engage employees in these activities. By doing so, employees could feel more directly involved, reinforcing the company's cultural emphasis on "making everyone participate." Furthermore, the social initiatives undertaken by Red Company have been recognized as a source of pride and satisfaction for its employees, suggesting that greater transparency and involvement could further strengthen these positive outcomes.

In concluding the presentation of this case with these dilemmas, it becomes evident that the positive impact generated by the humanistic management style and

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social orientation of companies like Red is accompanied by challenges that are underexplored in both administrative theory and practice. This gap underscores the need for further research, discussions, and the development of theoretical frameworks to better support businesses that prioritize social responsibility and human-centered values.

## CASE 2: The Blue Company

The Blue Company is characterized by a jovial and commercial atmosphere. The joviality stems from the relatively young average age of its associates, influenced by several factors. First, the directors' willingness to provide opportunities and training for young professionals fosters a dynamic, youthful workforce. Additionally, the company's activities require a combination of technical and commercial skills, demanding a strong willingness to learn. Since the company operates on Saturdays, younger employees without family responsibilities tend to adapt more easily to this schedule. The workforce is predominantly male, though the few women present report feeling comfortable and satisfied with both their roles and the overall work environment. The stores' design - including the use of color, layout, and product displays - aligns with the company's strategy of maintaining a strong customer focus.

The company's communication style is particularly noteworthy. It fosters an environment where there appear to be no secrets or topics that are off-limits. Even when researchers introduced more sensitive subjects, interviewees showed only brief hesitation before feeling comfortable discussing any issue openly. The workplace exudes a friendly atmosphere, characterized by respectful and constructive interactions, which encourages employees to view one another not just as colleagues but as genuine friends. Furthermore, communication with the directors is informal, as employees address them by their first names, without the use of traditional formalities.

A relevant challenge for the company is the attraction and development of its workforce. As previously noted, the company requires most employees to possess a combination of technical and business skills, making it difficult to find candidates in

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the market who meet these criteria. This challenge is further compounded by the fact that the company's product is highly specific and complex, with few competitors in the industry. As a result, new associates typically require an average of six months before they are fully prepared to negotiate directly with customers. During this period, they perform portions of their roles under the supervision and guidance of more experienced colleagues. This prolonged need for mentorship and support likely contributes to the strong culture of cooperation observed within Blue Company.

What has been described thus far represents an overall impression, derived from observations made during the empirical phase of the research. We now present the categories that emerged as the most prominent values and behavioral norms, as identified by employees, managers, and top executives during the interviews. These five categories are: i. Opportunities for growth; ii. Open communication; iii. Family-like and friendly atmosphere; iv. Approachable and collegial leadership; v. Honesty.

**OPPORTUNITIES FOR GROWTH (They give chances).** For most interviewees, this concept signifies that at Blue Company, employees are given **trust** and the **opportunity to learn**, including access to **company-funded courses**. Additionally, there is a strong perception that individuals are afforded the possibility of a **second chance** when needed - an aspect that will be further explored in the section discussing organizational symbols.

*E: "We don't have written rules. I guess you get a lot of freedom, and they give you a lot of trust. (...) That's something typical of this company; you don't get that everywhere. You have the feeling that, to a certain extent, you work on your own."*

*M: "As the company grew, instead of hiring new, formally trained managers from outside, the director looked at me, a young guy who with some guidance could do it, and gave me the chance. That says a lot about what kind of company we are."*

**OPEN COMMUNICATION**. Respondents consistently reported that management maintains a high level of openness to communication on a wide range of topics, including discussions about employees' desires to take on different roles within the company. These conversations are characterized by an **equal-to-equal** style, fostering a sense of approachability and mutual respect. Managers particularly

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**appreciate and encourage proactive behavior**, expecting employees to reach out directly to discuss ideas or address issues related to their responsibilities. However, sustaining this level of open communication may become increasingly challenging if the company continues to grow at the rapid pace observed in recent years.

*E: "Someone had problems and asked for a few months off. They are not willing to give it to everybody, but if you have a very good reason, they are open to hearing and maybe you'll get it."*

*M: "So that's certainly a difference from other companies. When I am talking with friends about situations I live here, they say, like, 'Do you dare to say that to your boss?' As long as I am respectful, I can say everything."*

**FAMILY-LIKE AND FRIENDLY ATMOSPHERE**. This aspect also reflects the communication style within Blue Company. Both associates and managers perceive the top executives as **"family men"**, and this is evident in the way they **mentor younger employees**, providing them with opportunities for growth and professional development. Interviewees frequently mentioned forming **close friendships** with colleagues through workplace interactions, noting that they often maintain contact over weekends via social networks, further reinforcing the company's strong sense of community and camaraderie.

*E: "The colleagues are very nice. We have a great group; everybody is nice and helpful to each other. It's a good atmosphere."*

*M: "They don't treat you like someone who is just working for them, but like a friend. To say family would be too emotional. Every time we meet, they ask me, 'How are you doing?'"*

**APPROACHABLE AND COLLEGIAL LEADERSHIP.** This characteristic primarily reflects how managers and top executives perceive the current leadership style within Blue Company. A key element of this approach is the habit of making **collective decisions**, with leaders consistently consulting team members before finalizing actions. This collaborative decision-making process represents a core philosophy of the company, and leaders actively work to instill this mindset in other managers, with varying degrees of success. The organization places little value on

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top-down authority, favoring instead a more participatory leadership style. An especially noteworthy aspect of this category is the view of **leadership as a task** to be performed alongside other responsibilities, rather than a permanent role that defines an individual's identity 24/7.

*M: "We always ask. We say, 'We'd like to do it this way. What do you think about it? Would it be any kind of improvement?' Then we try to collect reactions. Sometimes we use it, sometimes we don't."*

*T: "I am the CEO and could say, 'It's like this,' but I try every time to make decisions together. And I see many fruits from the time we spend discussing certain topics."*

*T: "It is important that they listen to the people they manage. They are part of a team rather than just a team leader. You are a leader for some purposes, but for many things, you can work together, I think."*

**HONESTY**. At Blue Company, honesty is regarded as a fundamental value in both internal and external relationships, particularly in interactions with clients. Given the complexity of the services offered, providing **accurate and transparent information** to customers is essential for building and maintaining their trust. To further reinforce this commitment, the company employs a fixed remuneration model for its commercial agents, thereby avoiding the incentive for overestimated sales that could jeopardize client relationships. Internally, honesty is also encouraged in the context of **open dialogue and accountability**, with employees being expected to acknowledge and discuss mistakes openly as part of the company's collaborative culture.

*E: "I don't know if it's a value, but they always want us to be honest when we have an opinion about something. They just want us to say it, whether it's good or bad, if something bothers us. Honesty is very important here."*

*M: "If you make a mistake, be honest, don't do it behind someone's back, don't lie. Communication and showing good will are very important."*

In our exploration of solidarity practices within the thematic analysis, and in examining how these practices are integrated into the organizational culture, we

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identified a considerable level of “appreciation” in the responses of the interviewees. This appreciation can be distinguished across two dimensions: the appreciation of solidarity and the appreciation of sobriety. For the last category, we will present a larger number of interview excerpts due to the frequency, richness, and diversity of perspectives expressed by participants on this theme.

**APPRECIATION OF SOLIDARITY**. There is an almost unanimous consensus among interviewees that the company invests in above-average social initiatives compared to other businesses of similar size. When discussing this aspect of the company, respondents frequently concluded with statements such as, *“It is good to work in a company like this”* and *“I like working here”*, reflecting a strong sense of pride and satisfaction associated with the organization's commitment to solidarity.

*E: “Every year, the employees can give $250 to a charity of their choice. It’s nice, isn’t it? I think they want to get us involved in good charity.”*

*E: “I gave my check to UNICEF, together with some colleagues. I like this initiative very much.”*

*M: “It’s a company with a heart, with a heart in the right place! I don’t think there are many companies that do that.”*

*T: "My way of running a business is: Every euro we do not spend wisely is a euro that I cannot give to the poor."*

**APPRECIATION OF SOBRIETY**. Respondents highlighted the sober lifestyle of the directors, as reflected in their personal assets—such as cars, houses, and clothing—and in their modest communication style, free from vanity. This sobriety is also evident in the company’s structure and interior design, which emphasize simplicity and functionality without compromising on taste or comfort.

*E: “They don’t keep the money for themselves to buy a big house or a fancy car, but they give it to people who need it more. And I really love that.”*

*E: “They chose to give to a better cause. It’s nice to know, when you work here, that the profit goes to something like that. Combining those two (work and charity) is actually the best combination.”*

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*E: "It's nice that they're not only thinking of keeping the profit for themselves, but also that part of the profits goes to charity. (…) So it's a good example from my boss, especially for young people like us who want to grow and develop."*

*M: "We see it in our building, in our cars—we don't drive a BMW or Mercedes, we don't have a fancy building. We are a healthy company, but a lot of the profit we make goes to organizations that need it more than we do. That's something I like."*

*M: "This says a lot about what they do and who they are, that they have their feet on the ground, they are sober, good people. If we do good, someone else can benefit too."*

*M: "We are an atypical company. We're not striving for a nice building - bigger, cooler, with the best design - it's more about efficiency. They prefer to invest the money in another store or give it to social work rather than having a big, fancy building. If you have the pressure every month to make more and more because all the fancy stuff needs to get paid, then I prefer less stress."*

*T: "Why should I have a Mercedes? With that money, I could do something else, I could help someone in need."*

Given the cultural characteristics presented thus far - opportunities for growth, open communication, a friendly atmosphere, collegial leadership, and honesty - alongside the appreciation of solidarity initiatives and the company's sober style, another prominent element that emerges is what can be identified as **satisfaction with and at work**. This is reflected in expressions frequently heard during the interviews, such as: *"I'm pleased to work here," "I like working here," "We want to work,"* and *"I return home saying I've done something good."*

Regarding the symbols identified in the narratives of members across all organizational levels - used to explain and transmit cultural values - three stand out prominently. The first is a story that can be referred to as the **"second chance"** narrative, reported by several interviewees. It recounts the case of an employee who attempted to steal money from the company - funds he had received from a client - but was given a second chance by the top executives. This story is widely cited to illustrate the previously discussed characteristic of "giving chances" in an extreme

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situation, while also highlighting the importance of honesty, another deeply ingrained organizational value.

In addition, the image and frequent reference to the fact that no director owns a **"fancy car"** reinforces the characteristic of sobriety discussed earlier. A final symbol is the recurring use of the metaphor ***"the grass looks greener on the other side"*** to describe employees who left the company in pursuit of other opportunities but eventually returned, having realized that they could not find a work environment as positive as that of Blue Company.

Two mechanisms for transmitting values and beliefs were identified in this company. The first, **Friday lunches**, consists of a weekly visit by two of the three directors to one of the Blue Company's stores, without a predefined agenda, but with the sole purpose of listening to the team, gathering their suggestions and comments about company life - they may also discuss topics unrelated to work. This practice reinforces, at various levels, nearly all the cultural categories identified in the study (namely: open communication, family-like and friendly atmosphere, approachable and collegial leadership, honesty, and opportunity-giving), with a particularly strong impact on the first three.

The Blue Company also carries out an annual social responsibility initiative, recognized as a reference practice within the EoC movement. This initiative grants each employee a **€250 credit** to be allocated to a social project of their choice. As part of this methodology, the company asks employees to justify their selection, although it has never opposed any chosen cause.

Beyond its philanthropic purpose, this practice engages employees and encourages reflection, reinforcing solidarity as an organizational value. Despite being a once-a-year initiative, it holds significant cultural relevance due to the strong appreciation of solidarity observed among employees. Notably, this high valuation persists even though the Blue Company could further communicate its social responsibility practices, a point that will be addressed later in this study.

In the previous case, we presented the challenges faced by Red Company in the form of dilemmas, as this was how they were perceived by the researchers. In contrast, the challenges identified in Blue Company are framed as critical points to

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be addressed, highlighting the need to seek solutions that support the company's development while preserving its positive cultural characteristics as much as possible.

The first critical point can be identified as a **"They" phenomenon**. In many of the respondents' answers regarding the characteristics and distinguishing features of Blue Company, the pronoun "they" - referring to the directors - is frequently used instead of "we" or "the company," as might be expected. This linguistic pattern may suggest a lack of ownership or identification with the company on the part of associates. However, it is also evident that the directors uphold a strong set of values, and the process of employee alignment with these values may naturally require time.

A second critical point raised by the interviewees was the **lack of feedback on individual performance**, except in cases of problems or declining sales - summarized by some as *"no news is good news."* Another significant critical point is that Blue Company is currently undergoing a **transition phase**. As the company grows, it has become necessary to establish a new hierarchical level and increase the specialization of functions to support its management structure. Furthermore, the company recently underwent a rebranding and is exploring prospects for geographical expansion. This entire process carries the risk of preserving and updating the values upon which the company was originally built. New associates are now positioned physically and hierarchically further from the directors, who until recently served as the primary source of the company's core cultural values.

Finally, despite the numerous characteristics of a company with a humanistic approach, both internally and externally, there is significant **pressure for results** at Blue Company. The expression *"friendly but strict"* appears frequently in the interviews, alongside comments regarding low tolerance for delays and visible idle time. There is also a strong emphasis on contacting potential clients *"before we think clients would welcome another call."* Additionally, respondents used expressions such as *"working at the limit," "pushing them very far,"* and *"high workload"* to describe the demanding nature of the work environment.

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CASE 3: The Green Company

Green Company was recently relocated to its current building, situated within a business condominium housing other mid-sized companies. The physical structure of the building reflects a key cultural aspect that will be discussed later. The first floor, dedicated to office spaces, features extensive glass partitions, facilitating visual contact among all employees. Notably, there is an absence of individual offices - even the CEO shares a room with advisors.

Upon entering the company, visitors encounter a well-appointed reception hall adjacent to a large, fully-equipped meeting room. These initial impressions convey an image of a solid and prosperous organization, an impression that aligns with the company's demonstrated success. Furthermore, the physical environment reflects the business trajectory of its founder and majority partner. Employees are professionally dressed and interact with both colleagues and visitors with remarkable politeness, a behavior deeply rooted in the regional culture where the company operates.

As in the previous two cases, interviews were conducted with top executives, managers, and employees. The following cultural characteristics emerged as the most prominent during the thematic analysis: i. Professional environment; ii. Products for life; iii. Openness to participation; iv. Respect and care for associates; v. Focus on innovation; vi. Legal and ethical standards.

**PROFESSIONAL ENVIRONMENT**. In numerous interviews, respondents referenced organizational practices such as **process documentation**, **policy development**, and the use of **information-sharing tools**. The company's economic activities are managed with a high degree of professionalism through **market analysis**, **performance indicator monitoring**, **regular evaluation meetings**, and **ongoing engagement with external consultants**.

*E: "Investments here are made meticulously and with a lot of prudence, along with thorough analyses of the market, products, and competition."*

*M: "Green is an extremely well-organized company."*

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*T: "It is a highly professionalized company. We hire all managers through headhunters and operate based on management by indicators, supported by a nationally recognized consultancy since the early days."*

**PRODUCTS FOR LIFE**. This reflects an **organizational mission statement** that has been internalized by associates due to its coherence and institutional reinforcement. It is closely linked to **ethical behavior toward customers**, demonstrated through **product reliability** and the provision of **accurate information**, even when adherence to these values may limit potential financial gains that could be achieved through alternative practices.

*E: "What really draws my attention in the company is its value and mission of 'doing more for life'. This is communicated very clearly by the directors and translates into a concern for quality, always for the benefit of the client. That's a real motivation for me."*

*T: "We make products for life, and that's true. When we think about our business, we know it has to sell and make a profit, but there's also an inner conviction that the product we develop is delivered to someone who needs it as part of their living conditions."*

**OPENNESS TO PARTICIPATION**. The company's top executives are perceived as **highly present** and actively engaged in understanding the dynamics of each sector. They demonstrate a genuine interest in **hearing employees' opinions** and fostering an environment characterized by an **"open-door" policy**, as noted by several respondents.

*E: "In some meetings, we're asked, 'What do you have to say about it? Do you have any suggestions for improvement?' I'm very new to the company, and it surprised me at first."*

*M: "The atmosphere in the company is extremely friendly, and this open-door culture comes directly from the board."*

**RESPECT AND CARE FOR ASSOCIATES**. This is characterized by a leadership style marked by **closeness and approachability** toward all employees,

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which has become a defining element of the organization's culture. This is reflected in **polite and respectful communication** at all levels. Additionally, employees appreciate the **genuine interest** leaders show in their **families' well-being**, reinforcing a sense of personal connection and care.

