Chapter 32
How Managers Make Sense of CSR: The Impact of Eastern Philosophy in Japanese Owned Transnational Corporations

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Abstract It is widely acknowledged that organisations are struggling to integrate their espoused Corporate Social Responsibility (CSR) principles into business processes. There is cynicism of organisations which publicly state a commitment to society and environment but whose business behaviours are not aligned with the expressed CSR commitment. This paper draws from a two stage study with two global consumer electronics companies to explore the influence of Japanese business philosophy on how managers make sense of their organisation's commitment to CSR.

The method adopted is a case-study approach using Conversation Analysis to analyse data collected from recorded interviews and focus groups.

Findings suggest that organisational culture, underpinned by Japanese philosophy, can impact on how managers make sense of CSR. However, what is not clear is what triggers alignment of managers' sensemaking between business philosophy and CSR. Limitations to this study include a small sample in only two companies in one sector over a short time span. The recommendation of this paper is the need for further longitudinal study with a broader sample at multiple organisations to corroborate or refute these initial findings, and to explore the triggers for managers to link interpretation of CSR with underpinning business philosophy. The practical outcomes of this research can help address the management problem of how to embed CSR in business operations.

32.1 Introduction

Corporate Social Responsibility (CSR) is evolving as a relatively new management phenomenon, driven by demands for greater responsibility in business (Waddock 2000; Zadek 2004). The CSR domain is wide and fragmented, encompassing

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theories such as Stakeholder Engagement and Business Ethics (Freeman 1984; Clarkson 1995; Mitchell et al. 1997).

Overarching principles of CSR include businesses being held accountable for their impact on society and the environment in which they operate, and that the responsibility of a business extends beyond a single financial focus of maximising shareholder return (Margolis and Walsh 2003). A key challenge for CSR practitioners is to bridge the gap between business objectives of 'profit' (Freidman 1970) and an extended focus on responsibility for their combined performance in social, environmental and economic matters (Elkington 1997).

Practitioner and academic literature is critical of organisations promoting themselves as a 'responsible business' where there is a perceived gap between rhetoric and action (Conley and Williams 2005). The challenge of aligning CSR intent with action can be complicated because organisationally espoused CSR aspirations are often produced in isolation from the operational managers who are expected to make sense of the aspirations. It is, therefore, quite possible that the architects of organisational CSR initiatives and those who are expected to enact them may not share the same interpretation of the CSR intentions (Jackson 2009).

Further challenges to embedding CSR in organisations include influences such as cultural narratives impacting on managers' interpretations of CSR (Jackson 2009).

This contemporary business problem prompted the author to undertake an empirical research study to explore the impact of organisational culture and business philosophy on managers' interpretation of espoused CSR aspirations in their organisation (Jackson 2009). This paper discusses a two stage study, conducted between 2008 and 2011, to investigate the impact of organisational cultural narratives on how managers make sense of CSR. The research was conducted in two case studies (Yin 2003), with operational managers from cross- functional roles at the European headquarters of two Japanese owned transnational corporations in the global electronic consumer products sector. The second stage of study adopts a deeper exploration, longitudinal approach, with just one of the research companies. A literature review was conducted to gain insight about the influence of Japanese business philosophy on the narratives which managers engage in to make sense of CSR. Research method is explained further in Sect. 3.

The next section introduces the research cases. To protect anonymity the companies are referred to in this paper through pseudonyms, Alpha Electronics and Delta Electronics.

32.1.1 *Alpha and Delta Electronics*

Alpha Electronics was founded in Japan in 1918. Before establishing the firm at a young age, the founder of Alpha spent several years in a Buddhist retreat and was strongly influenced by the traditional teaching of Kaitokudo Merchant Academy of Osaka (see Sect. 32.2.4). Alpha's products include televisions, audio video equipment, home appliances and digital cameras. They have a turnover of US$ 81.9

billion and employ around 327,000 people globally. The President and CEO of Alpha are both Japanese and both publicly espouse the company philosophy which puts the importance of people and society above the importance of their products. The culture of Alpha is underpinned by the belief that the success of the organisation is dependent on their responsibility as a public entity (Jackson 2009). Delta Electronics was founded in Japan in 1946 as a telecommunications engineering company and built Japan's first tape recorder. Today Delta's products include televisions, audio video equipment, digital cameras and personal computers. Delta has a turnover of US$ 78.9 billion and employs around 180,500 people in approximately 100 countries. The Chairman and Group CEO at Delta is one and the same, a British person. The founding spirit that defines Delta is to contribute to society through its products and innovations (Jackson 2009).

