# EXPLORING LEADERSHIP AND ORGANIZATIONAL CULTURE'S IMPACT ON CSR PERFORMANCE THROUGH ORGANIZATIONAL BEHAVIOR

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### **Abstract**

This paper explores the relationship between organizational behavior, leadership styles, organizational culture, and corporate social responsibility (CSR) outcomes by synthesizing relevant academic literature and real-world case studies. The growing emphasis on CSR in the business environment has led to a greater understanding of the intricate connections between an organization's internal processes and its capacity to deliver effective CSR initiatives. The primary objectives of this study are to identify key indicators of successful CSR initiatives, examine the role of leadership styles in driving CSR performance, and analyze the impact of organizational culture on CSR outcomes. The findings reveal that employee engagement, ethical organizational culture, and committed leadership significantly influence CSR performance, while the case studies demonstrate how organizations with strong cultures of social responsibility can achieve successful CSR initiatives and create lasting positive impacts on society and the environment. This study explores the relationships between organizational behavior, leadership, culture, and CSR performance (Aguinis & Glavas, 2012; McWilliams & Siegel, 2001), providing insights and recommendations for enhancing CSR initiatives and their societal impact. The research method applied involved a comprehensive literature review, analyzing and synthesizing academic publications and real-world case studies to explore the relationships between organizational behavior, leadership styles, culture, and CSR outcomes. By providing valuable insights and recommendations, this paper aims to guide organizations in enhancing their CSR performance and contributing to a sustainable future for all stakeholders.

**Keywords:** Organizational Behavior, Leadership Styles, Organizational Culture, Corporate Social Responsibility (CSR), CSR Performance, Employee Engagement

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### 1. INTRODUCTION

The importance of corporate social responsibility (CSR) in today's business environment has been well-established, with companies increasingly recognizing

the need to align their strategies with the values of stakeholders, the environment, and society at large. As organizations navigate an ever-evolving global landscape, the role of organizational behavior, leadership styles, and organizational culture in



shaping CSR outcomes has become a critical area of research and interest (Aguinis & Glavas, 2012; Carroll. 1991).

The background and context of this study focus on the growing body of literature highlighting the intricate connections between an organization's internal processes and its capacity to deliver effective CSR initiatives. These processes involve various aspects of organizational behavior, such as employee engagement, leadership commitment, and ethical organizational culture, which contribute significantly to the overall CSR performance (Crane & Matten, 2016; Du et al., 2010).

The purpose of this paper is to explore the relationship between organizational behavior, leadership styles, organizational culture, and CSR outcomes by synthesizing the existing academic literature and real-world case studies. The primary objectives are to identify key indicators of successful CSR initiatives, examine the role of leadership styles in driving CSR performance, and analyze the impact of organizational culture on CSR outcomes. By providing a comprehensive understanding of these relationships, this paper aims to offer valuable insights and recommendations for organizations seeking to enhance their CSR performance and create lasting positive impacts on society and the environment.

The present study contributes to the understanding of the interplay between organizational behavior, leadership styles, and organizational culture in shaping CSR performance. By analyzing academic literature and real-world case studies, it offers valuable insights and recommendations to help organizations enhance their CSR initiatives and create a sustainable impact on society and the environment.

The structure of this paper is as follows. Section 2 attempts to review the relevant literature in the field of organisational behaviour. Section 3 discusses in detail the research methodology adopted to develop this paper. Section 4 describes findings of the organisational behaviour, leadership style, and CSR performance. Section 5 of this paper provides results on the issues of organisational behaviour and CSR performance. Section 6 makes discussion the results. Section 7 analyzes the paper in the form of a conclusion followed by key findings and recommendations.

### 2. LITERATURE REVIEW

### 2.1. Organizational behavior and social responsibility

Aguinis and Glavas (2012) analyze the state of CSR research, identifying gaps and proposing a future Carroll (1991) introduces research agenda. pyramid of CSR, emphasizing management and addressing economic, ethical, and philanthropic responsibilities. Crane and Matten (2016) discuss business ethics, corporate citizenship, and sustainability in globalization, stressing responsible management practices. Du et al. (2010) highlight the importance of effective CSR communication for maximizing business returns and promoting transparency.

Freeman and Velamuri (2006) propose company stakeholder responsibility, focusing on proactive engagement and accountability. Galbreath (2010) identifies strategic planning and firm culture as critical factors influencing CSR outcomes. Glavas (2016) connects CSR with organizational psychology, emphasizing employee attitudes, motivations, and behaviors. Jones (1995) presents instrumental stakeholder theory, combining ethics and economics to balance moral obligations and economic interests.

Margolis and Walsh (2003) encourage a reevaluation of corporate efforts to address social issues. McWilliams and Siegel (2001) argue for integrating CSR into strategic management processes to optimize stakeholder value. Orlitzky et al. (2003) reveal a positive relationship between corporate social performance and financial performance. Porter and Kramer (2006) establish the connection between competitive advantage and CSR, advocating for strategic CSR integration.

Scherer and Palazzo (2011) emphasize the political role of businesses in a globalized world and explore its implications. Turker (2009) develops a CSR measurement scale, allowing organizations to assess and benchmark their performance. Waldman et al. (2006) examine the relationship between chief executive officer (CEO) transformational leadership and CSR, highlighting leadership's significant influence on CSR outcomes.

### 2.2. Leadership styles and CSR performance

The studies mentioned explore the impact of leadership styles on CSR performance. Agle et al. (2006) found that CEO charisma positively correlates with CSR performance, particularly in uncertain environments. Groves and LaRocca (2011) revealed that transformational leadership and leaders' ethical values positively influence employee attitudes toward CSR. Haski-Leventhal et al. (2017) discovered that transformational leadership encourages employee CSR engagement and commitment, leading to improved CSR performance.

