AN INVESTIGATION OF THE SUCCESS OF ORGANIZATIONS INVOLVED IN COMMUNITY ENGAGEMENT INITIATIVES

by

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ABSTRACT

BRIAN KEITH FOREMAN. An investigation of the success of organizations involved in community engagement initiatives. (Under the direction of DR. DAVID M. DUNAWAY)

Organizations seeking to invest human and financial resources in community-building initiatives have lacked an empirical study that determines what factors are present in successful initiatives for previous organizations. This study is an exploratory study, examining the success of 36 diverse organizations, cross-tabbed with corporate social responsibility indicators to determine which, if any, of the indicators are necessary for successful implementation. Additionally, organizational demographics were also studied for the same purpose. Significant corporate social responsibility indicators included corporate identity, stakeholder interest, altruism/moral duty, and employee equity. The organizational demographic that was significant was an indication of whether the process of engagement had shown some “philosophical change” in the organization. This study illustrates that broader research should be done in order to assist organizations that are seeking to be socially involved in their communities.

DEDICATION

I dedicate my dissertation work to my family, Denise, Brock, and Adria. You've allowed me the freedom to work through this process with your encouragement and unfailing support. To my children, I hope you far exceed anything I do. To Denise, you encouraged and balanced me each step of the way.

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER 1: INTRODUCTION

"Many organizations are dedicated to the prevention of nuclear war, over-population, and the exhaustion and destruction of a livable environment, but their protests are necessarily directed toward governments, religions and economic systems, and there they stop." (Skinner, 1987, p. 13).

Overview

Harquail (2008) has raised the question of whether for-profit organizations can operate in for-purpose ways at a level that is consistent with the organizational mission. She illustrated the potential issues with the idea of charitable giving serving as a disguised way of providing the company with tax credits and spending on social initiatives as a form of marketing. Her focus directed attention to the importance of motive for organizations to be involved in social capital initiatives, whether altruism, profitability, or some combination of the two. It also brought forward additional questions regarding the extent to which for-purpose actions can be understood as anything more than for-profit efforts in disguise.

Since the publication of Putnam's *Bowling Alone* in 2000, social capital in the United States has been culturally examined as the "collective value of all 'social networks' [who people know] and the inclinations that arise from these networks to do things for each other" (Saguaro, 2008)." This perspective draws from an academic tradition of cultural examination that identifies social capital in a variety of ways. Portes (2000) offers a historical examination about the evolution of the term *social capital*. According to Portes, in the 1970s, Bourdieu and Cameron focused on the individual benefit of social capital and examined privilege and access that the family provided for one to succeed. Eventually the term became known more for its description of how societies observe mores and norms; that is, rather than being a benefit to the individual, social capital becomes an attribute of the community. Also according to Portes, this transition has led to confusion around the exact meaning of the term.

Additional history tracing the routes of social capital goes as far back as Karl Marx but focuses on two educators who gave definitions that best relate to a contemporary understanding (Farr, 2004). The first educator, L. J. Hanifan described social capital as a community-building exercise that precedes constructive work. The second educator, John Dewey, described social capital as a process of the community's coming together for shared benefits (Farr, 2004). Dewey's expression of social capital appears most like the contemporary understanding put forth by Putnam, so for this study the definition of social capital comes from and through the Dewey-Putnam community lens. Throughout this research, *social capital* is defined as Crossroads Charlotte defines it: "The value inherent in friendship networks, or other associations, through which individuals and groups can draw upon private or collective objectives. Also described as the invisible glue or web of relationships that gives people a sense of belonging and helps them accomplish together what they cannot do alone" (Crossroads Glossary, 2004). This definition is derived from Crossroads Charlotte's work as a community organization responding to the 2000 Social Capital Benchmark Survey led by Robert Putnam. The groundbreaking study, conducted in 40 communities by Harvard University's Kennedy School of Government, measured various manifestations of social capital as well as potential correlates. The principal investigator for the survey was Professor Robert D. Putnam. Data from the survey were intended to stimulate interest in the broader purpose of fostering civic and social engagement across the country and thus contribute to the revitalization of community institutions (*Crossroads Glossary,* 2004).

With the preceding definition in mind, attention was given to the concept of organizations participating in social capital initiatives. Specifically, how are people in organizations motivated to act in socially just ways, as defined by corporate social responsibility, or in activities building social capital?

Janoski, Muick, and Wilson (1998) studied whether participation in community volunteering increases social capital or if it flows from being socialized into "pro-social" attitudes and behavior. Their findings indicate that pro-social attitudes have a stronger impact on volunteering as opposed to social-awareness participation. Learning about social issues strengthens pro-social attitudes, but this is limited when compared to volunteering and education around the issues a community might face. Therefore, it can be posited that creating awareness about social issues and increasing pro-social attitudes will help build social capital. Additionally they found that social participation helps build pro-social attitudes and general civic mindedness. McKenzie, et al. (2007) describe a process for educating leaders about social initiatives so that pro-social behaviors permeate the ways in which principals conduct daily business at their schools. Mertens (2007) asserts that social justice activities increase the social capital of the community by providing a voice to the oppressed and disadvantaged. These studies provide an understanding of how education, civic involvement, and organizational culture can be influenced and influence the community's capacity for social justice and capital building.

Crossroads Charlotte is a nonprofit organization that responded to the 2000 Putnam Social Capital Survey. One facet of the Crossroads project has been to recruit, enlist, and assist organizations in the city to create initiatives aimed at building social capital in the community. These organizations represent the for-profit sector, nonprofit sector, and governmental sector of the community. Since 2005, 36 organizations partnered with Crossroads and began the work of developing initiatives from their sphere of influence to build social capital. This study examined the factors that the organizations exhibited related to indicators of corporate social responsibility and how those indicators were instrumental in their implementation of social capital building initiatives.

Corporate social responsibility (CSR) is generally understood as the traits exhibited by organizations to fulfill responsibilities related to four main areas:

economic, legal, ethical, and philanthropic (Maignan, 2001). CSR also examines how organizations go beyond governmental regulations in their efforts to be responsible, not just compliant. Those indicators were measured in the Crossroads organizations to identify what role each played in these organizations and how the presence of these indicators was or was not relevant to the success of the organizations in developing social capital building initiatives through community engagement.

Community Engagement Initiatives

Throughout this study community engagement is defined as a condition or state of a community characterized by its members practicing collective responsibility and democratic principles to explore, collaborate, critique, inquire, and take action on issues for the public good. A secondary definition is found in the meaningful connection between citizens, issues, institutions, and the political system (McCoy & Scully, 2002). Community engagement involves helping create more involved community leaders as well as creating a positive impact on the community that its advocates promise. When answering the question, What's in it for me?, community engagement seeks to demonstrate that the community and the individual will find mutual beneficence (Connor, 2003). Thus, why do organizations engage in community-building initiatives? One list comes from Norris and Howell (1999), and Wolff (1995), as cited in Wolff (2003):

- Create a compelling vision from shared value
- Embrace a broad definition of health and well-being

- Address quality of life for everyone
- Engage diverse citizen participation and be citizen-driven
- Multi-sectoral membership and widespread community ownership
- Acknowledge the social determinants of health, and the interrelationship of health with other issues (housing, education, peace, equity, social justice)
- Address issues through collaborative problem solving
- Focus on systems change
- Build capacity using local assets and resources
- Measure and benchmark progress and outcomes (p. 96)

Community is recognized as a place, a defined geographic setting, as well as relational among the population, who in Mannes's 2003 study are connected by a desire to promote positive childhood development practices. Swain (2001) states that community engagement involves four stages: (1) sparking action, (2) maintaining momentum, (3) facilitating the process, and (4) institutionalizing change. The literature builds upon these four stages, indicating several reasons for organizations to be involved in community building initiatives.

Sparking Action. The first of these steps is to consider how action is inspired or generated. "Initiatives start with a basic premise that those most affected by the problems must be at the core of the problem solving and definition of the issues" (Wolff, 2003, p. 97). Similarly, initiatives are usually begun with unstructured efforts connected by participants expressing new paradigms of thought, pushing for change, and shifting public opinion (Skocpol & Fiorna, 1999). Individuals and activists raise issues to the community consciousness level. This may result in a foundation-focused endeavor or government-led exercise. The critique of these is that foundation initiatives focus on a singular issue, chosen often by the foundation. Governments are often stifled by a desire to achieve predictable outcomes (Wolff, 2003). Thus, should community-building initiatives be the work of government and foundations exclusively? Kegler, Norton, and Aronson (2007) assert that the elite and the bureaucratic portions of communities should not be the leaders but rather those who can “craft a shared vision, frame issues, identify local resources, shape solutions and organize themselves” (p. 171). Sparking action brings community members to a conversation that helps determine the important issues facing the community. As important as beginning the conversation is, the next step is to move it to action through a series of conversations and actions that create momentum.

Maintaining Momentum. The actions which spark ideas and efforts for community engagement require momentum to continue; otherwise those actions and ideas are for naught. Just how is momentum built and maintained? The literature indicated that there are several prompts for maintaining momentum in community-engagement efforts. The first comes from the support coalition members feel from one another (Wolff, 2003). Relationships form between people as they work alongside others in their efforts to promote an issue like community engagement. As relationships grow, members find support through common passions, words of encouragement, and a sense that they are not alone in their work.

A second factor for maintaining momentum is advocacy. Community engagement often entails advocacy for issues that serve the common good (Gearan, 2005). Advocacy also involves funding and supporting those who work at the grassroots level in their areas of influence (Connor, 2003). Inevitably, as people engage in community work, they find themselves working on issues about which they care. Advocacy, in its simplest form, is about giving a voice and shining a light on issues about which one is passionate. In the context of community engagement, this passion and advocacy are designed to serve the common good. The voice may be for those who normally lack one; listening becomes more important than speaking, and people begin to see themselves as active participants in the community rather than passive participants who must accept what is legislated to them (McCoy & Scully, 2002). When community members arrive at this point, they are moving to the next phase of effective community engagement, one where they are empowered.

Mannes (2003) describes the process of empowerment and education as developing a “developmentally attentive community.” The educative part of the process refers to developing new leaders, who may have not been heard before because of a hindrance like their age. Mannes asserts that developing leaders is the key to shaping a healthy community for the future. Empowering new leaders and developing young leaders builds and maintains energy through reshaping the dispersing of community resources, opportunities, and relationships. New voices, especially those previously silenced, provide strength to community engagement initiatives.

Facilitating the Process. As community members are engaged and initiatives are growing, one might be mistaken to assume that facilitating the process is about providing order to the groups at work. In the literature it occurs that the organic nature of the process moves itself forward through collaboration, a growing sense of community, and collective action. Collaboration is the most frequently occurring aspect of community engagement in the literature. In several occurrences (Connor, 2003; Kegler, Norton, & Aronson, 2007), collaboration refers to a connection of the work being done by organizations and initiatives around similar issues, leading to what Lasker, Weiss, and Miller (2001) describe as “partnership synergy.” This synergy fosters stronger relationships, more collaborative work, and more comprehensive strategies and solutions to community issues.

Another understanding of collaboration involves engaging organizations and community members to create and support initiatives that build the community (Gearan, 2005; Kegler, Norton, & Aronson, 2007; McCoy & Scully, 2002). This process creates a sense of community, which can lead to a reinvigorated sense of community engagement and community pride (Wolff, 2003). The collaborative work should come from the three sectors of organizations (nonprofit, for-profit, public sector) and grassroots community efforts, to promote a more holistic approach to community engagement (Skocpol & Morris, 1999). Skocpol and Morris report the results of a study done in New Haven, Connecticut, where the majority of tasks traditionally divided among business, government, and nonprofits have become primarily the function of nonprofits. The community now seeks intentional ways to cluster these agencies to promote community space and create new partnerships between the private and public sectors. It seems they have come full circle.

The New Haven study illustrates one final method of collaboration found in the literature. This method involves community advocates that can connect the proverbial dots between organizations and citizens in the community. Communities need those who can successfully negotiate the systems and issues facing nonprofits, businesses, government, and neighborhoods (Miles-Polka, 2001). By facilitating these connections for collaboration, a community can be engaged to work toward the common good, using public judgment and collective action. These collective-action initiatives help capture the community energy around issues of importance to the community. Through conflict and consensus, communities are built on a process facilitated with integrity, passion, communication, and transparency (Swain, 2001).

Institutionalizing Change. The final segment of community engagement initiatives is that of sustainability or institutionalizing change. This change takes many shapes, from infrastructure to leadership to increased social capital. When the process engages and connects members of the community, community change is inevitable. The best outcome is that the members of the community become instigators for innovative problem solving toward current and future community issues and problems (Wolff, 2003). This leads to improvements in the community infrastructure as well. Initiatives refocus attention on human needs, changing faces, and the means by which challenges are faced by neighbors, businesses, government, and nonprofits. A community that works together has better support and infrastructure for making wise, effective decisions in the future (Mannes, 2003).

An additional opportunity for institutionalizing change is the building of leaders in the community. This process begins as citizens are engaged with opportunities to remain involved, particularly in citizenship-building service work. This may come through service-learning work or leadership-building workshops (Gearan, 2005). Either way, both are built through intentional efforts as a part of the sustainability segment. Building community leaders has obvious advantages. Connor (2003) lists several of those as:

- Getting people to meetings
- Basing work on shared aspirations
- Making meetings happen
- Follow up between meetings
- Managing information
- Serving multiple collaboratives (p. 119)

The functions of leadership provide the community with accountability. Durkheim (1950) provides a reminder about ethics that is appropriate for community leaders, “To the extent that the individual is left to his own devices and freed from all social constraint, he is unfettered too by all moral constraint (p.7).” The importance of ethics and accountability cannot be ignored. Community engagement involves accountability, support, and advocacy, all of which are undergirded by both an individual and a collective community conscience.

A final piece affected by community engagement initiatives was the increasing of social capital in the community. Mannes asserts that community engagement strategies replenish social capital in the community (2003). Partnerships and relationships on the community serve a more comprehensive goal of trust. This trust allows communities to develop more integrated solutions to issues it faces (Kegler, Norton, & Aronson, 2007). As social capital increases, the question of “who is involved” changes to “who is not represented” in the discussion. This produces a greater level of citizen efficacy, trust, and intelligence (Cooper, Bryer, & Meek, 2006). According to Elwell (2003), Durkheim states that the desires and self-interests of human beings can only be held in check by forces that originate outside of the individual, a collective conscience, and a cultural bond that is expressed by the ideas, values, norms, beliefs, and ideologies. Figure 1 illustrates the multilevel approaches that shape community engagement. It asserts that the most effective manner comes from one where the citizenry is engaged in a process that involves the four stages: (1) sparking action, (2) maintaining momentum, (3) facilitating the process, and (4) institutionalizing change. When the citizen is engaged with the community and its resources, the social capital increases go far beyond what the illustration suggests about governmental trust. It extends to trust of neighbors, organizations, business, and government.

Turning once more to Durkheim (1960), community engagement and the need for it can be described as an "organic solidarity (that) develops as a by-product of the division of labor. As society becomes more complex, individuals play more specialized roles and become ever more dissimilar in their social experiences, material interests, values, and beliefs. Individuals in such a socio-cultural system have less in common; however, they must become more dependent upon each other for their survival (p.129)."

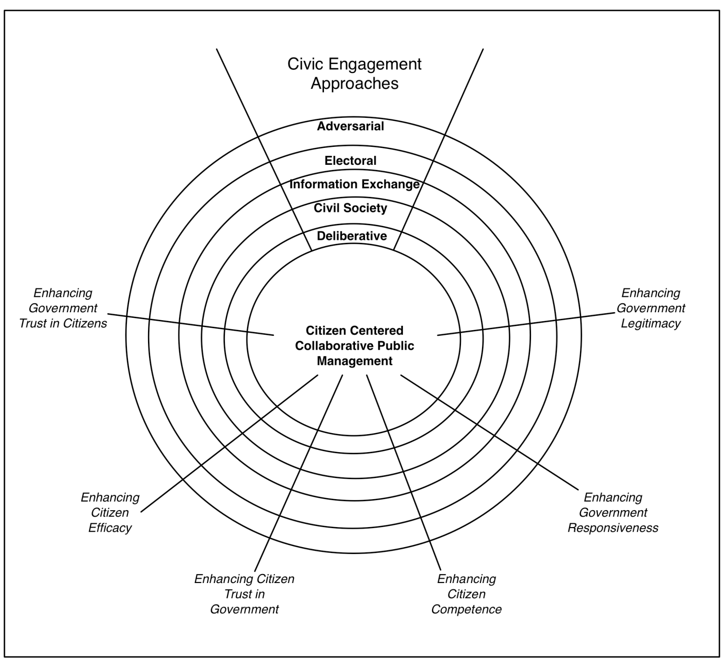


Figure 1. Cooper, Bryer, and Meek's (2006) conceptual model for the multilevel approach to community engagement.

Corporate Social Responsibility

From a broad perspective, corporate social responsibility is the notion that companies are responsible to society as a whole, requiring organizations to rethink their business practices and philosophies in terms of the complex societal system of which they serve (van Marrewijk, 2002). These actions and activities are typically considered behaviors outside of what is regulated or legislated as appropriate for the organization or industry (Freeman, 1984). A framework proposed by the Center for Corporate Citizenship indicates that four components comprise the basis for organizations building socially responsible behavior as a part of their respective cultures. These four are (1) engaged learning, (2) business strategy, (3) leadership, and (4) operational excellence (Rochlin, 2005, as cited in Peinado-Vara, 2006). However, these practices must begin with an answer to why organizations engage in this process. A review of the literature points to nine recurring indicators.

1. Initiative championed by top management
2. Corporate identity
3. Stakeholder interests
4. Assigning liability/accountability
5. Organizational philosophy
6. Market competition
7. Profit maximization
8. Altruism/moral duty

9. Employee equity/push

Organizations involved in socially responsible and community-building behaviors are not limited to for-profit industry but also nonprofit and public sector. For this study organizations were examined upon these criteria along with several others. General organizational classifications involve firm size and market served (Ulrich & McKelvey, 1990), as well as productivity, employee numbers, value added, organizational history, and innovation (Smith & O'Brien, 2008). The Crossroads Charlotte organizations are classified and analyzed through several of these criteria.

Statement of the Problem and Research Questions

The problem organizations face when implementing social capital building initiatives is that little research has been done to systematize the factors contributing to the success of these initiatives. Two questions are relevant to this research, leading to the study's hypotheses:

1. To what extent, if any, do the corporate social responsibility indicators predict the level of successful implementation for Crossroads organizations in Charlotte?

    H_1: There is an association between the strength of corporate social responsibility indicators and the level of successful implementation.

    H_0: There is no association between the strength of corporate social responsibility indicators and levels of successful implementation.

2. To what extent, if any, do demographic features predict the level of successful implementation for Crossroads organizations in Charlotte?

H_2: There is an association between demographic indicators and the level of successful implementation.

H_0: There is no association between organizational demographics and levels of successful implementation.

Delimitations

Crossroads Charlotte provides a population of organizations from multiple sectors that are engaged in creating social capital building initiatives. This research examined various organizational types, the organizations' reasons for being involved with socially responsible behaviors and success of implementation.

This study was intended primarily to examine each organization independently and, secondarily, to compare organizations with others that have similar characteristics. The rationale behind this choice was that research needs to determine whether or not the indicators of success are reasonable tools to use in evaluation of the success, or lack thereof, of organizations seeking to implement social capital building initiatives.

