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Corporate Social Responsibility and Culture

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Introduction

In 1970, re-stating a point of view expressed more technically in 1962 in *Capitalism and Freedom*, Milton Friedman wrote in the *New York Times* for a general audience, expressing a point of view that was shared by many, that "The discussions of the 'social responsibilities of business' are notable for their analytical looseness and lack of rigor" and that businessmen declaiming "that business is not concerned 'merely' with profit but also with promoting desirable 'social' ends; that business has a 'social conscience' … [were] … preaching pure and unadulterated socialism" and were "unwitting puppets of the intellectual forces that have been undermining the basis of a free society these past decades."

According to this line of thought, the only social responsibility of business was and is to increase its profits. Employed by the shareholders,

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N. Azoury (ed.), *Business and Society in the Middle East*,
DOI 10.1007/978-3-319-48857-8_8

management was to be concerned only with profits, with, of course, due respect of the law and ethical custom.

The world has changed since 1970, and not only in terms of growth rate. We have moved from stockholder to stakeholder. Besides shareholders, new voices have appeared in order to take part in corporate governance. One can list non-exhaustively in addition to them: employees, clients, suppliers, customers, non-governmental organizations (NGOs), local communities, the general public, the environment and of course the State. Particularly noticeable in this respect is the green paper of the European Union (Commission of the European Communities 2001) promoting a European framework for corporate social responsibility. It considers, at European level, that corporate social responsibility includes human resource management, health and safety, adaptation to change, management of environmental impacts and natural resources, local communities, business partners, suppliers and consumers, human rights and global environmental concerns.

The Meaning of Social Responsibility for the Enterprise

From the academic point of view, corporate social responsibility has reached the status of a legitimate field of study, and an abundant stock of literature is ever increasing. More than ten years ago, it was argued that the field of corporate social responsibility "has grown significantly and today contains a great proliferation of theories, approaches and terminologies. Society and business, social issues management, corporate accountability are just some of the terms used to describe the phenomena related to corporate social responsibility in society. Recently, renewed interest for corporate social responsibilities and new alternative concepts have been proposed including corporate citizenship and corporate sustainability" (Garriga and Melé 2004).

Our purpose here is not to discuss the evolution of corporate social responsibility. This task is achieved in other chapters of this book. We simply want to underline an important issue and draw on its consequences when considering the issue of the generalized claim for the social responsibility of businesses.

Only a few years ago, one could have wondered if corporate social responsibility was not merely a new managerial fashion doomed to shortly disappear from our sight, as many others before, such as total quality, quality circles, re-engineering and the like. Some still wonder whether it is window dressing for management or a deep and real concern, but whatever the case is there is little doubt that there is a real and growing social demand, issuing from many quarters, for more socially responsible behavior on the part of business and corporations, ranging from ecologically responsible activity to ethical behavior. If it is a fashion, it seems to be a long-enduring one. One might still agree with Milton Friedman, but, even if that were to be the case, business has taken note of corporate social responsibility and begun to take it into account, as the multiplicity of codes of behavior, international norms and the like witness.

However, what we would like to underline first is that there is a major conceptual dividing line. Two different understandings of the meaning of corporate social responsibility are possible.

According to an EU green paper (Commission of the European Communities 2001), "Most definitions of corporate social responsibility describe it as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing 'more' into human capital, the environment and the relations with stakeholders." Thus, to its stakeholders, a business adds to financial responsibility commercial, social and environmental ones.

Even then, two concepts of corporate social responsibility are possible, and they overlap only partly, if at all. On the one hand, it is a case of acknowledging that a new multiform social demand is emerging around corporate social responsibility. Thus business must answer that demand. However, in order to face the additional turbulence in the environment, new tools and mechanisms must be adopted, roughly similar to the ones traditionally adapted to environmental changes for business. It is necessary to adapt to new external constraints, even if they are different from those that existed in the past. Enterprises will then try to design, together with the new stakeholders, new rules of the game. On the other hand, corporate responsibility might be considered as an internal constraint.