Global electronic consumer products manufacturers were selected for this study because the industry has a significant impact on society and the environment (Babu et al. 2007). The sector has an average growth rate of 12.6 % per year, (BCC Research 2009) and several organisations in the sector are beginning to proactively espouse CSR principles and engage with environmental NGOs (WWF 2009).

32.1.2 Structure of This Paper

Section 2. discusses the literature informing the research question for empirical study. Section 3. goes on to explain the research methods engaged to address research questions emerging from the literature review. The results and implications from empirical study are discussed in Sect. 4. This paper concludes with Sect. 5. which discusses the conclusions and limitations of the study with recommendations for further research.

32.2 Literature Review

A systematic literature review (Tranfield et al. 2003) was conducted between Stages 1 and 2 of the study to develop the research question from a general focus on managers' sensemaking and CSR to a more honed focus on the impact of business philosophy, through cultural narratives, on managers' sensemaking of CSR. The review was guided by the question: 'What does academic literature suggest about the impact of Japanese business philosophy on managers' sensemaking of CSR in organisations?'

To address this question literature was reviewed from the following fields of theory:

Sensemaking (Weick 1995), to understand how managers make sense of CSR.

Organisational culture (Schein 1985), with a focus on the impact of culture on sensemaking in organisations through 'organisational cultural narratives' (Boje 1991).

Stories and narratives are said to be a core component of sensemaking (Chia 2000) and as human sensemaking is represented by 'words' (Weick 1995), it is widely recognised that the 'common currency' for analysing sensemaking is through storytelling and narrative (Chia 2000). Therefore, the body of literature on narratives contributes to insight for developing the research question underpinning this study, and also as a method of analysis.

Academic literature on CSR and Japanese business philosophy provide a contextual background for this study.

The next section discusses an interpretation of what academic literature suggests about the influence of Japanese philosophies on business and the perceived overlaps between Japanese business philosophy and contemporary CSR.

32.2.1 *Japanese Philosophy of Business and CSR*

Japanese organisations greatly value their 'company philosophy', and most traditional Japanese companies have a 'company philosophy' which is perceived to be fundamental to corporate strategy (Yoshida 1989). These philosophies vary according to differing values orientations, with some philosophies representative of unique company identity (Wang 2009, p. 1).

The philosophies of Japanese companies are regularly disclosed through in-company documentation and on websites, for example; Toyota's publicised philosophy states a commitment to 'collaborative and shared responsibility' towards customer, employee, community and the greater environment (Wang 2009, p. 2). There seems to be a great deal of similarity between statements of Japanese business philosophy and the principles of CSR as discussed in the introduction to this paper, including the importance of long term, trustworthy relationships in relation to society and the environment (Koehn 1999; Lee and Trim 2008).

The influence of both Confucianism and Buddhism, introduced to Japan through trade relationships at roughly the same time, had a profound impact on society and the underpinning cultural philosophy of Japanese organisations (Lee and Trim 2008, p. 64).

Buddhism proved to be very popular with the leaders of Japanese business (Boardman and Kato 2003, p. 320) and became firmly established as many Japanese leaders became attracted to the religion. Buddhist influence on Japanese philosophy can be seen from the 'Eightfold path' which translates to 'right view, right mindedness, right speech, right action, right livelihood, right endeavour, right mindfulness and the right concentration' (Lee and Trim 2008, p. 64).

From another perspective, Confucianism is concerned with five criteria of 'benevolence, righteousness, decorum, wisdom and trustworthiness' which are deemed to influence relationships in society (Boardman and Kato 2003, p. 320). Once again, there appear to be parallels with the espoused CSR aspirations of global corporations.

Increasingly, organisational theory has applied Japanese philosophies to CSR. Findings from a quantitative study to explore the impact of Japanese philosophy on corporate performance conducted with 152 Japanese electrical machinery companies suggest that Japanese business philosophies can contribute positively to long term non-financial performance, including CSR (Wang 2009). The study observed improved CSR performance where values reflected in the code of conduct were broadly representative of the values of key stakeholders such as employees (Ibid, p. 6). The study also found that companies with a 'harmony-oriented' management philosophy were more likely to engage in CSR related activities with long term performance potential (Ibid, p. 9).