This study also examined the organizational classifications to determine what/if classifications play a role in determining the successful implementation of the organization's initiative. The organizations were categorized according to various factors of organizational classifications, while their descriptive characteristics (art, advocacy, education, etc.) were recorded as moderator variables that can be examined in the future. Additionally, the population studied is relegated to one municipality. There were organizations in the study that operate on a national scale, but they are headquartered in this community. Ideally, this study should be replicated with organizations on a national basis. If the organizations in other municipalities have been unsuccessful in their implementation, it may be difficult to identify them. This study examined organizations that were already identified, and that have yet to successfully implement an initiative.

Finally, the data were collected through employing a key informant strategy. Each organization has an independent Crossroads consultant, not employed or contracted by the organization itself, who has been guiding them through the process since they engaged. Therefore, consultants are the most unbiased reporters of activity for the organizations, as they have no reason to embellish the process of selecting and implementing an initiative.

Limitations

The primary limitation of this study was the self-selecting nature of participating organizations since they chose to partner with Crossroads Charlotte. The Crossroads Charlotte process was not made available to all community organizations at inception. As a result, there were only 36 organizations to study. The diverse cultures of the organizations and the conditions of their engagement with Crossroads Charlotte make classifying them difficult. Each classification had a small number of organizations, thus making demographic-specific analysis limited. Thus the analysis focused primarily on the larger headings of for-profit, nonprofit, and public sector.

Assumptions

Two primary assumptions exist in the formation of this research study. The first assumption was that organizations chose to be involved in the Crossroads Charlotte process for one or more of the reasons listed in the corporate social responsibility list, not external pressure to participate because a competitor might be doing the same. However, if external pressure is a part of the story, it is likely identified through the study survey answers from the organizational representatives.

The second assumption was that the corporate social responsibility actions were equally valuable to organizations involved with civic engagement practices. Corporate social responsibility and community engagement motivators are defined by how corporate social responsibility is shaped around regulatory issues of business practices. They share many attributes as identified in the altruism grid presented in Chapter 2. These attributes and values are motivated and defined by some combination of the organization’s disposition to be responsible and engaged, benefitting both the community and/or the organization.

Summary

An examination of the factors contributing to an organization's success with social capital building initiatives is beneficial to the communities in which those organizations are based, in order that future organizational efforts use resources judiciously and efficiently. This study examined the corporate social responsibility factors that the literature identifies, applying them to the Crossroads organizations, both successful and unsuccessful, to validate the presence or absence of the indicators, and to determine if they play a role in the implementation of social capital building community engagement initiatives.

CHAPTER 2: LITERATURE REVIEW

Why do organizations choose to participate in community-building initiatives? Why are organizations concerned about social capital building in their community? The answer to these questions may be found in an analysis of organizations that have been involved in this sort of intentional work. Crossroads Charlotte sought out organizations to participate in social capital building initiatives in the Charlotte community. These organizations include nonprofits, for-profits, interfaith organizations, social service agencies, educational institutions (including colleges and universities and the local school system), large financial institutions, and local governments. Is it important that organizations understand what social capital is, as well as understand their role in providing opportunities for building social capital? Corporate social responsibility plays a large role in why many organizations choose to participate in philanthropic ventures. The literature review examined the most frequently occurring corporate social responsibility indicators in organizations that are considered socially responsible. These indicators consistently point to why organizations choose to become involved in socially responsible behaviors. They are explored, defined, and applied to the Crossroads Charlotte organizations participating in social capital building initiatives.

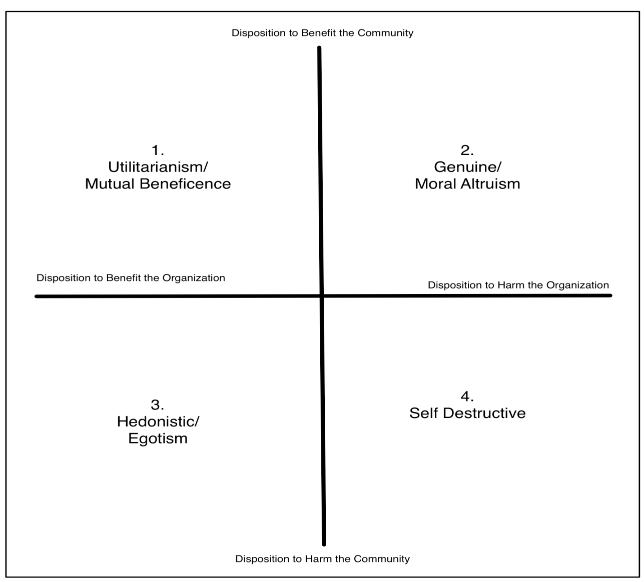
This literature review revealed the top indicators of organizations' involvement in initiatives designed to increase social capital in a community. The literature review also examined Crossroads Charlotte, its purpose, history, and the process by which it engaged organizations to create initiatives focused on increasing social capital in Charlotte-Mecklenburg. Through identification of corporate social responsibility indicators in the literature, this study sought to determine if links exist between organizational success at implementing social capital building initiatives and those indicators, as well as determining if the organizational structure has a role in determining success. This research examined the critical features distinguishing groups that have (a) delivered a product and those who (b) still have a product in the process. The purpose of the research was to determine what makes organizations successful in their development and implementation of community engagement practices.

Social Capital

Social capital is the glue that connects us together (Crossroads Charlotte, 2004); however, the phrase "social capital" has evolved over time since its original inception with French philosopher Pierre Bordieu, to its current iteration as defined by Robert Putnam (2000) and the Sagauro Institute in Boston, as discussed in Chapter 1. Increased social capital is a goal for community leaders in Charlotte, North Carolina, as will be explained in the Crossroads Charlotte story in the following section.

Social Capital Building Initiatives

Portes (2000) states that Bordieu and Putnam agree that social capital can be developed, cultivated, and grown. Kanungo (1993) describes corporate altruism as having four quadrants of corporate leader motivation. Along the x-axis is the intention of the leader to benefit or harm his/herself, while the y-axis is the organization’s disposition to benefit or harm others. This leads to four distinct quadrants ranging from mutually beneficial behaviors to mutually harmful. In this proposal, the axes have been adjusted to reflect an organization’s proclivity to benefit/harm itself and/or the community. The grid is reflected in Figure 2. This quadrant grid will be used to describe the indicators of corporate social responsibility in Chapter 2 and the organizations that comprise Crossroads Charlotte (Appendix A).



<u>Grid Quadrants</u>
X-axis: Disposition to Benefit/Harm Organization (self)
Y-axis: Disposition to Benefit/Harm Community (others)

*Adapted from R.N. Kanugo (1993). *Promoting Altruism as a Corporate Goal*

Figure 2. Motivating behaviors of corporate social responsibility, adapted from Kanungo, 1993.

Crossroads Charlotte

Story of Crossroads Charlotte

In 2000 the Social Capital Indicators Survey by Robert Putnam was conducted, with Charlotte, North Carolina, as one of the 40 geographies studied. While Charlotte received admirable marks on many of the measures, it was ranked 39 out of 40 in Interracial Trust. Crossroads Charlotte was born from this concern, as city leaders from across industry, faith, government, and the nonprofit communities came together to begin discussing what this meant for the city. After several discussions they engaged the Community Building Initiative to create a project where citizens and organizations would be involved in the process of creating a future for Charlotte that involved greater access, inclusion, and equity for all people in the community. In 2004, 55 organizations from within the city were invited to participate in executive sessions about community building (social capital building) initiatives to promote awareness and practice of access, inclusion, and equity among the regions' citizens. From those organizations, 39 committed to participate with Crossroads internally. The mission of Crossroads (Crossroads Charlotte, *Core Assumptions,* 2004) is to:

- Build awareness of possible futures for Charlotte (within the frame of the core question), the potential impact of those futures and the key decision points influencing those futures with 39 of the most influential organizations in the community.

- Take that awareness and provide an opportunity for self-selecting organizations to explore the futures, impacts, and decision points in the context of their own individual organization. These organizations would identify a few promising initiatives within the mission, purpose, and purview of the organization that could positively impact the core question.
- Spur a handful (actually two handfuls) of organizations to implement actions designed to positively impact the core question—within their mission, purpose, and purview (p.3).

To date, a number of organizations have developed initiatives that work toward these goals.

Process for Involving Organizations

Organizations were led through several intentional steps to learn about Crossroads and be invited to participate in the Crossroads work. Each organization that chose involvement eventually determined how they could build social capital within their area of expertise/influence, thus marrying their organizational mission with the mission of Crossroads. In some ways they were developing a new way of thinking about old business practices and problem solving that involves how they treat others in the community, particularly those who are typically considered less important or lower class.

They first entered the process through executive sessions held by Crossroads Charlotte, which introduced the process and asked the organizations to consider further participation. The following is a description from Crossroads' (2003) internal documents.

> *Crossroads Executive Session: A discussion forum that launched Crossroads Charlotte by convening and engaging 120 leaders and decision-makers at the highest levels of Charlotte's 40 most influential for-profit, non-profit, and governmental organizations. Crossroads Initiatives: The final of three primary steps composing Phase I of Crossroads Charlotte. "Initiatives" consists of a series of facilitated sessions that guide organizational teams in the development of mission-based plans of actions* (p.1).

Upon completion of executive sessions, the organizations engaged in Crossroads *LIVE* (Crossroads Charlotte, 2003), as described below, where up to 20 diverse participants from the organization participated in a three-hour session and dialogue.

> *Crossroads LIVE!: A three-hour interactive session for a mixed group of organizational teams, which marks the first of several of steps that organizations can take as part of the Crossroads Charlotte. The session engages teams in in-depth dialogue about the implications of the four scenarios for local organizations and organizations' roles in shaping the future* (p.1).

Following Crossroads *LIVE*, the organization was led through Crossroads Internal, as described below, where up to 15 members engaged in a series of facilitated sessions, designed to guide an "internal" process of creating organization-specific story lines based on the Crossroads Charlotte story lines about four alternate futures for the city (Crossroads Charlotte, 2003).

> *Crossroads Internal: The second of three primary steps composing Phase I of Crossroads Charlotte. "Internal" consists of a series of facilitated sessions that engage organizational teams in a process focused on the participating organization's mission and practice and the creation of storylines based on the Crossroads scenarios* (p.1).

At the conclusion of the introductory steps, lasting approximately 13 months, organizations began developing their internal teams to create, implement, evaluate, and sustain their initiatives. Each organization worked with a consultant for six months to develop three potential initiatives. The organizations then chose one initiative and began working to implement it in the organization. Each was required to agree to do a serious examination of their organization's potential impact on the community, allocation of resources (human and financial), recruit a diverse team, and designate an internal sponsor for the process. A list of participating organizations can be found in Appendix B. The appendix lists the organizations, their initiatives, and a general classification (for-profit, nonprofit, public sector).

Organizations

This study included three primary organizational types prevalent in Crossroads Charlotte: nonprofits, for-profits and governmental. Historically there have been two sectors examined by organizational science, the business, or for-profit, and the public, or government; yet, there is a third sector lying outside of these parameters, the nonprofit (Murray, 1975; Salamon & Anheier, 1992). According to the United Nations (1968, as cited in Salamon & Anheier, 1992), all economic activity is broken into four major sectors: nonprofit, enterprise or business, government, and households (which are not a part of this study). There is certainly blurring of the lines between these organizational delineations, but the classifications can still be meaningful (Perry & Rainey, 1988; Rainey, Backoff, & Levine, 1976).

Nonprofit

The role of nonprofits, particularly the service-oriented nature, differs in terms of operational field but also in its basic character (Salamon, Hems, & Chinnock, 2000). Five core components are identified as defining features of nonprofits by the Johns Hopkins Comparative Non-profit Sector Project (Salamon & Anheier, 1992; Salamon & Anheier, 1998):

- Formally constituted organizations
- Private and separate from government
- Nonprofit-distributing
- Self-governing

- Heavy voluntary component (p. 216)

Organizations lumped into the nonprofit sector reflect a great diversity (Salamon and Anheier, 1992). They include services related to health, education, cultural, and personal social services (Salamon, Hems, and Chinnock, 2000). The following organizational types are classified and described by the International Classification of Non-profit Organizations (Salamon & Anheier, 1992).

Cultural organizations support activities specializing in media, visual arts, performing arts, historical societies, and museums (Salamon & Anheier, 1992).

Educational organizations include primary, secondary, and higher education institutions, as well as those supporting research in a variety of fields (Salamon & Anheier, 1992).

Health organizations engage in health-related activities and care through health-care facilities and wellness programs (Salamon & Anheier, 1992).

Service-based institutions provide services to a target population in the community through social services, emergency aid and relief, and income support (Salamon & Anheier, 1992).

Environmental agencies promote conservation and pollution control through education, advocacy, and beautification projects (Salamon & Anheier, 1992).

Philanthropic intermediaries are defined as organizations funding charitable activities, including foundations (Salamon & Anheier, 1992).

Faith-based organizations are "organizations promoting religious beliefs and administering religious service and rituals" (Salamon & Anheier, 1992, p. 27).

International organizations support and promote intercultural activities, education, and disaster relief abroad (Salamon & Anheier, 1992).

For-profit

For-profit organizations are labeled as enterprises by the United Nations and defined as "establishments the activities of which are financed by producing goods and services for sale in the market at a price that is normally designed to cover the cost of production" (1968, as cited in Salamon & Anheier, 1992, p. 9). There has been discussion about the differences between the private and public sectors (Murray, 1975; Perry & Rainey, 1988; Rainey, Backoff, & Levine, 1976). While many management issues may be similar in the purposes and objectives of the organizations, there are key distinctions between the two: (1) organizational values, (2) accountability, and (3) the interests of the public good (Murray, 1975). The basis of the difference is summed up by the notion that the public sector is focused on consensus while the private sector is focused on profits (Murray, 1975).

Local Government

Research continues to accumulate and reinforce that public and private organizations are different (Bozeman & Bretschneider, 1994). Consider the difference from the definitions of enterprises in the previous paragraph and governments by the United Nations. According to the United Nations (1968, as cited in Salamon & Anheier, 1992), government, or public sector, is defined as an operation that produces nonmarket goods and services that are largely funded by taxes.

Local Governments. Local governments were chosen due to the nature of the Crossroads Charlotte initiatives being community specific.

Governmental Departments. While local governments are capable of having initiatives, the departments within the municipal governments can as well. In Crossroads, the Charlotte-Mecklenburg Police Department and the Mecklenburg County Public Library both have had initiatives. There is an additional intergovernmental agency which is comprised of residents appointed by both the county and city governments, respectively, the Community Relations Committee, which focuses on interracial relationships (Charlotte-Mecklenburg Community Relations Committee, 2010).

Assumptions of Simplicity

This system of classification and definitions run the risk of oversimplifying the distinctions between the organizational types. Obviously substantial differences exist among philosophies and end products. However, they all seek financial input (donations, tax revenue, product profitability) and seek to generate results/products that accomplish their organizational mission, which allow them to do more of the same. To state this differently, they are all organizational machines that turn financial revenue into mission-focused products. Once again, there are levels of complexity within each of these classifications, but for the purpose of this research, the primary distinction will be found in how the different classifications define and evaluate profit.

Defining Profit

This study did not define profit only as financial gain because of the many classifications that Crossroads organizations fall within. For instance, for-profits are measured by financial profit, stock price, and monetary measures, while government agencies may measure profit by the effectiveness of services and meeting their fiscal budget (Bozeman & Bretschneider, 1994). Even then there are still variations. Police departments may measure profit based on lower crime rates. For the purpose of this research, the measurement of profit success is considered in light of a return on investment. One distinction here is recognizing that investment may include financial capital or human capital, among others. This still permits a widely accepted definition of profit but provides a model where successful determination of “profit” has greater flexibility. Additionally, the goals of organizations define their desired outcome, which will range from fiscal to people helped or attending to changes in behavior.

What Do We Know about Community/Civic Engagement?

Civic engagement is a condition or state of a community characterized by its members practicing collective responsibility and democratic principles to explore, collaborate, critique, inquire, and take action on issues for the public good (Crossroads Glossary, 2004). Some Crossroads organizations have civic or community engagement as a core part of their missions, particularly nonprofits and governmental agencies. By engaging in the Crossroads process, each organization has placed a priority on civic engagement, as identified by the project's intention to build social capital in the community. Civic engagement through Crossroads Charlotte asks the organization to be socially responsible within the interest of their mission and the greater public good (Crossroads Charlotte, 2004). This may extend beyond the legal requirements of governmental mandates or stakeholder demands to engaging in what is best for the community, either because it is the right thing to do, or there are tangential benefits, or some combination of the two. Thus when looking at organizations, corporate social responsibility is a measure to consider why organizations engage civically.

Corporate Social Responsibility

Definition

Corporate social responsibility in research has been at the center of much debate, particularly surrounding a universal definition. The debate begins that philanthropy and civic engagement are not capable of addressing larger social ills McClimon (2004). He further notes that historically in the United States, "many corporate excesses of the late 1800s and early 1900s led directly to the creation and proliferation of labour unions, child labour laws, the minimum wage and public health systems, as well as the establishment of the Securities and Exchange Commission (SEC) in 1934" (McLimon, 2004 as cited in Newell, 2008, p. 1065). Eventually, scholars, with much debate, generally adopted the following components for the definition, to include that businesses have to fulfill four main responsibilities: economic, legal, ethical, and philanthropic (Maignan, 2001).

O'Connor, Shumate, and Meister (2008), further define corporate social responsibility as activities which are not required by law, while others are a part of the legal system striving to keep all corporations socially responsible. They expand on this concept when they develop the definition of corporate social responsibility through research with the Active Moms organization, comprised of soccer moms. That definition focused on socially responsible business practices and campaigns to engage issues of impact in their lives, the longevity inconsistency of initiatives, what made the most sense when linked to core business practices, distinctiveness from philanthropic efforts, and is evaluated using rationality and emotionality (2008).

CSR has also been explained as corporate engagement in socially responsible behaviors, responding to societal demands, stakeholders' demands, and the ability of such activities to increase competitiveness, stock performance, and legitimacy (Carroll, 1979; Freeman, 1984; Whetten, Rands, & Godfrey, 2001 as cited in O'Connor, Shumate, and Meister, 2008). Newell (2008) asserts that it is important to remember that capital has no conscience: "it merely reacts to state and society-based pressures to accept social responsibilities," that business has to be persuaded to build social capital, and that it is necessary to "de-link the coupling of profitability and legitimacy as incentives for responsible conduct" (p. 1067). Perhaps a broader view on corporate social responsibility is that companies are responsible to society as a whole requiring organizations to rethink their business practices and philosophies in terms of the complex societal system of which they serve (van Marrewijk, 2002).

Corporate social responsibility is defined according to the Sriramesh, Ng, Ting, & Wanyin (2007) and for the purposes of this study:

> Bowd, Harris, and Cornelissen's (2003) definition of CSR, which was derived from the views of scholars such as Carol (1999), Freeman (1984), and Friedman (1970) (is) used. Bowd, et. al. (2003) also incorporated recent industry reports to define the term:
> "CSR is corporations being held accountable by explicit or inferred social contract with internal and external stakeholders, obeying the laws and regulations of government and operating in an ethical manner which exceeds statutory requirements." Bowd et. al. offered examples of ethical behavior, such as proactive community involvement philanthropy, corporate governance, and commitment to the environment (p. 4).

A visual indicator of these responsibilities comes from van Marrewijk (2002) in Figure 3, where CSR takes on a three-pillared approach for businesses. The first pillar is profit. The reality is that businesses exist and are sustained through profit-making ventures. The second pillar is people. Organizations respond to and are sustained through human relationships that often contribute to profit but also comprise the workforce, stakeholders, and communities in which organizations operate. The final pillar is planet. This pillar relates directly to the people pillar and that a socially responsible organization must pay attention to its environmental impact on the planet as well as the welfare of its inhabitants. When an organization is able to balance these three pillars, sustainability may be achieved (van Marrewijk, 2002).

