Dissertation
Estonian Business School

THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY, ORGANISATIONAL AND INDIVIDUAL FACTORS ON INNOVATION CLIMATE

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TALLINN 2009

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INTRODUCTION

List of papers

This dissertation is based on the following original publications, which will be referred to in the text by their respective Roman numerals.

I Übius, Ü., Alas, R. (2009). Corporate social responsibility and its influencing factors in Estonian and Japanese enterprises. International Research Journal "Problems and Perspectives in Management",1.

II Übius, Ü., Alas, R. (2008). Organizational culture – predictor of individual and organizational level factors ? EBS Review, 25.

III Übius, Ü., Alas, R. (2008). Organisational culture types forecast corporate social responsibility. 34th European International Business Academy Annual Conference in Tallinn, 11-14 December. Article on CD.

IV Übius, Ü., Alas, R. (2008). Factors predicting innovation climate. EIASM 3rd Workshop on Organisational Change & Development: Advances, Challenges & Contradictions, Bucharest, 26-27 September.

V Übius, Ü., Alas, R. (2009). Connections between corporate social responsibility and innovation climate. EBS Review, 26.

VI Übius, Ü., Alas, R. (2009). Innovation and Corporate Social Responsibility in Estonian Organizations. International Research Journal "Problems and Perspectives in Management", 2.

The relevance of the topic

Corporate social responsibility is an important management tool today. Corporate social responsibility has emerged as a significant theme in global business community and has become a mainstream activity.

Innovation affects economic growth, cultural policy and the creative industries in nowadays world. Contemporary organisations need to innovate to survive and be successful. Innovation must be a process that involves the entire value chain and which uses clear performance indicators to steer decision-making in the right strategic direction.

Economical development and improved standard of living can come about through innovation and innovative enterprises are needed for the growth and development of economy in European Union (Lisbon Strategy). It is very important to increase capability of innovation, research and development in Estonian organizations in order to improve competitiveness of Estonian economy in European science and innovation area.

Today, pioneering enterprises integrate social entrepreneurship into their core activities by actively chanelling their research-and-development capabilities in the direction of socially innovative products and services (Schwab, 2008). Research has called for organizations to be more entrepreneurial, flexible, adaptive and innovative to effectively meet the changing demands of today's environment (Orchard, 1998; Parker & Bradley, 2000; Valle, 1999).

Asongu (2007) states that companies that have sustainable policies tend to be technological leaders, as they seek imaginative new methods for reducing pollution and increasing efficiency. In many cases, these companies are able to come out with new, innovative products that out-pace most of their competitors.

According to Phills et. al. (2008) many social innovations involve the creation of new business models that can meet the needs of underserved populations more efficiently, effectively, and if not profitably, at least sustainably. Borger and Kruglianskas (2006) found that there were many evidences of a strong relationship between the adoption of a CSR strategy by the firm and an effective environmental and innovative performance.

The aim and research tasks

In this doctorate I have developed a research project in order to study connections between corporate social responsibility and innovation climate. The doctorate attempts to increase the understanding of the impact of corporate social responsibility upon innovation climate and it`s connecting factors.

Research problem of the current dissertation is to analyze connections between corporate social responsibility and innovation climate and it`s connecting factors in organizations that are operating in capitalistic economy and socialist planned economy.

The first research question is: Are there connections between corporate social responsibility, individual and organizational level factors ?

The second research question is: Are there connections between organizational culture, individual and organizational level factors ?

The third research question is: Are there connections between organizational culture and corporate social responsibility ?

The fourth research task is: Are there connections between individual, organizational level factors and organizational culture and innovation climate ?

The fifth research task is: Are there connections between corporate social responsibility and innovation climate ?

The fifth research task is: Are there connections between corporate social responsibility and success of innovations ?

As corporate social responsibility and innovation climate are complex phenomenas and due to the limited scope of the doctoral thesis, it is not possible to provide a full picture of all the approaches to corporate social responsibility and innovation climate. The author of the dissertation has focused her research on areas considered to be the most relevant to corporate social responsibility and innovation climate. The purpose of the present study is to find out the connections between corporate social responsibility and innovation climate in Estonian, Chinese, Japanese, Czech, Finish, German, Russian and Slovakian enterprises and major connecting factors.

The *first research task* is to analyze connections between corporate social responsibility, individual and organizational level factors (Study I).

The *second research task* is to analyze connections between organizational culture, individual and organizational level factors (Study II).

The *third research task* is to analyze connections between organizational culture and corporate social responsibility (Study III).

The *fourth research task* is to analyze connections between individual, organizational level factors, organizational culture and innovation climate (Study IV).

The *fifth research task* is analyze connections between corporate social responsibility and innovation climate (Study V).

The *sixth research task* is to analyze connections between corporate social responsibility and success of innovations (Study VI).

The methods used in the research

The author has conducted empirical research in Estonian, Chinese, Japanese, Czech, Finish, German, Russian and Slovakian enterprises. In the research process the author worked out following instruments:

1. Interview questions for evaluating innovation climate and corporate social responsibility (Study VI).

2. A scale for evaluating innovation climate (Study IV and Study V).

3. the scales for evaluating 4 organizational culture types – clan, market, hierarchy and adhocracy according to Cameron and Quinn (Study II and Study III).

4. The author used following questionnaires worked out by the Denki Ringo research group (Study I, Study II, Study III, Study IV and Study V) :

- A questionnaire for evaluating corporate social responsibility,
- A questionnaire for assessing job satisfaction,
- A questionnaire for assessing meaning of work,
- A questionnaire for assessing employees attitudes toward the firm,

- A questionnaire for assessing powerfulness of firm in competition against rivals,
- A questionnaire for assessing behaviour of management,
- A questionnaire for assessing policy of firm.

During this research the author conducted the following surveys: interviews were conducted with managers and employees in 86 Estonian organizations in order to gather information about the types of implemented innovations, the main indicators that influenced the implementation of innovations and connections between the success of the implemented innovations and an indicator – corporate social responsibility influences innovation in Estonian organizations (Study VI).

Questionnaires were used in order to assess connections between individual and organizational level factors, organizational culture, corporate social responsibility and innovation climate. Individual level factors - job satisfaction, meaning of work and attitudes toward the firm were measured. Organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm were measured. Four organizational culture types – clan, market, hierarchy and adhocracy were measured. Two facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interests of agents were measured.

Questionnaires were administered in Estonian enterprises with 623 respondents, in Chinese enterprises with 1150 respondents, in Japanese enterprises with 1570 respondents, in Slovakian enterprises with 605 respondents, in Russian enterprises with 684 respondents, in Czech enterprises with 1110 respondents, in Finish enterprises with 239 respondents and in German enterprises with 113 respondents. The total number of respondents was 6094. (Study I, Study II, Study III, Study IV and Study V).

In order to develop subscales for measuring organizational culture varimax rotation and factor analysis was completed. In order to analyse the results of interviews about corporate social responsibility and innovation in Estonian organizations the author used correlation analyses.

ANOVA tests were used to compare different groups of respondents from different countries. Linear Regression analyses were used to measure connections between corporate social responsibility, innovation climate, organization culture, individual and organizational level factors.

The originality of the research and its practical merit

Different organisations have framed different definitions about corporate social responsibility (CSR) - although there is considerable common ground between them. The author has combined different concepts and insights of corporate social responsibility and innovation climate as the basis for the research and has combined these theories with empirical findings collected from Estonian, Chinese, Japanese, Slovakian, Russian, Czech, Finish and German organizations. This provides new way of thinking about corporate social responsibility and innovation climate concerning different institutional environments.

Author has carried out this research in organizations that are operating in capitalistic economy and socialist planned economy which gives possibility to compare connection between corporate social responsibility and innovation climate and major connecting factors in different countries according to institutionalist perspective. Two facets of corporate social responsibility are

analyzed – the firm performance concerning social issues and the firm respects the interest of agents.

Author uses social CSR theories in order to evaluate the facet of CSR - the firm performance concerning social issues (Sethi, 1975; Jones, 1980; Epstein, 1987; Frederick, 1960; Drucker, 1984; Wood, 1991; Carroll, 1999; Waddock and Graves,1997; Wright and Ferris, 1997; Orlitzky et al., 2003; Marcel van Marrewijk, 2003; Garriga and Mele´, 2004) and Stakeholder Theory in order to evaluate the facet of CSR - the firm respects the interests of agents (Freeman, 1984; Freeman, 1994; Tanimoto and Suzuki, 2005; Bird and Smucker, 2007). There aren´t researches about the connection between the corporate social responsibility and innovation climate between organizations that are operating in capitalistic economy and socialist planned economy. Current doctoral thesis investigates this issue.

Despite the enormous amount of theoretical writings about the corporate social responsibility and innovation, there are relatively few empirical studies about the indicators that influence relationship between corporate social responsibility and innovation climate. This doctorate thesis contributes by empirically testing connections between two facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interests of agents and innovation climate and major connecting factors.

In Estonian context, the author found out which types of innovations have been implemented, the main indicators that influenced the implementation of innovations and connections between the success of implemented innovations and corporate social responsibility in Estonian organizations (Study VI).

This doctorate thesis also adds the knowledge about connections between corporate social responsibility and innovation climate and major connecting factors – organizational culture, individual and organizational level factors.

- Corporate social responsibility in enterprise is strongly influenced by society where enterprise is operating. In Japan enterprises respondents are more satisfied with contacts with their colleagues, work is for them a way to serve for society which is common to collectivist cultures. Economic growth and success can be also seen from answers of Japanese respondents. They rated highly the statements - the firm respects the interests of stock holders, work provides you with income that is needed, I am ready to take risk if it is approved. The Japanese approach is different from the Western approach, given various particularities in the Japanese economy and society. Even though many companies are now acting on a global scale, they may still have national, or at least regional, characteristics. This may reflect the greater connection between corporate social responsibility and the cultural framework, whereas in Japan it is important for successful business to respect and take into account the interests of agents and in Estonia firm performance concerning social issues has become crucial for success in business organisations

- As organizational culture types – clan, market, hierarchy and adhocracy predict individual level factors – job satisfaction, meaning of work and attitude toward the firm and organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm. National culture where organization is operating influences how organizational culture types predict individual and organizational level factors. In different countries different organizational culture types dominate. Therefore managers should be aware of the connections between organizational culture, individual and organizational level factors and the influence of national culture

while they are cooperating with partners from different countries and different organizations.

- Clan, hierarchy and adhocracy culture types predict two facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interests of agents. Market organizational culture type predicts one facet of corporate social responsibility - the firm performance concerning social issues. Managers should take into account that organizational culture has impact on corporate social responsibility. Different organizational culture types dominate in enterprises from different countries. Similar organizational culture types dominate in enterprises which situate in the countries with similar social, economical and political environment. Therefore managers should be aware of the fact that in different countries different culture types are dominating in organizations.
- Individual level factors - job satisfaction, meaning of work and attitude toward the firm predict innovation climate. Organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm also predict innovation climate in Estonian, Slovakian, Czech, Russian, Chinese and Japanese electric-electronic machine, retail store and machine-building enterprises. Organizational culture also predicts innovation climate, but it differs according to different countries. Therefore it should be taken into account when leaders create an innovative climate in an organization.

- As one facet of corporate social responsibility - the firm performance concerning social issues predicts innovation climate in all seven countries - Estonia, China, Germany, Finland, Czech, Slovakia and Japan and another facet of corporate social responsibility - the firm respects the interests of agents predicts innovation climate in 3 countries – Estonia, Czech and Slovakia it is important for managers to know that connection between CSR and innovation climate is influenced by social, political and economic environment where organization is operating. Social, political and economic environment in Estonia, Czech and Slovakia has been similar during last decades and different from China, Japan, Germany and Finland.
- There is connection between corporate social responsibility and innovation. Managers should be aware of that innovations that are supported by managers are successfully implemented. Implemented innovations are successful in organizations where it is considered that CSR influences innovation positively. Corporate strategy is involved in innovating and it is also related to the success.

Acknowledgements

Part 1. THE THEORETICAL PART

1.1. Theories of Corporate Social Responsibility

Different organisations have framed different definitions about CSR - although there is considerable common ground between them. Today corporate leaders face a dynamic and challenging task in attempting to apply societal ethical standards to responsible business practice (Morimoto et al., 2005). Nowadays corporate social responsibility is an integral part of the business vocabulary and is regarded as a crucially important issue in management (Cornelius et al., 2008; Humphreys & Brown, 2008).

Hillman & Keim (2001) suggested that, when assessing the returns to CSR, it was critical to discriminate between stakeholder management CSR and social CSR. This is consistent with Baron's (2001) distinction between altruistic and strategic CSR. More specifically, the authors concluded that whereas stakeholder-oriented CSR was positively correlated with financial performance, social CSR was not.

The tendency to invest in companies that practice and report CSR is increasing (Sleeper et al., 2006). Corporate social responsibility forces repositioning of strategies from profit-driven organizations to organizations with attention for the companies influence on social and environmental aspects (Quaak et al., 2007).

According to Alas and Tafel (2008) research about corporate social responsibility could be divided into three categories: *structural research* (van Marrewijk, 2003; Wilenius, 2005), *normative research* (Gatewood and Carroll, 1981) and *developmental research* (Carroll, 1991, Hoffman, 1997, Schwartz and Carroll, 2003, Reidenbach and Robin, 1991). From the structural viewpoint corporate social responsibility covers three dimensions of corporate action: economic performance, social accountability and environmental management. From the normative viewpoint, different levels of social responsibility, based on the criteria of the extent to which a company meets the social expectations of the society, could be differentiated. From the developmental viewpoint Carroll (1999) CSR model identifies four components: economic, legal, ethical and voluntary (discretionary). The economic aspect is concerned with the economic performance of the company, while the other three categories – legal, ethical, and discretionary – are address the societal aspects of CSR.

The firm performance concerning social issues

Sethi (1975) stated that whereas social obligation is proscriptive in nature, social responsibility is prescriptive. Jones (1980) stated that corporate social responsibility is the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract. Epstein (1987) provided a definition of CSR in his quest to relate social responsibility, responsiveness, and business ethics.

According to Frederick (1960) social responsibility in the final analysis implies a public posture toward society's economic and human resources and a willingness to see that those resources are used for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms. The proper social responsibility of business is to tame the dragon that is to

turn a social problem into economic opportunity and economic benefit, into productive capacity, into human competence, into well-paid jobs, and into wealth (Drucker, 1984).

In the 1990s concept of corporate social performance stream emerged (Wood, 1991). Carroll (1999) CSR model identifies four components: economic, legal, ethical and voluntary (discretionary). The economic aspect is concerned with the economic performance of the company; while the other three categories – legal, ethical, and discretionary – are address the societal aspects of CSR.

Waddock & Graves (1997) have found positive relationship between a firm's social performance and its financial performance, whereas Wright and Ferris (1997) have found a negative relationship. Orlitzky et al. (2003) claim that there is strong empirical evidence supporting the existence of a positive link between social and financial performance.

According to Marcel van Marrewijk (2003) concept of corporate social responsibility covers three dimensions of corporate action: economic, social and environmental management. Garriga & Mele´ (2004) grouped theories of corporate social responsibility into four groups: instrumental, political, integral and ethical theories.

In the present doctoral thesis author uses structural viewpoint to corporate social responsibility (van Marrewijk, 2003, Wilenius, 2005) in order to evaluate the firm performance concerning social issues. Structural viewpoint to corporate social responsibility which covers three dimensions of corporate action: economic performance, social accountability and environmental management.

The firm respects the interests of agents

Stakeholder Theory popularized by Freeman (1984; 1994) essentially argues that a company's relationships with stakeholders (and treatment of the natural environment) is core to understanding how it operates and adds value as a business. Freeman (1994) argues that stakeholder language has been widely adopted in practice and is being integrated into concepts of corporate responsibility/citizenship by scholars who recognize that it is through a company's decisions, actions, and impacts on stakeholders and the natural environment that a company's corporate responsibility/citizenship is manifested.
Corporate social responsibility is a concept whereby companies fulfil accountability to their stakeholders by integrating social and environmental concerns in their business operations (Tanimoto, Suzuki, 2005). Companies will necessarily have to take into account cultural differences when defining their CSR policies and communicating to stakeholders in different countries (Bird & Smucker, 2007).

In the present doctoral thesis the evaluation of the facet of CSR - the firm respects the interests of agents is based on Freemans` (1984; 1994) Stakeholder Theory.

1.2. Concepts of Innovation and Innovation Climate

Word innovation derives from Greek word *innovare*, what means to do something new. Innovation is a complicated concept. Several different definitions are used publicly. OECD Oslo Manual (OECD 1992) and Frascati Manual (OECD 2002) give most commonly used methodology and terminology about innovation.

The Schumpeterian definition (Shumpeter, 1934) of innovation states that the commercialization of all new combinations is based upon the application of any of the following: new materials and components, the introduction of new processes, the opening of new markets, and the introduction of new organizational forms. Only when a change in technology is involved is it termed an "invention", but as soon as the business world becomes involved, it becomes an "innovation" (Janszen, 2000).

According to OECD (2006) Oslo Manual innovation is divided into four types:
Product innovation, which involves the introduction of a new good or service that is substantially improved. This might include improvements in functional characteristics, technical abilities, ease of use, or any other dimension.
Process innovation involves the implementation of a new or significantly improved production or delivery method. Process innovations improve main process technologies and supportive technologies.
Marketing innovation is the development of new marketing methods with improvement in product design or packaging, product promotion or pricing.
Organizational innovation involves the creation of new organizations, business practices, or ways of running organizations. Organizational innovations could cover both inside organisations and outside links of the firm. Use of subcontractors and rented labour is sample of organisational innovations.
Oslo Manual (OECD, 1992) defines also technological innovation.
Technological innovation – technologically implemented new products, processes or services and significant technological improvements in products, processes or services. It requires an objective improvement in the performance of a product or in the way in which it is produced or delivered.

In the present doctoral thesis author uses the following innovation definition: *An innovation* is the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organisational method inbusiness practices, workplace organisation or external relations (OECD, 2006).
Innovation theories
Joseph A. Schumpeter gave first definition of innovation in the field of economy. Basic foundation for innovation theory comes from Joseph Schumpeter's idea that creative destruction occurs when innovation makes old ideas and technologies obsolete and therefore causes the creation of new economic structure (Schumpter, 1911).
Innovation researchers in 1950s and 1960s introduced the concepts of product innovations and process innovations. First was used concept of systematic innovations (Davis and North, 1971).
Diffusion of innovation is an important part of innovation theory.

Diffusion of innovations theory was formalized by Everett Rogers in a 1962 book called "Diffusion of Innovations" where he stated that diffusion is the process by which an innovation is communicated through certain channels over time among the members of a social system. Rogers (1962) stated that each adopter's willingness and ability to adopt an innovation would depend on their economic profitability, awareness, interest, evaluation, trial, and adoption.

Rogers (2003) theorized that innovations would spread through society in an S curve, as the early adopters select the technology first, followed by the majority, until a technology or innovation is common. Adoption curve has basically two parts: first part p, which is the speed at which adoption takes off, and q, the speed at which later growth occurs. A cheaper technology might have a higher p, for example, taking off more quickly, while a technology that has network effects (like a fax machine, where the value of the item increases as others get it) may have a higher q.

Rogers (1976) defines the innovation-decision process as the process through which an individual passes from first knowledge of an innovation to forming an attitude toward the innovation, to a decision to adopt or reject, to implementation and use of the new idea, and to confirmation of this decision. Roger's Innovation Decision Process theory states that innovation diffusion is a process that occurs over time through five stages: knowledge, persuasion, decision, implementation and confirmation.

Innovation research in 1970s and 1980s concentrated on industrial innovations (Freeman et al., 1982). Industrial innovations constitute a major factor in fostering the expansion of industrial activities and, consequently, regional growth.

Innovation research in 1990s investigated mainly (national) innovation systems. Lundvall (1992) defined an innovation system as "the elements and relationships, which interact in the production, diffusion and use of new, and economically-useful, knowledge." Charles Edquist (2001) and Jack Metcalfe (1998) stated that national innovation system is a comparative concept – there could not be an ideal national innovation system, which fits different nations with their specific socioeconomic, political and cultural background.

In 2000s innovation researches are focused on knowledge innovation.

Main interest areas are science innovation, knowledge innovation: the creation, evolution, exchange and application of new ideas into marketable goods and services for the excellence of an enterprise, the vitality of a nation economy and advancement of society as-a-whole (Amidon 1993, He Chuanqi 1999, 2000).

Process of innovation

Considering the wide variety of possible innovation forms and application domains, generalizations are difficult. The innovation process encompasses several systematic steps, beginning from problem/requirement analysis to idea generation, idea evaluation, project planning, product development and testing to finally product marketing. These steps may be categorised into 3 broad phases – conception, implementation and marketing. Conception phase involves requirement analysis, idea generation, idea evaluation and project planning. Implementation phase involves development/construction, prototype development, pilot application and testing. Marketing phase involves production, market launch and penetration (Tiwari & Buse, 2007).

According to Coffin & Allen (2008) managing new product development effectively is a trade-off between process and innovation. Companies want to develop new products quickly and efficiently, and this demands that they be process-oriented.

According to Perez-Bustamente (1999) it is possible to identify six basic phases in the innovation process model (IPM) whose phases are common to most innovation processes: problem identification phase, ideation phase, approach development phase, operationalisation phase, evaluation phase, exploitation phase.

Innovation theorists often describe the innovation process as being composed of two main phases: initiation and implementation (Zaltman et al., 1973; Axtell et al., 2000).

Innovation climate

In this study, we examine innovation climate. That is, the degree of support and encouragement an organization provides its employees to take initiative and explore innovative approaches is predicted to influence the degree of actual innovation in that organization (Martins & Terblanche, 2003; Mumford & Gustafson, 1988).

Many authors (Van de Ven, 1986; Amabile, 1988; Smith, 2000; Unsworth & Parker, 2003) have found that individual innovation helps to attain organizational success. Employees` innovative behaviour depends greatly on their interaction with others in the workplace (Anderson et al., 2004; Zhou & Shalley, 2003). According to Damanpour & Schneider (2006) the climate for innovation is a direct result of top managers' personal and positional characteristics. Previous studies treated employees innovative behaviour as a one –dimensional construct that encompasses both idea generation and application behaviour (Scott and Bruce, 1994; Janssen, 2000). This implies that differences in relevant leader behaviour between the two phases remain invisible, which is why recent work recommends keeping these phases of the innovation process separate (Mumford & Licuanan, 2004). Innovation theorists often describe the innovation process as being composed of two main phases: initiation and implementation (Zaltman et al., 1973; Axtell et al., 2000).

According to Buckler & Zien (1996) innovation is the purpose of the whole organization, a broad activity. In this kind of culture, new ideas come forward into an atmosphere of enthusiastic support and a desire to contribute to them, even though everyone knows that the majority of these ideas will not make it to the market. Innovative companies are on watch to continually refresh this climate, because it can be undermined. „Out of the box" thinking is certainly a major characteristic of an innovative environment. It is essential to become somewhat comfortable with the idea that at times the „unreasonable" solution is exactly what`s called for (Buckler & Zien, 1996).

1.3. Connections between Corporate Social Responsibility and Innovation, Innovation Climate

Today, pioneering enterprises integrate social entrepreneurship into their core activities by actively chanelling their research-and-development capabilities in the direction of socially innovative products and services (Schwab, 2008).

According to Borger and Kruglianskas (2006) it was found that there were many evidences of a strong relationship between the adoption of a CSR strategy by the firm and an effective environmental and innovative performance.

According to Asongu (2007) the key to success in using any type of innovation to a company's advantage from the CSR perspective is to communication with local municipal authorities, the press and most importantly, the general public that stands to benefit from such initiatives.

Asongu (2007) states that companies that have sustainable policies tend to be technological leaders, as they seek imaginative new methods for reducing pollution and increasing efficiency. In many cases, these companies are able to come out with new, innovative products that out-pace most of their competitors.

According to Phills et. al. (2008) many social innovations involve the creation of new business models that can meet the needs of underserved populations more efficiently, effectively, and if not profitably, at least sustainably. Many innovations tackle social problems or meet social needs, but only for social innovations is the distribution of financial and social value tilted toward society as a whole. A social innovation can be a product, production process, or technology (much like innovation in general), but it can also be a principle, an idea, a piece of legislation, a social movement, an intervention, or some combination of them.

Asongu (2007) states that in the course of pursuing CSR initiatives, some companies have developed very innovative products and services that are beneficial to the company's profitability. It is possible for a company to become more innovative as an unintended concomitant to a CSR initiative. Innovation will also include the serendipitous identification of more efficient methods of doing business or new types of products or services that may not have occurred to a business if it has no CSR initiatives in the first place.

Manning (2004) reports that an innovation that could satisfy the needs of the local community represents such an opportunity for using CSR to a company's advantage, again providing that the otherwise strictly altruistic nature of the enterprise is not lost on the company's consumers and potential consumers.

According to Stigson (2002) more and more companies are adopting CSR approaches to help ensure efficiency, stimulate innovation and create continued organizational growth.

Innovative companies are thinking and acting in terms of a 'triple-bottom-line' ethic, which goes well beyond the drive to maximize shareholder value by incorporating environmental quality and social justice considerations into their business decisions (Larsen & Peck, 2001).

According to Asongu (2007) corporate leaders today can take advantage of unexpected opportunities to use the results of their CSR initiatives in innovative ways. Because innovations can span the entire range of a company's operations, the manner in which CSR initiatives can be used to accomplish them are virtually limitless and are constrained only by the imaginations of the players involved.

In this doctorate the author focuses on major connecting factors – organizational culture, individual and organizational factors. Having more information about these factors could help to understand better the connection between corporate social responsibility and innovation climate.

1.4. Individual, organizational factors

Organizational culture

By Schein (1992) organisational culture is the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and integral integration. Trice and Beyer (1993) have also connected culture with environment, seeing organisational culture as a collective response to uncertainty and chaos.

According to Cameron and Quinn (1999) there are many kinds or levels of culture that affect individual and organizational behaviour. At the broadest level, a global culture, such as a world religion`s culture or the culture of the Eastern hemisphere, would be the highest level.

Researchers Hofstede (1980) and Tromperaars (1992) have reported marked differences among countries based on certain key dimensions. For example, national differences exist among countries on the basis of universalism versus particularism, individualism versus collectivism, neutrality versus emotionality, specificity versus diffuseness, focus on achievement versus ascription, focus on past versus present versus future, and an internal focus versus an external focus (Tromperaars, 1992).

According to Cameron and Quinn (1999) culture defines the core values, assumptions, interpretations and approaches that characterise an organization. Competing Values Framework is extremely useful in helping to organize and interpret a wide variety of organizational phenomena. The four dominant culture types – hierarchy, market, clan and adhocracy emerge from the framework. Most organizations develop a dominant cultural style. More than 80 percent of the several thousand organizations they have studied have been characterized by one or more of the culture type identified by the framework. Those that do not have a dominant culture type either tend to be unclear about their culture, or they emphasize nearly equally the four different cultural types.

Job satisfaction

Hackman and Oldham (1975) suggested that jobs differ in the extent to which they involve
five core dimensions: skill variety, task identity, task significance, autonomy, task feedback.
They suggest that if jobs are designed in a way that increases the presence of these core characteristics three critical psychological states can occur in employees: experienced meaningfulness of work, experienced responsibility for work outcomes, knowledge of results of work activities. When these critical psychological states are experienced, work motivation and job satisfaction will be high. Silverthorne (2004) found that organizational culture plays an important role in the level of job satisfaction and commitment in an organization.
Lund (2003) examined the impact of organizational culture types according to Cameron and Freeman's (1991) model of organizational cultures comprising of clan, adhocracy, hierarchy, and market on job satisfaction. The results indicate that job satisfaction levels varied across corporate cultural typology. Job satisfaction was positively related to clan and adhocracy cultures and negatively related to market and hierarchy cultures.

Meaning of work

According to Seel (2000) organisation culture is the emergent result of the continuing negotiations about values, meanings and proprieties between the members of that organisation

and with its environment. According to Stevens (1991) effective strategy implementation depends on the extent to which resultant changes conform to existing knowledge structures used by members of the organization to make sense of and give meaning to their work. Such cognitive paradigms form the culture construct of the organization.

Attitudes toward the firm

Organizational culture is important because shared beliefs and norms affect employee perceptions, behaviours, and emotional responses to the workplace. For example, culture has been found to influence organizational climate and provider attitudes including work attitudes (Aarons & Sawitzky, 2006; Carmazzi & Aarons, 2003; Glisson & Hemmelgarn, 1998; Glisson & James, 2002), as well as employee behaviors that contribute to the success or failure of an organization (Ashkanasy, Wilderom, & Peterson, 2000).

Behavior of management

By Schein (2004) organizational cultures are created by leaders, and one of the most decisive functions of leadership may well be the creation, the management, and – if and when that may become necessary – the destruction of culture.

According to Kanne-Urrabazo (2006) many managers do not deny the importance of organizational culture in employee satisfaction, few fail to realize the direct impact they have in shaping it. It is crucial that managers at all levels are aware of their roles and responsibilities in upholding positive workplace environments that can increase employee satisfaction.

Firm policy

According to Cronqvist, Low and Nilsson (2007) consistent with predictions from economic theories of corporate culture, they also found that the corporate culture effects in firm policies are long-term, stronger for internally grown business units, and older firms. Their evidence is also consistent with firms preserving their cultures by selecting management teams that fit in their cultures. Their evidence showed that a firm's corporate culture matters for its policy choices and performance.

Powerfulness of the firm in competition against rivals

According to Cameron and Quinn (1999) the major distinguishing feature in successful companies, their most important competitive advantage and the most powerful factor they all highlight as a key ingredient in their success, is their organizational culture. Barney (1986) states that three attributes that a firm's culture must have to generate sustained competitive advantages are isolated. Previous findings suggest that the cultures of some firms have these attributes; thus, these cultures are a source of such advantages.

1.4. The Institutionalist Perspective

According to the institutionalist perspective, organizations are socially embedded in a particular society (Geppert, 2003). Institutions could be seen from both the structural and social perspective. From a structural viewpoint institutions exist as institutionalised forms of "external social constraints". From the social perspective institutions can be understood as operating to enforce behavioural definition, which may take the form of either "cultural accounts" or "cultural

rules". This means that institutions are accounts of how the social world works and embody normative principles and social values (Meyer et. al., 2004).

Culture is seen as a key factor in the emergence of national institutional configurations, shaping, and in turn being shaped by, other elements in these national systems such as institutions, material and ideational extra-institutional forces, and politics (Lewin and Kim, 2004; Lewin and Volberda, 1999; Redding, 2005). According to Boli (2005) world culture in the post-war era of rapid globalization is increasingly organized, rationalized, and ubiquitous. The core of world culture - rationalized science, technology, organization, professionalization, etc. - has been thoroughly institutionalized.

Considering the future of the institutional approach, Rhodes (1995) argued that: „The focus on institutions and the methods of the historian and the lawyer remain relevant ... Implicit assumptions must give way to an explicit theory within which to locate the study of institutions". This is the challenge embraced by the so-called „new institutsionalism".

There has been a multiplication of institutional approaches: in a seminal article, Hall and Taylor (1996) identified „three new institutsionalisms" and, by Peters (1999) published a book discussing seven separate varieties.

The points of departure represented by the new institutionalism are, therefore, best represented in terms of movement along six analytical continua:

1. From a focus on organisations to a focus on rules;
2. From a formal to an informal conception of institutions;
3. From a static to a dynamic conception of institutions;
4. From submerged values to a value-critical stance;
5. From a holistic to a disaggregated conception of institutions;
6. From independence to embeddedness.

We have established what`s new about new institutionalism as a broad approach. It reasserts what the best of the old institutionalists also knew: New institutionalists take care not to equate political institutions with political organisations: institution is understood more broadly to refer to a stable, recurring pattern of behaviour (Goodin, 1996).

New institutionalists are agreed that political institutions are the rules of the game – but what should be included in the category of rules. By including informal conventions as well as formal procedures, the new institutionalists are able to build a more fine-grained, and realistic, picture of what really constrains political behaviour and decision-making. An expanded definition of institution runs the risk, however, of conceptual stretching (Peters, 1996) – its meaning and impact diluted as it comes to include everything that guides individual behaviour. North (1990) goes as far as to include tradition, custom, culture and habit as informal institutions. For March & Olsen (1989) there seems to be no clear distinction between institutions and norms in general.

New institutionalism is better understood as what Gamble (1990) calls an „organising perspective". It is not a causal theory in the behavioural sense; instead it „provides a map of the subject and signposts to its central questions" (Rhodes, 1995).

Estonia, Japan, China, Finland, Germany, Czech, Slovakia and Russia have different social, economical, political, historical and cultural environment.

Estonia

Estonia was occupied by the Soviet Union in 1944. A state socialist society was built upon a centralised, hierarchical state coordinated through bureaucratically administered structures.

Political, economic and other forms of institutional power were drawn from the same source and operated in a unidirectional manner, providing for effective control and a concentration of information (Liuhto, 1999). Having regained independence in 1991, Estonia has undergone fundamental political and structural changes over the last decade, which have also affected the operation of its companies (Lääts, Haldma, 2002).

The three Baltic states—Lithuania, Latvia, and Estonia—have been deliberately moving away from the Soviet legacy toward liberal democracy and market capitalism. Lithuania, Latvia, and Estonia have reached a tangible accomplishment on their road toward reintegration with Western and Central Europe: in 2004 they were all admitted as full members of NATO and the European Union (Bilinsky, 2006).

Within a relatively short period of time Estonia has turned from an underdeveloped post-communist country to a politically and economically acceptable partner on the international arena the best evidence of which is the integration to NATO and EU. New situation creates new opportunities and sets up new tasks, but at the core of economic policy should still be ensuring ongoing development (Kaldaru, 2004).

The challenge of transformations in Central and Eastern Europe has involved a fundamental shift in the political order, from an authoritarian Communist Party rule to democracy (Bandelj, Radu, 2006).

Japan

Japan is a constitutional monarchy where the power of the Emperor is very limited. As a ceremonial figurehead, he is defined by the constitution as "the symbol of the state and of the unity of the people". Power is held chiefly by the Prime Minister of Japan and other elected members of the Diet, while sovereignty is vested in the Japanese people (The Constitution of Japan, 1946).

According to Economic Survey of Japan (OECD, 2008) it has the world's second largest economy by nominal GDP and the third largest in purchasing power parity. It is a member of the United Nations, G8, OECD and APEC, with the world's fifth largest defense budget. It is also the world's fourth largest exporter and sixth largest importer. It is a developed country with high living standards (8th highest HDI) and a world leader in technology, machinery, and robotics.

From the 1950s to the 1980s, Japan experienced its rapid development into a major economic power, through a process often referred to as the Japanese post-war economic miracle. In 1960s during Japan's rapid growth era, as companies single-mindedly pursued profit, industrial pollution and other social problems emerged mainly in heavy and chemical industries. A strong anti-business sentiment emerged that regarded companies as inherently evil. Following the 1985, Japanese companies began to expand operations overseas, ushering in the era of globalization. In particular, companies entering the U.S. market experienced a culture shock due to differences in corporate culture and lifestyles. In 1990s land prices surged for a third time from the late 1980s as Japan's economy entered the bubble era, but plunged in 1991 when the bubble collapsed. Companies suffered a series of blows in the post-bubble 1990s: securities firms scurried to compensate the losses of large investors (Kawamura, 2004).

Czech

In an 1948 coup d'état, Czechoslovakia became a communist-ruled state. On January 1, 1993 Czechoslovakia peacefully dissolved into its constituent states, the Czech Republic and Slovakia. Today the Czech Republic is a pluralist multi-party parliamentary representative democracy with the Prime Minister as head of government. The Czech Republic joined NATO in 1999 and the European Union in 2004. It is also a member of the OECD and the Council of Europe.

According to Economic Survey of Czech Republic (OECD, 2008) it possesses a developed, high-income economy with a GDP per capita of 82% of the European Union average. One of the most stable and prosperous of the post-Communist states, the Czech Republic has seen a growth of over 6% annually in the last three years. Today most of the economy has been privatized.

Slovak

The present-day Slovak Republic became an independent state on January 1, 1993 with the peaceful division of Czechoslovakia in the Velvet Divorce; it was, with Czech Republic, the last European country to gain independence in the 20th century. According to Economic Survey of Slovak Republic (OECD, 2008) Slovakia is a high-income economy with one of the fastest growth rates in the EU and OECD. It joined the European Union in 2004 and has joined the Eurozone on the 1st of January, 2009. Slovakia is a parliamentary democratic republic with a multi-party system. Slovakia has achieved a difficult transition from a centrally planned economy to a modern, high-income market economy. Major privatizations are nearly complete, the banking sector is almost completely in private hands, and foreign investment has picked up.

According to Hloušek and Kopeček (2008) at the present time, both the Czech and Slovak party systems show great similarities in terms of the prevalence of the socioeconomic cleavage. Socioeconomic cleavage emerged quite early after 1989 in the Czech Republic; in Slovakia the socioeconomic cleavage has become dominant only in recent years. This has contributed to the stabilization of the classic left-right model of political competition and the consolidation of the two countries' party systems.

Germany

As a modern nation-state, the country was first unified amidst the Franco-Prussian War in 1871. In 1949, after World War II, Germany was divided into two separate states—East Germany and West Germany—along the lines of Allied occupation. The two states were reunified in 1990. West Germany was a founding member of the European Community (EC) in 1957, which became the European Union in 1993. It is part of the borderless Schengen zone. Governance of rural policies in Germany presents specific characteristics due to the decentralisation process that has been taking place since the second post-war period. Germany is organised on the basis of a federal government (Federation), *Länder* and municipalities/municipal associations (BMELV, 2006). The main principles governing this federal framework are established in the Basic Law. Germany is often described as a prototype of co-operative federalism (Blume and Voight, 2005; Wright, 1988). Germany is a member of the United Nations, NATO, G8 and OECD. It is a major economic power with the world's third largest economy by nominal GDP and the fifth largest in purchasing power parity.

