

DISCOURSES OF SOCIAL RESPONSIBILITY IN SLOVENIA: THE CASE OF IRDO

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Abstract: The paper discusses the role of the Institute for the Development of Social Responsibility (IRDO) in the “discursive struggles” and institutionalization of social responsibility (SR) in Slovenia. Compared to the other states in the European Union, the development of SR in Slovenia began relatively late. The low involvement of the state and the lack of systematic incentive of the development of the field on the institutional level caused that the field began to evolve mostly through civil initiatives, one of them leading also to the establishment of IRDO. This encouraged the emergence of new themes and new discourses on SR that are challenging and broadening the narrow, business understanding of SR. The aim of the paper is to determine how IRDO is helping institutionalize the domain of SR in Slovenia and how it is promoting such behavior among different stakeholders. Its aim is also to give way to a more holistic discourse on SR that includes the issues about broader consequences of SR on the “good life” of all members in a certain society. The case study derives from the institutional theory, which serves as a frame for understanding the role and the development of SR on the institutional level. On the basis of the case study that includes focused interviews with representatives of IRDO, journalists and companies rewarded with Slovenian Award for Social Responsibility Horus, given by IRDO Institute, examination of various forms of documents and archival records, the paper concludes that IRDO has played a major role in development in the field of SR on five crucial levels – national, media, corporate, academic and general public level.

Keywords: Social responsibility, social capital, institutional theory, Non-Governmental Organizations (NGOs), IRDO

DISKURZI DRUŽBENE ODGOVORNOSTI V SLOVENIJI: PRIMER DELOVANJA INŠTITUTA IRDO

Povzetek: Prispevek obravnava vlogo inštituta IRDO v »diskurzivnih spopadih« o družbeni odgovornosti (DO) in institucionalizaciji le-te v Sloveniji. V Sloveniji se je DO pričela razvijati relativno pozneje kot v ostalih državah Evropske unije. Majhna vključenost države in pomanjkanje sistematičnega spodbujanja razvoja DO na institucionalni ravni sta povzročila, da se je v Sloveniji DO pričela razvijati predvsem preko civilne iniciative, kar je privedlo tudi do ustanovitve inštituta IRDO. S tem se je pričelo tudi odpiranje novih tem in diskurzov o DO, ki spreminjajo in širijo pomen DO onkraj ozkega, poslovnega razumevanja. Prispevek poskuša odgovoriti na vprašanje kako inštitut IRDO pomaga pri institucionalizaciji DO v Sloveniji in kako spodbuja njen razvoj pri različnih deležnikih ter kako podpira celostne razprave o DO, ki poleg osnovnih postavk vključuje tudi prevpraševanje o širših vplivih DO, ki so pomembni za »dobro življenje« vseh posameznikov v družbi. Pri tem izhajamo iz institucionalne teorije, ki je okvir za razumevanje vloge in razvoja DO na širši, institucionalni ravni. Na osnovi razčlenitvene študije primera, ki vključuje fokusirane intervjuje s predstavniki inštituta IRDO, novinarji in s

Horusom nagrajenimi podjetji, analizo dokumentacije in arhivskega gradiva, prispevek ugotavlja, da inštitut IRDO igra pomembno vlogo pri širjenju DO v Sloveniji na petih ključnih ravneh – na ravni države, podjetij, medijev, stroke in širše javnosti.

Ključne besede: družbena odgovornost, socialni kapital, institucionalna teorija, nevladne organizacije (NVO), IRDO

1 Introduction

Until recently, social responsibility (SR) has been foremost perceived as a business concept. However, an increasing number of scholars recognize it as a concept concerned with redefining the role of business in society and thus a topic that is prone to a wider public debate (Brammer et al., 2012). Several attempts have been made to understand SR beyond the discourse dominated by the business-centred approach (e.g., Burchell and Cook, 2006; Brammer et al., 2012).

The activities of corporations are a matter of public concern; they have a decisive impact on such matters as consumerism, employment, social inequality, and environmental quality (Brammer et al., 2012). All this profoundly impacts the lives of all individuals on the planet. Additionally, within the globalization context practices and studies have shown that the concept of SR differs strongly in different parts of the world. Hence, a visible stream of scholars has turned to institutional theories to explain the complexity of liaisons between business and society and to broaden the debate on SR.