*E: "Here, I'm genuinely treated as a person, they ask about my daughter and how long it takes me to get to work by bus from my house."*

*M: "This sense of closeness, respect, and politeness is deeply rooted in the company's culture."*

**FOCUS ON INNOVATION**. The company makes significant investments in **research and development** and consistently seeks to **differentiate its products**, maintaining a competitive edge despite its medium size.

*E: "For example, here, when they launch a product, the development team is already working on the next one, they're already testing and researching new inputs."*

*T: "Our scientific, research, and development structure is what sets us apart."*

**LEGAL AND ETHICAL STANDARDS**. While this term was not explicitly used by interviewees, the company's behavior toward its **stakeholders** - including customers and associates - along with its **commitment to legal compliance** and its stance toward **government regulations**, strongly reflects ethical principles. Therefore, it is appropriate to categorize this theme as Ethics. **Legal responsibility** is a core value for the company's top managers and is actively communicated to employees, particularly in situations where adherence to legal standards may be challenged by the temptation of **unlawful practices**.

*E: "The company has a very strong reputation. I've seen situations where it could have chosen an easier path, but since it wasn't the right thing to do, it didn't."*

*M: "I only saw the president upset once, when a public agency suggested a corrupt practice."*

*T: "You inevitably encounter situations where the company's values must be upheld. You'll always make it clear that you won't participate in any collusion or anything that*

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*leads to corruption, and that there is zero tolerance in this regard. It's not written anywhere, but everyone knows it."*

*T: "On this path to building a new social fabric, a very important issue relates to the relationship with the State. A kind of vice has emerged between a tax-collecting State and business owners who feel the system is unfair and do not want to pay taxes, creating an environment where corruption is very strong. I can assure you that over the years, we have all strived to be very honest in this regard, relying on rigorous tax planning. Because when business owners attempt to corrupt tax inspectors from public agencies, they are no longer concerned with planning; they take the easiest route, which is tax evasion."*

Green Company also counts state and municipal governments among its clients, as well as another company owned by the same corporate group. This commitment to ethical behavior is clearly illustrated in the following account provided by the company's president, describing a situation experienced in the aforementioned subsidiary:

*T: "We had just won a bid and completed the first delivery. Among other items, there were hygiene products for prisons. Other suppliers usually deliver low-quality products for this type of client, but we decided to purchase high-quality soap and toilet paper—after all, we had won the bid with a very competitive price. When we delivered the first order last week, the client said they had never received such good-quality products before. On top of that, we gave an 18% discount because the price we won the bid with was very high by our standards. They didn't even know how to account for the discount since it was the first time a supplier had done something like that."*

During the interviews, two symbolic images emerged, both reinforcing previously discussed cultural characteristics. Although these symbols were not cited as frequently as those identified in the first two cases, they still serve as valuable tools in conveying the organization's cultural values. The first is the image of **"open doors,"** symbolizing the company's openness to associate participation in decision-making processes, as well as a leadership style characterized by proximity and direct engagement. The second is the metaphor of the **"red carpet,"** used in

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reference to competing multinationals that offer extensive benefits to their clients. This metaphor highlights the need for Green Company to differentiate itself through innovation and product quality.

The Green Company conducts a quarterly initiative - identified in this research as a cultural mechanism - called **Coffee and Talk,** a meeting between the company president and new associates. The purpose of this gathering is to share his life trajectory, his motivations as an entrepreneur, and his core beliefs. This format creates an opportunity to also discuss the values of the Economy of Communion movement and its significance, while ensuring that the conversation remains engaging and natural rather than appearing as indoctrination.

Focusing on the value of solidarity and its integration into the company's culture, we will now present the results of the thematic analysis, beginning with the perspective of the entrepreneur, followed by the insights from employees and managers.

**ENTREPRENEURIAL PERSPECTIVE ON SOLIDARITY.** The company exhibits a distinctly non-speculative profile, characterized by a vision of business as a tool for serving society through the creation of wealth, job opportunities, and innovative forms of solidarity aimed at addressing social injustices. While it is already established that all three cases involve companies making significant financial investments in social initiatives, what stands out are the underlying motivations driving these practices. To explore this further, we highlight the entrepreneur's perspective through three distinct moments from the interview:

*T: "I believe we can build a new society through business, and that a company has an extraordinarily important social function, with the entrepreneur holding significant power in their hands. (...) I have the impression that a new society is largely built within the economy, through economic fraternity. If business activities are carried out in a socially responsible way, I believe this helps to create a new social fabric around the company."*

*T: "The easiest, and most disheartening, thing for an entrepreneur like me would be to think only of oneself and not invest resources in the creation of jobs and income. I*

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*believe the greatest act of heroism for an entrepreneur is generating jobs, which is one of the world's greatest needs today."*

*T: "I have allocated part of my capital for this purpose and will continue to do so as long as my business grows and yields good returns. As long as I am alive, that will be my fulfillment."*

**EMPLOYEE AND MANAGER PERSPECTIVES ON SOLIDARITY.** There is a **lack of awareness** regarding the solidarity practices carried out by the group's president, as these remain private initiatives. The value of solidarity is neither actively promoted nor explicitly discouraged; rather, the company appears to focus its efforts on transmitting other values and behaviors, as evidenced in the findings of this research. We have chosen to highlight this theme, unlike others, not because of the significance of the information provided by the interviewees, but precisely due to their lack of awareness regarding these practices. This absence suggests that solidarity is not integrated into the organizational culture, and this strategic choice will be further analyzed later in this study, particularly in relation to **solidarity as discretionary social responsibility practices**.

In conclusion, it is important to emphasize that the last category presented also represents a dilemma - or critical point - similar to those identified in the previous cases. This case differs from the others in a key aspect: the majority partner affiliated with the Economy of Communion movement is not involved in the day-to-day management of the Green Company, as he holds the position of President of the Board. While the other leaders are aware of the movement's principles, they are not active participants or adherents. This distinction provides an interesting basis for analyzing how EoC values are transmitted across companies with different organizational structures and leadership configurations.

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## Cross-case analysis

This section presents a comparative analysis of the three companies studied - Red Company, Blue Company, and Green Company - based on the thematic findings from the multiple case study. By adopting a thematic approach, this analysis

highlights patterns, contrasts, and key insights regarding organizational culture - including specific themes within this category and symbolic elements -, dilemmas or critical points, and perspectives on business solidarity that emerged from the cases.

We begin this comparison by presenting a summarized table of the main themes identified in the description of each case:

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**Table 6: Summary of thematic analysis**

| CASES | Organizational Culture Categories | Symbols and Mechanisms | Dilemmas/Critical points | Solidarity Categories |
|---|---|---|---|---|
| The Red Company | ❖ Serenity<br>❖ Attention to the person and human aspect<br>❖ Family<br>❖ Teamwork and collaboration<br>❖ Humble leadership<br>❖ Collegiality and inclusive participation<br>❖ Openness in self-expression | ❖ Solidarity contract<br>❖ Part-time work<br>❖ Day-off<br>❖ Christmas dinner<br>❖ Team Building activities<br>❖ Theme of the year<br>❖ Governance rules | ❖ Personal needs vs. Operational efficiency<br>❖ Serenity and Collegiality vs. Productivity expectations<br>❖ Discreet vs. Explicit solidarity communication | ❖ A purpose beyond economic gain<br>❖ Organizational pride leading to employee satisfaction<br>❖ Lack of specific awareness |
| The Blue Company | ❖ Opportunities for growth<br>❖ Open communication<br>❖ Family-like and friendly atmosphere<br>❖ Approachable and collegial leadership<br>❖ Honesty | ❖ Second chance<br>❖ (No) fancy car<br>❖ The grass looks greener on the other side<br>❖ Friday lunch<br>❖ 250 credit | ❖ “They” phenomenon<br>❖ Lack of feedback on individual performance<br>❖ Transition phase<br>❖ Pressure for results | ❖ Appreciation of solidarity<br>❖ Appreciation of sobriety |
| The Green Company | ❖ Professional environment<br>❖ Products for life<br>❖ Openness to participation<br>❖ Respect and care for associates<br>❖ Focus on innovation<br>❖ Legal and ethical standards | ❖ Open doors<br>❖ Red carpet<br>❖ Coffee and Talk | ❖ Lack of awareness on solidarity | ❖ Entrepreneurial perspective on solidarity<br>❖ Employee and manager perspective on solidarity |

Source: Developed by the author.

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The thematic analysis of the three companies reveals distinct cultural orientations, despite their shared commitment to the social values of the Economy of Communion. Red Company exhibits a strongly people-oriented culture, where interpersonal relationships, mutual trust, and a family-like atmosphere define the work environment. Leadership is collegial and inclusive, fostering a deep emotional connection between employees and the company.

Blue Company, while also valuing interpersonal relationships, integrates a work-oriented focus, balancing human connection with performance and professional development. Open communication and an approachable leadership style coexist with clear expectations regarding productivity. Employees are notably engaged, particularly due to the opportunities for growth.

Green Company, in contrast, is characterized by a customer-oriented culture, where professionalism, structured processes, and innovation drive the company's approach. Ethics, transparency, and legal compliance are highly valued, and leadership operates within a clear framework. While social responsibility remains a leadership priority, this is perceived more as an entrepreneurial initiative.

Despite these differences, all three companies integrate ethical business practices and a commitment to social good into their organizational models, reflecting the influence of the EoC movement in distinct yet meaningful ways. The following sections will further examine, in the context of the cross-case comparison, how these orientations are reflected in organizational culture categories, key dilemmas, and solidarity categories.

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Organizational culture

| | | |
|---|---|---|
| Attention to the person and human aspect / Family | Family-like and friendly atmosphere | Respect and care for associates |

Despite the distinct cultural aspects of each company, the thematic analysis reveals notable similarities in how they approach interpersonal relationships and

employee well-being. A commitment to valuing individuals and fostering a sense of belonging emerges as a unifying theme across all three cases, even though it is expressed through different practices and narratives.

In Red Company, this theme is evident in the ‘Attention to the person and human aspect’ and ‘Family’ categories, which highlight a workplace culture centered on personal relationships and emotional support. Employees describe an environment where they feel seen and valued, both professionally and personally. This is reinforced by organizational stories that directly embody these values, such as the ‘solidarity contract’, a measure that ensured collective support during economic hardship, the ‘Christmas dinner’, which explicitly recognizes the role of family in employees’ lives, and the opportunity for ‘part-time work’, particularly for those with personal or family-related needs. These initiatives function as tangible expressions of the company’s commitment to creating a workplace where employees feel integrated not only as professionals but as people with personal lives and individual circumstances that are taken into consideration.

Similarly, Blue Company exhibits a ‘Family-like and friendly atmosphere’, where employees emphasize approachability, informal yet respectful relationships, and significant bonds among colleagues. While the company places a greater emphasis on work performance compared to Red Company, it maintains a culture where interpersonal relationships remain central to the employee experience. This is particularly evident in the ‘second chance’ narrative, widely shared among employees, which describes a moment when an associate who had committed a serious mistake was given another opportunity rather than being immediately dismissed. This event is frequently referenced as a defining moment in the company's culture, reinforcing a sense of trust, and the belief that people are valued beyond their mistakes. Employees interpret this story as an indication that the company sees them not merely as workers but as individuals capable of growth and redemption, reinforcing the perception of the workplace as an inclusive and supportive environment.

In Green Company, a similar sentiment is reflected in the ‘Respect and care for associates’ category, where employees report a culture of politeness, professional respect, and genuine interest in their well-being. While Green

Company's structure and leadership style are more formalized than those of the other two cases, there is still a notable emphasis on maintaining personalized interactions and a sense of mutual respect. Employees highlight moments where leaders show concern for their personal lives, inquire about their families, and ensure that the work environment remains one where people feel valued beyond their functional roles. Unlike in Red and Blue Companies, where the emphasis on interpersonal relationships is reinforced through symbolic stories and rituals, in Green Company this aspect is more subtly embedded in daily interactions and professional etiquette.

Across all three companies, these categories reflect a deeply ingrained organizational commitment to maintaining a workplace that prioritizes human relationships and employee well-being. These similarities suggest that, despite differences in management styles, all three companies place human dignity and interpersonal relationships at the core of their organizational cultures. The specific mechanisms through which these values are enacted vary, but the underlying principle remains a common thread that aligns them with the broader approach of the Economy of Communion movement.

| Openness in self-expression | Open communication | Openness to participation |
|---|---|---|

Another significant cultural similarity observed across the three companies is their commitment to openness in communication and participation, which manifests in different ways but remains a core value in all three cases. They all highlight a workplace culture where employees feel encouraged to share their thoughts, express their concerns, and engage in dialogue with colleagues and leadership. While each company has its own distinct mechanisms for facilitating this openness, the underlying principle of fostering a transparent and inclusive work environment is consistently present.

In Red Company, the theme of 'Openness in self-expression' reflects an organizational climate where employees feel free to communicate directly, resolve

issues openly, and engage in discussions without fear. This culture is characterized by a preference for direct interactions over written communication, where problems are addressed through face-to-face conversations rather than formalized processes. Employees report that they are encouraged to voice their concerns, share their ideas, and provide input on matters that affect their work and the organization as a whole. The emphasis on open dialogue fosters a sense of belonging, reinforcing the perception that each individual's perspective is valued and that solutions are reached collectively rather than imposed from the top down.

Similarly, in Blue Company, 'Open communication' is a defining cultural characteristic, reinforcing a work environment where dialogue is encouraged. One notable aspect of this culture is that employees feel comfortable discussing their career aspirations and even requesting changes in their roles within the company, something that is not always common in professional environments. Managers are not only receptive to such conversations but actively encourage them, reinforcing the idea that communication should be a two-way exchange rather than a directive process. Employees also describe an absence of rigid hierarchical barriers in communication, with top executives maintaining informal, personal, and collaborative relationships with staff at all levels. A key example of this aspect is the 'Friday lunch' practice, where directors visit different stores without a predefined agenda, fostering open dialogue and strengthening interpersonal relationships. While this openness is valued, some interviewees also recognize that as the company grows, maintaining this direct communication style may become increasingly challenging, requiring deliberate efforts to sustain a culture of transparency.

In Green Company, 'Openness to participation' is a core aspect of how leadership engages with employees, fostering an environment where people feel invited to contribute their ideas and perspectives. While the company is more formalized compared to the other two cases, the leadership actively works to maintain channels for employee involvement in discussions that shape the company's direction. This is particularly evident in the 'open doors' narrative, where executives make themselves accessible for conversations with employees. Workers describe a culture where leaders take an active interest in understanding operational challenges and employee concerns, making deliberate efforts to involve them in

discussions about improvements and strategic decisions. A structured example of this approach is the ‘Coffee and talk’ meetings, where new associates engage directly with the company’s president, learning about his journey as an entrepreneur and the values that guide the business. The fact that new associates are invited to meetings where they are asked for their opinions and suggestions demonstrates the company’s commitment to an inclusive and participatory culture. However, unlike in Red and Blue Companies, where openness is often informal and interpersonal, Green Company integrates participation balancing accessibility with professional rigor.

While the specific ways in which openness and participation are encouraged differ among the three companies, the fundamental principle remains the same: employees are seen as active contributors rather than passive executors of tasks, and communication is framed as an essential component of collaboration and decision-making. Red Company cultivates openness through informal dialogue and face-to-face problem-solving, Blue Company reinforces it through a transparent and encouraging communication culture, and Green Company institutionalizes it through deliberate leadership accessibility and participation opportunities. In all three cases, this cultural element contributes to employee engagement, strengthens trust in leadership, and reinforces the perception that the company values not just their work, but also their voices.

| Collegiality and inclusive participation | Approachable and collegial leadership |
|---|---|

A strong sense of collegiality and inclusivity in leadership emerges as a defining characteristic in both Red Company and Blue Company, where decision-making is structured around dialogue, shared responsibility, and a participatory approach. While differences shape how this leadership style is enacted in each context, the underlying principle remains the same: leaders do not position themselves as distant authority figures but as active members of the organization, fostering an environment where employees feel heard, involved, and valued.