The ever-adapting capitalistic model is evolving again and must integrate these new aspirations. Business must become conscious of the need to manage differently. Notably, ethics must become an essential component of management.

In both cases, of course, management must be concerned, but not in the same way. If corporate social responsibility is conceived within the first concept, what is mostly needed is the addition of new tools to the manager's standard equipment. These could include global compliance programs, ethical investments, recognized norms, codes of conduct, corporate or international, ethical investment funds, social rating agencies ratings, partnerships with NGOs, and integration of programs and objectives related to sustainable development. The adoption and use of these tools by the manager will be enough in his eyes to discharge the new social responsibility that society has placed over business. They will play the same role as the managerial actions geared to avoid harassment that are promoted by sentencing guidelines in the USA. Management can then consider that it need not be concerned by further issues.

If corporate social responsibility is conceived within the framework of the second concept, we are looking at a totally different case. The issue is now to try to integrate in depth an ethical dimension to the expectations, attitudes and behaviors not only of management but also of employees at all levels of responsibility. Thus employees must subscribe to the new way of doing business. Managerial and employee behavior must move towards a concern for equity. It is no longer a matter to act within the letter of the new rules, but according to a deep feeling that what one is doing is right, according to principles that are considered to be equitable, and not simply following the letter of the law. The first concept remains within well-defined legal ground, the second moves into a moral area.

Two other dimensions must then be distinguished for each concept: an internal and an external aspect. Internal concerns the relationship between top management and the employees, and external concerns the relationship between the enterprise and its environment. The latter requires the company to demand and secure ethical behavior of all its employees in regard to all other stakeholders.

The first approach seems unavoidable, given the extent of social demands, but is probably insufficient. It can be summarized by the conclusions of the trend towards "business ethics." However, can one be sure that "ethics pays"? Is the rather restrictive understanding of ethics being limited to following the rules in itself a factor of business success? It might be true in the long term, through building a climate of trust around the enterprise concerned. But the pressure of the short term in a very competitive world might well compromise the long-term perspective. As the world is moving quickly, and is partly if not largely practicing various degrees of corruption, there will be very strong incentives to adopt practices that are common within the industry and/or the country of operation, notwithstanding internal rules and regulation.

Besides, this approach is not entirely practical, except in the simplest cases where it is easy to decide if an established rule has been broken or not. Usually this is not the case, as rules have limits in applicability which are reached very quickly when one moves on to more complex ground. Yet most of the questions and issues involving corporate social responsibility are not simply problems, or even complex problems, but dilemmas with contradictory and paradoxical aspects. In these cases, a rule that is intended to guide decision and action is of little help in starkly different contexts. Depending on the place, the time and the circumstances of the decision and action, the ethical and socially responsible answer may well be different from the conventional answer, and/or pose a dilemma that it is difficult to solve. For instance, should one make redundant a group of employees, including some who are over 50 years of age, condemning them to virtually indefinite unemployment in the present market conditions, and perhaps to poverty until they reach retirement age, or should one keep them on the company payroll and risk compromising the future of a small business, with the potential conclusion being bankruptcy and unemployment for all the employees? Should companies continue to externalize the cost of recruitment to the educational system, thereby sentencing whole categories of youth to exclusion from the labor market? It is certainly wrong to steal, but could not a labor court in a developing country decide that, in order to justify dismissal, a theft by an employee should be of such extreme seriousness and occur within such extreme circumstances as to be liable for the death penalty? The grounds for the decision could be that death, in the local conditions of employment, was the quasi-unavoidable result of unemployment after dismissal (Rojot 1994).

The two conceptions of corporate social responsibility must thus be combined. The first alone is insufficient. Taking for granted the inclusion of new regulating tools into the manager's standard equipment, how is it possible to move forward?

A first consideration is that, to some extent, the two conceptions are compatible at an elementary level. It is indeed true that, to a limited but real extent, discharging its social responsibilities can be a useful management tool for a company. This is the case in at least three aspects: coordination, attracting talent and keeping talented employees.