The institutional view on SR promotes the idea that corporate obligations and actions must be studied in the realm of the whole national system, the social and political context, and past as well as present circumstances (Roome, 2005). Here, the views of different social actors and their interconnectedness also come to the forefront of SR research. The important social actors in realm of SR are undoubtedly non-governmental organizations (NGOs). They are indicative of the society's capability to solidarize, mobilize and solve the problems in the cooperative ways.

Hence, the aim of the paper is to determine how one of the most prominent NGOs that is concerned with promoting SR issues in Slovenia, IRDO is helping institutionalize the domain of SR in Slovenia and how it is promoting such behavior among different stakeholders. Furthermore, its aim is to give way to a more holistic discourse on SR that includes the issues about broader consequences of SR on the "good life" of all members in a certain society.

2 SR and social capital as mutual reinforcements of the good life in Slovenian society

The institutionalist approach argues that SR's institutional context includes several important actors and is based on interaction and involvement of social actors as opposed to the idea where business is the leader of the game (Burchell and Cook, 2006). Corporate acceptance based on the SR-related practices is placed into a communicative network of stakeholders and societal debate where both the meanings of SR and the boundaries of legitimacy are constantly being defined and redefined (Joutsenvirta and Vaara, 2009). This processual view that includes several different actors that are closely interconnected also implicitly accentuates the importance of social capital.

Social capital, according to several authors (e.g., Habisch and Moon, 2006) is a resource, a confidence others have in the subject actor and puts into the forefront collective action and mutual confidence. Hence, Habisch and Wegner (2005) argue that while social capital is viewed as a predisposition to advancement of the SR idea in a particular society it can also be perceived as a result of SR activities. SR activities are thus an investment in social capital (Habisch and Moon, 2006). Social capital from this perspective is clearly important for individual business success that is dependent on the trust of societies and social actors (Habisch and Moon, 2006).

However, we believe that from SR perspective, social capital has a broader importance for other social actors beyond business organizations as well. While social capital is, like SR a highly contested term both in the literature and in everyday life, a definition appropriate for our purposes defines social capital as "those intangible assets [that] count most in the daily lives of people: namely goodwill, fellowship, sympathy and social intercourse among individuals ..." (Muthuri et al., 2009, p. 76). It can also be added here that "its source lies in the structure and content of the actors' relations" (Muthuri et al., 2009, p. 76), the idea which accentuates the importance of different social actors working together towards a desirable goal.

In relation to social capital Habisch and Moon (2006) argue that: (1) social capital seems to be at risk among and within the contemporary societies, (2) social capital between business organizations and other social actors is at risk and, finally that (3) corporations have opportunities to invest into social capital via SR. The lack of

social capital is very much evident in Slovenia as well, together with a rather slow diffusion of the SR idea at the national level where the diffusion process is hindered by the inactive role of the government and other formal institutions on one hand, and by the lack of both generalized and institutional trust and hence low levels of social capital on the other. While there are no indicators about governmental initiatives that would foster SR and thus accelerate the emergence of social capital and a better life in Slovenia, there are, however, other actors that are willing to take the leading role in this process. One of them is IRDO, which activities and attempts to institutionalize SR in Slovenian society and to develop social capital the subject of our research in this paper.

Our research follows the conceptual model of social capital by Muthuri et al. (2009) who employ three different dimensions to social capital, namely, networks, trust, and norms. According to the authors, these dimensions that show the nature and extension of social capital further affect the social relations and hence have the capacity to build a good life. Our main research question is thus:

RQ: How a social actor such as IRDO can help to generate social capital through promotion and institutionalization of SR and how in this process the “architecture” of social capital – its networks, trust, and norms can be distinguished and understood as the carriers of the advancement of social capital?

Networks are defined as formal and informal interactions that connect people and create the opportunities for social capital based on collective actions and leveraging actors’ resources. *Trust* is the ‘bond’ of the society and refers to the socially learned and confirmed expectations that individuals have about their own lives, as well as formal and informal institutions in a society. And finally, *norms* define all actions that are considered acceptable based on shared meanings, informal rules, and conventions that build reciprocal exchanges among actors (Muthuri et al., 2009).

3 Methodology and units of analysis

The embedded single case study research (Yin 2003) was chosen to analyze the context in which IRDO was formed. It helped us to analyze how IRDO is involved in institutionalizing the domain of SR in Slovenia and promoting such behaviour among different stakeholders.

