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Corporate social responsibility in the wake of the Asian tsunami : a comparative case study of two Sri Lankan companies

Mario Fernando
University of Wollongong, mariof@uow.edu.au

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Abstract

This paper provides input on why two leading Sri Lankan private sector organisations engaged in corporate social responsibility (CSR) initiatives during the first 11-months after the Asian tsunami. It aims to report the findings related to the genuineness of tsunami related CSR activities. Amidst various stakeholders' overwhelming outpouring of spontaneity to engage in CSR activities, the paper addresses decision-making challenges in shaping the intent and extent of the CSR initiatives in a community with a long history of charitable giving. After mapping the corporate responses to the Asian tsunami, the paper proposes a conceptual model, and examines virtuousness as a necessary attribute of genuineness in tsunami related CSR initiatives.

Corporate Social Responsibility in the Wake of the Asian Tsunami:

A Comparative Case Study of Two Sri Lankan Companies

Dr. Mario Fernando

School of Management and Marketing

University of Wollongong

Northfields Avenue, NSW2522

Australia

Email: mariof@uow.edu.au

Telephone: 612-42214053

Fax: 612-42272785

INTRODUCTION

The paper is based on my experiences as a Sri Lankan born expatriate-academic, researching into post-tsunami leadership behaviour. I interviewed formal and informal donors, civil society leaders, business leaders and victims of the Asian tsunami. This paper aims to report the findings related to the genuineness of tsunami related corporate social responsibility (CSR) activities of two leading Sri Lankan private sector organisations. In the aftermath of a high magnitude human tragedy and amidst stakeholders' overwhelming outpouring of spontaneity to engage in CSR activities, the paper addresses decision-making challenges in shaping the intent and extent of the CSR initiatives. I adopt Våland and Heide's (2005) conceptual model, and examine virtuousness as a necessary condition of genuineness in tsunami related CSR initiatives.

Våland and Heide (2005) examined how a company can handle 'bad episodes' related to corporate social responsibility. Depending on the significance of the episode, Våland and Heide (2005) outline three responsive strategies which will be discussed later in detail. Noting that Våland and Heide's (2005) views were limited to company created 'bad episodes', the present study extends their model to explain CSR initiatives to externally caused 'bad episodes' affecting the whole community.

The rest of the paper develops as follows. I start with an introduction to basic concepts, and the state of CSR in Sri Lanka before the Asian tsunami. Thereafter, I continue with the methodology and case descriptions. The subsequent section includes findings and then, a discussion on findings. Finally, I turn to implications and concluding thoughts.

The concept of corporate social responsibility has a long and impressive history in the management literature (Windsor, 2001; Carroll, 1999 and 1979). Conceptually, Windsor (2001) notes that there are significant difficulties in distinguishing whether business behavior is truly moral conduct or instrumental adoption of an appearance of moral conduct as useful reputational strategy. He argues that voluntary acceptance of material loss may serve to identify moral conduct, but material gain cannot serve to isolate reputational strategy. Empirically, despite

considerable effort in the academic literature to discover a reliable relationship between responsible conduct and financial performance, the evidence remains mixed at best (Windsor, 2001).

More recently, the genuineness or moral intent in corporate philanthropy has caught the attention of researchers (Bright, 2006; Godfrey, 2005). Briefly, genuineness can be explained as the "perception that an organization's philanthropic activities are well intentioned and not merely for instrumental gains" (Bright, 2006, p. 752). The idea of genuineness is particularly relevant to CSR activities because consistent CSR activities could generate moral capital by promoting corporate reputation (Bright, Cameron and Caza, 2006; Cameron, Bright and Caza, 2004). Moral capital can act as a social license, a form of insurance against unforeseen risks to corporate image, reputation or profits (Godfrey, 2006). We return to this discussion later in the paper.

According to Bright (2006), virtuousness is necessary for genuineness in corporate philanthropy. Bright, Cameron and Caza (2006) assert that virtuousness is a form of character excellence that can be attributed not only to individuals but to organisations. They identify three key definitional attributes of organisational virtuousness; human impact, moral goodness and unconditional societal benefit (p.251). Human impact is the effect CSR activities have on improving the living conditions, well-being and the resilience of beneficiaries. The moral goodness is based on the conception of 'character traits in people and organisations that are seen as desirable' (Bright, 2006, p.753). The last attribute, unconditional societal benefit is the 'intention to create goods of first intent and to prudently use goods of second intent to instrumentally bring benefit to society' (ibid). Organisations demonstrating this attribute would initiate CSR activities because it was the 'right thing to do'.

