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'Corporate Social Responsibility and the Transformation of Social Housing Organisations: some puzzles and some new directions'

Abstract

This paper draws on some preliminary scoping work identifying an emerging trend in the adoption of corporate social responsibility (CSR) strategies by social housing companies in several countries in North West Europe. It comments on the apparent paradox of social purpose organisations adopting a framework whose origins were to balance the scorecard of profit orientated businesses. It reviews the literature on CSR and uses this to locate some of the different reasons for this trend in the social housing sectors of different European states. The social entrepreneurial identities adopted by some organisations, and relationships with regulators and stakeholders are seen as key drivers for adoption. A case study of a large English housing association that is embarking on CSR is used to explore the logics associated with this development. The paper explores some of the directions in which this is taking the association and concludes with a model setting out four alternative potential impacts on regulatory and stakeholder relationships.

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1.0: Introduction: Hybridity and the Puzzles of CSR
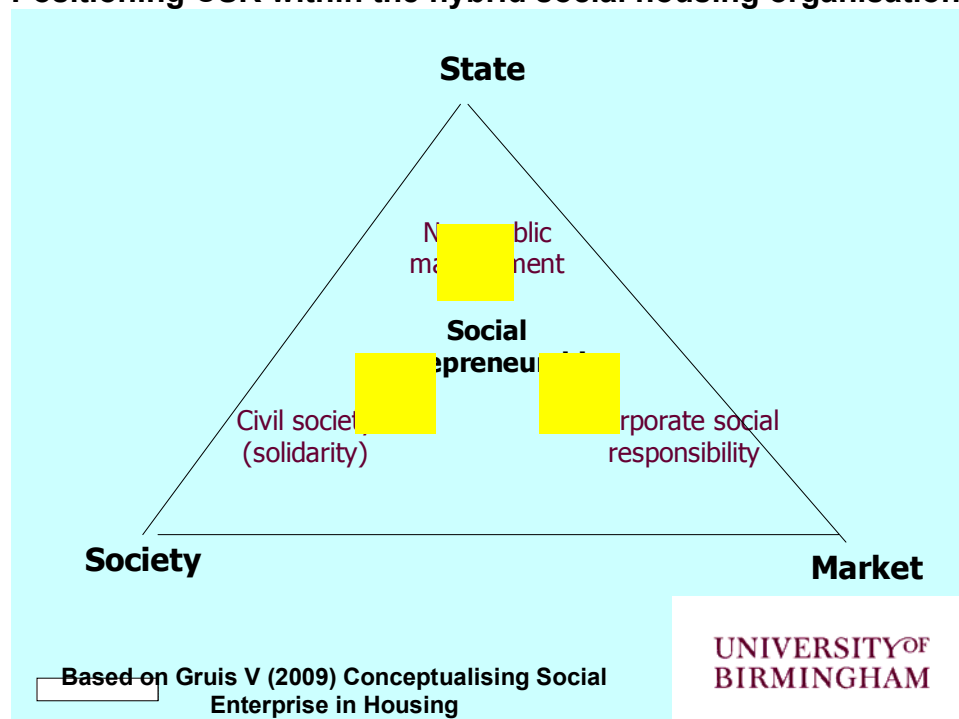
1.1 Discovering Hybridity

Recent contributions to the debate on third sector organisations have begun to recognise the inadequacy of existing models such as the notions of 'a mixed economy of welfare' in understanding the strategic positioning and evolution of such organisations. Billis and Rochester (2009 forthcoming p,12) argue that '*What we are now facing are fundamental changes in the nature of the organisations that are financing, planning and delivering welfare. It is not just the "economy", but the organisations themselves that have become "mixed"!*' They argue that new theoretical perspectives are needed to understand these 'hybrid organisations' and suggest a number of approaches including the attempt to identify 'principal owners' and 'rules of the game', and the mapping of 'zones of 'shallow or entrenched hybridity' associated with different combinations of state, market and third sector influences on organisational cultures and strategies (Billis,2009).