Codes of conduct for responsible business in Japanese corporations usually reflect ancient codes of business ethics. Today, many statements in Japanese corporate management philosophies are reflections of those ancient codes (Boardman and Kato 2003, p. 317), such as the traditional Japanese philosophical concept *Kyosei,* meaning 'cooperative living'. The application of *Kyosei* in business can be traced back to Confucianism ideals. According to storytelling, in the early part of the seventeenth century 'a Japanese trader teamed up with a famous Confucian scholar, Fujiwara Seika, and together they created a set of guidelines for ethical trade known as *shuchu kiyaku*. The overarching principle of the guide was that trade must not be conducted for individual gain but for the benefit of broader society (Boardman and Kato 2003, p. 318).

Today *Kyosei* has been internationally introduced into mainstream CSR and ethical business programmes and has evolved to become a 'significant descriptor of corporate behaviour in Japan' (Ibid, p. 317). In 1987 the Chairman of Canon, introduced the concept of *Kyosei* as a 'spirit of cooperation in which individuals and organisations live and work together for the common good'.

Several themes link the fields of CSR and Japanese philosophy literature, including Watsujian and Confucian perspectives on the importance of long term business relationships, not only in the interest of shareholders but also in consideration of broader stakeholders (Koehn 1999, p. 75). Many Japanese business philosophies, including *Kyosei,* endorse a macro view of corporate responsibility over and above 'pursuit of profit' in terms of respecting the interests of stakeholders (Wang 2009, p. 3), and establishing harmonious relations with suppliers, competitors, governments and the natural environment (Boardman and Kato 2003, p. 318).

Similarly, CSR literature has a strong theme of responsibility to broad stakeholders (Freeman 1984; Clarkson 1995).

Another common theme between Japanese business philosophy and CSR is the notion that business is not just about selling products or services, but is about developing relationships and 'customers for life' (Koehn 1999, p. 75).

This study is interested in how the influence of Japanese philosophies can impact on how managers make sense of CSR in their organisation. The next section explains the theoretical process of sensemaking.

32.2.2   Sensemaking

Sensemaking is considered to be subliminal process which plays a core role in human behaviour (Weick et al. 2005). The theoretical underpinning of sensemaking is that understanding is reached through a process of scanning and interpretation (Daft and Weick 1984; Thomas et al. 1993). The human desire for sensemaking is particularly prevalent when a perceived world-view is at odds with an expected world-view or there is anxiety due to no clear path to engage with the social world (Weick et al. 2005).

Language is considered to be a prevailing means for 'codifying and articulating' the sense- experience (Chia 2000, p. 515) as words 'run to and fro' to create a path for sensemaking in organisations (Ibid, p. 517). This study is interested in how the words managers 'notice' from the business philosophy of their organisation influence their sensemaking and interpretation of CSR.

Figure 32.1. illustrates the theoretical sensemaking process that people engage in a subconscious, ongoing and iterative way to interpret and find meaning of social situations (Weick 1995). The 'scanning' stage of the process is the point at which people cognitively 'collect' data through noticing and selecting cues for 'interpretation' to give meaning to those data.

Human sensemaking is the process through which information is given meaning and action is chosen accordingly (Daft and Weick 1984, p. 294). This is the process people use to find meaning for themselves (Rouleau 2005), through subjectively selected details which they normalise to a simplified, plausible norm. People fill 'gaps' in the interpretive process through stories, gossip, rumours and folklore (Starbuck and Milliken 1988; Balogun and Johnson 2004).

Organisations are socially constructed interpretive systems from which cues and stimuli impact on how people find meaning (Daft and Weick 1984, p. 294). Furthermore, organisational philosophies are usually embedded in cultural identity and interpreted through cultural narratives which provide the 'cues' to guide human interpretation (Daft and Weick 1984, p. 286). The next sections discuss possible influences of organisational identity and cultural narratives on managers' sensemaking of CSR.