Maak and Pless (2006) argue that relational leadership is crucial for achieving CSR goals, with leaders who engage with stakeholders and foster shared values having higher chances of achieving positive CSR outcomes. McWilliams et al. (2006) suggest that transformational leadership, characterized by innovation, inspiration, and long-term vision, is likely to promote superior CSR performance compared to transactional leadership. Muller and Kolk (2010) found that transformational leadership positively influences CSR performance, whereas transactional leadership does not show a significant relationship with CSR outcomes.

Waldman and Balven (2015) the importance of ethical and transformational leadership in fostering an organizational culture that prioritizes CSR. Waldman et al. (2006) find that transformational leadership is positively associated with CSR performance, particularly in areas such as environmental sustainability, ethical behavior, and stakeholder engagement. Wang et al. (2016) propose new research directions for exploring the impact of leadership styles on CSR outcomes, emphasizing the need to examine how leaders can foster a culture of social responsibility within their organizations. Zhu et al. (2014) reveal that ethical leadership positively influences CSR performance and, in turn, enhances a firm reputation, highlighting the significance of ethical leadership in promoting socially responsible practices and fostering a positive corporate image.

### 2.3. Organizational culture and CSR outcomes

Aguilera et al. (2007) propose a multilevel model examining how organizations can foster social change by incorporating CSR into their practices, suggesting that a supportive organizational culture can lead to positive CSR outcomes. Brammer et al. (2007) explore the impact of CSR initiatives on organizational commitment among employees, finding that a strong organizational culture emphasizing CSR values enhances employee commitment and job satisfaction.

Christofi et al. (2012) provide a historical perspective on corporate sustainability and CSR reporting, arguing that an organization's culture plays a significant role in determining its CSR approach. Gallo and Christensen (2011) investigate the relationship between firm size, ownership, and sustainability-related behaviors, finding that organizational culture strongly influences a company's CSR commitment.

Jones and George (1998) examine the relationship between trust, cooperation, and teamwork in organizational settings, emphasizing the importance of a trust-fostering organizational culture for achieving positive CSR outcomes. Kim and Park (2011) investigate how CSR initiatives enhance an organization's attractiveness for potential employees, suggesting that a CSR-supportive organizational culture attracts talent.

Meyer and Rowan (1977) analyze the role of formal structure and organizational culture in shaping CSR outcomes, proposing that an organization's culture and structure can either hinder or facilitate CSR integration. Schein (2010) discusses the importance of understanding and managing organizational culture for achieving objectives, including CSR outcomes.

Sharma and Vredenburg (1998) explore the relationship between proactive environmental strategies and the development of organizational capabilities, arguing that a supportive organizational culture facilitates the integration of proactive strategies, leading to improved CSR outcomes. De Luque et al. (2008) examine the link between stakeholder values, economic values, and employees' perceptions of leadership and firm performance, suggesting that a CSR-focused organizational culture can improve employee perceptions and ultimately result in better CSR outcomes.

Previous studies have investigated the relationships between organizational behavior, leadership styles, organizational culture, and CSR performance from different perspectives. Some studies have examined the influence of leadership styles on CSR outcomes (Waldman et al., 2006), while others have explored the role of organizational culture in fostering CSR initiatives (Galbreath, 2010). Additionally, research has looked into the broader concept of organizational behavior and its impact on CSR performance (Glavas, 2016).

While these studies offer valuable insights into the individual components of organizational behavior and CSR, they have not extensively addressed the interrelationships between these elements. The current study aims to fill this gap by providing a more comprehensive understanding of how organizational behavior, leadership styles, and organizational culture collectively influence CSR performance. By synthesizing existing literature and

real-world case studies, this research offers a more holistic view of the factors that contribute to successful CSR initiatives and highlights the need for further investigation into these interconnections to improve CSR outcomes and create a sustainable impact on society and the environment.

### 3. RESEARCH METHODOLOGY

### 3.1. Research design

This study employs a qualitative research design that integrates a comprehensive literature review and case studies to investigate the relationship between organizational behavior, leadership styles, organizational culture, and CSR outcomes. This approach was selected to provide a holistic understanding of the factors that influence CSR performance, drawing insights from academic research and real-world examples.

### 3.2. Data collection

Two primary sources of data were used in this research: peer-reviewed academic literature and real-life case studies.

- Peer-reviewed academic literature. A systematic literature review was conducted to gather relevant articles published in reputable academic journals. Key search terms such as "organizational behavior", "leadership styles", "organizational culture", and "corporate social responsibility" were used to identify articles that discuss the relationship between these factors and CSR performance. The literature review covered a diverse range of research methodologies, including empirical studies, meta-analyses, and conceptual papers. The literature review was limited to articles published in English between 1990 and 2021 years.
- Real-life case studies. To support the findings from the literature review, case studies were identified through a search of reputable business sources, such as company websites, annual reports, CSR reports, news articles, and industry reports. Case studies were selected based on the following criteria:
- 1) the company's demonstrated commitment to CSR;
- 2) the availability of information on CSR initiatives and outcomes;
- 3) the diversity of industries and geographical regions represented in the case studies.

### 3.3. Data analysis techniques

To analyze the collected data, a thematic analysis approach was adopted, which involves identifying and examining patterns or themes within the literature and case studies. The following steps were taken during the data analysis process:

- familiarization: the researchers read and re-read the literature and case studies to gain a thorough understanding of the content and identify initial patterns;
- *coding*: the content was coded based on key themes, such as leadership styles, organizational culture, and CSR performance indicators; this coding process allowed for the systematic organization of the data for further analysis;

- theme identification: based on the coded data, overarching themes were identified that related to the research objectives; these themes included employee engagement, ethical organizational culture, leadership commitment to CSR, stakeholder engagement, integration of CSR into strategic planning, and organizational adaptability and resilience;
- synthesis and interpretation: the findings from the literature review and case studies were synthesized to draw insights and conclusions related to the research objectives; this involved comparing and contrasting the evidence, identifying patterns and trends, and critically discussing the implications of the findings;
- presentation of findings and recommendations: the final step involved presenting the key findings and recommendations in a clear and coherent manner, supported by appropriate citations and real-life examples.