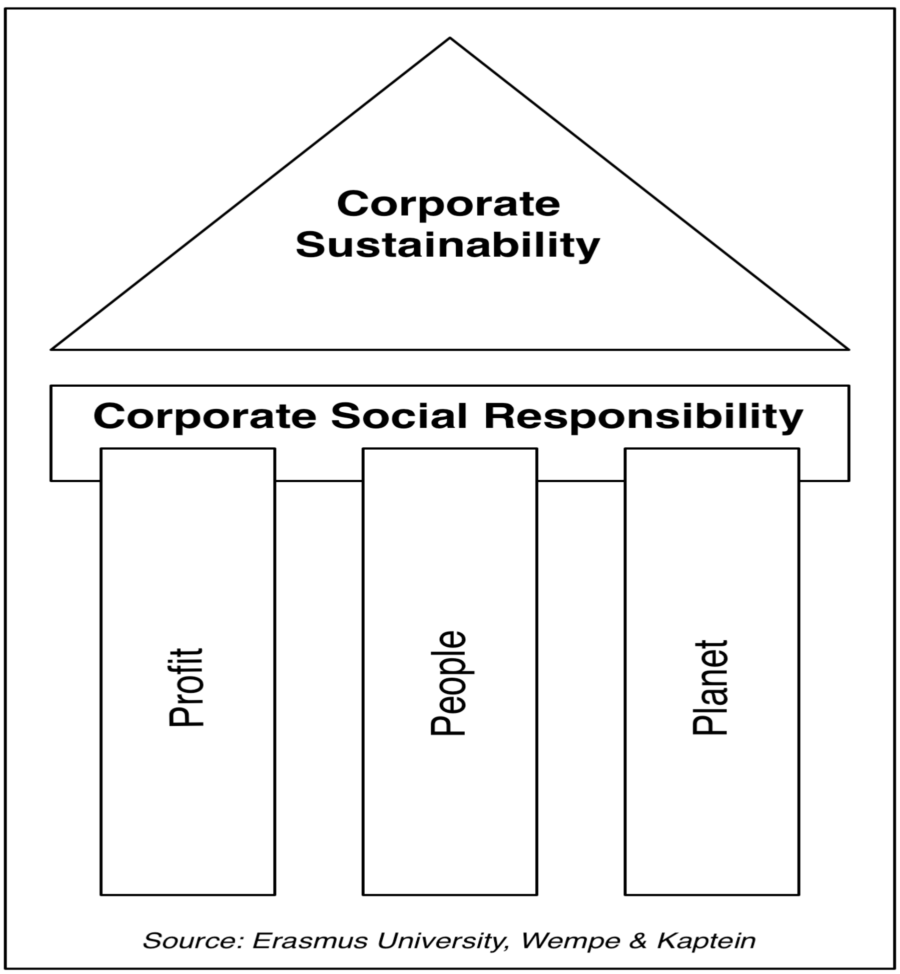


Figure 3. A visual depiction of the three pillars that promote and sustain corporate social responsibility as found in van Marrewijk, 2002.

CSR and Nonprofits and the Public Sector

Nonprofits and public-sector organizations both operate in ways that affect the well-being of the community (Rainey, Backoff, & Levine, 1976). Relating to the definition of CSR, public-sector organizations are often responsible for determining the guidelines that corporations use, as well as holding them accountable for their performance. Nonprofit organizations should not be exempted from this process as well. Nonprofit organizations should also act in socially responsible ways, call it nonprofit social responsibility. For the purpose of this study, for-profits, nonprofits, and public-sector organizations had the same standards of corporate social responsibility applied to the manner in which they conduct their actions. As they were evaluated in the process of engagement, implementation, and success by Crossroads, the following indicators were applied equitably to the three organizational types. In the following sections it is worth noting that the indicators applied are becoming more relevant as nonprofit and public-sector organizations continue to implement more models and strategies from the for-profit world (Murray, 1975).

Examples from Literature

The Center for Corporate Citizenship at Boston College has developed a corporate social responsibility framework (Rochlin, 2005, as cited in Peinado-Vara, 2006). This integrated model for corporate responsibility describes the basic characteristics for aligning socially and environmentally responsible practices. It includes the following four components.

- *Engaged learning* with main stakeholders, which promotes learning and innovation that has a positive impact on the company and its targets.
- *Business strategy* that aligns social, environmental, and financial performance with responsible practices embedded in the company's business strategy.
- *A leadership role* in responsible actions to actively deal with some of the social and environmental issues.
- *Operational excellence* based on the required infrastructure that needs to be in place to allow the business strategy to be embedded into the operations (p.64).

Emerging Indicators: Why They Engage

The literature indicated a variety of reasons organizations choose to engage in social-capital initiatives. The purpose of the review was to examine the top reasons organizations participate in initiatives that build the social capital for a community. Throughout the next section those reasons are listed and ordered by the frequency with which they appear in the literature. The reason is followed by a brief explanation as well as why the indicator is important.

Initiative Championed by Top Management. One of the most frequent indicators of success for social capital initiatives begins with top management. Worthington, Ram, and Jones (2006) assert that philanthropic interests of owners and managers are driving organizational choices more so than profit or cost of doing business. These reasons may relate to additional indicators discussed in this section.

Calderwood (2003) states, “When a profession is thought of as a calling, the location to which a person is drawn, in contrast to other occupations that might be chosen for a more mundane reason such as convenience or financial security,” then the opportunities for connecting business operations with community building become more likely (p. 303). This is partially driven by the business model for an organization, usually evaluated by profit but may also be driven by leadership wishing to see their organization develop solutions which work for the common good (Reason, 2005). As a growing number of organizations continue to adopt voluntary initiatives that support education, arts, the environment, and community projects, the benefits of these activities are likely to be seen in employee morale, community image, and ultimately profitability (Atakan & Eker, 2007). This may indicate that organizations that realize their connectedness to their communities, whether local or national, will find these benefits as they practice socially responsible behaviors. This is particularly relevant for businesses embedded in local communities, where relationships and social networks are more often used to establish attitudes and perceptions about the organization (Worthington, Ram, & Jones, 2006). With the continuing evolution of digital social networking opportunities this becomes an important point for organizations whether they are operating locally, nationally, or globally.

One such organization where the founder's personal values are put into practice throughout his company is the personal hygiene company, *Tom's of Maine*. Throughout its operational history *Tom's of Maine* has often made choices that were either financially more costly or interrupted business services based on maintaining the integrity of corporate mission to be a socially responsible organization (Balmer, Fukukawa, & Gray, 2007). Another leader who illustrates this principle is Oded Grajew, a toy industry entrepreneur in Brazil who created a foundation to address the needs of children and adolescents. Eventually, this foundation engaged other business leaders, strategies, and programs to promote education and child welfare in Brazil (Raufflet, 2008).

Corporate Identity. Numerous local organizations and global companies alike are making greater efforts to build their corporate identity (Falconi, 2004; Raufflet, 2008). There are multiple reasons for this, ranging from profitability to identifiability in the community. This indicator can be separated into two reasons corporate identity is an important indicator of success for organizations engaging in social capital initiatives. The first reason is that the corporate identity likely indicates the strength and missions of the organization (McAlister & Ferrell, 2002). The second reason is that organizations are seeking to build a more positive identity and role in society (Balmer, Fukukawa, & Gray, 2007).

The history and mission of an organization are key identifiers in assisting organizations to determine what social capital initiatives they may best be suited to conduct. Peter Senge (1990) suggests that philanthropy is developed by an organization's educational climate that is influenced by its history, collective vision, and the means by which it processes, reflects, and implements efforts. It is important that organizations know their vision and mission as well as their resources in order to assess how initiatives are best communicated to stakeholders and community members (McAlister & Ferrell, 2002). This would indicate that organizations operating in their areas of strength are most likely to find success with their civic engagement initiatives. One such example is *Cisco Systems* which developed a web site to assist in online learning and communication resources in partnership with the social enterprise, the *Smith Family*, an Australian agency designed to achieve change in poverty through access to education. This program was called Learning for Life, and between 1999 and 2004, it grew from serving 7,000 students to 22,000 students (Redmond, 2005).

While history and mission are critical to the success of organizational initiatives, it is also important to note the reciprocal effects that strong social capital initiatives and their success have for building the perceived identity of the organization by the community. The community perspective comes from the understanding by the company that identity can be operationally discerned when business practices mirror its values, culture, and philosophy (Balmer, Fukukawa, & Gray, 2007). Organizations must be careful to balance the perception that social capital building activities are well intentioned and not intended solely for profitable gains. According to the International Alert Study of 2005, the majority public view is that businesses practice in socially responsible ways for publicity while the majority of businesses state that their socially responsible policies come from a genuine concern for society (Fernando, 2007).

From a business perspective, what gains are there to an organization whose motives are deemed genuine? According to Rondinelli & Berry (2000), socially responsible organizations often have greater access to capital, reduced cost, improved financial performance, and improved brand image. This research does not determine whether organizations act in socially responsible ways in order to improve their corporate image or simply because their corporate identity informs their business practices. Rather, the research is further complicated because more consumers are educated about the practices of product suppliers, manufacturers, and retailers. According to the millennium poll of 25,000 consumers in 23 countries, consumers care more about the perceived corporate responsibility of their supplier or shop than either brand or price (Pryce, 2002).

Stakeholder Interests. The role of stakeholders in an organization plays an integral part in determining both the direction and success of social capital building initiatives (Balmer, Fukukawa, & Gray, 2007; Jo, 2003; Silver, 2001). The role of stakeholders often falls into one of two categories, each of which is important to the organization, for either profitability or identity. The first of these categories is the role investors play in the fiscal direction of the organization. The second is the interest of stakeholders to promote a corporate identity based on areas of activism and community responsibility (Silver, 2001; Tkac, 2006).

According to McAlister & Ferrell (2002), the climate is emerging in such a way that philanthropy plays an important role in the welfare and benefit of the stakeholder. “Organizations need to conduct research to understand stakeholder expectations and their willingness to collaborate for mutual benefit” (McAlister & Ferrell, 2002, p. 701). Additionally it is important for organizations to communicate to stakeholders how initiatives will provide a business benefit that also benefits the stakeholder.

This section will examine financial repercussions that organizations take into account as they make decisions regarding socially responsible actions. The first of these is that many investors and stakeholders prefer to hold the stock of companies they perceive as socially responsible and high quality (Jo, 2003), which is a particular importance to small organizations where such involvement can lead to improved corporate identity and attract more stakeholders (Worthington, Ram, & Jones, 2006). As organizations continue to consider the ramifications of stakeholders toward their corporate identity, it is important that they recognize the links between organizational fiscal survival and corporate ethics (Balmer, Fukukawa, & Gray, 2007).

“For funders, being socially responsible meant not just expanding summer opportunities for poor youth, but giving serious consideration to long-term poverty reform as well” (Silver, 2001, p. 234). When funders had a philanthropic or socially responsible motive or task for involvement, they were more likely to remain involved when seeing results. For organizations this plays two important roles, the first being the motivation of stakeholders to remain involved with the organization, whether as funders or volunteers (Tkac, 2006). Second, the activism of stakeholders, particularly those in the community, places additional pressure on competitors to follow suit so they do not become targets of shareholder activism or social boycott (Tkac, 2006). Clearly the role of stakeholders plays an important role in providing direction to social capital initiatives, as well as holding organizations accountable for socially responsible behavior.

Assigning Liability/Accountability. As previously noted, stakeholders can influence organizations to be socially responsible in an effort to avoid being the target of future activism by the stakeholders. This social pressure extends beyond businesses to community organizations that are involved in social capital building. For many of these organizations, accountability and liability are important factors in judging and being judged for success in the social-capital field. There are three primary means by which the liability/accountability indicator plays a role in social capital building initiatives. The first two of these are political pressures and economic pressures, which have already been described, but additionally contribute to accountability, as both internal and external factors for why organizations choose social capital building initiatives. The second factor is the social context of the organization. That social context involves the community in which the organization is based, as well as the organizational culture and how it is affected by social capital initiatives. The final factor is "answer-ability," which may best be understood as the responsibility of the organization to respond to both the needs of the community and the critiques of its policies and practices (Newell, 2008).

Political and economic pressure are not to be understood as pressures from the government but rather pressures that arise from the cost of doing business ethically, as well as seeking to do the right things in a community, particularly as other organizations are doing the same (Prieto-Carron, 2006; Raufflet, 2008; Redmond, 2005). Two examples of how this manifests itself can be found in the way *Chiquita Bananas* sought to resolve structural inequalities for women and how *Ethos* influenced leaders in Brazil. Prieto-Carron's (2006) describes how for *Chiquita*, a large multinational organization that sources many of its bananas from Latin America, social responsibility became focused on the rights of female workers. Not only was *Chiquita* facing pressures about how they conduct business on their plantations but also about how independent producers conducted their business. Prieto-Carron (2006) studied how hidden structural problems in the Latin American business culture prohibited *Chiquita* from being as responsible as they would have liked yet notes how *Chiquita* continues to lead the industry in addressing these gendered structural inequalities. For independent producers *Chiquita* is providing political and economic pressure towards the cost of business and doing business ethically.

Ethos is a Brazilian organization that has sought to raise awareness and understanding of social responsibility in Brazilian society by working with businesses and organizations to educate them on their responsibility in the community (Raufflet, 2008). *Ethos* works with member organizations, which pay low membership fees to be part of the *Ethos* network. Through the creation of the membership model, organizations see both partners and competitors acting in socially responsible ways to improve their communities. *Ethos* provides organizations with strong networks and the tools to improve in areas of social responsibility. This model makes it one of the fastest growing networks promoting social responsibility in South America (Raufflet, 2008).

The second factor of liability is the social context of the organization. Of major significance is the ability of the organization to improve the context of the community in which it operates. “However, like many global corporations, a key challenge is to ensure that the commitment extends beyond its headquarters and is put into practice at an operational level” (Redmond, 2005, p. 70). For the organization to have long-term success in its social capital building initiatives the efforts must extend to the operational level of the organization, influencing the cultural systems and transformative ways.

The final factor is the accountability of an organization to act in socially responsible ways. According to Newell (2008), accountability is central to the study of organizations interested in creating societal change. He defines accountability as having two primary components, answerability and enforceability. The former suggests that the institution will be held accountable but is also capable of asking for justification when others act in unjust ways through acts of commission and omission. The latter refers to the ability to penalize these types of behaviors. Newell suggests that accountability is central because it provides us with a vocabulary for thinking about liability, and that highlights the procedural deficits that characterize the differences between organizations and societies. One such example can be found in Byrnes's (2007) assessment of arms makers corporate social responsibility, where he assigns liability to arms manufacturers "for harm caused at home or abroad if the range of their activity in the political system manifests a high degree of autonomy" (p. 212). Byrnes (2007) defines the accountability measures for the manufacturers, evaluates acceptable behavior, and seeks avenues for manufacturers to answer for behaviors that may be deemed unjust.

Organizational Philosophy. The organizational philosophy, whether nonprofit, religious, or philanthropic, is a consistent indicator of success for social capital building initiatives (Atakan & Eker, 2007; McAlister & Ferrell, 2002). For many organizations it begins with an internal feeling of responsibility to both their clientele and their community. In other instances the responsibility comes from a desire to communicate an ethic or moral component of the organization (Raufflet, 2008).

For organizations where the philosophy provides an internal feeling of responsibility, the philanthropic and socially responsible efforts of the organization often matched its mission (Atakan & Eker, 2007). For instance, Istanbul Bilgi University "views service to the local communities in which its campuses are located as an integral part of its mission and is committing to providing a wide array of opportunities for individual and community improvement" (Atakan & Eker, 2007, p. 62). In this example, a university system is seeking ways to transform its community through its avenue of resources and its sphere of influence. Worthington, Ram, and Jones (2006) report that survey respondents reference their religious faith as a formative influence on their actions and attitudes, thus also indicating that the respondents' firms felt a moral duty to improve the position of others in the community.

While issues of moral responsibility are important to many organizations, additional organizations are "pro-actively pursuing ethical compliance initiatives to demonstrate their commitment to standards that go beyond the legal requirements" (Thorne LeClair, Ferrell, & Ferrell, 1997, as cited in McAlister & Ferrell, 2002, 695). One needs only to refer back to the *Ethos* example that was previously discussed. *Ethos* developed a deliberative council designed to build a society that is more inclusive and equitable to the roles of its partner companies (Raufflet, 2008).

An example of an organization combining these two components is the drug company *Merck*. *Merck's* ethic and understanding of philanthropy also combines its understanding of the positive effects upon society, stakeholders, and its customers (McAlister & Ferrell, 2002). A way in which *Merck* demonstrated this was to develop a drug, predominantly for impoverished countries, which was then donated to the areas with the most need.

Market competition. Market competition plays a significant role for organizations that are for-profit businesses as opposed to nonprofit organizations (Fombrun, 2005; Worthington, Ram, & Jones, 2006). Closely aligned to market competition is profit maximization. Both of these are business-related benefits for engaging in social capital building initiatives; however, they will be addressed separately, as market competition speaks more toward business longevity and opening up new markets. Profit maximization will examine direct business benefits particularly as they relate to long-term returns on investment and profit margins.

When examining market competition from a business longevity standpoint, it is important to remember that a number of regulatory standards may affect the ways in which organizations conduct their business. For instance, in 2002 the European commission conducted a detailed study about the comparative practices of European conduct for corporate social responsibility, as a result of corporate socially responsibility mandates (Fombrun, 2005). Additionally, smaller firms face a unique perspective for practicing socially responsible behaviors and creating social capital initiatives. From a business perspective survival and growth will likely take priority ever social-capital initiatives, yet smaller and newer firms provide opportunities for advancing social-capital initiatives across the business community, thus pressuring their competitors to do likewise (Worthington, Ram, and Jones, 2006).

Organizations wishing to reinforce their confidence around core ideas often find opportunities to connect their mission with philanthropic acts which align organizational resources with social clauses and needs, thus leading to a social cause marketing plan (McAlister & Ferrell, 2002). One such example of this is the pink breast cancer awareness ribbon that is recognizable to most Americans. By marrying the corporate mission with a social cause, mission organizations can essentially find a business benefit through social capital building initiatives as new markets are opened to populations that previously lacked access to goods or services provided by the organization.

Profit Maximization. As new markets open, there is increased opportunity for-profit maximization. As organizations expand into new markets, their businesses continue to be driven by four levels of activity. The first is commercial self-interest, which may manifest itself in lower cost of production. The second is expanded self-interest with immediate benefits that may be manifested through more consumers in more sales. The third is expanded self-interest with long-term benefits, which may become manifest through more efficient production processes, less risks in the new market, and greater cash flow. The final level is promoting the common good that is seen by organizations being good corporate citizens (Rondinelli & Berry, 2000).

When organizations are good corporate citizens, the benefits include competitive advantage, improved image, and opportunities for new product development. As shown in the chart that follows, organizations can support both internally and externally oriented programs and activities that are both philanthropic and profit focused. By doing so they can measure the impacts of those programs, whose evaluations and assessments may continue to provide the business with new directions and affirmations of what they currently do well, assuring the organization of greater profit maximization, sustainability, and socially just practices which build corporate image. Many of these programs may provide opportunities for social capital building initiatives. As organizations respond to externally and internally oriented programs, there are a wealth of impacts for the organization, the community, and individual residents through long-term, sustainable initiatives that strengthen social capital and the community (Figure 4).