32.2.3   Organisational Identity and Cultural Narratives

Literature reveals a consistent theme that understanding is reached through words (Weick 1995) and that conversations and narratives act as key mechanisms for sensemaking. This seems to be particularly so when the language used is explicitly associated with values and beliefs emanating from organisational culture and identity (Morgan 1986). Furthermore, literature suggests that organisational values are central to the creation of organisational management philosophy (Picken 1987) and culture (Schein 1985).
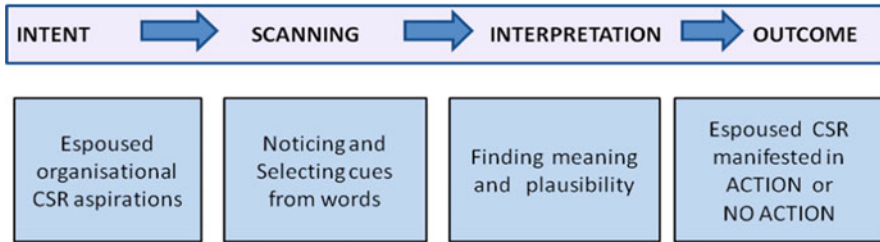
Fig. 32.1 The sensemaking process – applied to CSR (Jackson 2009) (Adapted from Daft and Weick (1984), Starbuck and Milliken (1988), Thomas et al. (1993))

In terms of Japanese organisational identity, the cultural value systems which contribute to a Japanese organisation and organisational identity include 'loyal staff' (Lee and Trim 2008, p. 74). The value of 'loyal staff' is said to include the personnel system of *Syojokukata no sosiki,* which broadly means that employees dedicate themselves to the organisation (Lee and Trim 2008, p. 72). If this proposition is considered to be true, it might be reasonable to believe that employees would engage in the enactment of the organisation's CSR aspirations through a sense of loyalty to the organisation. However, even if this system is applicable to companies in Japan, in a transnational Japanese corporation the cross cultural differences (Hofstede 1996) impacting on non Japanese managers' sensemaking (Weick 1995) may mean that *Syojokukata no sosiki* is not so effective. This suggests a need for alternative sensemaking guidance to encourage European managers to engage in CSR aspirations.

One possibility might be cultural stories and narratives acting as a trigger to link individuals' sensemaking of CSR with organisational culture and unifying statements of 'collective identity' (Brown et al. 2008, p. 1046).

'Cultural repertoires and narrative structures' are considered to be the principle way in which people in organisations create a coherent frame of identity from which they select cues to make sense of the organisation they are part of (Ibid, p. 405; Humphreys and Brown 2008, p. 413). From within that frame of identity the 'truth' that people experience, through their own sensemaking, is influenced by the overarching culture in which the experience is embodied (du Toit 2003).

Organisations are socially constructed 'storytelling systems' (Boje 1991, p. 1000), in which people make sense through 'jointly negotiated narratives' (Brown et al. 2008, p. 1040). In particular, people select 'interpretation' cues from conversations and storytelling when they are 'bound together' by a common aspiration (Balogun and Johnson 2004; Weick 1995).

Communities in organisations tell multiple stories about themselves, which become lived out in daily reality, as a vehicle for the construction of ongoing interpretation and meaning (du Toit 2003 p. 32; Humphreys and Brown 2008, p. 413). Furthermore, narrative is at the core of how people find meaning (Ibid, p. 1039) and the sharing of narratives is a key part of organisational members'

sensemaking (Boje 1991, p. 1000). Therefore, cultural narratives are likely to have an impact on managers' sensemaking about CSR.

In their study on how narratives influence interpretation of CSR, Humphreys and Brown (2008, p. 414) found that employees struggled to make sense of CSR when the 'narratives and labels' did not align with their own preferred version of organisational identity.

The next section discusses more specifically the narratives which can influence sensemaking in Japanese organisations.

32.2.4 *Japanese Philosophical Stories and Narratives*

Ancient philosophies are mainly kept alive in modern Japanese business and embedded in corporate culture through the prevailing narratives and writings of the founders of the corporation (Boardman and Kato 2003; Lee and Trim 2008; Wang 2009).

Many founders of Japanese companies were strongly influenced by the traditional teaching of Kaitokudo Merchant Academy of Osaka (1726–1868), where merchants from across the country discussed the philosophical aspects of commerce (Boardman and Kato 2003, p. 325). It is very common for the founders of the transnational Japanese corporations to have had a significant influence on the original company philosophy; for example, the corporate philosophies of companies such as Canon, Sumitomo and Panasonic can be traced back to their founders and the teaching of Kaitokudo (Ibid, p. 327).