Finland

Finland's declaration of independence in 1917 from Russia was followed by a civil war, wars against the Soviet Union and Nazi Germany, and a period of official neutrality during the Cold War (Lavery, 2006). In spite of hostilities between Finland and the Soviet Union (1939-1940), Finland maintained its independence although Finnish foreign policy was dictated by the need of accommodate its powerful neighbour (Wandycz, 1992). Finland joined the United Nations in 1955 and the European Union in 1995 and participates in the Eurozone. Finland has been ranked the second most stable country in the world, in a survey based on social, economic, political, and military indicators (Lavery, 2006).

Finland has a highly industrialized free-market economy with a per capita output equal to that of other western economies. Finland is highly integrated in the global economy, and international trade is a third of GDP.

Finland is a representative democracy with a semi-presidential parliamentary system. Aside from state-level politics, residents use their vote in municipal elections and in the European Union elections.

China

China has one of the world's oldest people and continuous civilizations, consisting of states and cultures dating back more than six millennia (Esherick et. al., 2006).
On 1 January 1912, the Republic of China was established, heralding the end of the Qing Dynasty. The Sino-Japanese War of 1937–1945 (part of World War II) forced an uneasy alliance between the Nationalists and the Communists. After its victory in the Chinese Civil War, the Communist Party of China (CCP) gained control of most of Mainland China. On 1 October 1949, they established the People's Republic of China as a Socialist State headed by a "Democratic Dictatorship" with the CCP as the only legal political party. Today, mainland China is administered by the People's Republic of China—a one-party state under the leadership of the Chinese Communist Party—while the island of Taiwan and surrounding islands are administered by the Republic of China—a democratic multi-party state (Chan, 2001). Following the establishment of the People's Republic of China (PRC) in 1949, the Chinese Communist Party adopted ideology on Marxist-Leninist philosophy (Warner, 2004).

The economy of the People's Republic of China is the second largest in the world after the US with a GDP of $7.1 trillion (2007) when measured on a purchasing power parity (PPP) basis. It is the fourth largest in the world after the US, Japan and Germany, with a nominal GDP of US$3.42 trillion (2007) when measured in exchange-rate terms. China has been the fastest-growing major nation for the past quarter of a century with an average annual GDP growth rate above 10%. Despite China's size, the abundance of its resources, and having about 20 percent of the world's population living within its borders, for the last two centuries its role in the world economy has been relatively small (Bachman, 1991).

Situation changed in 1978, when Deng Xiaoping started economic reform for moving to a 'socialist market economy' (Child and Tse, 2000). In order to switch to a market economy and modernize inefficient energy-dependent and heavily polluting state-run industries, China faced the major challenge in providing an increasing number of its citizens with a stable society and an

economy featuring adequate employment, housing, food and transportation (Diener, Rowe 2006). State gave responsibility for people welfare to enterprise management. As the enterprises had to focus on making profits and the welfare of people was not among priorities, both, the life-time employment and 'cradle-to-grave' welfares policy, were abolished (Warner, 2004).

Russia

Since the turn of the century, rising oil prices, increased foreign investment, higher domestic consumption and greater political stability have bolstered economic growth in Russia. The country ended 2007 with its ninth straight year of growth, averaging 7% annually since the financial crisis of 1998. In 2007, Russia's GDP was $2.076 trillion (est. PPP), the 6th largest in the world, with GDP growing 8.1% from the previous year. Russia has the world's largest natural gas reserves, the second largest coal reserves and the eighth largest oil reserves.
According to the Constitution, which was adopted by national referendum on 12 December 1993 following the 1993 Russian constitutional crisis, Russia is a federation and formally a semi-presidential republic, wherein the President is the head of state[90] and the Prime Minister is the head of government. The Russian Federation is fundamentally structured as a representative democracy. Russia or the Russian Federation is a semi-presidential republic comprising 83 federal subjects.

Tishkov (2004) asserts that the present situation in Russia actually continues the Soviet tradition

According to Mickiewicz, Aidis and Estrin (2008) Russia's institutional environment is important in explaining its relatively low levels of entrepreneurship development, where the latter is measured in terms of both number of start-ups and of existing business owners.

According to Stepanov (2000) the dissolution of the Soviet Union has led to a large-scale redefinition and creation of 'boundaries' – here defined in their widest possible concrete and metaphorical sense, that is to include state borders and intra-state administrative ones, the delimitation of citizenship. According to Remington (2003) parties of the democratic left have fared surprisingly poorly in postcommunist Russia. The reasons for this have to do with the legacy of the communist state, particularly the weakness of organized social associations outside the state and the continuing strength of patrimonial and corporatist patterns of state-society relations, together with constitutional and electoral institutions in the post-1993 system that undermine incentives for a system of competitive national political parties.

Mishler (2005) states that trust in political institutions and in other people is hypothesized by cultural theories to be essential for making democracies work. Trust is equated with diffuse support and linked to the stability and effective functioning of democratic regimes. Institutional theories, in contrast, question the importance of trust for democratic support and emphasize institutional performance instead. A structural equation model using *New Russia Barometer* survey data tests cultural and institutional theories of regime support. The results confirm cultural arguments that institutional trust encourages political involvement and contributes to public support for democratic ideals, whereas they contradict the hypothesis that trust is critical for political support. Much stronger support exists for institutional theory's claims about the importance of economic and political performance. Cultural influences, however, appear

somewhat larger than institutional theories allow and may become larger still during the longer term, suggesting the need to integrate cultural and institutional theories.

Part 2. THE EMPIRICAL STUDY

2.1. The research process

The central focus of my doctoral thesis is on the impact of corporate social responsibility on innovation climate and major connecting factors.

The research process started in 2007 with gathering literature concerning theoretical views on corporate social responsibility and innovation climate and major connecting factors. The collection of writings has continued until the last stages of the research. Based on the research of literature empirical surveys were planned. Author conducted the questionnaire and interviews in Estonian enterprises by herself. Author got the file with Chinese, Japanese, German, Finnish, Russian, Slovakian and Czech respondents` answers from the Japanese co-partner of Denki Ringo research group. Author took contact with the member of the board in Estonian organizations and got permission to conduct this study. After that the questionnaire was sent by e-mail to the respondents in each enterprise. The answers were sent back also by e-mail. In order to conduct interviews in Estonian organizations, contact with managers and employees were taken directly, agreements to conduct an interviews were given and then the respondents were interviewed. The Figure 1 relates the research tasks with the theoretical framework.

The *first research task* is to analyze connections between corporate social responsibility, individual and organizational level factors. Author used following questionnaires worked out by the Denki Ringo research group in Japan for measuring individual level factors - job satisfaction, meaning of work and attitude toward the firm and organizational level factors - behaviour of management, powerfulness of firm in competition against rivals and policy of firm. Author used following questionnaires worked out by the Denki Ringo research group in Japan for measuring two facets of corporate social responsibility – the firm performance concerning social issues and the firm respects the interests of agents. The authors of this article conducted the study in Estonian and Japanese enterprises (Study I).

The *second research task* was to analyze connections between organizational culture, individual and organizational level factors. In order to assess individual and organizational level factors, the authors used following questionnaires worked out by the Denki Ringo research group in Japan for measuring individual level factors - job satisfaction, meaning of work and attitude toward the firm and organizational level factors - behaviour of management, powerfulness of firm in competition against rivals and policy of firm. The author established a questionnaire for evaluating 4 organizational culture types – clan, market, hierarchy and adhocracy according to Cameron and Quinn. The survey with 6094 respondents was conducted in 2007-2008 in order to analyze connections between organizational culture, individual and organizational level factors in Estonian, Chinese, Japanese, Czech, Finish, German, Russian and Slovakian enterprises. After sending the Estonian data to Japan, the author obtained access to data from other 7 countries (Study II).

The *third research task* was to analyze connections between corporate social responsibility and organizational culture. In order to assess corporate social responsibility, the author used following questionnaires worked out by the Denki Ringo research group in Japan for measuring two facets of corporate social responsibility – the firm performance concerning social issues and the firm respects the interests of agents. The author established a questionnaire for evaluating 4 organizational culture types – clan, market, hierarchy and adhocracy according to Cameron and Quinn. The survey with 6094 respondents was conducted in 2007-2008 in order to analyze connections between corporate social responsibility and organizational culture in Estonian, Chinese, Japanese, Czech, Finish, German, Russian and Slovakian enterprises. After sending the Estonian data to Japan, the author obtained access to data from other 7 countries (Study III).

The fourth research task was to discover how individual, organizational level factors and orgazitional culture predict innovation climate. In order to find connections between individual, organizational level factors, organizational culture and innovation climate in Estonian, Chinese, Japanese, Russian and Slovakian enterprises, the authors conducted an empirical study in 2007-2008. A standardised job satisfaction, meaning of work, attitude toward the firm, powerfulness of firm in competition against rivals, behaviour of management and policy of firm questionnaire was developed by the Denki Ringo research group (Ishikawa et al, 2006) and translated from English into Estonian, Chinese, Japanese, Russian and Slovakian. The questionnaire was administered in Estonian, Chinese, Japanese, Russian and Slovakian electric-electronic machine, retail store and machine-building enterprises. The author developed a questionnaire for evaluating 4 organizational culture types – clan, market, hierarchy and adhocracy according to Cameron and Quinn and Scale of Innovation Climate based on Ekvall et al (1983). Innovation Climate Questionnaire items were selected. The final version of questionnaire for measuring innovation climate consisted 14 items (Study IV).

The *fifth research task* was to compare the connections between corporate social responsibility and innovation climate in Estonian, Chinese, Japanese, Czech, Finish, German, Russian and Slovakian enterprises in order to find out are there differences according to different national cultures. A standardised corporate social responsibility questionnaire comprising 19 items was developed by the Denki Ringo research group and translated from English into Estonian, Chinese, Czech, German, Finnish, Slovak and Japanese. Author developed Scale of Innovation Climate based on Ekvall et al. Innovation Climate Questionnaire items were selected. The final version of questionnaire for measuring innovation consisted 14 items. Ekvall's (1983) Innovation Climate Questionnaire (ICQ) incorporates thirteen scales: commitment, freedom, idea-support, positive relationships, dynamism, playfulness, idea-proliferation, stress, risk-taking, idea-time, shared view, pay recognition, and work recognition (Study V).

The *sixth research task* was to analyze connections between the success of implemented innovations and corporate social responsibility. The author prepared a survey concerning corporate social responsibility and innovation in Estonian organisations by using the interview method. In 2008, interviews with managers and employees in 86 public and private organisations were conducted. The author analysed the results of these interviews in Study VI.

2.2. The propositions for empirical analysis

According to Borger and Kruglianskas (2006) it was found that there were many evidences of a strong relationship between the adoption of a corporate social responsibility strategy by the firm and an effective environmental and innovative performance. Based on existing literature on the subject, the author has developed a number of propositions. The first three propositions are about the connections between corporate social responsibility, innovation climate, organizational culture, individual and organizational level factors. The theoretical reasoning for these three propositions can be found from Study I, II and III. The fourth proposition is about the types of innovations that have been implemented and what were the main indicators that influenced the implementation of innovations in Estonian organizations. This proposition can be found from Study IV. The fifth proposition is about how innovations are successful in organizations where CSR influences innovation positively. This proposition can be found from Study IV. Figure 1 relates the propositions, research tasks and the studies with the theoretical framework. The propositions are as follows:

P1. Corporate social responsibility predicts individual and organizational level factors.

P2. Organizational culture predicts individual and organizational level factors.

P3. Organizational culture predicts corporate social responsibility.

P4. Individual, organizational level factors and organizational culture predict innovation climate.

P5. Corporate social responsibility predicts innovation climate.

P6. There is connection between corporate social responsibility and success of innovations.
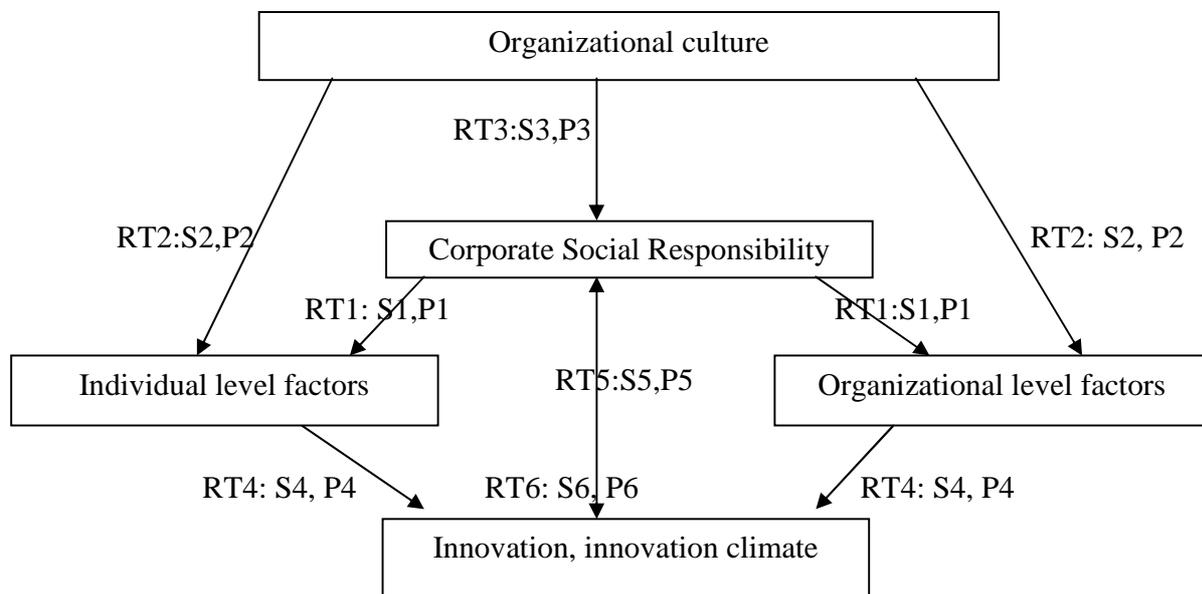
Figure 1. Propositions (P), Research Tasks (RT) and Studies (S) in connection with the theoretical framework.

2.3. Methods used in the research

In the research process several instruments were used. The author worked out interview questions for evaluating innovation climate and it`s connections with corporate social responsibility in Estonian organisations (Appendix 1). The questions are open- and close-ended, in order to obtain information about the types of innovations, process of innovation, reasons for innovations, organizational functions and organizational indicators the tables are added. The author organised and conducted the survey in 86 Estonian enterprises in following branches – tourism (4%), financing sector (16%), consultation services (4%), textile industry (16%), food and catering (8%), marketing (14%), building (3%), information technology (4%), metal industry (2%), security services (4%), logistics (3%), health care (3%), media (8%), local government (8%), ministry (3%). All together 86 interviews were conducted.

In order to analyse the connection between corporate social responsibility and innovation climate in Estonian organizations the author used correlation analysis.

The Questionnaire for Measuring Innovation Climate was developed by the author on the basis of the Ekvall et al. (1983) Innovation Climate Questionnaire. Items were selected. The internal consistency, or Cronbach`s Alpha coefficient was .70. The final version of questionnaire for measuring innovation climate consisted 14 items. The items used in the scales are presented in Appendix 1 of Study III.

The Questionnaire for measuring organization culture was developed by the author on the basis of a measure developed by Denki Ringo research group (Ishikawa et al, 2006) and on the theoretical base of Cameron and Quinn (1999). The author developed a questionnaire for measuring four organization culture types – clan, market, hierarchy and adhocracy. By using factor analysis and reliability tests, 19 items of organization culture received. The final version consists of 19 items, which form four subscales – clan with 5 items, market with 4 items, hierarchy with 5 items and adhocracy with 5 items. The internal consistency or Cronbach`s Alpha coefficient is .92 for clan culture type, .90 for market culture type, .87 for hierarchy culture type and .91 for adhocracy culture type. The items used in the scales are presented in Appendix 1 of Study II.

The Questionnaires for measuring corporate social responsibility, job satisfaction, meaning of work, attitudes toward the firm, powerfulness of firm in competition against rivals, behaviour of management and policy of firm was worked out by the Denki Ringo research group (Study I, Study II and Study III). To assess corporate social responsibility, individual and organizational level factors in different countries the author found a questionnaire designed by the Denki Ringo research group suitable. A standardised questionnaire with 83 items was used in every country. Questions were about job satisfaction (16 questions), meaning of work (6 questions), attitudes toward the firm (6 questions), powerfulness of firm in competition against rivals (10 questions), behaviour of management (6 questions), policy of firm (20 questions), the facet of corporate social responsibility - firm performance concerning social issues (11 questions) and the facet of corporate social responsibility - the firm respects the interests of agents (8 questions). Job satisfaction, meaning of work, attitudes toward the firm, powerfulness of firm in competition against rivals, behaviour of management, policy of firm, the facet of corporate social responsibility - firm performance concerning social issues and the facet of corporate social responsibility - the firm respects the interests of agents were evaluated on a five-point scale.

In the Denki Ringo research group a research partner from each country was requested to conduct the research in the following branches: electric-electronic machine, retail store, information-software production and machine-building enterprises. Following 8 countries participated in the study: Estonia, China, Japan, Czech, Finland, Germany, Russia and Slovak. The author organised

and conducted the survey in 8 Estonian enterprises and in 4 branches - electric-electronic machine, retail store, information-software production and machine-building enterprises with 623 respondents.

The linear regression analysis was used in order to find statistically relevant relationships.

Part 3. PUBLICATIONS

Study I

Übius, Ü., Alas, R. (2009). Corporate social responsibility and its influencing factors in Estonian and Japanese enterprises. International Research Journal "Problems and Perspectives in Management", issue 1.

Corporate social responsibility and it`s influencing factors in Estonian and Japanese enterprises

Abstract

The purpose of this paper is to investigate corporate social responsibility and it´s influencing factors in Estonian and Japanese enterprises. The results indicate significant differences, as well as similarities, in individual level factors - job satisfaction, meaning of work, attitude toward the firm, in organizational level factors - powerfulness of firm in competition against rivals, behavior of management, policy of firm and in facets of corporate social responsibility - firm performance concerning social issues and firm respect concerning interests of agents. Differences and similarities in different countries concerning corporate social responsibility is influenced by different cultural and historical background.

Keywords – Corporate social responsibility, job satisfaction, retail store enterprise, electronic enterprise, machine-building enterprise, Estonia, Japan

Introduction

This paper analyses corporate social responsibility and it`s influencing factors in Estonian and Japanese retail store enterprises, machine-building industries and electronic industries.

The main research question is: Are there differences and similarities concerning corporate social responsibility in Estonian and Japanese retail store enterprises, machine-building industries and electronic industries and what are the factors that influence these differences and similarities ?

Tanimoto and Suzuki (2005) argue that the Japanese approach to CSR is different from the Western approach, given various particularities in the Japanese economy and society. Even though many companies are now acting on a global scale, they may still have national, or at least regional, characteristics.

This study, therefore, investigates how country`s institutional framework influences corporate social responsibility and its different aspects. Data is collected from empirical studies in Estonian and Japanese retail store, machine-building and electronic enterprises and the results are discussed.

Corporate social responsibility (CSR)

Different organisations have framed different definitions about CSR - although there is considerable common ground between them.

CSR is about how companies conduct their business in a way that is ethical. CSR is about how companies manage the business processes to produce an overall positive impact on society. The World Business Council for Sustainable Development in its publication "Making Good Business Sense" by Lord Holme and Richard Watts, used the following definition. "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large".

Corporate social responsibility is a concept whereby companies fulfil accountability to their stakeholders by integrating social and environmental concerns in their business operations. (Tanimoto, Suzuki, 2005).

The European model is much more focused on operating the core business in a socially responsible way, complemented by investment in communities for solid business case reasons.

But as with any process based on the collective activities of communities of human beings (as companies are) there is no "one size fits all". In different countries, there will be different priorities, and values that will shape how business act.

The Japanese approach to CSR may well differ from the Western approach, given various differences in their socio-economic characteristics. The debate on CSR has not been settled yet, not only in Japan but also in the West. There is no consensus on the very definition of CSR (Tanimoto, Suzuki, 2005).

We should also remember that the 'West' is not monolithic. There is a great diversity in the approach to CSR even among Western countries (Adams et al. 1998; Maignam and Ralston 2002).

Today, corporate social responsibility extends along the whole chain of value creation. For example, corporations must provide the necessary information, education and training to suppliers and clients to ensure that a product or service can be effectively and safely used. Corporate social entrepreneurship is strictly defined as the transformation of socially and environmentally responsible ideas into products or services. The last decade has seen many individuals come up with innovative ideas to address the specific social and environmental needs of the communities in which they are living. Today, pioneering enterprises integrate social entrepreneurship into their core activities by actively channelling their research-and-development capabilities in the direction of socially innovative products and services (Schwab, 2008).

Corporate social responsibility and individual level factors

CSR research has shown that job applicant and employee perceptions of a firm's CSR affects how attractive these individuals perceive the firm to be (Greening, Turban, 2000).

Indeed, meta-analytic evidence clearly shows positive outcomes resulting from perceptions of justice such as enhanced job satisfaction, organizational commitment, organizational citizenship, and job performance (Colquitt, Conlon, Wesson, Porter, Ng, 2001).

Folger's morality-based view argues that it is respect for human dignity and worth that influences an individual's justice needs. That is, working for an organization perceived as just in its interactions with the larger social milieu satisfies individuals' needs for a meaningful existence (Folger, Cropanzano, Goldman, 2005). Because this type of motive is other focused, the role of CSR perceptions in satisfying such needs is a natural extension. Indeed, employees hold organizations accountable for their actions because they need to know that they are affiliated with an entity that 'does the right thing' morally. Here the focus is primarily on what others view as ethically appropriate (Rupp, Ganapathi, Aguilera, Williams, 2006).

Both Frankl (1965) and Maslow (1973) emphasise that work only becomes meaningful when it entails contribution to a cause, or society, beyond selfish needs. Maslow talks about "offering oneself or dedicating oneself upon some altar for some particular task, some cause outside oneself and bigger than oneself, something not merely selfish" and Frankl introduces his concept of responsibility by saying that "this meaning and value is attached to the person's work as a contribution to society, not to the actual occupation as such.

Corporate social responsibility mediated fully or partially the positive associations between ethics program variables and individual job satisfaction, suggesting that companies might better manage employees' ethical perceptions and work attitudes with multiple policies, an approach endorsed in the ethics literature (Valentine, Fleischman, 2008).

The underlying argument is that one of the ways companies can address an apparent lack of purpose and meaning in the workplace, which may in turn be associated with lower levels of employee motivation, job satisfaction and worker loyalty, is to actively engage in corporate social responsibility activities. By the same token, employees that make an effort to be involved in social responsibility initiatives in their workplace, be it through volunteering on community projects or in other ways, are likely to experience an enhanced their sense of meaning in the lives (Visser, Matten, Pohl, Tolhurst, 2008).

Corporate social responsibility and organisational level factors

Several theoretical frameworks have been used to examine CSR. Friedman (1970) asserts that engaging in CSR is symptomatic of an agency problem or a conflict between the interests of managers and shareholders. He argues that managers use CSR as a means to further their own social, political, or career agendas, at the expense of shareholders. According to this view, resources devoted to CSR would be more wisely spent, from a social perspective, on increasing firm efficiency. This theory has been tested empirically by Wright and Ferris (1997), who found that stock prices reacted negatively to announcements of divestment of assets in South Africa, which they interpreted as being consistent with agency theory.

The agency theory perspective has been challenged by other researchers, such as Preston (1978) and Carroll (1979), who outline a corporate social performance (CSP) framework. As exposited by Carroll (1979), this model includes the philosophy of social responsiveness, the social issues involved, and the social responsibility categories (one of which is economic responsibility). An empirical test of the CSP framework is presented in the work of Waddock and Graves (1997), who report a positive association between CSP and financial performance. The CSP model has much in common with the stakeholder perspective, which is the most widely used theoretical framework.

In a seminar paper on stakeholder theory, Freeman (1984) asserts that firms have relationships with many constituent groups and that these stakeholders both affect and are affected by the actions of the firm. According to Donaldson and Preston (1995), three aspect of this theory - normative, instrumental, and descriptive - are "mutually supportive." Jones and Wicks (1999) propose "converging" the social science (instrumental) and ethics (normative) components of stakeholder theory to arrive at a normative "theory" that illustrates "how managers can create morally sound approaches to business and make them work". The instrumental aspect and its relationship to conventional theories in economics and corporate strategy have also received considerable attention in the literature. For instance, Jones (1995) developed a model that integrates economic theory and ethics. He concluded that firms conducting business with stakeholders on the basis of trust and corporation have an incentive to demonstrate a sincere commitment to ethical behaviour. The ethical behaviour of firms will enable them to achieve a competitive advantage, because they will develop lasting, productive relationships with these stakeholders. Russo and Fouts (1997) examined CSR from a resource-based view of the firm perspective. Using this framework, they argue that CSP (specifically, environmental performance) can constitute a source of competitive advantage, especially in high-growth industries (Mcwilliams, Siegel, 2001).

Companies should fit into the ecological, social and cultural niche within which they are functioning. The most competitive companies are so unique in serving their stakeholders that their products and services have no substitutes, and they therefore have no real competitors at all (Zsolnai, 2006).

Based on the relevant literature we developed the following general propositions:

P1. Facets of corporate social responsibility are assessed differently in different countries.

P2. Facets of corporate social responsibility are influenced by different factors in different countries.

A historical comparison of Estonia and Japan

Estonia and Japan have different social, cultural, political and historical background.

Estonia was occupied by the Soviet Union in 1944. A state socialist society was built upon a centralised, hierarchical state coordinated through bureaucratically administered structures. Political, economic and other forms of institutional power were drawn from the same source and operated in a unidirectional manner, providing for effective control and a concentration of information. Since, during the Soviet period the state was responsible for guaranteeing work for everyone, enterprises were overstaffed and passive. Work places were over-secured (Liuhto, 1999).

Having regained independence in 1991, Estonia has undergone fundamental political and structural changes over the last decade, which have also affected the operation of its companies (Lääts, Haldma, 2002).

The three Baltic states—Lithuania, Latvia, and Estonia—have been deliberately moving away from the Soviet legacy toward liberal democracy and market capitalism. Lithuania, Latvia, and Estonia have reached a tangible accomplishment on their road toward reintegration with Western and Central Europe: in 2004 they were all admitted as full members of NATO and the European Union (Bilinsky, 2006).

Within a relatively short period of time Estonia has turned from an underdeveloped post-communist country to a politically and economically acceptable partner on the international arena the best evidence of which is the integration to NATO and EU. New situation creates new opportunities and sets up new tasks, but at the core of economic policy should still be ensuring ongoing development (Kaldaru, 2004).

The challenge of transformations in Central and Eastern Europe has involved a fundamental shift in the political order, from an authoritarian Communist Party rule to democracy (Bandelj, Radu, 2006).

Bunce (2003) wrote an article on what lessons from the postcommunist experience say about the democratization processes in general. One of her conclusions was that the uncertainty surrounding the postcommunist transitions to democracy varied significantly. This influenced, in turn, the strategies of transition and their payoffs. Hence, the most successful transitions in the postcommunist context involved a sharp break with the old order.

Bandelj and Radu (2006) found that indeed those post-1989 governments with a proreform orientation, not run by the former communists or nationalists helped their countries to a faster democratic consolidation. This is also in line with McFaul's (2002) findings based on a qualitative comparison of country cases, which show that changes in power are key: not surprisingly, democratic consolidation happens when proponents of democracy constitute the ruling elite.

From the 1950s to the 1980s, Japan experienced its rapid development into a major economic power, through a process often referred to as the Japanese post-war economic miracle. Japan's biggest postwar political crisis took place in 1960 over the revision of the Japan-United States Mutual Security Assistance Pact. 1989 marked one of the most rapid economic growth spurts in Japanese history.

In 1960s during Japan's rapid growth era, as companies single-mindedly pursued profit, industrial pollution and other social problems emerged mainly in heavy and chemical industries.

A strong anti-business sentiment emerged that regarded companies as inherently evil.

In 1970s a second land price surge occurred against the backdrop of the new plan to remodel the Japanese archipelago, and land speculation and rampant commodity speculation of trading companies became social issues. Key development in 1973 was the introduction of the floating exchange rate system, which along with the above developments symbolized the end of Japan's rapid growth era. The self-righteousness that companies acquired from rapid growth as well as corporate criticism both culminated at this time, and companies subsequently had little choice but to recognize CSR.

Following the 1985 Plaza Accord and the yen's surge, Japanese companies began to expand operations overseas, ushering in the era of globalization. In particular, companies entering the U.S. market experienced a culture shock due to differences in corporate culture and lifestyles. Domestically, while excess liquidity was fueling the imminent bubble economy, Japan's low standard of living—"rabbit hutch" dwellings, long work hours, and the unequal treatment of men and women—raised social issues which directly involved companies and employees.

In response, the idea of the "good corporate citizen" was introduced as companies actively financed social contributions in areas such as academics, the arts, welfare, and international exchange.

In 1990s land prices surged for a third time from the late 1980s as Japan's economy entered the bubble era, but plunged in 1991 when the bubble collapsed. Companies suffered a series of blows in the post-bubble 1990s: securities firms scurried to compensate the losses of large investors. Distrust of Japanese companies swelled to international proportions.

A new era of CSR began in 2000. Socially responsible investment (SRI) had reached Japan in the summer of 1999 with the emergence of Japan's first eco funds, and Japanese companies were bombarded with intrusive surveys by Western research agencies for SRI screening purposes. While eco funds initially focused on the environmental stance of companies, the scope of SRI gradually expanded to corporate governance and social contribution. Since the surveys influenced corporate valuations in capital markets, Japanese companies grudgingly complied.

Ricoh became the first of several companies to set up a CSR department in 2003, and Japanese companies began to implement new CSR initiatives from the perspective of risk management and sustainability (Kawamura, 2004).

Empirical study

The authors of this article conducted the study in Estonian and Japanese enterprises. In order to find differences and similarities according to corporate social responsibility in Estonian and Japanese enterprises, the authors conducted an empirical study in 2007-2008. The research was

done in 6 Estonian enterprises with 623 respondents and in 6 Japanese enterprises with 1570 respondents. The companies were selected in a non-random manner, as the organisation registers do not have a solid basis for random sampling because only a fraction of the registered enterprises are active in Estonia and Japan. Variety of industries were represented in the study: 38 % were from electronic industries, 30 % were from machine-building industries and 32 % were from retail store.

The sample The total number of respondents were 2193. According to personal data 58 % of respondents were male and 42 % were female. The average age of the employees in Estonian enterprises was 37 years and in Japanese enterprises 35 years.

Methodology A standardised corporate social responsibility questionnaire comprising 83 items was developed by the Denki Ringo research group (Ishikawa et al, 2006) and translated from English into Estonian and Russian. The questionnaire was administered in Estonian and Japanese retail store, electronic and machine-building enterprises. The questions in the survey addressed job satisfaction, meaning of work, powerfulness of firm in competition against rivals, behaviour of management, attitude toward the firm, policy of firm and some other issues. Data from the two countries were compared by means of the ANOVA-test. The linear regression analysis was used in order to find statistically relevant connections between corporate social responsibility and individual and organisational level factors.

The main research question is: Are there differences and similarities concerning corporate social responsibility in Estonian and Japanese retail store enterprises, machine-building industries and electronic industries and what are the factors that influence these differences and similarities ?

Results

Job satisfaction

Table I shows respondents` job satisfaction. Respondents from both countries value security of employment, range of their competence at work and self-actualization of their ability at work as an important factors of job satisfaction. Respondents from Estonia are more satisfied with length of working time and interaction with their boss. Whereas respondents from Japan are more satisfied with interaction with their colleagues. There are statistically significant differences between the countries in all 16 items.

Country		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	SUM
Estonia N= 621	M	4.14	4.34	3.77	3.71	3.82	4.61	3.48	3.90	3.61	3.29	4.18	3.93	3.61	4.18	4.01	3.75	3.89
	SD	0.94	0.76	1.02	1.22	1.10	0.66	1.27	1.07	1.03	1.36	1.00	1.08	1.33	0.91	0.61	0.86	0.64
Japan N = 995	M	3.14	3.16	3.02	2.99	2.79	2.82	2.67	2.83	2.76	2.77	3.29	3.05	3.06	3.19	3.52	2.95	3.00
	SD	0.83	0.81	1.07	0.93	0.92	0.96	1.03	0.93	0.82	0.95	0.90	0.79	1.02	0.94	0.81	0.85	0.57

Table I. Job satisfaction among Estonian and Japanese respondents

Notes: 1 - self-actualization of your ability at work; 2 - range of your competence at work; 3 - labour conditions (e.g. light, heating, noise); 4 - trust between workers and management; 5 - work load; 6 - length of working time; 7 - payments and bonuses; 8 - competence of management; 9 - promotion possibilities; 10 - training and retraining; 11 - security of employment; 12 - equal opportunities for men and women; 13 - welfare provisions in the firm; 14 - interaction with your boss; 15 - interaction with your colleagues; 16 - access to information about organization; a five-point scale was used, where 1 signifies dissatisfaction and 5 satisfaction. All indicators are statistically different between countries according to ANOVA-test, $p < 0.05$

Meaning of work

Table II shows respondents opinions concerning meaning of work. Respondents from Estonia rated highly the statements - work provides you with social contact with other people and work is in itself interesting. Whereas respondents from Japan rated highly the statement - work provides you with income that is needed. The Japanese respondents rated higher the statement - work is a way for you to serve for society than Estonian respondents. The ANOVA-test found statistically significant differences between the countries in all items, except no. 4.

Country		1	2	3	4	5	6	SUM
Estonia	M	3.20	3.65	3.16	3.92	3.10	3.72	3.46
N= 621	SD	1.05	1.19	1.34	0.84	1.00	1.25	0.62
Japan	M	2.25	3.91	3.09	3.33	3.36	3.23	3.19
N = 995	SD	0.94	0.79	0.88	0.93	0.90	0.94	0.56

Table II. Meaning of work among Estonian and Japanese respondents

Notes: 1 - work gives you status and prestige; 2 - work provides you with income that is needed; 3 - work keeps you absorbed in and excited; 4 - work provides you with social contact with other people; 5 - work is a way for you to serve for society; 6 - work is in itself interesting; a five-point scale was used, where 1 signifies entirely disagree and 5 completely agree. All indicators, except no. 4 are statistically different between countries according to ANOVA-test, $p < 0.05$

Attitude toward the firm

Table III shows respondents attitude toward the firm. Respondents from both countries rated highly the statements - sometimes I feel myself a screw in a large machine, I always have ideas that can be approved by management and I would like to take part in company's decision making, because I think my opinion is important. Respondents from Estonia rated also highly the statement - it is normal to sacrifice something for organization's sake.. Whereas respondents from Japan rated highly the statement - I am ready to take risk if it is approved. The ANOVA-test found statistically significant differences between the countries in all items.

Country		1	2	3	4	5	6	SUM
Estonia	M	3.19	3.47	3.49	3.36	3.48	3.52	3.42
N= 621	SD	1.02	0.82	1.10	1.03	1.23	0.85	0.58
Japan	M	2.71	2.90	2.86	2.91	2.63	2.95	2.83
N = 995	SD	0.80	0.82	0.97	0.88	0.99	1.00	0.65

Tabel III. Attitude toward the firm among Estonian and Japanese respondents

Notes: 1 - I always have ideas that can be approved by management; 2 - I would like to take part in company's decision making, because I think my opinion is important; 3 - I could take managerial position is situation demanded

it; 4 - I am ready to take risk if it is approved; 5 - it is normal to sacrifice something for organization's sake; 6 - sometimes I feel myself a screw in a large machine; a five-point scale was used, where 1 signifies disagreement and 5 agreement. All indicators are statistically different between countries according to ANOVA-test, $p < 0.05$

Powerfulness of firm in competition against rivals

Table IV shows respondents opinions concerning powerfulness of firm in competition against rivals. Respondents from Estonia rated highly the statements - powerfulness of firm in competition against rivals concerning aftercare service and quality of products and service. Whereas respondents from Japan rated highly the statements - powerfulness of firm in competition against rivals concerning brand and image of the firm. The ANOVA-test found statistically significant differences between the countries in all items, except no. 7.

Country		1	2	3	4	5	6	7	8	9	10	SUM
Estonia	M	3.43	4.14	3.82	3.23	3.79	3.23	3.56	4.15	3.35	3.87	3.66
N= 621	SD	0.87	0.66	0.68	1.14	0.69	1.01	0.85	0.86	1.42	1.04	0.73
Japan	M	3.64	3.54	2.66	3.91	3.61	3.21	3.35	3.32	3.07	3.13	3.34
N = 995	SD	0.85	0.85	0.89	0.80	0.83	0.87	0.76	0.87	0.78	0.85	0.82

Table IV. Powerfulness of firm in competition against rivals among Estonian and Japanese respondents

Notes: Powerfulness of firm in competition against rivals concerning following aspects: 1 - image of the firm; 2 - quality of products and service; 3 – cost; 4 – brand; 5 – technology; 6 –marketing; 7 - scale merit; 8 - aftercare service; 9 - quality of human resources; 10 - capability of top management; a five-point scale was used, where 1 signifies powerless at all and 5 powerful enough. All indicators, except no. 7 are statistically different between countries according to ANOVA-test, $p < 0.05$

Behaviour of management

Table V shows respondents opinions concerning behaviour of management. Respondents from both countries rated highly the statements - there is a clear set of principles that are followed by organization in it's activity and leaders of organization have long term goals. Respondents from Estonia rated also highly the statement - if management promised something, than it will do what promised. Whereas respondents from Japan rated highly the statement - management puts clear goals for workers. The ANOVA-test found statistically significant differences between the countries in all items.