This paper contributes to the growing literature seeking to understand the evolving organisational strategies and cultures of third sector housing organisations in Europe (Brandsen et al 2006, Heino et al 2006, Gruis 2008, Czichke, Gruis and Mulllins 2008). A key dimension of this work is the location of these organisations between the state and the market but with additional third sector identities that are sometimes depicted as 'values based' (Mullins and Riseborough, 2000). Earlier work by the authors (Mullins and Sacranie, 2008) suggests the relevance of hybridity to English housing associations where

'A new scenario is emerging in the context of merging organisational cultures, models of governance and the blurring of the private, public and not-for-profit sectors. In this peculiar sector housing associations use private funding to build houses for sale, while private developers apply for social housing grants….When the private sector finances not-for-profit companies to deliver public realm services, is this the privatisation of public services, or the nationalisation of private equity?'(ibid p20)

Work on social entrepreneurial identities is proceeding in the social housing field (Gruis, 2009, Czichke 2009 this workshop) exploring the contested influences of state, market and society drivers **within** organisational strategies and cultures. Gruis (2009) adopts the popular image of a triangle with hybrid third sector organisations themselves embodying market, state and society influences. Our adaptation of Gruis's model (Figure 1) locates corporate social responsibility (CSR) as one mechanism for managing hybridity; and labels this as a mechanism derived most strongly from the market characteristics of these organisations.

Figure 1: Positioning CSR within the hybrid social housing organisations

State

New public management

Social entrepreneur

Civil society (solidarity)

Corporate social responsibility

Society

Market

Based on Gruis V (2009) Conceptualising Social Enterprise in Housing

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This model provides a useful way of conceptualising some of the puzzles which this paper sets out to explore in relation to Corporate Social Responsibility (CSR), a framework introduced in the market sector specifically to balance market goals (of shareholder value) with social and environmental goals (Elkington's (1994) concept of the 'triple bottom line') but now being applied by third sector organisations too. Perhaps this common development reflects increasing recognition of hybridity in all sectors.

1.2 CSR and Social Housing Some Puzzles

We became aware of the adoption of CSR by social housing organisations inductively through a long term case study of a large English housing association[1] that had begun to adopt a CSR framework to build on its strong business reputation and identification with the private sector, to begin to address the need for a 'softer' community orientated identity and to manage a process of corporate restructuring.

Our exposure to this approach raised a **first puzzle** for us of why an organisation whose core purpose was to deliver a primarily social objective (low cost housing for people on low incomes or special needs) would need to adopt a framework developed for the private sector to enable organisations to recognise social (and environmental) as well as economic goals.

We later discovered through the preparation of a European funding bid for a study of CSR in the social housing sector[2] that there is an emerging trend to the adoption of corporate social responsibility (CSR) strategies in different countries, partly as the result of isomorphic influences from EU agendas such as the Lisbon and Gothenburg treaties, and partly as a result of distinct local drivers. This led us to a **second puzzle** that CSR was being adopted for apparently contradictory reasons in different cases. We heard that in some cases it was as a result of civil society organisations (such as Abbé Pierre homelessness movement in France challenging housing companies -HLMs for losing their social purposes, while in others (as described above) it was driven more by a logic of emulating corporate private sector models.

A third puzzle came to us from the National Housing Federation's pioneering audit[3] of 'the scale and scope of housing associations activity beyond housing' in England in 2007/8. The puzzle here was why efforts to demonstrate the social investment or community investment[4] contribution of housing associations focused on activities 'beyond housing' and thereby defined out the central contribution that the sector makes to society (i.e. meeting housing need and preventing homelessness). In this case it seemed that this had something to do with the highly regulated nature of core social housing activities, which were in effect being undertaken as 'contractors of the state', whereas the social investment agenda was framed as a 'discretionary' initiative whereby housing associations 'give something back to society'.

This led us to our **fourth related puzzle** for this paper which is how CSR as a 'discretionary ' initiative interacts with the 'obligatory' expectations placed on housing associations as a consequence of regulation – the price paid for their receipt of state funding. Eventually, our questions led us to the wide ranging literature on CSR, which despite its ambiguity in many areas takes a fairly consistent view that CSR is 'concerned with the ways in which an organisation exceeds the minimum obligations to stakeholders specified through regulation and corporate governance' (Johnson and Scholes 2003, p.220).

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[1] The subject of an evaluative research project led by one author and a linked PhD undertaken by the other author of this exploratory paper.
[2] Thanks to colleagues in 9 countries who contributed to the SOROSIS proposal to the FP7 programme, which enabled considerable sharing of ideas and experiences on CSR in the social housing sector.