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In Red Company, this theme is captured in the category ‘Collegiality and inclusive participation’, which reflects an organizational philosophy that seeks to favor collective decision-making. The company’s leadership, composed primarily of partners deeply involved in daily operations, embraces a consensus-driven model, where decisions are made through discussion and agreement rather than unilateral imposition. This is reinforced by formal governance rules that codify equal participation in decision-making processes, ensuring that partners have an equal say regardless of their individual ownership stakes. This approach creates an environment where collaboration is not merely encouraged but institutionalized as an essential mechanism for maintaining organizational unity. However, while this model strengthens engagement and reinforces solidarity, it also presents challenges, particularly when it comes to the speed of decision-making, as the collegial process can sometimes slow down operational efficiency.

In Blue Company, a similar dynamic is reflected in the category ‘Approachable and collegial leadership’, where the emphasis is placed on accessibility, teamwork, and leadership as a function rather than a hierarchical position. The leadership style in Blue Company fosters an environment where managers and executives are perceived as equals within the broader team, making decisions in a way that involves and consults those affected by them. The company's directors deliberately avoid an authoritative stance, ensuring that leadership is not about exerting power over others but about guiding and supporting. Employees highlight how leaders consult their teams before making decisions, valuing input from different levels of the organization, which strengthens trust and commitment. This contributes to a sense that leaders are not separate from employees but part of the same working structure, reinforcing the collegial nature of the company’s internal relationships.

An additional interview transcript illustrates what is being presented:

*M: “The ideas of my colleagues are just as important as mine, so I listen to them, that’s something I learned from the directors. I call the people on my team my colleagues, not salespeople, because I feel like I’m one of them. I don’t simply give orders to my colleagues, we always communicate first and then make a decision together. I think this style is very positive.”*

Both companies show a reluctance to embrace top-down authority, preferring instead to lead through collaboration and consensus. While Red Company institutionalizes this through formalized governance mechanisms, Blue Company enacts it through daily managerial practices and leadership behavior. In both cases, this approach fosters a strong sense of unity, and trust, making employees feel that leadership is not about status but about responsibility toward the collective good.

| Honesty | Legal and ethical standards |
|---|---|

A commitment to honesty, integrity, and ethical conduct stands out as a fundamental cultural characteristic in both Blue Company and Green Company, although expressed in slightly different ways. While Blue Company fosters a culture of honesty primarily in internal relationships and customer interactions, Green Company institutionalizes ethical standards through legal compliance and a broader commitment to business integrity. Despite these differences in emphasis, both companies share a deep-rooted expectation that transparency, fairness, and adherence to moral principles should guide decision-making at all levels.

In Blue Company, honesty is valued not only as a principle of personal conduct but also as an essential element of workplace interactions and customer relations. Employees and managers frequently describe an environment of trust, where individuals are encouraged to speak openly, admit mistakes, and provide truthful information without fear of excessive consequences. The leadership reinforces this culture by emphasizing honest communication, creating an atmosphere in which errors can be addressed constructively rather than punitively. Furthermore, honesty extends to the company's approach to customer service, as employees express a strong commitment to providing accurate, transparent, and reliable information to clients, even when it is not in the company's immediate financial interest. This emphasis on integrity is also reflected in compensation structures, such as the decision to provide fixed salaries rather than commission-based incentives for sales representatives, aiming to eliminate pressures that could lead to misleading sales tactics.

In Green Company, this principle takes on a broader and more institutionalized form, as ‘Legal and ethical standards’ emerge as a defining aspect of the organization’s identity. Rather than focusing exclusively on interpersonal and customer relationships, as in Blue Company, Green Company embeds ethical considerations into its compliance criteria, and interactions with external stakeholders. The company’s leadership emphasizes a strict adherence to legal regulations and moral principles, particularly when dealing with government contracts, industry regulations, and supplier relationships. Employees express a sense of pride in the company’s refusal to engage in questionable practices, even in situations where unethical behavior might be normalized within the broader business environment. One particularly striking example is the company’s approach to government tenders, where it has actively chosen to forgo potential financial advantages rather than compromise its ethical commitments. This unwavering stance, repeatedly reinforced by the company’s leadership, creates a strong internal culture where employees perceive ethical business conduct not as an option, but as a non-negotiable aspect.

While Blue Company fosters honesty primarily through interpersonal interactions and client relationships, and Green Company institutionalizes ethics through compliance and stakeholder relationships, both share a fundamental commitment to operating with integrity. Employees in both companies recognize transparency and ethical behavior as core organizational values, shaping not only internal dynamics but also the company’s reputation in the broader market. This alignment suggests that, regardless of whether honesty is framed as an interpersonal norm or as an institutional principle, its presence contributes to a culture of trust, long-term sustainability, and a commitment to responsible business practices.

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Dilemmas and critical points

The thematic analysis of the three companies revealed distinct dilemmas and critical points that reflect the complexities of maintaining their respective organizational performances and cultures. While Red Company grapples with

challenges that emerge directly from its humanistic approach to work and management, Blue Company faces issues more closely tied to organizational development and cultural evolution. In Green Company, no significant dilemmas were explicitly articulated by interviewees in relation to the themes of this study, but this very absence raises an important consideration that will be addressed in a later section.

In Red Company, the first two dilemmas - ‘Personal needs vs. Operational efficiency’ and ‘Serenity and collegiality vs. Productivity expectations’ - reflect the inherent tensions of cultivating a deeply human-centered organizational culture while ensuring that the business remains efficient and competitive. The company has built a work environment characterized by strong interpersonal relationships, support for employees' personal circumstances, and a commitment to maintaining a calm and collaborative atmosphere. However, the very nature of these characteristics generates ongoing challenges in balancing individual flexibility with collective performance. Employees and managers express a desire to uphold the company’s people-first values while also acknowledging the operational difficulties that arise when personal needs frequently take precedence over business efficiency. Similarly, the emphasis on serenity and collegiality fosters a harmonious and inclusive workplace, but it can sometimes slow down decision-making, impact responsiveness, and create ambiguity in performance expectations. These dilemmas highlight the paradox that often accompanies humanistic organizational cultures, where the desire to create a fulfilling and supportive work environment must be reconciled with the realities of running a productive business. The third dilemma identified in Red Company, which relates to how solidarity is communicated within the organization, will be analyzed separately in a later section, given its unique implications.

In contrast to Red Company’s cultural dilemmas, the four critical points observed in Blue Company are more aligned with challenges typical of organizational development and cultural consolidation. These issues reflect the company’s growth trajectory and the adjustments required to sustain its cultural foundations while scaling its operations. The first of these, referred to as the ‘They phenomenon’, signals a lack of ownership among employees, where many

respondents describe the company and its leadership in a way that distances them from the business as an entity. Rather than identifying themselves as integral participants in the company's big decisions, some employees refer to them as something external, indicating a gap in shared identity and engagement. Our hypothesis is that this phenomenon occurs due to the profound and extraordinary social values of the company’s directors, requiring a long and dedicated effort in cultural transmission.

Another key issue in Blue Company is the lack of feedback on individual performance. Employees report that formal mechanisms for evaluation and recognition are limited, with feedback mostly occurring in response to problems. This reactive approach contrasts with the otherwise supportive and inclusive leadership style and presents a potential area for cultural refinement. Additionally, Blue Company is undergoing a transition phase, introducing new challenges to support its continued expansion. This shift, while necessary, creates difficulties in maintaining the collegial and informal leadership approach that has characterized the company thus far. Employees and managers acknowledge that as the company grows, sustaining the current leadership style may become increasingly difficult, requiring intentional efforts to balance structure with the cultural elements that have defined its identity.

Finally, the pressure for results emerges as a notable cultural contradiction within Blue Company. While the company cultivates a friendly and collaborative work environment, employees frequently mention high expectations for performance, and efficiency. This suggests that while leaders maintain an approachable and people-oriented style, performance demands remain rigorous and sometimes create tension within the culture.

In Green Company, the interviews did not reveal any significant dilemmas that align with the themes of this research. Employees described a structured, ethical, and professional workplace with clear processes and a strong emphasis on innovation and customer satisfaction. However, the absence of dilemmas does not necessarily indicate an absence of challenges, especially in light of the generational transition the company is undergoing and the uncertainty about how the founder's legacy will be sustained.

Taken together, the dilemmas and critical points identified in these cases provide valuable insights into the complexities of balancing humanistic, organizational, and business imperatives. Red Company's challenges underscore the inherent tensions of prioritizing people-centered values in a competitive business environment, Blue Company's critical points highlight the growing pains of an expanding organization striving to maintain its cultural DNA, and Green Company's lack of explicit dilemmas prompts a reflection on how professional management influence the resolution of cultural challenges, or how firmly established within the company as a whole are the values and behaviors that have guided it thus far.

Solidarity

The cross-case analysis provides us with an understanding of how the choice to integrate a social purpose into corporate culture is expressed within the three companies studied. It reveals varying degrees of transmission, assimilation, and internalization of solidarity values, ranging from an explicit and engaged communication of these principles to cases where solidarity remains more subtle, individualized, or even distant from the broader organizational culture. The differences in how these companies integrate their commitment to social responsibility into their routine shape not only how employees perceive and relate to the company's orientation but also how these values influence engagement, satisfaction, and cultural identity.

Among the three cases, Blue Company stands out as the one where solidarity is most clearly communicated and integrated into the organizational culture. The company actively transmits both the value and practice of solidarity, ensuring that employees recognize and participate in these initiatives in a meaningful way. This is evidenced in the category 'Appreciation of solidarity', where employees express pride in working for a company that actively contributes to social causes, and even enthusiasm for their own role in these efforts. A key mechanism reinforcing this sense of participation and ownership is the company's annual practice of allocating €250 per employee for donation to a cause of their choice. This initiative not only

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reinforces the company’s commitment to solidarity but also encourages employees to actively engage with and reflect on social issues.

Additionally, the emphasis captured in the category ‘Appreciation of sobriety’, serves as a powerful symbolic reinforcement of the company’s commitment to ethical business practices and solidarity. The widely shared narrative of leaders choosing modest lifestyles over extravagant displays of wealth - often summarized in the narrative of the "no fancy car" ethos - creates a cultural alignment between solidarity and leadership behavior. By embodying these values in both explicit communication and concrete managerial style, Blue Company ensures that solidarity is not merely an aspiration or an external initiative but an integral part of how the company operates, how decisions are made, and how employees must perceive their workplace.

Red Company, while also demonstrating a deep-rooted commitment to social purpose, presents a different dynamic in terms of how solidarity is communicated and assimilated into the corporate culture. As observed in the category ‘Lack of specific awareness’, many employees express limited knowledge of the specific details surrounding the company’s solidarity initiatives, such as the exact amounts allocated, the beneficiaries, or the frequency of social contributions. This aligns with the broader dilemma identified as ‘Discreet vs. Explicit solidarity communication’, which reflects the company's deliberate choice to maintain a lower profile when it comes to publicizing its social activities.

In a way, this dilemma can be seen as extending across all three companies, particularly in the tension between the founders and the new generations of managers. For the former, details regarding the company’s social investments - especially the amounts allocated and their frequency - are not considered essential to communicate. Several justifications support this position, including the belief that "many would not understand why such significant resources are directed toward social causes rather than internal business needs." Conversely, the new generation of managers advocates for more structured and frequent communication about these initiatives, believing that greater transparency could foster engagement and reinforce the company’s values.

This divergence in perspectives is well illustrated by two seemingly contrasting passages from Christian teachings. On one hand, Matthew 6:3-4 emphasizes discretion in acts of charity: *"When you give to the needy, do not let your left hand know what your right hand is doing, so that your giving may be in secret. Then your Father, who sees what is done in secret, will reward you."* On the other hand, Matthew 5:14-16 suggests that good deeds should be visible as a testimony to others: *"You are the light of the world. A town built on a hill cannot be hidden. Neither do people light a lamp and put it under a bowl. Instead, they put it on its stand, and it gives light to everyone in the house. In the same way, let your light shine before others, that they may see your good deeds and glorify your Father in heaven."*

This contrast encapsulates the core of the dilemma: whether acts of solidarity should remain discreet and unpublicized or whether they should be openly shared as a means of inspiring and engaging others. One possible path to resolving this dilemma lies in distinguishing - and consequently deciding - between being an EoC entrepreneur and being an EoC company. In the first case, actions inspired by the principles and values of the movement can be considered individual initiatives, with the level of communication about them remaining a personal choice. In the second case, however, the Economy of Communion is expected to influence the company as a whole, shaping the entire community of workers, shared values, behaviors, internal and external relationships, and organizational practices, in particular, the social responsibility initiatives aimed at transforming the lives of individuals and communities in socio-economic vulnerability.

However, despite this lack of specific awareness, solidarity in Red Company is still translated into tangible organizational impacts, which are strongly felt by employees. This becomes evident in the category ‘Organizational pride leading to employee satisfaction’, where solidarity initiatives contribute to a strong sense of belonging and fulfillment, even when employees are not fully aware of the specifics behind these efforts. The idea that the company engages in socially meaningful activities, even if not widely discussed, creates a diffuse but powerful sense of purpose, reinforcing employee satisfaction and motivation. Similarly, the category ‘A purpose beyond economic gain’ highlights that even without an intensive communication strategy, the company’s commitment to social responsibility

resonates with employees, shaping their perception of the business as one that prioritizes human values over financial success. In this sense, Red Company illustrates how solidarity can influence corporate culture even when it is not explicitly framed.

A distinctive aspect of Red Company's solidarity orientation lies in its governance rules, which structurally reinforce its non-speculative and socially committed business approach. Unlike conventional business models, where ownership may be separate from active management, Red Company requires that all partners be actively engaged in the company's operations, ensuring that those making strategic decisions remain directly connected to the business and its organizational culture. This rule fosters a shared sense of responsibility among stakeholders and aligns leadership with the company's commitment to economic and social well-being. Furthermore, the salary cap regulation, which limits the highest-paid partner's remuneration to no more than five times that of the lowest-paid employee, along with restrictions on dividend distribution, serves as a safeguard against profit-driven distortions that could compromise the company's human-centered ethos. The mandatory allocation of 10% of profits to the most vulnerable members of the Economy of Communion movement reflects the company's explicit commitment to solidarity, ensuring that financial success translates directly into social impact.

Additionally, by prioritizing reinvestment in the company itself, these governance structures create the conditions for long-term sustainability and job creation, reinforcing the belief that business growth should serve a greater social purpose. The field research and interviews conducted with the company's founder left a particularly strong impression on the researchers, revealing that these principles are not merely the result of ethical convictions but are also deeply rooted in spiritual motivations. This transcendent dimension appears to guide decision-making in a way that goes beyond economic rationality, shaping a corporate culture where profit is understood as a means to serve others rather than an end in itself.

Even though this company was the only one to translate its non-speculative profile into governance rules, we found the same principle in the other two, as can be observed in the following excerpts from the interviews:

*T: "The idea is to help the poor. Finding a solution was the main reason - that's why we also manage our company to make a profit so we can share it. We do better if we make profits, and as a company or as shareholders, we share our profits. This is my main drive."*

*T: "It is part of humanity - the poor are part of our humanity, and we must make their suffering our own. What is happening right now is awful; we cannot remain indifferent. That doesn't mean we have to weep all day, but we must try to help, to do something. If not, humanity is at risk. We are at a point where we have the opportunity to heal something."*

In Green Company, the integration of solidarity into the corporate culture follows yet another distinct trajectory. Here, solidarity is primarily framed from an 'Entrepreneurial perspective'. The company's founder and president hold strong personal convictions regarding the social role of business, actively investing in solidarity initiatives and viewing economic activity as a means of building a more just and inclusive society. However, this perspective is not systematically transmitted throughout the organization, leading to what has been identified as a 'Lack of awareness on solidarity' from the 'Employee and manager perspective'. Unlike in Blue Company, where solidarity is actively promoted as a shared corporate value, or in Red Company, where it still generates a significant sense of pride despite being discreetly communicated, in Green Company, social commitment remains primarily an individual initiative rather than an integrated cultural element.

Employees and managers acknowledge the ethical and professional standards that define the company's identity, but they do not necessarily connect these principles to a broader solidarity-driven mission. This suggests that while the company's leadership is strongly committed to solidarity as a guiding principle, its diffusion across organizational levels is more limited, preventing employees from fully recognizing or internalizing this aspect of the company's purpose. And, it is worth emphasizing that, despite the financial commitments of the Economy of

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Communion movement, Green Company remains competitive and innovative, successfully balancing social responsibility with business excellence. Its stable investment in employee development and process professionalization reinforces both operational efficiency and customer focus, ensuring long-term sustainability while upholding its ethical and social commitments.