Country		1	2	3	4	5	6	SUM
Estonia	M	3.91	3.72	3.91	3.60	3.79	3.98	3.82
N= 621	SD	1.08	0.82	0.99	1.25	1.02	1.00	0.74
Japan	M	3.14	2.71	3.40	3.26	3.22	3.79	3.25
N = 995	SD	0.85	0.92	0.91	0.92	0.85	0.93	0.79

Table V. Behaviour of management among Estonian and Japanese respondents

Notes: 1 - if management promised something, than it will do what promised; 2 - management is sure that it controls activity of all departments; 3 - leaders of organization have long term goals; 4 - management puts clear goals for workers; 5 - leaders & managers follow principles they set for the organization; 6 - there is a clear set of principles

that are followed by organization in it's activity; a five-point scale was used, where 1 signifies disagreement and 5 agreement. All indicators are statistically different between countries according to ANOVA-test, $p < 0.05$

Policy of firm

Table VI shows respondents opinions concerning policy of firm. Respondents from both countries rated highly the statements - we always try to overcome our rivals and goals of organization are clearly set on all organization's levels. Respondents from Estonia rated also highly the statement - company realizes clear mission that gives meaning and sense to work. Whereas respondents from Japan rated highly the statements - our organization cares even about temporarily hired workers and in some situations instructions and regulations are obstacles to effective work. The ANOVA-test found statistically significant differences between the countries in all items.

Country		1	2	3	4	5	6	7	8	9	10	11	12	13	SUM
Estonia	M	2.26	3.89	3.52	3.73	2.23	3.27	3.68	3.58	2.33	3.55	2.69	2.56	3.19	3.16
N = 621	SD	1.18	1.07	1.02	1.28	1.22	1.03	1.14	0.82	0.93	1.36	1.36	1.36	1.20	0.94
Japan	M	3.24	3.61	2.91	3.34	3.37	3.05	2.99	2.62	3.01	3.18	3.27	3.24	2.99	3.11
N = 995	SD	0.90	0.86	0.81	0.86	0.80	0.92	1.01	0.84	0.83	0.86	0.88	0.83	0.82	0.95

Tabel VI. Policy of firm among Estonian and Japanese respondents

Notes: 1 - management is apt to be behind the time for reacting to changing market; 2 - we always try to overcome our rivals; 3 - if market demands it, our organization can quickly restructure; 4 - goals of organization are clearly set on all organization's levels; 5 - in some situations instructions and regulations are obstacles to effective work; 6 - it is possible to be a good manager even not knowing answers to all questions of subordinates; 7 - in some cases one worker is under two managers; 8 - every process of work is governed in detail by instructions and rules; 9 - the order of organization is not hierarchically structured rigidly; 10 - employees qualification is considered to be a very important source of competitive domination; 11 - resources incleding human resorces are not allocated properly nor integrated totally; 12 - reward for success does not go to the department although everyone put an effort; 13 - we realize our input into society and feel our importance; a five-point scale was used, where 1 signifies disagreement and 5 agreement. All indicators are statistically different between countries according to ANOVA-test, $p < 0.05$

Firm performance concerning social issues

Table VII shows respondents opinions about firm performance concerning social issues. Respondents from both countries rated highly the statements – the firm pays effort to perform for compliance with the laws for business activities and for realization of the best quality of products and services. Respondents from Estonia rated also highly the statement - the firm pays effort to perform for trustful relations with customers. Whereas respondents from Japan rated highly the statements - the firm pays effort to perform for safety and security of products and services. The ANOVA-test found statistically significant differences between the countries in all items, except no. 10.

Country		1	2	3	4	5	6	7	8	9	10	11	SUM
Estonia	M	4.37	4.11	3.98	4.20	4.54	4.22	4.40	4.29	3.33	3.21	2.88	3.96
N= 621	SD	0.80	0.95	1.12	1.02	0.62	0.85	0.71	0.77	1.14	1.09	0.96	0.96
Japan	M	3.97	3.56	3.55	3.68	3.63	3.80	3.85	3.63	3.33	3.10	3.03	3.56
N = 995	SD	0.85	1.04	0.84	0.87	0.78	0.82	0.87	0.85	0.88	0.93	0.97	0.83

Tabel VII. Firm performance concerning social issues among Estonian and Japanese respondents

Notes: The firm pays effort to perform for the following issues: 1 - compliance with the laws for business activities; 2 - compliance with the laws for worker protection; 3 - care and service for consumers; 4 - environmental protection; 5 - trustful relations with customers; 6 - safety and security of products and services; 7 - realization of the best quality of products and services; 8 - aftercare for users; 9 - publicity of company information for society; 10 - contribution to science and culture; 11 - public activities for local community; a five-point scale was used, where 1 signifies answer – not at all and 5 answer - actively. All indicators, except no. 10, are statistically different between countries according to ANOVA-test, $p < 0.05$

The firm respects the interests of agents

Table VIII shows respondents opinions about the firm respects the interests of agents. Respondents from both countries rated highly the statements – the firm respects the interests of customers, consumers and subsidiary, subcontract firms. Respondents from Estonia rated also highly the statement - the firm respects the interests of employees. Whereas respondents from Japan rated highly the statement - the firm respects the interests of stock holders. The ANOVA-test found statistically significant differences between the countries in all items, except no. 3 and 4.

Country		1	2	3	4	5	6	7	8	SUM
Estonia	M	4.26	3.51	3.83	2.91	3.54	2.42	2.76	2.64	3.23
N= 621	SD	1.21	1.38	1.33	1.35	1.41	1.40	1.28	1.36	1.13
Japan	M	3.89	3.48	3.91	3.56	3.09	3.10	3.24	3.10	3.42
N = 995	SD	0.77	0.85	0.88	0.86	0.91	0.92	0.81	0.88	0.93

Tabel VIII. Firm respect the interests of agents among Estonian and Japanese respondents

Notes: The firm respects the interests of the following agents: 1 – customers; 2 - subsidiary, subcontract firms; 3 – consumers; 4 - stock holders; 5 –employees; 6 - trade union; 7 - public administration; local community; a five-point scale was used, where 1 signifies answer – not at all and 5 answer - fully. All indicators, except no. 3 and 4, are statistically different between countries according to ANOVA-test, $p < 0.05$

Connections between corporate social responsibility and job satisfaction, meaning of work, attitude toward the firm, powerfulness of firm in competition against rivals, behaviour of management and policy of firm

Different groups may have a different understanding and perspective concerning corporate social responsibility. Our main purpose was to evaluate the influence of corporate social responsibility on the job satisfaction, meaning of work, attitude toward the firm, powerfulness of firm in competition against rivals, behaviour of management and policy of firm. The authors analysed the relationships between corporate social responsibility and job satisfaction, meaning of work, attitude toward the firm, powerfulness of firm in competition against rivals, behaviour of management and policy of firm. In the analysis corporate social responsibility was taken as an independent variable and job satisfaction, meaning of work, attitude toward the firm, powerfulness of firm in competition against rivals, behaviour of management and policy of firm as dependent variables. We calculated a standardised regression coefficient Beta, which enabled us to predict how strongly corporate social responsibility forecast job satisfaction, meaning of work, attitude toward the firm, powerfulness of firm in competition against rivals, behaviour of

management and policy of firm. Analysis was applied separately for two different countries and every dependent variable.

		B	Beta	T	Sig.
Job satisfaction					
Estonia n=623, R²=.315, F(2.620)=143.18,p<.000	FP	.908	.562	16.478	.000*
	FR	-.772	-.256	-7.524	.000*
Japan n=994, R²=.274, F(2.916)=173.66,p<.000	FP	.345	.272	6.466	.000*
	FR	.542	.288	6.836	.000*
Meaning of work					
Estonia n=623, R²=.101, F(2.620)=34.994,p<.000	FP	.187	.322	8.239	.000*
	FR	-.020	-.018	-.479	.631
Japan n=994, R²=.130, F(2.935)=69.871,p<.000	FP	.075	.045	3,423	.000*
	FR	.162	.045	4.970	.000*
Powerfulness of firm in competition against rivals					
Estonia n=623, R²=.378, F(2.620)=188.90,p<.000	FP	.514	.631	19.402	.000*
	FR	-.275	-.181	-5.576	.000*
Japan n=994, R²=.420, F(2.913)=330.61,p<.000	FP	.356	.430	11.325	.000*
	FR	.318	.259	6.842	.000*
Behaviour of management					
Estonia n=623, R²=.340, F(2.620)=160.10,p<.000	FP	.397	.566	16.918	.000*
	FR	.078	.060	1.796	.072
Japan n=994, R²=.443, F(2.933)=372.16,p<.000	FP	.260	.434	11.802	.000*
	FR	.246	.275	7.498	.000*
Attitude toward the firm					
Estonia n=623, R²=.426, F(2.620)=230.40,p<.000	FP	.340	.623.	19.965	.000*
	FR	.098	.096	3.098	.002*
Japan n=994, R²=.026, F(2.935)=12.578,p<.000	FP	.044	.088	1.821	.068
	FR	.063	.084	1.749	.080
Policy of firm					
Estonia n=623, R²=.445, F(2.620)=248.90,p<.000	FP	.579	.464	15.124	.000*
	FR	.891	.384	12.499	.000*
Japan n=994, R²=.154, F(2.927)=84.482,p<.000	FP	.211	.280	6.149	.000*
	FR	.153	.136	2.993	.002*

Tabel IX. Connections between corporate social responsibility and job satisfaction, meaning of work, powerfulness of firm in competition against rivals, behaviour of management, policy of firm and attitude toward the firm (according to standardised regression coefficient Beta).

Notes. * - coefficient statistically significant, p<0,01
FP - Firm performance concerning social issues
FR - The firm respects the interests of agents

Results

Individual level

Job satisfaction
Meaning of work
Attitude toward
the organization

Organisational level

Powerfulness of firm in competition against rivals

Policy of firm

Behaviour of management

Respect the interests of agents

Organisation performance concerning social issues

Corporate social responsibility
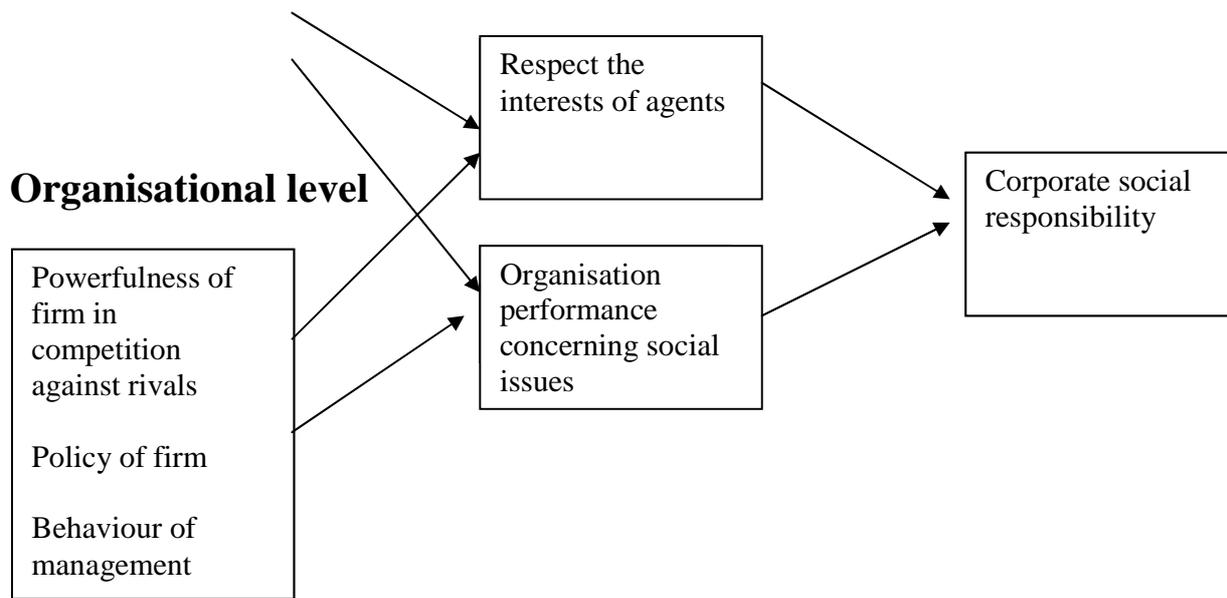
Tabel X. Impact of individual level factors - job satisfaction, meaning of work, attitude toward the firm and organisational level factors - powerfulness of firm in competition against rivals, behaviour of management, policy of firm to corporate social responsibility.

Conclusions

The findings indicate both similarities and differences according to corporate social responsibility in Estonian and Japanese enterprises. Corporate social responsibility is an important value in Estonian and Japanese enterprises according to this study.

There were statistically significant differences between Estonian and Japanese respondents according to job satisfaction, meaning of work, attitudes toward the firm, powerfulness of firm in competition against rivals, behaviour of management, policy of firm and 2 facets of corporate social responsibility.

Respondents from Estonia are more satisfied with length of working time and interaction with their boss. Whereas respondents from Japan are more satisfied with interaction with their colleagues.

Respondents from Estonia rated highly the statements - work provides you with social contact with other people and work is in itself interesting. Whereas respondents from Japan rated highly the statement - work provides you with income that is needed. The Japanese respondents rated higher the statement - work is a way for you to serve for society than Estonian respondents.

Respondents from Estonia rated highly the statements - powerfulness of firm in competition against rivals concerning aftercare service and quality of products and service. Whereas respondents from Japan rated highly the statements - powerfulness of firm in competition against rivals concerning brand and image of the firm.

Respondents from Estonia rated also highly the statement - if management promised something, than it will do what promised. Whereas respondents from Japan rated highly the statement - management puts clear goals for workers. Respondents from Estonia rated also highly the

statement - it is normal to sacrifice something for organization's sake whereas respondents from Japan rated the same statement lowest. Whereas respondents from Japan rated highly the statement - I am ready to take risk if it is approved. Respondents from Estonia rated also highly the statement - company realizes clear mission that gives meaning and sense to work. Whereas respondents from Japan rated highly the statements - our organization cares even about temporarily hired workers and in some situations instructions and regulations are obstacles to effective work. Respondents from Estonia rated also highly the statement - the firm pays effort to perform for trustful relations with customers. Whereas respondents from Japan rated highly the statements - the firm pays effort to perform for safety and security of products and services. Respondents from Estonia rated also highly the statement - the firm respects the interests of employees. Whereas respondents from Japan rated highly the statement - the firm respects the interests of stock holders. Concerning respondents opinions about the firm respects the interests of agents the respondents from Japan rated highly the statements - the firm respects the interests of public administration, local community, trade union and stock holders. Respondents from Estonia rated highly the statement - the firm respects the interests of customers.

Corporate social responsibility in enterprise is strongly influenced by society enterprise is operating. In Japan enterprises respondents are more satisfied with contacts with their colleagues, work is for them a way to serve for society which is common to collectivist cultures. Economic growth and success can be also seen from answers of Japanese respondents. They rated highly the statements - the firm respects the interests of stock holders, work provides you with income that is needed, I am ready to take risk if it is approved.

The Japanese approach is different from the Western approach, given various particularities in the Japanese economy and society. Even though many companies are now acting on a global scale, they may still have national, or at least regional, characteristics.

Similarities according to corporate social responsibility in both countries are following. Respondents from both countries value security of employment, range of their competence at work and self-actualization of their ability at work as an important factors of job satisfaction. Respondents from both countries rated highly the statements - there is a clear set of principles that are followed by organization in it's activity and leaders of organization have long term goals, sometimes I feel myself a screw in a large machine, I always have ideas that can be approved by management and I would like to take part in company's decision making, because I think my opinion is important, we always try to overcome our rivals and goals of organization are clearly set on all organization's levels, the firm pays effort to perform for compliance with the laws for business activities and for realization of the best quality of products and services and the firm respects the interests of customers, consumers and subsidiary, subcontract firms.

The propositions discussed at the beginning of the paper will now be re-evaluated. *P1* which postulated that facets of corporate social responsibility are assessed differently in different countries appears to have some validity. Estonian respondents assessed the facet - firm performance concerning social issues higher than their counterparts in Japan. Japanese respondents assessed the facet - the firm respects the interests of agents higher than Estonian respondents. This may reflect the greater connection between corporate social responsibility and the cultural framework, whereas in Japan it is important for successful business to respect and take into account the interests of agents and in Estonia firm performance concerning social issues has become crucial for success in business organisations. *P2* postulated that facets of corporate social responsibility are influenced by different factors in different countries. P2 postulate is partially supported by the findings. The biggest similarities

were found concerning the facet of corporate social responsibility - firm respects the interests of agents, which is predicted in both countries by job satisfaction, powerfulness of firm in competition against rivals, behaviour of management and policy of firm. The differences were found concerning the facet of corporate social responsibility - firm performance concerning social issues, which is predicted by powerfulness of firm in competition against rivals and policy of firm in both countries but also by meaning of work and attitude toward the firm in Estonia and by job satisfaction and behaviour of management in Japan. The differences can be explained by organisational culture in both countries which is different. In Estonia meaningful work and employees positive attitude toward the firm bring along corporate social responsibility, whereas in Japan employees job satisfaction and behaviour of management bring along corporate social responsibility. Therefore in Estonian enterprises firm performance concerning social issues is achieved by assuring meaningful work and positive attitude toward the firm among employees whereas in Japan it is assured by management and employees job satisfaction.

Differences and similarities concerning corporate social responsibility indicate that corporate social responsibility is influenced by similar factors in different countries and also by different factors in different countries. Differences are influenced by different cultural background which influences organisational culture.

The conclusion from this study is that the similarities concerning corporate social responsibility are influenced by similar democratic system in both countries and differences are influenced by different cultural and historical background.

Implications for managers – corporate social responsibility is a complex entity and depends on different factors in individual and organisational level. Corporate social responsibility is understood and evaluated differently in different countries.

Limitations of study
There are also limitations in this study connected with its general framework. Due to the limitations of thesis documents, the author has focused only on certain factors, but there could also be other factors influencing corporate social responsibility. The author explored concrete connections between a limited number of factors and the other influences have been left for future research. Innovation management, ethical values in business could be studied and analyzed concerning corporate social responsibility.
This research was done in retail store, electronic and machine-building enterprises. The research results cannot be generalised for public sector organisations.

Further research proposal
In order to get more information about the influence of institutional stage, comparative studies could be done in other countries such as European Union countries, USA, China, Russia etc. Attention should also be turned to several industries and socio-demographic groups.
The concept of corporate social responsibility could be studied in more detail by using the model developed in this research. Concept corporate social responsibility is understood and valued differently in different countries with different cultural background. Firstly cultural differences concerning the concept of corporate social responsibility should be studied. Secondly factors that influence corporate social responsibility in different countrie should be find out.

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Study II

Übius, Ü., Alas, R. (2008). Organizational culture – predictor of individual and organizational level factors ? EBS Review, 25.

Organizational culture – predictor of individual and organizational level factors?

Abstract

The purpose of this paper is to investigate connections between organizational culture, individual and organizational level factors. The survey was conducted in Chinese, Estonian, Japanese, Slovakian, Russian and Czech electric-electronic machine, retail store, information-software production and machine-building enterprises. Linear regression analysis was done in order to analyze connections between organizational culture types – clan, market, hierarchy, adhocracy, individual level factors - job satisfaction, attitude toward the firm, meaning of work and organizational level factors - powerfulness of firm in competition against rivals, behavior of management and policy of firm. The total number of respondents was 5742.

The results of an empirical study show that organizational culture types – clan, market, hierarchy and adhocracy predict job satisfaction, attitude toward the firm, meaning of work, powerfulness of firm in competition against rivals, behaviour of management and policy of firm, but it varies according to countries. The 11 models developed explains how 4 organizational culture types predict individual and organizational level factors in Chinese, Estonian, Japanese, Slovakian, Russian and Czech enterprises.

Keywords: organizational culture, job satisfaction, meaning of work, attitude toward the firm, powerfulness of firm in competition against rivals, behaviour of management, policy of firm, Estonia, China, Slovakia, Czech, Russia, Japan.

Introduction

This paper analyses connections between organizational culture types - clan, market, hierarchy and adhocracy, individual level factors - job satisfaction, attitude toward the firm, meaning of work and organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm in Chinese, Estonian, Japanese, Slovakian, Russian and Czech enterprises.

The main research questions are: how does organizational culture predict individual and organizational level factors ? Are there connections between organizational culture and job satisfaction, attitude toward the firm, meaning of work, powerfulness of firm in competition against rivals, behaviour of management and policy of firm ?

This study, therefore, investigates how organizational culture predicts job satisfaction, attitude toward the firm, meaning of work, powerfulness of firm in competition against rivals, behaviour of management and policy of firm. Data is collected from empirical studies in Chinese, Estonian, Japanese, Slovakian, Russian and Czech electric-electronic machine, retail store, information-software production and machine-building enterprises. Results are discussed.

ORGANIZATIONAL CULTURE

By Schein (1992) organisational culture is the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and integral integration. Trice and Beyer (1993) have also connected culture with environment, seeing organisational culture as a collective response to uncertainty and chaos.

According to Cameron and Quinn (1999) there are many kinds or levels of culture that affect individual and organizational behaviour. At the broadest level, a global culture, such as a world religion`s culture or the culture of the Eastern hemisphere, would be the highest level.

Researchers Hofstede (1980) and Tromperaars (1992) have reported marked differences among countries based on certain key dimensions. For example, national differences exist among countries on the basis of universalism versus particularism, individualism versus collectivism, neutrality versus emotionality, specificity versus diffuseness, focus on achievement versus ascription, focus on past versus present versus future, and an internal focus versus an external focus (Tromperaars, 1992).

According to Cameron and Quinn (1999) culture defines the core values, assumptions, interpretations and approaches that characterise an organization. Competing Values Framework is extremely useful in helping to organize and interpret a wide variety of organizational phenomena. The four dominant culture types – hierarchy, market, clan and adhocracy emerge from the framework. Most organizations develop a dominant cultural style. More than 80 percent of the several thousand organizations they have studied have been characterized by one or more of the culture type identified by the framework. Those that do not have a dominant culture type either tend to be unclear about their culture, or they emphasize nearly equally the four different cultural types.

The Hierarchy Culture

Weber (1947) proposed seven characteristics that have become known as the classical attributes of bureaucracy (rules, specialization, meritocracy, hierarchy, separate ownership, impersonality and accountability). They were adopted widely in organizations whose major challenge was to generate efficient, reliable, smooth-flowing, predictable output.

The organizational culture compatible with this form is characterized by a formalized and structured place to work. Effective leaders are good coordinators and organizers. Maintaining a smooth-running organization is important. The long-term concerns of the organization are stability, predictability and efficiency. Formal rules and policies hold the organization together. New employees begin by doing only one specific job (Cameron, Quinn, 1998).

The Market Culture

The market culture type was based largely on the work of Williamson (1975) and Ouchi (1981). The term market refers to a type of organization that functions as a market itself. It is oriented toward the external environment instead of internal affairs. It is focused on transactions with external constituencies including suppliers, customers, contractors, licensees, unions, regulators and so forth. The market operates primarily through economic market mechanisms, mainly monetary exchange. That is, the major focus of market is to conduct transactions (exchanges, sales, contracts) with other constituencies to create competitive advantage. Profitability, bottom line results, strength in market niches, stretch targets and secure customer bases are primary objectives of the organization. The core values that dominate market type organizations are competitiveness and productivity. The major task of management is to drive the organization toward productivity, results and profits. It is

assumed that a clear purpose and an aggressive strategy lead to productivity and profitability (Cameron, Quinn, 1999).

The Clan Culture

A number of researchers observed fundamental differences between the market and hierarchy forms of design in America and clan forms of design in Japan (Ouchi, 1981; Pascale & Athos, 1981). It is called a clan because of its similarity to a family-type organization. Typical characteristics of clan-type firms were teamwork, employee involvement programs and corporate commitment to employee.

Some basic assumptions in a clan culture are that the environment can best be managed through teamwork and employee development, customers are best thought as partners, the organization is in the business of developing a humane work environment and the major task of management is to empower employees and facilitate their participation, commitment and loyalty (McGregor, 1960; Likert, 1970; Argyris, 1964).

The organization is held together by loyalty and tradition. The organization emphasizes the long-term benefit of individual development with high cohesion and morale being important. Success is defined in terms of internal climate and concern of people (Cameron, Quinn, 1998).

The Adhocracy Culture

The root of the word adhocracy is ad hoc – referring to a temporary, specialized, dynamic unit. Most people have served on an ad hoc task force or committee, which disbands as soon as its task is completed. Adhocracies are similarly temporary. They have been characterized as" tents rather than palaces" in that they can reconfigure themselves rapidly when new circumstances arise. A major goal of an adhocracy is to foster adaptability, flexibility and creativity where uncertainty, ambiguity and/or information-overload are typical. An important challenge of these organizations is to produce innovative products and services and to adapt quickly to new opportunities. Unlike markets or hierarchies, adhocracies do not have centralized power or authority relationships. Instead, power flows from individual to individual or from task team to task team depending on what problem is being addressed at the time. A high emphasis on individuality, risk taking and anticipating the future exists as almost everyone in an adhocracy becomes involved with production, clients, research and development and so forth (Cameron, Quinn, 1999).

CONNECTIONS BETWEEN ORGANIZATIONAL CULTURE, INDIVIDUAL AND ORGANIZATIONAL LEVEL FACTORS

Organizational culture and job satisfaction

Sempane, Rieger and Roodt (2002) conducted a study in a service organisation to establish whether a relationship existed between the variables job satisfaction and organisational culture of employees within a service organisation. Their research has proven a significant positive correlation between the two variables (r = 0,743). In a study conducted by Tzeng, Ketefian and Redman (2002), they wanted to determine the relationship of nurses' assessment of organisational culture, job satisfaction and patient satisfaction with nursing care. They found that strength of organisational culture predicted job satisfaction well and positively.

Silverthorne (2004) found that organizational culture plays an important role in the level of job satisfaction and commitment in an organization.

Lund (2003) examined the impact of organizational culture types according to Cameron and Freeman's (1991) model of organizational cultures comprising of clan, adhocracy, hierarchy, and market on job satisfaction. The results indicate that job satisfaction levels varied across corporate cultural typology. Job satisfaction was positively related to clan and adhocracy cultures and negatively related to market and hierarchy cultures.

Organizational culture and attitudes toward the firm

Organizational culture is important because shared beliefs and norms affect employee perceptions, behaviours, and emotional responses to the workplace. For example, culture has been found to influence organizational climate and provider attitudes including work attitudes (Aarons & Sawitzky, 2006; Carmazzi & Aarons, 2003; Glisson & Hemmelgarn, 1998; Glisson & James, 2002), as well as employee behaviors that contribute to the success or failure of an organization (Ashkanasy, Wilderom, & Peterson, 2000).

Organizational culture and meaning of work

According to Seel (2000) organisation culture is the emergent result of the continuing negotiations about values, meanings and proprieties between the members of that organisation and with its environment. In other words, culture is the *result* of all the daily conversations and negotiations between the members of an organisation. They are continually agreeing (sometimes explicitly, usually tacitly) about the 'proper' way to do things and how to make meanings about the events of the world around them.

According to Stevens (1991) effective strategy implementation depends on the extent to which resultant changes conform to existing knowledge structures used by members of the organization to make sense of and give meaning to their work. Such cognitive paradigms form the culture construct of the organization.

Organizational culture and behavior of management

According to Kanne-Urrabazo (2006) many managers do not deny the importance of organizational culture in employee satisfaction, few fail to realize the direct impact they have in shaping it. It is oftentimes believed that cultures are predetermined; however, this is a false assumption. It is crucial that managers at all levels are aware of their roles and responsibilities in upholding positive workplace environments that can increase employee satisfaction.

By Schein (2004) organizational cultures are created by leaders, and one of the most decisive functions of leadership may well be the creation, the management, and – if and when that may become necessary – the destruction of culture.

Organizational culture and firm policy

According to Cronqvist, Low and Nilsson (2007) consistent with predictions from economic theories of corporate culture, they also found that the corporate culture effects in firm policies are long-term, stronger for internally grown business units, and older firms. Their evidence is also consistent with firms preserving their cultures by selecting management teams that fit in

their cultures. Their evidence showed that a firm's corporate culture matters for its policy choices and performance.

Organizational culture and competitive advantage

According to Cameron and Quinn (1999) the major distinguishing feature in successful companies, their most important competitive advantage and the most powerful factor they all highlight as a key ingredient in their success, is their organizational culture.

Three attributes that a firm's culture must have to generate sustained competitive advantages are isolated. Previous findings suggest that the cultures of some firms have these attributes; thus, these cultures are a source of such advantages according to Barney (1986).

Based on the relevant literature we developed the following general propositions:

P1. Four organizational culture types – hierarchy, market, clan and adhocracy predict individual level factors - job satisfaction, attitude toward the firm and meaning of work.

P2. Four organizational culture types – hierarchy, market, clan and adhocracy predict organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm.

EMPIRICAL STUDY

The authors of this article conducted the study in Chinese, Estonian, Japanese, Slovakian, Russian and Czech enterprises. In order to find connections between organizational culture types and job satisfaction, attitude toward the firm, meaning of work, powerfulness of firm in competition against rivals, behaviour of management and policy of firm in Chinese, Estonian, Japanese, Slovakian, Russian and Czech enterprises, the authors conducted an empirical study in 2007-2008. The research was done in Chinese enterprises with 1150 respondents, in Estonian enterprises with 623 respondents, in Japan enterprises with 1570 respondents, in Slovakian enterprises with 605 respondents, in Russian enterprises with 684 respondents and in Czech enterprises with 1110 respondents. The companies were selected in a non-random manner, as the organisation registers do not have a solid basis for random sampling because only a fraction of the registered enterprises are active in China, Estonia, Japan, Slovakia, Russia and Czech. The total number of respondents was 5742.

Methodology A standardised organizational culture and job satisfaction, attitude toward the firm, meaning of work, powerfulness of firm in competition against rivals, behaviour of management and policy of firm questionnaire comprising 64 items was developed by the Denki Ringo research group (Ishikawa et al, 2006) and translated from English into Chinese, Estonian, Japanese, Slovak, Russian and Czech. The questionnaire was administered in Chinese, Estonian, Japanese, Slovakian, Russian and Czech electric-electronic machine, retail store, information-software production and machine-building enterprises. The questions in the survey addressed 4 different culture types – hierarchy, clan, market, adhocracy and individual level factors - job satisfaction, attitude toward the firm, meaning of work and organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm.

The linear regression analysis was used in order to find statistically relevant connections between individual and organizational level factors and 4 organisational culture types - hierarchy, clan, market and adhocracy.

The main research question is: Do four organizational culture types – hierarchy, market, clan and adhocracy predict individual level factors - job satisfaction, attitude toward the firm, meaning of work and organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm ?

RESULTS

New Scales of four organizational culture types – clan, market, hierarchy, adhocracy

Based on Cameron and Quinn (1999) we developed subscales for measuring organizational culture types. Items were selected. The internal consistency, or Cronbach`s Alpha coefficient is .92 for clan culture type, .90 for market culture type, .87 for hierarchy culture type and .91 for adhocracy culture type.

We developed a questionnaire for measuring four organizational culture types – clan, market, hierarchy and adhocracy. The final version consists of 19 items, which form four subscales – clan with 5 items, market with 4 items, hierarchy with 5 items and adhocracy with 5 items.

Connections between organizational culture types, individual and organizational level factors

Our main purpose was to evaluate how organizational culture predicts individual and organizational level factors. The authors used Linear Regression analysis. In the analysis individual and organizational level factors were taken as a dependent variable and culture types as independent variables. We calculated a standardised regression coefficient Beta, which enabled us to predict how strongly organizational culture forecast individual level factors - job satisfaction, attitude toward the firm, meaning of work and organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm. Analysis was applied separately for 4 culture types and for 3 individual level factors and for 3 organizational level factors.

Four organizational culture types – hierarchy, market, clan and adhocracy predict individual level factors - job satisfaction, attitude toward the firm, meaning of work and organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm differently in different countries (Table 1, 2, 3, 4, 5, 6).

Table 1. Four organizational culture types forecast individual and organizational level factors in Chinese enterprises (according to standardised regression coefficient Beta).

		B	Beta	t	Sig.
CHINA					
Individual level factors					
Job satisfaction					
N=1150, R²=.019, F(4.1145)=5.6838,	CLAN	.013	.018	0.450	.652
	MARKET	.003	.004	0.099	.920

p<.000	HIERARCHY	.011	.030	0.982	.325
	ADHOCRACY	.086	.112	2.675	**.007***

Attitude toward the firm

N=1150, R²=.001, F(4.1134)=53552, p<.000	CLAN	.000	.000	0.019	.984
	MARKET	-.004	-.012	-0.315	.752
	HIERARCHY	-.007	-.041	-1.338	.181
	ADHOCRACY	.007	.020	0.519	.603

Meaning of work

N=1150, R²=.072, F(4.1145)=22.327, p<.000	CLAN	.065	.056	1.434	.151
	MARKET	.013	.011	0.273	.784
	HIERARCHY	.043	.072	2.411	.016
	ADHOCRACY	.231	.191	4.670	**.000***

Organizational level factors

Powerfulness of firm in competition against rivals

N=1150, R²=.002, F(4.1136)=75435 p<.000	CLAN	-.002	-.004	-0.117	.906
	MARKET	-.010	-.018	-0.456	.648
	HIERARCHY	-.003	-.013	-0.423	.671
	ADHOCRACY	.036	.063	1.564	.117

Behaviour of management

N=1150, R²=.002, F(4.1136)=66745 p<.000	CLAN	.005	.014	0.392	.694
	MARKET	-.000	-.002	-0.068	.945
	HIERARCHY	-.006	-.034	-1.119	.263
	ADHOCRACY	.012	.033	0.879	.379

Policy of firm

N=1150, R²=.003, F(4.1128)=94225, p<.000	CLAN	.011	.011	0.365	.714
	MARKET	.029	.029	0.886	.375
	HIERARCHY	.013	.034	1.145	.252
	ADHOCRACY	.010	.010	0.321	.747

Notes. * - coefficient statistically significant, $p < 0,01$

According to the linear regression analysis results in Table 1, in Chinese enterprises adhocracy culture type predicts job satisfaction (R^2=.019, F(4.1145)=5.6838, p<.000) and meaning of work (R^2=.072, F(4.1145)=22.327, p<.000). The predictive power of the other individual and organizational level dependent variables is not so uniform and differs according to the variable. The determinant coefficients R^2 are calculated for the regression model including four organizational culture types as independent variables.

Table 2 Four organizational culture types forecast individual and organizational level factors in Estonian enterprises (according to standardised regression coefficient Beta).

		B	Beta	t	Sig.
ESTONIA					
Individual level factors					
Job satisfaction					
N=623, R²=.466, F(4.618)=135.12, p<.000	CLAN	.382	.094	2.032	.042
	MARKET	.347	.545	10.760	**.000***
	HIERARCHY	.351	.129	2.826	**.004***
	ADHOCRACY	-.154	-.047	-1.045	.296
Attitude toward the firm					
N=623, R²=.669, F(4.618)=313.50, p<.000	CLAN	.378	.293	8.022	**.000***
	MARKET	.232	.169	4.250	**.000***
	HIERARCHY	.189	.219	6.088	**.000***
	ADHOCRACY	.256	.250	6.941	**.000***
Meaning of work					
N=623, R²=.246, F(4.618)=50.424, p<.000	CLAN	.281	.155	2.816	**.005***
	MARKET	.521	.270	4.497	**.000***
	HIERARCHY	-.173	-.143	-2.632	**.008***
	ADHOCRACY	.340	.237	4.347	**.000***
Organizational level factors					
Powerfulness of firm in competition against rivals					
N=623, R²=.554, F(4.618)=192.17 p<.000	CLAN	.018	.009	0.220	.825
	MARKET	.871	.425	9.182	**.000***
	HIERARCHY	.308	.237	5.690	**.000***
	ADHOCRACY	.229	.149	3.575	**.000***
Behaviour of management					
N=623, R²=.644, F(4.618)=280.28 p<.000	CLAN	.486	.293	7.743	**.000***
	MARKET	.675	.382	9.263	**.000***
	HIERARCHY	.217	.195	5.233	**.000***
	ADHOCRACY	.028	.021	0.572	.566
Policy of firm					
N=623, R²=.638, F(4.618)=273.31,	CLAN	.526	.518	13.560	**.000***
	MARKET	.227	.072	1.739	.082

| p<.000 | HIERARCHY | -.087 | -.044 | -1.170 | .242 |
| | ADHOCRACY | .747 | .319 | 8.454 | **.000*** |

Notes. * - coefficient statistically significant, p<0,01

According to the linear regression analysis results in Table 2, in Estonian enterprises all four culture types – clan, market, hierarchy and adhocracy predict attitude toward the firm (R^2=.669, $F_{(4.618)}$=313.50, p<.000) and meaning of work (R^2=.019, $F_{(4.1145)}$=5.6838, p<.000) Individual level factor – job satisfaction is predicted by market and hierarchy culture types (R^2=.466, $F_{(4.618)}$=135.12, p<.000). Organizational level factors - powerfulness of firm in competition against rivals is predicted by market, hierarchy and adhocracy culture types (R^2=.554, $F_{(4.618)}$=192.17, p<.000), behaviour of management is predicted by clan, market and hierarchy culture types (R^2=.644, $F_{(4.618)}$=280.28, p<.000) and policy of firm is predicted by clan and adhocracy (R^2=.638, $F_{(4.618)}$=273.31, p<.000). The determinant coefficients R^2 are calculated for the regression model including four organizational culture types as independent variables.

Table 3. Four organizational culture types forecast individual and organizational level factors in Japanese enterprises (according to standardised regression coefficient Beta).