Data was collected from multiple sources using the triangulation approach of data collection (Yin 2003). We examined different forms of documentation, such as communications from the European Commission, presentational documents of IRDO, regulations and tender documentation prizes of the Horus award, yearbooks and other IRDO publications, press releases, contributions of IRDO conferences, etc. In addition we used different archival reports – web site archives of the Institute and Horus Award, survey reports, press clipping reports and many others. As Yin (2003) suggest, one of the most important sources of case study information is the interview that played an important role in our case study as well. Altogether we conducted 11 interviews with representatives of IRDO and its members, as well as recipients of the Horus awards and journalists who contribute in raising the awareness of the importance of SR.

Altogether our case study involves six units of analysis. On the larger scale we examined the European Union initiatives in the domain of SR that played a major role in the development of the domain of the field of SR in Slovenia and on the development and work of IRDO. The other five units involve crucial levels where the institute has played a major role, namely the national, media, corporate, academic and general public level.

4 Results and interpretations

Until the call from the European Union for the amendment of the European report on national policies in the field of corporate social responsibility (Vlada RS, 2005), the Slovenian government has not systematically developed the field of SR and also after this call it has failed to develop a holistic approach to develop the field. Gjølborg (2009) argues that the state has an important role in the development of the SR field, however trade unions, employers’ associations and, finally, NGOs, conscious consumers and media can also play a major role in the institutionalization of the SR field.

From the analyzed documents and interviews that were conducted during the study it is clear that the Slovenian government is not aware of the importance of the SR and is not systematically developing the field. The same was noted also by Anita Hrast, current director of IRDO who, in several attempts, tried to convince the government representatives to form a national agency or an institute that would actively strive to develop the domain of the SR in Slovenia (Hrast 2012). The representatives turned down her suggestions and as a result IRDO was formed in 2004. In the following years IRDO strived to encourage the government to develop more systematically the field of SR in Slovenia, by regularly including them in its activities and by forming public

initiatives, as the National strategy of promotion of the development of SR in Slovenia. With all these activities IRDO wanted to remind the government of its obligations in this field and encourage the officials to participate more actively in all major initiatives. All of this implies that in the absence of government regulations, civil initiatives are capable of fostering the debate on SR.

From the very beginning IRDO has put a lot of effort in raising the awareness of the importance of SR and its implementation into practice on the corporate level. First and foremost this was achieved through Horus, which has become a well-established and recognized award among companies, professionals and the general public on the national and international level. In the last four years 62 companies applied for the award and 11 were awarded. As noted by Hrast (2013), the crucial success of the award is not in the number of applicants or rewarded companies, it is mostly hidden in the fact that the award is helping IRDO to raise awareness of the importance of SR among companies. The award is helping them to develop their own SR strategies as well as reinforce positive behavior. This was confirmed also by the interviewees from the rewarded companies. As the main positive effect of the award a greater integration of the SR in activities of the company was emphasized together with the acquisition of new knowledge and broader understanding of the field, reputation enhancement as well as motivation for further improvement.

As noted by the representatives of IRDO and the interviewed journalists, the interest about SR increased during the past few years. What is interesting is the fact that the majority of the companies that received the Horus award were SR pioneers; they were the first to systematically include SR in their business activities. For example, Zavarovalnica Maribor was the first insurance company that started systematically promoting SR activities and was then followed by other insurance companies. This process can be described with the concept of isomorphism as noted by DiMaggio and Powell (1983) who defined it as the process that forces units in a population to resemble other units that face the same set of environmental conditions. The authors describe three mechanisms through which institutional isomorphic change can occur, however in the IRDO case the most evident is the normative isomorphism that has an influence on the professionalization of the field. IRDO carries out the normative isomorphism through two key mechanisms - research and educational activities, and through its membership activities. With IRDO's SR international conference that has been annually held in Maribor over the past eight years, IRDO has managed to establish a renewed international meeting that brings together the academic level, body of experts, practitioners as well as students that altogether bring important insights in the development of the SR field. IRDO brings an important contribution to the SR development also through other research projects and professional publications that are mainly issued by the members of the institute. With all this IRDO made an important contribution to the professionalization of the SR field, which today encompasses an internationally recognized body of experts that are sharing their knowledge in renewed national and international publications.

