

Corporate Social Responsibility in Colombia: Making Sense of Social Strategies

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ABSTRACT. As corporate social responsibility (CSR) grows increasingly well known and accepted worldwide, organizations attempt to make sense of their social strategies bridge the gap between their current situation and what their stakeholders expect of them. If social strategies represent a potential stepping stone to more sophisticated forms of CSR, then research must investigate the strategies that organizations have adopted. After defining a framework for classifying and analyzing organizations' social strategies, this article considers empirical evidence from 10 case studies in Colombia to reveal how organizations might build on their social involvement to engage in more sophisticated CSR practices. The framework also suggests some different trajectories that organizations might follow.

KEY WORDS: corporate social responsibility (CSR), social strategies, Colombia

As organizations continue to assume greater levels of social responsibility, especially in the past decade, corporate social responsibility (CSR) has gone beyond being just a buzzword (Bhattacharya and Sen, 2004; Lichtenstein et al., 2004; McWilliams et al., 2006). The basic premise in CSR literature, still largely dominated by U.S. and European perspectives, is that organizations cannot be concerned solely with making a profit but also must engage in “actions that appear to further some social good, beyond the interests of the firm and that which is required by law” (McWilliams et al., 2006, p. 1). In practice, organizations attempt to develop social strategies that will enable them to bridge the gap between their current situation and the expectations of stakeholders (Crane et al., 2008a, b; Dunphy et al., 2003; Kotler and Lee, 2005).

Yet it remains difficult to provide a single definition of CSR (Carroll, 1999; Garriga and Melé,

2004; Lee, 2008), because the term appears in a variety of forms (Andriof and McIntosh, 2001; Pinkston and Carroll, 1996; Snider et al., 2003). This situation largely reflects the basic idea that CSR evolves over time; some (intermediary) CSR elements are not practices in their own right but instead constitute transition states (Egri and Ralston, 2008; Hawkins, 2006; Lindgreen et al., 2007). Current research also cannot determine conclusively, for example, whether CSR develops progressively along a continuum or moves in multiple directions.

In order to extend this discussion, we identify the evolution of CSR practices with respect to the development of formalized structures inside an organization. We also study the path-dependent nature of CSR practices, such that prior divergences lead to different CSR practices in the future, and thereby examine the route that organizations follow in implementing their CSR practices.

Furthermore, the heavy influence of a U.S. perspective (Crane et al., 2008b) and increasingly a European one (Smith and Lenssen, 2009) has defined conceptualizations of CSR (Crane and Matten, 2007; Fox, 2004). Yet these conceptualizations and related recommendations for how organizations can act responsibly may be of limited utility in other cultural contexts (Lindgreen et al., 2010). In particular, cultural aspects often determine what is required and expected of organizations with regard to economic, legal, ethical, and discretionary concerns (e.g., Burton et al., 2000; Chapple and Moon, 2005; Kusku and Zarkada-Fraser, 2004; Matten and Moon, 2008; Visser, 2006).

Our study therefore investigates how Colombian organizations historically have engaged in CSR, to

the extent that CSR has become a source of value to both organizations and wider society. We contribute to existing literature by examining the manifestation of CSR practices in a setting outside the United States or Europe. Corporate social responsibility already exists in Colombia, albeit not in the way and with the features described elsewhere, which suggests that CSR development in this country reflects the actions of stakeholders involved in social strategies rather than the imposition of practices from outside. This approach to making sense of CSR seems more inclusive and better reflects the actual social context of organizations, which may facilitate participative learning with communities to encourage CSR success (Gutierrez and Jones, 2004). For example, some studies pertaining to the evolution of CSR suggest that continuous learning processes enable goals that are realistic for the organizational context (Zadek, 2007). We attempt to help determine why organizations across cultures may adopt CSR (Aguilera et al., 2007).

Third, we develop the idea of CSR as a continuum of practices, within which it is worth exploring what organizations and communities do, as well as how their efforts to develop strategic actions result in what might be called social strategies. We particularly focus on how organizations develop strategies that fit their social context and find meaningful ways to work with local communities by combining various elements of CSR practices identified in prior literature (Bedicks and Arruda, 2005; de Oliveira, 2006; Peinado-Vara, 2006; Schmidheiny, 2006). In order to integrate such elements, we analyze organizations' social strategies and suggest some ways forward for developments of CSR in the region that might adopt a more international—that is, U.S. or European—form while still tackling relevant local or national issues.