As far as the first aspect is considered, the process of managerial training for higher positions could be made easier by learning socially responsible behavior. The line of reasoning is the following: enterprises, at least large ones, must reconcile their needs for decentralization and coordination. This is to some extent a concept at the heart of organization theory (Mintzberg 1979). In principle it applies to all organizations, but the large multinationals were the first to feel it most acutely in practical terms. They were torn between two contradictory imperatives: on the one hand the demands of host countries, notably in terms of local recruitment, not only for manpower but also local management, even top management; and on the other hand the need to use the competitive advantage of a unique center for decision-making that was located in the home country. This problem has spread to all large multiple-unit enterprises as they face a more turbulent environment and an increased demand for flexibility and different modes of organization in their business units. The solution, for potential management, is arrived at through a journey of specially selected job postings at different levels of responsibilities within differently located subsidiaries and/or units. Through this, a trainee can learn from the example of superiors and colleagues when confronted by hard decisions, learning how to practically implement a set of abstract principles and values in order to conform to corporate policy. More than a set of concrete and precise rules, subject to the drawbacks underlined above, this learning process across drastically divergent environments and circumstances is conducive to a sophisticated way of dealing with dilemmas within corporate guidelines. At the end of the process, the trainee will be able, when in a position of responsibility, to apply a decision-making process guided by lived examples that conforms to corporate policies.

It is within these policies that socially responsible behavior should be integrated.

Taking the second aspect of corporate responsibility into account, the recruitment of talented young future managers, which is a critical issue for all businesses, can also be a major asset.

The younger generations of educated managerial employees are sensitive to various aspects of social responsibility, particularly but not only concerning ecology and environment, when deciding which enterprise to join in a labor market that is always competing intensely for talent. For instance, an interesting study carried out in 2002 in France, on a sample of more than 600 relevant individuals, indicated that two of the three most important aspects of their work for young managerial employers were the usefulness of the work performed for society (82% of the sample) and the values of the enterprise within which they were working (76% of the sample.) (Institut de l'Entreprise 2002). These elements were also among the three most important in selecting a job.

It is one thing for an enterprise to recruit talented young managerial employees; it is another one to keep them. The same study evidenced a set of findings concerning the relationship felt by the same young managerial employees towards the enterprise that was employing them. As foreseen, the study made it clear that the old reciprocal commitment between the (French) manager and his enterprise, exchanging absolute loyalty for lifetime employment, was no longer viable. This was to be expected in a generation that was aware of downsizing and the restructuring of enterprises, and also the experience of unemployment, by a family member or close relative if not directly. This constitutes the endpoint of a movement that started quite some time ago and was noticed with foresight by Crozier (Crozier 1978). However, neither do the younger generations hold a mercenary view of employment, where job-hopping takes place at the slightest monetary incentive. The old unwritten but enforced deal has been replaced by an implicit psychological contract (Coyle-Shapiro and Parzefall 2008), clear and readable, bilateral, at the level of reciprocal expectations, operating in the short term, where not only material but also immaterial elements are included. Prominent among the latter are the values of the enterprise that employs the young manager. The understanding of these values was wide, including not only those publicly posted by top management, but also (and mainly) the way in which they were daily presented and lived in the day-to-day operation of the business. Thus, enforcement of its social responsibilities by the employing enterprise constitutes a powerful tool for enhancing the commitment of the managerial employee to the company.

However, beyond the basic level constituted by the three considerations outlined above, corporate social responsibility in the second understanding outlined below requires deeper changes if an ethical and socially responsible dimension is going to be integrated in the expectations, attitudes and behaviors not only of top management and management but also of all employees at all levels of responsibility, internally and externally.

Doing this requires much deeper changes in the ways of doing business. It requires in fact a change in culture. However, this is easier said, or written, than done.

Culture

The first step, and the one to which we must limit ourselves here, is to understand what culture is and what it means.