This paper attempts to examine the genuineness in Unilever (Sri Lanka) and Brandix's CSR initiatives following the tsunami disaster. These two cases are selected due to several reasons. Unilever (Sri Lanka)'s parent company, Unilever Plc, is one of the world's leading suppliers of fast-moving consumer goods. The Sri Lankan subsidiary is among the largest and

oldest multinational companies in Sri Lanka. It has operated in Sri Lanka for over 70 years and employs over 1100. Brandix is the single largest exporter in Sri Lanka with an annual turnover exceeding US$200 million. It directly employs 18,500 and generates indirect employment to an equivalent number. The company's commitment to preserving the environment is demonstrated by many national and international accolades including the Sri Lankan Presidential Environmental Excellence Award (2005) and the American Apparel and Footwear Association's Excellence in Social Responsibility Award (2006). The pioneering post-tsunami social and environmental rehabilitation relief efforts of these two organisations had a significant impact on the Sri Lankan community, donor agencies such as United Nations, the Sri Lankan government and other leading local and overseas businesses. Before we turn to the events that unfolded in these two Sri Lankan business organisations in the aftermath of the tsunami, it would be useful to note the state of CSR in Sri Lanka before the tsunami.

THE STATE OF CSR IN SRI LANKA BEFORE THE TSUNAMI

The Asian tsunami has resulted in a mass launch of hundreds of formal CSR programmes in the Sri Lankan private sector. Commerce in Sri Lanka is a product of the occupation by Western powers—the Portuguese, the Dutch, and the British—as well as the influence of neighbouring India, a caste system and national cultural values. Privatisation, the opening of Sri Lanka to foreign investment and increased domestic private investment have transformed Sri Lanka's private sector into the country's largest employer (International Alert, 2005). With a per capita income of over US$ 1000, Sri Lanka has attracted several *Fortune500* companies which have located their regional offices in this country (Asian Tribune, 2005).

In the first half of 2004, a comprehensive survey was undertaken by an international NGO, International Alert, on the CSR perceptions and attitudes of the Sri Lankan public and business organisations. The study explores perceptions on the wider social role of business in society and looks at CSR as a possible means to develop this role. This study consisted of two parts. The first, an island-wide household survey on the perceptions of the public on CSR. This

4

survey was conducted with the aid of a semi-structured questionnaire, administered through face-to-face interviews with individuals from all age categories between 18 to 65 years, including both men and women.

The second study, also conducted with the aid of a semi-structured questionnaire, was administered through face-to-face interviews with individuals from the business community. A total of 147 individuals from the business community were interviewed. In the capital of Colombo, the sample was selected to represent large-scale and prominent business organisations covering 10 specific industrial sectors. International Alert's findings provide a snapshot of the state of the CSR in Sri Lanka before the tsunami.

When asked from the Sri Lankan public whether they had heard of the concept of CSR, 76.2% of respondents were aware of the concept, but 23.8% had never heard of it (International Alert, 2005). The study shows that 54.7% of the respondents interviewed agreed that large-scale/prominent businesses' sole responsibility was to generate profits. But a significant proportion (28.8%) disagreed, 9.6% were undecided and 6.5% said they did not know. The study indicates that most Sri Lankans do not have a clear understanding of the role they wish businesses to play in society (International Alert, 2005). The public is uncertain whether business should focus solely on profits, or engage in social issues. While a slight majority of people feel that business should do more for the social good, they mistrust corporations and express fears that the private sector exploits consumers and destroys cultural values.

On the other hand, in the business community, most respondents feel that they have a strong role to play in addressing social needs but, while there is a long history of charitable giving in Sri Lanka, few companies have a strategy or policy for doing so. They do not have a clear direction on how and what to contribute to society, and the benefits from doing so.

Only 73.2% of companies surveyed had a CSR policy. When those with a CSR policy were asked whether it was formal or informal, only 17% had formal, written policies. The majority (84.1%) of the companies are engaged in CSR because they genuinely want to

contribute to the betterment of society, while 39% wanted to help build employee pride and commitment. 26.8% said CSR is part of their company mission; 13.4% say they adopt it for publicity reasons; 12.2% say it is because of the expectations of other businesses and civil society; and 2.4% said it is because of regulations and laws (International Alert, 2005).

When asked how long their organisations have been involved in specific (formal/informal) CSR policies, only 59.8% of companies have been actively involved for more than six years. Seven organisations have had CSR policies running for more than 30 years and one has been involved in the concept for 65 years. The majority of organisations engage in CSR activities relating to education (54.9%) but significant numbers focus on internal practices, such as employee welfare (51.2%) and unemployment issues (48.8%). A notable number of organisations engage in religious activities (36.6%), environmental concerns (31.7%), health (30.5%) and the provision of infrastructure facilities (28%).