		B	**Beta**	**t**	**Sig.**
JAPAN					
Individual level factors					
Job satisfaction					
N=1570, R^2=.023, F(4.1565)=9.6115, p<.000	CLAN	-.109	-.149	-2.628	**.008***
	MARKET	-.004	-.006	-0.121	.903
	HIERARCHY	.028	.036	0.654	.512
	ADHOCRACY	.186	.240	3.716	**.000***
Attitude toward the firm					
N=1570, R^2=.002, F(4.1529)=.81749, p<.000	CLAN	.000	.000	0.009	.992
	MARKET	-.002	-.007	-0.189	.849
	HIERARCHY	-.006	-.024	-0.570	.568
	ADHOCRACY	-.005	-.019	-0.399	.689
Meaning of work					
N=1570, R^2=.046, F(4.1565)=19.258, p<.000	CLAN	.023	.042	0.755	.450
	MARKET	-.099	-.162	-3.296	**.001***
	HIERARCHY	-.009	-.015	-0.279	.779
	ADHOCRACY	.182	.311	4.860	**.000***
Organizational level factors					
Powerfulness of firm in competition against rivals					

		B	Beta	t	Sig.
N=1570, R²=.010, F(4.1528)=4.1516 p<.000	CLAN	-.022	-.057	-1.229	.218
	MARKET	-.007	-.017	-0.430	.666
	HIERARCHY	-.060	-.144	-3.154	**.001***
	ADHOCRACY	.068	.164	3.074	**.002***
Behaviour of management					
N=1570, R²=.017, F(4.1531)=7.0007 p<.000	CLAN	-.010	-.034	-0.808	.418
	MARKET	-.018	-.056	-1.478	.139
	HIERARCHY	-.045	-.153	-3.535	**.000***
	ADHOCRACY	.075	.251	5.094	**.000***
Policy of firm					
N=1570, R²=.056, F(4.1531)=23.047, p<.000	CLAN	-.014	-.033	-0.791	.428
	MARKET	-.072	-.153	-4.132	**.000***
	HIERARCHY	-.004	-.011	-0.262	.792
	ADHOCRACY	-.029	-.064	-1.346	.178

Notes. * - coefficient statistically significant, p<0,01

According to the linear regression analysis results in Table 3, in Japanese enterprises individual level factors – job satisfaction is predicted by clan and adhocracy culture types (R^2=.023, F(4.1565)=9.6115, p<.000) and meaning of work is predicted by market and adhocracy culture types (R^2=.046, F(4.1145)=19.258, p<.000). Organizational level factors - powerfulness of firm in competition against rivals (R^2=.010, F(4.1528)=4.1516, p<.000) and behaviour of management (R^2=.017, F(4.1531)=7.0007, p<.000) are predicted by hierarchy and adhocracy culture types, policy of firm is predicted by market culture type (R^2=.056, F(4.1531)=23.047, p<.000). Individual level factor – attitude toward the firm isn`t predicted by any culture types in Italian enterprises. The predictive power of the other individual and organizational level dependent variables is not so uniform and differs according to the variable. The determinant coefficients R^2 are calculated for the regression model including four organizational culture types as independent variables. Thus, our hypothesis is supported by the results of empirical analysis.

Table 4 Four organizational culture types forecast individual and organizational level factors in Slovakian enterprises (according to standardised regression coefficient Beta).

		B	**Beta**	**t**	**Sig.**
SLOVAKIA					
Individual level factors					
Job satisfaction					
N=605, R²=.021, F(4.1573)=9.6118, p<.000	CLAN	-.210	-.058	-0.938	.348
	MARKET	.026	.219	3.523	**.000***
	HIERARCHY	.177	.051	0.870	.384
	ADHOCRACY	.048	.316	5.251	**.000***

Attitude toward the firm					
N=605, R²=.003, F(4.143)=.81256, p<.000	CLAN	.102	.066	1.061	.289
	MARKET	-.001	-.000	-0.011	.990
	HIERARCHY	.148	.101	1.697	.090
	ADHOCRACY	.205	.141	2.349	**.019***
Meaning of work					
N=605, R²=.042, F(4.1672)=18.269, p<.000	CLAN	-.020	-.013	-0.225	.821
	MARKET	.536	.275	4.596	**.000***
	HIERARCHY	.088	.059	1.066	.286
	ADHOCRACY	.295	.207	3.574	**.000***
Organizational level factors					
Powerfulness of firm in competition against rivals					
N=605, R²=.012, F(4.1535)=4.1476 p<.000	CLAN	.104	.036	0.620	.535
	MARKET	.035	.296	4.943	**.000***
	HIERARCHY	.103	.039	0.702	.482
	ADHOCRACY	.458	.178	3.110	**.002***
Behaviour of management					
N=605, R²=.019, F(4.1642)=7.0009 p<.000	CLAN	.157	.101	1.880	.060
	MARKET	.396	.201	3.636	**.000***
	HIERARCHY	.220	.149	2.857	**.004***
	ADHOCRACY	.349	.243	4.586	**.000***
Policy of firm					
N=605, R²=.057, F(4.1563)=23.065, p<.000	CLAN	.392	.133	2.383	**.017***
	MARKET	.786	.209	3.629	**.000***
	HIERARCHY	.657	.236	4.348	**.000***
	ADHOCRACY	.263	.098	1.782	.075

Notes. * - coefficient statistically significant, p<0,01

According to the linear regression analysis results in Table 4, in Slovakian enterprises individual level factors – job satisfaction (R^2=.021, $F_{(4.1573)}$=9.6118, p<.000) and meaning of work (R^2=.042, $F_{(4.1672)}$=18.269, p<.000) are predicted by market and adhocracy culture types and attitude toward the work is predicted by adhocracy culture type (R^2=.003, $F_{(4.143)}$=.81256, p<.000).

Organizational level factors - powerfulness of firm in competition against rivals is predicted by market and adhocracy culture types (R^2=.012, $F_{(4.1535)}$=4.1476, p<.000), behaviour of management is predicted by market, hierarchy and adhocracy culture types (R^2=.019, $F_{(4.1642)}$=7.009, p<.000) and policy of firm is predicted by clan, market and hierarchy culture types (R^2=.057, $F_{(4.1563)}$=23.065, p<.000). The determinant coefficients R^2 are

calculated for the regression model including four organizational culture types as independent variables. Thus, our hypothesis is supported by the results of empirical analysis.

Table 5. Four organization culture types forecast individual and organizational level factors in Russian enterprises (according to standardised regression coefficient Beta).

		B	Beta	T	Sig.
RUSSIA					
Individual level factors					
Job satisfaction					
N=684, R²=.693 F(4.611)=346.25, p<.000	CLAN	.406	.103	1.327	.185
	MARKET	.450	.089	1.223	.222
	HIERARCHY	.070	.017	0.248	.804
	ADHOCRACY	-.065	-.018	-0.259	.795
Attitude toward the firm					
N=684, R²=.112, F(4.219)=6.9650, p<.000	CLAN	.022	.014	0.203	.838
	MARKET	.464	.239	3.456	**.000***
	HIERARCHY	.234	.150	2.264	.024
	ADHOCRACY	.106	.077	1.168	.244
Meaning of work					
N=684, R²=.004, F(4.217)=.24794, p<.000	CLAN	-.058	-.040	-0.520	.603
	MARKET	-.002	-.001	-0.017	.985
	HIERARCHY	.066	.044	0.620	.535
	ADHOCRACY	-.048	-.036	-0.513	.608
Organizational level factors					
Powerfulness of firm in competition against rivals					
N=684, R²=.230, F(4.218)=16.351 p<.000	CLAN	.425	.177	2.608	**.009***
	MARKET	.788	.260	4.021	**.000***
	HIERARCHY	.363	.149	2.397	**.017***
	ADHOCRACY	.269	.124	2.001	.046
Behaviour of management					
N=684, R²=.226, F(4.216)=15.842 p<.000	CLAN	.287	.143	2.095	.037
	MARKET	.559	.218	3.365	**.000***
	HIERARCHY	.204	.098	1.568	.118
	ADHOCRACY	.462	.255	4.078	**.000***

Policy of firm					
N=684, R²=.326, F(4.200)=24.254, p<.000	CLAN	.655	.245	3.724	**.000***
	MARKET	.803	.234	3.754	**.000***
	HIERARCHY	.489	.178	2.917	**.003***
	ADHOCRACY	.469	.199	3.247	**.001***

Notes. * - coefficient statistically significant, p<0,01

According to the linear regression analysis results in Table 5, in Russian enterprises individual level factor – attitude toward the firm is predicted by market culture type (R^2=.112, F(4.219)=6.9650, p<.000). Organizational level factors - powerfulness of firm in competition against rivals are predicted by clan, market and hierarchy culture types (R^2=.230, F(4.218)=16.351, p<.000), behaviour of management is predicted by market and adhocracy culture types (R^2=.226, F(4.216)=15.842, p<.000) and policy of firm is predicted by all four organizational culture types (R^2=.326, F(4.200)=24.254, p<.000). Individual level factors – job satisfaction and meaning of work aren`t predicted by any culture types. The predictive power of these two individual level dependent variables is not so uniform. The determinant coefficients R^2 are calculated for the regression model including four organizational culture types as independent variables. Thus, our hypothesis is supported by the results of empirical analysis.

Table 6. Four organization culture types forecast individual and organizational level factors in Czech enterprises (according to standardised regression coefficient Beta).

		B	**Beta**	**T**	**Sig.**
CZECH					
Individual level factors					
Job satisfaction					
N=1110, R²=.186, F(4.603)=34.590, p<.000	CLAN	.333	.343	0.864	.431
	MARKET	.013	.875	4.342	**.000***
	HIERARCHY	.701	.640	1.634	.118
	ADHOCRACY	.669	.641	5.704	**.000***
Attitude toward the firm					
N=1110, R²=.134, F(4.643)=25.003, p<.000	CLAN	.151	.763	1.572	.079
	MARKET	.567	.914	4.345	**.000***
	HIERARCHY	.344	.828	2.284	.042
	ADHOCRACY	.021	.430	3.577	**.001***
Meaning of work					
N=1110, R²=.063,	CLAN	.323	.182	0.967	.691
	MARKET	.950	.354	3.431	**.002***

F(4.611)=10.306, p<.000	HIERARCHY	-.812	-.426	-0.792	.327
	ADHOCRACY	.691	.631	3.049	**.000***

Organizational level factors

Powerfulness of firm in competition against rivals

N=1110, R²=.003, F(4.629)=56025, p<.000	CLAN	.805	.397	0.445	.398
	MARKET	-.190	-.076	-0.666	.867
	HIERARCHY	-.674	-.308	-0.979	.485
	ADHOCRACY	-.963	-.506	-1.653	.287

Behaviour of management

N=1110, R²=.597, F(4.989)=366.39 p<.000	CLAN	.297	.189	0.908	.623
	MARKET	.208	.709	9.006	**.000***
	HIERARCHY	.457	.864	2.776	**.017***
	ADHOCRACY	.382	.298	5.741	**.000***

Policy of firm

N=1110, R²=.413, F(4.631)=111.13, p<.000	CLAN	.996	.773	2.654	.030
	MARKET	.803	.699	10.543	**.000***
	HIERARCHY	.356	.484	1.416	.149
	ADHOCRACY	.749	.211	8.046	**.000** *

Notes. * - coefficient statistically significant, $p<0,01$

According to the linear regression analysis results in Table 6, in Czech enterprises individual level factors – job satisfaction is predicted by market and adhocracy culture types (R^2=.186, F(4.603)=34.590, p<.000), attitude toward the firm is predicted by market and adhocracy culture types (R^2=.134, F(4.643)=25.003, p<.000) and meaning of work is predicted by market and adhocracy culture types (R^2=.063, F(4.611)=10.306, p<.000) Organizational level factors behaviour of management is predicted by market, hierarchy and adhocracy culture types (R^2=.597, F(4.989)=366.39, p<.000) and policy of firm is predicted by market and adhocracy culture types (R^2=.413, F(4.631)=111.13, p<.000). Organizational level factor - powerfulness of firm in competition against rivals isn`t predicted by any culture types in Czech enterprises. The determinant coefficients R^2 are calculated for the regression model including four organizational culture types as independent variables. Thus, our hypothesis is supported by the results of empirical analysis.

CONCLUSIONS

The results of this study contribute to understanding the connections between organizational culture, individual and organizational level factors. We compared data from Chinese, Estonian, Japanese, Slovakian, Russian and Czech electric-electronic machine, retail store, information-software production and machine-building enterprises.

National culture where organization is operating influences how organizational culture types predict individual and organizational level factors. In different countries different organizational culture types dominate. Nowadays it is common that subunit of one culture type exists in larger organizations that have a dominant culture of a different type.

There is the critical need for culture change in modern organizations. The chaotic, rapid-fire vacillations in the external environment create the risk that yesterday`s organizational culture will inhibit rather than contribute to corporate success (Cameron, Quinn, 1999). Nowadays it is also common that culture type in organization has changed over time and it consists the traits of different culture types. Usually one culture type dominates. Therefore it is important to be aware of all existing culture types in organization and their impact upon individual and organizational level factors.

There are many kinds or levels of culture that affect individual and organizational behaviour. At the broadest level, a global culture, such as a world religion`s culture or the culture of the Eastern hemisphere, would be the highest level. Researchers such as Hofstede (1980) and Tromperaars (1992) have reported marked differences among continents and countries based on certain key dimensions. For example, national differences exist among countries on the basis of universalism versus particularism, individualism versus collectivism etc. (Tromperaars, 1992).

According to Cameron and Quinn (1998) typical characteristics of clan-type firms are teamwork, employee involvement programs and corporate commitment to employees. The market culture is focused on transactions with external constituencies including suppliers, customers, contractors, licensees, unions, regulators and so forth. Clear lines of decision-making authority, standardized rules, procedures, control and accountability mechanisms are valued as the key to success in the hierarchy culture-type organisations. A major goal of adhocracy is to foster adaptability, flexibility and creativity where uncertainty, ambiguity and/or information-overload are typical to these adhocracy culture-type organisations. These different aspects of four organizational culture types influence individual and organizational level factors.

According to our study in different countries different culture types predict individual and organizational level factors differently (Figure 1, 2).

The propositions discussed at the beginning of the paper will now be re-evaluated. *P1* which postulated that four organization culture types – hierarchy, market, clan and adhocracy predict individual level factors - job satisfaction, meaning of work and attitude toward the firm was supported but it varies in different countries. Clan predicts job satisfaction in Japan, market in Estonia, Slovakia and Czech, hierarchy in Estonia and adhocracy in China, Japan, Slovakia and Czech. Clan predicts meaning of work in Estonia, market in Estonia, Japan, Slovakia and Czech, hierarchy in Estonia and adhocracy in China, Estonia, Japan, Slovakia and Czech. Clan predicts attitude toward the firm in Estonia, market in Estonia, Russia and Czech, hierarchy in Estonia, adhocracy in Estonia, Slovakia and Czech. *P2* postulated that four organization culture types – hierarchy, market, clan and adhocracy predict organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm. P2 postulate was also supported and it varies in different countries. Clan predicts powerfulness of firm in competition against rivals in Russia, market in Estonia, Slovakia and Russia, hierarchy in Estonia, Japan and Russia, adhocracy in Estonia, Japan and Slovakia. Clan predicts behaviour of management in Estonia, market in Estonia, Slovakia, Russia and Czech, hierarchy in Estonia, Japan, Slovakia and Czech and adhocracy in Japan, Slovakia, Russia and Czech. Clan predicts policy of firm in Estonia, Slovakia and Russia,

market in Japan, Slovakia, Russia and Czech, hierarchy in Slovakia and Russia, adhocracy in Estonia, Russia and Czech.

Our findings are consistent with following studies.
Exactly how organisational culture forms a part of all the possible important intangible attributes may vary from organisational unit to organisational unit, or even among national cultures. A large part of these "intangible attributes" are human and can therefore be captured (DiMaggio, 1997).
According to Muijen and Koopman (1994) organizational culture of industrial organizations was studied in 10 European countries using the FOCUS-instrument, based on the Quinn model (Quinn, 1988) to measure organizational culture. One possible explanation for their findings is that not only the national preference influences the values within an organization, but the values of its founders and important leaders of its sector are also influential.
Hofstede et al. (1990) found that, whereas organizations from different nations differ in fundamental values, organizations from the same nation differ only in organizational practices.
Weber et al. (1996) also found that in international and domestic mergers and acquisitions, national and organizational cultures are separate constructs with variable attitudinal and behavioural correlates.
Newman and Nollen (1996) reported that work units perform better when their management practices are compatible with the national culture. They advocate that management practices should be adapted to national culture for high performance. Variables describing national cultural highly significantly explain variance in adoption decisions in addition to the traditional micro and meso variables. These findings support the proposition that cultural differences between countries, even within the EU, are still so large that they impact the likelihood of adoption by companies operating in different countries (Waarts, Van Everdingen, 2006).
Organizations are, in many ways, embedded in larger society in which they exist, and therefore research on culture differences should examine both national and organizational cultures.
The conclusion from this study is that organizational culture types – clan, market, hierarchy and adhocracy predict individual level factors – job satisfaction, meaning of work and attitude toward the firm and organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm.

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Appendices

Appendix 1.

Figure 1. How organizational culture predicts individual level factors in Chinese, Estonian, Japanese, Slovakian, Russian and Czech enterprises

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┌─────────────────────────────────────────────────┐
│                                                 │
│                  Adhocracy                      │
│                   culture                       │
│                                                 │
└─────────────────────────────────────────────────┘
         │                           │
         ▼                           ▼
┌──────────────┐            ┌──────────────┐
│ Meaning of   │            │    Job       │
│    work      │            │ satisfaction │
└──────────────┘            └──────────────┘
```

A-China

```
┌───────────────────────────────────────────────────────────┐
│                                                           │
│                        ┌──────────────────────────────┐   │
│  Clan      Adhocracy   │ Market        Hierarchy       │   │
│  culture   culture     │ culture       culture         │   │
│                        └──────────────────────────────┘   │
└───────────────────────────────────────────────────────────┘
       │                    │                      │
       ▼                    ▼                      ▼
┌──────────────┐   ┌──────────────┐       ┌──────────────┐
│ Meaning of   │   │Attitude toward│      │    Job       │
│    work      │   │ the firm     │       │ satisfaction │
└──────────────┘   └──────────────┘       └──────────────┘
```

B-Estonia

Clan culture	Adhocracy culture	Market culture

↓ Job satisfaction   ↓ Meaning of work

Market culture	Adhocracy culture

↓ Meaning of work   Job satisfaction   ↓ Attitude toward the firm