[3] Thanks to Terry Jones and the National Housing Federation for providing access to the audit data set for the analysis in section 3 of this paper
[4] we have used the terms social investment and d community investment fairly inter-changebly in this paper. The former term currently has a wide currency in UK public policy, while the latter is more commonly used in the social housing sector where has generally excluded social investment associated with the core housing development and management roles of these organisations

1.3 Structure of the Paper

These puzzles were mainly concerned with the question '**why CSR?**' which we address in the next two sections of the paper, first by reviewing the concept and its relevance to social housing, then by exploring the motivations associated with its adoption in social housing sectors. This leads us on to more empirical exploration of '**what is CSR?**' concerning the content of CSR activities across the housing sector (section 3) and in the case study organisation that we refer to above (section 4). From the case study material we then attempt a third question - '**CSR –so what?**' to explore the implications for strategic and cultural change in housing organisations and potential impacts of CSR strategies for society (a topic that can only be addressed to a limited extent because of the general lack of effective measurement of CSR in practice). This leads us to speculate on some new directions that social housing organisations might take as a result of the adoption of CSR in the final section of the paper. This discussion takes us back to the different 'zones of hybridity' associated with modes of integration of market, state and society drivers within hybrid organisations.

2.0 What is CSR and how is it relevant to social housing?

2.1 Origins and Competing Definitions of CSR

While the concept of CSR is 'a fuzzy one with unclear boundaries and debatable legitimacy' (Shahin and Zairi, 2007, p. 753) there is some agreement that substantive theory relating to CSR emerged from the 1950s (Juholin, 2004, Carroll, 2007) but that the roots of CSR vary according to the related frame of reference. While more structured CSR programmes and strategies appear to have emerged from the US, Matten and Moon (2005) refer to scattered formal and informal institutions and drivers of CSR in Europe. Examples cited are the 400 year old German guild traditions of industrial apprenticeships informing employee welfare today, and inspectorates developed in 19th century Britain to tackle the anti-social consequences of Industrialisation such as pollution and child-labour. Juholin (2004, p. 20) asserts that contrary to the perception of the philanthropic Anglo-American origin of CSR in the 20th century, "the evolution of CSR in Nordic Europe goes back to the 1800s and is not based on religion or charity but on business ideology and entrepreneurship."

Despite the enormous volume of literature that has emerged on CSR over the past decades, CSR texts continue to identify significant gaps in scientific knowledge (Blowfield and Murray, 2008, Crane et al 2008) and differences in the scope and meaning of CSR between different sectors. There is a remarkable diversity of definitions related to various fields of study such Corporate Governance, Quality Management, Marketing, Environmental Management, Sustainability and Poverty studies. This is compounded by the lack of a common language between business and academia; and between international NGOs, multi-national and national companies, national and local governments and local communities (Visser et al, 2007). Concepts

which are sometimes used synonymously or interchangeably with CSR include Corporate Sustainability (CS), Corporate Citizenship and Triple Bottom Line (TBL).

In a reference guide to CSR, Visser et al (2007) attempt to define as comprehensively as possible the concept of CSR, by consulting a wide range of international stakeholders such as NGOs, think tanks, academics, and consultants. They conclude that rather than having a concrete definition, CSR is more of a 'cluster concept' and part of a web of related terms and ideas. Generally CSR is seen to refer to the expectations for companies to contribute or be held responsible to a wider society rather than simply shareholders or investors in those companies. Hopkins (2007, p.15) defines CSR as being:

> *"concerned with treating the stakeholders of a firm ethically or in a responsible manner. 'Ethically or responsible' means treating stakeholders in a manner deemed acceptable in civilized societies."*

Corporate Social Responsibility (CSR) is a concept that incorporates social, environmental and economic actions and brings these actions together as 'a very visible element of management practice' (Crane et al 2008). Accounts of CSR emphasise its voluntary nature, management of externalities, accountability to multiple stakeholders, underpinning values and being more than just philanthropy (Crane et al 2008). An early distinction was made by Carroll (1979,1991) between four main forms of corporate responsibility. *Economic responsibility* is mandatory for all companies as is *legal responsibility* or functioning within the rule of the law. Beyond legal requirements are expectations relating to fairness and justice which are *ethical responsibilities*, not obligatory but generally expected by society. Moving across the spectrum, *philanthropic responsibility* is regarded by Carroll as those functions desired of companies such as community outreach or environmental programmes. Most current debate centres on the latter two categories of CSR i.e. the ethical and philanthropic, and the extent to which they are discretionary activities by companies (Visser et al, 2007). Many contrary definitions of CSR exacerbate this problem, such as the EU Green Paper on CSR (2001) which defines CSR as

> *"A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with stakeholders on a **voluntary** basis."*

The Commission recognised that CSR "can play a key role in contributing to sustainable development while enhancing Europe's innovative potential and competitiveness" COM(2005) 24. In the Social Agenda (COM 2005 (33), the Commission announced that it would, in co-operation with Member States and stakeholders, present initiatives to further enhance the development and transparency of CSR.