Thus International Alert's (2005) study reveals that while businesses regard the practice of CSR as a genuine gesture, the public views it as self-interest. The majority of businesses say the main reason for their CSR policies is genuine concern for society, but a minority cites publicity as the primary purpose. The majority public view, by contrast, is that businesses practise CSR policies for motives of publicity and only a minority believe that they have a genuine concern for society.

Given this backdrop, and while the International Alert's study was literally being published for a January 2005 release, the Asian tsunami struck almost 70% of Sri Lanka's coastline on December 26, 2004. The estimated tsunami death toll ranges from 156,000 to 178,000 across 11 nations, with an additional 26,500 to 142,000 missing, most of them presumed dead (Liu et al., 2005). The tsunami devastated 1,000 km of Sri Lanka's coastline leaving 31,000 Sri Lankans dead, 5,600 missing, more than 15,000 people injured and 500,000 homeless (Jayaratne, 2005). Most affected sectors included coastal livelihoods dependent largely on fisheries, tourism, agriculture and small businesses. Total job losses are estimated at 380,000. The

estimated damage to infrastructure includes 150,000 homes, 200 educational institutions and 100 health facilities. Railway, power, telecommunications, water supply, and fishing ports also suffered significant damage. In addition to the deepened poverty for thousands already suffering from over two decades of war, the long-term impact includes an additional 250,000 people will falling below the poverty line. The Government of Sri Lanka and international financial institutions estimate reconstruction will cost US$1.6 billion, primarily to rebuild key coastal infrastructure and re-establish livelihoods (Jayaratne, 2005).

The resulting damage to lives and property has ironically brought in a new chapter in the CSR practices of Sri Lankan business organisations. We turn to these post-tsunami CSR practices after the methodology section.

METHODOLOGY

Data Collection

The paper is based on a larger study of my experiences as a Sri Lankan born expatriate-academic, researching into post-tsunami leadership behaviour, both in Sri Lanka and internationally, and 21 interviews I had with formal and informal donors, civil society leaders, business leaders and victims of the Asian tsunami. Interviews provided a rich context and helped to develop diverse perspectives of the tsunami related CSR activities. This paper is based on four interviews. It provides input on how the top management of two leading Sri Lankan private sector organisations engaged in CSR initiatives during the first 11-months after the Asian tsunami. The fieldwork was conducted during the latter half of November 2005; nearly 11 months after the tsunami struck the Sri Lankan coast.

The primary method of data collection was in-depth, face-to-face interviews. A semi-structured interview guide was used. The average participant interview was about 90 minutes. In the interview, participants were encouraged to reflect upon what the 2004 Boxing Day tsunami meant to them and how it has influenced their leadership and decision-making on natural disaster related CSR initiatives. To observe moods and hesitancies in response to specific questions, all

interviews were videotaped. Additional probing questions were interwoven during each interview to seek verification and explanation. To seek the participants' perspectives on the phenomenon under study, the interview guide was based on an open-ended format. This format was used to encourage participants to share information in a style that they were comfortable with.

According to Miles and Huberman (1994), the key to ensuring the quality of data in a study of this type is to link three levels of understanding—(i) the meanings and interpretations of the participants; (ii) the researcher's interpretation of those meanings; and (iii) confirmatory analysis. Unfortunately, this linking process cannot be made explicit in this paper because data collection was governed by a confidentiality agreement. Data triangulation was, therefore, used to ensure the quality of the data, together with multiple methods of confirmatory analysis including methodological triangulation (Seale, 2000).

With respect to data triangulation, to strengthen and verify the use of the interview data, additional information was sought through the review of relevant company and public documents. These consisted of company reports on CSR initiatives, as well as electronic and print media reports on business leaders' and organisations' tsunami related CSR activities.

Case Descriptions

Unilever (Sri Lanka)

Unilever (Sri Lanka) is among the largest and oldest multinational companies in Sri Lanka. It has operated in Sri Lanka for over 70 years and employs over 1100 Sri Lankans, none of whom succumbed to the tsunami. The company currently conducts a wide range of FMCG operations in Sri Lanka's urban and rural sectors. The interviews were conducted with two of the most senior directors and one junior director in the top management team. It was one of the few Colombo-based organisations that had a formal CSR programme before the tsunami.

Brandix

A family owned apparel manufacturer, Brandix is supported by over 20 manufacturing facilities in Sri Lanka and abroad, as well as marketing offices in New York and London. It is the single

largest exporter in Sri Lanka with an annual turnover that exceeds US$200 million. It directly employs 18,500 and generates indirect employment to an equivalent number. The interview was conducted with the Chief Executive Officer of the company. It is also one of the large Colombo based organisations that had a formal CSR programme before the tsunami.