```
┌─────────────────────────┐
│                         │
│     Market culture      │
│                         │
│                         │
└─────────────────────────┘
             │
             │
             ▼
┌─────────────────────────┐
│                         │
│   Attitude toward the   │
│          firm           │
│                         │
└─────────────────────────┘
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E-Russia

```
┌───────────────────────────────────────────────────────┐
│                                                        │
│      Market                     Adhocracy              │
│      culture                    culture                │
│                                                        │
└───────────────────────────────────────────────────────┘
                     │
                     │
                     ▼
┌───────────────────────────────────────────────────────┐
│   ┌──────────┐   ┌──────────┐   ┌────────────────┐    │
│   │ Meaning  │   │   Job    │   │ Attitude toward│    │
│   │ of work  │   │satisfaction│  │   the firm     │    │
│   └──────────┘   └──────────┘   └────────────────┘    │
└───────────────────────────────────────────────────────┘
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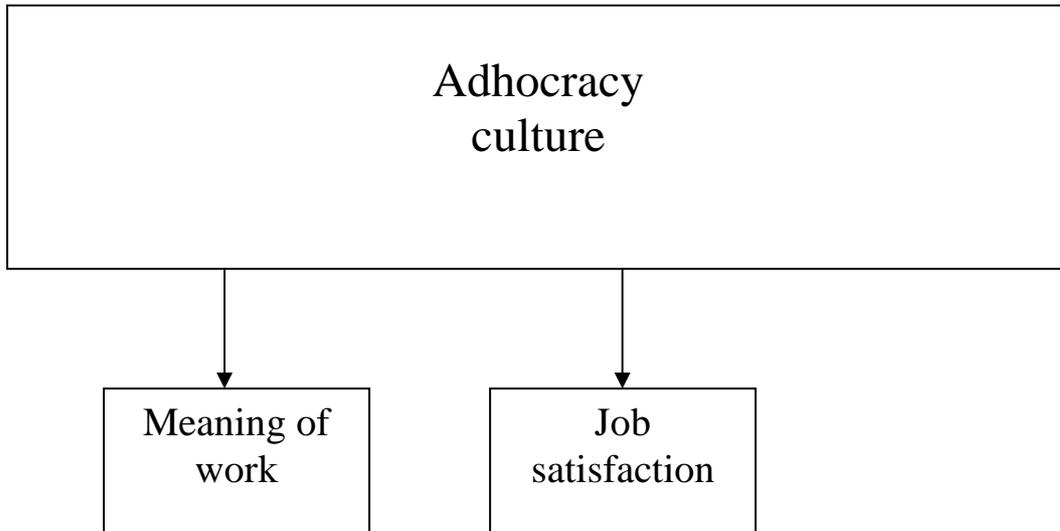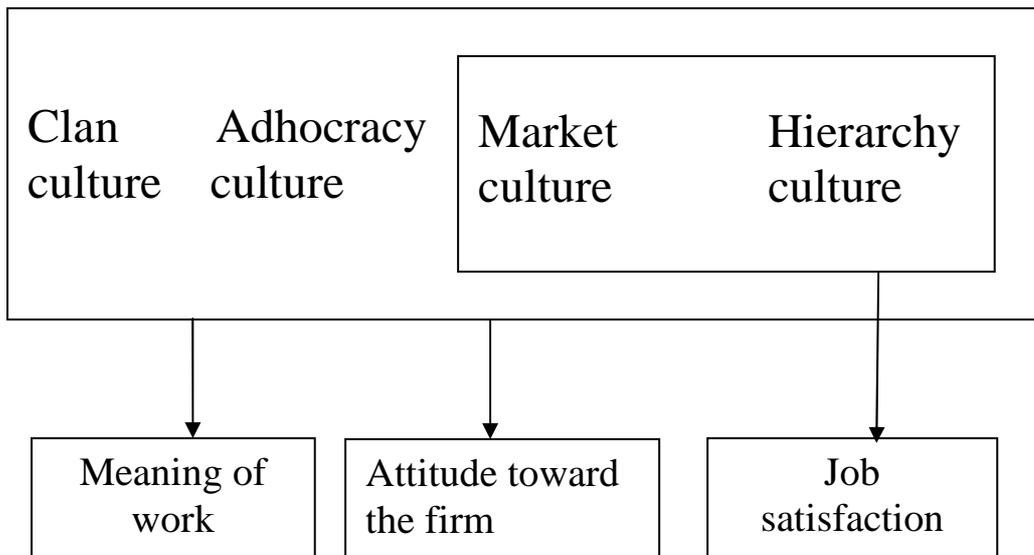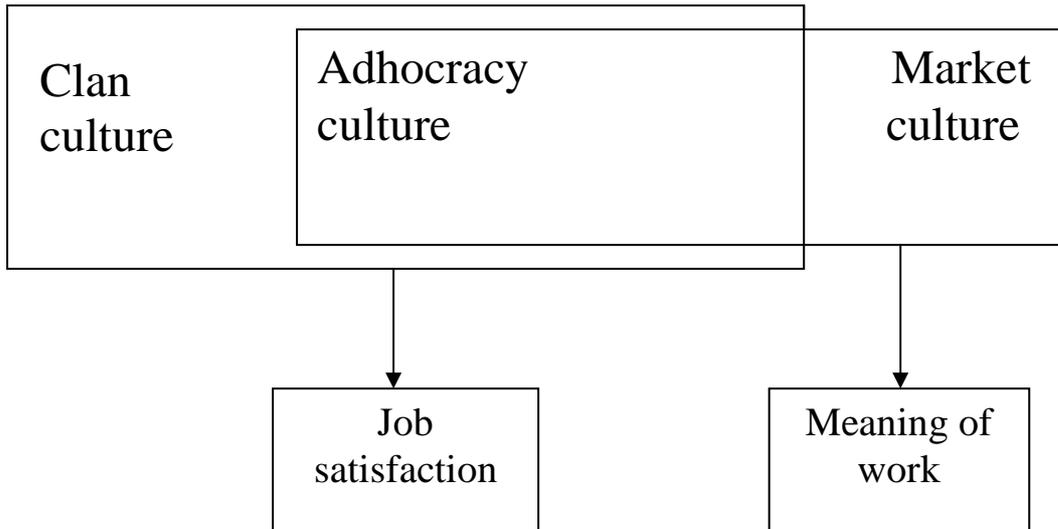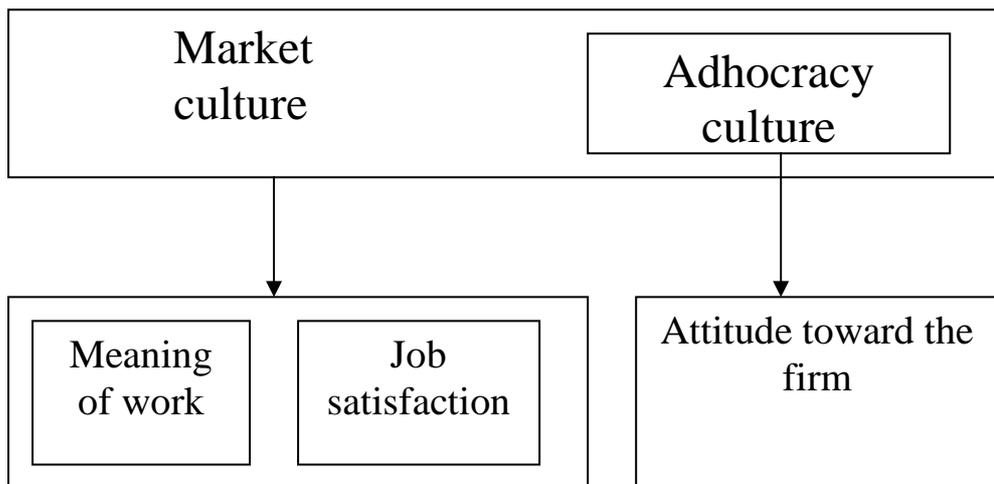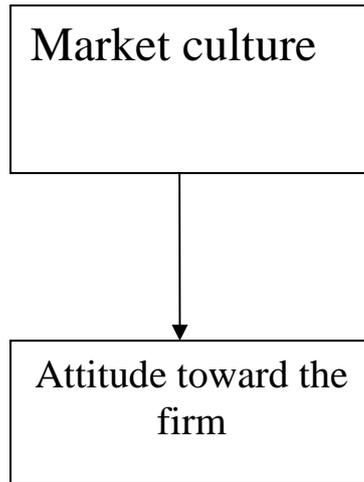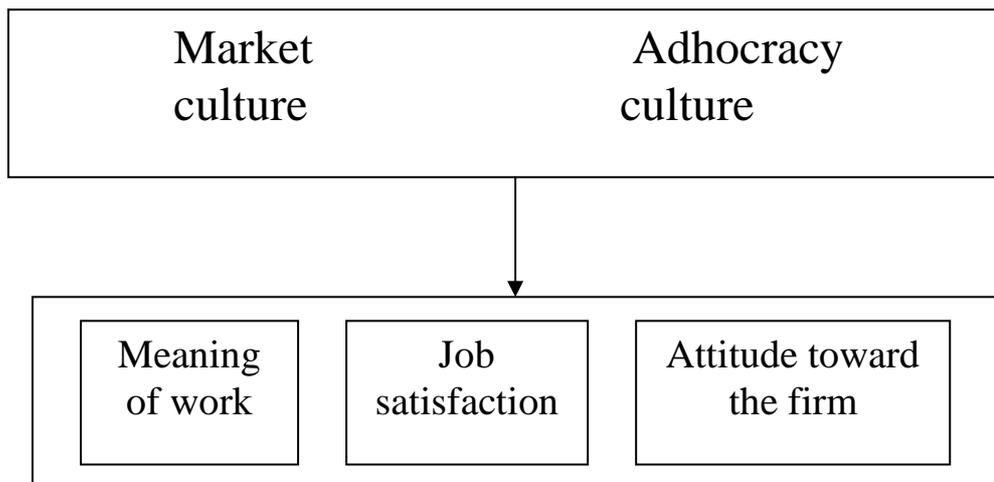
F-Czech

Figure 2. How organizational culture predicts organizational level factors in Estonian, Japanese, Slovakian, Russian and Czech enterprises

| Clan culture | Adhocracy culture | Market culture | Hierarchy culture |

| Policy of firm | Behaviour of management | Powerfulness of firm in competition against rivals |

A.Estonia

| Hierarchy culture | Adhocrary culture | Market culture |

| Powerfulness of firm in competition against rivals | Behaviour of management | Policy of firm |

B-

Japan

| Adhocracy culture | Market culture | Hierarchy culture | Clan culture |

| Powerfulness of the firm in competition against rivals | Behaviour of management | Policy of firm |

C-Slovak

| Adhocracy culture | Market culture | Hierarchy culture | Clan culture |

| Behaviour of management | Powerfulness of firm in competition against rivals | Policy of firm |

D-Russia

E-Czech

Appendix 2. Questionnaire about individual and organizational level factors

Job satisfaction

Are you satisfied with following working conditions?	Dissatisfied		More or less		Satisfied
a. Self-actualization of your ability at work	1	2	3	4	5
b. Range of your competence at work	1	2	3	4	5
c. Labor conditions (e.g. light, heating, noise)	1	2	3	4	5
d. Trust between workers and management	1	2	3	4	5
e. Work load	1	2	3	4	5
f. Length of working time	1	2	3	4	5

g. Payments and bonuses	1	2	3	4	5
h. Competence of management	1	2	3	4	5
i. Promotion possibilities	1	2	3	4	5
j. Training and retraining	1	2	3	4	5
k. Security of employment	1	2	3	4	5
l. Equal opportunities for men and women	1	2	3	4	5
m. Welfare provisions in the firm	1	2	3	4	5
n. Interaction with your boss	1	2	3	4	5
o. Interaction with your colleagues	1	2	3	4	5
p. Access to information about organization	1	2	3	4	5

Meaning of work

What do you think about the meaning of work?	Entirely disagree		More or less		Completely agree
a. Work gives you status and prestige	1	2	3	4	5
b. Work provides you with income that is needed	1	2	3	4	5
c. Work keeps you absorbed in and excited	1	2	3	4	5
d. Work provides you with social contact with other people	1	2	3	4	5
e. Work is a way for you to serve for society	1	2	3	4	5
f. Work is in itself interesting	1	2	3	4	5

Attitude toward the firm

How do you think of your attitudes toward the firm?	disagree		Unsure		agree
a. I always have ideas that can be approved by management	1	2	3	4	5
b. I would like to take part in company's decision making, because I think my opinion is important	1	2	3	4	5
c. I could take managerial position is situation demanded it	1	2	3	4	5

d. I am ready to take risk if it is approved	1	2	3	4	5
e. It is normal to sacrifice something for organization's sake	1	2	3	4	5
f. Sometimes I feel myself a screw in a large machine	1	2	3	4	5

Powerfulness of firm in competition against rivals

How much do you think your firm is powerful in competition against rivals concerning different aspects below raised?	Powerless at all		Unsure		Powerful enough
a. Image of the firm	1	2	3	4	5
b. Quality of products and service	1	2	3	4	5
c. Cost	1	2	3	4	5
d. Brand	1	2	3	4	5
e. Technology	1	2	3	4	5
f. Marketing	1	2	3	4	5
g. Scale merit	1	2	3	4	5
h. Aftercare service	1	2	3	4	5
i. Quality of human resources	1	2	3	4	5
j. Capability of Top management	1	2	3	4	5

Behaviour of management

As for the behaviour of management, do you agree the following views?	disagree		Unsure		agree
a. If management promised something, than it will do what promised	1	2	3	4	5
b. Management is sure that it controls activity of all departments	1	2	3	4	5

c. Leaders of organization have long term goals	1	2	3	4	5
d. Management puts clear goals for workers	1	2	3	4	5
e. Leaders & managers follow principles they set for the organization	1	2	3	4	5
f. There is a clear set of principles that are followed by organization in it's activity	1	2	3	4	5

Policy of firm

How do you perceive policy of your firm ?	disagree		unsure		agree
a. Management is apt to be behind the time for reacting to changing market	1	2	3	4	5
b. We always try to overcome our rivals	1	2	3	4	5
c. If market demands it, our organization can quickly restructure	1	2	3	4	5
d. Goals of organization are clearly set on all organization's levels	1	2	3	4	5
e. In some situations instructions and regulations are obstacles to effective work	1	2	3	4	5
f. it is possible to be a good manager even not knowing answers to all questions of subordinates	1	2	3	4	5
g. In some cases one worker is under two managers	1	2	3	4	5
h. Every process of work is governed in detail by instructions and rules	1	2	3	4	5
i. The order of organization is not hierarchically structured rigidly	1	2	3	4	5
j. Employees qualification is considered to be a very important source of competitive domination	1	2	3	4	5
k. Resources including human resources are not allocated properly nor integrated totally	1	2	3	4	5
l. Reward for success does not go to the department although everyone put an effort	1	2	3	4	5
m. We realize our input into society and feel our importance	1	2	3	4	5

Appendix 3. Questionnaire about four culture types – clan, market, hierarchy and adhocracy

CLAN

	Disagree		unsure		agree
a. Agreement is easily achieved even concerning hard problems in organization	1	2	3	4	5
b. Competition between colleagues usually brings more harm than use	1	2	3	4	5
c. It is not accepted to talk about people behind their back	1	2	3	4	5
d. In group everyone must put maximum effort to achieve common goal	1	2	3	4	5
e. Reward for success must go to department, because everyone put an effort	1	2	3	4	5

MARKET

	Disagree		unsure		agree
a. Customers' interests are often ignored in decision making of organization	1	2	3	4	5
b. We constantly improve our methods of work to gain advantages over rivals	1	2	3	4	5
c. During conflict everybody tries to solve it quickly and mutually profitable	1	2	3	4	5
d. It is very important to feel market changes to react contemporarily	1	2	3	4	5

HIERARCHY

	Disagree		unsure		agree
a. We have informal norms and rules which are to be followed by everyone	1	2	3	4	5
b. Rules of the company must not be disobeyed even if employee thinks that he acts in favour of company	1	2	3	4	5

c. Instructions and regulations are needed to govern every process of work	1	2	3	4	5
d. Organization must have strict hierarchy	1	2	3	4	5
e. One needs to control spending of resources strictly, or total disorder will happen	1	2	3	4	5

ADHOCRACY

	Disagree		unsure		agree
a. Workers of any division have equal perspectives	1	2	3	4	5
b. Information is available for everyone. One can get any needed information	1	2	3	4	5
c. Projects are coordinated easily through all functional units	1	2	3	4	5
d. New ideas must be applied immediately otherwise they become old and obsolete	1	2	3	4	5
e. Most competent representative of group must make decisions even if formally he is not a leader of the group	1	2	3	4	5

Study III

Übius, Ü., Alas, R. (2008); Organisational culture types forecast corporate social responsibility. 34th European International Business Academy Annual Conference in Tallinn, 11-14 December. Article on CD.

Organisational culture types forecast corporate social responsibility

Abstract

The purpose of this paper is to investigate connections between corporate social responsibility and organisational culture. The survey was conducted in Estonian, Chinese, Japan and Russian electric-electronic machine, retail store and machine-building enterprises. Linear regression analysis was done in order to analyze connections between corporate social responsibility and organizational culture. All four organizational culture types - hierarchy, clan, market, adhocracy predict the facet of corporate social responsibility - the firm performance concerning social issues. 2 organizational culture types – clan and market predict the facet of corporate social responsibility - the firm respects the interests of agents. The model was developed in order to explain how 4 organizational culture types - hierarchy, clan, market, adhocracy - predict 2 facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interests of agents.

Keywords – Corporate social responsibility, organizational culture, electric-electronic machine enterprises, retail store enterprises, machine-building enterprises, Estonia, China, Japan, Russia.

Introduction

This paper analyses connections between corporate social responsibility and organisational culture in Estonian, Chinese, Japan, and Russian electric-electronic machine, retail store and machine-building enterprises.

The main research question is: Are there connections between corporate social responsibility and organisational culture?

Corporate social responsibility extends along the whole chain of value creation. For example, corporations must provide the necessary information, education and training to suppliers and clients to ensure that a product or service can be effectively and safely used. Corporate social entrepreneurship is strictly defined as the transformation of socially and environmentally responsible ideas into products or services. The last decade has seen many individuals come up with innovative ideas to address the specific social and environmental needs of the communities in which they are living. Today, pioneering enterprises integrate social entrepreneurship into their core activities by actively channelling their research-and-development capabilities in the direction of socially innovative products and services (Schwab, 2008).

Most organisational scholars and observers now recognize that organizational culture has a powerful effect on the performance and long-term effectiveness of organisations. Empirical research has produced an impressive array of findings demonstrating the importance of culture to enhancing organizational performance (Cameron and Ettington, 1988; Denison, 1990; Trice and Beyer, 1993).

This study, therefore, investigates how organizational culture types predict corporate social responsibility. Data is collected from empirical studies in Estonian, Chinese, Japan and Russian electric-electronic machine, retail store and machine-building enterprises and the results are discussed.

Theoretical framework

Corporate social responsibility (CSR)
Different organisations have framed different definitions about CSR - although there is considerable common ground between them.

CSR is about how companies conduct their business in a way that is ethical. CSR is about how companies manage the business processes to produce an overall positive impact on society.

The World Business Council for Sustainable Development in its publication "Making Good Business Sense" by Lord Holme and Richard Watts, used the following definition. "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large".

Corporate social responsibility is a concept whereby companies fulfil accountability to their stakeholders by integrating social and environmental concerns in their business operations. (Tanimoto and Suzuki, 2005).

Today, corporate social responsibility extends along the whole chain of value creation. For example, corporations must provide the necessary information, education and training to suppliers and clients to ensure that a product or service can be effectively and safely used. Corporate social entrepreneurship is strictly defined as the transformation of socially and environmentally responsible ideas into products or services. The last decade has seen many individuals come up with innovative ideas to address the specific social and environmental needs of the communities in which they are living. Today, pioneering enterprises integrate social entrepreneurship into their core activities by actively channelling their research-and-development capabilities in the direction of socially innovative products and services (Schwab, 2008).

Organizational culture
By Schein (1992) organisational culture is the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and integral integration. Trice and Beyer (1993) have also connected culture with environment, seeing organisational culture as a collective response to uncertainty and chaos.
Researchers Hofstede (1980) and Tromperaars (1992) have reported marked differences among countries based on certain key dimensions. For example, national differences exist among countries on the basis of universalism versus particularism, individualism versus collectivism, neutrality versus emotionality, specificity versus diffuseness, focus on achievement versus ascription, focus on past versus present versus future, and an internal focus versus an external focus (Tromperaars, 1992).
According to Cameron and Quinn (1998) culture defines the core values, assumptions, interpretations and approaches that characterise an organization. Competing Values Framework is extremely useful in helping to organize and interpret a wide variety of organizational phenomena. The four dominant culture types – hierarchy, market, clan and adhocracy emerge from the framework. Most organizations develop a dominant cultural style. More than 80 percent of the several thousand organizations they have studied have been characterized by one or more of the culture type identified by the framework. Those that do not have a dominant culture type either tend to be unclear about their culture, or they emphasize nearly equally the four different cultural types.

The Hierarchy Culture
Weber (1947) proposed seven characteristics that have become known as the classical attributes of bureaucracy (rules, specialization, meritocracy, hierarchy, separate ownership, impersonality, accountability). They were adopted widely in organizations whose major challenge was to generate efficient, reliable, smooth-flowing, predictable output.
The organizational culture compatible with this form is characterized by a formalized and structured place to work. Procedures govern what people do. Effective leaders are good coordinators and organizers. Maintaining a smooth-running organization is important. The long-term concerns of the organization are stability, predictability and efficency. Formal rules and policies hold the organization together. Large organizations and government agencies provide prototypical examples of a hierarchy culture. Key values center on maintaining efficient, reliable, fast, smooth-flowing production. New employees begin by doing only one specific job. One requirement for promotion is knowledge of these rules and policies (Cameron and Quinn, 1998).

The Market Culture
The market culture type was based largely on the work of Williamson (1975) and Ouchi (1981). The term market is not synonymous with the marketing function nor with consumers in the marketplace. Rather, it refers to a type of organization that functions as a market itself. It is oriented toward the external environment instead of internal affairs. It is focused on transactions with external constituencies including suppliers, customers, contractors, licensees, unions, regulators and so forth. And, unlike a hierarchy where internal control is maintained by rules, specialized jobs and centralized decisions, the market operates primarily through economic market mechanisms, mainly monetary exchange. That is, the major focus of market is to conduct transactions (exchanges, sales, contracts) with other constituencies to create competitive advantage. Profitability, bottom line results, strength in market niches, stretch targets and secure customer bases are primary objectives of the organization. The core

values that dominate market type organizations are competitiveness and productivity. Competitiveness and productivity in market organizations are achieved through a strong emphasis on external positioning and control. The basic assumptions in a market culture are that the external environment is not benign but hostile, consumers are choosy and interested in value, the organization is in the business of increasing its competitive position and the major task of management is to drive the organization toward productivity, results and profits. It is assumed that a clear purpose and an aggressive strategy lead to productivity and profitability (Cameron and Quinn, 1998).

The Clan Culture

A number of researchers observed fundamental differences between the market and hierarchy forms of design in America and clan forms of design in Japan (Ouchi, 1981; Pascale and Athos, 1981). It is called a clan because of its similarity to a family-type organization. Shared values and goals, cohesion, participativeness, individuality and a sense of we-ness permeated clan-type firms. They seemed more like extended families than economic entities. Typical characteristics of clan-type firms were teamwork, employee involvement programs and corporate commitment to employee. These characteristics were evidenced by semiautonomous work teams that received rewards on the basis of team accomplishment and that hired and fired their own members, quality circles that encouraged workers to voice suggestions regarding how to improve their own work and the performance of the company and an empowering environment for employees.

Some basic assumptions in a clan culture are that the environment can best be managed through teamwork and employee development, customers are best thought as partners, the organization is in the business of developing a humane work environment and the major task of management is to empower employees and facilitate their participation, commitment and loyalty. These characteristics have been advocated for decades by many writers (McGregor, 1960; Likert, 1970; Agyris, 1962).

The clan culture is typified by a friendly place to work where people share a lot of themselves. The organization is held together by loyalty and tradition. The organization emphasizes the long-term benefit of individual development with high cohesion and morale being important. Success is defined in terms of internal climate and concern of people (Cameron and Quinn, 1998).

The Adhocracy Culture

The root of the word adhocracy is ad hoc – referring to a temporary, specialized, dynamic unit. Most people have served on an ad hoc task force or committee, which disbands as soon as its task is completed. Adhocracies are similarly temporary. They have been characterized as "tents rather than palaces" in that they can reconfigure themselves rapidly when new circumstances arise. A major goal of an adhocracy is to foster adaptability, flexibility and creativity where uncertainty, ambiguity and/or information-overload are typical. An important challenge of these organizations is to produce innovative products and services and to adapt quickly to new opportunities. Unlike markets or hierarchies, adhocracies do not have centralized power or authority relationships. Instead, power flows from individual to individual or from task team to task team depending on what problem is being addressed at the time. A high emphasis on individuality, risk taking and anticipating the future exists as almost everyone in an adhocracy becomes involved with production, clients, research and development and so forth (Cameron and Quinn, 1998).

Connections between organizational culture and corporate social responsibility

According to Strautmanis (2007) social responsibility is part of organizational culture and a value in the organizational culture environment. Condition for the development of social maturity is intelligence, unity of professionalism and social competence, and human relations. Development of social responsibility is a change in values orientation, whose task is shaping the attitudes, transformation of the personal position so that it matches individual and public interests.

Based on the relevant literature we developed the following general propositions:

P1. Four organizational culture types – hierarchy, market, clan and adhocracy predict the facet of corporate social responsibility - firm performance concerning social issues.
P2. Four organizational culture types – hierarchy, market, clan and adhocracy predict the facet of corporate social responsibility - the firm respects the interests of agents.
P3. Different organizational culture types are dominating in enterprises from different countries.

Empirical study

The sample. The authors of this article conducted the study in Estonian, Chinese, Japan and Russian enterprises. In order to find connections between corporate social responsibility and organizational culture in Estonian, Chinese, Japan and Russian enterprises, the authors conducted an empirical study in 2007-2008. The research was done in Estonian enterprises with 623 respondents and in Chinese enterprises with 1150 respondents, in Russian enterprises with 684 respondents and in Japan enterprises with 1570 respondents. The companies were selected in a non-random manner, as the organisation registers do not have a solid basis for random sampling because only a fraction of the registered enterprises are active in Estonia, China, Japan and Russia. The total number of respondents was 4027.

Methodology. A standardised organizational culture and corporate social responsibility questionnaires were developed by the Denki Ringo research group (Ishikawa et al, 2006) and translated from English into Estonian, Japan, Chinese and Russian. The questionnaire was administered in Estonian, Chinese, Japan and Russian electric-electronic machine, retail store and machine-building enterprises. The questions in the survey addressed 4 different culture types – hierarchy, clan, market, adhocracy and 2 facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interests of agents.
Data about 4 different culture types and 4 different countries - Estonia, China, Japan and Russian were compared by means of the ANOVA-test. The linear regression analysis was used in order to find statistically relevant connections between corporate social responsibility and 4 organisational culture types - hierarchy, clan, market, adhocracy.
The main research question is: Do four organizational culture types – hierarchy, market, clan and adhocracy predict the facets of corporate social responsibility - firm performance concerning social issues and the firm respects the interests of agents ?

Results
The Four Organizational Culture Types

The Hierarchy Culture

Table 1 shows respondents opinions about their organisation as hierarchy culture type. Respondents rated highly the statement – one needs to control spending of resources strictly or total disorder will happen. Respondents rated lowly the statement - every process of work is governed in detail by instructions and rules.

Tabel 1. The hierarchy culture

		1	2	3	4	5	6	7	8	9
N=4027	**M**	3.66	3.30	3.57	3.83	3.29	3.20	3.52	3.81	4.06
	SD	1.00	1.06	1.01	0.97	1.21	1.01	1.14	1.07	0.90

Notes: 1 – satisfaction with the security of employment; 2 - management is sure that it controls activity of all departments; 3 – leaders & managers follow principles they set for the organization; 4 - there is a clear set of principles that are followed by organization in it's activity; 5 – we have informal norms and rules which are to be followed by everyone; 6 - every process of work is governed in detail by instructions and rules; 7 - rules of the company must not be disobeyed even if employee thinks that he acts in favour of company; 8 - instructions and regulations are needed to govern every process of work; 9 - one needs to control spending of resources strictly, or total disorder will happen; a five-point scale was used, where 1 signifies answer – disagree and 5 answer - agree.

The Market Culture

Table 2 shows respondents opinions about their organisation as market culture type. Respondents rated highly the statement – it is very important to feel market changes to react contemporarily. Respondents rated lowly the statement - management is apt to be behind the time for reacting to changing market.

Tabel 2. The Market Culture

N=4027		1	2	3	4	5	6	7	8	9	10	11	12	13	14
	M	3.64	3.82	3.31	3.64	3.70	3.49	3.62	3.69	3.33	3.57	2.73	3.39	3.49	4.24
	SD	0.94	0.89	0.97	1.05	0.86	1.01	0.89	1.01	1.12	1.04	1.19	1.05	1.14	0.80

Notes: Powerfulness of firm in competition against rivals concerning following aspects: 1 - image of the firm; 2 - quality of products and service; 3 – cost; 4 – brand; 5 – technology; 6 –marketing; 7 - scale merit; 8 - aftercare service; 9 - quality of human resources; 10 - capability of top management; a five-point scale was used, where 1 signifies answer – powerless at all and 5 answer – powerful enough for questions no. 1-13; 11- management is apt to be behind the time for reacting to changing market; 12 - if market demands it, our organization can quickly restructure; 13 - employees qualification is considered to be a very important source of competitive domination; 14 - it is very important to feel market changes to react contemporarily; a five-point scale was used, where 1 signifies answer – disagree and 5 answer – agree for questions no.11-14.

The Clan Culture

Table 3 shows respondents opinions about their organisation as clan culture type. Respondents rated highly the statement – group everyone must put maximum effort to achieve common goal. Respondents rated lowly the statements - I would like to take part in company's decision making, because I think my opinion is important and projects are coordinated easily through all functional units.

Tabel 3. The Clan Culture

N=4027		1	2	3	4	5	6	7	8	9	10	11
	M	3.42	3.59	3.34	3.11	3.27	3.18	3.42	3.11	3.33	3.35	4.11
	SD	1.07	1.00	1.02	0.99	1.21	1.02	0.97	1.07	0.98	1.10	0.82

Notes: 1 – satisfaction with trust between workers and management; 2 - work provides you with social contact with other people; 3 - work is a way for you to serve for society; 4 – I would like to take part in company's decision making, because I think my opinion is important; 5 – it is normal to sacrifice something for organization's sake; 6 – agreement is easily achieved even concerning hard problems in organization; 7 - during conflict everybody tries to solve it quickly and mutually profitable; 8 - projects are coordinated easily through all functional units; 9 - our organization cares even about temporarily hired workers; 10 - we realize our input into society and feel our importance; 11 - in group everyone must put maximum effort to achieve common goal; a five-point scale was used, where 1 signifies answer – disagree and 5 answer - agree.

The Adhocracy Culture

Table 4 shows respondents opinions about their organisation as adhocracy culture type. Respondents rated highly the statements – new ideas must be applied immediately otherwise they become old and obsolete and we constantly improve our methods of work to gain

advantages over rivals. Respondents rated lowly the statement - I always have ideas that can be approved by management.

Tabel 4. The Adhocracy Culture

N=4027		1	2	3	4	5	6	7	8	9	10
	M	3.31	3.46	3.00	3.27	3.72	3.31	3.58	3.22	3.60	3.89
	SD	1.16	1.14	1.00	1.05	1.03	1.18	1.00	1.22	1.00	0.84

Notes: 1 – work keeps you absorbed in and excited; 2 - work is in itself interesting; 3 - I always have ideas that can be approved by management; 4 - I am ready to take risk if it is approved; 5 - we constantly improve our methods of work; 6 - current vision creates stimuli for workers; 7 - company realizes clear mission that gives meaning and sense to work; 8 - we all clearly imagine future of our organization; 9 - failure is considered as a stimulus to learning and development; 10 - new ideas must be applied immediately otherwise they become old and obsolete; a five-point scale was used, where 1 signifies answer – disagree and 5 answer - agree.

Corporate Social Responsibility

The firm performance concerning social issues

Table 5 shows respondents opinions about firm performance concerning social issues. Respondents rated highly the statement – realization of the best quality of products and services.   Respondents rated lowly the statements - contribution to science and culture and public activities for local community.

Tabel 5. The firm performance concerning social issues among 4 culture types

N=4027		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
	M	4.05	3.78	3.82	3.88	4.03	4.04	4.10	3.96	3.50	3.33	3.24
	SD	0.97	1.11	1.05	1.06	0.95	0.95	0.94	0.98	1.09	1.12	1.12

Notes: The firm performance concerning social issues: 1 – compliance with the laws for business activities; 2 – compliance with the laws for worker protection; 3 – care and service for consumers; 4 – environmental protection; 5 – trustful relations with customers; 6 – safety and security of products and services; 7 – realization of the best quality of products and services; 8 – aftercare for users; 9 – publicity of company information for society; 10 – contribution to science and culture; 11 – public activities for local community; a five-point scale was used, where 1 signifies not at all and 5 very actively.

The firm respects the interests of agents

Table 6 shows respondents opinions about the firm respects the interests of agents. Respondents rated highly the statements – the firm respects the interests of customers and consumers.
Respondents rated lowly the statements - the firm respects the interests of trade unions and local community.

Tabel 6. The firm respect the interests of agents among 4 culture types

N=4027		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
	M	4.04	3.61	3.97	3.36	3.38	3.02	3.28	3.21
	SD	1.05	1.12	1.11	1.20	1.21	1.26	1.14	1.22

Notes: The firm respects the interests of the following agents: 1 – customers; 2 - subsidiary, subcontract firms; 3 – consumers; 4 - stock holders; 5 –employees; 6 - trade union; 7 - public administration; 8 - local community; a five-point scale was used, where 1 signifies answer – not at all and 5 answer - fully.

Organizational culture in Estonia, China, Japan and Russian

Table 7 shows dominant culture types in 4 countries according to respondents answers. In Estonian enterprises clan culture type was rated highly. In Chinese enterprises market and adhocracy culture types were rated highly. In Japan enterprises market and hierarchy culture types were rated highly. In Russian enterprises market culture type was rated highly. There

are statistically significant differences between the countries concerning all 4 organizational culture types.

Tabel 7. Organizational culture types - hierarchy, clan, market, adhocracy in Estonia, China, Japan, Russian

		Hierarchy	**Market**	**Clan**	**Adhocracy**
Estonia	**M**	3.45	3.61	**3.98**	3.57
N=623	**SD**	0.99	0.95	0.95	1.12
China	**M**	3.79	**3.84**	3.66	**3.83**
N=1150	**SD**	1.03	1.01	1.06	1.04
Japan	**M**	**3.21**	**3.28**	3.02	3.04
N=1570	**SD**	0.87	0.84	0.83	0.83
Russian	**M**	3.33	**3.60**	3.42	3.34
N=684	**SD**	1.03	0.94	1.13	1.05

 Notes: All indicators are statistically different between countries according to ANOVA-test, $p < 0.05$

Connections between organisational culture types and facets of corporate social responsibility

Organisations with different organisational culture type may have a different understanding and perspective concerning corporate social responsibility. Our main purpose was to evaluate how organisational culture can predict corporate social responsibility. The authors used Linear Regression analysis. In the analysis corporate social responsibility was taken as a dependent variable and culture types as independent variables. We calculated a standardised regression coefficient Beta, which enabled us to predict how strongly organisational culture forecast corporate social responsibility. Analysis was applied separately for 4 culture types and for 2 facets of corporate social responsibility.

Tabel 8. Four organisational culture types forecast 2 facets of corporate social responsibility (according to standardised regression coefficient Beta).

		B	**Beta**	**T**	**Sig.**
The firm performance concerning social issues					
N=4027, R²=.458, F(4.3195)=677.63, p<.000	CLAN	.432	.352	13.336	**.000***
	MARKET	.147	.110	6.782	**.000***
	HIERARCHY	.133	.082	5.309	**.000***
	ADHOCRACY	.276	.227	8.472	**.000***
The firm respects the interests of agents					
N=4027, R²=.270, F(4.3178)=294.69, p<.000	CLAN	.103	.051	2.578	**.009***
	MARKET	.090	.058	2.965	**.003***
	HIERARCHY	-.077	-.030	-1.500	.133
	ADHOCRACY	.010	.005	0.277	.781

Notes. * - coefficient statistically significant, p<0,01
FPSI – The firm performance concerning social issues
FRIA – The firm respects the interests of agents

According to the linear regression analysis results in Table 8, all four organisational culture types - hierarchy, clan, market, adhocracy predict the facet of corporate social responsibility - the firm performance concerning social issues. Only 2 organisational culture types – clan and market predict the facet of corporate social responsibility - predict the firm respects the interests of agents.

Conclusions

Empirical study in four countries indicated connection between organizational culture types and corporate social responsibility. Based on results the model was developed how organisational culture types predict facets of corporate social responsibility (Figure 1). All four organisational culture types according to Cameron and Quinn (1998) - hierarchy, clan, market, adhocracy predict the facet of corporate social responsibility - the firm performance concerning social issues. 2 organisational culture types – clan and market predict the facet of corporate social responsibility - the firm respects the interests of agents.

Figure 1. How organisational culture types predict corporate social responsibility
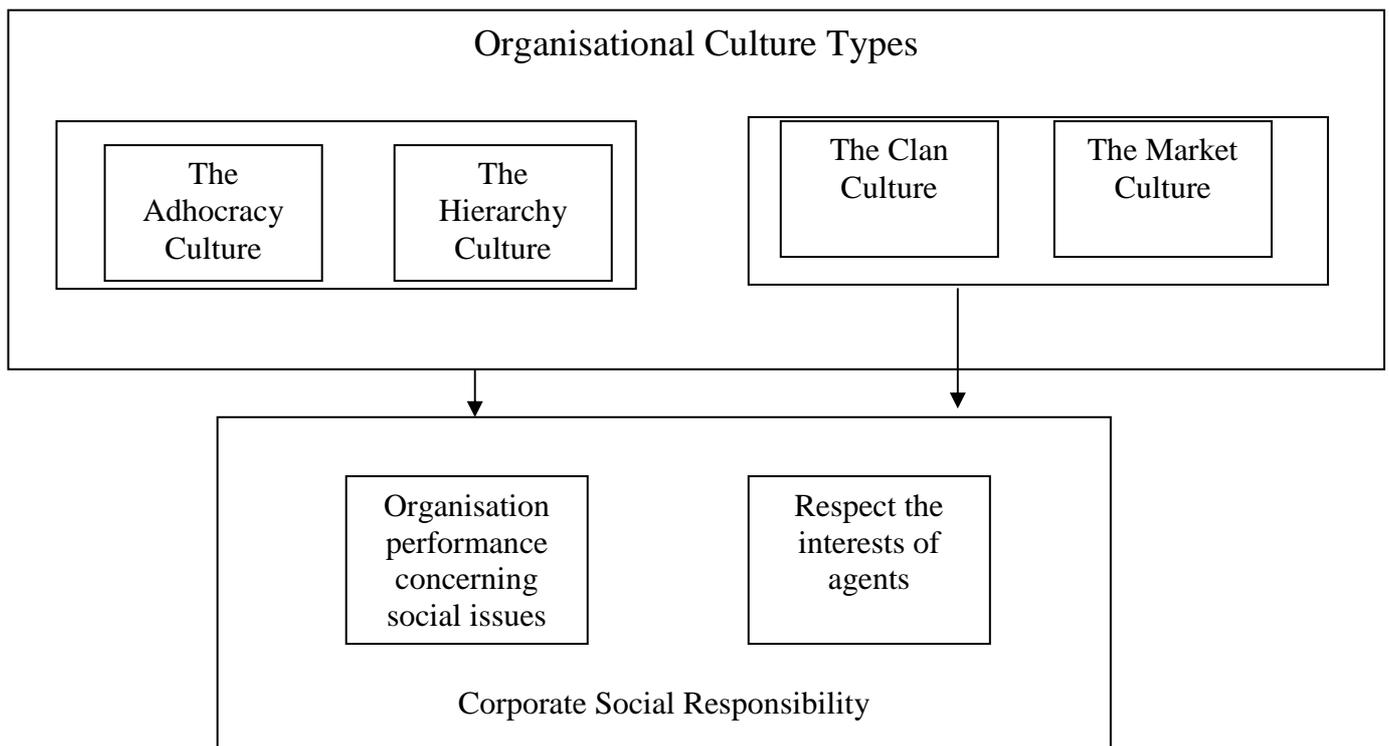
According to Cameron and Quinn (1998) typical characteristics of clan-type firms are teamwork, employee involvement programs and corporate commitment to employees and therefore it is firm`s policy to respect the interests of agents. The market culture is focused on transactions with external constituencies including suppliers, customers, contractors, licensees, unions, regulators and so forth and therefore it is important for market culture-type organisations to respect the interests of agents. Clear lines of decision-making authority, standardized rules, procedures, control and accountability mechanisms are valued as the key

to success in the hierarchy culture-type organisations and therefore these organisations are not oriented so much to respect the interests of agents. A major goal of adhocracy is to foster adaptability, flexibility and creativity where uncertainty, ambiguity and/or information-overload are typical to these adhocracy culture-type organisations and therefore these organisations are also not oriented so much to respect the interests of agents.

According to the results different culture types are dominating in enterprises from different countries. In Estonian enterprises clan culture type is dominating. In Chinese enterprises market and adhocracy culture types are dominating. In Japan enterprises market and hierarchy culture types are dominating. In Russian enterprises market culture type is dominating. Hofstede (1980) and Tromperaars (1992) have reported national differences among countries on the basis of universalism versus particularism, individualism versus collectivism, focus on achievement versus ascription, an internal focus versus an external focus and other dimensions.

In conclusion clan and market organizational culture types predict 2 facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interests of agents. Hierarchy and adhocracy organizational culture types predict 1 facet of corporate social responsibility - the firm performance concerning social issues according to this study in Estonian, Chinese, Japan and Russian electric-electronic machine, retail store and machine-building enterprises retail. Different organizational culture types are dominating in enterprises from different countries.

Implications for managers – there is connection between organizational culture and corporate social responsibility. Two organizational culture types – clan and market predict corporate social responsibility. Two organizational culture types – hierarchy and adhocracy predict 1 facet of corporate social responsibility - the firm performance concerning social issues. Managers in a market culture type organizations are good at directing, producing results, negotiating and motivating others. When the organization is dominated by the clan culture, the most effective leaders are parent-figures, team-builders, facilitators, nurturers, mentors and supporters.

Limitations of study
There are also limitations in this study connected with its general framework. The authors have focused only on certain facets of corporate social responsibility that are connected with different organizational culture types, but there could also be other facets. The author explored concrete connections between a limited number of factors and the other influences have been left for future research. This research was done in Estonian, Chinese, Japan and Russian electric-electronic machine, retail store and machine-building enterprises and results from other countries and enterprises branches can be different.

Further research proposal
The connection between organizational culture and corporate social responsibility could be studied in more detail by using the model developed in this research. Organizational culture change over time and this impact on corporate social responsibility should be studied. Organizational leadership, effectiveness and quality management in different organizational culture types should be measured and connections concerning corporate social responsibility should be analyzed.

In order to get more information about the influence of institutional stage, comparative studies could be done in other countries such as other European Union countries, USA etc. Attention should also be turned to enterprises from other branches.

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Study IV

Übius, Ü., Alas, R. (2008). Factors predicting innovation climate. EIASM 3rd Workshop on Organisational Change & Development: Advances, Challenges & Contradictions, Bucharest, 26-27 September.

Factors predicting innovation climate

ABSTRACT

The purpose of this paper is to investigate how such factors as organizational culture, individual and organizational level factors predict innovation climate. The survey was conducted in Estonian, Chinese, Japanese, Russian, Slovakian and Czech electric-electronic machine, retail store and machine-building enterprises. Linear regression analysis was done in order to analyze connections between innovation climate, organizational culture, individual and organizational level factors. The total number of respondents was 4632.

The results of an empirical study show that organizational culture, individual and organizational level factors predict innovation climate. The 3 models developed explains how organizational culture, individual and organizational level factors predict innovation climate in Estonian, Chinese, Japanese, Russian, Slovakian and Czech electric-electronic machine, retail store and machine-building enterprises.

Keywords: innovation climate, organizational culture, job satisfaction, meaning of work, attitude toward the firm, powerfulness of firm in competition against rivals, behaviour of management, policy of firm, Estonia, China, Japan, Russia, Slovakia, Czech.

INTRODUCTION

This study investigates how organizational culture, individual and organizational level factors predict innovation climate in Estonian, Chinese, Japanese, Russian, Slovakian and Czech electric-electronic machine, retail store and machine-building enterprises.

The main aim of the study is to find connections between organizational culture, individual, organizational level factors and innovation climate.

A standardised organizational culture, job satisfaction, meaning of work, attitude toward the firm, powerfulness of firm in competition against rivals, behaviour of management and policy of firm questionnaire was developed by the Denki Ringo research group (Ishikawa et al, 2006). The questionnaire was administered in Estonian, Chinese, Japanese, Russian, Slovakian and Czech electric-electronic machine, retail store and machine-building enterprises.

The linear regression analysis was used in order to find statistically relevant connections between organizational culture, individual, organizational level factors and innovation climate.

The main research question is: Do organizational culture, individual and organizational level factors predict innovation climate ?

This study, therefore, investigates how organizational culture, individual and organizational level factors predict innovation climate. Data is collected from empirical studies in Estonian, Chinese, Japanese, Russian, Slovakian and Czech electric-electronic machine, retail store and machine-building enterprises Results are discussed.

THEORETICAL FRAMEWORK

Innovation climate

In this study, we examine innovation climate. That is, the degree of support and encouragement an organization provides its employees to take initiative and explore innovative approaches is predicted to influence the degree of actual innovation in that organization (Martins & Terblanche, 2003; Mumford & Gustafson, 1988).

Many authors (Van de Ven, 1986; Amabile, 1988; Smith, 2000; Unsworth & Parker, 2003) have found that individual innovation helps to attain organizational success. Employees` innovative behaviour depends greatly on their interaction with others in the workplace (Anderson et al., 2004; Zhou & Shalley, 2003). According to Damanpour & Schneider (2006) the climate for innovation is a direct result of top managers' personal and positional characteristics.

Previous studies treated employees innovative behaviour as a one –dimensional construct that encompasses both idea generation and application behaviour (Scott and Bruce, 1994; Janssen, 2000). This implies that differences in relevant leader behaviour between the two phases remain invisible, which is why recent work recommends keeping these phases of the innovation process separate (Mumford & Licuanan, 2004). Innovation theorists often describe the innovation process as being composed of two main phases: initiation and implementation (Zaltman et al., 1973; Axtell et al., 2000).

According to Buckler & Zien (1996) innovation is the purpose of the whole organization, a broad activity. In this kind of culture, new ideas come forward into an atmosphere of enthusiastic support and a desire to contribute to them, even though everyone knows that the majority of these ideas will not make it to the market. Innovative companies are on watch to continually refresh this climate, because it can be undermined. „Out of the box" thinking is certainly a major characteristic of an innovative environment. It is essential to become somewhat comfortable with the idea that at times the „unreasonable" solution is exactly what`s called for (Buckler & Zien, 1996).

Organizational culture

By Schein (1992) organisational culture is the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and integral integration. Trice and Beyer (1993) have also connected culture with environment, seeing organisational culture as a collective response to uncertainty and chaos.

According to Cameron and Quinn (1999) there are many kinds or levels of culture that affect individual and organizational behaviour. At the broadest level, a global culture, such as a world religion`s culture or the culture of the Eastern hemisphere, would be the highest level.

Researchers Hofstede (1980) and Tromperaars (1992) have reported marked differences among countries based on certain key dimensions. For example, national differences exist among countries on the basis of universalism versus particularism, individualism versus collectivism, neutrality versus emotionality, specificity versus diffuseness, focus on achievement versus ascription, focus on past versus present versus future, and an internal focus versus an external focus (Tromperaars, 1992).

According to Cameron and Quinn (1999) culture defines the core values, assumptions, interpretations and approaches that characterise an organization. Competing Values Framework is extremely useful in helping to organize and interpret a wide variety of organizational phenomena. The four dominant culture types – hierarchy, market, clan and

adhocracy emerge from the framework. Most organizations develop a dominant cultural style. More than 80 percent of the several thousand organizations they have studied have been characterized by one or more of the culture type identified by the framework. Those that do not have a dominant culture type either tend to be unclear about their culture, or they emphasize nearly equally the four different cultural types.

The Hierarchy Culture

Weber (1947) proposed seven characteristics that have become known as the classical attributes of bureaucracy (rules, specialization, meritocracy, hierarchy, separate ownership, impersonality and accountability). They were adopted widely in organizations whose major challenge was to generate efficient, reliable, smooth-flowing, predictable output.