Matten and Moon (2005) suggest a conceptual framework for understanding CSR and particularly its characteristics in Europe and North America, distinguishing between Explicit and Implicit CSR. Explicit CSR can be regarded as the corporate policies that are part of a company's social responsibility, as perceived by the company and its stakeholders, such as voluntary programmes or policies driven by the company. Implicit CSR on the other hand refers to the formal and informal institutions through which social interests are 'agreed and assigned' to corporations. These can be mandatory

social, political or economic obligations, or relate to values and norms. The authors contend that while implicit CSR is entrenched within political relations between business, society and the government, explicit CSR marks a change in that its focus is on the corporation, whether the CSR drivers *acting on* the corporation, or the mechanisms of CSR *employed by* the corporation. This distinction between the two types of CSR is used to illustrate the historic differences between CSR in America (Explicit) and Europe (Implicit), and the recent shifts to a more explicit CSR in Europe as a result of

> *"some disjuncture in the wider system of social governance or national business system resulting from government/governance failures, new market imperatives or new social demands."* (Matten and Moon, 2005, p. 344)

Not all theorists and practitioners are universally convinced by CSR. A criticism of the approach is that CSR activities which go beyond achieving profits do not best serve the interests of shareholders and primary stakeholders in the firm, and that the 'feel good factor' of corporate altruism is not a sound argument(Windsor, 2006). There is also a consistent view regarding the inconsistencies of performance analysis of CSR, which is not thoroughly developed in literature, with no agreed empirical methods or measurement frameworks (Shahin and Zairi, 2007). Juholin (2004, p.23) concurs that "CSR is an issue which has been debated rather than investigated."

Despite being rooted in a variety of disciplines ,with a plethora of definitions, CSR can be considered as a predominantly market or private sector concept, relating particularly to large corporate and multi-national companies. The adoption of CSR in the social housing sector, which provides an inherently social service, is therefore an apparent paradox, and this will be further explored as the first puzzle presented in this paper.

2.2 Relevance to Social Housing and trend towards adoption

The origins of CSR are in the profit distributing sector, where the concept of multiple stakeholders and social purposes challenge the hegemony of shareholders and the 'bottom line'. It is clear, however, that the objectives of CSR can apply equally to social purpose public and non-profit organisations, already serving 'double or triple bottom lines'. Indeed there may be a paradox for organisations whose core purpose is to deliver social benefits such as affordable housing adopting a framework that was developed to stimulate such socially orientated activity from organisations without such core objectives.

There are many social housing providers in several EU member states with a proven track record of good practice and innovation in promoting social cohesion and environmentally sensitive practices as an integral part of their mission of affordable rental and cooperative housing provision. Relatively seldom do social housing providers employ CSR as an explicit mechanism to plan, analyse and document the diverse facts of their activities. This raised a significant issue for our research, whether to focus only on explicit CSR activities or on social investment activities which are aligned to CSR objectives, but not necessarily packaged as CSR. We chose the latter approach because we were interested in the way in which the social investment role of housing associations (which itself could be seen as part of the social pole of CSR) was

developing and how CSR did or did not affect the construction, performance and measurement of these activities.

The adoption of CSR models by third sector organisations is an intriguing development, given that these are organisations that operate on a non-profit basis, have strong social missions in meeting housing needs of low income and socially disadvantaged groups and have been at the forefront of environmentally sustainable approaches to construction. Thus rather than broadening their focus from a profitability bottom line the adoption of CSR restates their social and environmental commitments. This restatement is important because these organisations have been subject to retreating welfare states and reduced levels of public subsidy leading to the adoption of more self- reliant and commercially orientated approaches within social housing management, as well as a broadening of services provided. These pressures have simultaneously made the achievement of social objectives more problematic because of budgetary pressures and placed these organisations in a more similar position to the profit distributing sector. These developments make CSR approaches to setting and measuring the achievement of social and environmental objectives more relevant to this sector and there is evidence that this relevance is increasingly recognised by key players in these sectors. Furthermore the longstanding accountability gap faced by independent social entrepreneurs has led to the adoption of measures of social and environmental impact compatible with CSR approaches.

Table 1 shows the three main areas of attention of CSR policies: economic, social and environmental and their application to housing organisations.