#### 4. FINDINGS

### 4.1. Organizational behavior and social responsibility

Organizational behavior and social responsibility are interconnected domains addressing the relationship between organizations' actions, internal dynamics, and broader social and environmental impacts. This growing focus is fueled by increased awareness of ethical, economic, and environmental consequences of corporate actions and stakeholder pressure for transparency and accountability.

Carroll's (1991) pyramid of CSR establishes organizations' responsibilities as economic, legal, ethical, and philanthropic, serving as a foundation for moral management. Organizational behavior plays a critical role in promoting CSR, as employees' attitudes, behaviors, and motivations impact CSR initiatives (Glavas, 2016).

Stakeholder engagement is central to organizational behavior and social responsibility. Freeman and Velamuri (2006) advocate for proactive engagement with stakeholders, while Jones (1995) emphasizes the importance of stakeholder management in balancing ethics and economics.

Effective CSR communication, as highlighted by Du et al. (2010), helps build a reputation for social responsibility, leading to long-term benefits. Leadership is another crucial factor, with Waldman et al. (2006) and Galbreath (2010) demonstrating its significant influence on CSR outcomes.

The relationship between organizational behavior and CSR has substantial implications for corporate performance. Porter and Kramer (2006) link competitive advantage and CSR, while Orlitzky et al. (2003) reveal a positive relationship between corporate social and financial performance.

Scherer and Palazzo (2011) argue for a new perspective on CSR emphasizing the political role of businesses in a globalized world, contributing to societal well-being. Turker (2009) proposed a CSR scale for evaluating and benchmarking social responsibility efforts.

Aguinis and Glavas (2012) highlight the need to understand how internal organizational factors drive CSR initiatives. Crane and Matten (2016) emphasize the importance of business ethics in managing corporate citizenship and sustainability. Margolis

and Walsh (2003) encourage a reevaluation of social initiatives undertaken by businesses, leading to more meaningful and impactful actions.

Zhang et al. (2023) made a study, based on institutional theory, that examines how government regulations affect firms' CSR disclosure strategies. Using data from Chinese A-share listed firms (2008–2018), it finds mandatory CSR disclosure increases CSR scope but decreases CSR emphasis. Firm visibility amplifies these effects, while market competition weakens the relationship between mandatory CSR disclosure and CSR emphasis.

McWilliams and Siegel (2001) propose a theory of the firm perspective on CSR, integrating social responsibility into the strategic management processes of organizations. This perspective suggests that CSR is not an isolated endeavor but rather a fundamental aspect of a company's overall strategy, enhancing value creation for both the firm and its stakeholders. Consequently, the relationship between organizational behavior and social responsibility remains a critical area for exploration, as companies strive to achieve a balance between economic interests and societal well-being.

CSR performance in developing countries can be understood while focusing on the link between CSR and firm risk in Egypt, a developing country where research on this topic is limited. Examining 31 listed companies from 2011 to 2015, the research employs fixed and random effects estimation models to assess the impact of CSR on various risk measures. Although the results indicate that CSR affects operating risk, no significant influence on financial or market risks is found, highlighting the differing nature of CSR in developing countries compared to developed nations (Hassouna & Salem, 2021).

In conclusion, organizational behavior and social responsibility are deeply intertwined, with organizational behavior shaping the successful implementation of CSR initiatives, and becoming a driving force in organizational performance culture. By and understanding the relationship between these domains, businesses can adopt more responsible practices that cater to stakeholder needs, enhance financial performance, promote sustainable development. the literature suggests, leadership, organizational culture, stakeholder engagement, and communication play crucial roles in fostering a culture of social responsibility within organizations.

### 4.2. Leadership styles and CSR performance

Leadership styles are critical in determining a company's commitment to CSR and performance. Studies highlight the importance of leadership in driving ethical practices and stakeholder satisfaction. Agle et al. (2006) found that CEO charisma positively correlates with corporate social performance, especially during environmental uncertainty, indicating that charismatic leadership can drive CSR initiatives and promote a strong culture of social responsibility. Groves and LaRocca (2011) revealed that transformational leadership and leaders' ethical values positively influence employee attitudes toward CSR, suggesting that transformational leadership is essential for enhancing CSR performance.

Kostyuk et al. (2013) measure CSR in 40 Ukrainian banks, representing 80% of total banking system assets, using 25 indicators. The paper introduces a standardized methodology for comparing CSR across banks. Preliminary findings are validated by comparing Ukrainian banks' CSR with Swedish banks, which have a higher CSR level due to their socially-oriented developed economy.

Haski-Leventhal et al. (2017) focused on the congruence between employer and employee CSR behaviors, examining the role of leadership in fostering employee engagement in CSR initiatives. Their findings indicated that transformational leadership encourages employee CSR engagement and commitment, which leads to improved CSR performance. These findings emphasize the significance of leaders who can inspire and motivate their employees to participate in and support CSR initiatives.

Maak and Pless (2006) emphasized the importance of responsible leadership in the context of a stakeholder society. They argued that relational leadership, which focuses on building trust and strong relationships with stakeholders, is crucial for achieving CSR goals. Leaders who actively engage with stakeholders and foster an organizational culture of shared values are more likely to achieve positive CSR outcomes.

Nimani et al. (2022) utilized cross-tabular analysis and linear regression to analyze CSR practices in Kosovo. Results showed 87.5% of companies practice CSR, with managers recognizing its importance for long-term financial performance, market share, competitive advantage, company reputation, improved work environment, employee productivity, motivation, loyalty, and retaining high-quality staff.

Research has shown that leadership styles significantly impact CSR performance. Transformational leadership, characterized by innovation, inspiration, and long-term vision, is more likely to promote superior CSR performance compared to transactional leadership, which relies on rewards and punishments (McWilliams et al., 2006; Muller & Kolk, 2010). Waldman and Balven (2015) emphasized the importance of ethical and transformational leadership in fostering a CSR-oriented organizational culture.