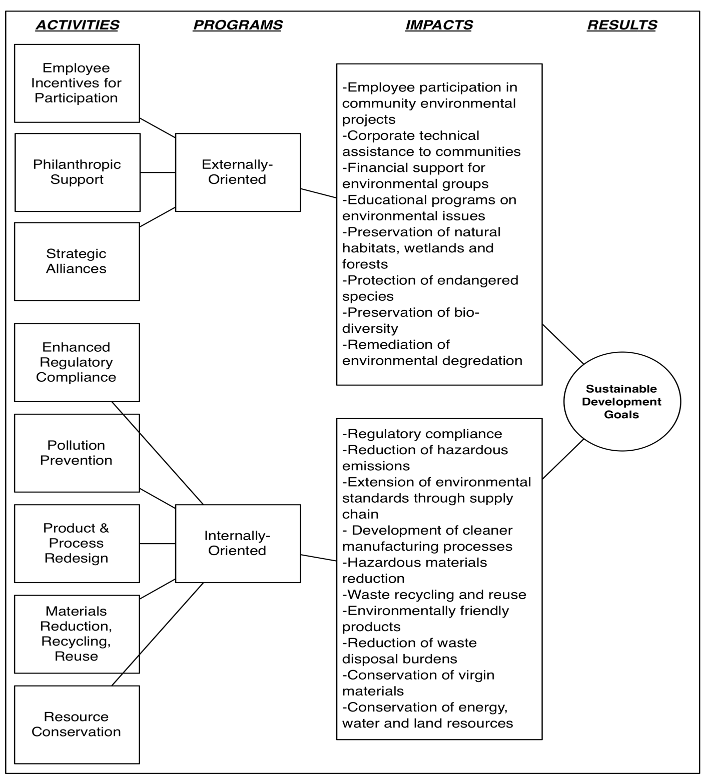


Figure 4. Activities affecting long-term sustainability for community engagement. Environmental Citizenship in MNCs (Rondinelli & Berry, 2000)

Altruism/Moral Duty. A discussion of organizations contributing to a social agenda benefiting the community inevitably will include an altruistic or moralistic component to be measured. A review of the literature concluded that altruistic motives can be a predictive indicator in the success of organizations creating social-capital initiatives. Throughout the literature altruism consistently appears with definitions connected to a level of give-and-take that benefits both the community and the organization.

Perhaps the most concise of these models was developed by Sanchez (2000), as reported by Atakan and Eker (2007), where he notes that in his altruistic model "corporations are motivated by a desire to benefit other parties" (p. 59), yet their philanthropy is expected to generate benefits of power, legitimacy, and the competitive advantage. While organizations may have true philanthropic motives, they must balance these with stakeholder concerns and, most importantly, avoid being seen as providing aesthetic initiatives with little or no interest in real social change.

McAlester and Ferrell (2002) define *corporate philanthropy* as the "ability to link employees, customers, suppliers and societal needs with the organization's key assets, making the corporation a good corporate citizen" (p. 690). Once again, while there is an interest in philanthropic endeavors, an interest in linking those endeavors to organizational success still exists. This is not necessarily a negative way to understand corporate social responsibility, since the indicator suggests that successful initiatives are a marriage of the corporate mission with the social-capital initiative. This perspective in doing business is being seen throughout Latin America, as organizations strive to connect their private corporate mission with the needs of the public, particularly in the area of engaging the poor in the workforce as an effort to improve living standards and ultimately open new markets (Peinado-Vara, 2006).

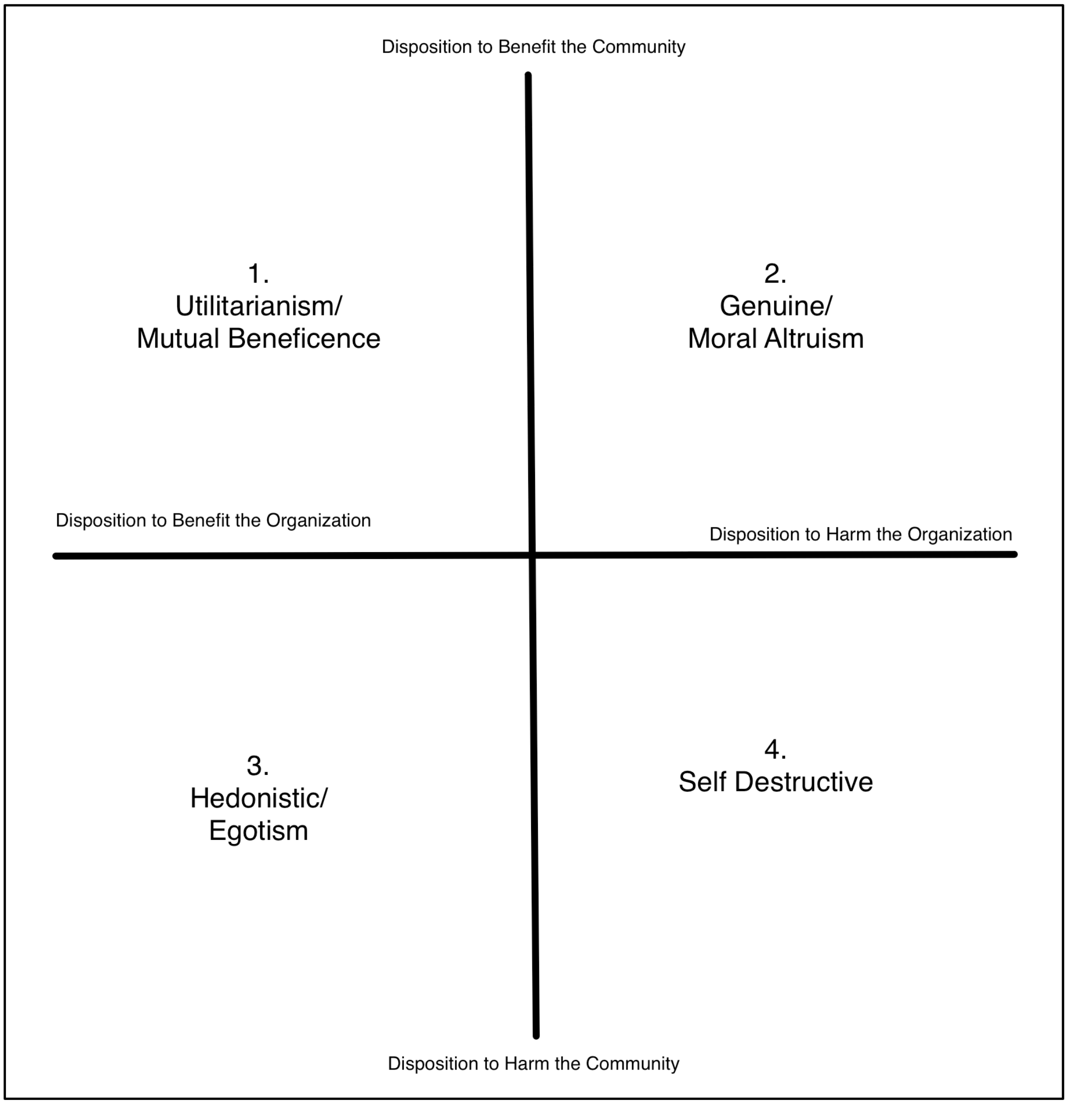
Employee Equity/Push. For the purpose of this research, employees are recognized as stakeholders in the organization; however, they are evaluated differently from stakeholders who are board members or investment holders. This section of the literature considers the role employees have in generating/ identifying social-capital initiatives for the organization. The work of both *Chiquita* and *Cisco* systems were discussed in previous sections. Both of these organizations have engaged in socially responsible behaviors as a result of employee interest (Prieto-Carron, 2006).

In the case of *Chiquita*, employees pushed the organization to use only suppliers matching their own organizational values or requiring them to upgrade their operations so they were consistent with *Chiquita's* values (Prieto-Carron, 2006). In the case of *Cisco Systems*, employees pushed the organization to support the Smith family endowment, employment for young people, IT education and to educate the community in an effort to bridge the digital divide (Redmond, 2005). While top-management support is a key indicator for social capital initiative success, employees who live in the community are valuable resources for providing direction in community engagement initiatives.

How Indicators Line Up with Grid

After identifying the success indicators for social capital initiatives, the research now examines how these indicators fit into the altruism grid presented previously. For ease of reference Figure 5 is presented below. The grid was adapted from Kanungo's (1993) work on corporate altruism, where his axes measured an individual's disposition to help themselves or to help others. He writes:

> Part of this can be explained by our own expectations—after all, the game of business is played in a competitive arena and hence no one expects business people to be altruistic. Second, it reflects the North American character of self-sufficiency as well as the "me" generation's need for "me to be first." Finally, organizational researchers may have contributed to the problem by their own neglect of altruism in organizational life (p. 38).



Grid Quadrants
X-axis: Disposition to Benefit/Harm Organization (self)
Y-axis: Disposition to Benefit/Harm Community (others)

*Adapted from R.N. Kanugo (1993). *Promoting Altruism as a Corporate Goal*

Figure 5. This figure illustrates the motivation behind behaviors of corporate social responsibility, adapted from Kanungo, 1993.

For the purposes of this research, the indicators have been placed into the quadrants from the grid for which they seem most likely to represent based upon the literature (Figure 6). The location of the indicators within the grid is amoral. One will note that no indicators were placed in quadrant 4, illustrating that the organizations are motivated by business incentives, socially responsible incentives, or both.

1 **Utilitarianism** -Corporate Identity -Assigning Liability/Accountability -Stakeholder Interests/ Activism -Employee Equity/Push	**2** **Genuine/Moral Altruism** -Altruism/Moral Duty -Initiative Championed by Top Management -Organizational Philosophy
3 **Hedonistic** -Profit Maximization -Market Competition	**4** **Self Destructive**

Figure 6. CSR indicators by altruism indicator

One additional consideration of the corporate social responsibility literature corresponds with the organizational taxonomy to be discussed in the next section. As the reader will see in Table 1, from Rainey, Backoff, and Levine (1976), the indicators are found as similarities between public and private sector organizations. These similarities further serve to indicate that the work of both types of organizations can be imbued with efforts at community-building initiatives.

Table 1 Summary of Literature on Differences between Public and Private Organizations: Main Points of Consensus

The following table presents a summary of the points of consensus by stating them as propositions regarding the attributes of a public organization, relative to those of a private organization.

Topic	Proposition
	I. Environmental Factors
I. 1. Degree of market exposure (Reliance on appropriations)	I. 1.a. Less market exposure results in less incentive to cost reduction, operating efficiency, effective performance.
	I. 1.b. Less market exposure results in lower allocational efficiency (reflection of consumer preferences, proportioning supply to demand, etc.).
	I. 1.c. Less market exposure means lower availability of market indicators and information (prices, profits, etc.).
I. 2. Legal, formal constraints (courts, legislature, hierarchy)	I. 2.a. More constraints on procedures, spheres of operations (less autonomy of managers in making such choices).
	I. 2.b. Greater tendency to proliferation of formal specifications and controls.
	I. 2.c. More external sources of formal influence and greater fragmentation of those sources.
I. 3. Political influences	I. 3.a. Greater diversity and intensity of external informal influences on decisions (bargaining, public opinion, interest group reactions)
	I. 3.b. Greater need for support of "constituencies"—client formal authorities, etc.

Table 1 (continued)

II. Organization-Environment Transactions	
II. 1. Coerciveness ("coercive," "monopolistic," unavoidable nature of many government activities)	II. l.a. More likely that participation in consumption and financing of services will be unavoidable or mandatory. (Government has unique sanctions and coercive powers.)
II. 2. Breadth of impact	II. 2.a. Broader impact, greater symbolic significance of actions of public administrators. (Wider scope of concern, such as "public interest.")
II. 3. Public scrutiny	II. 3.a. Greater public scrutiny of public officials and their actions.
II. 4. Unique public expectations	II. 4.a. Greater public expectations that public officials act with more fairness, responsiveness, accountability, and honesty.
III. Internal Structures and Processes	
III. 1. Complexity of objectives, evaluation and decision criteria	III. l.a. Greater multiplicity and diversity of objectives and criteria.
	III. l.b. Greater vagueness and intangibility of objectives and criteria.
	III. l.c. Greater tendency of goals to be conflicting (more "tradeoffs").
III. 2. Authority relations and the role of the administrator	III. 2.a. Less decision-making autonomy and flexibility on the part of public administrators.
	III. 2.b. Weaker, more fragmented authority over subordinates and lower levels. (1. Subordinates can bypass, appeal to alternative authorities. 2. Merit system constraints.)

Table 1 (continued)

	III. 2.c. Greater reluctance to delegate, more levels of review, and greater use of formal regulations. (Due to difficulties in supervision and delegation, resulting from III. I.b.)
	III. 2.d. More political, expository role for top managers.
III. 3.Organizational performance	III. 3.a. Greater cautiousness, rigidity. Less innovativeness.
	III. 3.b. More frequent turnover of top leaders due to elections and political appointments results in greater disruption of implementation of plans.
III. 4. Incentives and incentive structures	III. 4.a. Greater difficulty in devising incentives for effective and efficient performance.
	III. 4.b. Lower valuation of pecuniary incentives by employees.
III. 5. Personal characteristics of employees	III. 5.a. Variations in personality traits and needs, such as higher dominance and flexibility, higher need for achievement, on part of government managers.
	III. 5.b. Lower work satisfaction and lower organizational commitment.

(III. 5.a. and III. 5.b. represent results of individual empirical studies, rather than points of agreement among authors.)

Role of Taxonomy for Crossroads Charlotte Organizations

The Crossroads Charlotte organizations currently are grouped according to whether or not they are active in their implementation of a social capital building initiative. In order to better understand the organizations' efforts, this research examined how organizational structural factors relate to successful implementation. Thus, an organizational taxonomy was attempted for the organizations. An organizational taxonomy is a system of classification, that when employed will further distinguish details about the organizations for further analysis. According to Rich (1992) this is an information storage system allowing for easy retrieval of data. Taxonomies should not be confused with typologies, which categorize information according to a theoretical base and then assign organizations accordingly. Taxonomies, on the other hand, use data to determine the organizational classification (Mandell, 1996; Mayr, 1969; Rich, 1992).

Rich (1992) indicates that characters are the items studied or applied to the taxonomy in order to classify organizations. These characters may be variables, characteristics, or attributes all of which are normally nominal in their description. As populations exist within industries (Ulrich & McKelvey, 1990), describing them provides a richer set of data. Additional factors that can be examined are structure, technology, process, and organizational form (McCarthy, 2005). Perhaps what is most important for this research is that taxonomies should be generated by the individual study (Hannan & Freeman, 1977). While taxonomies exist as lengthy studies for organizational classification, this research focused on a template proposed by Rich to generate a study-specific taxonomy for the Crossroads Charlotte organizations (Figure 7).

A HIERARCHICAL TAXONOMY OF ORGANIZATIONAL TYPES

Level 1 ALL INDUSTRY	No distinction between industries possible. (KINGDOM)
Level 2 DIVISION	Broad distinction between types of industries. (PHYLUM)
Level 3 MAJOR GROUP	Distinctions within industry, based on divisional product or service. (FAMILY)
Level 4 INDUSTRY GROUP	More specific distinction possible based on type of major group product. (GENUS)
Level 5 INDUSTRY	Specific organizational type defined. (SPECIES/POPULATION)
Level 6 SUBINDUSTRY	Able to distinguish between varieties of organizations within type. (SUBSPECIES, LOCAL POPULATIONS, OR DEMES)
Level 7 BUSINESS	Able to distinguish between individual organizations within deme. (VARIETY/FORM)

Figure 7. Model for identifying classification of Crossroads Charlotte organizations from Rich (1992).

The classification of organizations was important to this study for several reasons. First, data analysis of the organizations was to lead to finding natural clusters for further study and comparison (Miller & Friesen, 1984). Sanchez (1993) argues at length that organizations “do cluster in recognizable groups (p.

73).” Miller and Friesen state the importance of the consequences of taxonomies as predictors about the relational nature between organizations.

Second, Haas, Hall and Johnson (1966 as cited in Sanchez, 1993) argue that organizational classification may yield results that are inconsistent across broadly defined groups but are very consistent across specific subsets. As the Crossroads Charlotte study population is 36 organizations that are broadly organized as participants, it seems that this system of classification could have assisted in identifying how the corporate social responsibility indicators are applied to the organizational types.

Numerous samples of taxonomic efforts have been conducted since 1953. Perry and Rainey (1988) provide the following summary table (Table 2). Each of these studies is either industry, context, or discipline specific, therefore limiting universality for other studies (Perry & Rainey, 1988).

Additional studies have focused on size, diversification, and productivity (Ulrich & McKelvey, 1990), as well as goods, services, and knowledge base (Hamdani, 1997). Factors to consider in this research come from the work of Mandel (1996), who suggests that factors of organizational structure, function, behavior, the environment, geographic characteristics, product characteristics, individual characteristics, and performance are helpful to the process of classification, so long as the data are rooted in empirical observation. Other factors are provided by Smith and O’Brien (2008) in their study that indicates productivity indicators (employee population, turnover, and value added) are essential along with innovation. All of these factors are relevant to the Crossroads Charlotte organizations and could help shape the taxonomy.

Table 2 Summary of Selected Research on the Public-Private Distinction

Author(s)/Year	Methodology	Findings and Conclusions
Positive and Deductive Theories of Public Bureaucracy and Related Social Control Processes		
Banfield (1975)	Propositions about corruption in “typical“ government agencies and typical business firms.	Government agencies have (a) greater fragmentation of authority and weaker requirements to avoid “selling” outputs below cost of production; (b) greater vagueness, multiplicity, and conflict among objectives and products; (c) stronger requirements to adhere to external laws and administrative procedures; and (d) less reliance on pecuniary incentives. Therefore, they spend more on reducing corruption than is gained in return and are less able to reduce corruption through strong central control.
Dahl and Lindblom (1953)	Theoretical analysis of societal decision and allocation mechanisms.	“Agencies” under governmental control have more intangible goals, less incentive for cost reduction, more dysfunctions of bureaucracy (red tape, rigidity) than do “enterprises” controlled by markets.

Table 2 (continued)

Downs (1967)	Conceptual/theoretical model of bureaucracy.	Due to the absence of the economic market, public bureaucracies tend toward more elaborate hierarchies. The political environment is more important and influences internal decisions. Agencies become rigid over time.
Wamsley and Zald (1973)	Conceptual/theoretical analysis of public organizations.	Public ownership and funding subjects public organizations to unique political and economic environments and unique public expectations. For example, political sentiment toward the agency becomes more important.

Typologies and Taxonomies of Organizations Which Include a Public-Private Distinction

Blau and Scott (1962)	Deductive typology.	Four-category typology of organizations: Commonweal, Business, Service, and Mutual Benefit. Commonweal organizations (public agencies) benefit the general public, and public accountability is the central organizational issue. Businesses benefit owners, and productivity is the central issue.
Haas, Hall, and Johnson (1966)	Empirically derived taxonomy.	Constructed nine taxonomic categories. Public and private organizations were mixed among categories, so the study did not support a public-private distinction.
Mintzberg (1979)	Typology of organization structure based on review of research.	“Public machine bureaucracies” are posited as one subcategory within “machine bureaucracies” because public agencies

Table 2 (continued)

		tend toward highly bureaucratized form due to external constraints.
Pugh, Hickson, and Hinings (1969)	Empirical taxonomy of structural dimensions of 52 organizations in Great Britain, eight of which were government organizations.	Most of the public organizations were unexpectedly low on measures of internal structure, but high on concentration of authority at the top, with personnel procedures highly centralized or externally controlled. Noting that the government organizations were not typical government agencies but local ”workflow” organizations, such as a water department, the researchers suggested that size and technological development determine internal structure, whereas concentration of authority is determined by government or other external auspices.
Anecdotal Observations by Practitioners with Experience in the Public and Private Sectors		
Blumenthal (1983)	Experienced practitioners’ views on similarities and differences between public and business management.	Federal executives have less control over their organizations than business executives. Federal organizations are more conglomerated and diverse. Congress and the press are more influential. The decision process is more cumbersome.