We structure the remainder of this article as follows. First, we review literature pertaining to CSR and how it has influenced the study of organizations in Latin America. This review leads to our theoretical framework. Second, we describe the methodology we use, and third, we present and discuss the results of our examination of 10 organizations and their CSR practices. Fourth, we identify our study's contributions and managerial implications, as well as some limitations, and suggest avenues for further research.

Literature review

Latin America as a region of extremes

The history of Latin America features inequality, exclusion, paternalism, and corruption, but it is also marked by magical realism, in which anything seems possible; thus, it is a region of extremes. As Gabriel García Márquez, the Colombian author and winner of the 1982 Nobel Prize in Literature, once noted, "We are capable of the most audacious adventurous, but also of the most horrible crimes." Following this logic, organizations in Latin America often appear driven by contradictory objectives: becoming more competitive in the global arena while still coping with pressing issues such as underdeveloped physical infrastructure, little access to education, social and economic inequalities, political uncertainty, and increasing costs of living. In turn, managerial practices often do not encompass the "best practices" developed elsewhere (Dávila and Samper, 1994).

Extremes also pervade the current state of CSR in Colombia, as reflected in the ways in which many organizations operate in the region, which makes it "as difficult to generalize about corporate citizenship, or corporate social responsibility (CSR), in Latin America, as it is to generalize about anything in Latin America" (Schmidheiny, 2006, p. 21). Emerging CSR research in Latin America mostly features studies conducted by international organizations (Haslam, 2004; Vives, 2006) or academics who are interested in how different actors can promote CSR and/in the context of development (Gutierrez and Jones, 2004; Peinado-Vara, 2006; Prieto-Carron et al., 2006). These examples highlight the importance of codes of conduct, networks, alliances, and partnerships in developing and improving CSR initiatives and programs (Bedicks and Arruda, 2005; Haslam, 2004). In addition, the sustainability of CSR initiatives has become a more pertinent issue (de Oliveira, 2006), partly because of globalization (Schmidheiny, 2006). Many CSR initiatives in Latin America aim to meet particular sustainable criteria, which provide the reference to be followed by other organizations in the region (Ospina, 2005). Yet at the other extreme, we find alternative practices, initiatives, and programs that contain some features resembling CSR, often dealing with local social problems.

We therefore turn our attention to how organizations tackle their local contexts and make sense of them using what we call social strategies. In order to contextualize such strategies, we propose a referential continuum of CSR, ranging from no presence or responsibility (or a lack thereof, as manifested in the form of corruption) to an advanced degree of CSR that seems to entail the best (and internationally recognized) practices. Several studies of CSR in the region suggest that depending on their degree of CSR development, country-level initiatives on the American continent can be classified as follows (Haslam, 2004): running (Canada and the United States), catching up (developed countries such as Argentina, Chile, and Mexico), walking (rest of South America), and stalled (Central America and the Caribbean). As Figure 1 depicts, one extreme of the CSR continuum represents the absence of any practices, with little attention paid to issues of corruption, poverty, or corporate mismanagement (Gutierrez and Jones, 2004; Schmidheiny, 2006).

At the other extreme, which we call large-scale and developed CSR (Figure 1), we find integrated CSR and business strategies, together with local, national, and international systems that monitor CSR compliance through codes of conduct, governance, and sustainability. This end of the spectrum also acknowledges the inclusion of community groups in CSR efforts to engage with sustainable development issues. Such a community orientation appears to help organizations “obtain a social license to operate” (Egri and Ralston, 2008, p. 326). However, if the company is only involved in its community, it may generate questions about its genuine stakeholder involvement (Brammer and Millington, 2003), the effects of its CSR practices on the identities and values of others in the area, and the long-term impact of its practices, beyond improving its supply chains in the region (Schmidheiny, 2006). It is therefore necessary to identify appropriate ways for organizations to move forward, from what they could begin to do about CSR (or what they are

already doing) to integrating CSR practices into their organizations (Maon et al., 2008).