The organizational culture compatible with this form is characterized by a formalized and structured place to work. Effective leaders are good coordinators and organizers. Maintaining a smooth-running organization is important. The long-term concerns of the organization are stability, predictability and efficiency. Formal rules and policies hold the organization together. New employees begin by doing only one specific job (Cameron, Quinn, 1999).

The Market Culture

The market culture type was based largely on the work of Williamson (1975) and Ouchi (1981). The term market refers to a type of organization that functions as a market itself. It is oriented toward the external environment instead of internal affairs. It is focused on transactions with external constituencies including suppliers, customers, contractors, licensees, unions, regulators and so forth. The market operates primarily through economic market mechanisms, mainly monetary exchange. That is, the major focus of market is to conduct transactions (exchanges, sales, contracts) with other constituencies to create competitive advantage. Profitability, bottom line results, strength in market niches, stretch targets and secure customer bases are primary objectives of the organization. The core values that dominate market type organizations are competitiveness and productivity. The major task of management is to drive the organization toward productivity, results and profits. It is assumed that a clear purpose and an aggressive strategy lead to productivity and profitability (Cameron, Quinn, 1999).

The Clan Culture

A number of researchers observed fundamental differences between the market and hierarchy forms of design in America and clan forms of design in Japan (Ouchi, 1981; Pascale & Athos, 1981). It is called a clan because of its similarity to a family-type organization. Typical characteristics of clan-type firms were teamwork, employee involvement programs and corporate commitment to employee.

Some basic assumptions in a clan culture are that the environment can best be managed through teamwork and employee development, customers are best thought as partners, the organization is in the business of developing a humane work environment and the major task of management is to empower employees and facilitate their participation, commitment and loyalty (McGregor, 1960; Likert, 1970; Argyris, 1964).

The organization is held together by loyalty and tradition. The organization emphasizes the long-term benefit of individual development with high cohesion and morale being important.

Success is defined in terms of internal climate and concern of people (Cameron, Quinn, 1999).

The Adhocracy Culture

The root of the word adhocracy is ad hoc – referring to a temporary, specialized, dynamic unit. Most people have served on an ad hoc task force or committee, which disbands as soon as its task is completed. Adhocracies are similarly temporary. They have been characterized as" tents rather than palaces" in that they can reconfigure themselves rapidly when new circumstances arise. A major goal of an adhocracy is to foster adaptability, flexibility and creativity where uncertainty, ambiguity and/or information-overload are typical. An important challenge of these organizations is to produce innovative products and services and to adapt quickly to new opportunities. Unlike markets or hierarchies, adhocracies do not have centralized power or authority relationships. Instead, power flows from individual to individual or from task team to task team depending on what problem is being addressed at the time. A high emphasis on individuality, risk taking and anticipating the future exists as almost everyone in an adhocracy becomes involved with production, clients, research and development and so forth (Cameron, Quinn, 1999).

Connection between innovation climate and organizational culture

According to James et. al. (2007) culture is the lens through which leader vision is manifested and helps build the climate necessary for organizations to become innovative. Leadership behaviors, namely individualized consideration and motivation, derive from a leader's vision and values and contribute to a culture that facilitates organizational innovation (Elenkov & Manev, 2005; Nutt, 2002). Yukl (2002) asserted that specific leadership behaviors may influence innovation through compliance as part of the organizational culture. Moran and Volkwein (1992) argued that climate reflects the shared knowledge and meanings embodied in an organization's culture. According to Santora and Cooper (2008) organizational climate can be regarded as the expression of underlying cultural practices that arise in response to contingencies in the organization's internal and external environment. This view affirms the "climate-for" innovation approach (Ostroff et al., 2003) as a valid accompaniment to studies of organizational culture, consistent with Glisson and James' (2002) observation that climate and culture should be studied simultaneously.

Connections between innovation climate and individual level factors

Innovation climate and job satisfaction

According to Shipton et al (2004) aggregate job satisfaction was a significant predictor of subsequent organizational innovation, even after controlling for prior organizational innovation and profitability. Moreover the data indicated that the relationship between aggregate job satisfaction and innovation in production technology/ processes (but not product innovation) is moderated by organizational job variety, harmonization and contingent pay.

Research also shows that job satisfaction is significantly associated with measures of discretionary behaviours classed as "organizational citizenship": helping, loyalty, compliance and innovation (Podsakoff et al., 2000).

Innovation climate and meaningful work

According to Judge (1997) R&D units are more innovative when the firm emphasizes personalized, intrinsic rewards (those that were related to the work and elicited feelings of accomplishment, such as peer and supervisor recognition, meaningful work opportunities) as opposed to extrinsic (bonuses, stock options).

Innovation climate and attitude toward the firm

According to Jones (1995) consultants and academics are urged to highlight the need to tackle core attitudes at the head of organizations as the key prerequisite of radical culture change, high learning and innovation, and long-term competitiveness.

According to García-Goñi (2007) perception of innovation is different for managers and front-line employees in public health institutions. While front-line employees' attitude depends mostly on the overall performance of the institution, managers feel more involved and motivated, and their behaviour depends more on individual and organisational innovative profiles.

Connections between innovation climate and organisational level factors

Innovation climate and powerfulness of firm in competition against rivals

Several common themes emerge repeatedly across studies to suggest that the link between innovation activities and competitive advantage rests primarily on four factors. One, innovations that are hard to imitate are more likely to lead to sustainable competitive advantage (Clark 1987; Porter, 1985). Two, innovations that accurately reflect market realities are more likely to lead to sustainable competitive advantage (Deming, 1983; Porter, 1985). Three, innovations that enable a firm to exploit the timing characteristics of the relevant industry are more likely to lead to sustainable competitive advantage (Betz, 1987; Kanter, 1983). Fourth, innovations that rely on capabilities and technologies that are readily accessible to the firm are more likely to lead to sustainable competitive advantage (Ansoff, 1988; Miller, 1990).

Innovation climate and behaviour of management

According to Ortts & Smits (2006) four general consequences of the trends in innovation management are: 1) the end of the linear model; 2) the rise of the systems approach; 3) the inherent uncertainty and need for learning; 4) innovation becomes more entrepreneurial. The Significant progress in innovation management has been obtained, but the failure rate has remained the same because of the changing conditions.

Brown et al. (2004) unfold the subjectivity of innovation management, and the essential role that sub-cultures and innovation process outcome criteria play in the innovation journey.

According to Birkinshaw (2006) management innovation tends to be diffuse and gradual. It typically follows four stages. The first stage is some type of dissatisfaction with the status quo, such as a crisis or strategic threat. That stage is followed by inspiration from other sources. The third stage is the invention of the management innovation itself. While most innovators identified a precipitating event that preceded the innovation, such as a challenge from a boss or a new assignment, few recalled a distinct "eureka moment" when the innovation occurred. The fourth stage is validation, both internally and through external sources such as academics, consultants, media organizations or industry associations.

Innovation climate and policy of firm

According to Teece (1981) public policy aimed at promoting innovation must focus not only on R&D, but also on complementary assets, as well as the underlying infrastructure.

According to Nguyen (2007) the impact of innovation policy on firms' innovative performance is one of the major issues to be dealt with in society in constant evolution and with strong competitiveness.

Based on the relevant literature authors developed the following general propositions:

P1. Four organizational culture types – clan, market, hierarchy and adhocracy predict innovation climate.

P2. Four organizational culture types – clan, market, hierarchy and adhocracy predict innovation climate differently in different countries.

P3. Individual level factors - job satisfaction, meaning of work and attitude toward the firm predict innovation climate.

P4. Organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm predict innovation climate.

EMPIRICAL STUDY

In order to find connections between organizational culture, individual, organizational level factors and innovation climate in Estonian, Chinese, Japanese, Russian, Slovakian and Czech enterprises, the authors conducted an empirical study in 2007-2008. The research was done in Estonian enterprises with 623 respondents, in Chinese enterprises with 1150 respondents, in Japan enterprises with 1570 respondents, in Slovakian enterprises with 605 respondents, in Czech enterprises with 1110 respondents and in Russian enterprises with 684 respondents. The companies were selected in a non-random manner, as the organisation registers do not have a solid basis for random sampling because only a fraction of the registered enterprises are active in Estonia, China, Japan, Russia, Slovakia and Czech. The total number of respondents was 5742.

Methodology. A standardised job satisfaction, meaning of work, attitude toward the firm, powerfulness of firm in competition against rivals, behaviour of management and policy of firm questionnaires were developed by the Denki Ringo research group (Ishikawa et al, 2006) and translated from English into Estonian, Chinese, Japanese, Russian, Slovakian and Czech. The questionnaires was administered in Estonian, Chinese, Japanese, Russian, Slovakian and Czech electric-electronic machine, retail store and machine-building enterprises.

The linear regression analysis was used in order to find statistically relevant connections between organizational culture, individual, organizational level factors and innovation climate.

Scale of Innovation Climate

Authors developed Scale of Innovation Climate based on Ekvall et al. (1983) Innovation Climate Questionnaire. Items were selected. The internal consistency, or Cronbach`s Alpha coefficient was .70. The final version of questionnaire for measuring innovation consisted 14 items.

Scales of four organizational culture types

Based on Cameron and Quinn (1999) authors developed subscales for measuring organizational culture types - clan, market, hierarchy, adhocracy. Items were selected. The internal consistency, or Cronbach`s Alpha coefficient is .92 for clan culture type, .90 for market culture type, .87 for hierarchy culture type and .91 for adhocracy culture type. The

final version consists of 19 items, which form four subscales – clan with 5 items, market with 4 items, hierarchy with 5 items and adhocracy with 5 items.

Connections between organizational culture, individual, organisational level factors and innovation climate

Our main purpose was to evaluate how organizational culture, individual and organizational level factors predict innovation climate. The authors used Linear Regression analysis. In the analysis organizational culture, individual and organizational level factors were taken as an independent variables and innovation climate as a dependent variable. We calculated a standardised regression coefficient Beta, which enabled us to predict how strongly organizational culture, individual and organizational level factors predict innovation climate. Analysis was applied separately for 4 organizational culture types, for 3 individual level factors, for 3 organizational level factors and for 1 innovation climate factor. Analysis to measure connection between organizational culture types and innovation climate was applied also separately for 6 countries.

According to the linear regression analysis results in Table 1, 2 and 3, all organizational culture types, individual and organizational level factors predict innovation climate.
From this study all four organizational culture types – clan, hierarchy, market and adhocracy, all individual level factors - job satisfaction, meaning of work and attitude toward the firm and all organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm predict innovation climate (Table 1, 2, 3).

Table 1. How do organizational culture predicts innovation climate (according to standardised regression coefficient Beta).

Organizational culture types	B	Beta	t	Sig.
China, N=1150				
Clan	.122	.167	5.526	**.000***
Market	.089	.138	4.530	**.000***
Hierarchy	-.000	-.046	-1.526	.127
Adhocracy	.095	.162	5.295	**.000***
Japan, N=1570				
Clan	.280	.118	4.391	**.000***
Market	.292	.098	3.834	**.000***
Hierarchy	.013	.006	.284	**.776**
Adhocracy	.844	.396	15.288	**.000***
Russia, N=684				
Clan	.128	.084	1.518	.129
Market	.085	.063	1.279	.201
Hierarchy	.007	.066	1.481	.138
Adhocracy	.419	.294	5.163	**. 000***
Slovakia, N=605				
Clan	-.135	-.057	-1.249	.212
Market	.809	.268	5.688	**.000***
Hierarchy	.125	.058	1.301	.193
Adhocracy	.649	.306	6.685	**.000***

Czech, N=1110				
Clan	-.170	.057	-1.147	.251
Market	.165	.064	1.651	**.001***
Hierarchy	-.170	.051	-1.105	.269
Adhocracy	.345	.123	2.480	**001***
Estonia, N = 623				
Clan	1.267	.431	10.114	**.000***
Market	.390	.124	2.683	**.007***
Hierarchy	.209	.106	2.534	.011
Adhocracy	.395	.169	4.018	**.000***
All countries, N = 5742				
Clan	.507	.252	17.514	**.000***
Hierarchy	.630	.262	18.624	**.000***
Market	.494	.185	13.497	**.000***
Adhocracy	.414	.224	15.738	**.000***

Notes. * - coefficient statistically significant, p<0,01

Results indicate that in China (R²=.085, F(4,999)=24.314, p<0,01), Japan (R²=.257, F(4,1421)=124.36, p<0,01) and Estonia (R²=.549, F(4,618)=190.31, p<0,01) three organizational culture types – clan, market and adhocracy predict innovation climate. In Slovakia (R²=.247, F(4,523)=44.278, p<0,01) and Czech (R²=.004, F(4,1104)=2.3816, p<0,01) two organizational culture types –market and adhocracy predict innovation climate. In Russia one organizational culture type - adhocracy (R²=.201, F(4,679)=44.209, p<0,01) predict innovation climate.

Hierarchy culture type doesn`t predict and adhocracy predicts innovation climate in Chinese, Japanese, Russian, Estonian, Czech and Slovakian enterprises.

Results indicate that four organizational culture types (R²=.568, F(4,608)=90.043, p<0,01) predict innovation climate.

Table 2. How do individual level factors predict innovation climate (according to standardised regression coefficient Beta).

Individual level factors	B	Beta	T	Sig.
Job satisfaction	.200	.315	18.110	**.000***
Meaning of work	.175	.106	6.107	**.000***
Attitude toward the firm	.382	.260	16.697	**.000***

N = 5742; Notes. * - coefficient statistically significant, p<0,01

Results indicate that individual level factors - job satisfaction, meaning of work and attitude toward the firm (R²=.145, F(2,3842)=328.18, p<0,01) predict innovation climate.

Table 3. How do organizational level factors predict innovation climate (according to standardised regression coefficient Beta).

Organizational level factors	B	Beta	T	Sig.

				.000*
Powerfulness of firm in competition against rivals	.056	.059	3.337	
Behaviour of management	.168	.122	6.691	.000*
Policy of firm	.301	.402	25.975	.000*

N = 5742; Notes. * - coefficient statistically significant, $p < 0.01$

Results indicate that organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm ($R^2 = .460$, $F(4,3194) = 682.13$, $p < 0.01$) predict innovation climate.

CONCLUSIONS

From this study organizational culture, individual and organizational level factors predict innovation climate.

The propositions discussed at the beginning of the paper will now be re-evaluated.

P1 postulated that four organizational culture types – clan, hierarchy, market and adhocracy predict innovation climate. This postulate was supported. From this study all four organizational culture types – clan, hierarchy, market and adhocracy predict innovation climate (Figure 1).

P2. Four organizational culture types – clan, market, hierarchy and adhocracy predict innovation climate differently in different countries. This postulate was partly supported.

Results indicate that in China, Japan and Estonia three organizational culture types – clan, market and adhocracy predict innovation climate. In Slovakia and Czech two organizational culture types –market and adhocracy predict innovation climate. In Russia one organizational culture type - adhocracy predicts innovation climate. Hierarchy culture type doesn`t predict and adhocracy predicts innovation climate in Chinese, Japanese, Russian, Estonian, Czech and Slovakian enterprises. Social, cultural, political and economical environment where organization is operating influences the connection between organizational culture and innovation climate.

P3 which postulated that individual level factors - job satisfaction, meaning of work and attitude toward the firm predict innovation climate. This postulate was supported. Individual level factors - job satisfaction, meaning of work and attitude toward the firm predict innovation climate in this study (Figure 2).

P4 postulated that organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm predict innovation climate. This postulate was also supported. Organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm predict innovation climate in this study (Figure 3).

Our findings are consistent with following studies. According to James et. al. (2007) culture is the lens through which leader vision is manifested and helps build the climate necessary for organizations to become innovative. As the environmental changes and demands organizations to change and adapt to new conditions, innovations are the vehicle to introduce change into outputs, structure and processes and factors at different levels – individual, organizational and environmental (Fariborz, 1991).

Summarizing the above, all four organizational culture types – clan, hierarchy, market and adhocracy predict innovation climate in Estonian, Chinese, Japanese and Slovakian enterprises. All individual level factors - job satisfaction, meaning of work and attitude toward the firm predict innovation climate. All organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm also predict innovation climate in Estonian, Slovakian, Russian, Chinese and Japanese enterprises.

Implications for managers from this study are following. Innovation climate is a complex entity. All four organizational culture types, all individual level factors - job satisfaction, meaning of work and attitude toward the firm and all organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm predict innovation climate. Therefore it should be taken into account when leaders create an innovative climate in an organization.

There are also limitations in this study connected with its general framework. The authors have focused only on certain factors – organizational culture, individual and organizational level factors that influence innovation climate, but there could be other factors influencing innovation climate. The author explored concrete connections between a limited number of factors and the other influences have been left for future research. Management styles and ethical values in business could be studied and analyzed concerning innovation climate. This research was done in Estonian, Chinese, Japanese, Slovakian and Russian electric-electronic machine, retail store and machine-building enterprises. Researches in other countries and in other branches should be done.

The concept of innovation climate should be studied in more detail in further studies by using the models developed in this research. Concept innovation climate is understood and valued differently in different countries and in different organizations. Firstly national cultural differences concerning the concept of innovation climate should be studied. Secondly other factors that influence innovation climate should be found out.

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Figure 1. How organizational culture predicts innovation in Estonian, Chinese, Japanese and Slovakian enterprises

ORGANIZATIONAL CULTURE

| CLAN | HIERARCHY | MARKET | ADHOCRACY |

INNOVATION CLIMATE
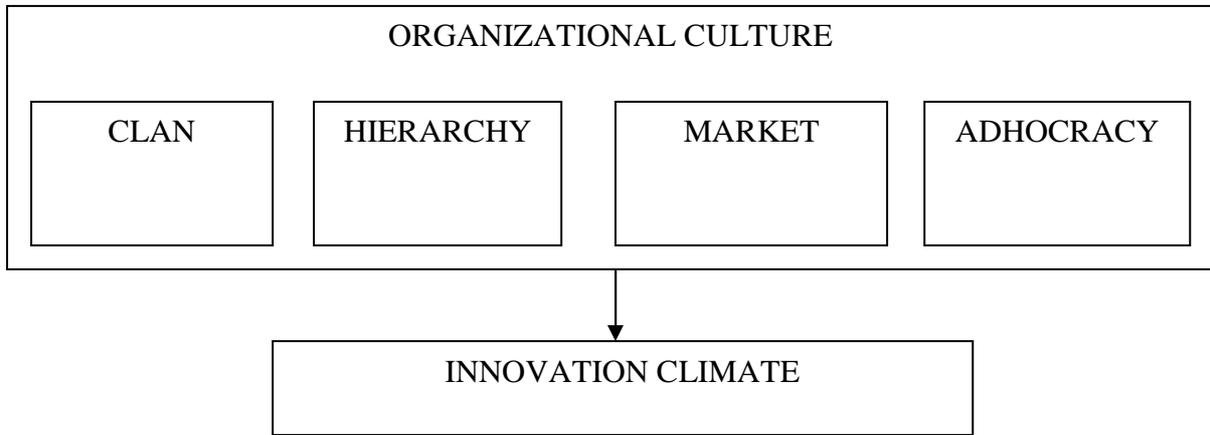
Figure 2. How individual level factors predict innovation in Estonian, Chinese, Japanese, Slovakian and Russian enterprises

INDIVIDUAL LEVEL FACTORS

| JOB SATISFACTION | MEANING OF WORK | ATTITUDE TOWARD THE FRIM |

INNOVATION CLIMATE
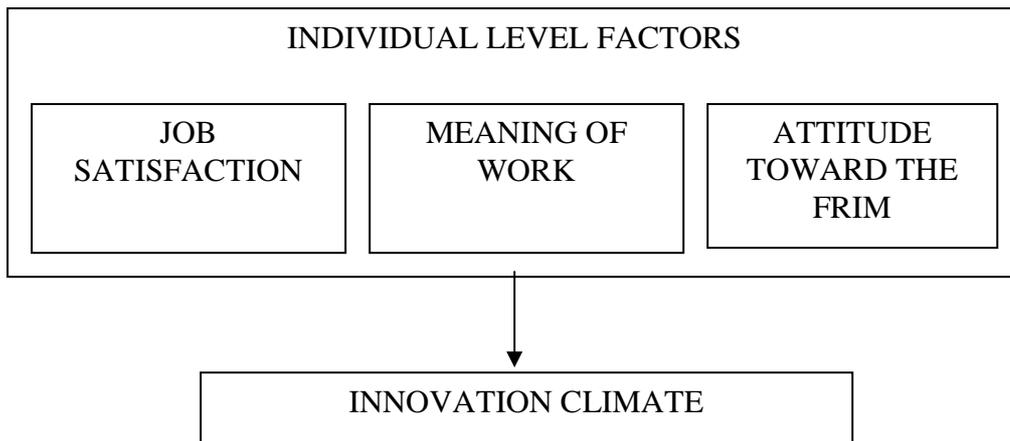
**Figure 3. How organizational level factors predicts innovation in Estonian, Chinese, Japanese, Slovakian and Russian enterprises**
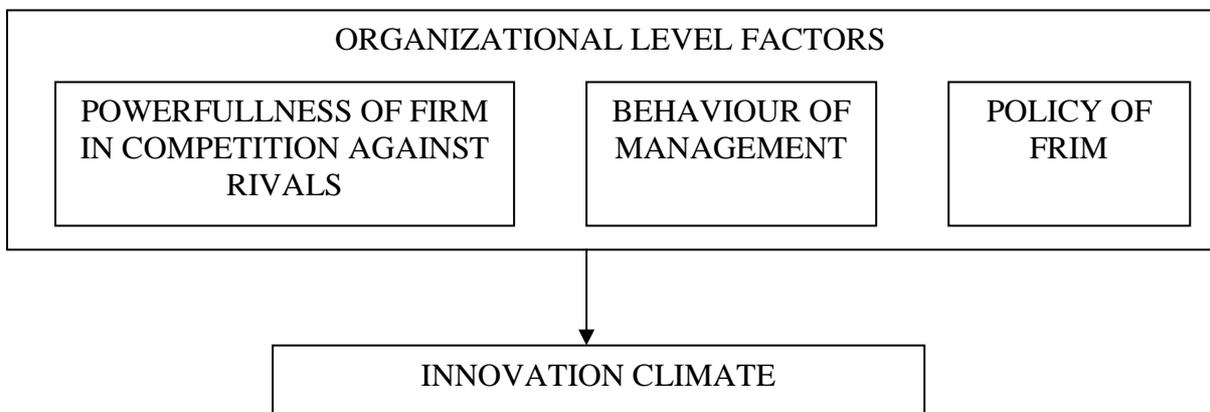
ORGANIZATIONAL LEVEL FACTORS

| POWERFULLNESS OF FIRM IN COMPETITION AGAINST RIVALS | BEHAVIOUR OF MANAGEMENT | POLICY OF FRIM |

INNOVATION CLIMATE

Study V

Übius, Ü., Alas, R. (2009). Connections between corporate social responsibility and innovation climate. EBS Review, 26.

Connections between corporate social responsibility and innovation climate

ABSTRACT

The purpose of this paper is to investigate connections between innovation climate and two facets of corporate social responsibility. The survey was conducted in Estonian, Chinese, German, Finnish, Czech, Slovakian and Japanese electric-electronic machine, retail store and machine-building enterprises. Data about two facets of corporate social responsibility, innovation climate and seven different countries were compared by means of the ANOVA-test. Linear regression analysis was done in order to analyze connections between innovation climate and corporate social responsibility. The total number of respondents was 5410.

The results of an empirical study show that one facet of corporate social responsibility - the firm performance concerning social issues predicts innovation climate in all seven countries. Another facet of corporate social responsibility - the firm respects the interests of agents predicts innovation climate in Estonian, Czech and Slovakian enterprises. The model developed explains how two facets of corporate social responsibility predict innovation climate in Estonian, Chinese, German, Finnish, Czech, Slovakian and Japanese electric-electronic machine, retail store and machine-building enterprises.

Keywords: innovation climate, corporate social responsibility, Estonia, China, Japan, Germany, Finland, Czech, Slovakia.

INTRODUCTION

This paper analyses connections between innovation climate and two facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interests of agents in Estonian, Chinese, German, Finnish, Czech, Slovakian and Japanese electric-electronic machine, retail store and machine-building enterprises.
The main aim of the study is to find out the connections between two facets of corporate social responsibility and innovation climate.

Research has called for organizations to be more entrepreneurial, flexible, adaptive and innovative to effectively meet the changing demands of today's environment (Orchard, 1998; Parker & Bradley, 2000; Valle, 1999). According to Borger and Kruglianskas (2006) it was found that there were many evidences of a strong relationship between the adoption of a CSR strategy by the firm and an effective environmental and innovative performance.

A standardised corporate social responsibility questionnaire comprising 19 items was developed by the Denki Ringo research group (Ishikawa et al, 2006). Based on Ekvall et al. (1983) Innovation Climate Questionnaire authors developed Scale of Innovation Climate. The questionnaires were administered in Estonian, Chinese, German, Finnish, Czech, Slovakian and Japanese electric-electronic machine, retail store and machine-building enterprises.

The linear regression analysis was used in order to find statistically relevant connections between two facets of corporate social responsibility and innovation climate.

The main research question is: Do two facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interests of agents predict innovation climate?

This study, therefore, investigates how two facets of corporate social responsibility predict innovation climate. Data is collected from empirical studies in Estonian, Chinese, German, Finnish, Czech, Slovakian and Japanese electric-electronic machine, retail store and machine-building enterprises. Results are discussed.

THEORETICAL FRAMEWORK
INNOVATION CLIMATE

In this study, we examine innovation climate. That is, the degree of support and encouragement an organization provides its employees to take initiative and explore innovative approaches is predicted to influence the degree of actual innovation in that organization (Martins & Terblanche, 2003; Mumford & Gustafson, 1988). Many authors (Van de Ven, 1986; Amabile, 1988; Smith, 2000; Unsworth & Parker, 2003) have found that individual innovation helps to attain organizational success Employees` innovative behaviour depends greatly on their interaction with others in the workplace (Anderson et al., 2004; Zhou & Shalley, 2003). According to Damanpour & Schneider (2006) the climate for innovation is a direct result of top managers' personal and positional characteristics.
Previous studies treated employees innovative behaviour as a one –dimensional construct that encompasses both idea generation and application behaviour (Scott and Bruce, 1994; Janssen, 2000). This implies that differences in relevant leader behaviour between the two phases remain invisible, which is why recent work recommends keeping these phases of the innovation process separate (Mumford & Licuanan, 2004). Innovation theorists often describe the innovation process as being composed of two main phases: initiation and implementation (Zaltman et al., 1973; Axtell et al., 2000).

The Schumpeterian definition (Shumpeter, 1934) of innovation states that the commercialization of all new combinations is based upon the application of any of the following: new materials and components, the introduction of new processes, the opening of new markets, and the introduction of new organizational forms. Only when a change in technology is involved is it termed an "invention", but as soon as the business world becomes involved, it becomes an "innovation" (Janszen, 2000).

Innovation involves the creation of a new product, service or process. "New" products can be viewed in terms of their degree of newness, ranging from a totally new, or discontinuous, innovation to a product involving simple line extensions or minor adaptations/adjustments that are of an evolutionary, or incremental, nature (Brentani, 2001).
According to Buckler & Zien (1996) innovation is the purpose of the whole organization, a broad activity. In this kind of culture, new ideas come forward into an atmosphere of enthusiastic support and a desire to contribute to them, even though everyone knows that the majority of these ideas will not make it to the market. Innovative companies are on watch to continually refresh this climate, because it can be undermined.

„Out of the box" thinking is certainly a major characteristic of an innovative environment. It is essential to become somewhat comfortable with the idea that at times the „unreasonable" solution is exactly what`s called for (Buckler & Zien, 1996).

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Different organisations have framed different definitions about CSR - although there is considerable common ground between them. Today corporate leaders face a dynamic and challenging task in attempting to apply societal ethical standards to responsible business practice (Morimoto et al., 2005). Nowadays corporate social responsibility is an integral part of the business vocabulary and is regarded as a crucially important issue in management (Cornelius et al., 2008; Humphreys & Brown, 2008).

Hillman & Keim (2001) suggested that, when assessing the returns to CSR, it was critical to discriminate between stakeholder management CSR and social CSR. This is consistent with Baron's (2001) distinction between altruistic and strategic CSR. More specifically, the authors concluded that whereas stakeholder-oriented CSR was positively correlated with financial performance, social CSR was not.

The tendency to invest in companies that practice and report CSR is increasing (Sleeper et al., 2006). Corporate social responsibility forces repositioning of strategies from profit-driven organizations to organizations with attention for the companies influence on social and environmental aspects (Quaak et al., 2007).

The firm performance concerning social issues

Sethi (1975) stated that whereas social obligation is proscriptive in nature, social responsibility is prescriptive. Jones (1980) stated that corporate social responsibility is the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract. Epstein (1987) provided a definition of CSR in his quest to relate social responsibility, responsiveness, and business ethics.

According to Frederick (1960) social responsibility in the final analysis implies a public posture toward society's economic and human resources and a willingness to see that those resources are used for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms. The proper social responsibility of business is to tame the dragon that is to turn a social problem into economic opportunity and economic benefit, into productive capacity, into human competence, into well-paid jobs, and into wealth (Drucker, 1984).

In the 1990s concept of corporate social performance stream emerged (Wood, 1991). Carroll (1999) CSR model identifies four components: economic, legal, ethical and voluntary (discretionary). The economic aspect is concerned with the economic performance of the company; while the other three categories – legal, ethical, and discretionary – are address the societal aspects of CSR.

Waddock & Graves (1997) have found positive relationship between a firm's social performance and its financial performance, whereas Wright and Ferris (1997) have found a negative relationship. Orlitzky et al. (2003) claim that there is strong empirical evidence supporting the existence of a positive link between social and financial performance.

Marcel van Marrewijk (2003) has narrowed down the concept of corporate social responsibility so that it covers three dimensions of corporate action: economic, social and environmental management. Garriga & Mele´ (2004) grouped theories of corporate social responsibility into four groups: instrumental, political, integral and ethical theories.

The firm respects the interests of agents

Stakeholder Theory popularized by Freeman (1984; 1994) essentially argues that a company's relationships with stakeholders (and treatment of the natural environment) is core to understanding how it operates and adds value as a business. Freeman (1994) argues that stakeholder language has been widely adopted in practice and is being integrated into concepts of corporate responsibility/citizenship by scholars who recognize that it is through a company's decisions, actions, and impacts on stakeholders and the natural environment that a company's corporate responsibility/citizenship is manifested.

Corporate social responsibility is a concept whereby companies fulfil accountability to their stakeholders by integrating social and environmental concerns in their business operations (Tanimoto, Suzuki, 2005). Companies will necessarily have to take into account cultural differences when defining their CSR policies and communicating to stakeholders in different countries (Bird & Smucker, 2007).

CONNECTIONS BETWEEN INNOVATION CLIMATE AND CSR

Today, pioneering enterprises integrate social entrepreneurship into their core activities by actively chanelling their research-and-development capabilities in the direction of socially innovative products and services (Schwab, 2008).

According to Asongu (2007) the key to success in using any type of innovation to a company's advantage from the CSR perspective is to communication with local municipal authorities, the press and most importantly, the general public that stands to benefit from such initiatives. Asongu (2007) states that companies that have sustainable policies tend to be technological leaders, as they seek imaginative new methods for reducing pollution and increasing efficiency. In many cases, these companies are able to come out with new, innovative products that out-pace most of their competitors.

According to Phills et. al. (2008) many social innovations involve the creation of new business models that can meet the needs of underserved populations more efficiently, effectively, and if not profitably, at least sustainably. Many innovations tackle social problems or meet social needs, but only for social innovations is the distribution of financial and social value tilted toward society as a whole.

Based on the relevant literature we developed the following general propositions:

P1. Facet of corporate social responsibility - the firm performance concerning social issues predicts innovation climate in Estonian, Chinese, German, Finnish, Czech, Slovakian and Japanese enterprises.

P2. Facet of corporate social responsibility - the firm respects the interests of agents predicts innovation climate in Estonian, Chinese, German, Finnish, Czech, Slovakian and Japanese enterprises.

EMPIRICAL STUDY

The authors of this article conducted the empirical study in 2007-2008 in order to find connections between two facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interests of agents and innovation climate in Estonian, Chinese, German, Finnish, Czech, Slovakian and Japanese enterprises. Two facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interests of agents were chosen for empirical study because they characterize most essentially CSR. The research was done in Estonian enterprises with 623 respondents, in Chinese enterprises with 1150 respondents, in Czech enterprises with 1110 respondents, in Slovakian enterprises with 605 respondents, in German enterprises with 113 respondents, in Finnish enterprises with 239 respondents and in Japanese enterprises with 1570 respondents.

There were 6 enterprises from Estonia, 6 enterprises from China, 6 enterprises from Czech, 3 enterprises from Slovakia, 1 enterprise from Germany, 4 enterprises from Finland and 6 enterprises from Japan in this study. There were all together 32 enterprises in this study. There were approximately 200 employees working in the companies that were chosen for this study.

The companies were selected in a non-random manner, as the organisation registers do not have a solid basis for random sampling because only a fraction of the registered enterprises are active in Estonia, China, Japan, Germany, Finland, Slovakia and Czech. The total number of respondents was 5410.

Methodology A standardised corporate social responsibility questionnaire comprising 19 items was developed by the Denki Ringo research group (Ishikawa et al, 2006) and translated from English into Estonian, Chinese, Czech, German, Finnish, Slovak and Japanese. The questions in the survey addressed 2 facets of corporate social responsibility - the firm performance concerning social issues (11 items) and the firm respects the interests of agents (8 items). The questionnaire was administered in Estonian, Chinese, Czech, German, Finnish, Slovakian and Japanese electric-electronic machine, retail store and machine-building enterprises. Authors conducted the survey in Estonian enterprises by themselves. Authors took contact with the member of the board and got the permission to conduct this study. After that the questionnaire was sent by e-mail to the respondents in each enterprise. The answers were sent back also by e-mail. Authors got the file with Chinese, Japanese, German, Finnish, Slovakian and Czech respondents` answers from their Japanese copartner and coordinator of this study.

Authors developed Scale of Innovation Climate based on Ekvall et al. (1983) Innovation Climate Questionnaire. Items were selected. The internal consistency, or Cronbach`s Alpha coefficient was .70. The final version of questionnaire for measuring innovation consisted 14 items.

Data about two facets of corporate social responsibility, innovation climate and seven different countries - Estonia, China, Czech, Slovakia, Germany, Finland and Japan were compared by means of the ANOVA-test. The linear regression analysis was used in order to find statistically relevant connections between two facets of corporate social responsibility and innovation climate.

The main research question is: Do two facets of corporate social responsibility predict innovation climate?

RESULTS

Our main purpose was to evaluate how corporate social responsibility predicts innovation climate. The authors used Linear Regression analysis. In the analysis 2 facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interests of agents are taken as an independent variables and innovation climate as a dependent variable. We calculated a standardised regression coefficient Beta, which enabled us to predict how strongly corporate social responsibility forecasts innovation climate. Analysis was applied separately for two facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interests of agents and for one innovation climate factor.

Corporate Social Responsibility

The firm performance concerning social issues

In different countries respondents estimate differently statements about the firm performance concerning social issues.

Table 1 shows respondents` opinions about the facet of corporate social responsibility - the firm performance concerning social issues. The statements were rated high in German (m=4.32, sd=0.58) and Chinese enterprises (m=4.15, sd=1.02). Statements were rated low in Japanese (m=3.44, sd=0.89) and Finnish enterprises (m=3.62, sd=0.91).

Tabel 1. The firm performance concerning social issues in Estonia, China, Japan, Finland, Germany, Czech and Slovakia

		1	2	3	4	5	6	7	8	9	10	11	SUM
Estonia	**M**	4.37	4.11	3.98	4.20	4.54	4.22	4.40	4.29	3.33	3.21	2.88	3.95
N=623	**SD**	0.80	0.95	1.12	1.02	0.62	0.85	0.71	0.77	1.14	1.09	0.96	0.84
China	**M**	4.11	3.96	4.15	4.11	4.20	4.36	4.38	4.30	4.11	3.99	4.06	4.15
N=1150	**SD**	0.95	1.09	0.99	1.01	0.97	0.89	0.86	0.90	0.97	1.03	1.03	1.02
Japan	**M**	3.82	3.43	3.51	3.50	3.56	3.71	3.70	3.51	3.24	2.98	2.97	3.44
N=1570	**SD**	0.91	1.06	0.83	0.89	0.81	0.84	0.89	0.87	0.85	0.92	0.93	0.89
Finland	**M**	3.99	4.18	3.58	3.59	4.02	4.14	4.16	3.34	3.22	2.75	2.89	3.62
N=239	**SD**	0.96	0.95	0.88	0.94	0.93	0.92	0.87	0.86	0.90	0.84	0.82	0.91
Germany	**M**	4.08	4.65	4.18	4.62	4.64	4.57	4.71	4.73	3.62	3.58	4.16	4.32
N=113	**SD**	0.98	0.62	0.80	0.55	0.57	0.57	0.47	0.44	0.93	0.83	0.93	0.58
Czech	**M**	4.18	4.64	4.20	3.62	3.64	3.57	4.11	3.73	4.62	4.58	3.16	4.00
N=1110	**SD**	0.99	0.52	0.80	0.55	0.67	0.57	0.47	0.44	0.93	0.83	0.93	0.86
Slovakia	**M**	3.91	3.80	4.05	3.83	4.07	4.07	4.12	3.90	3.56	3.28	3.21	3.80
N=605	**SD**	0.98	0.98	0.88	1.00	0.93	0.86	0.87	0.95	0.99	1.08	1.08	0.87

Notes: All indicators are statistically different between countries according to ANOVA-test, $p < 0.05$

Notes: The firm performance concerning social issues: 1 – compliance with the laws for business activities; 2 – compliance with the laws for worker protection; 3 – care and service for consumers; 4 – environmental protection; 5 – trustful relations with customers; 6 – safety and security of products and services; 7 – realization of the best quality of products and services; 8 – aftercare for users; 9 – publicity of company information for society; 10 – contribution to science and culture; 11 – public activities for local community; a five-point scale was used, where 1 signifies answer – not at all and 5 answer - fully.

The firm respects the interests of agents

In different countries respondents also evaluate differently statements concerning the firm respect the interests of agents.

Table 2 shows respondents' opinions about the facet of corporate social responsibility - the firm respect the interests of agents. The statements were rated high in Czech (m=4.27, sd=0.73) and German enterprises (m=4.19, sd=0.82). Statements were rated low in Estonian (m=3.23, sd=1.26) enterprises. Finnish respondents didn`t answer to the fifth question.

Tabel 2. The firm respects the interests of agents in Estonia, China, Japan, Finland, Germany, Czech and Slovakia

		1	2	3	4	5	6	7	8	SUM
Estonia	M	4.26	3.51	3.83	2.91	3.54	2.42	2.76	2.64	**3.23**
N=623	SD	1.21	1.38	1.33	1.35	1.41	1.40	1.28	1.36	**1.26**
China	M	4.28	4.07	4.33	3.85	3.69	3.69	3.98	3.96	**3.98**
N=1150	SD	0.88	0.85	0.86	1.08	1.12	1.15	0.93	1.03	**1.06**
Japan	M	3.74	3.41	3.88	3.44	3.06	3.03	3.19	3.13	**3.82**
N=1570	SD	0.82	0.86	0.91	0.91	0.93	0.91	0.84	0.89	**0.87**
Finland	M	4.44	3.02	3.69	4.19	-	2.45	2.68	2.77	**3.32**
N=239	SD	0.98	1.10	1.12	0.96	-	0.98	0.90	0.95	**0.96**
Germany	M	4.67	3.85	4.29	4.40	3.87	4.07	4.05	4.38	**4.19**
N=113	SD	0.54	0.77	0.80	1.00	0.79	0.61	0.75	0.57	**0.82**
Czech	M	4.37	4.85	3.29	3.40	4.57	4.87	4.55	4.28	**4.27**
N=1110	SD	0.54	0.77	0.70	1.20	0.77	0.41	0.79	0.57	**0.73**
Slovakia	M	4.10	3.81	3.95	4.15	3.30	3.37	3.69	3.66	**3.75**
N=605	SD	0.91	0.85	0.90	0.93	1.06	1.08	0.98	0.98	**0.97**

Notes: All indicators are statistically different between countries according to ANOVA-test, $p < 0.05$

Notes: The firm respects the interests of the following agents: 1 – customers; 2 - subsidiary, subcontract firms; 3 – consumers; 4 - stock holders; 5 –employees; 6 - trade union; 7 - public administration; 8 - local community; a five-point scale was used, where 1 signifies answer – not at all and 5 answer - fully.

Innovation climate

There are some similarities and also differences concerning opinions of respondents from different countries about innovation climate.

Table 3 shows respondents` opinions about innovation climate. The statements were rated high in Chinese (m=3.56, sd=1.05) and Estonian enterprises (m=3.53, sd=0.98). Statements were rated low in Japanese (m=3.01, sd=0.93) and Finnish enterprises (m=3.01, sd=1.02).

Table 3. Innovation climate in Estonia, China, Japan, Finland, Germany, Czech and Slovakia

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	SUM
Estonia	M	3.71	4.40	2.78	3.58	3.37	3.79	3.35	3.39	4.04	2.86	2.92	3.37	3.56	4.23	3.53
N=623	SD	0.75	0.67	0.49	0.96	0.98	1.11	0.99	1.40	0.92	1.27	0.88	1.41	0.97	0.98	0.98
China	M	3.94	4.45	2.82	2.82	3.20	2.76	3.30	3.87	3.61	3.04	3.80	3.83	4.14	4.24	3.56
N=1150	SD	0.88	0.92	0.45	1.28	0.94	1.21	1.24	1.12	1.18	1.33	1.09	1.10	1.01	0.91	1.05
Japan	M	2.94	3.53	2.63	2.67	2.81	3.03	3.02	2.75	3.07	3.09	3.20	2.54	3.19	3.59	3.01
N=1570	SD	0.88	1.09	0.55	0.91	0.88	0.90	0.81	0.82	0.83	0.98	0.90	0.84	2.70	0.83	0.93
Finland	M	2.66	3.88	2.93	2.98	3.19	2.98	2.73	2.70	3.07	2.20	3.02	2.50	3.38	3.92	3.01
N=239	SD	1.01	1.03	0.31	1.05	1.08	0.92	1.09	1.14	1.18	1.10	1.03	1.17	1.19	1.02	1.02
Germany	M	3.42	4.51	2.46	2.17	2.63	2.97	4.03	3.87	3.23	2.77	3.08	3.34	3.30	3.87	3.26
N=113	SD	1.05	0.72	0.73	1.26	1.21	1.37	1.08	1.06	1.42	1.65	1.45	1.40	1.43	1.39	1.16
Czech	M	3.33	4.23	2.60	3.01	3.03	3.10	3.32	3.00	3.45	2.83	3.29	2.98	3.41	4.03	3.26
N=1110	SD	1.01	1.00	0.60	1.16	1.16	1.10	1.06	1.14	1.19	1.29	3.36	1.18	1.15	1.03	1.24

Slovakia	M	2.50	4.06	2.73	3.02	2.98	2.81	2.84	2.75	3.29	2.86	3.15	3.07	3.91	4.31	3.16
N=605	SD	1.01	1.05	0.51	1.03	0.96	1.16	1.10	1.17	1.21	1.36	1.18	1.22	1.20	1.01	1.08

Notes: All indicators are statistically different between countries according to ANOVA-test, $p < 0.05$

Notes: 1 - How do you think you are estimated properly at your work, 2 - What do you feel toward the firm you are working for (a five-point scale was used, where 1 signifies answer - I don't care for the firm and 5 answer - I would put maximum effort toward the firm's success), 3 - These five years have you attended trainings or seminars organized by the firm inside or outside, 4 - Rules of the firm are occasionally disobeyed when an employee thinks it would be in favour of the firm, 5 - Our organization relies more on horizontal control and coordination, rather than strict hierarchy, 6 - Most capable persons commit in decisions to solve an urgent problem, 7 - Fresh creative ideas are actualized on time, 8 - Current vision creates stimuli for workers, 9 - Company realizes clear mission that gives meaning and sense to work, 10 - If department is short on hands, department's leader may hire temporary workers by himself, 11 - Our organization cares even about temporarily hired workers, 12 - We all clearly imagine future of our organization, 13 - Failure is considered as a stimulus to learning and development, 14 - All the employees should be aware of the important role of the their firm in society; a five-point scale was used, where 1 signifies answer – not at all and 5 answer - fully.

Connections between corporate social responsibility and innovation climate