Waldman et al. (2006) found that CEO transformational leadership positively impacts CSR performance in areas like environmental sustainability, ethical behavior, and stakeholder engagement. Wang et al. (2016) highlighted the need to study how leaders can cultivate a culture of social responsibility within their organizations. Zhu et al. (2014) discovered that ethical leadership positively influences CSR performance and enhances a firm reputation.

In conclusion, transformational and ethical leadership styles play a crucial role in promoting CSR performance. By nurturing an organizational culture that prioritizes CSR and engaging stakeholders, leaders can improve their companies' social responsibility outcomes and create lasting value for all parties involved.

### 4.3. Organizational culture and CSR outcomes

Organizational culture significantly influences CSR outcomes, as values, beliefs, norms, and practices shape a company's approach to sustainability and social initiatives. Aguilera et al. (2007) suggest that a culture supporting social responsibility leads to

positive CSR outcomes by guiding individual behavior and decision-making. Brammer et al. (2007) reinforce this idea, finding that a strong CSR-focused organizational culture boosts employee commitment and job satisfaction, ultimately resulting in improved CSR outcomes.

The study made by Giamporcaro et al. (2020) investigates the role of government in CSR, focusing on the socially responsible investment market in France. It identifies three modes of governmental CSR intervention — regulatory steering, delegated rowing, and micro steering — and demonstrates their interaction through layering (accumulation of interventions) and catalyzing (alignment of interventions).

Organizational culture plays a pivotal role in shaping a company's approach to CSR and overall sustainability performance. Christofi et al. (2012) discuss the evolution of CSR reporting and corporate sustainability, while Gallo and Christensen (2011) highlight how organizational culture affects a company's commitment to CSR, with smaller firms and family-owned businesses demonstrating higher levels of social responsibility. Jones and George (1998) emphasize the importance of trust and cooperation for positive CSR outcomes, supported by Kim and Park (2011), who find that a CSR-focused culture attracts talent and leads to better CSR outcomes.

Schein (2010) asserts that understanding and managing organizational culture is crucial for achieving CSR outcomes, arguing that a supportive culture is essential for successful CSR implementation. Sharma and Vredenburg (1998) explore the connection between proactive environmental strategies, organizational capabilities, and competitive advantage, suggesting that a supportive organizational culture facilitates the integration of such strategies, leading to improved CSR performance.

If a company's prior emphasis on CSR or corporate accountability (CA) can mitigate reputation damage during a product-harm crisis. Results show that a CSR focus reduces negative evaluations only among people believing CSR and CA are compatible. This protective function of CSR is mediated by the tendency to exonerate the company for crisis responsibility (Li et al. 2019).

Finally, De Luque et al. (2008) examine the link between stakeholder values, economic values, and employees' perceptions of leadership and firm performance. They find that an organizational culture that aligns with stakeholder values and places emphasis on CSR can lead to improved employee perceptions of leadership and firm performance, ultimately resulting in better CSR outcomes.

summary, the literature underscores the critical role organizational culture plays in shaping CSR outcomes. A supportive organizational that fosters trust, cooperation, and commitment to social responsibility can positively influence employee behavior, decision-making, and commitment to CSR initiatives. Furthermore, such a culture can help attract talent, improve employee perceptions of leadership and firm performance, enhance the integration of CSR into the organization's strategic planning. By nurturing a culture that aligns with CSR values, companies can strengthen their commitment to sustainability and social initiatives, leading to better CSR outcomes in the long run.

### 4.4. Case studies

# 4.4.1. Organizational behavior and social responsibility

### Case study 1: Patagonia Inc.

Patagonia, a leading outdoor clothing and gear company, is well known for its commitment to social responsibility and environmental sustainability. Patagonia's employee engagement in CSR initiatives is high, with the company offering programs such as its Environmental Internship Program, which allows employees to work with environmental nonprofits for up to two months while maintaining their salary and benefits (Pongtratic, 2007).

The organization's ethical culture and leadership commitment to CSR are demonstrated through its 1% for the Planet initiative, where Patagonia donates 1% of its annual sales to environmental causes (Patagonia, n.d.-a). Patagonia's stakeholder engagement efforts are evident in its supply chain transparency initiatives, such as the Footprint Chronicles, which provide information about the social and environmental impact of its products (Patagonia, n.d.-a).

Integration of CSR into strategic planning is visible in Patagonia's pledge to become carbon neutral by 2025 (Patagonia, n.d.-a). The company's CSR performance is illustrated by its numerous

awards and recognition, including the B Corp Certification for meeting high environmental, social, and governance standards (B Corporation, n.d.).

### Case study 2: The Body Shop

The Body Shop, a global cosmetics company, is well-known for its commitment to CSR, ethical values, and community engagement. The organization has demonstrated employee engagement in CSR initiatives through its "Enrich Not Exploit" campaign, which focuses on social and environmental impact (Chun, 2016).

The company's ethical organizational culture is supported by its cruelty-free practices, fair trade partnerships, and commitment to using sustainably sourced ingredients (The Body Shop, n.d.). The Body Shop's stakeholder engagement can be seen in its Community Trade program, which creates sustainable relationships with suppliers and communities around the world (The Body Shop, n.d.).

Integration of CSR into strategic planning is evidenced by the company's goal to become the world's most ethical and sustainable global business (Chun, 2016). The organization's CSR performance is demonstrated through its B Corp Certification and being recognized as one of the World's Most Ethical Companies by Ethisphere Institute in 2019 (Ethisphere, 2023).