The word culture is difficult to define precisely since it has different meanings in different domains of social science. Morin (2001) lists five of them: two refer to anthropology. In the first, culture is opposed to nature, and includes everything which does not refer to the innate traits of the individual. In the second, it applies to everything which has meaning; in other words, all human activities. Another meaning belongs to ethnography, where culture is opposed to technology and includes beliefs, values, rites, norms and patterns of behavior. Another, from the domain of sociology, includes the area of affects, of the personality, of sensitivity and social links. Finally, in a literary context culture refers to classical humanities and to literary and artistic taste. In behavioral science, the most often used definition refers to the pattern of beliefs, values and modes of communication and cognition that influence how human senses perceive and react to stimuli, which is Morin's third category. In other words (Goldman and Rojot 2003), culture provides the distinctive manner in which we imagine reality.

Culture has also been evoked in the literature at at least three levels: national, occupational and organizational. We have noted elsewhere (Rojot 2008; Chanut and Rojot 2009) that the concept of national culture raises several issues, generally speaking, for management and organization theory, but also for our understanding of corporate social responsibility if we hope that culture can be modified in order to integrate the second of the concepts outlined above.

If we look first at national culture, it has been intuitively felt for a long time that culture influences nations, and that there is something which could evoke the idea of a national culture. Montesquieu developed a theory of the impact of climates on mankind and Pascal wrote that "Vérité en-deça des Pyrénnées, erreur au-delà" (What is held true this side of the Pyrenees is held wrong on the other), underlying the differences between two national cultures.

More recently than the philosophers of a bygone era, several observers have noted the influence of national culture on organizations and on various aspects of management. The surge of a new wave of interest in this can probably be dated to Hall's work (Hall 1959, 1969, 1976). He identified two major conceptual dimensions of culture. On the one hand, high context and low context cultures differ through the amount of implicit pre-programmed information that is vested in the communication act against the explicit information contained in the message. On the other hand, cultures differ in the way they regard the impact of time. Monochronic cultures have a rigid conception of time, focusing on one thing at a time and separating interpersonal relations from scheduled work activities. Conversely, polychromic cultures have a flexible and fluid conception of time, conduct multiple varied activities together and allow interpersonal relations to interfere with scheduled work activities.

Kluckholn and Strodtbeck (1961) identified six dimensions in which cultures differ: relationship to nature, human relationships, truth and reality, human nature, human activity and attitudes towards time and change.

Hofstede (1980, 1991) has probably done one of the most extensive experimental studies based on international survey research in a multinational corporation. He defines culture as the "collective mental programming of people in an environment." At a national level these cultures differ in four respects : (1) Power distance, which is the degree of social acceptance of the unequal distribution of power in organizations and institutions. (2) Uncertainty avoidance, which is the degree to which a society tries to avoid ambiguous and uncertain situations which it perceives as threatening. Consequently, it provides greater stability, more formal rules, is less tolerant of deviant ideas and behaviors, and believes in the attainability of absolute truths and expertise. It is correlated with a higher degree of anxiety and aggressiveness, of which one of the by-products is a strong inner urge to work hard. (3) A continuum of individualism–collectivism, going from a relatively loosely knit framework of social relations where people take care of themselves towards a network of tight groups where people look after each other and to which they owe absolute loyalty. (4) A continuum from "masculinity" to "femininity" in the dominant social values, in other words encompassing the values on which, in all societies in the sample, men scored relatively higher than women in a positive sense, whatever the global score for the society itself, with gender roles clearly distinguished. Masculinity includes assertiveness, the acquisition of money and things, not caring for others, not caring for quality of life, not caring for people. A fifth dimension was added later that deals with long-term against short-term orientation.

Continuing the same line of research Trompenaars and Hampden Turner (1997), basing their findings on samples of managers from different companies, identify seven value orientations along seven continua: universalism versus particularism (general application of rules as opposed to personalized relationships), individualism versus communitarianism (acting as an free isolated individual as opposed to acting as a member of a community), neutral versus emotional (objective, dispassionate as opposed to subjectively demonstrating emotions) diffuse versus specific (involvement with others in all dimensions of working as well as private life as opposed to segmentation into discrete and unrelated parts), achievement versus ascription (social status gained by achievements as opposed to social status resulting from position in social hierarchies), human–time relationship (sequential organization of time with punctuality as opposed to synchronic multitask performance with reorganization of time being a function of circumstances), and human–nature relationship (trying to control the environment as opposed to adapting to it).