These variations in how solidarity is communicated, perceived, and integrated into corporate culture reveal different levels of assimilation and engagement within the three companies. While Blue Company stands out for its explicit and structured transmission of solidarity values, it is worth emphasizing that the literature highlights that much remains to be done in all three companies regarding the use of strategies and tools to further develop an organizational culture where solidarity is a foundational value. These distinctions underscore the significance of communication and cultural transmission in ensuring that a company's social purpose is not merely an external or symbolic commitment but a truly embedded element of its corporate identity. The relationship between these findings and existing theoretical perspectives will be addressed in the next chapter.

We conclude by illustrating, with the following table, how the solidarity orientation of the Economy of Communion could be synthetically described in terms of its integration into the organizational culture of the studied companies:

Table 7: Summary of solidarity in thematic analysis

| Cases | Solidarity integration |
|---|---|
| Blue Company | Well-integrated, consistently communicated, generally understood, and positively linked to employee motivation and company identity. |
| Red Company | Discreetly communicated but still generates meaningful cultural impacts, influencing employee satisfaction and perception of purpose. |
| Green Company | More individualized, largely associated with personal commitments of leadership rather than an explicitly shared cultural value. |

Source: Developed by the author.

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# CHAPTER FIVE: Discussion

This chapter explores the findings of the study in relation to the theoretical framework established in the previous chapters, particularly regarding the integration of solidarity into corporate culture within the Economy of Communion companies. The central research question guiding this study was: **How does the choice of having a social purpose become part of corporate culture? Does it reflect and shape organizational identity, or does it remain an external, secondary commitment?**

The findings suggest that while all three companies adhere to the EoC model, the way solidarity is communicated, perceived, and internalized varies significantly. The Blue Company demonstrates a significant level of integration, where solidarity is not only explicitly communicated but also broadly understood by employees, influencing motivation and company identity. The Red Company, despite a more discreet communication of its social engagement, still exhibits meaningful internal impacts through mechanisms such as governance rules and employee perceptions of purpose beyond profit. In contrast, the Green Company presents a more individualized approach, where solidarity remains largely associated with the personal commitments of leadership rather than an explicitly shared cultural value across the organization. However, this should be analyzed alongside the fact that this company maintains a high standard of ethical and legal compliance, as well as a remarkable level of professionalization.

To analyze these findings in depth, this chapter is structured into three main sections. The first section will interpret the findings in light of CSR theories, examining how the results align with and challenge existing conceptualizations of corporate social responsibility. The second section, interpreting instead in light of organizational culture theories, explores how the identified cultural patterns in EoC companies relate to established perspectives on corporate culture, including some models of organizational culture and the role of leadership in shaping values and behaviors. Finally, the third section will bridge CSR and organizational culture, synthesizing these perspectives, analyzing how solidarity functions as both a

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corporate value and an operational practice, and discussing its implications for the broader integration of CSR into corporate identity. In conclusion, the final section ‘Synthesizing Case Studies and the OC-CSR Integration’ relate the three case studies to the conceptual model, applying a structured classification to illustrate how organizational culture antecedents, strategies, CSR initiatives, and outcomes interact in shaping corporate social responsibility integration.

By engaging with key theoretical perspectives, this discussion will provide a deeper understanding of how solidarity operates as an organizational value. Additionally, it will reflect on practical implications, considering how businesses can effectively integrate social commitment. Ultimately, this chapter aims to bridge the gap between theory and practice, offering insights into how companies with a strong social purpose navigate the complexities of contemporary business environments while maintaining their foundational commitment to solidarity.

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### 5.1. Interpreting the findings in light of CSR theories

The classical theories of corporate social responsibility have long debated the extent to which businesses should assume responsibilities beyond economic and legal obligations. Carroll’s (1991) four-part CSR framework, with its economic, legal, ethical, and philanthropic dimensions, remains one of the most widely referenced conceptual models, establishing that corporate responsibilities are multifaceted and should be pursued simultaneously rather than hierarchically. In contrast, Friedman’s (1970) shareholder primacy perspective argues that businesses should focus solely on profit maximization, limiting their social contributions to legal compliance. Between these extremes, the debate has evolved into more nuanced perspectives, particularly those that balance stakeholder expectations (Freeman, 2010) and seek to integrate social concerns into business strategy through sustainability and the triple bottom line approach (Elkington, 1997).

The findings of this study confirm that CSR is far from a uniform or monolithic practice. The three companies studied within the Economy of Communion movement demonstrate varied approaches to integrating social responsibility into their organizations, illustrating key distinctions in how CSR can be understood,

communicated, and practiced. While all three companies adhere to a social purpose, as expected from their participation in the EoC movement, they exhibit differences in how explicitly or implicitly solidarity is integrated into their corporate culture.

The empirical findings align with Carroll's (1991) framework, demonstrating the presence of all four CSR dimensions in the studied companies. Given the origins of the EoC, it is unsurprising that philanthropic responsibility is strongly emphasized, as their commitment to social investment is an explicit and foundational characteristic. However, beyond this evident philanthropic engagement, the findings demonstrate that adherence to all four CSR dimensions contributes to organizational integrity. Economic and legal responsibilities manifest with varying emphasis across the cases, yet no company presents an absence of either. Ethical and philanthropic responsibilities, in contrast, emerge prominently in all cases, reinforcing the idea that these businesses operate with a deeply embedded commitment to moral considerations and social contribution.

Freeman (2010) asserts that businesses should be understood as networks of relationships among various stakeholder groups, with value creation occurring through these interactions. The study also brings attention to the relationship between EoC principles and stakeholder theory. The 'Identification Card' of the EoC encourages companies to structure their governance according to the principle of fraternity, and Bruni (2014) highlights that one of the most relevant messages from the EoC to the contemporary economic sphere is the notion of addressing current issues through relational goods and labor. This concept of relational goods, as discussed by Gui (2013), refers to intangible assets that emerge from interpersonal interactions, fostering well-being and cooperation. The empirical findings show that EoC companies actively cultivate these relational goods in their organizational dynamics, embedding a culture where interpersonal relationships, fairness, and mutual support are central to business operations.

The cases analyzed in this study reveal numerous examples of how EoC companies foster just, ethical, reciprocal, and fraternal relationships with a broad range of stakeholders - including employees, customers, suppliers, and the broader community. This reinforces and expands stakeholder theory by demonstrating that, beyond the traditional exchange of material value, businesses can also create

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significant relational value. The EoC model, as observed in practice, highlights the importance of relational goods in economic life, positioning business as a space where human dignity and social cohesion are actively cultivated rather than merely a domain of transactional efficiency. Placing the person and the quality of relationships at the center of economic life, while fostering conditions of communion both internally and externally, defines how these types of companies operate (Cannas, Argiolas and Cabiddu, 2019).

One of the key contributions of the studied companies to the broader discourse on stakeholder theory is the emphasis on relational value creation, which extends beyond traditional material exchanges. The organizational culture findings highlight how EoC companies integrate ‘attention and respect to the person’, particularly employees, as a foundational element of their business model. This is reinforced through ‘open communication’ and ‘collegial leadership’, where participation is actively encouraged, fostering environments of trust and shared responsibility. Furthermore, the strong emphasis on ‘honesty, legal, and ethical standards’ ensures that relationships with external stakeholders - including customers, suppliers, and government entities - are marked by transparency and fairness.

These characteristics collectively demonstrate that the value generated within these companies is not only economic but deeply relational, aligning with the EoC’s principle of fraternity in business. Conversely, the absence of these relational dimensions in business environments can be seen as a form of poverty. By positioning relational goods as integral to corporate success, EoC companies challenge the conventional boundaries of stakeholder theory, illustrating how fostering ethical and cooperative relationships can lead to both social and economic sustainability.

Furthermore, when analyzing EoC companies through the lens of CSR theories, they align most closely with what Garriga and Melé (2004) define as ethical CSR theories, in which social responsibility is embedded as an intrinsic commitment rather than a strategic tool for competitive advantage. The foundational motivation of EoC businesses is rooted in ethical considerations rather than solely strategic benefits, which distances them from the instrumental theories of CSR that focus

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primarily on profit maximization. While elements of political and integrative theories are also present - given the broader understanding that businesses play a social role and depend on society for their sustainability - the defining characteristic of EoC firms remains their ethical foundation. Unlike CSR approaches that view corporate responsibility as a necessary response to external pressures, EoC companies integrate their social purpose into their core identity, making solidarity and justice inherent aspects of their business models rather than external obligations.

These findings contribute to the broader discourse on CSR by illustrating how businesses can move beyond compliance-based or strategic CSR approaches to embrace an authentically embedded form of social responsibility. The EoC experience provides a compelling case of how an ethical motivation, reinforced by concrete governance mechanisms, can shape an organization's relationships, decision-making processes, and long-term goals.

The debate on CSR motivations often contrasts intrinsic commitments - where social engagement is an ethical obligation - with instrumental approaches that link CSR to financial or reputational benefits. The Economy of Communion companies analyzed in this study offer a compelling case of CSR embedded as a core organizational value, rather than a strategic tool for competitive advantage. Hemingway and McLagan (2004) describe a "proactive responsible" approach to CSR, in which companies assume social responsibility beyond external pressures. This perspective is reflected in the studied companies, where solidarity is integrated into financial decisions, governance mechanisms, employee involvement, and corporate culture.

The findings challenge concerns raised by Baden and Harwood (2012) that CSR is often reduced to an economic business case, losing its ethical foundation. In contrast, the EoC companies demonstrate that ethical motivations can coexist with sound business practices. Their approach also aligns with Gui's (2015) assertion that businesses are not merely shareholder-driven entities but long-term coalitions of stakeholders whose relationships foster justice and efficiency.

The study also highlights the dilemma of whether CSR should be publicly communicated or remain discreet, a concern echoed in the literature (Baden &

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Harwood, 2012). The Red Company illustrates this tension, as leaders debate whether greater visibility would enhance engagement or risk turning solidarity into a marketing tool. Gallagher and Buckeye (2014) had already pointed to an internal exclusion regarding decisions on the social allocation of profits ten years ago, suggesting that greater communication and participation in this area represent an opportunity to strengthen key values of organizational culture. This suggests that while discretion preserves authenticity, transparency can strengthen cultural assimilation and employee participation.

Furthermore, while some CSR theories emphasize reputational benefits (Sheehy, 2015), the studied companies illustrate a model of embedded CSR - where social responsibility is not an isolated initiative but a structural element of governance and operations. Unlike purely intrinsic CSR, which may be confined to personal convictions, or instrumental CSR, which seeks external advantages, embedded CSR ensures that solidarity remains a defining principle of corporate identity. This hybrid model expands the discussion on CSR motivation by demonstrating that ethical commitment and economic sustainability can be mutually reinforcing rather than opposing forces.

Argiolas (2014) emphasizes that true social responsibility is not limited to specific initiatives but must be embedded into a company's identity, shaping decision-making processes and stakeholder relationships. The findings of this study align with this perspective, as the EoC companies demonstrate a commitment to social responsibility that extends beyond compliance and external positioning, influencing their internal culture and operational practices.

Unlike conventional CSR approaches that may treat social responsibility as a separate function, the EoC firms illustrate how ethical principles and solidarity are ingrained in corporate life. The Red Company, for example, embeds social values into governance rules regulating profit-sharing and salary ratios, ensuring that financial decisions reflect ethical commitments. The Blue Company emphasizes transparency and open communication, integrating employees into social initiatives through discretionary fund allocation, reinforcing a participatory and shared sense of responsibility. In the Green Company, a strong ethical commitment is evident in leadership decisions that prioritize sustainability and integrity.

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These findings support Argiolas' (2014) view that a company's social orientation is most effective when it influences all aspects of the organization, contrasting with Sheehy's (2015) observation that CSR is often fragmented. The EoC firms challenge this fragmentation by demonstrating that social responsibility can be a core element of corporate identity.

However, challenges remain in fully integrating this orientation. The tension between discretion and explicit communication of solidarity efforts in the Red Company highlights the difficulty of balancing ethical motivations with broader stakeholder engagement. The Green Company's model, where social responsibility is strongly driven by its founder but remains less embedded among employees, underscores the need for leadership to ensure cultural transmission. The findings suggest that when CSR is deeply internalized as a social orientation, it extends beyond compliance and philanthropy to become an integral part of governance, strategy, and stakeholder relations.

Regarding the dilemma between greater communication and discretion with respect to social actions and investments - where the cultural assimilation of this organizational trait is weighed against the preservation of authentic solidarity - our study suggests that these two dimensions are not in full opposition. There is room for both: room to grow in communication, while also maintaining certain initiatives away from the spotlight, which, for some, may even be considered sacred.

The companies analyzed demonstrate a clearly non-instrumental perspective on CSR. Based on our findings and the literature review, this work proposes a set of mechanisms to support the path from a purely intrinsic form of CSR to an embedded CSR - capable of preserving its original solidarity-driven motivations. We present in the following table a distinction, for didactic purposes only, between "EoC Entrepreneurs" and "EoC Companies", along with a framework of means designed to help the former evolve into the latter. Both organizational theory and practice suggest that this transition not only strengthens the perseverance of social purpose, but also fosters internal commitment, engagement, and satisfaction. Furthermore, this approach is fully aligned with the aims of the Economy of Communion, which explicitly seeks to generate culture.

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Table 8: From EoC Entrepreneurs to EoC Companies

| **EoC Entrepreneurs** |
| --- |
| Entrepreneurs who create wealth with the goal of promoting social transformation through the work carried out by their businesses, as well as through support to poorer communities and educational initiatives that promote communion as a social and economic principle. By managing their businesses and allocating their resources based on this purpose, they develop relationships of fraternal reciprocity with their stakeholders, enriching the social fabric with relational goods. |
| **Means for entrepreneurs and managers to develop an EoC Company** |
| **Communication** – Use formal (and informal) channels and opportunities to share information about social actions and investments, and to communicate values connected to the Economy of Communion.<br><br>**Training** – Integrate into staff development programs content and experiences that promote attitudes of solidarity, reciprocity, and fraternity.<br><br>**Participation** – Encourage employee protagonism in training initiatives, solidarity actions, and, whenever possible, in decision-making processes aimed at social goals.*<br><br>**Governance** – Create formal mechanisms to ensure that the EoC's values and purpose are systematically embedded into the organization's life.*<br><br>**Strategy** – Translate the EoC into concrete objectives, goals, and initiatives, aligning its values with the organization's action plans, performance indicators, and competitive advantages.<br><br>**Stakeholder Relations** – Guide relationships with all stakeholders through a humanistic approach that reflects the company's social purpose.<br><br>**Organizational Ideology** – Explicitly incorporate ethical and social principles into the company's mission, vision, and values, offering a symbolic reference that orients behaviors, decisions, and organizational practices.<br><br>**Leadership** – Conduct daily decisions and interactions in coherence with the desired organizational identity, acting as a role model of the values promoted by the company's culture. |
| **EoC Companies** |
| Companies in which the values proposed by the Economy of Communion - such as solidarity, reciprocity, and fraternity - are substantially shared among their community of workers and are expressed in ongoing behaviors and practices that |

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| |
|---|
| reflect this organizational identity. In these companies, the purpose of contributing to the eradication of poverty and the building of a culture of communion becomes consolidated and enduring. |

Source: Developed by the author.

* In the companies analyzed, two practices stood out for their originality: first, a participatory approach in the allocation of resources for social purposes, through a €250 credit assigned to each employee; and second, governance mechanisms such as the restriction of business partnership to active internal members, mandatory profit-sharing with social causes, a proportional salary cap, and dividend distribution limits - all of which reflect the company's non-speculative and socially committed purpose.

While the above table is tailored to the specific context of the companies studied, its structure may be readily adapted to illustrate a similar process of CSR consolidation in broader organizational settings.

The evolving landscape of CSR theories and frameworks over the past two decades has demonstrated a shift from broad conceptualizations of corporate responsibility toward more structured and strategic approaches. The emergence of ESG, B Corps, Creating Shared Value (CSV), and Corporate Purpose as proeminent paradigms reflects an increasing institutionalization of social responsibility. Each of these perspectives presents unique contributions to the ongoing CSR debate, from regulatory and investor-driven ESG frameworks to voluntary certifications such as B Corp, and from business-driven social value creation in CSV to a redefined corporate *raison d'être* under the Corporate Purpose approach. In analyzing the findings of this study, it becomes evident that the companies within the Economy of Communion movement align with aspects of these contemporary CSR paradigms, but also challenge some of their assumptions.