FINDINGS: MANAGING PROFITS, PUBLICITY AND SPONTANEOUS EMOTION

All interviewees described the post tsunami experience using the phrase 'CSR'. Both companies had formal CSR initiatives in place. For Unilever (Sri Lanka), it revolved around the 3G mantra, *our brands, our people* and *our community*. Reflecting the worldwide corporate mission of Unilever Plc, *adding vitality to life*, Unilever (Sri Lanka) attempted to deliver positive results to the community when pursuing its brand and people goals. Both organisations admitted that they 'played to their strengths', meaning shaping the tsunami CSR response in terms of proven organisational resources and techniques, or internal tools. For Unilever (Sri Lanka), it was the strong and deep island wide distribution network. In the immediate aftermath of the tsunami, Unilever (Sri Lanka) moved quickly to make distribution networks available to emergency relief operations, working alongside local agencies to distribute essential food and hygiene products, and matched employee donations to a central fund. Initial relief work was followed by rehabilitation and reconstruction projects. These include the rebuilding of 150 homes in Sri Lanka.

Brandix's key internal tool was their already established CSR initiatives on water based projects. Brandix believes in providing water to as many needy communities as possible. Brandix engineering teams have constructed and maintained desalination plants in strategically located areas along the southern and western coastal belt. The process is two-fold: firstly, they convert sea water into fresh, drinkable water, and secondly, distribute this to the local populace through efficient and effective mechanisms available (Brandix, 2006). Brandix's long-term corporate

social responsibility programme is to build new desalination plants every year. During the aftermath of the tsunami, they found that most of the water wells in the affected areas were contaminated with sea water. With the help of a government agency and in-house environmental engineers, Brandix cleaned 4000 water wells along the whole of the affected coastal belt. The CEO of Brandix believes that this CSR initiative cuts across all ethnic and religious communities.

All interviewees elaborated on the nature of decision-making and leadership that was required to effectively and efficiently channel organisational resources to the most wanted. According to the Brandix leader, decision-making was hard. He said;

> These (tsunami related CSR decisions) were similar to the decisions I had to make under
> terrorist threats on my life to close down the factories and delay shipments. Then I had
> to make the call, and I did. At the time, we had never experienced any thing like that
> before.

Amongst the outpouring of emotions and spontaneity 'to do something', he admitted of being accused by his employees of making cold business calls during the aftermath of the tsunami disaster. For example, he said;

> I had to make hard decisions. There was panic and I was concerned about wasting
> resources. I had to order everyone to work and meet the shipping deadlines because
> in the apparel industry, missing deadlines is committing suicide. A small group of
> employees were reluctant because they thought it was a hard, cold commercial
> decision. But for me, grief without a plan is more grief. While the factories were
> running, I decided that some employees should form into teams and we should go to
> those areas that no one has been to. So we sent several teams in a convoy carrying
> tents and basic emergency items to neglected areas especially in the East.

Similarly, Unilever (Sri Lanka) directors believed in 'nuturing the golden goose' whilst continuing with emergency relief efforts. The senior directors made a decision to get back to work, keep the factories running whilst emergency help was being provided. With its strong

distribution network perhaps no other Sri Lankan organisation could boast of, Unilever (Sri Lanka) employees traveled to remote areas and were the first to get to most of the Eastern towns. They assisted the World Food Programme in logistical support by chartering a train to deliver emergency food rations and medical supplies.

As a driver of CSR initiatives connected with the tsunami, publicity became a contentious topic in all interviews. According to the Unilever (Sri Lanka) senior team, they wanted to do the 'right thing'. Right in terms of providing what is appropriate to the affected people and right according to their conscience. The question they tried to answer was given the same resources, whether they would engage in the same activities in a similar manner if they were carried out outside the 'corporate hat'. Initially, they decided that Unilever (Sri Lanka) should not use the tsunami CSR initiatives for enhancing the corporate image. However, according to the senior management team, in the absence of any publicity to their CSR initiatives, their stakeholders, both national and international, had wanted to know Unilever (Sri Lanka)'s contribution to the tsunami relief effort. There had been increasing pressure from these stakeholders because some have channeled their resources through the company to direct them to affected areas. For example, ex-employees who were living abroad have sent funds to Unilever (Sri Lanka) to be used in the relief effort. Hence, Unilever (Sri Lanka) became concerned with the situation and decided to engage in 'stakeholder awareness'. According to the management team, 'the Board decided to engage in focused awareness of our efforts as opposed to a shotgun approach'. They felt that this was appropriate because it was 'more of a responsibility to account for our stakeholders than a strategy to exploit the tsunami for cheap commercial gain'. One senior director said;

> As much as we didn't want to wave a flag, we needed to do the right thing by our
> conscience as well as *seen* doing the right thing because our stakeholders were
> expecting us to be *seen*. Stakeholders had to *see* the right thing been done--corporate
> image was important.