**Table 1.** Visual representation of the above case studies

Key indicator	Patagonia Inc.	The Body Shop
Employee engagement	Environmental Internship Program	"Enrich Not Exploit" campaign
Ethical organizational culture	1% for the Planet initiative	Cruelty-free practices, fair trade partnerships, sustainably sourced ingredients
Leadership commitment to CSR	Pledge to become carbon neutral by 2025	Commitment to ethical sourcing and sustainability
Stakeholder engagement	The Footprint Chronicles (supply chain transparency)	Community Trade program
Integration of CSR into strategic planning	Carbon neutral pledge and focus on environmental causes	"Enrich Not Exploit" campaign and goal to become the most ethical global business
CSR performance	B Corp Certification, numerous awards for environmental and social achievements	B Corp Certification, World's Most Ethical Companies recognition (2019)
Reputation and brand image	Known for a commitment to social responsibility and environmental sustainability	Known for ethical and sustainable practices
Employee attitudes towards CSR	High employee engagement in CSR programs	Commitment to ethical practices and environmental impact
Congruence between employer and employee CSR behaviors	Alignment through the Environmental Internship Program and overall CSR initiatives	Alignment through company-wide campaigns and initiatives
Organizational adaptability and resilience	Commitment to carbon neutrality and environmental initiatives	Focus on sustainability, ethical sourcing, and fair trade partnerships

Source: Patagonia (n.d.-a), Chun (2016), Ethisphere (2023).

### 4.4.2. Organizational culture and CSR outcomes

# Patagonia: Fostering environmental commitment through organizational culture

Patagonia, an outdoor clothing and gear company, is renowned for its strong commitment to environmental and social responsibility. The company's organizational culture is built around the mission statement, "We're in business to save our home planet" (Patagonia, n.d.-b, para. 2). This culture is manifested through various initiatives, such as using sustainable materials, implementing fair labor practices, and donating a portion of their profits to environmental causes. By nurturing a culture that prioritizes environmental stewardship, Patagonia has created a strong brand identity, engaged and motivated its

employees, and contributed to positive CSR outcomes (Chouinard, 2006).

### The Body Shop: Ethical sourcing and social activism

The Body Shop, a cosmetics and skincare retailer, is known for its strong commitment to ethical sourcing, environmental sustainability, and social activism. The company's organizational culture emphasizes values such as community trade, animal welfare, and environmental protection. This culture is embedded in the company's business practices, from the ingredients they source to the causes they support. As a result, The Body Shop has been able to establish itself as a socially responsible brand, engage customers and employees, and contribute to positive CSR outcomes (Balmer, 2010).

# Unilever: Embedding sustainability into organizational culture

Unilever, a multinational consumer goods company, has made significant strides in incorporating sustainability and social responsibility into its organizational culture. In 2010, the company launched the Unilever Sustainable Living Plan, which set ambitious goals to improve health and wellbeing, reduce environmental impact, and enhance livelihoods across its value chain. This plan has been integrated into the company's operations, shaping the way they source raw materials, manufactures products, and interact with consumers. By embedding sustainability into its culture, Unilever has been able to drive positive CSR outcomes and shared value for its stakeholders (Bhattacharya, 2019).

### Starbucks: Social responsibility and ethical sourcing

Starbucks, the global coffee chain, is committed to ethical sourcing, environmental stewardship, and community involvement as part of its organizational culture. The company's Coffee and Farmer Equity (C.A.F.E.) practices program sets strict guidelines for sourcing coffee beans, ensuring that suppliers meet social, environmental, and economic standards. Moreover, Starbucks actively invests in community development initiatives and encourages employee volunteerism. This strong CSR culture has contributed to the company's positive CSR outcomes and enhanced its reputation as a socially responsible brand (Alaali & Vines, 2020).

# Interface: Transforming organizational culture for sustainability

Interface, a global manufacturer of modular carpet tiles, undertook a dramatic shift in its organizational culture in the 1990s, when its founder and CEO, Ray Anderson, embraced sustainability as a core value. This transformation led to the development of the company's Mission Zero initiative, which aimed to eliminate its environmental impact by 2020. By fostering a culture of sustainability and innovation, Interface has been able to reduce its environmental footprint, engage employees in sustainability initiatives, and develop innovative products that align with its mission, contributing to positive CSR outcomes (Freeman et al., 2018).

### IKEA: Sustainability and organizational culture

IKEA, a global furniture retailer, has incorporated sustainability and social responsibility into its organizational culture. The company's People & Planet Positive strategy guides its efforts to create a positive impact on people and the environment throughout its value chain. Initiatives include using sustainable materials, investing in renewable energy,

and engaging in social projects that support vulnerable communities. By fostering a culture of sustainability and responsibility, IKEA has enhanced its CSR outcomes and strengthened its position as an environmentally and socially responsible brand (Edvardsson & Enquist, 2009).

### Salesforce: Philanthropic culture driving CSR success

Salesforce, a cloud-based software company, has built a strong CSR culture centered around the 1-1-1 model of integrated philanthropy. This model commits 1% of the company's equity, 1% of its products, and 1% of employees' time to philanthropic causes. By incorporating this philanthropic culture into its core values, Salesforce has encouraged employee engagement, driven social impact, and contributed to positive CSR outcomes (Jennings, 2019).

### Ben & Jerry's: Social mission and organizational culture

Ben & Jerry's, an ice cream manufacturer, is known for its social mission, which is an integral part of its organizational culture. The company supports fair trade, climate justice, and social equality through various initiatives, such as sourcing sustainable ingredients, reducing carbon emissions, and advocating for social causes. This commitment to social responsibility has helped the company create a strong brand identity, engage employees, and achieve positive CSR outcomes (StudySmarter, n.d.).

# B Corporation: Embedding CSR into organizational culture

B Corporation (B Corp) is a growing movement of companies that voluntarily meet high standards of social and environmental performance, transparency, and accountability. By embracing these values and integrating them into their organizational culture, B Corp has demonstrated the potential for businesses to be a force for good and achieve positive CSR outcomes. Examples of B Corp include Etsy, Patagonia, and Warby Parker (Honeyman, 2014).

# Natura: Social and environmental responsibility in business culture

Natura, a Brazilian cosmetics company, is committed to sustainable practices and social responsibility, which are deeply embedded in its organizational culture. The company's initiatives include investing in biodiversity conservation, adopting eco-friendly packaging, and promoting fair labor practices. By nurturing a culture of sustainability and responsibility, Natura has achieved positive CSR outcomes, such as reducing its environmental footprint and contributing to community development (Berns et al., 2009).