Table 2 (continued)

Empirical Research on Public Bureaucracy and Public Administrators

Hood and Dunsire (1981)	Empirical taxonomy of British central government departments using archival data.	Arguing that public bureaucracies are a distinct set of organizations, the researchers developed a three-category empirical taxonomy of British central government departments.
Kaufman (1981)	Descriptive study of six federal bureau chiefs.	Much of bureau chiefs' work is generic management (motivating, communicating, decision making), but the political environment and congressional relations are highly significant.
Meyer (1979)	Empirical study of structural change using a national sample of state and local finance agencies.	Public bureaucracies are particularly open to external pressures for changes. Their hierarchies are stable, but there is frequent change in subunit composition. Their personnel systems are increasingly formalized over time due to federal emphasis on civil service rules. External pressures are mediated by political processes. Public bureaucracies have no alternative to Weberian hierarchy, and they are evaluated in terms of conformity with higher authority.
Warwick (1975)	Case study of U.S. Department of State.	Public organizations are heavily influenced by external political and institutional factors. They are prone to elaborate hierarchies and rules. Their internal structures are often imposed externally. They are resistant to change and

Table 2 (continued)

		to delegation of authority. Employees are security conscious, especially in relation to potential political controversy.

Empirical Research Comparing Samples of Public and Private Organizations and Managers

Boyatzis (1982)	Study of managerial competencies in four federal agencies and 12 Fortune 500 firms.	Private managers were higher on "goal and action" competencies. This is attributed to absence of clear performance measures, such as profits and sales, in the public sector. Private managers were also higher on leadership competencies of "conceptualization" and "use of oral presentations." This is attributed to more strategic decision making in the private sector and greater openness and standard procedures in the public sector.
Buchanan (1974, 1975)	Compared questionnaire responses from managers in four "typical" federal agencies and four large business firms.	Public managers were lower on job satisfaction, job involvement, organizational commitment, and perceived organizational constraints and rules. Findings reflected weaker hierarchical authority, greater diversity of personnel, and weaker commitment expectations due to civil service rules, political interventions, diffuse goals, and complex bureaucratic procedures.
Kilpatrick, Cummings, and Jennings (1964)	Survey of work-related values and attitudes at all levels in federal agencies	Federal executives were comparable to business executives on job

Table 2 (continued)

	and in business from 22 metropolitan sampling units. Includes sample of 273 federal executives and 287 business executives.	satisfaction, but federal scientists, engineers, and college graduates were lower than their private counterparts. Public sector respondents in all these groups were more favorably disposed to work in the other sector than were private respondents. There were conflicts between the public image of the federal service and the occupational values of highly educated, higher occupational status groups in the U.S.
Lau, Pavett, and Newman (1980)	Compared U.S. Navy civilian executives to executives from a number of service and manufacturing firms.	Found general similarities in the work of the two types of managers, although the public managers devoted more time to “fire drills” and crisis management.
Paine, Carroll, and Leete (1966)	Compared managers in one federal agency to managers in industry who were comparable in age and level.	Federal managers were lower on all 13 items in Porter need satisfaction scale, with greatest difference on job security, autonomy, and self-actualization.
Rainey (1979, 1983)	Compared questionnaire responses from middle managers in four state agencies and a defense installation to middle managers in four private firms.	Public managers were lower on satisfaction with coworkers and promotion, relations of extrinsic rewards (pay, promotion, firing) to performance, perceived value of monetary incentives, and perceived organizational formalization (rules, channels). There were no differences on role conflict and ambiguity, task variability and analyzability,

Table 2 (continued)

		goal clarity, and self-reported motivation and job involvement.
Rhinehart, Barrell, Dewolfe, Griffin, and Spaner (1969)	Compared supervisory personnel in one federal agency to managers in a large sample from industry, with management level as a control variable.	Federal managers were lower on all 13 items on Porter need satisfaction scale, especially on social and self-actualization need satisfaction. Among higher level managers, federal managers were lower on autonomy and self-actualization. Results confirmed Paine et al. (1966).
Smith and Nock (1980)	Comparison of results from 1976 General Social Survey of 1,499 adults by National Opinion Research Center and 1973 Quality of Employment Survey of 1,496 employed persons by Survey Research Center, University of Michigan.	Blue-collar, public-sector workers were more satisfied with most aspects of work than blue-collar, private-sector workers. White-collar, public-sector workers were much less satisfied with coworkers, supervision, and intrinsic aspects of work (interest, etc.).

Empirical Research Comparing Samples of Public and Private Organizations in Similar Functional Categories

Chubb and Moe (1985)	Mail questionnaire survey of 11,000 principals and teachers in 450 public and private (Catholic, other private, and elite private) high schools.	Public school members perceived stronger influence by outside authorities, weaker parental involvement, more managerial and less professional orientations of principals, less emphasis on academic excellence, less clarity of goals and disciplinary policy, more formal constraints on personnel policy, weaker faculty influence on curriculum.

Table 2 (continued)

Savas (1982)	Review of numerous studies of private versus public provision of services.	Reviews findings of greater cost efficiency of private delivery systems for solid waste collection, fire protection, transportation, health care, custodial services, landscaping, data processing, and legal aid. Comparisons of hospitals and utilities have been mixed and inconclusive.
Solomon (1986)	Compared 120 Israeli public-sector top managers to 120 Israeli private-sector top managers on questionnaire responses. Both samples were evenly divided between manufacturing and service organizations, and they represented a broad range of Israeli work organizations.	Private-sector managers were much higher on perception that rewards were contingent on performance, that policies promoting efficiency were more prevalent in their organizations, and on personal satisfaction with various dimensions of their work. On the latter two dimensions, differences between public and private service organizations were particularly strong.
Spann (1977)	Reviewed empirical studies of public versus private provision of five types of services.	Private producers can provide airline, garbage collection, fire protection, and electric utility services at the same or lower costs than can public producers. Results for hospitals indicate little cost or quality difference.
Organizational Research in Which the Public-Private Distinction Serves as a Significant Moderator		
Hickson, Butler, Cray, Mallory, and Wilson (1986)	Intensive longitudinal study of strategic decision processes in 30 public and private service and manufacturing	For both service and manufacturing organizations, public ownership increases tendency toward a “vortex-

Table 2 (continued)

	organizations.	sporadic" mode of decision processes and the tendency toward higher levels of formal and informal interaction in strategic decisions. Both public/private ownership and purpose (service/manufacturing) showed important relations to decision processes.
Holdaway, Newberry, Hickson, and Heron (1975)	Analyzed structures of 16 public and four private colleges in Canada, using procedures similar to Aston studies (Pugh et al., 1969).	Higher degrees of public control were related to higher levels of bureaucratic control (formalization, standardization of personnel procedures, centralization). The public colleges were higher than the private on degree of public control.
Kurke and Aldrich, (1983)	Replication of Mintzberg (1972) study, observing four executives, including a school and a hospital executive representing the public and "quasi-public" sectors.	Mintzberg's findings were replicated and supported. Public managers spent much more time in contact with directors and outside groups. The school administrator spent much more time in formal activity (e.g., formal meetings).
Mintzberg (1972)	Observational study of five executives from a variety of organizations, including a hospital director and superintendent of a large school system.	There were marked similarities in work roles of the five executives. The managers in public and "quasi-public" organizations—the school administrator and hospital administrator, respectively—spent more time in contact with directors and with external interest groups. The contacts were more structured and

Table 2 (continued)

		formalized (e.g., formal meetings), and the public administrators received more "status" requests.
Tolbert (1985)	Analysis of data on 167 public and 114 private colleges and universities from Higher Education General Information Survey.	For public colleges and universities, higher levels of private funding were related to existence of more administrative offices for private-funding relations. For private colleges and universities, more public funding was related to more offices for public-funding relations. The results support a combined institutionalization and resource dependence interpretation.

Statement of Purpose

The literature reviewed in this chapter described indicators of corporate social responsibility, and how those indicators influenced organizations to act in socially responsible ways. Crossroads Charlotte has 36 organizations that are seeking to implement social capital building initiatives through their spheres of influence. Organizations choose to engage with Crossroads for a variety of reasons, but little is known about what helps them succeed. By examining the corporate social responsibility indicators and the organizations by classification, the research sought to determine which indicators helped raise the chances of successful initiative implementation and, ultimately, a better community.

The implications for this data may assist organizations in building strategies that minimize wasted effort while maximizing the potential for implementing sustainable initiatives. While many organizations and communities exhaust efforts to improve community engagement, this research may lead to identifying factors that are important for community-wide participation, particularly from the public and private sector leaders.

Putnam (2000) indicated that social capital was eroding in American culture, but many organizations are seeking to rebuild it as well as improve the lives of residents in their communities. This research led to a better understanding of what foundational attitudes and attributes exist in organizations that wish to successfully undertake such tasks.

CHAPTER 3: METHOD

Introduction

The study used a quasi-experimental, causal comparative, quantitative method to examine the indicators of corporate social responsibility, applying them to the organizations and their histories with Crossroads to determine the extent to which each exhibited these characteristics, thus determining if there are, in fact, distinguishing characteristics. Research was conducted through archival data, a Likert-scale survey of key informants, and follow-up interviews, as necessary. The key informants were the consultants for Crossroads Charlotte who have worked with organizations, the units of analysis, on the project. They provided the quantitative data on the organizations' efforts at implementing sustainable initiatives in the community.

Research Design

Each Crossroads Charlotte organization has participated in the same process for engaging with Crossroads, as well as their work with a team of independent consultants to develop their respective initiatives. Through examination of the archival literature from Crossroads Charlotte, the researcher was able to determine the processes and consultants involved with each specific organization. These data also provide engagement dates and initiative updates since their inception.

Through the standardized process of engagement, the researcher used the Crossroads independent consultants as key informants for evaluating the status of the initiatives and for completing the Corporate Social Responsibility Indicator Survey (Appendix D), which provides a standardized perspective for evaluating the organizations, particularly by eliminating potential bias from internal initiative leaders within the organizations. The key informants provided the data for the analysis based on their respective work with the organizations.

Key informant survey strategy has been used and researched extensively in the field of social sciences (Jagnow, Luloff, Finley, & San Julian, 2008; John & Reve, 1982; Kennedy, Christie, Fraser, Reid, et al., 2008; Krannich, 1986: Lofland, 1971; Phillips, 1981; Poggie, 1972; Schwartz, Bridger, & Hyman, 2001; Tremblay, 1957). The key-informant method is designed to collect information about a social setting by interviewing a selected number of participants. Informants are selected based on a set of qualifications generally akin to being a subject matter expert, unique knowledge, or the researcher’s accessibility to them (Phillips, 1981). Key informants can be considered subject-matter experts who provide uniquely suited strengths to the research-collection process. Most often the key informant is someone from the community (in this case, the Crossroads team) who has familiarity with the process and topic that can provide specialized information to the researcher (Poggie, 1972). For this research the key informant provided special knowledge of the processes from Crossroads and the organizations as they developed and implemented their social capital building initiatives.

Lofland (1971) indicates that generally this method has been used for ethnographic research. In this study the key informant data were used to measure a set of quantifiable standards put in place by the researcher to measure the corporate social responsibility indicators. Phillips (1981) indicates that this is an acceptable practice when applied to survey contexts. As it relates to this research, the key informants/consultants were uniquely situated to provide relevant data. Poggie (1972) describes this as the use of “opportunistically contacted key informants as a substitute for randomly selected respondents” (p. 24). By selecting the consultant team members as key informants, the researcher is able to avoid randomly selecting members of the organizational team who may or may not be best suited to respond to the survey. In this instance the researcher sought proper controls and choice to generate the most reliable and least biased data.

According to Tremblay (1957), when seeking quantitative data via key informants, there are four key dimensions to consider. The first is to develop a definition of dimension to be studied. Throughout the process of organizations engaging with Crossroads Charlotte, the consultants have been the developing the dimensions and framework of how organizations participate. The consultants were uniquely suited to understand the dimensions being studied through this research.

The second facet is to discover boundaries of communities. The Crossroads Charlotte process established the Learning Communities in which the organizations participate. The consultants helped to monitor and provide support to this community. Additionally, Crossroads Charlotte is focused on the Charlotte community and its strengthening through civic and community engagement. The organizations engaged with Crossroads are helping to redefine the Charlotte community.

The third of Tremblay's keys is to identify extremes. Crossroads was born from extremes in the Charlotte community around issues of interracial trust. Crossroads engages organizations that were at extremes of engagement within the community, from business to faith based to nonprofits and the governmental sectors.

The consultants have helped shape the conversation and framework to lend voice to the extremes and to addressing the fourth of Tremblay's keys, to increase knowledge of the problem. In its purest form, Crossroads is a conversation about the issues and systems that create divides within Charlotte. By providing a space for the issues to be addressed through action and conversation, Crossroads is increasing the knowledge of the problem in Charlotte. For this research the consultants, as key informants, were able to identify how organizations joined and participated with Crossroads. They were able to indentify the how, and the why, as it relates to the indicators of corporate social responsibility. Using Tremblay's framework, organizations engaged with Crossroads are doing so for a variety of reasons, ultimately affecting the Charlotte community, hopefully for the good. However, without unbiased information that identifies how and why the organizations engaged, there would still be a disconnection between the success of some and the failure of others.

Others strengths include the cost-saving means associated with using key informants. Fewer hours and fewer resources are spent on efforts to cover the masses in hopes of triangulating the most valid data. By targeting those most intimate with the processes and the community in which they are implemented, the key informants provide strong data (Schwartz, Bridger, & Hyman, 2001).

A second strength comes directly from the intimate nature of key informants that Schwartz, Bridger, and Hyman (2001) discuss. This type of intimacy with the process and data being sought provide a dataset and information that is not available through other methods. In the case of the Crossroads consultants, they have been with the organizations since their engagement, working closely with those organizations to a place of implementation. Not only were they able to respond to the quantitative survey, the independent consultants, as key informants, provided experiences, stories, insights, and recollections from the process that lend qualitative strength to the quantitative data (Jagnow, Luloff, Finley, & San Julian, 2008).

Finally, key informants provided an expert opinion that is specific to the research, rather than broad-based sweeping assumptions (Tremblay, 1957). Ironically, broad-based sweeping generalizations are a pitfall of key informant interview strategy. To account for that, the consultants were identified as subject matter experts whose perspective is directly relevant and specific to the research being conducted because it is focused on the individual Crossroads Charlotte organization with which they have worked, as opposed to generalizing about all of the organizations.

Despite the strength of key informant interviews, this method has its critics, and often for obvious reasons. Through the examination of these pitfalls and criticism, there will be strategies provided to address them in the research. The criticisms of key informant interviews, while valid, also lend structure to the systematic manner in which this research will be conducted through the key informant interviews. The primary pitfall with this method is reliability and precision (Phillips, 1982; Poggie, 1972). As cited in Kennedy, Christie, Fraser, et. al., (2008), Kogan (1994) names the issue the “problem of truth” (p. 405). One instance when this is clearly an issue is when a key informant describes a situation in a manner that paints themselves or the organization they represent. While this may not be an intentional effort to deceive, it may be a response that paints the picture of what should be rather than what is. Thus, by using the independent consultants as key informants, the organization had less opportunity to be misrepresented by an informant with a biased perspective.

Related to the “problem of truth” is the issue of rigor and variability. Data from key informants can be subject to opinion and social judgment. Errors are made when bias or ignorance informs judgments, particularly complex social judgments (Phillips, 1981).

Limiting Problems Associated with Using Key Informants

According to Poggie (1972), it is possible to have quality data from key informants. The concept of precision shapes how one approaches this issue. The difference between precision and reliability relates to the degree of correspondence that key informant data have with the quantitative research data. Precision measures the correspondence between the two, while reliability is defined by the agreement between the key informants, regardless of whether it corresponds with the other data. Poggie argues that key informants can report reliably and precisely in situations that are similar. Ideally, the shape of the questions and the selection of key informants play a critical role in controlling for quality data. By using the Crossroads consultants as key informants, precision and reliability are more robust. The consultants were equally knowledgeable about the organizational engagement process and the initiative development process. If the researcher had used informants from within the organizations, the knowledge base may not be equal, thus affecting the precision and reliability of the data (Schwartz, Bridger, & Hyman, 2001).

While there are benefits and pitfalls to using key informants for quantitative research, the process does lend itself to gathering valuable quantitative data, particularly when the pitfalls are considered in the research design (Phillips, 1981; Tremblay, 1957). The quality of data begins with the selection of the key informants. Most researchers have focused on key informants who have identical positions throughout the area of study (Krannich, 1986). Krannich expands this idea that the identical set will provide comprehensiveness of data, reliability, and validity. The Crossroads consultants are a clear example of this selection process. Each has been with the Crossroads Charlotte project since it began, working with the organizations that have engaged with Crossroads since they began their process of initiative development. Their positions are identical in the Crossroads organization, and the process of working with organizations is identical as well. Campbell (1955) argues that key informants should be knowledgeable and willing to communicate with the researcher. In this study the researcher has a two-year relationship with the consultants and the Crossroads Charlotte organization. The consultants were knowledgeable and willing to communicate with the researcher.

Tremblay (1957) indicates that the key informants should have focused objectives and a restricted framework of questions. He indicates that the ideal key informants satisfy the following eight criteria:

1. Role in community
2. Knowledge
3. Willingness
4. Communicability

5. Impartiality
6. Internal Consistency
7. Productivity
8. Reliability

The Crossroads Charlotte organization and its consultants meet these criteria. The organization takes an active part in helping shape a more positive future for the city. The consultants are all professional facilitators, researchers, and program designers. The criteria applied to the consultants as shown in Figure 8. John and Reve (1982) stress the importance of goal compatibility, consensus, and internal evaluation as keys to reliability and validity. Through the design and evaluation process of Crossroads Charlotte, the consultants and partnering organizations operate from a shared set of expectations and criteria for evaluation (Crossroads CAP/CAR, 2009). The goals are clearly established early in the engagement process for partnering organizations by the consultant team, further assuring the compatibility and consensus of the key informant perspective. Before examining the procedures for this research, a restatement of the research questions and hypotheses follows.

	Consultant Qualifications
Role in Community	All are Charlotte-based independent consultants.
Knowledge	All consultants have been with Crossroads since its inception.
Willingness	All have agreed to act as informants.
Communicability	Consultants have over 60 years of combined facilitative experience.
Impartiality	By contracting through Crossroads Charlotte, there is no partiality toward making the organizations look positive.
Internal Consistency	all consultants use the Crossroads process.
Productivity	All organizations have been led through the determination and implementation phases.
Reliability	Consultants created the process for engagement and have been leading through it.

Figure 8. Tremblay's qualification criteria applied to the Crossroads Charlotte consultants

Research Questions and Hypotheses

The problem organizations face when implementing social capital building initiatives is that little research has been done to systematize the factors that contribute to the success of these initiatives. Two questions are relevant to this research, leading to the study's hypotheses.

1. To what extent do the corporate social responsibility indicators provide association with the level of successful implementation on Crossroads organizations in Charlotte?

    H_1: There is an association between the strength of corporate social responsibility indicators and the level of successful implementation.

H_0: There is no association between the strength of corporate social responsibility indicators and levels of successful implementation.

The corporate social responsibility indicators will be cross-tabbed with the levels of successful implementation as determined by the Crossroads Charlotte CAP/CAR surveys. The list, as described in Chapter 2, is provided here:

- Initiative championed by top management
- Corporate identity
- Stakeholder interests
- Assigning liability/accountability
- Organizational philosophy
- Market competition
- Profit maximization
- Altruism/moral duty
- Employee equity/push

2. To what extent do demographic features provide association with the level of successful implementation on Crossroads organizations in Charlotte?