Thus the leadership at Unilever (Sri Lanka) had to adopt a careful awareness building campaign which did not exploit the human tragedy as an opportunity for publicity but at the same time ensuring that 'the company image was not adversely affected of not being *seen* to be doing'. Thus a quarter of the initial 100 million LKR received from the parent company was donated to the government and 'we decided to take whatever publicity that came with it because it was important that the government recognised the efforts of leading multinationals in the country.'

In terms of leadership challenges posed by tsunami related CSR initiatives, all leaders admitted that the fundamentals of leading were similar to resolving a day-to-day business crisis. However, they mentioned that the approach of influencing their followers were different. The Brandix leader explained: 'Leadership was the key, nobody wanted to take decisions. Emotions were raw and I had to be more empathetic and tolerant of their spontaneity'. For example when he decided to organise and send one convoy to all the affected areas, 'the heads of different SBUs reacted. They wanted to send their people to where they had factories so their presence was felt in those communities. I had to give in'.

In terms of the emotion and spontaneity that was involved in the CSR initiatives of the organisations, Brandix CEO said when all 18500 followers were thinking of achieving the same goal, the intense emotions and spontaneity 'has to be managed, to say the least'. These sentiments were echoed by the Unilever (Sri Lanka) senior team as well. Reflecting the parent company's mission of *adding vitality to life*, 'we in Sri Lanka decided that all our activities directed to achieve successes in our brands and people should also have a positive impact on our communities'. So, in terms of leadership challenges, one senior director said, 'the tsunami related CSR initiatives nicely fitted in with the G3 mantra already in place'. However, he said that the emotions and the spontaneity had to be clearly directed.

> The spontaneity in which people responded to the disaster was overwhelming. It
> came from the heart; non-rationalised outpouring of action. No overtime was claimed

by anyone of the employees for the massive number of hours put in for the relief work.

He admitted that he had not 'led something like this before, ever. It was a far more emotional experience'. Contrasting 'normal' company events as 'a job to be done where tasks are more rational and structured', this senior Unilever (Sri Lanka) director said, 'here it was all heart, came from within.' Whilst curtailing spontaneity, he said;

> …the unique leadership challenge in this disaster related CSR was to how to get the best out of the overwhelming desire to help. Guidance, structure and a clinical management approach was needed. Clear direction and clarity to the purpose at hand had to be provided immediately.

In terms of personal reflections, he said;

> Two words--fulfillment and a sense of frustration! There is a limit to how much we could do and the frustration we felt consequently with government bureaucracy. For example, we got LKR100 million in a matter of hours but government approval is still pending after 11 months. We haven't been able to handover a single house yet.

These findings are summarized in Table 1.

TABLE 1

DISCUSSION: DRIVERS, INTERNAL TOOLS, COMPANY EXPECTATIONS AND GENUINENESS

It was earlier noted that Våland and Heide's (2005) views were limited to company created 'bad episodes'. The present study extends their model to explain CSR initiatives to externally caused 'bad episodes' affecting the whole community.

According to Våland and Heide (2005), a corporate social responsibility event passes through three 'regulators' which influence the significance of the episode (Figure 1).

FIGURE 1. Våland and Heide's Conceptual Model

The CSR drivers, internal tools and enablers constitute regulators, which may reduce or amplify the effects of the CSR response. In some company created situations, the impact of the CSR event may nearly untraceable because public media show no interest in the episode or because the company has the necessary tools to defuse the situation. In other circumstances, the incident may cause a significant uproar because it is illegal or in conflict with internal rules of conduct, and ends up as a headline story (Våland and Heide, 2005).

CSR drivers lead to increased emphasis on CSR (see Figure 1). Increased awareness among stakeholders, public media interest and more integration/higher interdependencies between companies are some examples. Companies are facing growing expectations that they measure, report and continuously improve their social, environmental and ethical performance (Våland and Heide, 2005). Growing public media interest tends to reinforce the stakeholder awareness. More integration and higher interdependencies between actors mean that firms are increasingly held accountable for the practices of their business partners throughout the value chain. Thus, a CSR event which occurs in the upstream part of the supply chain, can easily lead to a flow-on effect for the actors further down in the chain (Våland and Heide, 2005). For example, by contributing 100million LKR within a matter of hours after the tsunami struck Sri Lanka, Unilever's top management in the UK head office played a major role in initiating and setting the tone of the Unilever (Sri Lanka)' CSR response.

CSR Internal Tools refer to the firm's own rules, processes and structures that safeguard a 'socially responsible' company (Våland and Heide, 2005). Literature shows that companies differ in the way they implement corporate social responsibility. Some companies concentrate on a single area such as environmental and ethical issues while others aim to integrate a CSR vision into all aspects of their operations.