Table 1 CSR in Housing: Promoting Economic, Social and Environmental Sustainability

Economic sustainability : impacts on local business and employment, work force participation, impacts on residents: financial inclusion and household costs
Social sustainability : social inclusion, cohesion, community investment, education
Environmental sustainability: Green construction, environmental performance of existing dwellings, renewable energy and waste management

In addition social housing providers have four main mechanisms for their CSR strategies to maximise their impact on society:

- Through corporate governance and the management of internal corporate objectives whereby CSR is embedded into the strategies systems and culture of social housing organisations themselves.
- Through stakeholder engagement and network relationships, in particular with third sector and civil society whereby CSR establishes accountabilities and enables a wider impact on society through partnership working.
- Through procurement activities and supply chain management social housing organisations have the leverage to influence private sector partners such as housing developers, architects and exchange professionals and through channelling of socially responsible investment into housing and housing related projects such as Business Action on Homelessness in the UK and Ireland.
- Through local community anchorage (Wadhams, 2006) to influence the quality of life, civic engagement, social inclusion and cohesion of social housing residents and

their neighbours. The position of social landlords as some of the best resourced and most locally rooted institutions in poor and mixed income neighbourhoods gives them a unique opportunity to achieve CSR impacts.

2.3 CSR Frameworks used by social housing providers in UK and Europe.

Recent exploratory research identified the emergence of an explicit CSR discourse in the European social housing sector CSR appeared to be an idea whose time had come for third sector social housing companies. We found examples of housing companies adopting CSR frameworks in several different countries and for apparently different reasons. On the one hand we found large corporately driven companies who appear to be responding to business drivers to become more similar to large private corporations. On the other we found civil society organisations that were pressing for housing companies to adopt CSR to ensure that they were more responsive to social drivers. Finally we were intrigued by the interplay between CSR and regulation. While in principle CSR is a voluntary activity, motivations for its take up partly depend on the extent which activities are covered by external regulation. On the one hand highly regulated companies are attracted by CSR as a discretionary framework enabling greater autonomy and innovation than government imposed duties, on the other hand weakly regulated companies may welcome CSR as a structure on which they can build their need for legitimacy through accountability to stakeholders.

The Business in the Community (BiTC) Framework was developed for primarily profit distributing members of the most significant promoter of CSR in UK and Ireland. Business in the Community's Corporate Responsibility Index – 'an integrated approach to reporting on strategy, risk management and performance, linking up financial, environmental and social issues' [5] One of the main benefits of the BiTC CSRI is the opportunity to align housing organisations with the private sector, to develop common understandings of key societal issues and to benefit from networking with private sector organisations committed to CSR who may have resources to bring into partnerships with housing associations and other third sector organisations in touch with sharp end social needs. However, a potential downside is the limited existing membership amongst housing organisations and the absence of close tailoring of reporting systems to the specific circumstances of the housing sector.

DELPHIS on the other hand is a reference system of CSR Audit Reports developed for a partnership, EURHONET, of European housing sector providers. Originating from the initiative of French HLMs it is currently being piloted or used by 14 companies in France, Sweden, Germany and Italy[6]. The Delphis reference system for CSR reporting comprises a suite of 60 quantitative and qualitative indicators covering five main domains: Local Social Sustainability, Protecting the Environment, Economic Responsibility, Good Governance and Human Resources each with a number of key indicators. This has the attraction of being tailored to meet the needs of social landlord and of enabling benchmarking across Europe.

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[5] http://www.bitc.org.uk/what_we_do/cr_index/cr_index_background.html
[6] Delphis www.dephis-asso.org. Thanks to Francis Deplace and Julie Savary for translation of information concerning Delphis into English, to help us produce this summary and for their willing ness to share information with this project. We recognise that the Delphis reference system is copyrighted and cannot be reproduced in whole or part without permission.

3.0 Why CSR? External drivers and internal pressures

Having established the growing importance of CSR in the European social housing context, this section attempts to explore the rationale behind this emerging trend. There are obvious and more implicit factors behind the growth of CSR in the third sector of social housing, which appear motivated by external market, social and political drivers as well as internal pressures facing organisations. Indeed the adoption of CSR approaches reflects a significant repositioning of the sector amidst retreating welfare states; regulatory pressures; accountability gaps; increasing business rationales; shifting cultures, and changing stakeholder relationships. (Mullins and Sacranie, 2008)

3.1 Repositioning sectors and retreating welfare states

Since the introduction of mixed funding models in the 1980s, social housing sectors have a seen a steady increase of private finance and reducing levels of public subsidy (Mullins and Murie, 2006). This has led to the growth of the third sector adopting more self-sufficient and commercially focused approaches through hybrid funding models. At the same time social landlords have broadened their activities to provide community and neighbourhood services to complement their housing management and development functions and best exploit their local presence and potential supporting links to other third sector organisations as potential 'community anchors' (Wadhams, 2006).