At Alpha Electronics the founder formulated a 250 year business plan and a mission that reflected his deeply held belief that the purpose of business is to 'relieve poverty and to create wealth, not only for shareholders but for society'. Today this belief is reflected in Alpha's business philosophy (7BP) which is referred to throughout this paper.

A particularly strong narrative, communicated through the stories of several Japanese company founders, is that business does not operate in an economic vacuum which is cut off from society (Koehn 1999, p. 76). A further consistent narrative is that ethical worth comes from individual understanding and interpretation in respect to the whole of humanity. It is believed that this understanding will make that person 'true hearted'- *makoto,* or 'spirit of equity' – *jen.* Acts of *makato* or *jen* are ethically good (Ibid) and are encouraged in Japanese companies through cultural narratives.

32.2.5 *Summary*

In respect to the impact of Japanese business philosophy on managers' sensemaking of CSR in organisations, themes emerging from the literature review suggest many overlaps between the principles of CSR and ancient Japanese philosophy. Japanese philosophies embedded in management systems of organisations have usually been

kept alive through the continual telling of stories which have emanated from a founder with strong beliefs and values. Furthermore, literature suggests that organisational cultural narratives can be inextricably linked with managers' sensemaking and their interpretation of CSR.

The next section explains the methods employed for an empirical study to explore the research question about how Japanese philosophy can impact on managers' sensemaking of CSR in their organisation.

32.3 Research Method

Since 2008 research has been conducted through two stages of study. At the time of writing the second stage is still an ongoing longitudinal study.

Stage 1 adopted a two case- study approach (Yin 2003) with 15 operational managers from cross- functional roles, at Alpha and Delta. As the research question evolved to focus more specifically on the impact of Japanese philosophy on how managers make sense of CSR, Alpha was selected as a single case study. Alpha was selected for Stage 2 because Stage 1 revealed a stronger identity around an underpinning Japanese philosophy than Delta.

The study adopts a retroductive exploratory stance to build theory for new understanding (Blaikie 2007, p. 9).

Data from Stage 1 were collected through video and audio recordings of two focus groups (Macnaghten and Myers 2007), one at each site, and follow up semi-structured one-on-one telephone interviews with each participants to cross check interpretation and retrospective sensemaking. In total, 3.5 h of focus group dialogue and 12 h of telephone conversation were recorded and transcribed.

To check researcher interpretation, an independent observer attended both focus groups and recorded her observations, also during analysis of transcripts parts of the text were given to two peers for their interpretation.

Stage 2 data were collected through informal conversations and semi-structured interviews with 35 of Alpha's pan-European CSR champions, plus one CSR representative from Alpha's Japanese HQ. The purpose of the meeting was to discuss a corporate stakeholder engagement plan as part of their CSR strategy. Recordings were made of people talking about their interpretation of CSR in Alpha.

Throughout the study data were analysed using Conversation Analysis (CA), a subset of discourse analysis (Sacks 1984; Jefferson 2004) to gain insight into 'sensemaking process through which reality is constructed' (Clifton 2006).

The next section discusses findings from the study.

32.4 Results and Implications

A key finding from the empirical study is that through a sensemaking process (Weick 1995) the words that managers 'select and notice' from their organisation's underpinning Japanese philosophy can impact on their interpretation and enactment of

organisational CSR aspirations. The finding suggests that 'no action', status quo is a possible outcome of managers' sensemaking when they do not cognitively associate CSR aspirations with the organisation's business principles or bedrock organisational culture (Schein 1985). This finding is discussed in detail throughout this section.

32.4.1   Alpha and Delta CSR Aspirations

Alpha and Delta both publish annual CSR reports which include references to their business philosophy. Links between Alpha's espoused commitment to CSR and ancient Japanese philosophy are clearly apparent.

From Alpha's 2008 CSR report:

- A public institution is only able to exist if it receives the support from society.
- Alpha has been doing CSR for 70 years -Inheriting our Founders' Philosophy of Living in Harmony with Global Environment.
- CSR management is founded on the company as 'public entity of society', the company does not exist solely to make money.

