

Exploring Corporate Social Responsibility within the Sudanese Business Context using Carroll's (1979, 1991) Pyramid

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Abstract

Corporate social responsibility (CSR) is a topic that is increasingly capturing the interest and of people not only in the academic and business world but also attracted worldwide attention. A considerable attention is paid to CSR in developed countries. CSR in developing countries like Sudan is still unexplored. Therefore, the aim of this study is explore CSR within the Sudanese business, using Carroll's Carroll (1979, 1991) CSR Pyramid. A qualitative case study research methodology is applied to investigate the research problem relying on multiple case studies. Various data collection techniques are employed including interviews, observation and secondary data. Because of the exploratory nature of this study and also to guarantee the sample's focus on companies with records in CSR, a non-probabilistic sampling technique is utilized for selecting 20 cases. The interviews are conducted in an equal representation with persons who are responsible for CSR they have possessed the pre-requisite knowledge on the CSR in their companies. The study discovers that the dimensions prioritization of Carroll (1979, 1991) pyramid is different in Sudan. The findings support Carroll (1979, 1991) framework in which economic responsibility is the foundations upon which all other responsibilities are based. In contrast with Carroll (1977, 1991) framework in which legal responsibility is assigned the second priority, this study reveals that legal responsibility is assigned the same level of weight of the economic responsibility. Philanthropic responsibility is given the second highest priority in this study while, Carroll (1979, 1991) places it on the top of the pyramid. Carroll views that people are more concerned about legal responsibilities than ethical ones (Carroll 1991) is reflected in this study. In short, this study enhance the fact that Carroll's (1979, 1991) model, may not entirely help create a better understanding of CSR in developing countries like Sudan.

Introduction and Statement of the Problem

Corporate social responsibility (CSR) is a topic that is increasingly capturing the interest and of people not only in the business and academic world but also attracted worldwide attention. The extensive media reach and advance in information technology, in particular the internet, allow rapid and widespread exposure of irresponsible business behaviour. In addition, the globalization of the economy boosts the scale of the social impact of businesses. Consequently, public awareness of corporations' actual and potential impacts on society are also increased. Therefore, firms have been increasingly called upon to adopt strategies beyond the financial aspects of their operations and consider the social and environmental impact of their business activities (Social Affairs 2002).

In recent years, the debate has been shifted from whether or not companies ought to engage in activities outside their business to how companies ought to engage in such activities. CSR becomes a key part in the strategies of companies around the globe (Welford & Frost 2006) and (Naem & Welford 2009).

Some firms made changes to their strategy, cultures and daily activities, considering CSR as central to their core business activities (Sen & Bhattacharya 2001 P:230) and (Matten & Moon 2008 P:416). While, in most of the cases, corporate responses is mainly resulted in philanthropic actions.

Scholars look into various aspects and applications of CSR. Most of the researches attempt to understand CSR in developed regions such as Western Europe and North America. Few studies cover how do companies understand and practice CSR in societies with different perspectives. For example to what extent the prevailing Western nature of CSR can be implemented in developing countries context (Jamali 2007), the positive business benefits of CSR (Dutta & Durgamohan 2008), stakeholder and CSR (Chapple & Moon 2005) and (Visser 2008). There are still gaps in the literature. The lack of theoretical and empirical examination of CSR within the developing countries context particularly Sudan together with the growing debate on CSR highlights a need for more research in this area. This paper explores the nature of CSR in Sudanese context, using Carroll's (1991) CSR Pyramid.

Despite of the presence of numerous models which attempt to understand and look at CSR, Carroll's four-part conceptualization has been the most durable and widely cited in the literature (Crane & Matten, 2004). Schwartz and Carroll (2003) list the numerous research and educational texts that have represented Carroll's CSR pyramid and conclude that Carroll's CSR domains and pyramid framework remain a leading paradigm of CSR in the social issues in management field" (Schwartz and Carroll, 2003 p.504). This pyramid of CSR determines the way in which CSR is understood and applied.

The pyramid assumes that there is a hierarchy of different categories of CSR and that companies can enhance their own position within a particular category. After companies fulfill lower levels of CSR, then they can move to higher levels of CSR, which is beneficial to the entire society. This study attempts to investigate which categories of CSR is given more priority by companies within the Sudanese business context. In short, the propose pyramid of CSR in Sudanese business context.

