

Strategic Stance of Corporate Social Responsibility: Case Studies of Sri Lankan Corporate Sector

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Corporate Social Responsibility (CSR) is increasingly integrating and converging with business strategy. Particularly, CSR is not merely the right thing to do, whereas it is a source of opportunity, innovation and competitive advantage (Porter and Kramer 2006). The incorporation of strategic approach for CSR is important for organizations and the society since it reconciles companies' profit making strategies with the progress of the society (Smith 2003). Despite the increased interest in strategic CSR, it is surprising to see that none of the empirical research has actually been conducted on the topic from the Sri Lankan perspective. Therefore, the purpose of this study is to explore the strategic stance of CSR initiatives practiced by the Sri Lankan organizations and how they are different from altruistic CSR practices.

In this study researchers applied a critical realist epistemology using qualitative multiple-case study design (Yin 2009) by selecting six business organizations in Sri Lanka based on purposive sampling.

Findings reveal that four companies which undertake social philanthropic contributions are largely qualified as altruistic CSR. These companies' social interventions are generally distanced from core business activities. Even these CSR investments are worthy for the society, they do not leverage business opportunities related to the organization. These altruistic CSR creates a feel-good factor for managers and owners, but it may be less applicable during the difficult times of the business. Further, the companies which are medium scale tend to be more altruistic in their CSR compared to larger corporates. As per the findings, only two companies are practicing strategic CSR. These two companies made efforts to shape the competitive context where one attempted to influence its inputs and the other is able to shape its rules of competition. So that, strategic CSR redefines paths for improving the competitiveness of the business through contextual improvements compared to altruistic CSR. Therefore, reconciliation of social interests and organizational progress can be realized through strategic CSR should not be

overlooked by Sri Lankan companies for improving their competitiveness. The formulation of strategic CSR requires a major commitment from the organizational members with a complete re-orientation for their existing altruistic CSR practices.

Key words: Altruistic; Business Strategy; Case Study Design; Corporate Social Responsibility (CSR), Sri Lanka.

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