A key distinction between the Economy of Communion companies studied and many mainstream CSR approaches is the depth of their commitment to social responsibility as an intrinsic component of their business model, rather than a strategically motivated or investor-driven imperative. This perspective is particularly relevant in light of Argiolas' (2014) concept of corporate social orientation, which emphasizes that CSR should not be limited to isolated initiatives but should pervade the company as a whole. This resonates with the EoC companies, where social responsibility is embedded in their organizational values, leadership philosophy, and

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some governance mechanisms. Unlike ESG-driven models, which often prioritize compliance, risk management, and financial performance as key drivers of corporate responsibility, the Economy of Communion demonstrates a holistic approach where solidarity, fairness, and relational goods are defining elements of their corporate identity.

The ESG framework, initially outlined by the UN Global Compact and later refined by Li et al. (2021), is widely used to assess corporate sustainability, particularly in investment decision-making. However, in Economy of Communion companies, its application is less about financial risk assessment and more about embedding social and ethical concerns into decision-making. Rather than prioritizing investor confidence or external validation, these companies integrate principles of collegiality, equity, and wage fairness as part of a deeper commitment to social justice. Similarly, while the B Corp movement emphasizes high standards of social and environmental performance through external certification, Economy of Communion companies often internalize similar principles through self-regulation and cultural transmission. Their governance structures reflect some aspects of B Corp certification - multi-stakeholder governance, equitable employee treatment, and ethical supplier relations - yet without reliance on third-party assessments, underscoring a CSR approach rooted in intrinsic ethical values rather than external concerns.

The Creating Shared Value framework, introduced by Porter and Kramer (2011), argues that companies can achieve competitive advantage by addressing social issues that align with their value chain, integrating profitability with social impact. While this approach makes a strong business case for social responsibility, it remains fundamentally instrumental, whereas Economy of Communion companies embrace a broader commitment to solidarity that is not strictly tied to economic returns. Although financial sustainability is essential, their model prioritizes fairness, social justice, and ethical leadership, even when these do not directly enhance competitiveness.

Similarly, Corporate Purpose, as promoted by the Business Roundtable (2024) and critiqued by Kaplan (2023), seeks to redefine corporate responsibility by emphasizing stakeholder value over shareholder primacy. However, Kaplan notes

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that many companies adopting this rhetoric continue to operate within a profit-driven paradigm, raising concerns about the sincerity of their commitments. In contrast, Economy of Communion companies integrate corporate purpose in a substantive way, prioritizing equitable wealth distribution, wage fairness, and reinvestment in social initiatives - not as a public relations strategy, but as a core ethical commitment.

Overall, the findings of this study suggest that while Economy of Communion companies share commonalities with recent CSR frameworks, they differ significantly in the depth of their integration of social responsibility within their organizational culture. Unlike many contemporary CSR paradigms that emphasize compliance, certification, or business-case rationales for social responsibility, the Economy of Communion companies demonstrate a deep-rooted commitment to solidarity as an intrinsic business philosophy. This distinction not only reinforces the perspective of corporate social orientation but also challenges conventional instrumental approaches to CSR, suggesting that a more relational, ethical, and participatory model of corporate responsibility is not only possible but also sustainable in practice.

Building upon the ‘Summary of CSR Initiatives’ presented in the first chapter of this study, we now examine which CSR practices are observed less frequently within the Economy of Communion (EoC) movement, which aspects are expanded by this approach, and, also, what we consider a particularly original contribution of the EoC to the field of Corporate Social Responsibility.

Two areas emerge as particularly relevant for further consideration within the EoC movement, based on established CSR practices. The first concerns the encouragement for companies to publicly declare their social orientation and their affiliation with a movement of this nature. This includes integrating their social purpose explicitly into key organizational identity statements - such as mission, vision, and values - and embedding it as a central element of their strategic direction. As previously discussed, a characteristic discretion in EoC companies has been observed, which warrants further investigation in future research. The second area relates to the relatively limited emphasis placed on environmental concerns among the principles and practices studied within the EoC framework.

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One aspect that is widely addressed in both CSR literature and practice but gains notable depth within the EoC is its approach to stakeholder relationships, aligning with the principles of stakeholder theory (Parmar, Freeman et al., 2010). The case studies demonstrated the high level of attention EoC companies devote to relationships with employees, first and foremost, but also with clients and suppliers. However, while stakeholder theory traditionally focuses on stakeholder engagement, consideration, or benefit, within the EoC, these relationships can be more accurately described as stakeholder fraternity. The EoC Identification Card explicitly requires participating companies to base their governance on the principle of fraternity (EoC, 2025).

Building on the previous definitions of stakeholder theory and the concept of fraternity, the integration of these frameworks can be understood as an expanded stakeholder approach in which the management of interests is preceded by the cultivation of relationships grounded in genuine respect and openness - where the intrinsic value of the relationship itself is acknowledged. This approach encourages forms of cooperation that may transcend the boundaries of compliance requirements, risk management parameters, and reputational indicators. Such an interpretation opens space for further research into questions such as: How do the levels of cooperation achieved by these companies differ from those of others? Which processes and policies adopted in their stakeholder management can be considered original? And what anthropological perspectives implicitly shape stakeholder relations in these organizations?

Among the unique contributions of the EoC to CSR, we highlight three key elements. First, the movement actively encourages companies to generate employment as a fundamental means of fostering development and combating poverty. This imperative is particularly relevant today, as technological advancements increasingly replace human labor, including the intelligent one. At its inception, the movement urged the creation of new businesses - and consequently, new wealth - primarily as instruments for social transformation. Furthermore, the movement envisioned businesses emerging through the investments of individuals who believed in the project, even if they were not directly involved in management. In other words, these are enterprises born from and for a community, serving the needs

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of that community or those whom the community seeks to support. A passage from Chiara Lubich's 1991 speech introducing the Economy of Communion can be found in the appendix of this study.

The second distinguishing feature relates to the nature of the relationship that EoC companies foster with individuals in situations of poverty. As previously discussed in the section presenting the EoC, another requirement for participation in the movement is that each member "understands and lives in relationship with persons in situations of poverty on a level of dignity, substantial equality, respect, reciprocity, and communion" (EoC, 2025). As explained in the 'Profit Sharing' section of the EoC website, "The 'poor' is first offered a new relationship, then material aid steps in. The first care is the relationship itself." This invitation to establish direct and dignified relationships with aid recipients - characterized by respect, subsidiarity, and the recognition of their dignity - represents a distinctive and original contribution to the field of CSR within the organizational context.

The third and final aspect to highlight is the emphasis on cultural formation, or as originally phrased, the formation of "new men and women". A portion of the financial resources donated by EoC companies is allocated to structures and educational initiatives aimed at spreading a culture of "communion". This cultural dimension is rooted in the Christian ideal of reciprocity, as described in "Love one another. As I have loved you, so you must love one another" (John 13:34), which also encompasses fraternity and solidarity (Zamagni, 2014; Fremeaux et al., 2023). "The EoC is based on the conviction that, without a new culture, a new economy cannot be created. Economic behaviors are always the result of a more general lifestyle, a global vision" (EoC, 2025). Few CSR movements have placed such a strong emphasis on economic education, not only for businesses but for society at large - including young students - ensuring that its principles remain in constant dialogue with broader cultural contexts.

Here, we directly quote a short excerpt from the speech launching the Economy of Communion:

> "(...) industries and businesses should emerge here, entrusted to competent and talented people, so that they can manage them and put the profits into communion.

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That is the essence: the profit should be placed in common (…) For what purpose? (…) it should be shared to help those in need - to find work, to support them, to feed them if necessary, to shelter them, and to help them start anew. Furthermore, part of the profit should be reinvested into the business because if it stops, it does not produce. Another part should be allocated (…) to form new people. Because if we do not have new people, we cannot build a new society." (Lubich, 1991)

Table 9: Summary of EoC CSR integration

| **Aspect** | **Description** |
|---|---|
| *Areas for further consideration* | 1. Encouragement for public declaration of social orientation and affiliation with the EoC movement, integrating it into mission, vision, values, and strategic direction.<br>2. Need for greater emphasis on environmental concerns within EoC principles and practices. |
| *Expanded aspects within EoC* | 1. Deepened approach to stakeholder relationships, moving beyond engagement to 'stakeholder fraternity.' |
| *Unique contributions of EoC to CSR* | 1. Emphasis on job creation as a means of social transformation and poverty alleviation.<br>2. A distinct relational approach to addressing poverty, prioritizing dignity, reciprocity, and direct interaction over mere financial aid.<br>3. Investment in cultural formation to promote a broader vision of economic behaviors rooted in reciprocity and solidarity. |

Source: Developed by the author

The findings of this study illustrate how the EoC companies have an evolving commitment to justice in business relationships and an emphasis on solidarity as an organizational principle. As DPIHD (2018) suggests, fair economic relations require businesses to ensure just compensation for all stakeholders - employees, customers, owners, suppliers, and communities -, an approach reflected in the studied companies' governance structures, wage policies, and reinvestment strategies. Furthermore, these companies embody the principle of solidarity, as conceptualized by Fremeaux et al. (2023), not merely as stakeholder engagement but as an active commitment to fostering dignified, reciprocal relationships, particularly with those in vulnerable situations.

## 5.2. Interpreting the Findings in Light of Organizational Culture Theories

The study of organizational culture has evolved significantly over the past decades, transitioning from a relatively overlooked concept to a central theme in management and organizational studies. Early contributions highlighted the informal yet powerful networks of communication, rituals, and shared values that define an organization's identity. The findings from the present study provide new insights into how organizational culture operates within EoC companies, reinforcing and, in some aspects, expanding key theoretical perspectives.

They reveal that the elements of organizational culture described by Deal and Kennedy (2000) are present in the companies analyzed, reinforcing the role of shared values, behaviors, and symbolic elements in shaping corporate identity. Employees frequently reference stories, heroes, and rituals when describing what defines their organizations, indicating that these elements serve as key mechanisms for reinforcing cultural norms. Stories about the company's founders, defining moments, and acts of solidarity are commonly cited, illustrating how historical narratives contribute to a sense of shared purpose. Similarly, rituals - such as regular team meetings, informal gatherings, or symbolic practices related to decision-making - play a role in maintaining cohesion and reinforcing the underlying values of each company.

One important aspect to consider is the size of the companies studied, which range between 50 and 70 employees. This scale creates a work environment where daily interactions involve not only colleagues but also the leadership, fostering a direct transmission of cultural values from top management to employees. Unlike larger corporations where culture is often mediated through formalized policies and communication strategies, these companies rely heavily on personal interactions and direct engagement from leadership to sustain and reinforce their cultural identity. The presence of founders and senior managers in day-to-day operations means that cultural messages are communicated not only through formal statements but also through example, reinforcing behaviors that align with the company's mission.

Another key theoretical implication of the findings relates to the categories of people interactions and response to change, as proposed by Groysberg et al.

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(2018). The three companies exhibit high levels of interdependence, where collaboration, shared responsibility, and participatory decision-making are valued. This aligns with cultures that prioritize relationships, collective effort, and a sense of belonging over individual competition. However, there are also indications that as these companies grow, maintaining this dynamic presents challenges, particularly in balancing an informal, collegial atmosphere with the need for increased structure and managerial processes.

Regarding response to change, the companies exhibit varying approaches. One company places a strong emphasis on maintaining a stable and serene organizational environment, prioritizing continuity and a balanced work atmosphere. Another company, undergoing a phase of growth, is experiencing a transition that introduces greater pressure for results and structural adjustments. Meanwhile, the third company has innovation and customer focus at the core of its cultural orientation, fostering adaptability and responsiveness to market demands. While cultural continuity can be safeguarded through embedded values and traditions, these differing orientations influence how each organization integrates change. The findings suggest that cultural resilience is upheld through leadership engagement and a shared sense of purpose, even as each company navigates its unique approach to stability and transformation.

Schein (1984) describes organizational culture as a system of shared basic assumptions developed through processes of external adaptation and internal integration. The worldwide pressures from customers, industry trends, and society in general have led to an emphasis on transparency, and social responsibility. Internally, the studied organizations have developed strong relational cultures that emphasize cooperation, inclusivity, and values-driven leadership. The integration of ethical and social concerns into daily operations demonstrates a balance between external adaptation and internal integration, reinforcing Schein's model.

Another relevant dimension in understanding the cultural patterns of these companies relates to Hofstede's national cultural dimensions (1980, 2023). While analyzing organizational cultures through the lens of national cultures was not an explicit objective of this study, the companies exhibit relevant tendencies toward collectivism and femininity, even though they operate in different national contexts.

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This raises the hypothesis that the shared identity of belonging to the Economy of Communion movement may exert a supranational cultural influence, which could be further explored in future research. Other dimensions, such as power distance, uncertainty avoidance, long-term orientation, and restraint, appear to have a less direct impact on the cultural traits observed in these companies, although they remain relevant considerations.

Beyond national cultural dimensions, Hofstede et al. (1990, 2023) also developed organizational cultural dimensions, which provide additional insights into the cultural traits observed in the studied companies. While this research did not apply a structured diagnostic using Hofstede's model, the findings suggest that these organizations align with some of the proposed dimensions:

- Means-oriented vs. Goal-oriented: The studied companies align more closely with a means-oriented culture, as they emphasize processes and ethical principles rather than focusing exclusively on financial results.
- Internally driven vs. Externally driven: While it would be expected that these companies exhibit an internally driven orientation, given their strong value-based approach, they also display a high degree of external responsiveness. The emphasis on customer relationships and engagement with external stakeholders suggests a hybrid model that balances ethical convictions with market realities.
- Easy-going work discipline vs. Strict work discipline: The companies do not exhibit a clear position along this dimension. While some practices indicate an easy-going work discipline - such as flexibility in decision-making and emphasis on relational management - this does not necessarily imply a lack of structure or discipline.
- Local vs. Professional identity: This dimension appears less applicable to the studied companies, as it typically differentiates organizations of a larger scale.
- Open system vs. Closed system: The studied companies strongly align with an open system culture, as they emphasize inclusivity, approachability, and collaborative engagement both internally and externally.
- Employee-oriented vs. Work-oriented: While these companies prioritize employee well-being, they do not entirely neglect a work-oriented approach.

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Their cultures are structured to balance both dimensions, ensuring that employee development and workplace satisfaction are integral to achieving organizational objectives.

Hofstede (1990) also highlights the influence of founders and leaders on organizational culture, emphasizing that their values shape company culture through shared practices rather than merely through stated values. The results of this study strongly align with this perspective, as the founders and top executives of the studied companies exhibit values associated with self-transcendence, particularly benevolence and universalism, as described by Schwartz (2012). However, a central question in this research is whether these values are effectively internalized by employees and how this process occurs in practice.

Interviews with employees and leadership suggest that the transmission of values occurs through daily interactions, leadership role-modeling, and organizational mechanisms. Employees frequently reference stories, symbolic figures, and recurring organizational practices when describing the company's culture, aligning with the elements of symbols, heroes, and rituals also outlined by Hofstede et al. (1990). These elements contribute to reinforcing shared values and strengthening cultural cohesion.

The findings also suggest that cultural integration requires intentional efforts to translate leadership values into widely shared practices. This observation supports Hofstede's assertion that organizational culture is not merely the sum of individual leadership beliefs but is shaped by practices that permeate the workforce. This aligns with Schein's (2004) perspective on the mechanisms of cultural transmission, including both primary embedding mechanisms - such as leadership actions and resource allocation - and secondary reinforcement mechanisms - such as rituals and formal policies.

Consistent with what was described by Schwartz (2012), our findings indicate that founders and executives in the studied companies exhibit strong inclinations toward values associated with benevolence and universalism. However, it appears that leaders may not be fully aware of the extent to which these values influence employees and shape their work. Leadership behavior, decision-making, and

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communication set the parameters for how these values are interpreted and applied within the organization. If these values are reinforced through shared practices, they can move beyond individual leadership influence and become an integral part of the collective culture, persisting even as leadership evolves. This aligns with the perspective of Kargas and Varoutas (2015), who suggest that as companies mature, culture begins to shape leadership just as much as leadership has shaped culture in its formative stages.

The process through which leaders shape culture is well documented in organizational literature, with Schein (1984) emphasizing that leadership is the original source of beliefs and assumptions that later become shared within the group. In the cases studied, leaders strongly influence employee perceptions of ethical conduct, collaboration, and purpose-driven work.