Methodology of the Study

A qualitative case study research methodology is applied. The rationale for selecting it relates mainly to the research focused area and the type of information needed to collect. The type of information needed for this research involves an in-depth understanding of a complex phenomenon with a hidden slice of reality 'the perceptions of key CSR persons.' In addition, this study is exploratory rather than confirmatory, so a qualitative approach is appropriate (Miles & Huberman 1994) and (Neuman et. al 2006).

Building on the fact that involvement of companies in CSR are wide-ranging depends on factors such as industry type, ownership structure and the size of the business, this study is accomplished relying on multiple case studies. As it is evidenced by Yin (1994 P: 92) multiple case studies is considered compelling, the results are deemed to be more persuasive and the overall study to be more robust. Another reason of employing multiple case studies is to overcome one of the most critical criticisms related to this approach which is difficulty in generalizing the findings (Yin 1994). Evidences and conclusions come from multiple-designs are more reliable and convincing than those based on single case design and thus the findings are more likely to be generalized (Yin 2003 P: 10). To allow the problem to be investigated from different perspectives, various data collection techniques are employed including interviews, observation and secondary data. Thus, findings are more likely to be accurate and persuasive (Yin 2003). Documents relate to the targeted companies' CSR are managed to obtain to confirm the findings.

Because of the exploratory nature of this study and also to guarantee the sample's focus on companies with records in CSR, a non-probabilistic sampling technique is utilized for selecting 20 cases. These targeted companies are relatively large and active in CSR domain, with different industry types and ownership structures. The interviews are conducted in an equal representation with persons who are responsible for CSR they have possessed the pre-requisite knowledge on the CSR in their companies.

Literature Review

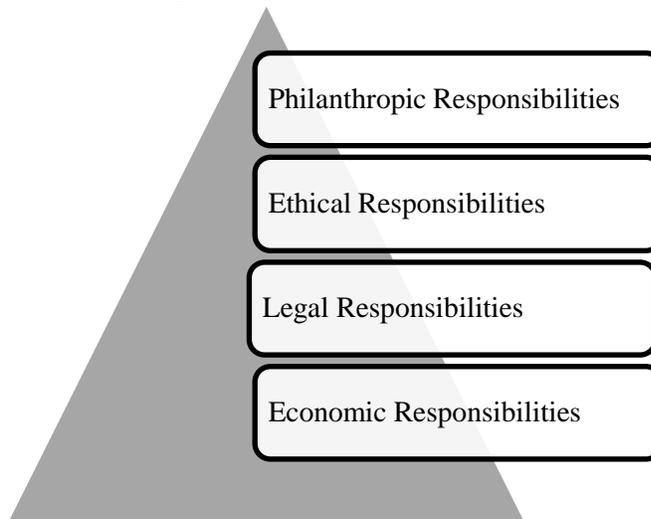
In 1979 Carroll addressed the theoretical gap with his popular construct on CSR as an obligation of companies to do more than just abiding to laws. Although, the model was re-designed in 1991 as a pyramid, and again in 2003 as a new model, the categorization remains at the core of CSR (Pinkston and Carroll, 1996, Schwartz and Carroll, 2003).

Carroll (1979) introduced a model which distinguishes four dimensions of responsibility that a business is regarded to cover; economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time” (Carroll 1979 P: 500). In 1991 Carroll displayed these four responsibilities in a pyramid, which ranks business responsibilities in order of relative importance, with economic responsibilities assumed as primary, followed by legal, ethical and finally philanthropic responsibilities.

Carroll (1979, 1991) argued that business has a responsibility that is economic in nature or kind for example producing goods and services. The economic component suggests that society expects business to produce goods and services and sell them at a profit. He also noted that just as society expects business to make a profit for its efficiency and effectiveness, society expects business to obey the law which, represents the basic rules of the game by which business is expected to function. Society expects business to fulfill its economic mission within the framework of legal requirements set forth by the society’s legal system.

The next is the ethical responsibility which represents the kinds of behaviours and ethical norms that society expects business to follow. These extend to behaviours and practices that are beyond what is required by the law. Although they seem to be always expanding, they nevertheless exist as expectations“over and beyond legal requirements” (Carroll 1979 P:500).

Figure (2.3) Carroll (1979) CSR Pyramid



Note. From “A Three-Dimensional Model of Corporate Performance,” by A. B. Carroll, 1979, *The Academy of Management Review*, p. 499.