Overall Alpha's CSR report espouses a business philosophy underpinned by a moral code which includes a belief that money and profit are not their only business goals.

From Delta's 2008 CSR report:

- To pursue CSR with an emphasis on realising a sustainable society through great innovations, industry leading product.
- Committed to integrity and sound business practice.
- Founding spirit was, and still is, to contribute to society through business and to enrich society by supplying radio, communications and technology to people.

Delta adopts a more commercial, business case approach to CSR, whereas Alpha adopts a more moral case which is more aligned with ancient Japanese philosophies including the responsibility of business to contribute to the whole.

32.4.2   Finding; Managers' Sensemaking of CSR Can Lead to an Outcome of 'No Action' When Not Aligned with Cultural Narratives

The outcomes from this study suggest that business philosophy can influence how managers make sense of CSR, with managers' interpretations of CSR becoming clearer when linked to culturally embedded business principles. In particular, the cultural narratives of organisational identity with which managers associate themselves, appear to be a link for making sense of CSR in organisations. This is not surprising as identity is considered to have a significant influence on sensemaking

(Weick et al. 2005, 416) as managers select sensemaking cues from the prevailing cultural identity and business philosophy (Ibid, p. 410).

When Alpha managers shared stories about their founding Japanese business philosophy (7BP) which still underpins their corporate culture today, they appeared to have a clearer sense of CSR in their organisation. Findings suggest that at the 'scanning' stage of the sensemaking process (see Fig. 32.1.), where managers 'notice' cues and words from their underpinning business philosophy, they can find a meaningful and plausible interpretation of CSR which can result in enactment of the espoused CSR aspirations (Jackson 2009). This suggests that where there is alignment of managers' sensemaking between CSR and 7BP, the CSR aspirations are more likely to be enacted in daily operations.

However, if at the scanning phase managers do not notice cues and words which align CSR narratives with cultural narratives, managers can follow an alternative sensemaking path through selecting cues from their own tacit knowledge and experience which can lead to CSR 'no action'.

Fig. 32.2. builds on Fig. 32.1. to illustrate how the scanning stage of sensemaking can be influenced by the 'cues' that managers notice resulting in an outcome of CSR 'action' or 'no action'. The next sections provide examples from empirical study of how the influence of business philosophy and cultural narratives can lead to CSR action or SR no-action as illustrated in Fig. 32.2.

32.4.2.1   No CSR Action Today

A fascinating observation of this study was that even though 10 Alpha managers agreed (in a focus group) that their organisation expects them to act to reduce CO^2 emissions and indeed mentioned on 10 occasions (over a period of 90 min) that there were too many lights on in the room, not one person acted to turn off unnecessary lights. The following section of dialogue illustrates how the managers did not select cues from cultural narratives about 7BP, but instead followed a different sensemaking path which resulted in an interpretation that appears to be accepting that there will be 'no action' in the present.

> **A.** "You see the funny thing is [. . .] straight away you said we should reduce our carbon, [and] first thing people talk about is carbon, but absolutely everyone is sitting in this room with all these lights on [. . .] do we need them on? Could we not have had half of these lights on?"
> **B.** "come back in 5 years time [and] I think you will have a different story, because one of us would have come in and turned the back lights off or something similar like that."
> (**C** gets up to walk to the back of the room)
> **A.** "Are you going to turn the lights off?"
> **C.** No, I am going to get a cup of tea to sustain myself."