   H_2: There is an association between demographic indicators and the level of successful implementation.

   H_0: There is no association between organizational demographics and levels of successful implementation.

Successful implementation was determined by the data found in the CAP/CAR, two reports organizations completed. The Crossroads Accountability

Project (CAP) survey was completed at the inception of their initiatives. In the first quarter of 2010, they are completing a Crossroads Accountability Report (CAR) that tracks their initiative process, particularly pointing to success of implementation. These two reports, CAP and CAR, were used to determine the respective success of implementation that the organizations have had. The reports are not indicative of failure but rather an indicator of where organizations are in the process. The key informants then validated by the CAP/CAR reports by indicating the level of implementation for the organization's initiative, ranking that level as "Early Development, Partial Implementation, or Ongoing." "Early Development" ratings are indicative that the initiatives have not yet started or are emerging slowly. The "Partial Implementation" ratings are indicative that the initiative is underway. Follow-up was conducted on this category to determine if the initiative is moving forward or stalled. The "Ongoing" ratings are indicative of initiatives that are nearly complete or have been completed.

The demographic indicators emerged from the key informant ratings found in the Organizational Demographics survey (Appendix E). These indicators were cross-tabbed with the levels of successful implementation as determined by the Crossroads Charlotte CAP/CAR surveys.

Procedures

Participants

The Crossroads Charlotte initiative is located in Charlotte, North Carolina. Crossroads Charlotte receives funding from the Foundation for the Carolinas and the Knight Foundation. As previously noted, the project was designed to build social capital in the community, through the efforts of the business community and the 45, 36 of which are currently implementing initiatives, organizations that chose to engage with Crossroads Charlotte. Since the work began with the organizations, four consultants have facilitated a process for the organizations to develop and implement a sustainable community building initiative. These consultants have used the same process for each organization, were exclusive to each organization, and have been with the organizations since the start of their initiative-building process. Each of the 36 organizations has one key informant who provided data for this research. The consultants were used as key informants for the data collection process, completing the Corporate Social Responsibility Indicator Survey (Appendix D) and the Organizational Demographic Survey (Appendix E). The researcher developed both of these surveys specifically for this research. Past members of the Crossroads team, as well as the project manager, vetted the surveys to determine if the surveys reflect the information to be gathered by the research. The two surveys are both based in the literature. The Corporate Social Responsibility survey uses the nine success indicators revealed through the study as the categories for measurement. The Organizational Demographic Study is based in Rich’s 1992 emerging taxonomy structure. Piloting took place with the first organization to be studied, which was then vetted again by the aforementioned team to determine its feasibility.

The organizations engaged with Crossroads can be found in Appendix A. In this list you will find 45 organizations named, from which 36 are active. Of the 36 that are active, 27 began the work in 2005, 10 in 2009. Additionally listed are eight organizations that committed but subsequently withdrew. The withdrawing organizations were also examined in the research phase. All organizations have a local investment in the community, regardless of organizational size or mission. The larger, for-profit institutions have a national presence but are headquartered in Charlotte. The remaining organizations are local institutions.

Each has been involved since the inception of the organizational engagement process started through Crossroads in 2004. Organizations, with the consultants, determine their initiatives based on their business mission. The organizations completed a Crossroads Accountability Project (CAP) survey at the inception of their initiatives. In the first quarter of 2010, they were required to complete a Crossroads Accountability Report (CAR) that tracks their initiative process, particularly pointing to success of implementation. These two reports, CAP and CAR, were used to determine the respective success of implementation that the organizations have had. The reports are not indicative of failure but rather an indicator of where organizations are in the process. This research used the report to categorize organizations along a continuum of successful and sustainable implementation that key informants validated during the key informant interview.

Variables

The first research question focuses on whether or not there is an association between corporate responsibility indicators and the successful level of implementation by the organization. In this question the independent variables are the corporate social responsibility indicators, which are nominal identifiers. The dependent variables are the level of success by the organizations. Each indicator (independent variable) was studied in relation to the successful implementation of an initiative by the partnering organizations.

The second research question focuses on the organizational demographics of the Crossroads Charlotte organizations. The taxonomy survey allows the researcher to identify a set of organizational demographics as nominal identifier-independent variables. These demographics were then studied in regards to the organizational levels of success (dependent variable) to determine if there is an association between organizational demographics and successful implementation.

The research also produced moderator variables for future research. These variables are subsets of the organizational demographics, including, but not limited to houses of worship, arts organizations, or advocacy groups.

Data Collection

The 36 Crossroads Charlotte organizations were examined through this study via key informant surveys, internal Crossroads documents, and informant interviews if necessary.

The Crossroads Consultants

Quantitative, key informant data were collected through the four consultants who have worked with the partnering organizations. The consultants completed the two survey instruments that help to (1) identify the prevalence of the corporate social responsibility indicators in the organizations, and (2) categorize the organizations into demographic groups to be studied. Consultants completed the surveys and returned them to the researcher by mail, in self-addressed, stamped envelopes.

Internal Crossroads Documents

The internal documents provided information about the process of engagement for the organizations, along with identifying the baselines for how the organizations were asked to create and implement their initiatives. Additionally, the internal documents (Crossroads Accountability Project & Crossroads Accountability Report-CAP/CAR) provided quantitative data to determine the progress of the organizations' implementation of their respective initiatives.

Data Analysis

Quantitative

Once the organizational demographics were identified through the taxonomy survey, they were analyzed to determine the association between the demographic factors (independent variable) and the level of association to the implementation level for organization. A chi-square test was performed on all of the demographic factors, culminating in a contingency table for final analysis.

The corporate social responsibility indicators were analyzed to determine the association with the individual indicators (independent variable) and the level of association to the implementation level for organization. A t-test was performed on all of the corporate responsibility indicators culminating in a contingency table for final analysis.

Qualitative

The researcher provided the option for further data collection from the consultants through a qualitative process if the data had appeared incomplete after the surveys have been analyzed. As this was unnecessary, no qualitative data was collected.

Interrater Reliability

Interrater reliability is an issue to address for conducting the surveys using the key informant strategy. To best assure interrater reliability, the researcher conducted a training session with the key informants. As consultants, the key informants have been apart of the Crossroads Charlotte project for six years, defining the Crossroads language was unnecessary, but it was necessary to discuss the language of the survey tools and to place a benchmark for rating the organizational initiatives as “Early Development,” “Partial Implementation,” or “Ongoing” at their respective levels of success.

The training was conducted in an office in Charlotte, North Carolina, near the offices of Crossroads Charlotte, lasting 90 minutes. The training consisted of three components.

1. Defining terms from the surveys for consistency as a group.
2. Assessing one organization together to establish a baseline for reliability among raters.
3. To evaluate the survey instruments as subject matter experts, seeking to provide the most applicable data.

At the outset of the training, the consultants were asked to examine the surveys to vet the instruments for the data being sought. The other purpose of this process was to seek places where clarification was needed around terms or intent within the questions.

After addressing any questions that arose during that phase, the training then moved to providing clarity around what each corporate social responsibility indicator meant. This clarification helped to further distinguish the purpose of the research and how the indicators are being applied to the organizations. Additionally, the consultants were asked to develop benchmarks for what is a successful implementation versus unsuccessful.

Finally, one organization that the consultants were most familiar with was chosen and used to establish reliability among the key informants. Each consultant completed the survey instruments individually about the organization. Then the group collectively discussed their results to test for similarity. Issues arising from this section are listed below, as well as suggestions for addressing the differences. Results from that survey were homogenous, indicating that the consultants used the tools and had reliably related results.

Summary

In conclusion, this quantitative methodology for research explored the organizational demographic factors and corporate responsibility indicators that contribute to or hinder the successful implementation of organizational community-building initiatives. The independent variables were measured in conjunction with a continuum of successful implementation to determine if there is association between the factors and implementation. The data collection included all of the Crossroads Charlotte organizations through key informant surveys and internal Crossroads documents. The analysis examines the following research questions and hypotheses:

1. To what extent do the corporate social responsibility indicators predict the level of successful implementation on Crossroads organizations in Charlotte?

    H_1: There is an association between the amount of corporate social responsibility indicators and the level of successful implementation.

    H_0: There is no association between the corporate social responsibility indicators and levels of successful implementation.

2. To what extent do demographic features predict the level of successful implementation on Crossroads organizations in Charlotte?

H_2: There is an association between demographic indicators and the level of successful implementation.

H_0: There is no association between organizational demographics and levels of successful implementation.

The strengths of this design were the Crossroads consultants as key informants, who provided more precise and reliable data. The consultants were well grounded in the organizational engagement process and the initiatives that organizations have developed. By using unbiased key informants, and not those from within the organizations, the researcher was provided with a greater and more equitable knowledge base, resulting in greater precision and reliability, particularly by limiting data collection from insiders who may wish to portray the organization in a beneficial yet less valid way.

CHAPTER 4: FINDINGS

In Chapter 1, it was reported that this study would examine the association of corporate responsibility indicators and organizational demographics in regards to the levels of successful implementation for Crossroads organizations in Charlotte. This chapter is arranged in the order of the two research questions presented in Chapter 1. The first examination is focused on the association of corporate responsibility indicators to the levels of successful initiative implementation. The second examination is focused on the association of organizational demographics to the levels of successful initiative implementation.

Research Question 1

The first research question was: "To what extent, if any, do the corporate social responsibility indicators predict the level of successful implementation for Crossroads organizations in Charlotte?" Nine corporate social responsibility indicators were presented for study, of which four demonstrated significance to the level of the initiative's implementation. As indicated in Table 3, the initiatives in this study fall into two implementation categories, the early and incomplete implementers (n=12), and the ongoing and complete implementers (n=24).

Table 3 Group Descriptive Statistics

CSR Indicator	*Implementation Group*	*Number*	*Mean*	*Standard Deviation*	*Standard Error Mean*
Initiative Championed by Top Management	Early/Incomplete	12	4.42	0.712	0.206
	Ongoing/Complete	24	4.39	0.611	0.125
Corporate Identity	Early/Incomplete	12	3.48	0.548	0.158
	Ongoing/Complete	24	4.29	0.633	0.129
Stakeholder Interest	Early/Incomplete	12	2.94	0.874	0.252
	Ongoing/Complete	24	3.90	0.887	0.181
Assigning Liability/Accountability	Early/Incomplete	12	3.62	0.439	0.127
	Ongoing/Complete	24	3.76	0.638	0.130
Organizational Philosophy	Early/Incomplete	12	4.35	0.405	0.117
	Ongoing/Complete	24	4.49	0.508	0.104
Market Competition	Early/Incomplete	12	3.56	0.574	0.166
	Ongoing/Complete	24	3.51	0.688	0.140
Profit Maximization	Early/Incomplete	12	3.23	0.516	0.149
	Ongoing/Complete	24	3.48	0.505	0.103
Altruism/Moral Duty	Early/Incomplete	12	3.58	0.767	0.221
	Ongoing/Complete	24	4.26	0.614	0.125
Employee Equity/Push	Early/Incomplete	12	3.63	0.772	0.223
	Ongoing/Complete	24	4.38	0.695	0.142

The results were analyzed through a t-test, providing results about the statistical significance of each indicator to the levels of initiative implementation. Table 4 lists the *p* values for each of the indicators. The corporate responsibility indicators that showed statistical significance between the two implementation groups are Corporate Identity (p=.001), Stakeholder Interest (p=.004), Altruism/Moral Duty (p=.007), and Employee Equity/Push (p=.006). In each case, the ongoing/complete group scored higher.

Table 4 Statistical Significance,
Effect Size, Chronbach's Alpha

CSR Indicator	*Stat.Sig. (p)*	*Hedges ES (g)*	*α*
Initiative Championed by Top Management	0.904	-0.044	0.534
Corporate Identity	0.001	1.336	0.842
Stakeholder Interest	0.004	1.09	0.940
Assigning Liability/Accountability	0.495	0.243	0.563
Organizational Philosophy	0.428	0.293	0.805
Market Competition	0.858	-0.064	0.572
Profit Maximization	0.174	0.492	0.613
Altruism/Moral Duty	0.007	1.019	0.894
Employee Equity/Push	0.006	1.04	0.967

Effect sizes, shown in Table 4 were also calculated in order to quantify the size of the differences between the implementation groups. The effect sizes for the indicators demonstrate high g values for Corporate Identity (g=1.336), Stakeholder Interest (g=1.09), Altruism/Moral Duty (g=1.019), and Employee Equity/Push (g=1.04).

Cronbach's alpha test was conducted to measure the internal consistency of the survey questions as they relate to one another. High α scores were found among Corporate Identity (α=.842), Stakeholder Interest (α=.940), Organizational Philosophy (α=.805), Altruism/Moral Duty (α=.894), and Employee Equity/Push (α=.967). The researcher also combined the results for Market Competition and

Profit Maximization. This combined test resulted in α value of .751. All scores are reported in Table 4.

The results in this section indicate that there is consistent evidence of the importance of several corporate social responsibility indicators for the successful implementation of initiatives. The next chapter will discuss the findings and their implications in greater detail.

Research Question 2

The second research question reads, "To what extent, if any, do demographic features predict the level of successful implementation for Crossroads organizations in Charlotte?" Of 18 demographic variables collected, nine organizational demographic factors were presented for study, and one demonstrated significance to the level of the initiative's implementation. Only nine were presented for study as other moderator variables, such as organizational age and annual receipts, created cell sizes that were too small to present. As previously indicated in Table 3, the initiatives in this study fell into two implementation categories, the early and incomplete implementers (n=12), and the ongoing and complete implementers (n=24). Each of the nine factors results is presented below, concluding with the one factor that was significantly significant.

The first factor analyzed was the "Organizational Type," which was examined as nonprofit organizations compared to all other types, as nonprofit was largest category. Table 5 shows there is no statistical significance based upon whether the organization is a nonprofit or for-profit/government (p=.44).

Table 5 Organizational Type

Demographic	*n*	*Implementation Group*	
Nonprofit	8	Early/Incomplete	30.8%
	18	Ongoing/Complete	69.2%
Others	4	Early/Incomplete	40.0%
	6	Ongoing/Complete	60.0%
Statistical Significance			0.440

The second factor analyzed was the delivery of the organization. Does the organization provide a service, a product, or some form of both? In this study the latter two categories were combined so that what remains are “service-based” or “other” for the categories. As with Table 6, this table indicates that there is no statistical significance based on “Organizational Delivery,” although it should be noted that the organizations with some product focus have a 90% initiative completion rate (p=.690).

Table 6 Organizational Delivery

Demographic	*n*	*Implementation Group*	
Service Only	11	Early/Incomplete	42.3%
	15	Ongoing/Complete	57.7%
Product with Service	1	Early/Incomplete	10.0%
	9	Ongoing/Complete	90.0%
Statistical Significance			0.690

The third factor analyzed was the size of the organization. The organizations studied fell into two categories, those with fewer than 65 employees and those with more than 400. This break was provided arbitrarily as natural to the study. Future studies could analyze data with outliers removed or by studying the organizational revenue to determine size as opposed to the number of employees. As with the previous factors, Table 7 illustrates no statistical significance based on organizational size (*p*=.546).

Table 7 Organizational Size

Demographic	*n*	*Implementation Group*	
1-65	6	Early/Incomplete	31.6%
	13	Ongoing/Complete	68.4%
400+	6	Early/Incomplete	35.3%
	11	Ongoing/Complete	64.7%
Statistical Significance			0.546

The fourth factor was the market focus of the organization. This category is defined by the business geography of the organization. In this study the organizations were separated into two groups, those with a local focus and those that have a greater regional, national, or international focus. Although greater in percentage implementing their initiative successfully, the statistical significance, as illustrated in Table 8, indicates that there is no difference (*p*=.203).

Table 8 Market Focus

Demographic	*n*	*Implementation Group*	
Local Focus	5	Early/Incomplete	25.0%
	15	Ongoing/Complete	75.0%
Nonlocal Focus	7	Early/Incomplete	43.8%
	9	Ongoing/Complete	56.3%
Statistical Significance			0.203

The fifth factor measured was whether or not leadership of the initiative changed during the development and implementation. The changes could have resulted from an intentional shift to job changes. Regardless, as Table 9 illustrates, there is no statistical significance based upon changing leadership and successful implementation (*p*=.273).

Table 9 Leadership Changes

Demographic	*n*	*Implementation Group*	
Yes	9	Early/Incomplete	39.1%
	14	Ongoing/Complete	60.9%
None	3	Early/Incomplete	23.1%
	10	Ongoing/Complete	76.9%
Statistical Significance			0.273

The next three factors examined focus on the demographics of the team leader during the initiative, looking at gender (Table 10), job level (Table 11) and ethnicity (Table 12). As the respective tables illustrate, there was no statistical significance related to successful implementation and the demographic traits of the leader. Gender is examined through the lens of sole leadership and then those organizations where leadership was transferred or shared (*p*=.625).

Table 10 Team Leader Gender

Demographic	*n*	*Implementation Group*	
Male	5	Early/Incomplete	38.5%
	8	Ongoing/Complete	61.5%
Female	4	Early/Incomplete	25.0%
	12	Ongoing/Complete	75.0%
Shared	3	Early/Incomplete	42.9%
	4	Ongoing/Complete	57.1%
Statistical Significance			0.625

The job level of the team leader also proved to not be statistically significant (*p*=.447). In this study “senior level” leaders included presidents, CEOs, or senior-level executive company leaders. All "other" team leaders were either middle management or staff employees.

Table 11 Team Leader Job Level

Demographic	*n*	*Implementation Group*	
Senior Level	7	Early/Incomplete	30.4%
	16	Ongoing/Complete	69.6%
Middle to Lower	5	Early/Incomplete	38.5%
	8	Ongoing/Complete	61.5%
Statistical Significance			0.447

In relation to team leader ethnicity, the leaders were nearly all Caucasian or African-American, with three representing Latino, Asian, or Pacific Islander. For this study, African-American representations were combined with the three latter groups in order to provide a nearly 50–50 split. This does not indicate that one ethnicity is the standard for leadership over another. Regardless, the ethnicity of the leader proved not to be statistically significant (*p*=.546).

Table 12 Team Leader Ethnicity

Demographic	*n*	*Implementation Group*	
Caucasian	6	Early/Incomplete	31.6%
	13	Ongoing/Complete	68.4%
African-American/Asian/Latino	6	Early/Incomplete	35.3%
	11	Ongoing/Complete	64.7%
Statistical Significance			0.546

The final factor analyzed, as shown in Table 13, was whether the organization or its leadership team changed philosophically before and/or during initiative development as a part of the Crossroads process. This proved to be the only one of the demographic factors that had statistical significance for successful implementation (*p*=.026).

Table 13 Philosophically Changed

Demographic	*n*	*Implementation Group*	
Changed	1	Early/Incomplete	8.3%
	11	Ongoing/Complete	91.7%
Unchanged	11	Early/Incomplete	45.8%
	13	Ongoing/Complete	54.2%
Statistical Significance			0.026

These results indicate that only one of the demographic factors was statistically significant in relationship to the strength of the implementation of the initiative. However, as discussed in the next chapter, there are other questions raised by analyzing the descriptive statistics that may have implications for future research.

CHAPTER 5: DISCUSSION

This chapter focuses on the results of the statistical analysis of corporate social responsibility indicators and the organizations' demographic characteristics on organizations' community-building initiatives, their implications for the research problem, and future research. For the sake of clarity, this chapter begins with a restatement of the problem, reviews the methodology, and summarizes the results.