Schneider (1985) reviews the literature around the categories defined by Hofstede and by Kluckholn and Strodbeck. These are relationship to nature, human relationship, truth and reality, human nature, human activity, and attitudes towards time and change. She finds a that French national culture has a significant impact on strategy formulation by enterprises. It is characterized along the following dimensions: passive instead of active monitoring of environment; preference for qualitative instead of quantitative information; preference for sources of information that are more subjective and personal, or emanating from authorities; preference for a logical analytical approach rather than mathematical decision models; different sets of priorities that will be developed in terms of importance, urgency and certainty; and a focus that will be internal rather than external.

Maurice et al. (1982), studying similar enterprises in the same industries in France and Germany, noted intriguing differences. The average wage for a blue-collar worker compared to that of a white-collar employee was lower in France than in Germany. White-collar employees were not only better paid but also proportionally more numerous in France. 40% only of French workers, against 75% in Germany, were holders of a vocational degree. German foremen were also less numerous than the French. The differences were explained by the role of continuing education in Germany, based on the system of training between school and plant for "meisters". This system allows workers, throughout their professional life, to accumulate degrees up to the level of graduate engineer. This scale of degrees is a condition for promotion, whereas in France promotion is granted more as a function of the seniority and "potential" of the individual, or his initial training. The French training system is narrowly related to mobility and firm-specific skills, whereas the German system, with lifelong vocational training, gives access to nationally recognized degrees. It allows interenterprise mobility at various levels of technical job ladders. Conversely in France, because the training is enterprise-specific, interenterprise mobility is hampered. Promotion is therefore dependent more on change of status than on moves on a technical ladder. The German foreman, holder of a technical degree, enjoys more autonomy and prestige than his French equivalent. In turn, both training and mobility are related to organizational features, with a larger span of control for foremen and more multiskilling for workers in Germany.

Rojot (1988) has attempted to explain the differences in nature and structure between collective agreements in the USA and in France by the national cultural traits that permeate the legal systems of the two countries. He notes that the differences in the regulation of collective agreements can be explained by the primacy of the individual contract of employment over the collective agreement, the duty to perform being replaced by a duty to pay damages, and the presence of a minimal extended floor of statutory protection in the case of France. Those explanatory factors can be traced back to cultural values. In France the absolute primacy of the formal rights of the individual reigns supreme, and the only allowable limits can issue from a generally applicable public policy that is embodied in imperative, substantial and normative compulsory provisions for the equal good of all citizens, issued by a dirigist and interventionist central government.

Trepo (1975) attributes the failure of efforts to introduce management by objectives in France to the fear of face-to-face conflict, the way in which authority is conceived and the mode of selection of top managers. He demonstrates that subordinate managers, even though they may formally and vocally want more responsibility, actually remain passive, looking mostly for protection from above and avoiding commitment to specific objectives. Reciprocally, top managers, who rule autocratically, see the company as a kind of elite school, where to be the boss means to be the most intelligent one, and therefore they consider that subordinates cannot conceivably have valid ideas to offer. Of course, this does not mean that management by objectives or evaluation of performance according to a similar system is not practiced in France; far from it. However, in many cases, the system of management by objectives as it is applied in practice in companies is only remotely linked to the objectives assigned to it by its original promoters and takes a wholly different meaning, even if its form is apparently respected.