No. Company Industry Organizational culture focus CSR outcomes Outdoor clothing Sustainable materials, fair labor practices, and 1 Patagonia Environmental commitment and gear environmental cause donations Ethical sourcing and social Community trade, animal welfare, environmental Cosmetics and 2 The Body Shop activism skincare protection Unilever Sustainable Living Plan, sustainable 3 Unilever Consumer goods Sustainability sourcing, shared value creation. Social responsibility and ethical sourcing community CAFEpractices programs, 4 Starbucks Coffee chain development, and employee volunteerism. Mission Zero initiative, reduced environmental 5 Interface Modular carpet tiles Sustainability and innovation footprint, sustainable products Sustainability and social sustainable People & Planet Positive strategy, 6 **IKEA** Furniture retailer responsibility materials, community support. Cloud-based philanthropy, integrated model of 7 Salesforce Philanthropy employee engagement, and social impact. software Ice cream Fairtrade, climate justice, social 8 Ben & Jerry's Social mission sustainable sourcing. manufacturer High standards of performance, transparency, Social and environmental 9 Various industries positive B Corp accountability. social responsibility environmental impact. Biodiversity conservation, eco-friendly packaging, Social and environmental Cosmetics

responsibility

Table 2. Industry's focus on organizational culture and CSR outcome

Source: Patagonia (n.d.-a), Chun (2016), Ethisphere (2023), and Edvardsson and Enquist (2009).

#### 5. RESULTS

### 5.1. Driving CSR success: A comparative analysis of Patagonia and The Body Shop

The case studies of Patagonia Inc. and The Body Shop illustrate the significant impact of integrating social responsibility and sustainability into various aspects of their organizational behavior. Both companies have demonstrated remarkable results in their CSR initiatives, as seen in the table provided.

Patagonia Inc. has prioritized employee engagement through its Environmental Internship Program, which enables employees to work with environmental organizations for two months while receiving their full salary and benefits (Ethisphere<sup>1</sup>). The Body Shop, on the other hand, has the "Enrich Exploit" campaign, which focuses empowering employees to be a part the company's mission and values (Whelan & Fink, 2016).

Both companies showcase ethical organizational cultures, with Patagonia's 1% for the Planet initiative, which donates a percentage of sales to environmental causes (Chouinard & Stanley, 2012), and The Body Shop's cruelty-free practices, fair trade partnerships, and sustainably sourced ingredients (Balmer et al., 2007).

Leadership commitment to CSR is evident in Patagonia's pledge to become carbon neutral by 2025 (Chouinard & Stanley, 2012) and The Body Shop's commitment to ethical sourcing and sustainability (Balmer et al., 2007). This leadership approach has resulted in proactive stakeholder engagement, such as Patagonia's Footprint Chronicles, which offers supply chain transparency, and The Body Shop's Community Trade program, which creates long-term, fair trade partnerships with suppliers (Whelan & Fink, 2016).

The integration of CSR into strategic planning is exemplified by Patagonia's carbon-neutral pledge and focus on environmental causes (Chouinard & Stanley, 2012), and The Body Shop's "Enrich Not Exploit" campaign, with the goal of becoming the most ethical global business (Whelan & Fink, 2016).

In terms of CSR performance, both companies have been awarded B Corp certification for their commitment to balancing profit with social and environmental considerations (Honeyman, 2014). The Body Shop was also recognized as one of the World's Most Ethical Companies in 2019 (Ethisphere, 2023).

fair labor practices.

Both companies have earned a reputation for their commitment to social responsibility and environmental sustainability, with Patagonia known for its environmental and social achievements, and The Body Shop recognized for its ethical and sustainable practices (Balmer et al., 2007).

Employee attitudes towards characterized by high engagement in CSR programs in Patagonia, and commitment to ethical practices and environmental impact at The Body Shop (Whelan & Fink, 2016). The congruence between employer and employee CSR behaviors is seen through alignment with Environmental Internship Programs and overall CSR initiatives at Patagonia, and company-wide campaigns and initiatives at The Body Shop (Whelan & Fink, 2016).

organizational adaptability Finally, resilience are evident in Patagonia's commitment to carbon neutrality and environmental initiatives (Chouinard & Stanley, 2012), and The Body Shop's focus on sustainability, ethical sourcing, and fair trade partnerships (Balmer et al., 2007).

#### 5.2. A comparative analysis of social environmental responsibility leaders

The case studies related to organizational behavior and social responsibility showcase a diverse range of companies and industries that have successfully integrated CSR initiatives into their organizational culture. By embedding these values into their organizational practices, these companies have achieved significant CSR outcomes.

Patagonia's commitment to environmental conservation has led to the use of sustainable materials, fair labor practices, and support for environmental causes (Chouinard & Stanley, 2012). The Body Shop has focused on ethical sourcing and social activism, resulting in community trade, animal

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<sup>1</sup> https://ethisphere.com/

welfare, and environmental protection initiatives (Balmer et al., 2007). Unilever's sustainable living plan emphasizes responsible sourcing and shared value creation, making a positive impact on the environment and communities (Whelan & Fink, 2016).

Starbucks has implemented social responsibility and ethical sourcing practices throughout its supply chain, leading to the development of the C.A.F.E. practices program, community engagement, and employee volunteerism (Alaali & Vines, 2020). Interface's focus on sustainability and innovation has enabled the company to achieve its Mission Zero initiative, reduce its environmental footprint, and create sustainable products (Freeman et al., 2018).

IKEA's People & Planet Positive strategy has resulted in the use of sustainable materials, investments in renewable energy, and support for vulnerable communities (Edvardsson & Enquist, 2009). Salesforce's 1-1-1 model of integrated philanthropy has fostered employee engagement, driven social impact, and contributed to positive CSR outcomes (Jennings, 2019). Ben & Jerry's commitment to social responsibility has translated into fair trade practices, climate justice, and social equality initiatives (StudySmarter, n.d.).