CSR Enablers are generally designed to support, measure, assist in implementation and enhance accountability for corporate performance on CSR issues (Våland and Heide, 2005). In this context, these researchers distinguish between several types of CSR enablers; conventions and standards, codes of conduct and law, provisions and court decisions. Depending on the significance of the episode, Våland and Heide (2005) outline three responsive strategies.

One is to follow a 'management strategy' by applying existing CSR internal tools. This option is generally preferred when the CSR incident is sufficiently small to be managed and employees in the company basically agree towards the response. If the management strategy fails, the researchers propose a second option; 'surgery strategy'. Normally used for more significant incidents, surgical action may result in significant changes to the processes and people of the organisation. If the surgery strategy fails, Våland and Heide (2005) propose the need of a 'mitigation strategy'. This strategy is used for more severe incidents, such as a large environmental disaster, where the focus is on managing the external variables.

Compared to Våland and Heide's (2005) model, the proposed model has a sharper focus on the intent of CSR initiatives (see Figure 2). Thus, instead of Våland and Heide's (2005) 'company outcome', the proposed model introduces 'company expectation' to determine the intent of CSR initiatives. Also, Våland and Heide's (2005) study on company's CSR initiatives towards a critical incident has been one of magnitude. In the case of an externally caused, high magnitude 'bad episode' such as the Asian tsunami, there is little or no relevance of 'enablers' such as external codes, standards, indicators and guidelines produced for business by governmental and other agencies. Thus the proposed model has left out 'enablers' as a 'regulator' to explain the tsunami related CSR initiatives.

After the Asian tsunami struck Sri Lanka on Sunday, 26 December 2004, each of the two organisations initiated CSR programmes. However, each organisation's CSR response and outcomes were different. For example, while Unilever (Sri Lanka)'s focus on CSR was community based projects, Brandix's focus was on environmental CSR. It can be expected that

firms will attempt to balance economic, legal and ethical considerations situation by situation and therefore, will react differently. It seems that Unilever (Sri Lanka) and Brandix presumably developed their post-tsunami CSR initiatives based on the aggregation of firms' differing resources and capabilities (a resource based interpretation). Based on Våland and Heide (2005), the findings are illustrated in Figure 2.

FIGURE 2. Genuineness in CSR Initiatives

It appears that the CSR responses of the two organisations in the wake of the Asian tsunami were regulated by two different factors. Publicity became a major driver in the post-tsunami CSR initiatives. Both organisations faced moral challenges in dealing with publicity due to the colossal damage to lives and property. The process of resolving this dilemma and the final CSR outcome signify the genuineness or moral intent of the company which is best reflected through the company's expectations (Figure 2). This issue is further examined later. In terms of the other regulator, internal tools, both organisations had established formal CSR platforms. They used their nationally and internationally acclaimed CSR programmes to develop their tsunami related CSR initiatives.

Based on the company expectations, the outcomes from the tsunami related CSR initiatives taken during the first 11 months could be classified into emergency (t_0-t_1), short-term (t_1-t_2) and long-term (t_2-t_3) (see Figure 2). In the first 11 months after the tsunami, apart from the emergency relief during the first few weeks, almost all of the CSR initiatives of the two organisations were directed at improving the social development and the livelihood of those affected by the tsunami. These included construction of houses, hospitals, schools and water wells.

Depending on the significance of the episode and influence of the regulators, Våland and Heide (2005) suggest that company CSR initiatives could be management, surgical or mitigative (see Figure 1). While the focus of Våland and Heide's (2005) study on company's CSR initiatives towards a critical incident has been one of magnitude, during the immediate aftermath of the

tsunami tragedy, the focus was one of immediacy of response. Because Våland and Heide's (2005) management strategies could be implemented with existing CSR internal tools and with almost complete agreement of all employees, most of the tsunami related CSR initiatives undertaken by Unilever (Sri Lanka) and Brandix during the first 11 months seem to be based on management strategies.

In terms of the genuineness behind the CSR initiatives of the two organisations, drivers such as publicity became a contentious topic in all interviews. The findings suggest that the need for, and the extent of publicity, created a major moral dilemma to the decision-makers of Unilever (Sri Lanka) and Brandix. The process of resolving this dilemma and the final CSR outcome signify the genuineness or moral intent of the company, and is best reflected in the company's expectations (Figure 2).