In follow up one-on-one telephone interviews the managers were asked about this scenario. One manager said that he had noticed this, but did nothing because he wanted to see if someone else would turn off the lights. Other participants were oblivious to it, with the main response being that they guessed that everyone expected someone else to do it (Jackson 2009).
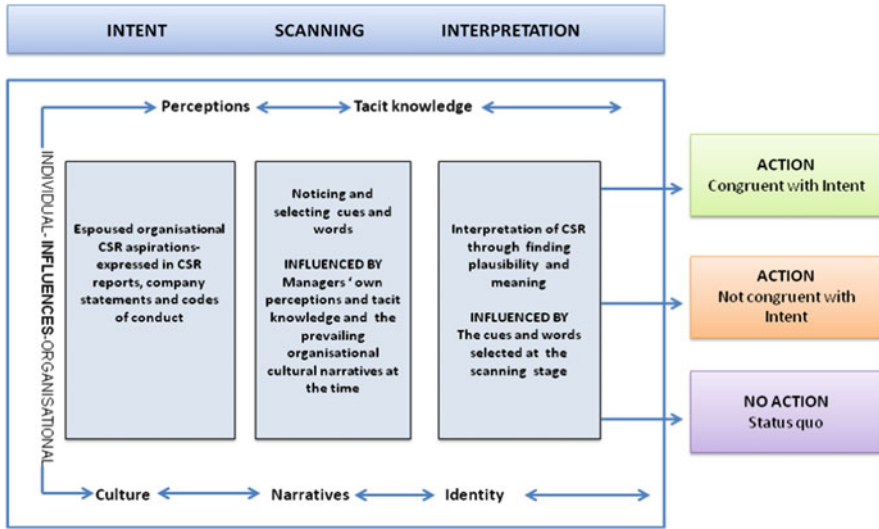
Fig. 32.2 Influences on managers' sensemaking of CSR (Jackson 2009, p. 61)

32.4.2.2 Influence of Narratives on CSR Interpretation and Action

From an early point of data collection, Alpha managers referred to their 7BP business philosophy which is kept alive through stories from their Japanese founder. These stories have become embedded as cultural narratives in the organisation over 70 years.

> If you read any history on our founder and you go back in time you will see the business principles our company has been built on, ethically.

In terms of enacting CSR, managers in both cases appear to take their codes of responsible conduct for granted, however, there is a strong sense that Alpha managers enact their code of conduct in alignment with their 7BP and cultural stories. For example, the premise of one Alpha story about responsible business is that the sale of a product must be at the true value of the product and not for gaining excess profit, the moral of the story being that excessive profit is not ethical and society suffers as a result. The enactment of the message of this story is illustrated by the following quotation. The manager explains how he was instructed to sell a valuable company asset at a lower price than offered because it was deemed to be more fair.

> Last year we sold a site . . .. it was a closed book tender, we had an offer on that building for $X million more than it was valued. I was asked to explain why the profit we were making on this building was so high and I was not actually allowed to sell it at that profit level.

This action appears to be fully aligned with both the organisation's CSR report, '*The company does not exist solely to make money*' and with the founders' story about the ethics of selling a product for its real worth.

At Delta, longstanding philosophical narratives are less prevalent as a sensemaking influence. Where the language of CSR does not align with the prevailing cultural narratives, managers notice alternative sensemaking narratives to guide their interpretation. This is illustrated by the following quote from an Information Systems Manager who was asked, in a one- to-one telephone interview, to explain his interpretation of 'ethical business' in his organisation.

> When we are driving around the country we don't deliberately target cats to run over, you know I don't need to go on a course to tell me to do that.. you know it is obvious, we are not going to try to do anything which is illegal or immoral or you know, unethical.

The cultural narratives at Delta use the term 'code of conduct' when discussing responsible business, rather than 'ethical business'. The quote suggests that the manager has not made a link between the interview question about 'ethical business' and the company 'code of conduct'. Instead, he has cognitively selected sensemaking guidance from his own personal interpretation of ethics, i.e. not running over cats, which is disconnected from the issue of business ethics in his organisation.

In both of the study cases, through their sensemaking process (Weick 1995), the words that managers 'selected and noticed' from their organisation's cultural narratives and business philosophy appeared to impact on their interpretation and enactment of organisational CSR aspirations. A similar finding is emerging from stage 2 of the research.

In stage 2 of the study, where managers cognitively link the issues of stakeholders to their organisation's 7BP, they relate stakeholder engagement to their daily operational activities. However, when stakeholders were discussed in a way which was not explicitly connected with 7BP the managers did not engage with the discussions and appeared to struggle to justify why they should engage in such activity.

When trying to make sense of stakeholder engagement, they 'noticed and selected' specific words from the organisational narratives about their Japanese business philosophy. In particular, telling stories about the philosophy of a business responsibility to the 'whole', became a sensemaking 'anchor' for managers to link stakeholder engagement with 7BP. After this point conversations about stakeholder strategy flowed more easily, with some evidence of shared understanding about stakeholder engagement in relation to 7BP.

> I hadn't thought about it that way before... I guess stakeholder management stuff is about our responsibility to society.