The basis for this study, as described in Chapter 1, is that organizations face a problem when implementing social capital building initiatives. The problem is that little research has been done to systematize the factors that contribute to the success of these initiatives. To that end, this study set out to examine the role of corporate social responsibility indicators and organizational demographic factors and their respective impacts on levels of successful implementation of social capital building initiatives. The initiatives and organizations studied are from a small sample of 36 organizations in Charlotte, North Carolina, that have been engaged with Crossroads Charlotte to design and implement initiatives aimed at building social capital in the city.

The 36 initiatives come from for-profit, nonprofit, and public-sector organizations that range in size from staffs of three to 284,000, local to international foci and all sectors, including education, art, finance, and many others. Each initiative came from the organization's strengths and mission. This study examined the respective work, how far along the organization is in its initiative implementation, and the contributing factors related to the corporate social responsibility indicators and organizational demographic variables.

The organizations that were a part of this study are all partnering organizations with Crossroads Charlotte. As a project of Foundation for the Carolinas, Crossroads seeks to assist organizations to create initiatives aimed at building social capital through providing access, inclusion and equity to community resources that many in the community struggle to have. Each organization participated in the same process of engaging with Crossroads and working with a Crossroads consultant to design and implement an initiative that grows from where the company already has an impact or influence in the community. That process involved a series of educational programs and sessions designed to help the organizations understand the needs and benefits of participating in social capital building initiatives. The process the consultants used was to work with an organizational team to design the initiative, implement it, provide technical assistance, and hold the organization accountable for following through.

The Crossroads consultants worked closely with the organizations and were asked to serve as key informants for this study. After a 90-minute training session focused on the respective surveys about the organizations, the key informants participated in vetting one organization for consistency of results. The training and vetting results provided reasonable assurance that there would be consistency of evaluation by the respective consultants regarding the organizations with which they worked. Consultants completed two surveys about their respective organizations, a Corporate Social Responsibility Indicator Survey and an Organizational Demographic Survey. The results of these two surveys provided the data for the research and analysis. After the data were collected and entered, the two surveys were analyzed with different tools. The Corporate Social Responsibility data were analyzed with a t-test that compared each indicator in light of the successful implementation of the organizations. The Organizational Demographic factors were analyzed with cross-tabs to determine any strength of association with a factor and successful implementation.

The results of the Corporate Social Responsibility study indicated that four of the indicators were statistically significant in association with the levels of successful initiative implementation. Those four indicators are Corporate Identity, Stakeholder Interest, Altruism, and Employee Equity/Push. That left the following indicators as inconclusive in their significance: Championed by Top Management, Assigned Liability, Organizational Philosophy, Market Competition, and Profit Maximization. More will be said about each group later in the chapter.

The results of the Organizational Demographic Survey study indicated that one of the factors analyzed was statistically significant-whether or not the organization or its leadership team was philosophically changed as a part of the

Crossroads process before and during initiative development. The other factors studied will be discussed in more detail later in the chapter.

Discussion

This exploratory study indicates that there are factors relevant to strengthening the possibilities of successful implementation of social capital building initiatives for organizations interested in being active community citizens. It is reasonable for an objective observer to conclude that if an organization is prepared to invest human and financial resources in programs or initiatives aimed at creating a more positive community, they would take steps to best understand what it will take to increase their chances of success. While this is a small, controlled sample, it does provide indications of what may be important in that process.

Again, for the sake of clarity, this discussion examines the two research questions separately. After findings related to each question have been discussed, the discussion will turn to practical implications and suggestions for additional research related to each question.

Through the first research question I sought to determine if there is an association between the corporate social responsibility indicators indentified through a review of the corporate social responsibility literature. Identified from the literature were nine success indicators, which were then tested against the 36 Crossroads initiatives. The hypothesis for research question one stated that there is an association between the strength of corporate social responsibility indicators and the level of successful implementation, and one could reasonably conclude that an association exists for some but not all of the indicators in this study. To summarize, the following indicators were statistically significant: Corporate Identity. Stakeholder Interest, Altruism/Moral Duty, and Employee Equity/Push. The following indicators were not statistically significant: Initiative Championed by Top Management, Assigning Liability/Accountability, Organizational Philosophy, Market Competition, and Profit Maximization.

The role of each indicator is discussed individually. Corporate Identity determines the efforts of the organization to brand its identity through its community efforts (Falconi, 2004; Raufflet, 2008). As organizations are seeking to build a more positive identity and role in society (Balmer, Fukukawa, & Gray, 2007), associations being socially responsible are positive for identity. There is a balance to be struck by the organization to be true to its mission while striving to be viewed as a good corporate citizen. The benefit of responsible behavior is that socially responsible organizations often have greater access to capital, reduced costs, improved financial performance, and improved brand image (Rondinelli & Berry, 2000).

One of the keys to the successful Crossroads initiatives, of which 24 of the 36 studied are deemed complete or ongoing, is that the successful organizations have sought to be genuine in their approach to the work they are doing, and they are building their presence in the community where the work is being conducted. To date there have not been major media pushes by the organizations or

Crossroads to exploit the initiative for corporate gain. This does not imply that the media attention gained as a result of the organization's efforts could not come or would be unwelcomed. Based on survey data from the key informers/consultants, the organizations that have struggled the most in the process are those whose initiatives were not derived directly from the market presence, beliefs, and mission of the organization. This conclusion is confirmed by the data where the question of corporate identity has strong statistical significance (p=.001). The survey question focused specifically on the initiative being strongly connected to the corporate identity also has strong statistical significance (p=.027). The question asked regarded rating the initiative's connection to the corporate identity using a Likert Scale of 5–1 (5=Strongly Agree, 1=Strongly Disagree).

The theoretical implications for this data seem to indicate that organizations should develop initiatives based on what they already do well. Consider the philanthropy of *Tom's Shoes* described in Chapter 2. They make and market their shoes very well. Rather than attempt to build schools with the profits from their sales, they instead give a pair of shoes to those in need for every pair they sell. Their initiative grows from their identity and mission as a company. The strengths of an organization provide a good avenue for them to act in socially responsible ways. It is these strengths that allow them to make sustainable change in the areas of the organizational focus, changing the market from within, rather than imposing change through external actions.

The role of stakeholders in the process of initiative implementation also proves to be statistically significant (p=.004). The role of stakeholders in an organization plays an integral part in determining both the direction and the success of social capital building initiatives (Balmer, Fukukawa, & Gray, 2007; Jo, 2003; Silver, 2001). Stakeholders play certain roles in determining the path of the organization's fiscal direction and/or activism (Silver, 2001; Tkac, 2006). As organizations seek to better understand the nature and desire of their stakeholders, the organization may find that initiatives have a basis in the stakeholder beliefs and opinions. This basis leaves organizations with two obligations to stakeholders in the process of designing and implementing social capital building initiatives. The first is the responsibility to build these initiatives with the input of stakeholders, particularly those based in the community. The second responsibility is to communicate the business benefit of socially responsible initiatives to stakeholders. When stakeholders have a philanthropic or socially responsible motive for involvement, they are more likely to remain involved when seeing results. Additionally stakeholders assist in holding the organization accountable for the results of their initiatives. In the successfully implemented Crossroads initiatives, stakeholders were often involved in the design or support of the initiative, beyond just being informed.

Altruism and Moral Duty also had strong statistical significance in this study (p=.007). The basic challenge for any organization involved in social capital or philanthropic initiatives is identified in the work of Sanchez (2000), as reported in Atakan and Eker (2007) when suggesting that organizations may have true philanthropic motives, they must balance these with stakeholder concerns and, most importantly, avoid being seen as providing aesthetic initiatives with little or no interest in real social change. The latter half of this statement raises the issue of credibility and motive. If an organization has an altruistic motive, that will likely be more easily recognized than one that is operating solely to increase its market visibility or to be perceived as socially responsible. As evidenced before, this involves a careful combination of corporate identity with social capital building initiatives, where if the work grows from the identity of the company and is based in an altruistic behavior, it will be recognizable. This does not mean the organization should operate in such altruistic ways that it harms itself, but rather operates in the quadrant of mutual beneficence to itself and the community. One example, from Peinado-Vara (2006), describes Latin American organizations that are engaging the poor in the workforce as an effort to improve living standards and ultimately open new markets.

The final statistically significant indicator is Employee Equity/Push (p=.006). While support from top management could appear to be a key indicator for social capital initiative success, successful implementation, according to the research results, indicates that employees who live in the community are tremendously valuable resources for providing direction in community engagement initiatives. Redmond (2005) discusses the influence of workers at *Cisco Systems* defining and implementing the work that supported the community. The initiatives came from what employees knew the community needed, not what top management deemed important. The wisdom of top management can be seen in championing the causes the employee community places before them.

Employees are stakeholders in an organization, albeit serving very different roles from board members or investors. Their input is often the most valuable in shaping the social capital initiatives aimed at engaging the community and building a more positive identity.

Interestingly, the initiatives that were statistically significant have a similar relationship in the altruism grid first presented in Chapter 2 (Figure 9). In this grid Utilitarianism is the quadrant of mutual beneficence to the organization and community. Three of the statistically significant indicators comprise 75% of the indicators in this grid. Assigning Liability/Accountability replaces only Altruism/Moral Duty, while neither of the Hedonistic indicators appears in the significant list.

1 **Utilitarianism** -Corporate Identity -Assigning Liability/Accountability -Stakeholder Interests/ Activism -Employee Equity/Push	**2** **Genuine/Moral Altruism** -Altruism/Moral Duty -Initiative Championed by Top Management -Organizational Philosophy
3 **Hedonistic** -Profit Maximization -Market Competition	**4** **Self Destructive**

Figure 9. CSR indicators by altruism indicator

The research points to the conclusion that an organization can be profitable and intentional by co-joining its community work with its business initiatives. How it implements those initiatives and the genuine reasons behind the process could be factors in the success of both. One must also consider the indicators that were not statistically significant. All of the indicators are present in equitable measures between the implemented initiatives and those that are trailing in implementation. To dismiss their implications for success would be careless. At no point are they absent in the surveys of the organizations. To dismiss them would indicate that they are not important to successful implementation. The absence of the four statistically significant indicators clearly points to the crucial nature of each for the implementation of a successful initiative.

The Organizational Demographic Survey indentified several factors for analysis. The research about organizational demographics and their impact on social capital building initiatives is sorely lacking, thus leading to a future research question seeking to identify if organizational demographics had any association with the level of successful initiative implementation. Because the sample was limited for this study, the factors were studied individually rather than being combined to build a set of organizations to examine based on sets of similar factors. The following factors were evaluated through a crosstab analysis of the implementation levels of the initiatives: Organizational Type, Organizational Delivery, Organizational Size, Market Focus, Leadership Changes, Team Leader Gender, Team Leader Job Level, Team Leader Ethnicity, and Philosophical Change. Of the nine only Philosophical Change was statistically significant in the strength of association within the implementation groups. Despite that, each factor raises questions about the nature of its association.

The Organizational Type was divided across for-profit, nonprofit, and public sector work. Unfortunately, in the Crossroads work, for-profits have been less likely to engage. For the purpose of analysis, the two for-profit groups were combined with public sector organizations and then compared to nonprofits.

There was no significant difference in implementation levels between these two groupings. Another factor working against the for-profit organizations in this study is that both are internationally focused organizations based in Charlotte, and the scope of the initiative has been difficult for both to determine. As of this writing, one has begun a third attempt at developing an initiative, while the other has determined to focus attention on providing corporate volunteers to other Crossroad organizations. This finding seems to indicate that any type of organization can have, and be successful at, community-engaged initiatives.

Organizational Delivery was defined by whether the organizational mission was service-based or product-based. In the study, “service-based organization only” was evaluated against “product-based organizations or a hybrid of product and service.” While there was no statistical significance for the implementation groups, what is interesting to note is that 90% of the product-related organizations have reached full implementation or completed their initiative. This might be attributed to initiatives developed with an “end date” mind-set as opposed to a perpetual effort within service agencies or, to say it another way, a product focus versus a program focus. Additional research would need to be done to determine the legitimacy of this assertion on a broader scale, as once again sample size was prohibitive to statistical significance.

The Organizational Size factor was divided at the point of 100 employees in the organization. The reason for this is twofold. First, it gave the sample the most balance numerically. Second, the gap existed naturally as the largest group under 100 was 65 employees, while the larger group began at more than 400 employees. The organizational size proved to have no statistical significance. Even a case-by-case analysis of organizations within smaller clusters yielded no statistical significance. One three-person organization was successful while another was still trying to design its initiative. Statistically, there was no way to predict which organization would be successful based on organizational size.

Perhaps the most surprising factor that yielded no statistical significance was the Market Focus of the organization. This factor was defined as whether the organization was focused on the local community or had a more regional/national/international focus. An argument could be made that a locally focused organization should have more incentive to be engaged in its immediate community. While the raw data indicated a higher percentage of completion for local groups, the difference was not significant compared to the percentage of the other group (75% - 56.3%). An observation for future consideration is that the groups focused on a regional or national market have a greater incentive to build their profile for a larger community. Thus, testing ideas in their local market benefits them in two ways. First, the organization shows it is still a hometown business, focused on the community in which it is based. Second, the organization is able to pilot programs in a localized setting, building goodwill regardless of the ultimate success of the initiative.

Another surprising factor was the idea that Leadership Changes were statistically insignificant in indicating whether an initiative would ultimately be successful. Put another way, consistency of leadership did not provide a statistically compelling case for success. As some of the leadership changes were intentional between design and implementation, others were due to job change and turnover. One factor not studied was the consistency of the Crossroads team within the organization. Potentially, the consistency of the team could account for the comparable success rates of teams that experienced turnover in leadership of the initiative. Another contributing factor that may explain the trend is that teams made intentional changes in the time period between design and implementation. This could attribute success to strategic decisions about leadership, but once again, that factor is outside the scope of this research.

Three demographic factors of the leader were also examined for any statistical significance. The three that were examined were gender, job level, and ethnicity. None of the three demonstrated statistical significance. The gender variable was analyzed in four different breakdowns with no statistical evidence demonstrated in any of them (male-female/shared; female-male/shared; shared-male/female; female-male-shared).

The job-level factor was divided between senior-level executive leadership, including CEOs and presidents, and middle-level or lower-level positions in the organization. Again, this appeared to make little difference for successful implementation. One possible future area to explore is the relationship of the job-level factor to the corporate social responsibility-indicator, initiative championed by upper-level management. This indicator demonstrates the commitment of the leaders of the organization to the success of social capital building initiatives.

Finally, ethnicity of the leadership was statistically inconclusive. Of the 36 leaders, 19 were Caucasian, 14 African-American, and three were from other groups. For comparison the numbers were divided between Caucasian and non-Caucasian. As previously stated, this was for balanced numbers, not an indication of ethnic bias. Regardless, the ethnicity of the leader was of no statistical significance.

Finally, Philosophical Change was the last of the demographic factors to be analyzed. This factor is defined by whether the organization or its leadership team was philosophically changed as a part of the Crossroads process before and/or during initiative development. There was statistical significance in this factor (p=.026). The caution of this finding is that it is difficult to determine if the philosophy changed during the engagement process with Crossroads and this led to successful implementation or if the philosophy changed as a result of the implementation of the initiative. Either way, it does point to the idea that for an organization to bolster its efforts and chances of success, the initiative should be grounded in an honest effort to engage the community. The level of honest community engagement goes beyond providing a product or service for the community to inviting them to participate in helping improve the community. This finding could share a connection with the corporate social responsibility indicators of altruism and the growth of the initiative from stakeholders and employees.

Practical Implications

Now that the corporate social responsibility indicators and organizational demographic factors have been analyzed, the question arises of how the findings can be applied to the practical work of organizations wishing to engage in social-capital or community-building initiatives. The research indicates a key point, motive. Why does the organization seek to be involved in community-building work? Is it to increase visibility? Is to be a quiet contributor to community? Is it because it's the right thing to do according to someone inside the community? There are a multitude of reasons, and probably an intersection of many eventually led the organization to launch social capital building initiatives. The purpose of this section is not to cast judgment on whatever reason an organization chooses but rather to suggest that the organizations operate from a sense of what benefits the community and the organization. If all motives are purely altruistic, the organization could bankrupt itself. If the motives are purely self-serving or hedonistic, then eventually the organization could be exposed for its fraudulent, manipulative behavior. The balance needs to be struck in the mutual beneficence of the process, where the community and the organization benefit from the work. An example may be in financial education classes led by a bank or free mobile health care to impoverished neighborhoods by a hospital. If people are making better financial decisions or have access to preventative health care, long-term costs could be driven down through fewer loans being defaulted and fewer emergency-room visits. In these two examples both the organizations and the community benefit.

What makes those examples of initiatives successful is that the organizations are implementing initiatives that are consistent to their organizational mission and identity. Even well-intentioned initiatives increase their likelihood of failure if the organization does not have the skills or resources to implement the work. The organizations that are having success through Crossroads are building their initiatives by doing what they do well. Those who are struggling to effect change outside the sphere of their influence. A community is not likely to be changed by one initiative that is an umbrella over the city because it cannot possibly address all the needs within the community. Organizations committing to affect change where they can will likely be more successful and bring more depth to the change addressed.

The initiative should be consistent to the organization’s values so that it engages employees as well as stakeholders. As indicated by the research, these were both key indicators for success. If those with the most invested in the company and the community are able to leverage their abilities and interests with the needs they live with in the community each day, then passion and success are more likely to follow. Having these groups committed to the process serves the organization as ambassadors in the community about the good work of the organization. It also potentially increases morale and goodwill of the employee and stakeholder groups toward the company itself.

The commitment of those closest to the organization and community can also increase the chance that the initiative will be more relevant and important in the community itself. If the initiative is developed and supported by those who face the challenges of denied-access to community resources, inequity, or exclusion in community decisions, then it has the potential to be an initiative that can truly build social capital or address social change at greater levels. Not only is this where community change can take place but also the shape of the organization's philosophy about its place in the community.

Suggestions for Additional Research

One of the conclusions of this study was that it created more questions than it provided answers. Some of this can be attributed to the sample size, but also of importance is the result of several factors not being statistically significant. As more companies are finding ways to blur the lines between philanthropy and marketing, one may have expected profit maximization and market competition to be of greater importance. Additionally, with the emphasis in much of the leadership literature being about the importance of a leader setting a vision, one might have expected the championing of the initiative to be more significant than it was.

As focus turns to future research, several key areas in this study point toward further exploration. The first would be to increase the sample size beyond one community and 36 organizations. While the sample was effective for an exploratory study, to validate the findings and uncover others, more organizations should be researched. The scope should also increase to include organizations that either made choices not to be civically minded or who have abandoned efforts. A few organizations approached by Crossroads to participate chose not to participate or dropped out early in the process. Records were not kept to indicate reasons for their departures or refusals.

Second, for future research, the tools need further evaluation and development to ensure that they are delivering on what they seek to determine. For the purposes of exploration, the key informants and two other organizational consultants with a depth of experience within Crossroads vetted the tools. While they were adequate for this research, there is work to be done in bolstering their efficacy.

Third, the taxonomy of organizations can increase with the greater sample size. In the course of this study, several layers were uncovered and patterns emerged but not enough to combine demographic factors to create specific snapshots of organizations for comparison. For example, rather than examining a demographic factor in isolation, it would be preferable to evaluate an organization that fits the description of being a product-based, large, regionally-focused, for-profit whose initiative is being led by the human resources director. For obvious reasons of the sample size, this could only have been accomplished in this study by using case studies and qualitative analysis. Additional considerations for the taxonomy could be to include the projected size of the initiatives impact and the size of the initiative's budget. This would be a strong area of future research as well.

An additional organizational demographic to study is the impact and strain of socially responsible behaviors for organizations depending upon the geographical location of the initiative and organization. Simply stated, how would results vary between rural and urban settings? Rural settings may ask more of a few smaller, locally-owned organizations, while urban settings have more corporate entities from which to pull. Does this make a difference, and if so, what?