As pointed out earlier, if organisational virtuousness is necessary for the genuineness of Unilever (Sri Lanka) and Brandix's CSR initiatives, we can examine the place of human impact, moral goodness and unconditional social benefit—the three definitional attributes of organisational virtuousness—in the companies' post-tsunami CSR initiatives. In an episode such as the Asian tsunami tragedy which caused severe loss to property and lives, the place of human impact in the CSR initiatives is relatively easier to detect. There is little doubt that the CSR activities of Unilever (Sri Lanka) and Brandix had a significant impact on improving the living conditions, well-being and the resilience of the tsunami affected people. For example, according to the Unilever (Sri Lanka) top management, even the provision of a simple but multipurpose utensil such as a plastic bucket in the immediate aftermath of the tsunami had made a significant improvement to the living conditions of the affected people.

Considering the role of the second attribute of organisational virtuousness, the moral goodness of the two companies' CSR initiatives is subject to much difficulty (Park and Peterson, 2003). But organisations demonstrating this attribute would initiate CSR activities because it was the 'right thing to do' (Bright, 2006). Several interviewees spoke of doing the right thing—right

in terms of the affected individual's perspective and from one's own conscience. The findings reveal the significant role a human tragedy plays in shaping top management's desire to make 'right' decisions, and support Shakun's (2001) notion of unbounded rationality.

He proposes that decisions are bound not only by cognitive abilities but also by affective and conative faculties. Conation refers to the connection of knowledge and affect to behaviour, and is associated with the question of 'why?' something has happened. It is the personal, intentional, goal-oriented or striving component of motivation—the proactive (as opposed to reactive or habitual) aspect of behaviour (Fernando and Jackson, 2006). It is defined as the use of will or the freedom to make choices about what to do. According to Huitt (1999), conation becomes critical when an individual wants to successfully engage in self-direction and self-regulation. This was evident in the Unilever (Sri Lanka) interviews when the board took the decision not to seek publicity, a decision taken with 'all heart'. However, with increasing pressure from stakeholders, 'all heart' decisions were later 'balanced' by rational decisions when the board decided to mount a 'stakeholder awareness campaign'.

The final attribute of organisational virtuousness is unconditionality of social benefits, which according to Bright (2006) is the 'intention to create goods of first intent and to prudently use goods of second intent to instrumentally bring benefit to society' (p.753). The key task of assessing the genuineness of company expectations seems to rest on whether an organisation's CSR activities are intended to create goods of first intent (a virtuous pursuit) or to create goods of second intent (an instrumental pursuit) (Bright, 2006, p. 752). Using Aristotelian explanation on ethics, Bright (2006) elaborates that 'goods of first intent'; a chief good which is in itself is worthy of pursuit, such as concern for others and common good, refer to virtuousness (p.752). On the other hand, the pursuit of goods of second intent refers to those that are good for the 'sake of obtaining something else such as profit, prestige and power' (ibid), and is amoral. For example, the Unilever (Sri Lanka) senior management's initial reaction was to initiate CSR activities and generate only goods of first intent. However, with competing stakeholder needs (Godfrey, 2005 &

2006), Unilever (Sri Lanka) was compelled to 'take whatever publicity' associated with the donation of a quarter of the initial 100 million LKR received from the parent company to the Sri Lankan government, a good of second intent.

The findings do not reveal that at any stage the two organisations' expectations were exclusively based on the pursuit of goods of second intent as an end in itself. The findings suggest that at least in the immediate aftermath (t_0-t_1) of an unexpected and high magnitude human tragedy caused by nature, driven by the need to spontaneously react to the outpouring of emotion largely reduced the likelihood for generating purely second intent goods. However, in the long run, driven by market forces and ingratiation (Bright, 2006), it is possible that organisations will increasingly adopt surgical and mitigative strategies to exploit externally caused 'bad episodes' to pursue purely second order goods.

IMPLICATIONS AND CONCLUDING THOUGHTS

The comparative analysis of the post-tsunami CSR activities of Unilever (Sri Lanka) and Brandix has several implications for CSR theory and practice. Based on the findings, we might conclude that in the post-tsunami t_0-t_1 period, faced with a high magnitude human tragedy created by nature, organisations' CSR initiatives are more likely to be shaped by 'management strategies' that generate a high level of genuineness. This assertion however could change due to several factors such as the passage of time since the 'bad episode'. Although decision-making was mostly based on unbounded rationality during the first 11 months after the disaster, it is likely that in the short to long term, driven by ingratiation, surgical and mitigative strategies will play a significant role in shaping the organisations' CSR outcomes, which in turn is likely to reduce the level of genuineness.

Although geographically and culturally, the context of this research was limited to the views of the top management of two prominent Sri Lankan based organisations, this study raises important questions for future research on CSR. Future research could test the findings of this study from the perspectives of other stakeholders—such as employees, shareholders, beneficiaries

of CSR activities, customers and suppliers. This inquiry could also be widened to include other participant and industry profiles such as non-managerial staff and organisations from public and not-for profit sector.