As culture solidifies and gains autonomy from leadership, it becomes a force that can guide decision-making and organizational strategy beyond the direct intentions of those in charge. This raises an important consideration for leaders who are intentional about fostering a strong ethical and human-centered culture. Rather than solely focusing on top-down transmission of values, leaders may benefit from creating mechanisms that encourage cultural reinforcement at all levels of the organization, ensuring that values such as benevolence and universalism do not remain tied to individual leadership figures but are embedded into the organizational identity.

Our findings suggest that leadership in these companies remains the primary driver of cultural transmission, but as the organizations grow, the question remains whether these values will continue to define the company in the absence of the founding figures. Understanding how organizations can intentionally shape this transition would contribute to the broader discourse on leadership, culture, and organizational sustainability.

The concept of organizational commitment, as described by O'Reilly (1989), presents a particularly interesting framework for analyzing the assimilation of values within organizations. His classification into three phases - compliance, identification, and internalization - offers a structured way to assess how employees engage with

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organizational culture over time. Internalization marks the deepest level of commitment, where employees perceive the company's values as intrinsically rewarding and fully embrace them as their own.

Applying this framework to the findings of this study, it would be particularly relevant to further explore how different values within the studied companies are assimilated by employees. A potential avenue for future research could involve developing an instrument to measure the degree of assimilation of specific cultural values within organizations, assessing whether they are in the phase of compliance, identification, or internalization. The five overarching themes identified in the cross-case analysis - attention to the person, open communication, collegial leadership, honesty and ethical standards, and solidarity - could serve as key dimensions in such an assessment. Notably, these values did not emerge solely from the official declarations of the companies but rather from the behaviors observed and perceived as genuine by employees. This reinforces the notion that cultural values are not merely imposed through top-down mechanisms but are also shaped through lived experiences within the workplace.

In addition to O'Reilly's (1989) model, the elements of a culture of excellence proposed by Argiolas (2014) also provide a useful framework for interpreting the findings. Two of the four elements he identifies - a high degree of participation in decision-making and consensus among members on core values - were strongly present in the studied organizations. Employees across the three companies demonstrated meaningful engagement in decision-making processes, often facilitated by participatory leadership styles and open communication channels. However, the remaining two elements identified by Argiolas - the ability to adapt to internal and environmental changes and the presence of a unifying purpose that keeps members focused on what is important to the organization - require further investigation.

The findings suggest that strong cultural traits, when effectively assimilated by employees, contribute to engagement, ethical coherence, and ultimately, organizational effectiveness. However, as both O'Reilly (1989) and Argiolas (2014) indicate, cultural assimilation is not automatic; it requires intentional leadership efforts, structured reinforcement, and alignment with the lived experiences of

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employees. This dynamic interplay underscores the need for continued exploration of how organizations can cultivate cultures that foster both commitment and high performance, ensuring that values move beyond mere compliance toward deep internalization.

The theoretical framework also highlights that leadership plays a central role in shaping and sustaining culture (Schein, 2004). This occurs specially in small to medium-sized enterprises where direct engagement between top executives and employees remains prevalent. However, this reliance on leadership interactions alone may pose limitations in the long-term institutionalization of cultural values, particularly as organizations grow or undergo leadership transitions - a phenomenon frequently observed today among the first companies that joined the EoC movement as they approach their 35th anniversary.

Additionally, the findings align with Kotter's (2007) perspective that cultural transformation is a gradual process requiring structured strategies and tools beyond leadership-driven influence. In this regard, the companies exhibit a strong presence in one of the eight categories outlined in the “Strategies and Tools for Organizational Culture Development” framework - leadership interactions - and a moderate presence in training and development programs and governance tools. However, the absence of other structured mechanisms indicates a significant opportunity for improvement, such as: behavioral measures and cultural diagnostics, internal communication practices, recognition systems, talent management processes or explicit strategic frameworks. This observation is particularly relevant for Economy of Communion (EoC) companies, suggesting that a more structured approach to cultural management could enhance their ability to sustain and transmit their values over time.

The broader discussion on organizational culture development highlights the need for companies to employ a more holistic approach, integrating multiple tools rather than relying predominantly on leadership influence. The existing strengths in leadership interactions should be complemented by other mechanisms to reinforce and sustain cultural values. This gap suggests that EoC companies, despite their strong ethical foundations, could benefit from greater formalization of cultural transmission to ensure the longevity and scalability of their values.

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Ultimately, the findings confirm that while leadership is instrumental in shaping culture, the long-term sustainability of organizational values depends on the integration of structured cultural development strategies. A more intentional application of structured cultural mechanisms, informed by the framework presented, could enhance their capacity to navigate growth, maintain strategic alignment, and foster deeper employee commitment.

### 5.3. Bridging CSR and Organizational Culture

The integration of corporate social responsibility with organizational culture represents a critical avenue for understanding how businesses internalize and operationalize their social commitments. Aguinis et al. (2024) emphasize the necessity of expanding CSR research beyond organizational-level analyses, highlighting the significance of behavioral and cultural dimensions in shaping CSR initiatives and their effectiveness. This shift in focus is particularly relevant to the present study, which explores how organizational culture not only fosters but also sustains CSR practices through shared values, leadership influence, and employee engagement.

Traditionally, CSR has been examined through a structural and performance-based lens, analyzing its impact on financial outcomes and regulatory compliance. However, as Aguinis et al. (2024) argue, a growing body of research is recognizing that CSR is not merely a set of external policies or strategic decisions but a deeply embedded practice shaped by the behaviors, perceptions, and interactions of individuals within the organization.

A fundamental aspect of this discussion is the role of people orientation within corporate culture, as emphasized by Upadhaya et al. (2018). Their study identified the cultural dimension of "respect for people" as critical for the successful integration of CSR into organizational strategy. Our findings confirm this perspective, as the three companies analyzed exhibit cultural traits that emphasize attention to individuals, fostering a family-like and friendly atmosphere, and demonstrating respect and care for associates, respectively in the companies Red, Blue, and Green. Added to this are the characteristics of “honesty” and “ethical standards,”

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especially in the companies Blue and Green, expanding the perspective of “people orientation,” as described in the conceptual model “OC-CSR Integration,” to other categories of stakeholders such as customers, suppliers, and governmental entities.

Our findings also highlight the inherent consistency required between CSR initiatives and the broader organizational culture, particularly regarding respect for people. The literature indicates that CSR is most effective when it is embedded within a cultural framework that values fairness, tolerance, and respect for individual rights (Upadhaya et al., 2018). This alignment is evident in our case studies, where CSR engagement is not limited to financial contributions but extends to internal and external fair practices, and ethical business operations. The consistency between being socially responsible and respecting human dignity, regardless of an individual's contribution to the company, suggests that CSR adoption is deeply intertwined with a particular vision of humankind.

In the first chapter, we referred to the awareness of the equal dignity of all human beings as a premise for enabling those who run businesses to become agents of social transformation. Similarly, Fremeaux et al. (2023) emphasize a deep awareness of the interdependence that exists among individuals as a foundation for corporate solidarity. The case studies confirm this theoretical perspective, demonstrating that CSR is not merely a strategic tool but often emerges from a profound understanding of human interconnectedness and social justice.

We believe that one important avenue for future research is precisely the exploration of the motivations and convictions that drive companies to adopt CSR and how these factors shape their interactions with stakeholders. In other words, an in-depth investigation into the underlying vision of humankind present in organizational cultures and its influence on stakeholder relationships. This approach could help clarify the conditions under which CSR evolves from a set of formalized policies to a deeply ingrained cultural practice that shapes business ethics, corporate governance, and long-term social impact.

Moreover, our results resonate with the work of Peters et al. (2009), who argue that personal values of decision-makers play a decisive role in shaping CSR strategies. The case studies suggest that without the personal convictions of the

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company leaders, CSR initiatives in these firms would likely be diminished. This observation reinforces the importance of movements such as the Economy of Communion, which fosters the transmission of social values to entrepreneurs, particularly in small and medium-sized enterprises that may not experience strong external pressures to adopt CSR.

Peters et al. (2009) draw on Schwartz's (2012) categories of benevolence and universalism to identify the personal values of CEOs most closely linked to CSR decision-making. They highlight the stronger influence of universalism, as this value fosters a broader ethical perspective that leads to less stakeholder prioritization, ensuring a more equitable consideration of all groups. Indeed, interviews with top executives revealed that, while they demonstrate benevolence toward stakeholders more directly connected to the business, their motivations for CSR are predominantly shaped by universalism - driven by social justice and a commitment to the common good, rather than a selective focus on specific stakeholder groups.

This contrasts with the emphasis on institutional-level factors - such as regulatory demands and financial institutions - as key drivers of CSR practices (Karassin and Bar-Haim, 2016). The research of these authors indicates that the most influential factors in CSR adoption are organizational culture and the behaviors and attitudes of managers - including gathering information on the company's social and environmental performance, implementing strategies to achieve CSR goals, and establishing management norms that integrate social and environmental objectives alongside economic and operational ones. In the cases analyzed, all three companies allocate resources to social causes and, in varying ways, implement additional practices to reinforce their social orientation. However, the primary difference among them lies in the extent to which they communicate these initiatives externally.

The type of relationship observed between managers and teams in the companies studied aligns with Waldman et al. (2006), who argue that leadership integrity is a unique predictor of CSR values. They define integrity as being open, keeping one's word, and prioritizing the interests of others over self-interest. These authors also suggest a connection between CSR and national cultural dimensions,

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such as institutional collectivism (Hofstede, 1980). However, our study does not delve into such distinctions in depth.

The research findings also align with the underlying assumption that commercial imperatives - such as image and reputation management, stakeholder manipulation, and the organization's integration into its host community - are not the sole drivers of CSR (Hemingway & McLagan, 2004). Personal values and the moral concerns of managers also play a crucial role. This suggests that, in many cases, social responsibility begins at the individual level and only becomes a corporate initiative through the gradual dissemination and adoption of these values within the organization. Furthermore, employees can also influence the development of a corporate culture that fosters business solidarity and a deeper commitment to society at large.

The insights gathered from interviews with employees and managers across the three companies strongly support Chun's (2016) findings that employee identification - defined as an emotional attachment to the firm - is primarily driven by integrity. Our study provides case-specific examples of organizational integrity that align with Chun's conceptualization.

In Green Company, integrity is most evident in the "legal and ethical standards" category, emphasizing a strong commitment to compliance and ethical conduct. Additionally, the "products for life" category reflects the company's genuine dedication to delivering high-quality, long-lasting products, reinforcing the ethical responsibility toward customers.

In Blue Company, integrity manifests in the category of "honesty", ensuring transparency in business practices. Furthermore, the "appreciation of sobriety" category suggests not only integrity in interpersonal relationships but also a lifestyle choice by top executives that aligns with the company's values of solidarity and ethical responsibility. This coherence between leadership behavior and CSR motivations reinforces Chun's (2016) argument that perceived organizational integrity fosters deeper employee identification.

In Red Company, integrity is reflected in non-speculative governance norms, particularly the requirement that business partners be active members of the

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organization and the policy limiting salary disparities between the highest and lowest-paid employees. These measures demonstrate a governance model that prioritizes ethical consistency over short-term financial gains, further solidifying integrity as a foundational corporate value.

Chun (2016) also explores customer identification with firms through empathetic behavior, a dimension not covered in our study. Future research should investigate which factors influence customers' perceptions of CSR practices and how these perceptions shape their relationship with the company.

Additionally, she highlights emotional attachment as a key mediator in CSR outcomes, leading to increased employee and customer satisfaction, and ultimately contributing to a firm's differentiation in the marketplace. She further suggests that companies aiming to foster integrity and empathy must integrate CSR into their corporate strategy and periodically assess the alignment between implemented and communicated CSR initiatives to maintain credibility and trust.

J. Kim et al. (2016) found a positive relationship between CSR and employee commitment, in a case study in South Korea. Our qualitative research, conducted through semi-structured interviews, did not focus on specific indicators but revealed the presence of appreciation, pride, and satisfaction related to CSR in the two companies where these initiatives were actively communicated. Interestingly, interviews with top executives revealed a lack of awareness regarding the positive emotional impact of CSR practices on employees, suggesting a potential gap in leadership's understanding of how CSR enhances workplace morale.

Aguinis et al. (2024) expand the concept of organizational identification, linking it to employees' intent to remain loyal to the company. They highlight the importance of volunteer programs and middle managers' involvement in CSR initiatives as effective ways to strengthen this identification. A noteworthy example from our study is Company Blue's 250-credit initiative for each employee, which fosters significant engagement and satisfaction with the company's social orientation. This finding reinforces the idea that structured CSR programs can enhance employee retention and deepen their sense of belonging within the organization.

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The findings of this study reinforce the intricate relationship between corporate social responsibility and organizational culture, demonstrating that CSR is not merely an external strategy but an embedded practice shaped by leadership, employee values, and cultural norms. The case studies illustrate how integrity, people orientation, and ethical governance serve as key drivers of CSR engagement, influencing both internal cohesion and stakeholder relationships. Furthermore, our results support the argument that CSR is sustained through a deep sense of solidarity, rather than being solely dictated by external regulatory or financial pressures. While previous research has highlighted the role of structural and institutional factors, our study emphasizes the importance of intrinsic cultural attributes in fostering CSR as an enduring corporate value. Future research should further explore the ways in which CSR motivations and organizational values shape stakeholder interactions, employee engagement, and long-term business sustainability, ultimately contributing to a broader understanding of how businesses can become agents of social transformation.

### 5.4. Synthesizing case studies and OC-CSR integration

As a conclusion to this chapter, we aim to present a concise synthesis linking the three case studies to the conceptual model introduced in Chapter Three. The objective is to provide a practical illustration of how this model can enhance the understanding of organizational dynamics related to the integration of corporate social responsibility into organizational culture.

To achieve this, we will employ a six-level classification for each of the key categories outlined in the model: **OC antecedents, OC strategies and tools, CSR initiatives, and CSR outcomes**. This classification indicates the extent to which each company aligns with these categories, based on both the theoretical framework and the empirical findings of this study.

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| | |
|---|---|
| A+ | Fully adherent |
| A | Highly adherent |
| B+ | Moderately adherent |
| B | Moderately non-adherent |
| C+ | Slightly adherent |
| C | Not adherent at all |

**Conceptual model 1: OC-CSR Integration**




Source: Developed by the author.

*OC Antecedents: people orientation, leadership integrity, benevolence and universalism.*

| | |
|---|---|
| Red Company | A+ |
| Blue Company | A+ |
| Green company | A |

We assigned the highest level of adherence to OC antecedents for Red and Green Companies, based on the analysis presented in the case study section. A people-oriented culture is what most defines these companies, as evidenced by their most prominent cultural characteristics, including high levels of leadership integrity and the values of benevolence and universalism. These elements create a strong foundation for the integration of CSR into their organizational identity, reinforcing ethical business practices and stakeholder engagement.

While these aspects are also present in Green Company, its cultural profile exhibits a greater degree of complexity. In addition to a strong social orientation, this company places significant emphasis on innovation, professionalism, and customer focus, adding a more commercially driven dimension to its corporate identity. These additional cultural factors suggest a dual focus: maintaining a commitment to social responsibility while simultaneously fostering competitive advantage and business growth. This distinction highlights how different organizational contexts and strategic priorities shape the way CSR is embedded within corporate culture.

*OC Strategies and Tools: HR practices, governance tools, leadership style, strategy.*

| | |
|---|---|
| Red Company | B+ |
| Blue Company | B+ |
| Green company | A |

Green Company, as previously presented, makes greater use of modern management practices, particularly in human resources management, as well as process management, and research and development of new products. It also frequently relies on external consulting support to ensure the continuous improvement of its management processes. This proactive approach to organizational development allows the company to remain adaptable, continuously refining its internal structures and operational efficiency.

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This leads us to consider Green Company at a higher level than the other two firms in this regard, as it demonstrates a structured and forward-looking approach to management innovation. In contrast, Red and Blue Companies exhibit a moderate adherence to OC strategies and tools, which is consistent with what is expected for companies of their size. While they implement relevant management practices, their approach tends to be more internally driven and less dependent on external expertise.

Furthermore, Green Company's investment in structured management methodologies and openness to external expertise suggests a stronger alignment with contemporary organizational strategies that emphasize efficiency, agility, and innovation. This distinction highlights how different strategic orientations influence the extent to which firms integrate modern management tools, reinforcing the idea that the adoption of OC strategies and tools varies not only by company size but also by leadership vision and organizational priorities.