Fourth, as the sample is enlarged, another area of analysis would be within specific clusters of organizations. In this study there were organizations that could have been clustered and compared to one another, but that would have further diluted the sample size. In future research it could be of benefit to cluster financial institutions, government agencies, faith-based groups, arts groups, and educational organizations. Do higher rates of success exist within particular sectors over and above other sectors? If so, why?

Also related to a larger sample, a relevant study may combine analysis of the organizational demographic factors alongside the corporate social responsibility indicators. An example would be to determine if organizational size, when combined with an initiative championed by top management bolsters the likelihood of success for an initiative.

Another example is the socially responsible behaviors of organizations and the role this plays in successful implementation or employee retention. This would necessitate finding organizations, such as schools, or public radio, that are exceeding the idea that a specific organization is, in and of itself, a socially responsible organization. Thus, if a leader puts a greater emphasis on socially responsible behaviors, how does it benefit the organization and the community? This leads in to the discussion fifth area of future research.

A fifth area of research that could come from this study is to examine the benefits of community engagement/social capital building initiatives to the organization itself. Are there hidden benefits that come from the process beyond corporate identity, or other variables addressed in this research? What does involvement in this project do for employee retention or attraction? How does it affect workplace productivity and organizational culture?

A final area of research comes in the form of case studies. First, a parallel study to Crossroads is a study of the City of Seattle’s Office of Race and Social Justice. Crossroads seeks to affect community change by engaging organizations and the community to make a difference where it can. Seattle’s mayor established the office and charged it with striving to see that the organization’s resources were being used and allocated with equity to all groups and citizens within the city. This required making changes to internal systems before the work would be visible externally. Seattle’s organizational philosophy appears to be changing. What would research uncover about the corporate social responsibility indicators in that city?

A second series of case studies would focus on the socially responsible behaviors of organizations that have faced significant corporate change. In the case of Crossroads Charlotte, two of the organizations were on opposing ends of corporate change. Bank of America survived the 2009 financial crisis and was able to purchase Merrill Lynch, while Wells-Fargo purchased Wachovia. Here are two significant financial institutions in Charlotte, Bank of America and Wachovia, that came out of the crisis with very different results. How has their behavior changed, as well as that of the two organizations, Merrill Lynch and Wells-Fargo that were a part of the story as well? Do parallels exist in the social behaviors of Bank of America and Wells-Fargo, and do they exist between Wachovia and Merrill-Lynch?

A final set of case studies would be the behaviors of organizations in the healthcare industry. These organizations now market themselves as promoters of wellness. Is this a matter of semantics or has their focus changed, to a more altruistic vantage point of prevention of illness? Taken to its conclusion, if the healthcare institution was successful in changing the behaviors of all people to be act in healthier ways, their profits from treating the ill would decrease. What is the motivation for them to promote wellness?

In conclusion, this research creates many more questions that can be addressed by future research. In a sense there are more questions now than answers, but as a conclusion to this research, it can be said that several of the corporate social responsibility indicators had a strong association with the levels of successful implementation, while more research is needed to determine the association of organization demographic factors to successful implementation.

This research has been done in an effort to systematize the factors that contribute to the success of social capital building initiatives. The two questions this research sought to answer were: (1) to what extent, if any, do the corporate social responsibility indicators predict the level of successful implementation for Crossroads organizations in Charlotte?, and (2) to what extent, if any, do demographic factors predict the level of successful implementation for Crossroads

In answer to the first question, there is an association between the strength of several corporate social responsibility indicators and the level of successful implementation. The corporate responsibility indicators that showed significance are Corporate Identity, Stakeholder Interest, Altruism/Moral Duty, and Employee Equity/Push. It is clear that if organizations seek to implement social capital building initiatives, the human element cannot be ignored. Of the statistically significant indicators, two are directly related to the input of people involved in the community and organizations, employees, and stakeholders. The initiatives studied were successful, in part, due to the input of those two groups. It can be argued that employees and stakeholders were important because they know the community, its needs, and how the organization can effect positive community change through its own set of strengths and practices.

The remaining two elements that proved significant relate to the importance of an organization having a strong sense of its values and missions. This is obvious in the Corporate Identity factor, as organizations effect change based on what they do well. It can be argued that organizations possessing an altruistic component are relevant to success as well. However, the organization itself may not need to be fully altruistic; there may only need to be a part of the organization that recognizes a duty to give back to the community. This relates back to the human factors discussed in the previous chapter.

In answer to the second question, there is no association between organizational demographics and levels of successful implementation, except for whether the organization or its leadership team was philosophically changed before and/or during initiative development as a part of the Crossroads process. This factor could be interpreted as a “chicken or egg” scenario, but the importance of it lies in the recognition that, at some point in the process, the organization came to embrace the idea of positive community change. Once this occurred, the success rate increased for a sustainable initiative at the community level.

As the corporate social responsibility indicators and demographic factors are further studied, organizations will find that well-intentioned efforts are more likely to be successful when guided by a few principles. Leadership will remain an important component to organizational success but with less emphasis being on support from top management. Where leadership will be critical is recognizing how the organizational philosophy fits with the efforts of community-building and garnering input from the most relevant resources available.

Leadership shapes the organizational identity of the organization. From this identity, organizations determine how they will be effective in their efforts at community engagement. The identity is critical to authentic engagement in that the organization takes advantage of its strategies, products, or services to make sustainable, positive change in the community.

Employee and stakeholder input are other pieces that will help organizations be successful. Human capital is one of the critical pieces for understanding the organization and the community. The people involved understand the needs and the priorities of both. By allowing the people who know these perspectives to help shape and implement the initiatives, the success rate increases. Ultimately, the factors addressed in the research showed that when an organization operated from its identity, it creates change in its community that benefits both the organization and the community.

True change happens when initiatives are continuing and effective. As the community improves, citizens from all parts of the community are positively affected. There are many resources, individuals, and organizations seeking to do "good work" in the world at local and national levels. Oftentimes, this work is not as effective as it could be, but when organizations have the right tools to increase the likelihood of successful implementation, one can assume it is good stewardship of resources to take advantage of the toolbox of success indicators and the resources they represent.

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APPENDIX A: ALTRUISM GRID WITH CROSSROADS CHARLOTTE ORGANIZATIONS

1 **Utilitarianism**	2 **Genuine/ Moral Altruism**
Public Library of Meck County Charlotte Mecklenburg Schools Johnson C. Smith University UNC-Charlotte Central Piedmont CC Char-Meck Police Department City of Charlotte Mecklenburg County Mecklenburg Ministries Park Ministries YMCA YWCA Arts and Science Council Levine Museum Center City Partners Microsoft Charlotte Observer Charlotte Post Carolina Healthcare System Presbyterian-Novant WTVI Chamber of Commerce Centrolina Council of Governments International House Leadership Charlotte Queens University American Red Cross	Crisis Assistance Ministry Community Relations Committee Asian-American Chamber Latin American Coalition Catawba Lands Conservancy Communities in Schools Partners in Out of School Time
3 **Hedonistic** Bank of America Wachovia/ Wells Fargo AT&T	4 **Vindictive/ Self Destructive***

*Organizations that disengaged in 2005 are not reflected in this grid.

APPENDIX B: CROSSROADS ORGANIZATIONS AND INITIATIVES

	Organization	Initiative	Classification	Joined	Exited Project (no initiative)
1	Arts & Science Council	Crestdale Residency Program	Non Profit	2005	
2	Asian-American Chamber	The Dragon Boat Festival	Non Profit	2005	
3	Bank of America	1. Volunteer support of CC 2. Internal education about CC with employees	For Profit	2005	
4	Carolina Healthcare System	1. Live WELL Charlotte 2. Healthy Kids Club	Non Profit	2005	
5	Center City Partners	First Night 2010	Non Profit	2005	
6	Char-Meck Police Department	1. Preventive Education for Youth Violence 2. Citizen Response Program	Public Sector	2005	
7	Char-Meck Schools	1. Strong Parent and Community Connectors 2. Increased Computer Competency in Blue Zone Middle Schools	Public Sector	2005	
8	Charlotte Post	Empowering Underserved Children to Succeed	For Profit	2005	
9	City of Charlotte	Shaping Change Along Transit Corridors	Public Sector	2005	
10	Community Relations Committee	1. Eye 2 Eye Community Theater 2. Teen Theater Project	Public Sector	2005	
11	CPCC	21st Century Literacy	Non Profit	2005	
12	Crisis Assistance Ministry	1. Poverty Simulation 2. Seeing Eye 2 Eye through Advocacy and Economic Justice	Non Profit	2005	
13	Johnson C. Smith University	Saturday Academy Expansion	Non Profit	2005	
14	Latin-American Coalition	TBD	Non Profit	2005	
15	Levine Museum	Turn the Tables Teen Dialogue	Non Profit	2005	
16	Mecklenburg County	BRIDGE 2015	Public Sector	2005	
17	Mecklenburg Ministries	Friday Friends	Non Profit	2005	
18	Park Ministries	TBD	Non Profit	2005	
19	Presbyterian/ Novant	Mobile Health Cruiser	Non Profit	2005	
20	Public Library	Job Center	Public Sector	2005	
21	UNC-Charlotte	1. Making CC part of General Education	Non Profit	2005	

		Curriculum 2. 49er Friends Getting Eye 2 Eye			
22	Wachovia/Wells Fargo	1. CMDC Partnership 2. Financial Literacy	For Profit	2005	
23	WTVI	1. Hometown Stories: Greek Americans 2. The Lost Boys 3. American Indians	Public Sector	2005	
24	YMCA	Charlotte East Collaboration	Non Profit	2005	
25	YWCA	1. Adopt a Site 2. Adopt a Youth learning Center	Non Profit	2005	
26	AT&T	TBD	For Profit	2009	
27	American Red Cross	The American Red Cross Choir	Non Profit	2009	
28	Catawba Lands Conservancy	Lakewood Nature Preserve	Non Profit	2009	
29	Centrolina Council of Governments	Connecting Communities to Sectors	Non Profit	2009	
30	Chamber of Commerce	Distressed Business Corridor Strategy	For Profit	2009	
31	Communities in Schools	Partners for Success	Non Profit	2009	
32	International House	Basic Skills for Living Here	Non Profit	2009	
33	Leadership Charlotte	Parent University Service Projects	Non Profit	2009	
34	Partners in Out of School Time	LEAF and STEM	Non Profit	2009	
35	Piedmont Natural Gas	TBD	For Profit	2009	
36	Queens University	Center for Active Citizenship	Non Profit	2009	
1	WBTV	NA	For Profit	2005	Y
2	Charlotte Bobcats	NA	For Profit	2005	Y
3	Charlotte Observer	NA	For Profit	2005	Y
4	Crosland	NA	For Profit	2005	Y
5	First Presbyterian Church	NA	Non Profit	2005	Y
6	Johnson & Wales University	NA	Non Profit	2005	Y
7	Mecklenburg Bar	NA	Non Profit	2005	Y
8	Microsoft	NA	For Profit	2005	Y
9	United Way	Poverty Simulation funding; No initiative	Non Profit	2005	Y
10	Urban League of Central Carolinas	NA	Non Profit	2005	Y

APPENDIX C: KEY INFORMANT TRAINING

Key Informant Training Outline

Describe the purpose of the research
1. To what extent, if any, do the corporate social responsibility indicators predict the level of successful implementation for Crossroads organizations in Charlotte?

2. To what extent, if any, do demographic features predict the level of successful implementation for Crossroads organizations in Charlotte?

- I need to determine how to categorize the orgs. Currently done as FP, NP, and Public Sector. Looking at additional moderator variables.

- Want to see if CSR indicators are predictive of successful implementation.

Describe structure of evaluation
- Two survey tools.
- Looking at CAP/CARS for where orgs are and descriptions of their initiatives.
- Using four consultants as Key Informants to control for objectivity.
- This training is to set a benchmark for how evaluation is done and understood.
- Each CSR Indicator and Demographic Variable will be cross-tabulated with implementation results.

Defining the research terms in the surveys

CSR indicators

List the nine Indicators with description of each

1. Initiative championed by top management
2. Corporate identity
3. Stakeholder interests
4. Assigning liability/ accountability
5. Organizational philosophy
6. Market competition
7. Profit maximization
8. Altruism/ moral duty
9. Employee equity/ push

Are they understood?

Instrument evaluation

Are these getting at CSR indicators?
Are theses getting at org demographics?

One org assessment
Walk through organization. Record the initial and reconciled ratings so that you can look at some simple way of reporting a quantitative version of the level of agreement

Interrater Reliability

Interrater reliability is an issue to address for conducting the surveys using the key informant strategy. To best assure inter-rater reliability, the researcher conducted a training session with the key informants. As consultants, the key informants have been apart of the Crossroads Charlotte project for six years, defining the Crossroads language was unnecessary, but it was necessary to discuss the language of the survey tools and to place a benchmark for rating the organizational initiatives as “low,” “mid,” or “high” at their respective levels of success.

The training was conducted in an office in uptown Charlotte near the offices of Crossroads Charlotte, lasting 90 minutes. The training consisted of three components.

1, Defining terms from the surveys for consistency as a group.

2. Assessing one organization together to establish a baseline for reliability among raters.

3. To evaluate the survey instruments as subject matter experts, seeking to provide the most applicable data.

At the outset of the training, the consultants were asked to examine the surveys to vet the instruments for the data being sought. The other purpose of this process was to seek places where clarification was needed around terms or intent within the questions.

After addressing any questions that arose during that phase, the training then moved to providing clarity around what each corporate social responsibility indicator meant. This clarification helped to further distinguish the purpose of the research and how the indicators are being applied to the organizations. Additionally, the consultants were asked to develop benchmarks for what is a successful implementation versus unsuccessful.

Finally, one organization that the consultants are all most familiar with was chosen and tested for reliability among the key informants. Each consultant completed the survey instruments individually about the organization. Then the group collectively discussed their results to test for similarity. Issues arising from this section are listed below, as well as suggestions for addressing the differences.

APPENDIX D: CORPORATE SOCIAL RESPONSIBILITY INDICATOR SURVEY

Corporate Social Responsibility Indicator Survey

The survey is designed for respondents to indicate their level of agreement about the statements, from Strongly Agree (4) to Strongly Disagree (1) on a 4-point scale.

	SA	A	N	D	SD
Initiative championed by top management					
The organization is involved with Crossroads Charlotte at the direction of a senior leader.	5	4	3	2	1
The initiative came from a top-level executive/leader at the organization.	5	4	3	2	1
The initiative receives continued support from senior leadership.	5	4	3	2	1
Corporate identity					
The initiative has a strong connection to the corporate identity.	5	4	3	2	1
The initiative grows from the organizational mission.	5	4	3	2	1
The initiative is recognized in the targeted community.	5	4	3	2	1
The targeted community deems the initiative genuine.	5	4	3	2	1
Stakeholder interests					
Organizational stakeholders are informed about the initiative.	5	4	3	2	1
Organizational stakeholders show interest in the initiative.	5	4	3	2	1
Organizational stakeholders participate in the initiative at some level.	5	4	3	2	1
Assigning liability/ accountability					
Political pressures outside of the organization influenced the organization to be involved in Crossroads Charlotte.	5	4	3	2	1
Social pressures outside of the organization influenced the organization to be involved in Crossroads Charlotte.	5	4	3	2	1
The initiative responds to a need within the community.	5	4	3	2	1
There is accountability for the organization to implement and sustain the initiative.	5	4	3	2	1
Accountability contributes to the organization's continued work on the initiative.	5	4	3	2	1
Organizational philosophy					
The organization feels an external responsibility to the community.	5	4	3	2	1
The organization is communicating/demonstrating an ethical component of their organization.	5	4	3	2	1
There is an internal ethic of responsibility in the organization.	5	4	3	2	1
The organization has a strong connection/presence in the community.	5	4	3	2	1
Market competition					
The organization is using the initiative to market itself or its product.	5	4	3	2	1
The initiative could be replicated in other communities as a profitable or cost saving venture for the organization.	5	4	3	2	1
The initiative is opening new markets to/for the organization.	5	4	3	2	1
Profit maximization					
The organization sees profit or long-term returns on their investments as a motive.	5	4	3	2	1
There is competitive advantage for the organization to have this initiative.	5	4	3	2	
There are financial advantages to the organization for the implementation of the initiative.	5	4	3	2	1
The initiative is strongly promoted/branded by the organization to the community.	5	4	3	2	1
Altruism/ moral duty					
The organization seeks to benefit those in the community despite the financial return on investment.	5	4	3	2	1
The initiative is more than aesthetic window dressing for the organization.	5	4	3	2	1
Employees, customers and societal needs are linked to the organization's key assets through their initiative.	5	4	3	2	1
Employee equity/ push					
Employees define the initiative in response to a need they see in the community.	5	4	3	2	1
Employees implement the initiative in response to a need they see in the community.	5	4	3	2	1

APPENDIX E: ORGANIZATIONAL DEMOGRAPHIC SURVEY

Organization Name: ____
Consultant: ____

Demographics Set 1
1. How would you categorize the organization (choose one)
__For-profit __Nonprofit __Governmental

Demographic Set 2
2. Please categorize the organizational deliverable
__Product __Service __Both
Describe the product and/or service characteristics of the organization.

Who is the primary consumer of the general product and/or service?

Who is the primary consumer of the product or service resulting from the Crossroads Charlotte initiative?

Demographic Set 3
3. Please select the primary source of funding for the organization (choose one)
__Publicly Held __Privately Held __Donation/Grants
__Government Subsidy

Demographic Set 4
4. Please select the organization's size
____

5. How is the organization led?
__Board led __Executive Dir/CEO __Shared Power

6. How old is the organization?
______

7. What is the market focus of the organization?
__Local focus
__Regional focus
__National focus
__International focus

Did leadership change at different stages between partnering with Crossroads and implementation? If so, please provide detail.

Describe the Crossroads Initiative Team Leader, prior to implementation, for the organization (check all that apply)

__One leader throughout
__Frequent turnover
__Minimal turnover
__Male
__Female
__Senior Executive level
__Mid Executive Level
__CEO
__Department Leader
__Team Member

__White
__African American
__American Indian
__Asian Indian
__Japanese
__Chinese
__Korean
__Guamanian
__Filipino
__Vietnamese
__Samoan
__Other Asian
__Other Pacific Islander
__Multicultural
__Hispanic or Latino
__Other ethnic background

Describe the Crossroads Initiative Team Leader, during implementation (If different), for the organization (check all that apply)

__One leader throughout
__Frequent turnover
__Minimal turnover
__Male
__Female
__Senior Executive level
__Mid Executive Level
__CEO
__Department Leader
__Team Member

__White
__African American
__American Indian
__Asian Indian
__Japanese
__Chinese
__Korean
__Guamanian
__Filipino
__Vietnamese
__Samoan
__Other Asian
__Other Pacific Islander
__Multicultural
__Hispanic or Latino
__Other ethnic background

Has the leader/organization’s philosophy towards their work changed as a result of the Crossroads process (If yes, please explain)?

If leadership changed, was it due to a job change, or was there an intentional shift in who was identified as team leader?

Is there another organizational advocate other than the identified Crossroads Initiative Team Leader?

Please rate the implementation status or progress of the organization’s initiative (circle one):

Initiative Name: ____

|--|

1	2	3	4	5	6	7	8	9	10
Early				Implementation					Fully
Development				Stage					Ongoing

If the organization has multiple initiatives, please complete for each:

Initiative Name: ____

|--|

1	2	3	4	5	6	7	8	9	10
Early				Implementation					Fully
Development				Stage					Ongoing

Initiative Name: ____

|--|

1	2	3	4	5	6	7	8	9	10
Early				Implementation					Fully
Development				Stage					Ongoing