IRDO plays a major part in developing and promoting SR in Slovenia also through its membership that gives companies, institutions, organizations and individuals the chance to discover the meaning of SR and to adopt techniques and tools to successfully implement SR in their professional and private life. But mostly it gives them the chance to network with each other, share ideas and experiences. Half of all the interviewees pointed out that they discover the Horus award through their membership and thanks to the award improved their SR strategy and broaden their activities. Most of the interviewees, also IRDO members, have participated at some of the IRDO seminars and conferences and thus helped to further promote SR among other companies and individuals. The interviews show that many companies and organizations got to know the domain of SR and strengthen their strategy and knowledge mostly through the IRDO membership and through many events and networking opportunities that the membership brings.

Besides normative isomorphism IRDO at least partially enforces the coercive isomorphism (DiMaggio and Powell, 1983) as well, mostly through raising awareness of the importance of the SR field that results in higher expectations of the society toward SR behavior be it on the corporate, governmental or individual level. As a result of the institutional isomorphism in the last few years, companies and organizations that have strongly adopted SR practices started to promote the domain of SR through their behavior. Several other companies followed their example, which had a rather big impact on the promotion of SR in Slovenia and its institutionalization. Interpreting these findings to Scott's (2008) three pillars of institutional order we concluded that IRDO not only helped promote SR on the normative level. It also played an important part in raising awareness of the importance and meaning of SR. This is something that Scott (2008) defines as the cultural-cognitive element of institutions. Summing up the results we can say that IRDO contributed to creating a mutual cultural understanding of SR in Slovenia with a broad and intensive work on five crucial levels – governmental, media, corporate, academic and general public level and thus played a major part in recognizing the importance of SR.

5 Discussion and conclusions

Our brief interpretation of the results obtained in our study indicates that SR activities and initiatives spread by IRDO are important steps towards institutionalizing SR in Slovenia. Based on the results we argue that there are strong indications that IRDO is also helping to build social capital and thus contributing to the good life of all individuals in Slovenia. This is occurring on two levels: first, social capital is being generated through the process of institutionalizing SR. And second, considering SR itself as an investment in social capital (Habisch and Moon, 2006), SR activities by the (business) actors related to IRDO are also enhancing the actors' capacity of social cooperation and thus building social capital. These two levels are mutually reinforcing. Habisch and Moon (2006) observe that SR can only be translated into social capital when the society and stakeholders have a positive inclination towards SR. Institutionalization of SR, a result of IRDO's activities, is thus a path toward the acceptance of SR in a wider society; an important prerequisite for SR to indeed become a notion that contributes to social capital. Institutionalization of SR thus helps to minimize the cynicism towards SR activities and companies.

When discussing the "architecture" of social capital, we could argue that our study shows how the process of institutionalization of SR is reflected in the capabilities of IRDO to capitalize on the social (Muthuri et al., 2009). Hence, the *network* dimension is shown in IRDO's ability to attract different business organizations, NGOs, media, and influential individuals to participate in enhancing the SR debate. As mentioned, this has been done through developing the Horus award, organizing conferences and seminars as well as participating in different initiatives that promote SR. Indeed, the network dimension of social capital has proven to be an important platform for developing new forms of stakeholder engagement in the case of IRDO. In terms of building *trust*, IRDO has done much to promote SR in the business community where several organizations have adopted SR practices. In addition, trust has been performance-based as well: IRDO has managed to strengthen the ties among participants and members inside its own organization. It has also succeeded to bond with different external partners (e.g., media, other NGOs etc.) through an intensive commitment to SR issues. And finally, the *norms* are reflected in the voluntary collaboration of several different actors connected to IRDO who are willing to participate in promoting and fostering SR to achieve some social good. Furthermore, IRDO itself is engaged in most SR projects and activities on a voluntary basis.

To conclude, this paper suggests that when the governmental support to SR initiatives is largely absent, when business community is not the primary promoter of SR activities, and the general trust in the business community is rather low, one of the possible ways for SR to become an established concept in the society is in the evolutionary approach with NGOs and other actors of civil society taking the main role in SR development. This may have important implications for how SR is recognised and anchored in the society. With NGOs and civil society being the primary carriers of SR discourses, the meanings, space and practices of SR are no longer dominated solely by the business-centred approaches. Instead, a wider recognition and legitimacy of SR can be gained and with that SR can become a social capital investment with a wider impact on social and economic development leading to a better life of all members of the society.

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