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*CSR Initiatives.*

| | |
|---|---|
| Red Company | B+ |
| Blue Company | A |
| Green company | B |

Regarding this aspect, it has already been stated that all three companies make relevant contributions to social causes and have, throughout their history, made decisions - with financial implications - that confirm their social orientation. This latter consideration would justify classifying all three companies as "fully adherent" (A+) to CSR initiatives.

However, since we observed that the social responsibility of these companies carries a strong influence from the individual decisions of top executives, we took a more cautious approach in assessing how corporate-driven their CSR initiatives are. Rather than considering only their engagement in social causes, we evaluated the

extent to which CSR is institutionalized within the company's environment. For this reason, the levels of moderately non-adherent, moderately adherent, and highly adherent were assigned to Green, Red, and Blue Companies, respectively.

In the case of Blue Company, we once again highlight the creativity of the $250 social credit strategy for each employee, which serves as a highly integrative factor for CSR within the organizational culture. This initiative acts as a concrete symbol of a stronger social orientation, reinforcing CSR as a structured and embedded practice within the company.

This initiative not only reinforces CSR as an internalized corporate practice but also creates a direct link between employees and the company's social purpose, fostering a sense of collective engagement. In this context, CSR is not merely a set of initiatives but an intrinsic element of corporate culture, influencing the behaviors, expectations, and motivations of employees and leadership alike. This distinction highlights how different levels of adherence to CSR initiatives reflect the extent to which it becomes an embedded and sustainable practice within the organization.

*CSR Outcomes: satisfaction, engagement and commitment.*

| | |
|---|---|
| Red Company | B+ |
| Blue Company | A |
| Green company | B |

We consider this final category from the perspective of both the evidence gathered in the field research and as a direct outcome of the preceding categories. The theoretical framework supports the findings of this case study, demonstrating that the combination of an organizational culture strongly defined by integrity, benevolence, and universalism, along with an active and creative approach to social responsibility, leads to significant organizational outcomes.

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When CSR is reinforced by effective cultural transmission strategies, it not only fosters job satisfaction, employee engagement, and organizational commitment but also contributes to a deeper alignment between individual and corporate values. This alignment enhances employees' sense of purpose and belonging, making them more likely to internalize the company's mission and actively contribute to its social initiatives.

Moreover, the findings suggest that the extent to which CSR becomes ingrained in corporate culture depends on the consistency between leadership behavior, formal policies, and informal practices. Companies that successfully integrate CSR do so not merely through external actions but by embedding social responsibility into daily decision-making, and stakeholder interactions. This dynamic reinforces the idea that CSR is most impactful when it is not just a strategic add-on but a fundamental element of corporate identity, shaping the way organizations operate and are perceived by employees and external stakeholders alike.

The interaction between these factors was also reflected in the "Summary of Solidarity in Thematic Analysis" presented at the end of Chapter Four.

Table 7: Summary of solidarity in thematic analysis

| Cases | Solidarity integration |
|---|---|
| Blue Company | Well-integrated, consistently communicated, generally understood, and positively linked to employee motivation and company identity. |
| Red Company | Discreetly communicated but still generates meaningful cultural impacts, influencing employee satisfaction and perception of purpose. |
| Green Company | More individualized, largely associated with personal commitments of leadership rather than an explicitly shared cultural value. |

Source: Developed by the author.

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# CONCLUSION

This chapter presents the concluding reflections of this research, summarizing key findings, discussing their implications, and outlining potential directions for future studies. The study investigated the integration of corporate social responsibility into organizational culture, aiming to understand how cultural traits influence the adoption, implementation, and sustainability of social responsibility within companies. Given the increasing recognition of CSR as a strategic and ethical imperative, the research sought to contribute to a deeper understanding of the mechanisms through which organizations internalize and operationalize social values.

To achieve this, the study employed a qualitative, multiple case study methodology, analyzing three companies that adhere to the Economy of Communion movement. Data were collected through interviews, focus groups, and observations, allowing for an in-depth examination of cultural elements and their relationship with CSR practices. The findings reveal not only the ways in which organizational culture facilitates or constrains CSR but also the mutual influence between these two dimensions, highlighting the role of leadership, employee engagement, and governance structures in fostering a socially responsible corporate identity.

This chapter underscores the relevance of the study in bridging CSR and organizational culture, reinforcing the importance of a social oriented business model. It also reflects on the broader implications of the findings for both academia and practice, offering insights for business leaders and scholars interested in fostering sustainable and ethical corporate environments.

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## New insights on CSR and Organizational Culture

In this section, we present the key findings of the research, structuring the synthesis around fourteen distinct contributions that emerged from the study. Each of the following fourteen paragraphs is dedicated to a specific insight, highlighting its

relevance to the broader discourse on corporate social responsibility, organizational culture, and Economy of Communion.

One significant contribution of this study is the recognition that the concept of relational goods extends stakeholder theory within EoC companies (Gui, 2013). In these businesses, stakeholder relationships go beyond material exchanges, encompassing a deeper, more human-centered connection. This perspective aligns with the principle of fraternity, explicitly stated in the EoC Identification Card as a core element of governance. The study suggests that this conceptual expansion could enrich stakeholder theory by acknowledging the intrinsic value of relationships and their influence on corporate behavior, possibly introducing the notion of "stakeholder fraternity." Framing stakeholder interactions in this way reinforces the understanding that businesses function not only as economic entities but also as social institutions that cultivate meaningful human connections.

The research also finds that the motivation for social engagement in EoC companies is fundamentally ethical, rather than being driven by external pressures or instrumental gains. Unlike many organizations that adopt CSR to improve their public image, mitigate risks, or comply with regulatory requirements, EoC companies integrate social responsibility as an authentic expression of their values. This suggests that CSR within these companies is more deeply embedded in their identity, making it less susceptible to fluctuations in external expectations.

An issue that emerged prominently in the research is the communication of EoC values and social initiatives within organizations. While discretion in communicating these values helps preserve the authenticity of the original motivation, making them more explicit could reinforce their integration into corporate culture. More visibility could enhance employee engagement and satisfaction, as well as contribute to ensuring continuity as new generations of managers take over. The findings suggest that leadership remains the primary driver of cultural transmission, raising the question of how these values will persist beyond the influence of founding figures.

One noteworthy finding is that, although environmental sustainability is deeply integrated into contemporary CSR frameworks, it is not emphasized to the same

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degree within the EoC movement. While social impact remains the primary focus, environmental concerns appear to be less central. Given the growing importance of sustainability in corporate governance and investor expectations, this study suggests that the EoC movement may need to broaden their focus to include stronger commitments to environmental responsibility in the future.

The study uncovers three distinctive ways in which the EoC movement reshapes CSR practice, introducing elements rarely found in mainstream corporate responsibility frameworks. First, the promotion of job creation as a fundamental means of fostering social development and poverty reduction. Rather than treating employment as an economic byproduct, EoC companies see it as an essential part of their mission. Second, their approach to engaging with individuals in poverty emphasizes direct and dignified relationships, rather than traditional charitable assistance. This fosters an ethical model of solidarity based on reciprocity. Third, EoC companies place a strong emphasis on cultural education as a tool for economic and social transformation. By integrating the principles of communion and reciprocity into their educational initiatives, they contribute to shaping economic behaviors that surpass profit maximization.

Beyond EoC companies, a key contribution of this research is the structured compilation of CSR practices drawn from four contemporary approaches: ESG, B Corps, Creating Shared Value (CSV), and Corporate Purpose. By systematically analyzing their contributions, this study develops a comprehensive guide to CSR initiatives, offering businesses a practical reference for strengthening their social orientation. This structured framework also provides a foundation for future research, enabling scholars to assess the impact and effectiveness of these practices across different corporate contexts. By synthesizing diverse CSR approaches, the study facilitates organizations to navigate and integrate socially responsible strategies in a more informed and effective manner.

Additionally, the research presents a historical timeline of CSR evolution over the past 70 years, identifying key thematic shifts that have shaped the field. This timeline highlights how CSR has transitioned from philanthropic initiatives to integrated business strategies that consider environmental, social, and governance (ESG) factors. The analysis underscores the increasing sophistication of CSR

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frameworks and their growing role in corporate decision-making, providing context for understanding the current landscape of responsible business practices.

A particularly intriguing hypothesis raised by this study is the possibility of a supranational cultural influence exerted by the EoC movement. Despite operating in different national contexts, the three companies studied exhibit common cultural traits, particularly in terms of collectivism and femininity, as defined by Hofstede (1980). This suggests that the shared identity of belonging to the EoC movement may shape organizational culture beyond national differences. Future research could explore how global social movements influence corporate behavior across diverse cultural settings, shedding light on the mechanisms through which values are transmitted and sustained internationally.

The study also contributes to the field of organizational culture by developing a framework of strategies and tools that facilitate the internalization of values and their integration into broader organizational processes. This model provides a structured approach to managing cultural change, helping businesses reinforce ethical commitments in a systematic way. By offering practical tools for cultural development, this framework serves as a guide for organizations seeking to embed social responsibility into their core identity.

Applying this framework to EoC companies, the research identifies opportunities to enhance the sustainability of their values by reinforcing cultural transmission through structured governance, strategic management, and official identity statements. While leadership remains central, greater formalization through mission statements, policies, and performance management could strengthen long-term ethical commitments and ensure continuity beyond founding figures. Institutionalizing these values requires further exploration, particularly in balancing structured mechanisms with the flexibility needed to maintain organizational dynamism and adaptability.

Moreover, this study makes a significant contribution by proposing a conceptual model that bridges CSR and organizational culture. Through an extensive literature review, the research identifies the cultural traits and management strategies that most effectively facilitate CSR implementation. The model highlights

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how specific organizational characteristics - such as a strong ethical foundation, social values, and leadership honesty - create an environment conducive to social responsibility initiatives. Furthermore, it underscores the positive outcomes that CSR can generate for companies, particularly in fostering favorable employee attitudes that enhance overall business performance.

The findings of this research also reinforce the existing literature that asserts CSR is most effective when rooted in a people-oriented organizational culture that emphasizes integrity, benevolence, and universalism (Upadhaya et al., 2018, Peters et al., 2009, Karassin and Bar-Haim, 2016, Waldman et al., 2006, Schwartz, 2012). These values are central to organizations that successfully integrate CSR into their strategic and operational frameworks. The case studies analyzed in this research align with this perspective, demonstrating that companies with a strong commitment to human dignity and ethical engagement tend to implement CSR initiatives more authentically and sustainably.

Additionally, the study underscores the need for greater interdisciplinarity between anthropology and management, particularly in exploring the anthropological foundations that shape prevailing business ideologies and practices. The research suggests that deepening the dialogue between these disciplines can offer valuable insights into how businesses can align their practices with fundamental human values - solidarity, fraternity, human dignity, communion and reciprocity -, fostering cultures that are both ethically grounded and strategically effective.

Finally, this study confirms the literature indicating that intrinsically motivated CSR fosters stronger employee identification, satisfaction, engagement, and commitment (Chun, 2016, J. Kim et al., 2016, Aguinis, 2024). When CSR initiatives stem from authentic corporate values rather than external pressures, employees are more likely to internalize and support them. The case studies reinforce this finding, showing that CSR efforts driven by deeply embedded cultural principles lead to significant levels of employee motivation, ultimately benefiting both the organization and its stakeholders.

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Table 10: Key contributions of the research

| | |
|---|---|
| 1 | **Expansion of stakeholder theory through relational goods** - The study proposes that stakeholder relationships in EoC companies extend beyond material exchanges, introducing a concept of "stakeholder fraternity," which emphasizes meaningful human connections as a core governance principle. (Freeman, 1984, Gui, 2013) |
| 2 | **Ethical motivation as the primary driver of CSR in EoC companies** - Unlike many firms that adopt CSR for instrumental reasons or external pressures, EoC businesses integrate social responsibility as an intrinsic expression of their values, making their CSR practices more authentic and resilient. |
| 3 | **Challenges in communicating CSR values internally** - While discretion in CSR communication preserves authenticity, greater visibility and structured messaging could reinforce cultural integration, employee engagement, and the sustainability of values beyond the founding leadership for EoC companies. |
| 4 | **Limited emphasis on environmental sustainability in EoC companies** - While social impact is a central focus, environmental concerns receive less attention compared to mainstream CSR frameworks, suggesting an opportunity for the movement to broaden its sustainability commitments. |
| 5 | **Three distinctive contributions of the EoC movement to CSR practice** - The study identifies three unique CSR contributions of EoC companies: (1) job creation as a core tool for social development and poverty reduction, (2) direct and dignified relationships with individuals in poverty, and (3) cultural education as a means of economic and social transformation. |
| 6 | **Compilation of CSR best practices from contemporary approaches** - The research offers a structured analysis of ESG, B Corps, CSV, and Corporate Purpose, serving as a practical guide for businesses seeking to strengthen their social initiatives and a foundation for future research. |
| 7 | **A historical timeline of CSR evolution over 70 years** - By mapping the key phases of CSR development, the study provides insights into how corporate responsibility evolved from philanthropic initiatives to structured business strategies integrated into governance and management. |
| 8 | **The supranational cultural influence of the EoC movement** - Despite operating in different national contexts, the studied companies share common cultural traits such as collectivism and femininity (Hofstede, 1980), suggesting that EoC exerts a cultural influence beyond national borders. |
| 9 | **Development of a framework for managing Organizational Culture** – The study presents a structured set of strategies and tools that facilitate the internalization of values and cultural reinforcement, offering practical guidance for organizations aiming to embed CSR into their corporate identity. |

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| | |
|---|---|
| 10 | **Opportunities for strengthening cultural sustainability in EoC companies** - Leadership plays a crucial role in transmitting culture, but greater formalization through management mechanisms and structured policies could ensure long-term sustainability, preventing dependence on individual leaders. |
| 11 | **A conceptual model bridging CSR and Organizational Culture** - The study proposes a conceptual model identifying key cultural traits and management strategies that foster CSR implementation. It highlights how ethical foundations, social values, and leadership integrity create a responsible business environment, enhancing employee commitment and performance. |
| 12 | **CSR effectiveness in people-oriented cultures** - The research supports existing literature that CSR initiatives are more effective when embedded in a people-oriented culture emphasizing integrity, benevolence, and universalism. (Upadhaya et al., 2018, Peters et al., 2009, Karassin and Bar-Haim, 2016, Waldman et al., 2006, Schwartz, 2012) |
| 13 | **Interdisciplinary connection between anthropology and management** - The findings highlight the need for a stronger dialogue between anthropology and management to deepen the understanding of how human values like solidarity, fraternity, human dignity, communion and reciprocity shape business cultures. |
| 14 | **The positive impact of intrinsically motivated CSR on employee engagement** - When CSR is authentically embedded in corporate values rather than driven by external pressures, it fosters employee identification, satisfaction, and commitment, ultimately benefiting organizational performance. (Chun, 2016, J. Kim et al., 2016, Aguinis, 2024) |

Source: Developed by the author.

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## Study limitations and opportunities for further research

While this study provides valuable insights into the integration of corporate social responsibility into organizational culture within Economy of Communion companies, it is essential to recognize its limitations. These constraints stem primarily from the methodological approach, the scope of the selected cases, and the challenges inherent in studying organizational culture and CSR. Acknowledging these limitations not only strengthens the interpretation of the findings but also paves the way for future research to refine and expand upon the study's contributions.

A key limitation is the qualitative nature of the research, which, while allowing for an in-depth and context-sensitive understanding of organizational phenomena, does not facilitate broad generalizations. The multiple case study design offers

comparative insights across three companies, yet the findings remain specific to these cases and may not fully represent the broader landscape of CSR integration in EoC or other purpose-driven organizations. Expanding the sample size to include additional companies from different industries and regions could provide a more comprehensive picture of how CSR interacts with corporate culture in varying organizational and cultural contexts.

Another methodological limitation concerns the data collection process. Semi-structured interviews, focus groups, and observations were employed to ensure triangulation, yet each method presents inherent challenges. Interviews rely on self-reported data, which may be subject to social desirability bias, particularly when discussing CSR motivations and practices. Focus groups, while useful for capturing shared experiences, may have been influenced by dominant voices within the group, potentially limiting the diversity of perspectives. Observations, conducted over limited timeframes, provide valuable insights into organizational behaviors but cannot capture the full complexity of cultural dynamics in the long term. Future research could adopt a longitudinal design, allowing for an extended period of observation to assess how cultural and CSR-related practices evolve over time.