The conceptual model was captured at a given point in time. A longitudinal research study should highlight how genuineness of CSR initiatives changes in response to time. A planned follow-up study on the third anniversary of the tsunami will further examine the genuineness of the two organisations' tsunami related CSR initiatives. This follow-up study could reveal the influence passage of time has on maintaining the moral intent of the CSR initiatives undertaken during the immediate aftermath of the tsunami, and the role of surgical and mitigative response strategies on genuineness. Some studies could also examine the cross-cultural application of the findings with the post-tsunami related CSR initiatives of organisations operating in the West. Lastly, studies could focus on the decision-making process concerning the exclusive pursuit of goods of second intent, and its effect on reputation, genuineness and long-term profits.

In sum, the comparative analysis of the two case studies suggests that organisational virtuousness could demonstrate the two organisations' genuineness of the tsunami related CSR initiatives taken during the immediate aftermath of the tragedy. The idea of virtuousness as a necessary condition of genuineness in corporate philanthropy is in an embryonic stage and several issues regarding frameworks, measurements and empirical methods are yet to be developed and tested. One significant challenge would be developing constructs and measurements to assess the moral goodness of the organisations. A possible avenue to overcome this challenge would be to examine the role of individual and group spirituality in shaping CSR initiatives.

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TABLE 1: Summary of events leading to disaster related CSR outcomes

	Unilever	Brandix
Within 24 hours	Board meeting	Board meeting
Initial Fund	100 million LKR from parent company	None
Decision-making	Informal gathering of directors and employees	Board Meeting
Employee involvement	Voluntary donation of a day's wage, voluntary time	Voluntary employee time
Short-term CSR outcomes	25 million Emergency aid to the furthest corners of the island	Emergency hotlines for marooned employees, volunteer employee teams, tents
Long-term CSR outcomes	75 million Building 150 houses, hospital refurbishment, logistical support to the World Food Programme	Water wells
Integrated relief efforts with the existing CSR platform	3G mantra: our community	Water: 4000 water wells
Stronger ties with NGOs and government	25 million to government, logistical support to World Food Programme	South African Charity

FIGURE 1. Våland and Heide's (2005) Conceptual Model
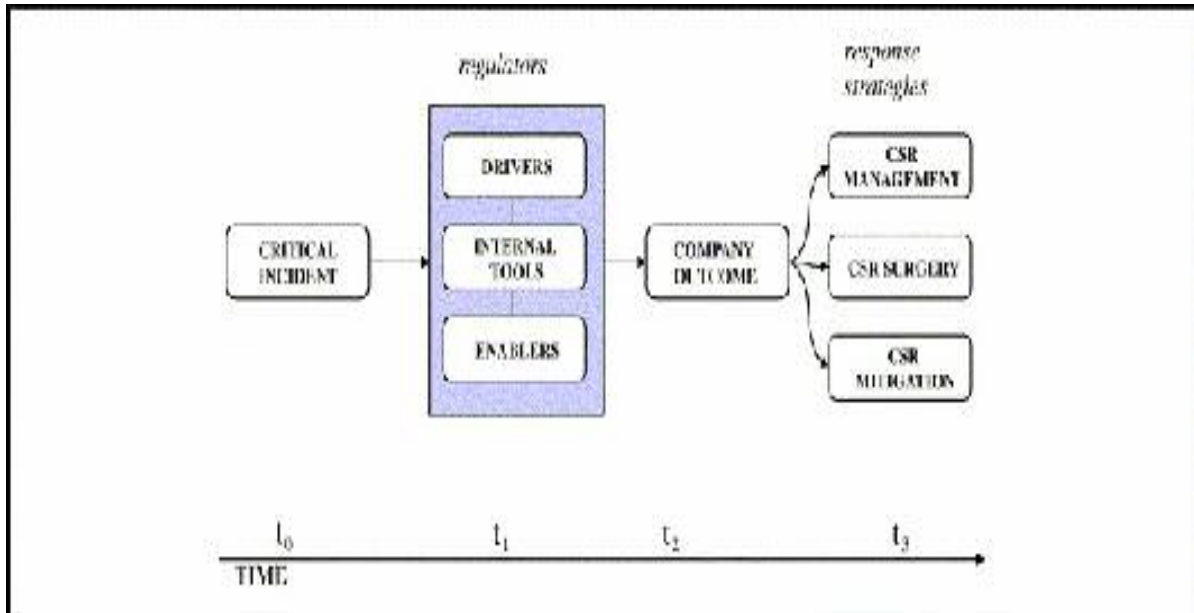
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FIGURE 2. Genuineness in CSR Initiatives