These supplementary community investment services constitute the bulk of CSR type activities in housing associations. However, why these activities need to be framed as part of CSR programmes, as opposed to simply Community Investment strategies, cannot be fully explained by the argument of retreating states. A consideration of the business rationale and associated organisational culture, as part of the repositioning of social housing sectors, is critical to this discussion.

3.2 The Business Case – Strategic Management and Culture

The private financing and repositioning of social housing sectors, the concentration of public grant funding on big housing associations delivering large scale social housing provision, increasing costs of regulation and a drive for economies of scale have lead to an increase in mergers and the growth of mega housing associations (Mullins, 2006, Pawson and Sosenko, 2008).

The scale and structure of these organisations has led to corporate styles of strategic management, with the levels of private finance involved requiring the adoption of business models, and detailed financial reporting akin to large private sector corporations. Large governing boards dominated by independents have been replaced by more streamlined governing bodies with paid and trained members and executives (Mullins and Murie, 2006) as these organisations have become increasingly managerialised (Walker, 2000).

With large scale organisations seeking to leverage economies of scale through vertical and horizontal integration, the drive for efficiency has been a dominant agenda. The mission and values, culture and identity of these organisations have moved away from both public and voluntary characteristics to concepts of social entrepreneurship, rationalisation and efficiency (Mullins and Riseborough, 2000, Gruis 2009). While recessionary impacts have recently reduced merger activity and the flow of private capital into the sector (Social Housing, 2008), the impact has been a continuation of this business culture, with a heightened efficiency agenda, and emphasis on cost controls and financial planning (Housing Corporation, 2008). These business drivers and organisational responses have been summarised in Table 1 below.

Since the need and expectation for community investment and housing support services exists without an explicitly defined remit, large housing associations are increasingly responding by adopting CSR frameworks, an approach rooted in business and corporate models characteristic of the private sector. This can be regarded then as a manifestation of the changing organisational structures, cultures and identity of social housing associations, reflecting a pervasive strategic alignment to business models.

Apart from the efficiency aspect of strategic community investment, being seen to be corporately socially responsible by giving back to the community makes the organisation more attractive when bidding for stock transfers or as a potential partner for mergers. It could also in the future make housing associations an attractive area for investment by the growing ethical or social investment sector, and for state sponsored investment vehicles to fund social enterprise such as the proposed UK Social Investment Wholesale Bank, a mission-driven investment bank supporting investors and lenders to the third sector (HM Treasury, 2009, Cabinet Office, 2009). An associated consequence of this may be an increasing attention to measuremnt of social performance using techniques such as Social Retrun on Invetsment (SROI), currently being supported by the UK Office for the Third Sector (SROI Network 2009). In these ways having an explicit CSR programme improves the business prospects for housing associations.

Table 2: Sector changes and organisational responses of housing associations	
Business Drivers	**Organisational Reponses**
• Mixed Funding (1989) • Growth in Private Funding • Accountability to Lenders	• Private Sector Business Models • Increased Financial Reporting Diversification to increase income • Executive leadership
• Internal Competition • Economies of Scale • Growing Regulatory Burden/Cost	• Mergers and Alliances to reduce overheads/ operating costs • Procurement savings • Growth and Expansion
• Efficiency Agenda • Economies of scale	• Changes in Governance and Management • Streamlined structures • Business Models
• Credit Crunch and Recession • Alternative circuits of investment for ethical business	• Efficiency agenda • Cost controls • Financial Planning • CSR and measurement of SROI

Adapted from Mullins and Sacranie (2008) and Sacranie (2008)

As part of a commercial rationale, executive leaders are seeking both strategic solutions for rationalising social investments, and a business rationale for fulfilling these commitments in an efficient and consistent manner. CSR appears to have both a strategic and cultural fit with the current business model and efficiency agenda prevalent in the social housing sector.

3.3 Regulatory pressures

The adoption of CSR can also be seen as a response to regulatory drivers, whether as form of alternative self-regulation, co-regulation or avoiding regulation altogether. In the UK, intense debate took place on the reform of the social housing regulatory regime to be incorporated in the Housing and Regeneration Act in July 2008. Evidence presented to the Cave Review (Cave Review, Responses to the Call for Evidence, 2007) reinforced the growing role of social housing as part of a broader regeneration and

social inclusion agenda (Mullins and Riseborough, 2000). At the same time, and in response to the perceived 'policy passporting' in the previous regulatory regime which controlled both funding and performance monitoring functions, social landlords were keen for new regulatory structures to assert the authority and uphold the independence of the sector. Community investment should be provided on a discretionary basis and not be regulated, particularly since these additional activities were not contractually funded (Responses to the Call for Evidence: NHF, 2007, p. 511).