Additionally, the selection of medium-sized companies within the EoC movement constrains the applicability of the findings to organizations of different sizes and structures. The study's companies, ranging between 50 and 70 employees, maintain relatively direct leadership-employee interactions, facilitating the transmission of cultural values through personal engagement. In larger organizations, where leadership influence is mediated by formalized structures and policies, the integration of CSR into corporate culture may follow different mechanisms. Investigating how larger corporations manage cultural transmission in relation to CSR, particularly in decentralized environments, would be a promising avenue for future research.

One of the central contributions of this study is the emphasis on leadership’s role in shaping and sustaining corporate culture and CSR engagement. However, this reliance on leadership interactions alone may pose challenges for long-term cultural continuity, particularly as organizations undergo leadership transitions. This phenomenon is especially relevant as many of the pioneering EoC companies

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approach their 35th anniversary, raising questions about the sustainability of their values in the absence of founding figures. Future research could explore how cultural transmission strategies can be reinforced through structured governance mechanisms, employee participation, and formalized cultural development tools.

Furthermore, the findings suggest that a concept of "stakeholder fraternity" expands stakeholder theory by emphasizing relational goods and deeper human connections beyond transactional exchanges. This conceptual expansion warrants further investigation in different organizational and cultural contexts to assess its applicability and potential for broader adoption.

Another limitation concerns the relatively limited attention to environmental sustainability within the studied companies. While the findings align with CSR literature emphasizing the primacy of ethical, social, and economic responsibilities in EoC companies, the lack of a strong environmental component suggests an area for future development. Research could explore how EoC companies and similar organizations can better integrate ecological concerns into their CSR frameworks, aligning with contemporary sustainability movements.

Finally, this study raises broader theoretical implications regarding the intersection of CSR and organizational culture. While existing literature emphasizes external drivers of CSR, such as regulatory pressures and financial incentives, the findings reinforce the importance of intrinsic cultural attributes - particularly people orientation, leadership integrity, benevolence, and universalism - in fostering sustained CSR engagement. Future research could deepen the examination of these cultural antecedents and explore how they interact with external factors in shaping CSR strategies across different corporate environments.

Despite these limitations, this study provides a foundation for further inquiry into the cultural dimensions of CSR and their role in shaping corporate identity, employee engagement, and business ethics. By expanding the scope of research to include larger organizations, adopting longitudinal approaches, and refining conceptual models, future studies can build upon these insights to contribute to a more comprehensive understanding of how CSR becomes an integral and sustainable component of corporate culture.

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## Final reflections

This study contributes to the growing academic and managerial discourse on the intersection of corporate social responsibility and organizational culture. By investigating the role of cultural traits in shaping CSR engagement within Economy of Communion companies, this research sheds light on the deeper mechanisms through which businesses internalize and sustain social responsibility as an integral part of their identity. The findings highlight how a value-driven culture fosters meaningful stakeholder relationships, enhances employee commitment, and strengthens the ethical foundation of business practices.

Beyond the specific context of EoC companies, the study underscores a broader insight: the integration of CSR into corporate culture is most effective when it is authentically embedded in an organization's values and not merely adopted as an external obligation. The research supports the idea that businesses that cultivate a people-oriented culture grounded in integrity, benevolence, and universalism are more likely to implement CSR initiatives in ways that resonate with employees and stakeholders. This insight aligns with existing literature but also provides a practical contribution by illustrating how leadership, governance structures, and cultural management tools can facilitate this alignment.

The implications of these findings extend beyond academia, offering practical lessons for business leaders seeking to promote sustainable and ethical corporate environments. Companies striving to develop long-term CSR commitments should recognize the crucial role of cultural transmission, ensuring that social responsibility is not an isolated program but rather an embedded aspect of their organizational identity. By reinforcing CSR through governance mechanisms, leadership practices, and structured cultural management tools, organizations can enhance both their social impact and long-term sustainability.

At a societal level, this research highlights the transformative potential of organizations that embrace CSR as an intrinsic element of their culture. The evolving expectations placed on businesses today demand more than compliance with regulatory frameworks or short-term social initiatives. Instead, they call for a shift in

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corporate mindsets - one that recognizes businesses as active participants in fostering social transformation, environmental stewardship, and ethical progress. The concept of business solidarity contributes to this vision by reimagining business as a space where economic and human values are intertwined, creating a model that prioritizes relationships, reciprocity, and the common good.

In concluding this research, we reaffirm that the integration of corporate social responsibility and organizational culture is not merely a strategic advantage but a pathway to a more sustainable and just business landscape. Organizations that embrace this paradigm can contribute to shaping a future where business is not only measured by financial performance but also by its capacity to generate relational and social value. This study offers a foundation for continued exploration, encouraging further interdisciplinary engagement and empirical research to deepen our understanding of how culture-driven CSR can redefine the role of business in society.

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# Appendices

## A. Data collection instruments

*INTERVIEW SCRIPT FOR TOP EXECUTIVES*

| ITEM | Description |
|---|---|
| COMPANY HISTORY | Key milestones and significant moments in the company's history. |
| TODAY | What is the current state of CSR/EoC within the company? How strong is the commitment today? |
| INTEGRATION INTO STRATEGY | Is CSR/EoC incorporated into the company's strategy or business plans? If so, how? |
| PRACTICES | What CSR/EoC practices can be identified in the company? (e.g., profit-sharing, inclusive products/services, volunteering) |
| TAX INCENTIVES | Are tax incentives a factor in CSR/EoC initiatives? If so, to what extent? |
| MOTIVATION | What initially motivated your adherence to CSR/EoC, particularly the sharing of profits? What continues to motivate you today? |
| CHALLENGES | What challenges have you faced in implementing, integrating, and sustaining CSR/EoC? Have there been moments when you questioned whether it was worth continuing? |
| REMARKABLE CSR/EoC STORY | A noteworthy experience or impactful story related to CSR/EoC in your company. |
| RESPONSIBILITY & MANAGEMENT | Which department, individual, or team is responsible for CSR/EoC? Is there an agenda or structured plan for these activities? |
| CONCERN FOR THE POOR | Why is concern for the poor important to you and your company? What does it mean to you on a human level? |
| TRANSMISSION | How are CSR/EoC values and practices transmitted across employees and leadership? |
| SPIRITUALITY | Does spirituality or faith influence your business decisions? If so, how? |
| PHILOSOPHY | Is there a guiding philosophy or core principle that shapes your approach as an entrepreneur? |
| THE ROLE OF A COMPANY | How do you define the role of a business in society? |
| LEGACY | What characteristic or value do you want to leave imprinted on the company's identity?<br>What legacy do you wish to leave through your company? |

*INTERVIEW SCRIPT FOR STAFF AND MANAGERS*

| ITEM | Description |
|---|---|
| PROFILE | How long have you been working here?<br>What is your role in the company? |
| COMPETENCIES | What competencies (knowledge, skills, attitudes/values) do you consider essential for working in this company?<br>Is there anything unique about the competencies required here? |
| TRANSMISSION | How is knowledge and the company's core values transmitted? (e.g., training & development, knowledge management) |
| COMMUNICATION CHANNELS | What are the primary communication channels used in the company? (e.g., printed materials, digital platforms, meetings, events, periodic activities)<br>What type of content is typically communicated through these channels? |
| LEADERSHIP STYLE | How would you describe the leadership style in the company?<br>How are motivation, incentives, and performance monitoring managed? |
| WORKPLACE CLIMATE | How would you describe the general atmosphere in the company? (e.g., extremely friendly, strictly professional, or conflictual)<br>Can you provide an example to illustrate this? |
| SOCIAL ENGAGEMENT | Does the company engage in any form of social work or community support?<br>If so, how does it contribute? |
| CSR PRACTICES | Can you explain how the company's CSR initiatives work in practice? |
| MEANING OF CSR | What does CSR mean to you personally?<br>Why do you think the company is concerned with social issues, especially poverty? |
| CSR STORY | Can you share an outstanding example or story related to CSR/EoC in the company? |
| CHALLENGING MOMENT | What has been the most challenging moment in terms of the company's survival and internal integration?<br>How was this challenge addressed? |
| PHILOSOPHY AND VALUES | Is there a guiding philosophy or core principle that shapes the company's identity?<br>Are there explicit organizational values? If so, what do they mean in practice? |
| FEEDBACK PRACTICES | Does the company have a structured feedback process for employees?<br>How is positive and negative feedback communicated? |

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| | |
|---|---|
| CELEBRATIONS | What achievements or activities does the company celebrate?<br>How are these celebrations conducted? |
| CUSTOMER RELATIONSHIP | How would you describe the company's relationship with its customers? (e.g., extremely friendly, purely economic, or even conflictual)<br>Can you provide an example? |
| EMPLOYEE PARTICIPATION IN DECISION-MAKING | Does the company involve employees in decision-making beyond their immediate areas of responsibility?<br>If so, how does this process work? |

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*FOCUS GROUP SCRIPT*

1. COMPETITIVE ADVANTAGE. Identify two key features of the company that provide a competitive advantage within the industry. Are these advantages related to products, processes, or people?

2. CSR. Do you consider social responsibility a competitive advantage for the company? How is CSR integrated into the company's operations? What does CSR mean to you personally? Can you share an emblematic story related to CSR? Have there been any internal or external challenges associated with CSR initiatives?

3. GUIDING PRINCIPLES AND VALUES. Do you perceive a core principle or value that defines the company's identity and way of operating? If so, what is it, and how does it translate into daily business practices? (Modus operandi)

4. COMMUNICATION CHANNELS. Through which communication channels are these values and knowledge transmitted within the company?

5. CHALLENGES. What has been the most significant challenge the company has faced in terms of external adaptation and survival? How was this challenge addressed or overcome?

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*OBSERVATION CHECKLIST*

1 Language and interaction styles

- Forms of communication and treatment among colleagues (peer-to-peer, hierarchical, gender dynamics).

2 Dress code

- Standard attire and its alignment with organizational culture or industry norms.

3 Workplace habits and rituals

- Observable routines, customs, or informal practices in daily operations.

4 Physical environment and aesthetics

- Office layout, workspace design, use of technology, and artistic elements present in the environment.

5 Work conditions

- Physical and ergonomic aspects of the work environment, accessibility, and employee well-being.

6 Relational climate and job satisfaction

- General atmosphere of interpersonal relationships, level of collaboration, and indicators of employee satisfaction.

7 Symbols and artifacts

- Presence of corporate symbols, logos, or other cultural elements that represent organizational identity.

8 Industry, occupational, and regional cultural influences

- Cultural aspects influenced by the industry sector, predominant professions, or local/regional characteristics.

9 Work organization and power distribution

- Structure of decision-making, delegation of responsibilities, and hierarchy within the organization.

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B. The “Identification Card” of the EoC

1. The Economy of Communion (EoC) is a movement that involves entrepreneurs, workers, directors, consumers, savers, scholars, economic workers, poor and citizens, families, and was launched by Chiara Lubich in May of 1991 in Sao Paulo, Brazil. **Its aim is to contribute**, according to the Charism of Unity, in **giving life to businesses** which they feel as their mission to eradicate social injustice so as to help build an economic system and a human society of communion, where, imitating the first community of Jerusalem, “*no one among them was in need*” (Acts 4,32-34)

2. **The EoC is an international movement** coordinated by a Central Commission and by Local Commissions linked to the Central Commission on the basis of the Principle of Subsidiarity.

3. **Those who adhere to the EoC commit themselves to living the values and culture of communion in the light of the charism of unity**, both as individuals and in the organizations in which they work, making themselves its animators and promoters. They commit themselves particularly, with ideas and actions, so that the culture of communion, giving and reciprocity penetrate always more into the world of economy and inform it at all levels

4. **The backbone of the EoC is represented by businesses or productive organizations** of various juridical forms, even non lucrative (non-profit, social and civil businesses, cooperatives, associations, etc.) **that decide to adopt in their praxis the culture of communion and the values of the EoC**.

5. **The EoC businesses commit themselves in creating new wealth and jobs** with creativity and innovation, and sharing of profits for the goals of the EoC Project, even beyond the environment of its interested carriers.

6. Based on the originating inspiration, **the EoC gives life to Business Parks**, located in the Small Towns of the Focolare Movement. The business parks, signs of the project’s witness and concreteness, are an **integral part of the EoC**, and make the project complete and mature in a certain region or Country

7. **The request to adhere to the EoC** by individuals and institutions should be **addressed to the Local Commission**, which gives approval as long as the following **requirements** are maintained:

- (a) **serious commitment by the entrepreneur/s to begin a journey of communion** with the Local Commission and with all the local and international EoC movement, not only as a single person but as an expression of the business community
- (b) **sharing of the project’s goals** and the purposes of the Charism of Unity of which the EoC is an expression
- (c) **openness to allot business profits**, when they are present, **according to the three goals of the project**, which are: (1) a concrete help to the poor, (2) the formation of “new men and women”, (3) development of the business and/or distribution to associates
- (d) **inspires the governance of the business by fraternity**, according to the document “Guidelines for Conducting an EoC Business”

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- (e) understands and **lives in relationship with persons in situations of poverty on a level of dignity, substantial equality, respect, reciprocity and communion**
- (f) **considers the business** and/or action **as a place or instrument to reduce poverty** and injustice, both at the local and global level

8. The EoC also gives life to a movement of thought and ideas, in a genuine dialogue with the contemporary culture and with civil and social economy locally and globally.

9. **The EoC cooperates** with the various initiatives of the **Churches**, of various **religions** and of **civil and political society**, of which it feels to be a vital expression and an instrument of unity

10. **The EoC contributes to "that all may be one"** (John 17:21).

https://www.edc-online.org/en/chi-siamo-it/documento-di-presentazione.html

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## C. Excerpt from Chiara Lubich's speech on May 29, 1991

"Abbiamo voluto meditare su questa cosa. Anche nel nostro ideale c'è un elemento che riguarda l'economia, che riguarda la socialità, che riguarda un elemento che noi sottolineiamo, vorrei dire in modo nuovo, perché ogni carisma che viene porta una novità che è implicita nel Magistero della Chiesa, nella Sacra Scrittura, è implicita, ma che lo Spirito Santo rende esplicita attraverso questo carisma.

Noi abbiamo esplicitato la necessità che si faccia la comunione dei beni libera, che il cristiano deve fare liberamente la comunione dei beni. Questa comunione dei beni che noi facciamo è nata avendo osservato la primitiva comunità cristiana. Abbiamo visto che lì facevano la comunione dei beni e per la comunione dei beni non c'era nessun indigente, cioè nessun povero.

Allora, ecco la formuletta, noi diremmo, se tutto il mondo attuasse la comunione dei beni, i problemi sociali, i poveri, gli affamati, gli segregati, eccetera, non ci sarebbero più.

E qui, a questo punto, dopo queste considerazioni, è nata, qui in Brasile, e qui ad Araceli, un'idea. L'idea che, forse, Dio chiami il movimento del Brasile, 200.000 persone con i simpatizzanti, ad attuare una comunione dei beni, arricchita di tutti i principi, eccetera, globalmente, da tutto il movimento, e non soltanto come singole persone, e che si veda questo fatto realizzato nelle nostre cittadelle, ad Araceli e a Santa Maria.

Abbiamo capito, è lo Spirito Santo che ci porta per mano, che qui dovrebbero sorgere delle industrie, delle aziende e dovrebbero essere date in mano a delle persone competenti, con dei talenti, in modo che le facciano funzionare e, l'utile, metterlo in comunione. È tutto qui, che l'utile vada in comune.

Capitale, capitale, sì, sì, capitale, capitale. Raccogliamo anche noi il capitale. È l'utile che va messo in comune. Per che cosa andrebbe messo in comune? È evidente, per gli scopi della primitiva comunità cristiana. E cioè, dovrebbe essere messo in comune per aiutare quelli che sono nel bisogno. A cercare un posto, a farli andare, a dargli da mangiare se ne ha bisogno, per sistemarli, eccetera, eccetera, e per cominciare.

Poi anche per incrementare un po' l'azienda, perché se si ferma non produce. E poi anche per incrementare la cittadella, anche nelle sue strutture. Queste qui, per far nascere uomini nuovi. Perché se noi non abbiamo uomini nuovi, non si fa una società nuova. Ecco."

https://chiaralubich.org/postbiografia/1991-leconomia-di-comunione/

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D. Interview Participants Overview

| Company | Role | N |
|---|---|---|
| RED | Top Executives | 2 |
| | Managers | 5 |
| | Employees | 12 |
| GREEN | Top Executives | 3 |
| | Managers | 6 |
| | Employees | 7 |
| BLUE | Top Executives | 3 |
| | Managers | 8 |
| | Employees | 4 |
| | | T:50 |

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