B Corp has demonstrated the potential for businesses to be a force for good by voluntarily adhering to high standards of social and environmental performance, transparency, and accountability, ultimately leading to positive social and environmental impacts across various industries (Honeyman, 2014). Natura's commitment to social and environmental responsibility has driven biodiversity conservation, eco-friendly packaging, and fair labor practices (Berns et al., 2009).

These case studies exemplify the critical role organizational behavior and culture play in achieving successful CSR outcomes. By nurturing a culture that prioritizes social and environmental values, companies can make a lasting impact on the communities they serve and the environment they operate in, ultimately driving positive change on a global scale.

### 6. DISCUSSION

# 6.1. Key success factors and challenges in CSR implementation

The present discussion is based on the primary objectives of this study to identify key indicators of successful CSR initiatives, examine the role of leadership styles in driving CSR performance, and analyze the impact of organizational culture on CSR outcomes

The results from the case studies of Patagonia Inc. and The Body Shop highlight the considerable impact that companies can achieve by embracing social responsibility and sustainability in their organizational behavior. However, these case studies also raise important questions and areas for critical discussion.

While both Patagonia and The Body Shop have demonstrated substantial commitments to social responsibility and environmental sustainability, it is essential for businesses to be transparent about their efforts and be accountable for any shortcomings.

Another area of concern is the scalability and transferability of these companies' approaches to other industries and business contexts. Patagonia and The Body Shop operate in specific consumer markets that value their sustainability efforts and have established business models to support them. However, other companies in different industries might face distinct challenges, resources, or stakeholder expectations that could make adopting similar practices more challenging (Aguinis & Glavas, 2012).

Furthermore, the case studies demonstrate that leadership commitment to CSR is crucial for driving successful outcomes. However, it is essential to consider that such commitment might not be universal across all companies or industries (Eisenbeiss et al., 2015). Changes in leadership or the lack of intrinsic motivation to pursue CSR goals may lead to less successful outcomes or even the abandonment of these initiatives altogether.

The role of employees in driving CSR outcomes is another critical aspect to consider. While the case studies highlight employee engagement and alignment with CSR goals, it is crucial to acknowledge that such engagement may not always be present or easy to foster in other organizational contexts. Employee resistance to change, lack of awareness, or lack of incentives may pose challenges to implementing and sustaining CSR initiatives (Aguinis & Glavas, 2012).

Lastly, it is important to recognize that companies often operate in a complex and dynamic global environment, with numerous factors influencing their ability to prioritize and maintain CSR initiatives (Crane & Matten, 2016). External factors, such as regulatory changes, economic pressures, or shifting societal expectations, can influence companies' abilities to pursue CSR goals and maintain their commitments.

In conclusion, the case studies of Patagonia Inc. and The Body Shop provide valuable insights into the potential impact of integrating social responsibility and sustainability into organizational behavior. However, it is crucial to consider these results critically and acknowledge the potential challenges and limitations that other companies may face when attempting to adopt similar practices.

### 6.2. Balancing CSR initiatives and organizational culture

The result of case studies related to organizational culture and CSR outcomes showcases a diverse range of companies and industries that have successfully integrated CSR initiatives into their organizational culture. By embedding these values into their organizational practices, these companies have achieved significant CSR outcomes. However, it is crucial to critically examine these results and acknowledge the potential challenges, limitations, and contextual factors that other companies might face when attempting to adopt similar practices.

One of the critical aspects is the potential for greenwashing or the practice of overstating or exaggerating a company's environmental or ethical credentials to improve its public image (Delmas & Burbano, 2011). While the case studies highlight successful CSR initiatives, businesses need to be transparent about their efforts and be accountable

for any shortcomings. Furthermore, maintaining public trust in their CSR initiatives requires companies to avoid engaging in contradictory actions that undermine their positive CSR efforts (Wagner et al., 2009).

Additionally, organizational culture change is a complex and challenging process that requires time, resources, and ongoing commitment (Cameron & Quinn, 2011). The case studies highlight organizations that have been successful in cultivating a culture of social responsibility and sustainability, but not all organizations will be equally successful in implementing such a cultural shift. It is vital to consider the role of leadership, employee engagement, and the broader organizational context in shaping the success of such initiatives (Schein, 2010).

Lastly, external factors, such as regulatory changes, economic pressures, or shifting societal expectations, can influence companies' abilities to prioritize and maintain CSR initiatives (Crane & Matten, 2016). Companies need to be agile and adaptive to these changing circumstances, balancing their CSR objectives with the demands of their core business activities.

In conclusion, the case studies related to organizational culture and CSR outcomes offer valuable insights into the potential impact of integrating social responsibility and sustainability into organizational culture. However, it is essential to critically examine these results and recognize the potential challenges, limitations, and contextual factors that other companies may face when attempting to adopt similar practices.

### 7. CONCLUSION

This paper has provided a comprehensive examination of the relationship between organizational behavior, leadership styles, organizational culture, and CSR outcomes by synthesizing relevant academic literature and real-world case studies. The key findings reveal that employee engagement, ethical organizational culture, and committed leadership significantly influence CSR performance. Moreover, the case studies demonstrate how organizations with strong cultures of social responsibility can achieve successful CSR initiatives and create lasting positive impacts on society and the environment.

The key findings of the entire paper revolve around the significant impact of organizational behavior, leadership styles, and organizational culture on CSR performance. The literature reviews and case studies presented in the paper demonstrate that companies that prioritize CSR within their organizational culture, leadership, and strategic planning can achieve notable CSR outcomes and contribute positively to society and the environment.

Companies with strong organizational behavior aligned with social responsibility are better positioned to achieve successful CSR outcomes (Aguinis & Glavas, 2012). Employee engagement, ethical organizational culture, and leadership commitment are essential drivers of CSR performance (Carroll, 1991; Du et al., 2010; Freeman & Velamuri, 2006).