Because Latin America as a region represents a middle ground (between the extremes), it could help us understand how organizations attend to the needs of their social environment. Rather than simply accepting colonization by foreign practices (Ibarra-Colado, 2006), such as blind compliance with CSR codes, firms in this area should develop their CSR by observing what other organizations are doing and adapting the best practices. We echo Schmidheiny’s (2006, p. 22) claim that “the key CSR challenges for the [Latin American] region, and the entire developing world, have to do not so much with the numbers of companies talking about CSR, but with creating a home-grown, meaningful form of CSR that addresses local issues and improves society.” It is thus imperative to identify the seeds of CSR in the region, learn from their development and impacts, and engage in dialog for the mutual benefit of organizations, both in the region and worldwide.

Drawing on existing strategy literature (Porter, 1980) and previous work on studying management practices in Colombia (Mendoza, 2006), we propose the term “social strategy” to refer to organizational activities aimed at generating positive impacts in a social environment. Social strategies can be an integral part of organizations’ strategic planning processes. They often emerge as initiatives led by individual managers or company owners (*mecenas*) in response to the immediate needs of employers or community groups in certain geographical locations. Their motivations also may be external (e.g., international charity organizations) or reflect the *mecenas*’ moral values, which can make it difficult to identify the exact historical origins. As a point of departure, we focus on identifying and studying such activities after they become corporate strategies—that is, after they have been allocated resources, monitored in their progress, and evaluated with regard to their ability to address the social needs of different stakeholders.

In order to understand the nature of social strategy in a Colombian context, we classify the types of social strategies on which organizations may draw. In Table I, we depict two strategic dimensions that organizations might follow. First, a firm might base its strategy on the level of autonomy, that is, the degree to which it assumes responsibility solely

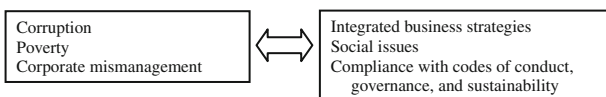


Figure 1. Spectrum of CSR possibilities for Latin America.

TABLE I
Classification of strategies

Strategy	
Level of autonomy	Portfolio of products
Independent	Existing products
Leveraged	Relational
Autonomous	General interest
Scope	Diversification
Employees	Specialized
Neighborhood	Diversified
National	
Value	Market
Minimum cost	Global
Differentiation	Segmented
	Niche

(independent) or in conjunction with other organizations (leveraged) for defining and implementing strategies. Independence implies that organizations can create their own foundations to attend to the needs of various social groups. The scope of their strategies might be internal (i.e., employees), extend to the neighboring community, or move to a national level. Organizations could attend to various needs by providing differentiated products, valued for their content (e.g., education), or by imposing a minimum cost.

Second, a firm can base its strategy on the portfolio of products offered, such that it considers only existing products or diversifies its offerings to attend to the needs of the environment. A portfolio of products (specialized vs. diversified) enables organizations to focus on a particular market that might address the needs of everybody (global), particular segments of the population (e.g., children, older consumers), or a particular niche (e.g., children from 3 to 5 years of age).

As Table I reveals, within these two dimensions, organizations can follow several types of strategies, which are distinguished by particular attributes. The classification provides an initial framework for assessing organizations' formulation and implementation of social strategies. In turn, we investigate managerial perceptions of the types of social strategies that they adopt to respond to the needs of their particular environment. Thus, we gain useful knowledge

about organizations' current actions (not what they "should" be doing), with a view of understanding how they can integrate "external" CSR practices or requirements that might enrich their existing efforts. After interpreting organizations' social strategies in terms of their degree of CSR development, we discuss the implications of moving "forward" within the spectrum of practices depicted.

Methodology

Qualitative methods are appropriate for studies of complex processes (Eisenhardt, 1989; Lindgreen, 2008; Yin, 1994). We adopt a multiple-case approach because of the complex nature of the phenomenon and our need to take into account a large number of aspects (Yin, 1994). Specifically, we employ Eisenhardt's (1989) multiple-case study approach. Eisenhardt contends that the use of secondary data and multiple interviews in each case help develop rich insights and provide the basis for greater transferability of the findings to other contexts. We follow these recommendations in our study.