The threat to sector independence by a burden of over-regulation particular in areas deemed to be local authority responsibilities (such as regeneration), resulted in the social landlord trade body, the National Housing Federation, lobbying the House of Lords to make changes to the proposed Bill. A Peers Briefing document read that

> "...The Bill, as it entered the Commons, contained so much potential state control over associations that it risked their being reclassified as public bodies,"

and that one of the key roles of regulation was to

> "protect the independent not-for profit business model of associations and their non-public body status." (NHF, 2008, p.2)

With regard specifically to community investment the same document continues:

> "Housing associations do not do this (social work) because a housing regulator told them to. They do it because they see the local need and work with tenants and communities to meet that need," and

> "Funders, such as charities and local partnerships, agree what they expect to see in return for their funding. They will not want the housing regulator to step in and steer such work. If it could do so, it could divert associations to concentrate on the 'flavour of the month' or what politicians and civil servants think will work."
> (NHF, 2008, p4)

This debate regarding the regulation of housing support activities is indicative of the questions regarding the purpose and core function of social housing. The adoption of CSR could be seen as a response to this dilemma as it classifies a grey area of responsibility into a tangible and accountable system, complying with the 'non-public body' business rationale described above. While a social regulatory contract more typical of public sector services would be perceived as the government 'calling the shots' according to its own political priorities, a CSR framework could mean housing associations setting their own terms of engagement with local communities.

However there are some niggling contradictions with this argument. Despite an appearance of setting their own agenda, in reality the 'CSR style' Community Investment activities are only partially funded by social housing surpluses. Often funding and grants are tendered for and provided in partnership, and organisations will logically focus on areas on the current political radar for Big Lottery or European Union funding. An example of this expedience would be concentrating on employment and financial inclusion in the current economic climate. In reality then, the strategic focus of CSR in the social housing sector could certainly be motivated by the political 'flavour of the month' rather than responding either to corporate priorities or to community needs.

3.4 Plugging the Accountability Gap: Stakeholder expectations

In the absence of public voters or private shareholders, the absence of a formal accountability structure is a criticism levelled at the social housing sector. As these organisations become increasingly mangerialised and corporate in outward appearance, the perception of 'fat cat' managers beyond reproach has been a cause of public antagonism. An example of this has been the longstanding accountability gap faced by independent social landlords in the Netherlands which have led to the CSR-like approaches being adopted, for example the influential SEV innovation program established in 2006 on the social returns of housing association activities. (http://www.sev.nl/overdesev/about_us.asp), measures of social performance (Gruis et al 2008, De Kam, G. and Deuten, J. (2009). The *Housing Minister's white paper on the Social Housing Sector* published in June 2009 contains proposals for a new regulator with a statutory position somewhat similar to the English Tenant Services Authority, 4-yearly mandatory performance reviews for all HAs (not only Aedes-members), limits to investments by housing associations in commercial activities, stricter guidelines on housing allocation to low income households and a stronger link between the activities of HAs and the housing policy of local authorities (VROM, 2009)..

Table 3: Sector changes and organisational responses of housing associations	
Accountability Drivers	**Organisational Reponses**
• Accountability – Tenant (Consumer)	• Consumerist approach to customer care • Customer satisfaction • Market research • Survival of more direct representation approaches - tenant representation on boards
• Accountability – Communities/ Neighbourhood • Accountability – Society • Government Social Agenda	• Social and Community investment and support services • Regeneration and eco schemes • Local Strategic partnerships • Neighbourhood anchorage (Wadhams, 2006) • Corporate Social Responsibility • SROI and measurement of social impact

Adapted from Mullins and Sacranie (2008)

Table 2 above summarises recent change drivers and organisational responses regarding the accountability of housing associations to tenants, communities and society at large.

Additional community services over and above housing management and new development, have tended to be regarded as a discretionary activity, or even at times as a risky diversification (Mullins et al 2001), . However, increasingly they have become part of the mainstream offer or housing organisations across Europe (Brandsen et al 2006, Heino et al, 2007) in response to retreating welfare states and industry and society expectations that require housing associations to be accountable to local communities, through government and industry led initiatives such the National Housing Federation's iN Business for Neighbourhoods (NHF, 2003).