Finally, the discretionary/philanthropic responsibility represents voluntary roles and practices that business assumes but for which society does not provide as clear cut of expectation as in the ethical responsibility. These are left to individual managers’ and corporations’ judgment and choice. Therefore, they were referred to as discretionary. Regardless of their voluntary nature, the expectation that business perform them was still held by society. This expectation was driven by social norms. The specific activities were guided by businesses’ desire to engage in social roles not mandated, not required by law, and not expected of businesses in an ethical sense, but which are becoming increasingly strategic. Lantos (2000) called them ‘altruistic’ or ‘humanitarian’ CSR (Lantos 2001 P: 2).

Visser (2006) uses Carroll’s CSR model to explore the nature of CSR in Africa. He finds that the hierarchy of the pyramid is economic, philanthropic, legal, and ethical. He also states that this model has been used to survey in different countries and the importance of the hierarchy of the pyramid has been found different. So Carroll’s CSR pyramid may not be the best model for understanding CSR in general. In short, Carroll’s pyramid is created in an American context, (Matten et al. 2005: 338, Visser 2006: 36). It is not fully applicable in the context of developing country. Moreover, despite the difference in CSR between developed and developing nations, conceptualization and practice of CSR varies considerably between different developing countries (Moon 2002), (Jamali et al. 2008), (Robertson 2009) and (Chapple & Moon 2005).

CSR is dependent on national factors for each country. Therefore, this study responds to Visser's (2006) and other scholars call for the need to reorder Carroll's (1979, 1991) CSR pyramid and develop a country specific model for CSR.

Discussion of Findings

The current study discovers that the dimensions prioritization of Carroll (1979, 1991) pyramid is different in Sudan. The findings support Carroll (1979, 1991) framework in which economic responsibility is the foundations upon which all other responsibilities are based. Participants view profit as a core prerequisite for any other responsibilities. If a business does not make a profit then it will not survive, and then the other responsibilities cannot be accomplished. According to the participants "economic responsibility is setting aside part of a company's profits, or personal assets (i.e. money, property, valuables, etc.) for the benefit of social groups and/or activities.

In accordance with the view of the participants, the Sudanese Businessmen and Employers Federation which represents the private sector in its various aspects calling on all its members and the broader private sector in Sudan to put aside a percentage of their profit for investment in rural and conflict-affected areas of the country, to promote sustainable development and support peace.***

A well known Sudanese businessman, X-Head of the South Sudan Businessman and Employers Federation and the Chairman of Hagggar Group of Companies. This group is one of Sudan's oldest and biggest family businesses and it did considerable pioneering work in CSR. He stated that:

"Establishing clinics, schools and community programmes was not so much a charitable undertaking, but much more a necessity. Corporate Social Responsibility had not been invented 75 years ago, but it was being practiced."*¹

In contrast with Carroll (1997, 1991) framework in which legal responsibility is assigned the second priority, this study reveals that legal responsibility is assigned the same level of weight of the economic responsibility. Participants emphasize that a business must be profitable without breaking the law since the law determines that laws a legal framework upon which the business is expected to operate. The phrase 'making profit while obeying the law' has been mentioned explicitly and implicitly by all participants.

Philanthropic responsibility is given the second highest priority in this study while, Carroll (1979, 1991) places it on the top of the pyramid. The study proves that CSR in the Sudanese context is basically understood to comprise the philanthropic contributions that business firms make over and above their obligatory normal contributions and activities. It is non disputable that philanthropy and charitable activities by businesses in Sudan have positively affected the lives of many people. It leads to the building of schools, hospitals, digging of wells, the employment of disabled individuals, and the medical treatment of many people.

The findings of this study confirms Carroll views that people are more concerned about legal responsibilities than ethical ones (Carroll 1991). Participants do not clearly understand the difference between legal and ethical responsibilities. They think that both are same ideas. Thus, the ethical responsibility are assigned the third-highest priority. Ethical dimensions and practices of the companies are at the core of work and part of everyday business decision. However, it is important to emphasize that this does not mean that these companies are less ethical than in the companies in the West. But it indicates that variation in CSR practices are due to differing circumstances, since different countries and regions in the world have different perspectives and understanding with regard to what CSR means.