We select the cases according to a replication logic, such that each "case is considered akin to a single experiment" (Yin, 1994, p. 46). That is, each case "either (a) predicts similar results or (b) produces contrasting results but for predictable reasons" (Yin, 1994, p. 46). We also employ theoretical sampling to select additional cases (Strauss and Corbin, 1998). In total, we choose 12 cases for study; five replications are sufficient in studies of highly complex cases to improve certainty (Yin, 1994). The cases pertain to the following Colombian organizations, which are both for- and not-for-profit: Cementos del Caribe, Electricaribe, Electrocosta, Fedco, Fundación Corona, Fundación Mamonal, Fundación Mario Santo Domingo, Intercor, Monómeros Colombo-Venezolanos, and Promigas. These organizations all are involved in social responsibility; however, they exhibit differences in the details of their involvement, which helps us ensure our study achieves theoretical saturation (Lincoln and Guba, 1985). We list some details of the case organizations in Table II.

Prior to each interview with the organization, we reviewed publicly available secondary material and promotional information provided by each organi-

TABLE II
Case information

Case organization	Motivations for social involvement	Strategies for implementing social responsibility	Pressures for and against social responsibility	Examples	Networks and alliances with
Accesco	Social problems in the local community (poverty, unemployment)	Locally oriented and using <i>product</i> (real state materials)	Improve the organization's image in the local community	Educational programme	Universidad Javeriana (education), Promigas (company) and local government
Cementos Argos	Social problems in the local community (poverty, unemployment)	Product: Cement	Needs of people around and the organization's environmental impact	Educational programme	Promigas (company) and Monomeros
Electricaribe	Government regulation and legal business requirement	Diversification: services and financial recovery	Internal financial considerations	Entrepreneurship (business start-up) project	No alliance
Electrocosta	Government regulation and legal business requirement	Diversification: services and financial recovery	Internal financial considerations	Entrepreneurship (business start-up) project	No alliance
Fundación Corona	Own idea	Diversification: education at National level	Social problems of Colombia (poverty, health, education) and inefficient management styles)	Educational programmes for different groups	National partnership with government organizations
Fundación Mamonal	Making a social and ecological contribution to the inhabitants of the area	Product/service: education in the Local community	Needs of the immediate community and ecosystem	Ecological management and educational programmes	Universities (Universidad del Norte, Barranquilla) and local government
Fundación Mario Santo Domingo	Policy requirement of the Holding (Sto Domingo Group)	Diversification	Social problems of Colombia (education, health, unemployment)	Entrepreneurship (business start-up) project, health service provision for the poorest, basic primary education	International, national and government organizations
Intercor	Having a presence in the local neighborhood	Diversification	Tensions between the indigenous Wayuu community and employees	Health service provision for the poorest, basic primary education	Universities (Universidad del Norte, Barranquilla) and regional government
Monómeros Colombo-Venezolanos	Having a presence in the local neighborhood	Diversification	Social problems of local community (education, unemployment)	Entrepreneurship (business start-up) project, health service provision for the poorest	Promigas and Cementos Argos (companies)

TABLE II
continued

Case organization	Motivations for social involvement	Strategies for implementing social responsibility	Pressures for and against social responsibility	Examples	Networks and alliances with
Promigas	Poor and limited educational opportunities in the North Coast of Colombia	Diversification and also use of CEO's influence in national education association	Several communities in the country next to operation line	Educational programme	Acesco (construction materials consortium), Instituto Merani (educational organization) and local government
Fedco	Making a social contribution to the inhabitants of the area	Diversification in a specific community in Barranquilla	Administrative Vice-President	Business start-up in beauty advice and beauty products	No

zation to increase our familiarity with the case; these materials included corporate plans and brochures, organizational Web sites, annual reports, and policy documents. We conducted interviews with respondents at each of the 10 organizations' head offices in Colombia. Interviews with three foundations (Corona, Mamonal, Mario Santo Domingo) and three companies (BASF, Dupont, Intercor) were carried out by assistants hired to perform the interviews. Each interview lasted approximately 1.5 h on average (range 1–2 h). The interviews involved the CEO, CSR manager, or administrative vice-president of the organizations and the directors of the social foundation.

The interview questions focused on a descriptive history of the organizations' involvement in social settings, their motivations and drivers for being involved, strategies to deal specifically with their social responsibilities, pressures for and against social responsibilities, specific social programs and projects, the budget allocated to these projects, and the networks and alliances in which the organizations were involved. We began the interviews with broad questions that enabled the respondents to present the material on their own terms. Interspersed with subsequent general questions, we included specific prompts to gain greater insights into specific lines of inquiry, such as details about particular projects. Although we employed a short, standardized guide for each interview, the process also was driven by emerging topics noted in each interview and the unique aspects of each case. Interviewing ceased when we achieved saturation, that is, when additional interviews yielded few new insights (Strauss and Corbin, 1998). We outline the interview details in Table III.