However, the national level is not the only one at which culture operates. It should be considered at least under two other aspects that make the matter more complex. On the one hand, other researchers, in limited numbers, in parallel and separately, sometimes with a different perspective and scientific agenda, have focused their work upon the concept of occupational cultures, cutting across both national and organizational cultures. Common bonds of occupation or avocation give rise to a group with the same culture that uses its own specialized vocabulary, assumptions, formats and traditions for internal communication. Such groups sometimes also share values and goals respecting their common endeavor that may, to a degree, cut across cultural as well as sub-cultural groupings. Among the more limited scholarly analysis along those lines, two sources must be quoted. Sainsaulieu (1977, 1982) derives from empirical studies the conclusion that employees at work build rules, values and practices, which are elaborated in common to manage their reciprocal relationships such as solidarity, mutual help, technical complementarity, dependence, authority, on the job training, information, control and appraisal. In that way a kind of community is built around what constitutes an occupational or trade culture, such as is the case for instance for metalworkers, sailors, miners and railway workers. This community is significant in the day-to-day running of organizations and also in labor conflicts. This is the case at national level as much as at enterprise level, which demonstrates that such occupational cultures cut across organizations. More generally, an in-depth study of workers in industry demonstrates four types of culture among the working class during the 1960s period of economic growth, confirmed by later studies: fusion, for unskilled labor, negotiation for highly skilled blue-collar employees and technical staff, affinity for self-made supervisory staff and withdrawal for minorities.

With the purpose of introducing the methods of ethnology into organizational culture studies, Gregory (1983), who defines culture as "learned ways of coping with experience," has studied professionals working in Silicon Valley enterprises. She reaches similar conclusions, putting forward evidence of "occupational communities" around different cultures, which are not simply sub-cultures but cross-cut organizational lines and provide employees with significant reference groups outside as well as inside a company. Such are, for instance, the cultures of computer scientist, software engineer and marketer.

However, a new and different concept of culture has come to cut across the previous ones at another level. This was no longer aimed at national or occupational level, but at the organizational one. The focus of attention was no longer the country or the occupation but the organization, and often specifically the enterprise. Culture was for instance seen as the factor that unifies and unites an organization through its management by leaders (Schein 1985). This perspective asserts that managers can control organizational culture and even make it their most important tool. Accordingly, a strong culture is healthy for an organization; everyone should share this culture and use it to guide decision-making. Along those lines, Johnson (1988) proposed the notion of the "cultural web" of an organization, from which emerges the dominant paradigm which constrains its strategic choices. The paradigm is "the set of beliefs and assumptions held relatively common through the organization, taken for granted, and discernible in the stories and explanations of managers, which plays a central role in the interpretation of environmental stimuli and configuration of organizationally relevant strategic responses." This is a definition close to the one given by Schein for corporate culture.

This emerging paradigm is in turn maintained and activated by a stable and reinforcing cultural web in the organization that contains not only myths, rituals, symbols, control systems and power structures, both formal and informal, but also organizational and technical structures, and processes and routines that implicitly embody them, through taken-for-granted assumptions in the way of that operational daily business is conducted.

The elements of this web are mutually reinforcing : for instance, the power structure has a vested advantage in maintaining things as they are and manages the control systems to silence or expel dissenters, while celebrating rituals which demonstrate the legitimacy of its own power (senior partners bringing in critical business in a law firm against other partners, junior members, paralegals, secretaries or engineers in an aerospace firm only being granted access to top management). At the same time, the way of doing business privileges, for instance, technological choices over marketing or financial ones. The location of operations follows technical imperatives in terms of supplier availability and/or easy contact with fellow engineers from other firms.

The notion of organizational culture as a useful tool of management introduced a lively debate and was widely criticized in many quarters. It also introduced a volume of literature that is too important to be simply summarized here. An early account of the controversy is, for instance, offered by Lynn Meek (Meek 1988). For instance, one statement nicely points out a major criticism of the view of culture as management tool: "culture is something an organization is, not something that an organization has" (Smircich 1983); thus it is not susceptible to managerial manipulation.

Culture and Bounded (Limited) Rationality

There are, however, problems with the concept of culture, at whatever level it is considered, national, occupational or organizational. On the one hand, there are often different groups within a culture. Important variations from a culture's characteristic behavioral norms reflect differences in the identity of religious, linguistic, ancestral or regional groups, among other variables. These differences resulting from identity groupings may often be referred to as sub-cultures. But, where do the borders of a sub-culture start, since no culture or sub-culture is homogeneous? Any given cultural trait, say tolerance to hierarchy, for any given cultural group must be considered as an average, a mean for that group. However, around that mean, individuals may show wide variations, and the standard deviation on that given characteristic may be important, even very important. Thus, one may find oneself, within a culture generally rated low on hierarchical distance, in front of an individual who personally sits three standard deviations from the mean and happens to give a huge importance to that characteristic.