Transformational and ethical leadership styles are positively associated with CSR performance (Waldman et al., 2006). Leaders who exhibit these

styles inspire employees to engage in CSR initiatives, integrate CSR into the organization's strategy, and foster a culture of social responsibility (Bass & Riggio, 2005; Brown & Mitchell, 2010).

Companies that integrate CSR into their organizational culture achieve better CSR outcomes (Galbreath, 2010; Glavas, 2016). Factors such as stakeholder engagement, integration of CSR into strategic planning, congruence between employer and employee CSR behaviors, and organizational adaptability contribute to successful CSR performance (Jones, 1995; McWilliams & Siegel, 2001; Orlitzky et al., 2003).

Real-world examples such as Patagonia, The Body Shop, Unilever, Starbucks, Interface, IKEA, Salesforce, Ben & Jerry's, B Corp, and Natura demonstrate the potential for companies across industries to achieve positive social and environmental impacts by embedding CSR values into their organizational culture, leadership, and strategic planning (Chouinard & Stanley, 2012; Honeyman, 2014; Whelan & Fink, 2016).

Companies need to be transparent about their CSR efforts, avoiding greenwashing and contradictory actions (Delmas & Burbano, 2011; Wagner et al., 2009). The scalability and transferability of successful CSR initiatives may be challenging for companies in different industries, and fostering a culture of social responsibility is a complex process that requires ongoing commitment (Aguinis & Glavas, 2012; Cameron & Quinn, 2011).

In conclusion, the key findings of the paper highlight the importance of organizational behavior, leadership styles, and organizational culture in driving CSR performance. By prioritizing and integrating CSR initiatives into their organizational culture, companies can make a lasting impact on the communities they serve and the environment they operate in, ultimately driving positive change on a global scale. However, it is essential to consider the potential challenges, limitations, and contextual factors that other companies might face when attempting to adopt similar practices.

While the findings of this paper contribute valuable insights to the understanding of the interplay between organizational behavior and CSR, some limitations should be acknowledged. The paper mainly relies on secondary data sources, and thus, the findings are subject to potential biases inherent in the reviewed literature and case studies. Furthermore, the generalizability of the findings to various industries and contexts may be limited.

Future research could benefit from employing primary data collection methods, such as surveys and interviews, to obtain a deeper understanding of the specific organizational behaviors and cultural attributes that drive CSR performance across different sectors. Additionally, longitudinal studies could help reveal the long-term impact of leadership styles and organizational culture on CSR outcomes.

Based on the key findings of the entire paper, the following recommendations can help organizations enhance their CSR performance by focusing on organizational behavior, leadership styles, and organizational culture.

Companies should embed CSR values into their organizational culture by setting clear expectations, defining their social and environmental goals, and promoting a shared understanding of these values

among employees (Galbreath, 2010; Glavas, 2016). Encourage open communication, collaboration, and knowledge-sharing on CSR initiatives to create a sense of ownership and commitment among employees.

Organizations should incorporate CSR initiatives into their strategic planning and decision-making processes to ensure alignment with their long-term goals (Freeman & Velamuri, 2006; McWilliams & Siegel, 2001). Establishing measurable objectives and regularly monitoring progress will enable companies to evaluate the success of their CSR efforts and make necessary adjustments.

Transformational and ethical leadership styles are essential in driving CSR performance (Bass & Riggio, 2005; Brown & Mitchell, 2010). Companies should invest in leadership development programs that emphasize the importance of CSR and train leaders to inspire, motivate, and engage employees in CSR initiatives.

Organizations should proactively engage with stakeholders, including employees, customers, suppliers, communities, and investors, to understand their expectations and incorporate their perspectives into CSR initiatives (Jones, 1995; Porter & Kramer, 2006). Transparent communication and active involvement in stakeholder dialogues can help build trust and foster long-term relationships.

Companies should design and implement CSR initiatives that encourage employee participation and align with their values and interests (Aguinis & Glavas, 2012; Carroll, 1991). Offer opportunities for employees to engage in CSR projects, such as volunteer programs, mentorship schemes, and community outreach efforts.

Regularly monitoring and reporting on CSR performance will help organizations identify areas for improvement and demonstrate their commitment to social and environmental responsibility (Orlitzky et al., 2003; Scherer & Palazzo, 2011). Utilize established frameworks and guidelines, such as the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals (SDGs), to ensure consistency and comparability.

Companies can draw inspiration from successful CSR examples across industries, such as Patagonia, The Body Shop, Unilever, Starbucks, Interface, IKEA, Salesforce, Ben & Jerry's, B Corp, and Natura (Chouinard & Stanley, 2012; Honeyman, 2014; Whelan & Fink, 2016). Analyze their practices, strategies, and challenges to identify potential opportunities and best practices that can be adapted to your organization's context.

Recognize and address potential challenges in implementing CSR initiatives, such as resistance to change, resource constraints, and scalability issues (Aguinis & Glavas, 2012; Cameron & Quinn, 2011). Transparently address concerns, provide adequate resources, and ensure ongoing commitment to CSR initiatives.

Companies should consider pursuing certifications, such as B Corp, and participating in external sustainability reporting frameworks, to demonstrate their commitment to social and environmental responsibility (Honeyman, 2014; Orlitzky et al., 2003). Such certifications and recognitions can help bolster their reputation, attract talent, and improve overall CSR performance.

Organizations should continuously evaluate their CSR initiatives and stay abreast of new developments in the field to adapt and innovate their CSR strategies (Aguinis & Glavas, 2012; Margolis & Walsh, 2003). Regularly assess the effectiveness of CSR initiatives and identify areas for improvement, while also staying informed about emerging trends, best practices, and opportunities for collaboration. This ongoing commitment to learning and innovation will help organizations stay at the forefront of CSR efforts and drive lasting positive impacts on society and the environment

In conclusion, this paper underscores the importance of fostering a culture of social responsibility and ethical behavior within organizations to enhance CSR performance. By implementing the key recommendations provided, organizations can work towards creating a sustainable future for all stakeholders.

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