Following the primary interviews, we examined additional information provided by the respondents and other sources, including government documents, mandated reports, industry conference proceedings, magazines, books, conference papers, and consultants' reports about each organization. This investigation enabled us to examine each organization's social responsibility programs in greater depth, improve the quality of our final interpretation, and triangulate the data (Beverland and Lindgreen, 2010; Strauss and Corbin, 1998; Yin, 1994). The unit of analysis is each case, so we included information from each interview and the secondary sources into a

TABLE III
Summary of qualitative case studies

Research topics emerging from the interviews	Case organizations	Region of social responsibility influence and type of industry	Sources of information
Social strategy, social services, history	Cementos Argos	Barranquilla city Cement	Vice-President and Social Manager
Social model and its impacts	Electricaribe	Barranquilla city Electricity	Social Manager
Social model and its impacts	Electrocosta	Cartagena city Electricity	Social Manager
History, organization's social strategy, role played nationally in Colombia	Fundación Corona	National Ceramics	President
Social services, coverage, structure and processes to support service delivery	Fundación Mamonal	Cartagena city Autonomous non-for-profit Foundation	President
Social services, national coverage, finance, structure to support service delivery	Fundación Mario Santo Domingo	National Autonomous non-for-profit foundation	President
Social stakeholders, community services, experience of social responsibility	Intercor	Barranquilla city Carbon/coal exploitation	Communications Manager
Social stakeholders, social strategy, financial schemes and structure of strategy.	Monómeros	Barranquilla city Autonomous non-for-profit foundation	General Foundation Manager
Social stakeholders, social strategy, processes to support strategy implementation	Promigas	Barranquilla city Natural gas provision	General Foundation Manager
Social stakeholder, social services derived from initial engagement.	Fedco	Barranquilla city/National Mixed products chain (household, appliances, beauty)	Administrative Manager

single case manuscript for each firm. In total, this process resulted in a transcript of 98 pages.

We analyzed the cases using Eisenhardt's (1989) within-case and cross-case methods. First, we assessed the usefulness of previously developed taxonomies by allocating components of each case's social responsibility program to the various categories of the framework to assess their fit (Table I). Second, we analyzed each case to gain a richer understanding of the processes each organization undertook to move toward social responsibility. This richer understanding prompted us to refine the taxonomy and suggest some possible paths for the further development of CSR in a Colombian context.

Each case in the study has achieved a different degree of social responsibility implementation, so we compared them to assess similarities and differences, and gain a greater understanding of the processes involved. In order to elaborate on the theoretical categories, we employed open and axial coding procedures (Strauss and Corbin, 1998). Throughout the analysis, we tacked back and forth between literature pertaining to change and the study data and thereby developed several theoretical categories and subcategories (Spiggle, 1994).

Throughout, we have adopted various methods to improve research quality (Beverland and Lindgreen, 2010). Consistent with the recommendations of interpretive researchers (Lincoln and Guba, 1985),

grounded theorists (Strauss and Corbin, 1998), and previous case-based research (Yin, 1994), we apply criteria of credibility, transferability, dependability, confirmability, integrity, fit, understanding, generality, and control to improve the reliability of the findings. In particular, experts helped us select the cases; we each provided an independent interpretation of the findings; we conducted multiple interviews; each respondent had the opportunity to offer feedback on the initial findings; and colleagues performed independent coding of the transcripts.

Discussion of findings

We summarize our findings by drawing particular attention to the degree of inclusiveness that we perceive in the discussion of social strategies adopted by the case organizations. We start by providing an overview of the findings, before discussing in greater detail what we see as a set of possible paths for further CSR developments in the Colombian context.