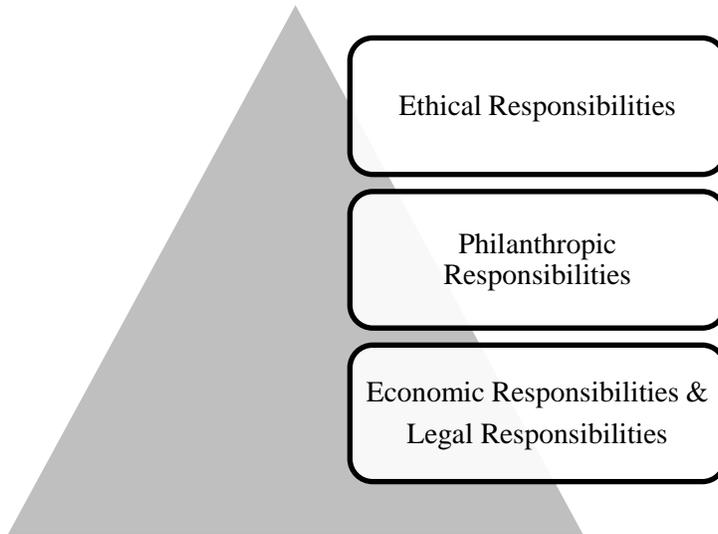
Many large companies (in term of both investment size and numbers employees, with each playing a leading role in its economic sector) have been engaged in CSR practices related to the environment and employees issues, but participants of these companies do not considered these practices as CSR. The study propose that sound understanding of CSR concept does not seem to be affected by the size of a company. Instead, the educational level of the participant together with long experience of a company in CSR engagement in combination appear to be influential factors for explaining companies' variation in levels of CSR understanding.

* Dr Anis, G. Hagggar. (2006). Paper presented at the conference "A Post-Conflict Framework of Shared Opportunities and Responsibilities in Khartoum.

Since participants of the highest academic qualifications of companies with long history in CSR demonstrate advanced CSR understanding than others

In short, this study enhance the fact that Carroll’s (1979, 1991) model, may not entirely help create a better understanding of CSR in developing countries like Sudan. Therefore, Carroll’s model have to be re-arranged to be relevant to Sudan (Figure 6.1).

Figure (6.2) CSR Pyramid for Sudan



Note. Compiled by the researcher.

This pyramid is different from the CSR pyramid that Visser (2006) presents for Africa (Figure 6.3) in which the hierarchy of the pyramid is economic, philanthropic, legal, and ethical. Visser (2008) explains the underlying logic for the new hierarchy in the light of the reality of poverty, unemployment and shortage of foreign direct investment prevailing in these context. Hence philanthropy is often prioritized over ethical and legal responsibility.

Figure (6.3) CSR Pyramid for Africa



Note. From “Revisiting Carroll’s CSR pyramid,” by W. Visser, 2006, *Corporate citizenship in developing countries*, p. 37.

The pyramid is also different from the hierarchy of Uganda CSR (Figure 6.4). Which is was drawn by Nkiko (2013) in his DBA thesis that explore the perception of CSR by Ugandan SME. The hierarchy of Uganda CSR pyramid is economic, philanthropic, ethical and legal.

This proves that conceptualization and practice of CSR varies considerably between different developing countries (Moon 2002), (Jamali et al. 2008), (Robertson 2009) and (Chapple & Moon 2005). CSR is dependent on national factors for each country.

Figure (6.4) CSR Pyramid for Uganda



Note. From “Corporate social responsibility and sustainable development in sub-Saharan Africa: exploring the perceptions of Ugandan SME’s,” by Nkiko 2013, *Doctoral dissertation, University of Portsmouth*, p.179.

Keeping in mind that the arrangement of the priorities is differed according to the perception of local needs, which differ from one country to another. Therefore, this study argues that in the context of Sudan, and according to the participant’s views, economic and legal responsibilities are assigned the same priority while philanthropy is prioritized over ethical responsibility.

Limitation of the Study

This study uncovers the perception of CSR among 20 large companies operating in Khartoum State. Since there is a lack of similar studies in Sudan, more empirical studies of CSR need to be conducted. In particular, the study suggests that:

- A study with similar aim but using alternative research methods such as surveys so as to enrich the present findings.
- For generalization purposes, to offer complete evaluation of the notion of CSR within the Sudanese business context, future studies examining a larger number of cases are needed in order to confirm the results.
- The findings of this study are based on responses collected from a limited geographical area, specifically Khartoum state. Although Khartoum is the national capital and hub of the business in Sudan, future studies should focus on other regions of Sudan.

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