There are similarities and differences concerning the connections between corporate social responsibility and innovation climate among different countries.

From this study one facet of corporate social responsibility - the firm performance concerning social issues predicts innovation climate in all seven countries. Another facet of corporate social responsibility - the firm respects the interests of agents predicts innovation climate in 3 countries – Estonia, Czech and Slovakia and doesn`t predict innovation climate in 4 countries - China, Japan, Finland and Germany (Table 4).

Table 4. How two facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interests of agents forecast innovation climate in Estonia, China, Japan, Finland, Germany, Czech and Slovakia (according to standardised regression coefficient Beta).

		B	**Beta**	**T**	**Sig.**
INNOVATION CLIMATE					
ESTONIA					
N=623, R²=.418, F(2.620)=223.00,p<.000	FPSI	.653	.576	18.329	**.000***
	FRIA	.399	.189	6.009	**.000***
CHINA					
N=1150, R²=.009, F(2.1134)=5.4592,p<.000	FPSI	.225	.095	2.524	**.011***
	FRIA	.011	.003	0.090	.928
JAPAN					
N=1570, R²=.067, F(2.1526)=55.480,p<.000	FPSI	-.468	-.227	-6.281	**.000***
	FRIA	-.121	-.042	-1.165	.243
FINLAND					
N=239, R²=.186, F(2.221)=25.299,p<.000	FPSI	.274	.368	4.835	**.000***
	FRIA	.111	.093	1.229	.220
GERMANY					
N=113, R²=.211, F(2.97)=12.998,p<.000	FPSI	.293	.453	5.003	**.000***
	FRIA	.006	.038	0.426	.670
CZECH					
N=1110, R²=.231, F(2.87)=12.78,p<.000	FPSI	.453	.676	16.429	**.000***
	FRIA	.679	.187	5.459	**.000***
SLOVAKIA					
N=605, R²=.213, F(2.400)=54.159, p<.000	FPSI	.459	.368	7.412	**.000***
	FRIA	.182	.157	3.171	**.001***

ALL COUNTRIES					
N=5410 R²=.294, F(2.3427)=714.69 p<.000	FPSI	.449	.563	29.919	**.000***
	FRIA	-.037	-.032	-1.749	.080

Notes. * - coefficient statistically significant, p<0,01

FPSI – The firm performance concerning social issues
FRIA – The firm respects the interests of agents

According to the results almost 41% of the variability in the innovation climate can be explained by reference to the two facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interests of agents (R²=.418, F(2.620)=223.00,p<0,00) in Estonian enterprises.

According to the results 23% of the variability in the innovation climate can be explained by reference to the two facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interests of agents (R²=.231, F(2.87)=12.78, p<0,00) in Czech enterprises.

According to the results 21% of the variability in the innovation climate can be explained by reference to the two facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interests of agents (R²=.213, F(2.400)=54.159, p<0,00) in Slovakian enterprises.

In Chinese, Japanese, Finnish and German enterprises innovation climate was predicted only by one facet of corporate social responsibility – the firm performance concerning social issues, but not by another facet of corporate social responsibility - the firm respects the interests of agents.

In this study one facet of corporate social responsibility - the firm performance concerning social issues predicts innovation climate. Another facet of corporate social responsibility - the firm respects the interests of agents predicts innovation climate in Estonian, Czech and Slovakian enterprises and doesn`t predict innovation climate in Chinese, Japanese, Finnish and German enterprises.

Therefore innovation climate is influenced by two facets of corporate social responsibility differently.

CONCLUSIONS

In this article, a theoretical model of the relationship among innovation climate and two facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interests of agents was developed and tested. Our purpose was to examine the relationship between innovation climate and two facets of corporate social responsibility. The findings of this study make a contribution to understanding the connection between these theoretical constructs.

Social, political and economic environment where organization is operating influences how corporate social responsibility predicts innovation climate. In different countries concepts of corporate social responsibility and innovation climate are understood and applied differently in organizations.

There are similarities and differences concerning the connections between corporate social responsibility and innovation climate in different countries.

From this study one facet of corporate social responsibility - the firm performance concerning social issues predicts innovation climate in all seven countries - Estonia, China, Germany,

Finland, Czech, Slovakia and Japan. Another facet of corporate social responsibility - the firm respects the interests of agents predicts innovation climate in 3 countries – Estonia, Czech and Slovakia and doesn`t predict innovation climate in 4 countries - China, Japan, Finland and Germany (Figure 1). Therefore innovation climate is influenced by the facet of corporate social responsibility - the firm respects the interests of agents and this relationship is influenced by social, political and economic environment where organization is operating. Social, political and economic environment in Estonia, Czech and Slovakia has been similar during last decades and different from China, Japan, Germany and Finland.

The statements about the facet of corporate social responsibility - the firm performance concerning social issues were rated high in German and Chinese enterprises and low in Japanese and Finnish enterprises.

The statements about the facet of corporate social responsibility - the firm respect the interests of agents were rated high in Czech and German enterprises and low in Estonian enterprises. Therefore statements concerning both facets of corporate social responsibility were stated high in German.

The statements about innovation climate were rated high in Chinese and Estonian enterprises and low in Japanese and Finnish enterprises.

The propositions discussed at the beginning of the paper will now be re-evaluated.

P1 postulated that facet of corporate social responsibility - the firm performance concerning social issues predicts innovation climate in Estonian, Chinese, German, Finnish, Czech, Slovakian and Japanese enterprises. This proposition was supported by findings. In Estonian, Chinese, Japanese, Finnish, German, Slovakian and Czech enterprises the facet of corporate social responsibility - the firm performance concerning social issues predicts innovation climate.

P2 which postulated that facet of corporate social responsibility - the firm respects the interests of agents predicts innovation climate in Estonian, Chinese, German, Finnish, Czech, Slovakian and Japanese enterprises. This proposition was partly supported by findings. In Estonian, Slovakian and Czech enterprises facet of corporate social responsibility - the firm respects the interests of agents predicts innovation climate and in Chinese, Japanese, Finnish and German enterprises it doesn`t predict innovation climate.

Our findings are consistent with following studies.
Some corporate leaders now see CSR as part of their strategic management program, while others see it as a source of innovation (Allen & Husted, 2006).
According to Borger and Kruglianskas (2006) it was found that there were many evidences of a strong relationship between the adoption of a CSR strategy by the firm and an effective environmental and innovative performance.
Today, pioneering enterprises integrate social entrepreneurship into their core activities by actively chanelling their research-and-development capabilities in the direction of socially innovative products and services (Schwab, 2008).

Asongu (2007) states that companies that have sustainable policies tend to be technological leaders, as they seek imaginative new methods for reducing pollution and increasing efficiency. In many cases, these companies are able to come out with new, innovative products that out-pace most of their competitors.

Summarizing the above one facet of corporate social responsibility - the firm performance concerning social issues predicts innovation climate in all seven countries - Estonia, China, Germany, Finland, Czech, Slovakia and Japan. Another facet of corporate social responsibility - the firm respects the interests of agents predicts innovation climate in 3

countries – Estonia, Czech and Slovakia. This relationship is influenced by social, political and economic environment where organization is operating.

Most difficult and important social problems can't be understood and solved, without innovative climate in the organization, without understanding the interests of different agents and without taking into account the influence of social, political and economic environment.

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Appendices
Figure 1. How corporate social responsibility predicts innovation climate
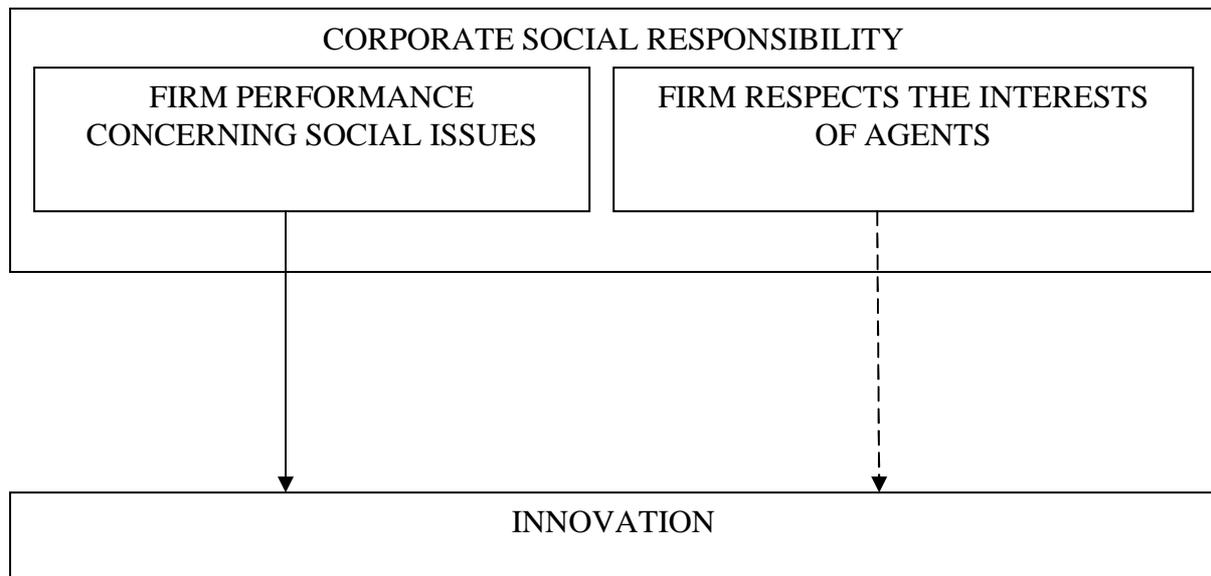
Study VI

Übius, Ü., Alas, R. (2009). Innovation and Corporate Social Responsibility in Estonian Organizations. International Research Journal "Problems and Perspectives in Management", 2.

Innovation and Corporate Social Responsibility in Estonian Organizations

ABSTRACT

The purpose of this paper is to investigate connections between innovation and corporate social responsibility in Estonian organizations and to find out major influencing factors. The interviews were conducted in 86 Estonian organizations.

The results of an empirical study show that innovation and corporate social responsibility are closely related constructs in Estonian organizations. The author`s survey shows that the main focus of Estonian managers and employees, has been on generating innovations. According to this study marketing and sales, product and process innovations took place most often in Estonian organizations. Estonian organizations innovate most often in order to increase efficiency and to offer a better service.
Keywords: innovation, corporate social responsibility, Estonia, public organization, private organization.

Introduction

Today, pioneering enterprises integrate social entrepreneurship into their core activities by actively chanelling their research-and-development capabilities in the direction of socially innovative products and services (Schwab, 2008). Research has called for organizations to be more entrepreneurial, flexible, adaptive and innovative to effectively meet the changing demands of today's environment (Orchard, 1998; Parker & Bradley, 2000; Valle, 1999).

Asongu (2007) states that companies that have sustainable policies tend to be technological leaders, as they seek imaginative new methods for reducing pollution and increasing efficiency. In many cases, these companies are able to come out with new, innovative products that out-pace most of their competitors.

According to Phills et. al. (2008) many social innovations involve the creation of new business models that can meet the needs of underserved populations more efficiently, effectively, and if not profitably, at least sustainably. Borger and Kruglianskas (2006) found that there were many evidences of a strong relationship between the adoption of a CSR strategy by the firm and an effective environmental and innovative performance.

This study investigates connections between innovation and corporate social responsibility (CSR) in Estonian private and public organizations. There is no commonly accepted definition about corporate social responsibility. Various conceptualizations of innovation and corporate social responsibility have been discussed. The main aim of the study is to find out connections between innovation and corporate social responsibility and major influencing factors. In recent years it is common to Estonian organizations to develop and implement CSR strategies and innovations. The semi-structured interviews about innovation and corporate social responsibility were conducted in 86 Estonian private and public sector organisations. The correlation analysis was used in order to find statistically relevant

connections between innovation and corporate social responsibility. The main research question is: Are there connections between innovation and corporate social responsibility?

This study, therefore, investigates connections between innovation and corporate social responsibility. Current paper commences with a brief overview of the concepts of corporate social responsibility and innovation. Data is collected from empirical studies in Estonian public and private organizations. Results are discussed.

THEORETICAL FRAMEWORK

Innovation

The Schumpeterian definition (Shumpeter, 1934) of innovation states that the commercialization of all new combinations is based upon the application of any of the following: new materials and components, the introduction of new processes, the opening of new markets, and the introduction of new organizational forms. Only when a change in technology is involved is it termed an "invention", but as soon as the business world becomes involved, it becomes an "innovation" (Janszen, 2000).

Innovation involves the creation of a new product, service or process. ”New” products can be viewed in terms of their degree of newness, ranging from a totally new, or discontinuous, innovation to a product involving simple line extensions or minor adaptations/adjustments that are of an evolutionary, or incremental, nature (Brentani, 2001).

Individual innovation helps to attain organizational success (Van de Ven, 1986; Amabile, 1988; Smith, 2000; Unsworth & Parker, 2003). Employees` innovative behaviour depends greatly on their interaction with others in the workplace (Anderson et al., 2004; Zhou & Shalley, 2003). According to Damanpour & Schneider (2006) the climate for innovation is a direct result of top managers' personal and positional characteristics.

Climate for innovation is studied as an indicator of the capacity of organizations to become innovative. That is, the degree of support and encouragement an organization provides its employees to take initiative and explore innovative approaches is predicted to influence the degree of actual innovation in that organization (Martins & Terblanche, 2003; Mumford & Gustafson, 1988).

Previous studies treated employees' innovative behavior as a one–dimensional construct that encompasses both idea generation and application behavior (Scott and Bruce, 1994; Janssen, 2000). This implies that differences in relevant leader behavior between the two phases remain invisible, which is why recent work recommends keeping these phases of the innovation process separate (Mumford & Licuanan, 2004). Innovation theorists often describe the innovation process as being composed of two main phases: initiation and implementation (Zaltman et al., 1973; Axtell et al., 2000).

According to Buckler & Zien (1996) innovation is the purpose of the whole organization, a broad activity. In this kind of culture, new ideas come forward into an atmosphere of enthusiastic support and a desire to contribute to them, even though everyone knows that the majority of these ideas will not make it to the market. Innovative companies are on watch to continually refresh this climate, because it can be undermined.

„Out of the box" thinking is certainly a major characteristic of an innovative environment. It is essential to become somewhat comfortable with the idea that at times the „unreasonable" solution is exactly what`s called for (Buckler & Zien, 1996).

Types of innovations
According to OECD (2006) a product innovation is the introduction of a good or service that is new or significantly improved with respect to its characteristics or intended uses. This includes significant improvements in technical specifications, components and materials, incorporated software, user friendliness or other functional characteristics. A process innovation is the implementation of a new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software. A marketing innovation is the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing.

A confirmatory analysis of the data from 85 public libraries showed that, over consecutive time periods, changes in the social structure, portrayed by the adoption of administrative innovations, lead to changes in the technical system, portrayed by the adoption of technical innovations (Damanpour et al, 1989).
Specifically, process innovation may result in higher productivity performance than product innovation in the short run. This result stems from the difference in efficiency growth when productivity growth is decomposed into two components: efficiency growth and technical growth. That is, product innovation by definition involves product development and radical innovation and so, it can deteriorate efficiency growth relative to other types of innovation due to the process of product development and the adjustments that are needed to new innovations whereas process innovation is implemented to reduce defects, lead time, costs and other factors, and as such is very efficiency orientated. Consequently it helps improve efficiency growth (Lee, Kang, 2007).
To summarize, the innovations differ according to types.
Process of innovation

Considering the wide variety of possible innovation forms and application domains, generalizations are difficult. The innovation process encompasses several systematic steps, beginning from problem/requirement analysis to idea generation, idea evaluation, project planning, product development and testing to finally product marketing. These steps may be categorised into 3 broad phases – conception, implementation and marketing. Conception phase involves requirement analysis, idea generation, idea evaluation and project planning. Implementation phase involves development/construction, prototype development, pilot application and testing. Marketing phase involves production, market launch and penetration (Tiwari & Buse, 2007).

According to Coffin & Allen (2008) managing new product development effectively is a trade-off between process and innovation. Companies want to develop new products quickly and efficiently, and this demands that they be process-oriented.
According to Perez-Bustamente (1999) it is possible to identify six basic phases in the innovation process model (IPM) whose phases are common to most innovation processes: problem identification phase, ideation phase, approach development phase, operationalisation phase, evaluation phase, exploitation phase.

Corporate social responsibility (csr)

Different organizations have framed different definitions about CSR - although there is considerable common ground between them. Today corporate leaders face a dynamic and challenging task in attempting to apply societal ethical standards to responsible business practice (Morimoto et al., 2005). Nowadays corporate social responsibility is an integral part of the business vocabulary and is regarded as a crucially important issue in management (Cornelius et al., 2008; Humphreys & Brown, 2008).

Sethi (1975) stated that whereas social obligation is proscriptive in nature, social responsibility is prescriptive. Jones (1980) stated that corporate social responsibility is the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract. Epstein (1987) provided a definition of CSR in his quest to relate social responsibility, responsiveness, and business ethics.

According to Frederick (1960) social responsibility in the final analysis implies a public posture toward society's economic and human resources and a willingness to see that those resources are used for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms. The proper social responsibility of business is to tame the dragon that is to turn a social problem into economic opportunity and economic benefit, into productive capacity, into human competence, into well-paid jobs, and into wealth (Drucker, 1984).

In the 1990s concept of corporate social performance stream emerged (Wood, 1991). Carroll (1999) CSR model identifies four components: economic, legal, ethical and voluntary (discretionary). The economic aspect is concerned with the economic performance of the company; while the other three categories – legal, ethical, and discretionary – are address the societal aspects of CSR.

Waddock & Graves (1997) have found positive relationship between a firm's social performance and its financial performance, whereas Wright and Ferris (1997) have found a negative relationship. Orlitzky et al. (2003) claim that there is strong empirical evidence supporting the existence of a positive link between social and financial performance.

Marcel van Marrewijk (2003) has narrowed down the concept of corporate social responsibility so that it covers three dimensions of corporate action: economic, social and environmental management. Garriga & Mele´ (2004) grouped theories of corporate social responsibility into four groups: instrumental, political, integral and ethical theories.

Hillman & Keim (2001) suggested that, when assessing the returns to CSR, it was critical to discriminate between stakeholder management CSR and social CSR. This is consistent with Baron's (2001) distinction between altruistic and strategic CSR. More specifically, the authors concluded that whereas stakeholder-oriented CSR was positively correlated with financial performance, social CSR was not.

Corporate social responsibility is a concept whereby companies fulfil accountability to their stakeholders by integrating social and environmental concerns in their business operations (Tanimoto, Suzuki, 2005). Companies will necessarily have to take into account cultural differences when defining their CSR policies and communicating to stakeholders in different countries (Bird & Smucker, 2007).
The tendency to invest in companies that practice and report CSR is increasing (Sleeper et al., 2006). Corporate social responsibility forces repositioning of strategies from profit-driven

organizations to organizations with attention for the companies influence on social and environmental aspects (Quaak et al., 2007).

Connections between innovation and corporate social responsibility

Today, pioneering enterprises integrate social entrepreneurship into their core activities by actively chanelling their research-and-development capabilities in the direction of socially innovative products and services (Schwab, 2008).

According to Borger and Kruglianskas (2006) it was found that there were many evidences of a strong relationship between the adoption of a CSR strategy by the firm and an effective environmental and innovative performance.

According to Asongu (2007) the key to success in using any type of innovation to a company's advantage from the CSR perspective is to communication with local municipal authorities, the press and most importantly, the general public that stands to benefit from such initiatives.

Asongu (2007) states that companies that have sustainable policies tend to be technological leaders, as they seek imaginative new methods for reducing pollution and increasing efficiency. In many cases, these companies are able to come out with new, innovative products that out-pace most of their competitors.

According to Phills et. al. (2008) many social innovations involve the creation of new business models that can meet the needs of underserved populations more efficiently, effectively, and if not profitably, at least sustainably. Many innovations tackle social problems or meet social needs, but only for social innovations is the distribution of financial and social value tilted toward society as a whole. A social innovation can be a product, production process, or technology (much like innovation in general), but it can also be a principle, an idea, a piece of legislation, a social movement, an intervention, or some combination of them.

Based on the relevant literature we developed the following general propositions:

P1. Marketing and sales innovations are mostly applied innovation types in Estonian organizations

P2. Generating and realizing are mostly used processes of innovation in Estonian organizations

P3. To increase efficiency and to offer a better service are the most important reasons for innovations in Estonian organizations.

P4. Corporate strategy and strategic implementation are positively related to the success of the implemented innovations.

P5. Innovations are successful in organizations where managers support innovation.

P6. Innovations are successful in organizations where CSR influences innovation positively.

EMPIRICAL PART

Methodology

The main aim of this study was to examine the relationship between innovation and corporate social responsibility in Estonian organizations. In the end of 2008 survey was conducted in

86 Estonian organizations. The organizations involved various industries and sectors. The sample consisted of 36 top managers (42%), 30 middle-higher managers (35%) and 20 specialists (23%). 23 respondents (27%) worked in a public organizations and 63 respondents (73%) worked in the private organizations.

86, face-to-face, semi-structured interviews were conducted with managers and employees. The interview questions focused on innovation, corporate social responsibility and the relations between these constructs.

Although most questions were open-ended, in some cases closed-ended questions were used, for example, in order to find out what kind of innovations have been implemented, what part of the innovation process are considered most important in Estonian organizations.

Authors read the transcripts and coded information using emergent coding. Authors coded the data and grouped the themes in similar categories. Final coding labels were created based upon the actual wording the research participants used.

Correlation analyses were carried out in order to show statistically relevant connections between innovation and corporate social responsibility.

Results

Results

Respondents were asked to evaluate the types of innovations (yes/no answer), the process of innovation on a 4-point scale, indicators characterising reasons for innovation (yes/no answer), organizational functions (yes/no answer) and organizational indicators on a 10-point scale. Respondents evaluated also the success of the implemented innovations on a 7-point scale.

Types of innovations

The results indicate that marketing and sales (27%), product (25%) and process (22%) innovations had most often taken place in Estonian organizations. Support group innovations (1%) and incremental (3%) innovations had taken place less in Estonian organizations (Table 1).

It should be noted that implementing innovations hasn`t been practised for a long time in Estonian organizations. It is a new issue in Estonian organizations and has came into practice lately.

Technical innovations (r=.383, p<0.01) and marketing and sales innovations (r=.328, p<0.01) are significantly correlated with the success of the implemented innovations (Table 1).

Table 1. Types of Innovations in Estonian Organizations.

Types of innovations	% of answers	Correlation with evaluation about success of the implemented innovations
Incremental innovation	3%	.146
Breakthrough innovation	11%	.075
Process innovation	22%	.151
Product innovation	25%	.134
Marketing and sales innovation	27%	**.328****
Support group innovation	1%	.138
Technical invention	11%	**.383****

** Correlations are significant at the 0.01 level

The process of innovation
The main focus of Estonian managers and employees seemed to be on generating innovations (33%). Respondents rated also highly two other parts of the process of innovation: completing (26%) and realising (25%). Respondents rated low the part of the process of innovation: exploring (16%) (Table 2).

Following processes of innovations: exploring (r=.254, p<0.01), generating (r=.265, p<0.01) and realising (r=.309, p<0.01) are significantly correlated with the success of the implemented innovations (Table 2).

Table 2. Processes of Innovation in Estonian organizations

Processes of Innovations	% of answers	Mean	Std. Dev.	Correlation with evaluation about success of the implemented innovations
Exploring	16%	1.85	1.01	**.254****
Generating	33%	3.19	.92	**.265****
Realising	25%	2.47	.87	**.309****
Completing	26%	2.61	1.20	.173

** Correlations are significant at the 0.01 level

Reasons for innovations

The most important reasons for innovations in Estonian organizations are: to increase efficiency (28%) and to offer a better service (28%). Reasons that were less mentioned according to innovations in Estonian organizations were: to encourage wider participation (1%), to start to use other resources (1%) and to improve effectiveness (4%) (Table 3).

The success of the implemented innovations are significantly correlated with following reasons for innovations: to increase efficiency (r=.327, p<0.01), to offer a better service (r=.478, p<0.01), to enhance expertise (r=.293, p<0.01) and to improve effectiveness (r=.221, p<0.05) (Table 3).

Table 3. Reasons for Innovations in Estonian organizations

Reasons for Innovations	% of answers	Correlation with evaluation about success of the implemented innovations
To make a difference	8%	-.096
To increase efficiency	28%	**.327****
To be creative	10%	.041
To offer a better service	28%	**.478****
To enhance expertise	8%	**.293****
To make practical improvements	12%	.074
To improve effectiveness	4%	**.221***
To encourage wider participation	1%	.130
Other – to start to use other resources	1%	-.153

Organizational functions that are involved in innovating

Customer service (15%), process improvement (13%), corporate strategy (12%), new product development (12%) and recruitment (12%) are organizational functions that are mostly involved in innovating in Estonian organizations. Cross functional teams (4%), product features (7%), administration (8%), resourcing (8%) and strategic implementation (9%) are less involved in innovating in Estonian organizations (Table 4).

Following organizational functions: administration (r=.203, p<0.05), corporate strategy (r=.212, p<0.05), resourcing (r=.319, p<0.01) and strategic implementation (r=.336, p<0.01) are significantly correlated with the success of the implemented innovations (Table 4).

Table 4. Organizational functions that are involved in innovating in Estonian organizations

Organizational functions	% of answers	Correlation with evaluation about success of the implemented innovations
Administration	8%	**.203***
Corporate strategy	12%	**.212***
Cross functional teams	4%	.107
Customer service	15%	-.057
New product development	12%	.137
Process improvement	13%	.097
Product features	7%	-.016
Recruitment	12%	.098
Resourcing	8%	**.319****
Strategic implementation	9%	**.336****

** Correlations are significant at the 0.01 level

* Correlations are significant at the 0.05 level

Organizational indicators that influence innovation

Clarity of vision and strategies (m=9.25, sd=.85), managers who support innovation (m=9.25, sd=.44), strong organizational community (m=8.75, sd=.85), transparency and truth (m=9.00, sd=1.03), good treatment of people (m=8.75, sd=.85) and focus on customers (m=8.75, sd=.85) are mostly valued organizational indicators that influence innovating in Estonian organizations. Self selection (m=5.25, sd=1.37), avoiding the „home run" philosophy (m=4.25, sd=1.40), tolerance of risk, mistakes and failure (m=5.00, sd=1.34) and no hand-offs (m=4.75, sd=1.91) were less valued organizational indicators that influence innovating in Estonian organizations (Table 5).

Following organizational indicators: support for intrapreneurs (r=.501, p<0.01), managers who support innovation (r=.496, p<0.01), empowered cross-functional teams (r=.460, p<0.01), discretionary time (r=.590, p<0.01), attention on the future (r=.502, p<0.01), self-selection (r=.547, p<0.01), no hand-offs (r=.427, p<0.01), boundary crossing (r=.418, p<0.01), strong organizational community (r=.283, p<0.01), choice of internal suppliers (r=.289, p<0.01), measurement of innovation (r=.201, p<0.05) and avoiding the "home run" philosophy (r=.559, p<0.01) are significantly positively correlated with the success of the implemented innovations. Following organizational indicators: decision making by the doers (r=-.260, p<0.01) and transparency and truth (r=-.251, p<0.01) are significantly negatively correlated with the success of the implemented innovations (Table 5).

Table 5. Organizational indicators that influence innovating in Estonian organizations

Organizational Indicators	Mean	Std. Dev.	Correlation with evaluation about success of the implemented innovations
Clarity of vision and strategies	9.25	.85	.053
Tolerance of risk, mistakes, and failure	5.00	1.34	.043
Support for intrapreneurs	5.75	1.60	**.501****
Managers who support innovation	9.25	.44	**.496****
Empowered cross-functional teams	6.00	1.65	**.460****
Decision making by the doers	7.50	1.54	**-.260****
Discretionary time	6.00	1.57	**.590****
Attention on the future	8.50	1.15	**.502****
Self-selection	5.25	1.37	**.547****
No hand-offs	4.75	1.91	**.427****
Boundary crossing	6.00	1.65	**.418****
Strong organizational community	8.75	.85	**.283****
Focus on customers	8.75	.85	-.044
Choice of internal suppliers	8.00	1.03	**.289****
Measurement of innovation	7.75	.85	**.201***
Transparency and truth	9.00	1.03	**-.251****
Good treatment of people	8.75	.85	.134
Social, environmental, and ethical responsibility	8.00	1.26	.126
Avoiding the "home run" philosophy	4.25	1.40	**.559****

** Correlations are significant at the 0.01 level
* Correlations are significant at the 0.05 level

Connections between CSR and innovation
The success of the implemented innovations are significantly correlated with an indicator -
CSR influences innovation (r=.524, p<0.01).

Indicators	Mean	Std. Dev.	Correlation with evaluation about success of the implemented innovations
CSR influences innovation	3.46	1.57	**.524****

** Correlations are significant at the 0.01 level

Conclusions
Empirical study in Estonian organizations indicates that innovations are successfully implemented in organizations where managers support it and where CSR influences innovations positively.

The propositions discussed at the beginning of the paper will now be re-evaluated.

P1 postulated that marketing and sales innovations are mostly applied innovation types in Estonian organizations. This postulate was supported by findings. Marketing and sales innovations are mostly applied innovations in Estonian organizations.

P2 postulated that generating and realizing are mostly used processes of innovation in Estonian organizations. This postulate was also supported by findings. Realizing and generating are indeed important parts of the process of innovations in Estonian organizations. In addition to this completing was also rated highly and is therefore also an important part of the process of innovations.

P3 postulated that the most important reasons for innovations in Estonian organizations are to increase efficiency and to offer a better service. This postulate was also supported by findings. To increase efficiency and to offer a better service are the most important reasons for innovations in Estonian organizations.

P4 postulated that corporate strategy and strategic implementation are positively related to the success of the implemented innovations. This postulate was supported by findings. Corporate strategy and strategic implementation are significantly correlated with the success of the implemented innovations. In addition to this administration was also significantly correlated with the success of the implemented innovations.
P5 postulated that innovations are successful in organizations where managers support innovation. This postulate was supported by findings. Innovations that are supported by managers are successfully implemented.
P6 postulated that innovations are successful in organizations where CSR influences innovation positively. This postulate was supported by findings. Implemented innovations are successful in organizations where it is considered that CSR influences innovation positively.

According to this study marketing and sales, product and process innovations took place most often in Estonian organizations. Technical innovations and marketing and sales innovations are significantly correlated with the success of the implemented innovations. Nowadays it is very common to put a lot of effort into marketing and sales innovations in Estonian organizations and as the study showed it is also related to the success.

The main focus of Estonian managers and employees is on generating innovations and also completing and realising innovations. Following processes of innovations: exploring, generating and realising are significantly correlated with the success of the implemented innovations. Therefore generating and realising are important processes of innovations, which are also related to the success of the innovations in Estonian organizations.

The most important reasons for innovations in Estonian organizations are: to increase efficiency and to offer a better service. The success of the implemented innovations are significantly correlated with following reasons for innovations: to increase efficiency, to offer a better service, to enhance expertise and to improve effectiveness. Estonian organizations innovate in order to increase efficiency and to offer a better service and it is related to the success of the implemented innovations.

Customer service, process improvement, corporate strategy, new product development and recruitment are organizational functions that are mostly involved in innovating in Estonian organizations. Following organizational functions: administration, corporate strategy, resourcing and strategic implementation are significantly correlated with the success of the implemented innovations. Therefore organizational function - corporate strategy is involved in innovating in Estonian organizations and is also related to the success of the implemented innovations.

Clarity of vision and strategies, managers who support innovation, strong organizational community, transparency and truth and good treatment of people are mostly valued organizational indicators that influence innovating in Estonian organizations. Following organizational indicators: support for intrapreneurs, managers who support innovation, empowered cross-functional teams, discretionary time, attention on the future, self-selection, no hand-offs, boundary crossing, strong organizational community, choice of internal suppliers, measurement of innovation and avoiding the "home run" philosophy are significantly positively correlated with the success of the implemented innovations. Therefore managers who support innovation is an important indicator that influence innovating in Estonian organizations and this indicator is also related to the success of the implemented innovations.

Finally the success of the implemented innovations are significantly correlated with an indicator - CSR influences innovation.

Our findings are consistent with following studies:

Today, pioneering enterprises integrate social entrepreneurship into their core activities by actively chanelling their research-and-development capabilities in the direction of socially innovative products and services (Schwab, 2008). Asongu (2007) states that companies that have sustainable policies tend to be technological leaders, as they seek imaginative new methods for reducing pollution and increasing efficiency. In many cases, these companies are able to come out with new, innovative products that out-pace most of their competitors.

According to Phills et. al. (2008) many social innovations involve the creation of new business models that can meet the needs of underserved populations more efficiently, effectively, and if not profitably, at least sustainably. Borger and Krugliianskas (2006) found that there were many evidences of a strong relationship between the adoption of a CSR strategy by the firm and an effective environmental and innovative performance.

To summarise, innovation and corporate social responsibility are related constructs in Estonian organizations. Estonian organizations put a lot of effort into marketing and sales innovations which are related to the success of the implemented innovations. Generating and realising are important processes of innovations in Estonian organizations and these processes are related to the success of the implemented innovations. Estonian organizations innovate in order to increase efficiency and to offer a better service and therefore innovations are successful. Corporate strategy is involved in innovating and it is also related to the

success. Innovations that are supported by managers are successfully implemented. Implemented innovations are successful in organizations where it is considered that CSR influences innovation positively.

Implications for managers – there is connection between corporate social responsibility and innovation. Innovations that are supported by managers are successfully implemented. Implemented innovations are successful in organizations where it is considered that CSR influences innovation positively. Corporate strategy is involved in innovating and it is also related to the success. Limitations of study - there are also limitations in this study connected with its general framework. The author explored concrete connections between a limited number of factors and the other influences have been left for future research. This research was done in Estonian, public and private organizations and results from other countries and organizations can be different.

Further research proposal - the connection between corporate social responsibility and innovation could be studied in more detail by using the results of this research. Organizational culture change over time and this impact on corporate social responsibility and innovation should be studied. Organization leadership and business ethics should be measured and connections concerning corporate social responsibility and innovation should be analyzed. In order to get more information about the influence of institutional stage, comparative studies should be done in other countries such as other European Union countries, USA etc.

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Appendix 1.
Interview questions.
Company name:
Number of employees:
Industry:
Year of establishment:
Your position:

1. What is thought by "innovation" in your organization?

2. Describe the most significant or creative presentation/idea that was developed/implemented in your organization.

3. Describe a time when a creative solution/idea/project/report came up to a problem in your organization.

4. Tell me about a time when a new process or program was created that was considered risky. What was the situation and what was done?

5. Can you think of a situation where innovation was required at work? What was done in this situation in your work?

6.When were the main innovations implemented in your organization? Which factors caused these innovations?

7. In what areas do the current measurement systems of your organization do more to encourage than to discourage innovation? Please mark with '+' in following table:

	Factor
	Incremental innovation
	Breakthrough innovation
	Process innovation
	Product innovation
	Marketing and sales innovation
	Support group innovation
	Technical invention

8. Why would your organization innovate ? Please mark those that apply to you.

	Factor
	To make a difference

	To increase efficiency
	To be creative
	To offer a better service
	To enhance expertise
	To make practical improvements
	To improve effectiveness
	To encourage wider participation

9. On what sort of issues would you get involved in innovating? Please rank in order of frequency your top four, with 1 being most frequent, 2 next most frequent, etc.

	Issues
	Administration
	Corporate strategy
	Cross functional teams
	Customer service
	New product development
	Process improvement
	Product features
	Recruitment
	Resourcing
	Strategic implementation
	Other (please describe)

10. Innovation contains four different processes – exploring, generating realising and completing. Please evaluate these process according to time you spent on them. I spend most of the time – 4 points, then next – 3 points, then next – 2 points and next – 1 point.
Exploring -
Generating -
Realising -
Completing -

11. How did the implementation of organizational innovation take place ? Which steps were taken in the process of implementation of organizational innovation ?

12. Did you meet resistance to innovation? How this resistance appeared? Please describe it.

13. What did your company do to overcome resistance to innovation?

14. How do you evaluate success of the implemented innovations in your company on a 7 point scale (7 is the highest mark and 1 the lowest).

15. Which were the most difficult issues during the implementation of innovations?

16. What did you learn from implementation of these innovations? What would you do differently in the future?

17. How do you define corporate social responsibility in your organization?

18. What kind of organizational culture supports corporate social responsibility ?

19. What kind of organizational culture supports innovations in organization?

20. How does corporate social responsibility influence innovations discovery and implementation?

21. Please evaluate the indicators in following table in your organization as a whole. Think about all employees. Please use a 10 point scale (10 is the highest mark and 1 the lowest).

Indicator	Grade from 1 to 10
Clarity of vision and strategies	
Tolerance of risk, mistakes and failure	
Support for intrapreneurs	
Managers who support innovation	
Empowered cross-functional teams	
Decision making by the doers	
Discretionary time	
Attention on the future	
Self selection	
No hand-offs	
Boundary crossing	
Strong organizational community	
Focus on customers	
Choice of internal suppliers	
Measurement of innovation	
Transparency and truth	
Good treatment of people	
Social, environmental and ethical responsibility	
Avoiding the „home run" philosophy	

Part 4. CONCLUSIONS

4.1 Discussion of the research propositions