Overview of findings

As depicted in Figure 2, all the organizations we examined “do something” about their social environment, and their actions are explicit; what varies is the scope of their actions, the audiences toward which those actions are directed, and their geographical influence. Organizations maintain mechanisms aimed at responding to both employees and members of their geographical communities of influence. A common strategy to attend to the needs of employees focuses on two main areas: basic education for their families and microbusiness efforts (business start-up and development) (see Table II). Organizations consider these efforts adequate to ensure a good workforce, along with generating employment for their geographical constituencies. Both education and business start-ups also are conceived of as contributions to the country’s overall development, as exemplified in Figure 2 by the extension of social strategies beyond their geographical scope. Larger organizations such as Santo Domingo Foundation, Fundación Corona, and Promigas operate at a national level, whereas most other organizations adopt strategies to benefit their

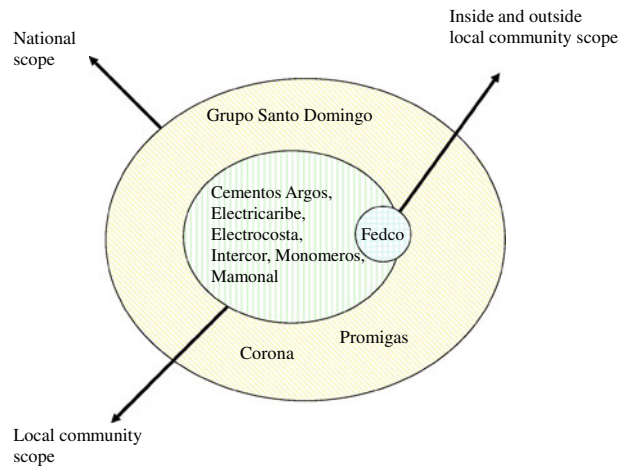


Figure 2. Geographical scope of social strategies.

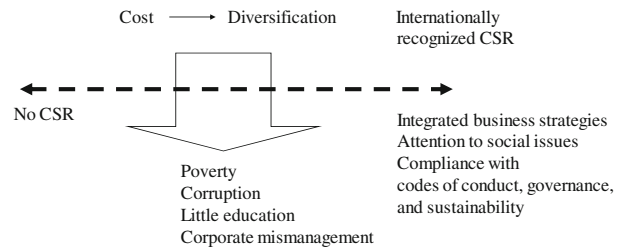


Figure 3. Spectrum of social strategies.

local communities. Only one organization (Fedco) employs a mixed strategy in which it works both within its local community and outside it (in a specific area), though not nationally. From a development view, the problems addressed can occur almost everywhere and thus need attention in various geographical locations (Figure 3).

Detailed strategies: cost, then diversification

A more detailed analysis of managers’ perceptions (Table II) reveals two overlapping types of social strategies that, according to the case organizations, add value to the social environment: cost and diversification. The cost-based strategy appeals to particular segments or “submarkets” of the population with limited access to products or services. For example, Electrocosta and Electricaribe offer their existing services at reduced tariffs for impoverished customers.

This type of strategy links strongly to a diversification strategy.¹ Alliances between organizations and

third parties (e.g., educational institutions, health care providers) provide three basic services: education, healthcare, and access to credit. Organizations like Grupo Santo Domingo, Promigas, Monomeros, Intercor, and Mamonal partner with universities and local government to deliver programs and facilities to their communities of influence (Santo Domingo and Promigas do so nationally). These efforts do not focus solely on developing a business opportunity but instead offer services at minimum cost, and the partner organizations for implementing these strategies are chosen because they share some common values (i.e., in their missions or organizational cultures) with those that promote the strategy. For the interviewees, this strategy also entailed a minimum cost, which meant no extra hurdles (e.g., organizational arrangements, investments, legal proceedings) to implement it.

Strategies based on attention to needs (education, business start-ups), cost, and diversification, which could be extended to different geographical locations, suggest a form of local CSR in Colombia that tackles grassroots problems related to the country as a whole and possibly to problems of development. Having identified this form, we must determine how it fits with existing CSR literature and devise means to advance the notion. In the next section, we propose a social strategy path for CSR development.

A path for social strategy development

Prior CSR literature has proposed various dimensions or domains (social, economic, ethical, legal) that organizations can fulfill to play an active role in society (Carroll, 1999; Garriga and Melé, 2004). However, and as we discussed previously, discussion remains about the role of businesses in relation to the demands of shareholders and other stakeholders. These ongoing discussions often pertain to how to understand voluntary or discretionary philanthropic actions (Schwartz and Carroll, 2003), which may be individually motivated, across the spectrum of CSR forms. These actions may be considered ethically or economically driven, but businesses also may act generally to serve the interests of society as a whole.