Several other potential problems can be identified. The first is that whenever an observer takes note of a cultural characteristic, the accuracy of that observation must be discounted by recognizing that it is a product of the observer's own cultural orientation (Lederach 1995). In other words, observations about a given culture from the part of a stranger tell us as much if not more about the culture of that stranger that about the culture he observes. The deepest influences emanating from culture consist of assumptions that are so well embodied in us that they are "taken for granted" without being identified as cultural traits. For most Europeans, the British do not drive on the left of the road, they drive "on the wrong side" (Schneider and Barsoux 1997). Secondly, cultural differences are not absolutes; they are matters of degree. For example, no culture is wholly "communal" or "individualistic" in its value orientation. In addition, what we call "culture" is the composite of a group's normative characteristics. However, no one person can be expected to fully personify a given culture. Each individual's personality is a unique variation from the cultural norm and, from the perspective of its norms, as underlined above, some members of a cultural group may be quite "abnormal." Moreover, although cultural norms have a substantial impact on behavior, "individuals can and do act apart from cultural demands" (Adler and Jelinek 1994).

Another major issue is that culture changes over time. However, from a theoretical point of view, the notion of change in culture poses several problems. If the culture is our beliefs, values, modes of communication and cognition, then it conditions our view of the world, not the other way around. Thus it cannot willingly be changed and its change requires a puzzling theoretical explanation. This issue deeply questions "cultural engineering" and/or managing organizational cultures. Top management *is* part of the culture of a company, thus how can it change it willfully and voluntarily? This does not mean that top management does not influence it, on the contrary, but much of this influence on one hand is not consciously conducted and on the other hand is mediated by others who are involved in the organization.

At another level, the idea of national culture indicates that we need an answer to the question of change. When, and how, does national culture change? A theory of culture unable to answer that question loses much of its explanatory usefulness. If it is rigid, if national traits are impervious to change, it runs into the face of experimental evidence. European and American societies have undergone deep changes in recent years over little time, for instance regarding the death penalty in criminal cases or the status of same sex marriage. If, on the contrary, cultural traits become so flexible that they can be molded by any fashion arising, the concept is no longer useful. A permanently changing culture simply reproduces the changes in the environment around itself. What then is significant?

In addition, a question is then raised about the harmonization of occupational or corporate culture and national culture. Which one dominates the other, for instance within a multinational corporation? And under what conditions does this happen? Do they merge (and if so into what?) or produce organizational conflict?

In our view, a way to solve these multiple problems would be to adopt a different view of culture. We have proposed elsewhere (Rojot 2008; Chanut and Rojot 2009) that we should consider culture as sets of shared limitations on rationality.

The concept of culture becomes much more useful if we interpret it in such a way. This interpretation addresses some of the issues that other cultural theories ignore.

The concept of bounded rationality is well known. It has been elaborated and proposed by Simon (1947), expanded upon by Boudon (1976) and by Crozier (1963) and Crozier and Freiberg (1977), and is often used. Simply put, the limits of rationality derive from the inability of the human mind to make a single decision on all the aspects of value, knowledge and behavior that would be relevant.

However, this should not be construed as meaning that individuals are going to act randomly or irrationally. Within the framework of their limited knowledge, capacities and means of action, they are going to try to select a preferred alternative. Therefore they are not irrational, but rather their rationality is limited; it is bounded. That is to say, in practice individuals cannot be considered as totally rational, but not because they follow a line of behavior which is irrational. On the contrary, their behavior is almost always rational, for them. But it is not objectively and totally so if seen by an outside observer, because they act within a framework bounded by their limited capacities and are facing too rich and too complex a world.