As more stories were shared and embellished the more a collective interpretation appeared to unfold through dialogue and a new collective identity of 'CSR warriors' emerged. This suggests that story telling and cultural narratives might be a trigger not only to individual sensemaking but also collective sensemaking of CSR.

32.4.2.3 CSR Alignment with Business Philosophy

Schein (1985) suggests that it is only when organisation members make sense of espoused intentions in relation to the bedrock values of the organisation that espoused intentions can become embedded and taken for granted. This was illustrated at Alpha, where managers cognitively linked CSR rhetoric to their culturally embedded Japanese 7BP, then they could relate CSR to their daily operational activities. However, when CSR aspirations could not be explicitly 'labelled' and connected with 7BP, the concept of CSR became a confusing and a nebulous construct (Jackson 2009).

The following quote illustrates how one manager struggled to make sense of Alpha's CSR aspirations at a point when he had not linked CSR with 7BP. Through his own sensemaking process he appears to be searching for narratives and labels for CSR which are meaningful to him.

> I am still totally confused about the whole thing about CSR where everything sits, because to me it sits across so many different areas that you know... call it CSR if you like, but I might want to call it cost saving, I might want to call it health and safety. How can people be reasonably expected to understand CSR if it is so woolly.

Later in the focus group, the same manager did make cognitive links between CSR and 7BP and then he spoke congruently about the organisation's commitment to the environment and community (Jackson 2009).

A further example is the following quote from a one-to-one telephone interview in which a Finance Manager was asked to reflect on the focus group discussion about CSR in Alpha which took place 2 weeks previously.

> We aren't really sure what CSR was for us, or what is its boundaries, what is its scope, and despite that we all had a similar view of what we thought it was.

This suggests that the managers at Alpha shared a common understanding of CSR in their organisation when their interpretation was aligned with their 7BP (Jackson 2009).

32.4.3 Implications

Alpha's 7BP appears to be the common lynch pin for managers' interpretation of CSR. The 7BP philosophy, underpinned by ancient Japanese philosophies and writings of Alpha's founder, is so strongly embedded in the organisational culture that it is generally taken for granted as the way business is conducted. Alpha's 7BP has an internal image, internal 'labels,' and an identity with which people in the company passionately associate themselves.

This study suggest that cultural narratives about 7BP have a direct influence on how managers make sense of Alpha's CSR aspirations. An implication of these

findings is that cultural narrative and storytelling could be an important 'anchoring mechanism' for managers to align their interpretation of CSR with their business philosophy. This could make a contribution to addressing the organisational problem of engaging managers in CSR so that they are more likely to enact CSR aspirations.

32.5   Conclusion

The introduction to this paper discusses the contemporary business problem of a gap between rhetoric and action in the commitments organisations espouse towards the environment and society. This ongoing study provides some insight into how the alignment of managers' sensemaking processes with organisation philosophy, through cultural narratives and storytelling, can play a vital role in them enacting CSR aspirations.

The findings of this empirical study support a literature review which suggests a strong alignment between Western CSR aspirations and Japanese business philosophy, and that Japanese philosophy and organisational cultural identity can influence how managers make sense of CSR. Furthermore, literature suggests that organisational cultural narratives can be inextricably linked with managers' sensemaking, which supports this study findings which suggest that culturally embedded Japanese business principles can have a significant influence on how managers make sense of espoused CSR (Jackson 2009).

Managers appear to share similar interpretations of their organisation's CSR when they draw on cues, 'words and labels' from the prevailing identity (Greenwood and Hinings 1993). If that prevailing identity is underpinned by a moral framework, as opposed to a business case CSR focus, then enactment of CSR appears to be more likely (Frederick 1994).

The practical outcomes of this research can help address the management problem of how to embed CSR in business operations, however, limitations to this study include a small sample, in only two companies, in one sector, over a short time span.

In terms of further research, what is not clear from this study is what triggers managers to notice cultural narratives which align their sensemaking of business philosophy with CSR. It would be interesting to understand what factors guide managers to notice cues from cultural stories.

A further new line of enquiry emerging from this study is to understand the possible role of cultural narratives as a trigger for collective sensemaking in organisations.

A recommendation of this paper is the need for further longitudinal study with a broader sample, at multiple organisations, to corroborate or refute these initial findings and to explore the new emergent questions.

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