Organizations in Latin America often fulfill needs that governments cannot or will not, such as issues of poverty, corruption, and the like; in other words,

they engage in development issues (Gutierrez and Jones, 2004; Schmidheiny, 2006). Practical guidance for these issues rarely appears in CSR research (Blowfield, 2007). The case organizations cited many of these topics as basic issues to be tackled head on (e.g., education, business development) and listed other issues as openly privileged (e.g., education, poverty). A long history of philanthropic efforts in Colombia has been led by entrepreneurs and international nonprofit organizations, which seem to have contributed to a generally friendly attitude toward philanthropic efforts in the country. However, the existence of a diversification strategy, which stems from a cost strategy and entails diversification, alliances, and partnerships, indicates that our case organizations largely engage in business start-ups and development, with a focus on ensuring the delivery of services rather than democratic empowerment in decision making, for example (Gutierrez and Jones, 2004). That is, they have yet to engage in clean business development, but with their own practices, they demonstrate the error of preconceptions about corruption, child employment, sweatshops, and so on (Schmidheiny, 2006). In order to contribute to their social environment, the organizations build on what they already do and thus contribute to alleviating pressing problems. The favorable climate for social strategies also supports opportunities to expand on this effort, such that organizations could improve their practices with the goal of being recognized internationally for their CSR.

Therefore, drawing on our case evidence, we propose different stages of CSR development, which constitute a path that begins with minimum CSR development built on existing practices (cost) and moves toward alliances and diversified products (locally or nationally). In this minimum stage, some organizations initiate their social strategy by giving away basic raw materials or products, with the potential to diversify (see Table III). For example, Cementos Argos first gave away cement, then participated in construction programs, and finally offered enhanced benefit packages for employees. Fedco started donating its products, then moved to creating educational programs. After Corona began donating existing products (i.e., home ceramic appliances) to schools, it initiated various educational programs. Other organizations in Colombia seem to adopt a similar strategy; for example, Almacenes

Exito, a supermarket chain, started donating food to schools and now funds nutritional programs for children between the ages of 0 and 3 years (Revista Dinero, 2006).

Moving along this path requires organizations to consider how best to deliver their social strategy. After the minimum stage of CSR development, they appear to proceed along one of three avenues:

1. Focusing on a particular segment, such as Argos's and Fedco's attention to "subnormal" markets.
2. Establishing alliances to deliver programs in, for example, education or health (e.g., Argos, Fedco, Intercor Mamonal).
3. Creating foundations to expand on and strengthen the portfolio of social products and services and the scope of social strategies (e.g., Monmeros, Promigas, Grupo Santo Domingo and Corona).

The third stage does not necessarily signal a move away from the other two efforts; instead, it might consolidate the independence of the organizations' social strategy. For example, Monmeros and Promigas reconsidered their strategy and initiated education programs first in their neighborhoods and then in local communities. Next, they established foundations. Santo Domingo Group concentrated first on existing social programs. Corona's foundation uses the business group's products and develops educational programs with communities. The missions and values of these various foundations enable them to diversify and tackle core problems in Colombian society (e.g., education, poverty, unemployment); they also have core management capabilities and structures that enable them to focus on the best use of resources and generate positive impacts.

After the third stage, as we mentioned previously, social practices that reflect current business practices suggest that organizations have a basis from which to address different dimensions of CSR, especially its corporate aspects. That is, there is an opportunity to move to the recognition stage, in which organizations can adopt various corporate practices, such as compliance with international quality and monitoring standards or codes of conduct. Furthermore, they can continue to form linkages with other organizations and associations; however, this development

implies that attention shifts away from corporate issues (i.e., doing good businesses), which might contribute to development. In this regard, our findings suggest that links with international CSR entities can connect with two fronts: for-profit concepts (e.g., improving business practices, efficient business management) and nonprofit ideas (e.g., autonomous foundations). Subsequent efforts could attempt to unify organizational understanding of "clean" business practices across both fronts. Moreover, firms at this point need to address issues of mismanagement, corruption, and ethics to not only generate a positive image in their communities but also improve their international standing (Schmidheiny, 2006). As they adopt new practices and improve their existing ones, it remains to be seen if organizations can (or should) amalgamate the new practices with their own mission, vision, values, and objectives.