This framework is bounded in two dimensions. On the one hand, perfect rationality would drive us to assume a synoptic and maximizing attitude. It is synoptic in the sense that all costs and benefits would be weighed, that all possible alternative courses of action would be considered together, and maximizing in the sense that they could be considered in all their potential consequences, and that the one course of action maximizing the satisfaction and minimizing the dissatisfaction of the individual concerned would be selected. All costs and benefits incurred would be considered by him. We know that this cannot be the case, for there is not enough time or information to register, and even less to consider, all likely courses of action, and the human mind is too limited to analyze them, were they to be available. Additionally, the world is too uncertain and turbulent to allow one to assess all the potential consequences of a course of action with any degree of foresight. Thus, instead of being synoptic, the consideration of alternatives is sequential and, instead of maximizing, the selection of one is only satisfying.

On the other hand, the limits to rationality also play at a second level, and a more complex one. It is the one that Simon (1947) calls the internal environment of the decision-maker, his ability to build and represent for himself the outside world. The environment is no longer given and more or less well perceived by the decision-maker, it is to be constructed actively by him. There is no longer only objective outside data, ignored or more or less accurately represented, but also subjective input built into the decision-making process. Situation and process interact.

Limitations on rationality form a continuum with an increasing degree of complexity that includes nationality, occupation and organization. The simplest limitations on rationality may be the physical and biological ones. Psychology has demonstrated that perception takes place through the simultaneous operation of selection, structuration and interpretation (Hirst 1965). Hence, even at the most basic levels, different individuals perceive different realities. When an individual interacts with others in situations that are more complex, additional limitations on rationality come into action. In a way, the next basic level of limitations is made up of rules (national laws, occupational customs, organizational regulations). These rules place very visible and obvious limitations on the rationality of members of collectivities. Whether they obey the rules or not is irrelevant because they influence behavior, even when individuals seek to escape their influence or to circumvent them. In addition, people in collectivities build shared stocks of knowledge and they construct reality by typifying habitual actions (Berger and Luckmann 1966). These shared typifications mean that members of a group share views of reality and develop accepted ways to do things. These typifications influence not so much the process of decisions as their premises.

Conclusion

Within this understanding, the concept of culture becomes at the same time clearer and conceptually useful. At the various levels considered, shared limits on rationality influence and frame behavior and the understanding of situations. The cultural change implied in taking corporate social responsibility seriously requires that the premises of the thinking of the individuals concerned change. Following that, behavior and decision-making will change. How is that to be implemented? Changes in law, corporate charters and regulations are necessary but insufficient. They will have to be reinforced and complemented by the collective sharing of a new way of shaping reality at international, national and organizational levels. This can only be built from the bottom, day to day, through visible and multiple examples of pragmatic, operational priority being given to corporate social responsibility at all levels of organizations in day-to-day business. Differences will come from the way in which any given individual immersed in a national, occupational, organizational environment will accommodate in his accepted behavior and cognitive limits a new set of limits on his rationality alongside the other sets of limits already present that come from other sources drawn from his personal experience. The changes in culture, in turn, occur when enough individuals share a limit of some sort. It requires a recourse to Giddens to explain the mechanics: the reproduction of accepted and shared ways of behavior and cognition in day-to-day interactions between individuals. The characteristics of duality and recursivity evidenced by Giddens (1976) explain how individuals create and reproduce limits on their rationality. Social activities are influenced by limits which are not created ab initio by individuals but ceaselessly recreated by them, through the use of the very means which allow them to express themselves as actors, the limits themselves upon which they draw. Conditions allow the social activities of individuals and by their activities, the individuals create and reproduce the very conditions which make these activities possible. Giddens (1984) uses the example of language to illustrate the point: language allows individuals to communicate, and by communicating they produce and keep alive the language. Cultural change becomes even more complex this way: it is neither voluntary nor directed, but a common result of interactions in varying conditions. Reproduction is also production, in that it contains potential germs of change, consequences of reflexivity in a contextualized environment, unexpected effects and unrecognized conditions from action. At any given moment individuals share in various amounts of a cognitive limit from total absence to full influence. When enough of them, after interactions in context, partake of it, it becomes a more generalized limit on cognition; in other words, the equivalent of a cultural trait. It is the only way through which corporate social responsibility may become a serious new way of doing business.

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