Today, successful enterprises integrate corporate social responsibility and innovation performance. Organizations need to be more flexible, adaptive and innovative to effectively meet the changing demands of today's environment. The results of this survey in Estonian, Chinese, Japanese, Czech, Finnish, German, Russian and Slovakian organizations reveal that there is connection between corporate social responsibility and innovation climate. This relationship is influenced by organizational culture, individual and organizational level factors and social, political, economical, historical and cultural environment where organization is operating.

P1. Corporate social responsibility predicts individual and organizational level factors. This postulate was supported by findings. According to the study corporate social responsibility predicts individual and organizacional level factors, but it differs according to different countries. The biggest similarities were found concerning the facet of corporate social responsibility - firm respects the interests of agents, which is predicted in Estonia and Japan by job satisfaction, powerfulness of firm in competition against rivals, behaviour of management and policy of firm. The differences were found concerning the facet of corporate social responsibility - firm performance concerning social issues, which is predicted by powerfulness of firm in competition against rivals and policy of firm in both countries but also by meaning of work and attitude toward the firm in Estonia and by job satisfaction and behaviour of management in Japan. The differences can be explained by organisational culture in both countries which is different. Therefore in Estonian enterprises firm performance concerning social issues is achieved by assuring meaningful work and positive attitude toward the firm among employees whereas in Japan it is assured by management and employees job satisfaction.

Corporate social responsibility in enterprise is strongly influenced by society where enterprise is operating. The Japanese approach is different from the Western approach, given various particularities in the Japanese economy and society. Even though many companies are now acting on a global scale, they may still have national, or at least regional, characteristics. Differences and similarities concerning corporate social responsibility indicate that corporate social responsibility is influenced by similar factors in different countries and also by different factors in different countries. Differences are influenced by different social, economical, political and cultural background where organization is operating.

P2. Organizational culture predicts individual and organizational level factors.

There is the critical need for culture change in modern organizations. The chaotic, rapid-fire vacillations in the external environment create the risk that yesterday`s organizational culture will inhibit rather than contribute to corporate success (Cameron, Quinn, 1999). There are many kinds or levels of culture that affect individual and organizational behaviour. Researchers such as Hofstede (1980) and Tromperaars (1992) have reported marked differences among continents and countries based on certain key dimensions. This proposition was supported by findings. The conclusion from this study is that organizational culture types – clan, market, hierarchy and adhocracy predict individual level factors – job satisfaction, meaning of work and attitude toward the firm and organizational level factors -

powerfulness of firm in competition against rivals, behaviour of management and policy of firm (Study II).

P3. Organizational culture predicts corporate social responsibility

This proposition was partly supported by findings. All four organizational culture types according to Cameron and Quinn (1999) - hierarchy, clan, market, and adhocracy predict the facet of CSR - the firm performance concerning social issues. 3 organizational culture types – clan, hierarchy and adhocracy predict the facet of CSR - the firm respects the interests of agents (Table 1 in Study II).

According to Strautmanis (2007) social responsibility is part of organizational culture and a value in the organizational culture environment. Development of social responsibility is a change in values orientation, whose task is shaping the attitudes, transformation of the personal position so that it matches individual and public interests. Managers in wealthier countries are clearly less inclined to think about the welfare of the greater community or society in their decision-making. In poorer countries, managers may feel more of a personal responsibility toward the community and society at large (Waldman et al., 2006). A crucial aspect of business today is the corporate social and environmental responsibility behavior of all companies, but particularly of those within the world economic power basis because these countries set the norms for others to follow (Banerjee, 2001).

P4. Individual, organizational level factors and organizational culture predict innovation climate

This proposition was supported by findings. Individual level factors - job satisfaction, meaning of work and attitude toward the firm predict innovation climate in this study. Organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm predict innovation climate in this study. Organizational culture predicts innovation climate but it differs according to different countries.

As the environmental changes and demands organizations to change and adapt to new conditions, innovations are the vehicle to introduce change into outputs, structure and processes and factors at different levels – individual, organizational and environmental (Fariborz, 1991).

Individual level factors - job satisfaction, meaning of work and attitude toward the firm predict innovation climate, organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm also predict innovation climate in Estonian, Slovakian, Czech, Russian, Chinese and Japanese enterprises.

Four organizational culture types – clan, hierarchy, market and adhocracy predict innovation climate. Connection between organizational culture types and innovation climate differs according to countries. In China, Japan and Estonia three organizational culture types – clan, market and adhocracy predict innovation climate. In Slovakia and Czech two organizational culture types –market and adhocracy predict innovation climate. In Russia one organizational culture type - adhocracy predicts innovation climate

P5. Corporate social responsibility predicts innovation climate.

Social, political and economic environment where organization is operating influences how corporate social responsibility predicts innovation climate. In different countries concepts of corporate social responsibility and innovation climate are understood and applied differently in organizations.

There are similarities and differences concerning the connections between corporate social responsibility and innovation climate in different countries.

This proposition was partly supported by findings. From this study one facet of corporate social responsibility - the firm performance concerning social issues predicts innovation climate in all seven countries - Estonia, China, Germany, Finland, Czech, Slovakia and Japan. Another facet of corporate social responsibility - the firm respects the interests of agents predicts innovation climate in 3 countries – Estonia, Czech and Slovakia and doesn`t predict innovation climate in 4 countries - China, Japan, Finland and Germany. Therefore innovation climate is influenced by the facet of corporate social responsibility - the firm respects the interests of agents and this relationship is influenced by social, political and economic environment where organization is operating. Social, political and economic environment in Estonia, Czech and Slovakia has been similar during the last decades and different from China, Japan, Germany and Finland. Estonia, Czech and Slovakia have been influenced by Soviet Union. Estonia was occupied in 1944, Czechoslavakia in 1948. In 1990s Slovakia, Czech and Estonia gained independence. All three countries joined the European Union in 2004. Germany, Finland, Japan and China has had different political, economical and social environment. Therefore institutional framework has influence on the connection between innovation climate and the facet of corporate social responsibility - the firm respects the interests of agents.

Some corporate leaders now see CSR as part of their strategic management program, while others see it as a source of innovation (Allen & Husted, 2006).

According to Borger and Kruglianskas (2006) it was found that there were many evidences of a strong relationship between the adoption of a CSR strategy by the firm and an effective environmental and innovative performance. Today, pioneering enterprises integrate social entrepreneurship into their core activities by actively chanelling their research-and-development capabilities in the direction of socially innovative products and services (Schwab, 2008). Asongu (2007) states that companies that have sustainable policies tend to be technological leaders, as they seek imaginative new methods for reducing pollution and increasing efficiency. In many cases, these companies are able to come out with new, innovative products that out-pace most of their competitors.Most difficult and important social problems can't be understood and solved, without innovative climate in the organization, without understanding the interests of different agents and without taking into account the influence of social, political and economic environment.

P6. There is connection between corporate social responsibility and success of innovations.

This postulate was supported by findings. Empirical study in Estonian organizations indicates that innovations are successfully implemented in organizations where CSR influences innovations positively. According to Borger and Kruglianskas (2006) it was found that there were many evidences of a strong relationship between the adoption of a CSR strategy by the firm and an effective environmental and innovative performance. Today, pioneering enterprises integrate social entrepreneurship into their core activities by actively chanelling their research-and-development capabilities in the direction of socially innovative products and services (Schwab, 2008). Asongu (2007) states that companies that have sustainable policies tend to be technological leaders, as they seek imaginative new methods for reducing pollution and increasing efficiency. In many cases, these companies are able to come out with new, innovative products that out-pace most of their competitors.

According to Phills et. al. (2008) many social innovations involve the creation of new business models that can meet the needs of underserved populations more efficiently, effectively, and if not profitably, at least sustainably.

To summarise, corporate social responsibility and success of innovations are related constructs in Estonian organizations. Implemented innovations are successful in

organizations where it is considered that CSR influences innovation positively. According to this study there is connection between corporate social responsibility and innovation in Estonian organizations.

4.2. The results in the institutional context

Institutionalisation stage at the societal level influences the impact of corporate social responsibility on innovation climate. The author found that innovation climate is influenced by the facet of corporate social responsibility - the firm respects the interests of agents and this relationship is influenced by social, economical and political environment where organization is operating. According to the results of this study one facet of corporate social responsibility - the firm performance concerning social issues predicts innovation climate in all seven countries. Another facet of corporate social responsibility - the firm respects the interests of agents predicts innovation climate in three countries – Estonia, Czech and Slovakia and doesn`t predict innovation climate in four countries - China, Japan, Finland and Germany. Estonia, Czech and Slovakia were influenced by Soviet Union and organizations were operating in socialist planned economy during this time. In 1990s Slovakia, Czech and Estonia gained independence and in 2004 all three countries joined the European Union, where organizations are operating in capitalistic economy. Therefore organizations in all three countries had to operate in an environment which transformed from socialist planned economy to capitalistic economy. Germany, Finland, Japan and China has had different political, economical and social environment. Therefore institutional framework has influence on the connection between innovation climate and the facet of corporate social responsibility - the firm respects the interests of agents.

The conclusion from this study is that organizational culture types – clan, market, hierarchy and adhocracy predict individual level factors – job satisfaction, meaning of work and attitude toward the firm and organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm and this connection differs according to countries.

All four organizational culture types according to Cameron and Quinn (1999) - hierarchy, clan, market and adhocracy predict the facet of CSR - the firm performance concerning social issues. 3 organizational culture types – clan, hierarchy and adhocracy predict the facet of CSR - the firm respects the interests of agents (Table 1 in Study II).

Different organizational culture types are dominating in enterprises from different countries. In Estonian and Finnish enterprises clan, in Chinese enterprises market and adhocracy, in Japanese enterprises market and hierarchy, in Russian and German enterprises market, in Czech and Slovakian enterprises hierarchy culture types were rated highly.

From this study all four organizational culture types – clan, hierarchy, market and adhocracy predict innovation climate but this connection differs according to countries. In China, Japan and Estonia three organizational culture types – clan, market and adhocracy predict innovation climate. In Slovakia and Czech two organizational culture types –market and adhocracy predict innovation climate. In Russia one organizational culture type - adhocracy predicts innovation climate. Therefore social, cultural, political, historical and economical environment where organization is operating influences the connection between organizational culture and innovation climate.

According to the institutionalist perspective, organizations are socially embedded in a particular society (Geppert, 2003). According to Meyer et. al. (1994) institutions are accounts of how the social world works and embody normative principles and social values.

Social, cultural, political, historical and economical environment where organization is operating influences the connection between corporate social responsibility and innovation climate.
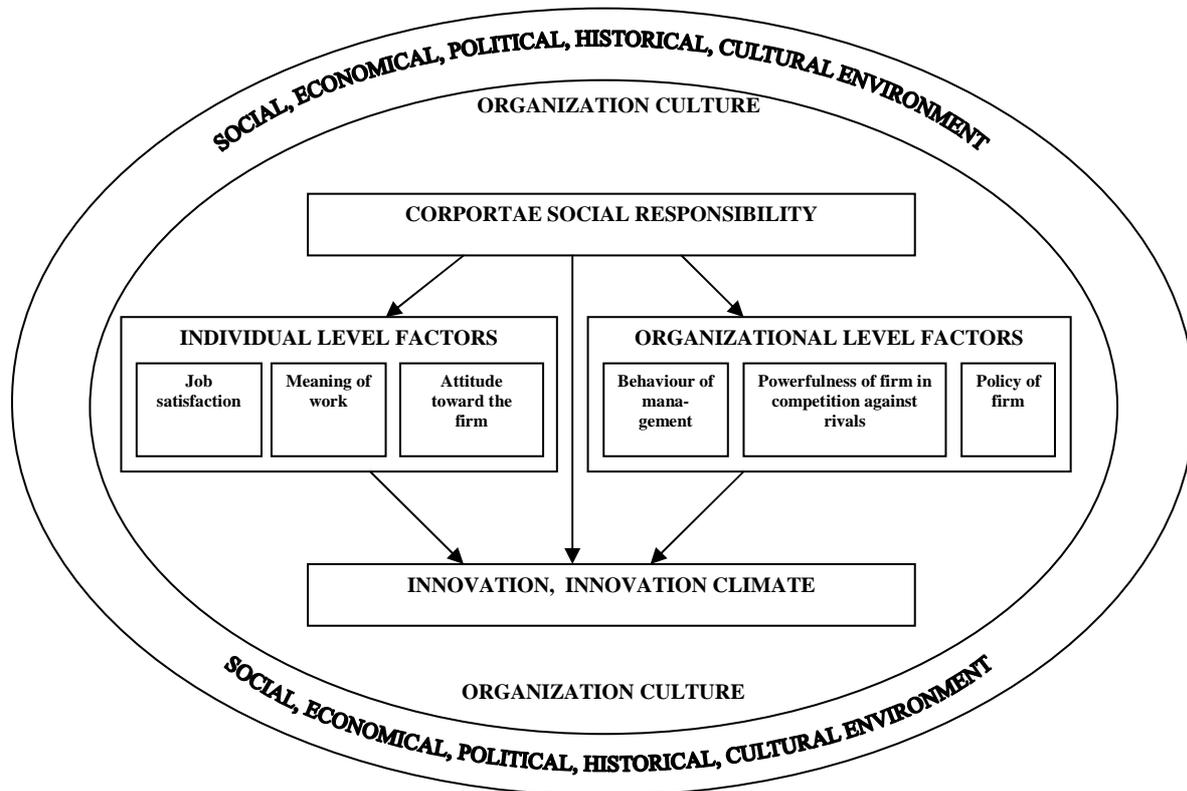
Figure 2: The impact of corporate social responsibility on innovation climate.

4.3. Implications for managers, limitations and suggestions for further research

The author has described some implications for managers in Estonian, Chinese, German, Finnish, Czech, Slovakian, Russian and Japanese organizations. The model consists of following parts: (1) determining individual level factors; (2) determining organizational level factors; (3) determining organizational culture type; (4) analyzing organizations` corporate social responsibility strategy; (5) analyzing institutional context; (6) predicting organizations` innovative performance (Figure 2).

Through the identification of individual and organizational level factors, organizational culture and corporate social responsibility strategy, managers are in a better position to understand the innovative performance of the employees in the organization. Managers are

successful in creating an innovative environment in the organisation when they have clear understanding of the indicators that influence it.

There is connection between corporate social responsibility and innovation climate. Innovations that are supported by managers are successfully implemented. Implemented innovations are successful in organizations where it is considered that CSR influences innovation positively. Corporate strategy is involved in innovating and it is also related to the success (Study IV).

National culture where organization is operating influences how organizational culture types predict individual and organizational level factors. In different countries different organizational culture types dominate. Nowadays it is common that subunit of one culture type exists in larger organizations that have a dominant culture of a different type.

There is the critical need for culture change in modern organizations. Nowadays it is also common that culture type in organization has changed over time and it consists the traits of different culture types. Usually one culture type dominates. Therefore it is important to be aware of all existing culture types in organization and their impact on individual, organizational level factors, corporate social responsibility and innovation climate.

The conclusion from this study is that organizational culture types – clan, market, hierarchy and adhocracy predict individual level factors – job satisfaction, meaning of work and attitude toward the firm and organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm and this connection differs according to countries.

Innovation climate is a complex entity. Individual level factors - job satisfaction, meaning of work and attitude toward the firm and organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm predict innovation climate. Therefore managers should be aware of these influences when they create an innovative climate in an organization.

Although some useful conclusions and implications were drawn, it should be stressed that such complex phenomenas as corporate social responsibility and innovation can only be touched by one doctorate thesis. As with all research projects, the research conducted by the author of this thesis has limitations and requires follow-up studies.

There are limitations of this study connected with its general framework. Due to the limitations of this doctoral thesis, the author has focused only on individual, organizational level factors and organizational culture, there could also be other factors influencing corporate social responsibility and innovation climate in organizations. The author explored concrete connections between a limited number of factors, and the other influences have been left for further research. Besides the importance of individual, organizational level factors and organizational culture to the connection between corporate social responsibility and innovation, the other factors like ethics and leadership could also be taken into consideration. Different leadership styles should be analyzed concerning the application of corporate social responsibility strategy and management of innovations. Business ethics should be analyzed according to corporate social responsibility and innovation.

This research project was done in both private and public organizations. But the research results cannot be generalised for both sectors, because the amount of research done in the public organizations was limited. The questionnaires were conducted in Estonian, Chinese, German, Finnish, Czech, Slovakian and Japanese electric-electronic machine, retail store, information-software production and machine-building enterprises. In this case the enterprises branches were not representative to the whole business era. In order to get more

information about the influence of institutional stage upon the connection between corporate social responsibility and innovation, comparative studies could be done in other countries like USA, other European Union countries, Australia. Attention should also be turned to other industries. Studies should also be conducted in multinational organizations.

The connection between corporate social responsibility and innovation climate could be studied in more detail by using the model developed in this doctorate thesis. Questions should be also about the attitudes toward the implemented innovations and corporate social responsibility strategies. Questions should also be about different leadership styles and business ethics.

Besides finding connections between corporate social responsibility and innovation, it is important to analyze other factors, e.g. leadership styles, business ethics that influence this relationship and it is also important to analyze this connection broader, for example in multinational companies.

4.4. The main conclusions at individual, organizational and societal level

The main conclusions of this doctoral research are drawn out on three levels: at the individual level, at the organizational level and at the macro level of societies.

Conclusions at the individual level:
- Individual level factors - job satisfaction, meaning of work and attitude toward the firm predict innovation climate (Study IV).

- Individual level factors - job satisfaction, meaning of work and attitude toward the firm are predicted by the facets of corporate social responsibility – the firm performance concerning social issues and the firm respects the interests of agents (Study I).

- Individual level factors – job satisfaction, meaning of work and attitude toward the firm are also predicted by four organizational culture types – clan, market, hierarchy and adhocracy (Study II).

- Therefore organizational culture and organisations` corporate social responsibility strategy influence how satisfied people are with their work, how meaningful is a work for them and what are their attitudes toward the firm and these individual level factors influence organizations` innovation climate.

Conclusions at the organizational level:
- Two facets of corporate social responsibility – the firm performance concerning social issues and the firm respects the interests of agents predict individual and organizational level factors (Study I).

- Organizational culture types – clan, market, hierarchy and adhocracy predict individual level factors – job satisfaction, meaning of work and attitude toward the firm and organizational level factors - powerfulness of firm in competition against rivals, behaviour of management and policy of firm (Study II).
- All four organizational culture types according to Cameron and Quinn (1998) - hierarchy, clan, market and adhocracy predict the facet of CSR - the firm performance concerning social issues. Three organizational culture types – clan, hierarchy and adhocracy predict the facet of CSR - the firm respects the interests of agents. One organizational culture type – market doesn`t predict the facet of CSR - the firm respects the interests of agents (Study III).

- Individual, organizational level factors and organizational culture predict innovation climate (Study IV).
- From this study two facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interest of agents predict innovation climate (Study V).
- Corporate social responsibility and success of innovation are positively related (Study VI).
- Therefore corporate social responsibility predicts innovation climate directly and also through individual and organizational level factors. It means that organizations` corporate social responsibility strategy has influence on employees job satisfaction, their attitude toward the firm, powerfulness of firm in competition against rivals, behaviour of management, and policy of firm and these individual and organizational level factors in turn influence innovation climate. Organizational culture surrounds all these factors and influences individual, organizational level factors, corporate social responsibility and innovation climate.

Conclusions at the macro level of societies:

- Corporate social responsibility predicts individual and organizational level factors, but it differs according to different countries. The biggest similarities were found concerning the facet of corporate social responsibility - firm respects the interests of agents, which is predicted in Estonia and Japan by job satisfaction, powerfulness of firm in competition against rivals, behaviour of management and policy of firm. The differences were found concerning the facet of corporate social responsibility - firm performance concerning social issues, which is predicted by powerfulness of firm in competition against rivals and policy of firm in both countries but also by meaning of work and attitude toward the firm in Estonia and by job satisfaction and behaviour of management in Japan. The differences can be explained by organisational culture in both countries which is different. Therefore in Estonian enterprises firm performance concerning social issues is achieved by assuring meaningful work and positive attitude toward the firm among employees whereas in Japan it is assured by management and employees job satisfaction (Study I).
- In different countries different culture types – clan, market, hieararchy and adhocracy predict individual and organizational level factors differently. Organizations are, in many ways, embedded in larger society in which they exist and therefore organizations` organizational culture is influenced by national culture where organization is operating (Study II).

- Clan and market organizational culture types predict 2 facets of corporate social responsibility - the firm performance concerning social issues and the firm respects the interests of agents. Hierarchy and adhocracy organizational culture types predict 1 facet of corporate social responsibility - the firm performance concerning social issues according to this study in Estonian, Chinese, Japan and Russian enterprises. Different organizational culture types are dominating in enterprises from different countries. In Estonian enterprises clan, in Chinese enterprises market and adhocracy, in Japan enterprises market and hierarchy and in Russian enterprises market culture type were rated highly (Study III).
- Four organizational culture types – clan, hierarchy, market and adhocracy predict individual, organizational level factors and innovation climate. Connection between organizational culture types and innovation climate differs according to countries.In China, Japan and Estonia three organizational culture types – clan, market and

adhocracy predict innovation climate. In Slovakia and Czech two organizational culture types –market and adhocracy predict innovation climate. In Russia one organizational culture type - adhocracy predicts innovation climate (Study IV).

- One facet of corporate social responsibility - the firm performance concerning social issues predicts innovation climate in all seven countries - Estonia, China, Germany, Finland, Czech, Slovakia and Japan. Another facet of corporate social responsibility - the firm respects the interests of agents predicts innovation climate in 3 countries – Estonia, Czech and Slovakia and doesn`t predict innovation climate in 4 countries - China, Japan, Finland and Germany. Therefore innovation climate is influenced by the facet of corporate social responsibility - the firm respects the interests of agents and this relationship is influenced by social, political and economical environment where organization is operating. Social, political and economic environment in Estonia, Czech and Slovakia has been similar during last decades and different from China, Japan, Germany and Finland (Study V).

- Therefore corporate social responsibility predicts innovation climate directly and also individual and organizational level factors which in turn predict innovation climate. Organizational culture surrounds all these factors and influences individual, organizational level factors, corporate social responsibility and innovation climate. Social, economical, political, historical and cultural environment surrounds and influences organizational culture and individual, organizational level factors, corporate social responsibility and innovation climate and connections between them.

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APPENDICES

Appendix 1. Questionnaires about individual level factors

Job satisfaction

Are you satisfied with following working conditions?	Dissatisfied		More or less		Satisfied
a. Self-actualization of your ability at work	1	2	3	4	5
b. Range of your competence at work	1	2	3	4	5
c. Labor conditions (e.g. light, heating, noise)	1	2	3	4	5
d. Trust between workers and management	1	2	3	4	5
e. Work load	1	2	3	4	5
f. Length of working time	1	2	3	4	5
g. Payments and bonuses	1	2	3	4	5
h. Competence of management	1	2	3	4	5
i. Promotion possibilities	1	2	3	4	5
j. Training and retraining	1	2	3	4	5
k. Security of employment	1	2	3	4	5
l. Equal opportunities for men and women	1	2	3	4	5
m. Welfare provisions in the firm	1	2	3	4	5
n. Interaction with your boss	1	2	3	4	5
o. Interaction with your colleagues	1	2	3	4	5
p. Access to information about organization	1	2	3	4	5

Meaning of work

What do you think about the meaning of work?	Entirely disagree		More or less		Completely agree
a. Work gives you status and prestige	1	2	3	4	5
b. Work provides you with income that is needed	1	2	3	4	5
c. Work keeps you absorbed in and excited	1	2	3	4	5
d. Work provides you with social contact with other people	1	2	3	4	5
e. Work is a way for you to serve for society	1	2	3	4	5
f. Work is in itself interesting	1	2	3	4	5

Attitude toward the firm

How do you think of your attitudes toward the firm?	disagree		Unsure		agree
a. I always have ideas that can be approved by management	1	2	3	4	5
b. I would like to take part in company's decision making, because I think my opinion is important	1	2	3	4	5
c. I could take managerial position is situation demanded it	1	2	3	4	5
d. I am ready to take risk if it is approved	1	2	3	4	5
e. It is normal to sacrifice something for organization's sake	1	2	3	4	5
f. Sometimes I feel myself a screw in a large machine	1	2	3	4	5

Appendix 2. Questionnaires about organisational level factors

Powerfulness of firm in competition against rivals

How much do you think your firm is powerful in competition against rivals	Powerless at all		Unsure		Powerful enough

concerning different aspects below raised?					
a. Image of the firm	1	2	3	4	5
b. Quality of products and service	1	2	3	4	5
c. Cost	1	2	3	4	5
d. Brand	1	2	3	4	5
e. Technology	1	2	3	4	5
f. Marketing	1	2	3	4	5
g. Scale merit	1	2	3	4	5
h. Aftercare service	1	2	3	4	5
i. Quality of human resources	1	2	3	4	5
j. Capability of Top management	1	2	3	4	5

Behaviour of management

As for the behaviour of management, do you agree the following views?	disagree		Unsure		agree
a. If management promised something, than it will do what promised	1	2	3	4	5
b. Management is sure that it controls activity of all departments	1	2	3	4	5
c. Leaders of organization have long term goals	1	2	3	4	5
d. Management puts clear goals for workers	1	2	3	4	5
e. Leaders & managers follow principles they set for the organization	1	2	3	4	5
f. There is a clear set of principles that are followed by organization in it's activity	1	2	3	4	5

Policy of firm

How do you perceive policy of your firm ?	disagree		unsure		agree

a. Management is apt to be behind the time for reacting to changing market	1	2	3	4	5
b. We always try to overcome our rivals	1	2	3	4	5
c. If market demands it, our organization can quickly restructure	1	2	3	4	5
d. Goals of organization are clearly set on all organization's levels	1	2	3	4	5
e. In some situations instructions and regulations are obstacles to effective work	1	2	3	4	5
f. it is possible to be a good manager even not knowing answers to all questions of subordinates	1	2	3	4	5
g. In some cases one worker is under two managers	1	2	3	4	5
h. Every process of work is governed in detail by instructions and rules	1	2	3	4	5
i. The order of organization is not hierarchically structured rigidly	1	2	3	4	5
j. Employees qualification is considered to be a very important source of competitive domination	1	2	3	4	5
k. Resources including human resources are not allocated properly nor integrated totally	1	2	3	4	5
l. Reward for success does not go to the department although everyone put an effort	1	2	3	4	5
m. We realize our input into society and feel our importance	1	2	3	4	5

Appendix 3. Questionnaire about four culture types – clan, market, hierarchy and adhocracy

Clan

	disagree		unsure		agree
a. Agreement is easily achieved even concerning hard problems in organization	1	2	3	4	5
b. Competition between colleagues usually brings more harm than use	1	2	3	4	5
c. It is not accepted to talk about people behind their back	1	2	3	4	5

	1	2	3	4	5
d. In group everyone must put maximum effort to achieve common goal	1	2	3	4	5
e. Reward for success must go to department, because everyone put an effort	1	2	3	4	5

Market

	disagree		unsure		agree
a. Customers' interests are often ignored in decision making of organization	1	2	3	4	5
b. We constantly improve our methods of work to gain advantages over rivals	1	2	3	4	5
c. During conflict everybody tries to solve it quickly and mutually profitable	1	2	3	4	5
d. It is very important to feel market changes to react contemporarily	1	2	3	4	5

Hierarchy

	disagree		unsure		agree
a. We have informal norms and rules which are to be followed by everyone	1	2	3	4	5
b. Rules of the company must not be disobeyed even if employee thinks that he acts in favour of company	1	2	3	4	5
c. Instructions and regulations are needed to govern every process of work	1	2	3	4	5
d. Organization must have strict hierarchy	1	2	3	4	5
e. One needs to control spending of resources strictly, or total disorder will happen	1	2	3	4	5

Adhocracy

	disagree		unsure		agree
a. Workers of any division have equal perspectives	1	2	3	4	5
b. Information is available for everyone. One can get any needed information	1	2	3	4	5
c. Projects are coordinated easily through all functional units	1	2	3	4	5
d. New ideas must be applied immediately otherwise they become old and obsolete	1	2	3	4	5

e. Most competent representative of group must make decisions even if formally he is not a leader of the group	1	2	3	4	5

Appendix 4. Questionnaire about two facets of corporate social responsibility – the firm performance concerning social issues and the firm respects the interests of agents

Firm performance concerning social issues

To which extent does your firm pay effort to perform for the following issues?	not at all		more or less		very actively
a. Compliance with the laws for business activities	1	2	3	4	5
b. Compliance with the laws for worker protection	1	2	3	4	5
c. Care and service for consumers	1	2	3	4	5
d. Environmental protection	1	2	3	4	5
e. Trustful relations with customers	1	2	3	4	5
f. Safety and Security of products and services	1	2	3	4	5
g. Realization of the best quality of products and services	1	2	3	4	5
h. Aftercare for users	1	2	3	4	5
i. Publicity of company information for society	1	2	3	4	5
j. Contribution to science and culture	1	2	3	4	5
k. Public activities for local community	1	2	3	4	5

Firm respects the interests of agents

How much do you your firm respects the interests of the following agents?	not at all		more or less		very actively
a. Customers	1	2	3	4	5
b. Subsidiary, subcontract firms	1	2	3	4	5
c. Consumers	1	2	3	4	5
d. Stock holders	1	2	3	4	5
e. Employees	1	2	3	4	5
f. Trade union	1	2	3	4	5
g. Public administration	1	2	3	4	5
h. Local community	1	2	3	4	5

Appendix 5. Questionnaire about innovation climate

Innovation climate

a. How do you think you are estimated properly at your work?	1.Not at all	2.Less estimated	3.Unsure	4.Rather estimated	5.Greatly estimated
b. What do you feel toward the firm you are working for?	1. I don't care for the firm	2. I feel almost nothing towards the firm	3. Unsure	4. I would apply as much effort, as much will be rewarded by the firm	5. I would put maximum effort toward the firm's success
c. These five years have you attended trainings or seminars organized by the firm inside or outside?	1. Yes, I have	2. No, I haven't	3. It doesn't happen in our firm		
How do you perceive the situations of your workplace?	disagree		unsure		agree
d. Rules of the firm are occasionally disobeyed when an employee thinks it would be in favour of the firm	1	2	3	4	5
g. Our organization relies more on horizontal control and coordination, rather than strict hierarchy	1	2	3	4	5
h. Most capable persons commit in decisions to solve an urgent problem,	1	2	3	4	5
i. Fresh creative ideas are actualized on time,	1	2	3	4	5
j. Current vision creates stimuli for workers,	1	2	3	4	5
k. Company realizes clear mission that gives meaning and sense to work,	1	2	3	4	5
l. If department is short on hands, department's leader may hire temporary workers by himself,	disagree		unsure		agree
m. Our organization cares even about temporarily hired workers,	1	2	3	4	5
n. We all clearly imagine future	1	2	3	4	5

of our organization,					
o. Failure is considered as a stimulus to learning and development,	1	2	3	4	5
p. All the employees should be aware of the important role of the their firm in society	1	2	3	4	5

Appendix 6.
Interview questions.
Company name:
Number of employees:
Industry:
Year of establishment:
Your position:

1. What is thought by "innovation" in your organization?

2. Describe the most significant or creative presentation/idea that was developed/implemented in your organization.

3. Describe a time when a creative solution/idea/project/report came up to a problem in your organization.

4. Tell me about a time when a new process or program was created that was considered risky. What was the situation and what was done?

5. Can you think of a situation where innovation was required at work? What was done in this situation in your work?

6. When were the main innovations implemented in your organization? Which factors caused these innovations?

7. In what areas do the current measurement systems of your organization do more to encourage than to discourage innovation? Please mark with '+' in following table:

	Factor
	Incremental innovation
	Breakthrough innovation
	Process innovation
	Product innovation
	Marketing and sales innovation
	Support group innovation
	Technical invention

8. Why would your organization innovate ? Please mark those that apply to you.

	Factor
	To make a difference
	To increase efficiency
	To be creative
	To offer a better service
	To enhance expertise
	To make practical improvements
	To improve effectiveness
	To encourage wider participation

9. On what sort of issues would you get involved in innovating? Please rank in order of frequency your top four, with 1 being most frequent, 2 next most frequent, etc.

	Issues
	Administration
	Corporate strategy
	Cross functional teams
	Customer service
	New product development
	Process improvement
	Product features
	Recruitment
	Resourcing
	Strategic implementation
	Other (please describe)

10. Innovation contains four different processes – exploring, generating realising and completing. Please evaluate these process according to time you spent on them. I spend most of the time – 4 points, then next – 3 points, then next – 2 points and next – 1 point.
Exploring -
Generating -
Realising -
Completing -

11.How did the implementation of organizational innovation take place ? Which steps were taken in the process of implementation of organizational innovation ?

12.Did you meet resistance to innovation? How this resistance appeared? Please describe it.

13.What did your company do to overcome resistance to innovation?

14.How do you evaluate success of the implemented innovations in your company on a 7 point scale (7 is the highest mark and 1 the lowest).

15. Which were the most difficult issues during the implementation of innovations?
16. What did you learn from implementation of these innovations? What would you do differently in the future?

17. How do you define corporate social responsibility in your organization?

18. What kind of organizational culture supports corporate social responsibility ?

19. What kind of organizational culture supports innovations in organization?

20. How does corporate social responsibility influence innovations discovery and implementation?

21. Please evaluate the indicators in following table in your organization as a whole. Think about all employees. Please use a 10 point scale (10 is the highest mark and 1 the lowest).

Indicator	Grade from 1 to 10
Clarity of vision and strategies	
Tolerance of risk, mistakes and failure	
Support for intrapreneurs	
Managers who support innovation	
Empowered cross-functional teams	
Decision making by the doers	
Discretionary time	
Attention on the future	
Self selection	
No hand-offs	
Boundary crossing	
Strong organizational community	
Focus on customers	
Choice of internal suppliers	
Measurement of innovation	
Transparency and truth	
Good treatment of people	
Social, environmental and ethical responsibility	
Avoiding the „home run" philosophy	

ELULOOKIRJELDUS (CV)

1. **Nimi: Ülle Übius**

2. **Sünniaeg: 05.12.1977**

3. **Haridus:**

Aeg (algus-lõpp)	Kool	Omandatud kraad/eriala
2007- ...	*Estonian Business School*	*Doktoriõpe / juhtimisteadus*
2005-2007	*Tallinna Ülikool*	*Magistri kraad, sotsiaalteadused/organisatiooni-käitumine*
1996-2001	*Tallinna Pedagoogikaülikool*	*Bakaluareuse kraad, psühholoogia ja sotsiaalpedagoogika*
1997 (1 semester)	*The University of New South Wales*	*II kursuse ained, psühholoogia*
1993-1996	*Tallinna Prantsuse Lütseum*	*Gümnaasiumi lõputunnistus, inglise ja prantsuse keele süvaõpe*

4. Täiendharidus:

2008 (juuli)	ISM University of Management and Economics. Doctoral Dissertation Writing – Why, What and How
2008 (aprill)	University of Washington, kursused juhtimisteaduses
2007 (detsember)	Tallinna Haridusamet, Haridusjuhtide koolituskonverent – Juhtimislahendused – tee tulemusteni
2007 (mai) konverents	Tallinna Haridusamet, Euroopa pealinnade haridusjuhtide
2007 (mai) haridusasutustes	Pera Konsultatsioonid, Innovatsiooni juhtimine
2006 (aprill)	Viini Euroopa noorte infoagentuur, ettekanne rahvusvahelisel konverentsil "Noorte osalemine noorte infotöös".
2005 (aprill)	Helsingi Noorsooamet, ettekanne seminaril: noorelt noorele info levitamise meetod noorsootöös.
2005 (jaanuar)	Eesti Euroopa Liikumine, töövarju praktika Itaalias, Ciampino Eurodesk Noorte Infokeskuses
2004 (juuni)	Eryica – European Youth Information and Counselling Agency koolitus, Noorte infotöötaja koolitus
2003 (veebr.-juuni)	Esko koolitus, Avatud Noortekeskuste koolitusprogramm – Arengukava koostamine ja rakendamine; Noortekeskuste strateegiline juhtimine
2002 (november)	Eesti Euroopa Liikumine, Eurodeski Koolitus
2002 (november)	Euroopa Noored Eesti Büroo, rahvusvaheline multilateraalne kontaktseminar-õppevisiit Inglismaal
2002 (mai) Noortekeskustes	Euroopa Noored Eesti Büroo, praktika Helsingi

2001 (november)	Euroopa Noored Eesti Büroo, noorte liidrite koolitus Prantsusmaal
1999 (jaanuar-juuni)	Prantsuse Kultuurikeskus, prantsuse keele kursus
1998 (märts-aprill)	Hills District Day and Evening College, meeskonnatöö kursus

5. **Varasemad tööalased kogemused:**

Aeg (algus-lõpp)	Organisatsioon	Amet	Töökirjeldus, ülesanded
09.2008-...	*Estonian Business School*	*Lektor*	*Eesti ja inglise keeles loengute andmine teemal: projektijuhtimine ning kursusetööde juhendamine*
02.2007-...	*Tallinna Haridusamet*	*Üldhariduse osakonna vanemspetsialist*	*Alus-, põhi- ja üldkeskhariduse valdkonda puudutavate otsuste kujundamiseks vajalike näitajate, analüüside ja arenguprognooside koostamine Vajaliku statistilise info kogumine, indikaatorite väljakujundamine, säilitamine ja avaldamine*
11.2006	*TLÜ Avatud Ülikooli täiendõppekeskus*	*Koolitaja*	*Koolituste läbi viimine kvaliteedi mõõtmise, hindamise ja tagamise valdkonnasl*
03.2006-06.2007	*Tallinna Spordi- ja Noorsooamet*	*Projektijuht*	*Meetme nr 1.1 „Tööjõu paindlikkust , toimetulekut ja elukestvat õpet tagav ning kõigile kättesaadav haridussüsteem" raames esitatud projekti Noorsootöötajate täiendkoolitamine ja nõustamissüsteemi edasiarendamine Tallinnas ja Harjumaal juhtimine*
10,2003-02.2007	*Tallinna Noorsootöö Keskus*	*Infojuht*	*Nnoortele suunatud informatsiooni kokku koondamine, süstematiseerimine ja levitamine, konverentside korraldamine, arenguplaanide ja –strateegiate koostamine*
05.2002-10.2003	*Nõmme Avatud Noortekeskus*	*Noorsootöö koordinaator*	*Nõmme Avatud Noortekeskuse töö juhtimine*

6. **Keeleoskus:** Hinnanguline skaala 5-2 (5 - väga hea; 4 - hea; 3 – rahuldav, 2 - vähene)

Keel	Lugemine	Rääkimine	Kirjutamine
eesti keel	*5*	*5*	*5*
inglise keel	*5*	*5*	*5*

vene keel	5	5	4
prantsuse keel	5	5	5

7. **Muu oluline informatsioon** (publikatsioonid, kuulumine organisatsioonidesse ja muu informatsioon, mida taotleja peab vajalikuks esitada):

Tööd

2009	Doktoritöö "The impact of corporate social responsibility on innovation: major influencing factors", juhendaja Ruth Alas
2007	Magistritöö "Kliendi rahulolu seos kvaliteedijuhtimisega Tallinna haridusasutuste näitel", juhendaja Harry Roots
2001	Bakalaureusetöö "Muutusprotsessi analüüs äri- ja riigiorganisatsiooni näitel", juhendaja Mare Pork

Publikatsioonid

2007	Noorsootöö käsiraamat, toimetaja
2007	Kogumikus "Noortest ja noorusest täna: Noorsootööalaste artiklite kogumik" artikli "Kvaliteedi juhtimine avaliku sektori organisatsioonides" avaldamine
2008	Käsiraamatus "Handbook of Research on Innovation Systems for Business: Technologies and Applications" artikli "Innovation - predictor of corporate social responsibility, individual and organizational level factors ?" avaldamine

Artiklid

I Übius, Ü., Alas, R. (2009). Corporate social responsibility and its influencing factors in Estonian and Japanese enterprises. International Research Journal "Problems and Perspectives in

Management",1.

II Übius, Ü., Alas, R. (2008). Organizational culture – predictor of individual and organizational level factors ? EBS Review, 25.

III Übius, Ü., Alas, R. (2008). Organisational culture types forecast corporate social responsibility. 34th European International Business Academy Annual Conference in Tallinn, 11-14 December. Article on CD.

IV Übius, Ü., Alas, R. (2008). Factors predicting innovation climate. EIASM 3rd Workshop on Organisational Change & Development: Advances, Challenges & Contradictions, Bucharest, 26-27 September.

V Übius, Ü., Alas, R. (2009). Connections between corporate social responsibility and innovation climate. EBS Review, 26.

VI Übius, Ü., Alas, R. (2009). Innovation and Corporate Social Responsibility in Estonian Organizations. International Research Journal "Problems and Perspectives in Management", 2.