Concluding remarks

Our study suggests that in general, organizations develop a social strategy that reflects their inherent desire to do something. The development of their strategy depends on various aspects related to their core business strategies, including cost and diversification. These strategic elements resonate in principle with previously identified drivers of CSR development in Colombia and Latin America, especially with regard to the integration of CSR strategies into core business strategies (i.e., business integration; see Gutierrez and Jones, 2004). However, we also find other elements that appear to represent advanced CSR, including community involvement as a cornerstone for CSR sustainability (Peinado-Vara, 2006). Despite this apparent similarity, we find key differences between social strategies and "official" CSR theory.

First, organizations develop in-house CSR strategies to tackle issues that they deem related to CSR but that might better be referred to as development. All our case organizations attend to their employees. In order to benefit important stakeholders, especially employees and their local community, they provide their own products or services, education, and credit. This strategy seems driven by a desire to do something about the current situation; in Colombia, this desire has been fueled by the private business

sector. The role of private organizations, government organizations, and foundations has been shaped by the realm of the possible and immediately feasible. It would be difficult to identify unquestionably the ethical rationale behind the desire to do something, but it appears it is not just self-interested. Rather, this desire seems partly driven by the very definition of a strategy that acts on the environment and addresses the needs of stakeholders.

Second, the findings suggest that when they move out of the minimal stage of CSR development, organizations often find partners that help them extend the scope of their strategies and/or diversify so that they can attend to the wider needs of their communities. That is, they adopt (temporarily) a leveraged social strategy. In this regard, the combination of relevant strategies (i.e., product diversification, extension of geographical influence) appears to depend on the partners with which the organizations can identify common interests, which then enables each actor to do what it does best. Further research should work to determine if this type of transitional degree of temporality appears in other organizations in Colombia and Latin America. Achieving independence in social strategy appears to require resources (often drawn from business capabilities), planning, and, perhaps most important, time.

Third, the findings confirm some “atypical” cases, such as Electrocosta, that do not fit easily with official notions of CSR. These organizations follow the steps required to become best practices and appear in prior literature as exemplars (Peinado-Vara, 2006). Similar to Bimbo in Mexico (Gutierrez and Jones, 2004), the Electrocosta case shows that it is possible to assist communities (e.g., subnormal markets), then generate opportunities for education and microbusinesses, which extend the influence of CSR to many other groups of stakeholders. Our study captures what might be called an initial stage of CSR: minimal assistance, followed by alliances and some product diversification.

Fourth, in terms of what organizations must face to gain international recognition as CSR oriented (Revista Dinero, 2006), we note that the question of what needs to be done to align existing practices with internationally and officially recognized CSR practices emerges as very important. Our findings suggest

a preliminary strategic trajectory. For international recognition, we agree with Gutierrez and Jones (2004): “Financial elements are only part of the definition of a CSR strategy”. The trajectory we depict does not require heavy financial investments (i.e., organizations can start with a minimum investment and leverage their social impact through alliances or diversification). If desires and pressures lead organizations to move toward more sophisticated forms of CSR (e.g., among our case organizations, the foundations), they can do so by establishing partnerships with similar types of organizations, which provide assistance and expertise in establishing more formal structures to facilitate stakeholder interactions and governance. A key issue is the integration of these forms of CSR with the firm’s current mission, vision, and corporate practices, as well as devising methods to deal with potential remaining issues, such as corruption and mismanagement.

Limitations and further research

Our focus on social strategy as an inherent part of business strategy suffers from some limitations. First, we have assumed that knowledge about strategy is common to all the organizations we study and that any socially oriented action derives from a strategy formulation. However, some organizations may find the strategy path unnecessary or undesirable for their efforts to engage in CSR. Second, by focusing on particular ways to strategize (i.e., value, cost, differentiation), we might have overlooked other aspects that contribute to social strategies, such as the motivations behind them. In particular, research should investigate the rationale behind the need to “do something” about a social situation. Implementing action based on such a need would require a critical organizational review, especially if not every organization or stakeholder considers it important. In this regard, research should consider how social strategies come to fruition: who defines them, how they are effectively deployed and integrated (with the main business), how they are sustained, what sort of tensions arise among stakeholders, and what impacts they have in the long term. These issues offer an interesting and ethically driven research agenda for the future.

Note

¹ For Electrocosta and Electrocaribe, the products relate to the core business of the organizations. For example, debt collection and sales agencies help electricity customers legally use and pay for their service. These agencies are not owned by Electrocosta or Electrocaribe but rather by employees and shareholders.

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