As an established and recognisable system, if not in substance but at least in name, CSR has become a useful and acceptable form of fulfilling duty to community and society. Membership of CSR 'trade bodies' such as Business in the Community, provide a reputable and convenient means of plugging the accountability gap while avoiding excessive regulation. According to the Housing Futures Network of the largest English social housing providers,

> *"Housing associations already have much stronger formal accountability structures to protect stakeholder interests than they are given credit for. Improvement is important but this should be a pragmatic debate, geared to social and economic results and not political point scoring or philosophy."* (Housing Futures Network, 2009, p. 9)

The commercial rationale of housing associations has led over time to the consumerisation of tenants (Mullins and Murie, 2006). While some more direct representation approaches have survived such as tenant participation on boards, the main forms of tenant accountability have tended to adopt consumerist checklists covering customer care and stressing quantitative measures of customer satisfaction. This is a very different view of the world from that presented by the new regulator the Tenant Services Authority which appears to be seeking to restore a more participatory role for tenants in the governance of social landlords through adopting a 'co-regulatory and proportionate approach' to 'champion tenant's needs and aspirations from housing' (TSA, 2008). The adoption of CSR to address the accountability of social landlords appears to have the closest fit with large housing associations whose business models and corporate outlooks tend to reinforce the status of tenants as consumers.

3.5 Influence and Public Relations

Apart from addressing questions regarding accountability, the adoption of CSR and affiliation with trade bodies such as Business in the Community, sets the top players in the sector apart from the rest. The association with FTSE 100 companies and other large private organisations, affords large housing associations the opportunity to promote themselves, network, and build relationships for future collaboration and

partnerships in community investment with the private sector. These could be, for example, in joint employment training schemes or even pro bona services, with national organisations rather than just local authorities or voluntary agencies. This formula has been successfully used by homelessness organisations who have secured employment and training opportunities for their clients with some of the biggest corporate players such as Cadburys through these companies' participation in the 'Business Action on Homelessness' network, an off-shoot from BiTc (http://www.bitc.org.uk/community/employability/homelessness/index.html).

As noted earlier housing companies in several European states have joined the EURHONET network for whom the French based consultancy project, DELPHIS, has developed a format for annual CSR reports now used by 14 companies in France, Sweden, Germany and Italy. This provides a useful framework for data collection and reporting that has clear links with the concept of CSR and a basis for international comparison and benchmarking. There is scope to vary the indicators and definitions to fit national contexts and data availability, indeed Delphis indicate that while 70% of the indicators used are common, 30% are specific to one country.

A number of the largest housing associations in England also produce annual CSR reports in addition to their annual financial reports. Such reports identify key stakeholders as customers, investors, staff, contractors and suppliers, and the Government. An example taken from the website of one of the largest English housing associations states that:

> *"We firmly embrace the view that when it comes to Corporate Social Responsibility, we need to go beyond simply complying with regulation. We therefore take a robust approach to stakeholder engagement and have stakeholder plans in place for our key local, regional and national Government stakeholders. These enable us to prioritise contacts, meet regularly and gain feedback."*
> (example of large housing association CSR report)

CSR then supports a business model for social landlords that fulfils their social remit and expectations but allows them at the same time to individually and collectively influence a public and political agenda. It is also providing the potential for normative isomorphism of corporate identities through voluntary adoption of European wide models of organisational objectives.

4.0 Measuring Community Investment - NHF Community Audit 2008

4.1 Background

One way in which a CSR framework can make the social and environmental aims of organisations more explicit is by setting targets for their actions and to demonstrate the impacts of these actions on company performance and societal outcomes. Concepts of social accounting and reporting and environmental auditing have been deployed to provide non-financial measures of company performance to balance accountancy based measures with for example social and environmental ratings to enable a 'balanced scorecard' of performance (Crane, Matten and Spence, 2008). However, the

general record of CSR in providing demonstrable measures of impacts in not good. As Blowfiield and Murray conclude 'it is surprising how patchy attempts to measure corporate responsibility have been and that we do not know more about corporate responsibility's overall impact' (Blowfield and Murray, 2008p.309).

In 2006/7 the National Housing Federation in England conducted, for the first time, a full audit of neighbourhood services and facilities provided by housing associations to uncover the scale and scope of housing associations activity beyond housing (NHF, 2008). This study was a significant landmark in quantifying a previously uncertain area of activity that is often seen as close to the values base of housing associations as independent social purpose organisations (Mullins and Riseborough, 2000). The timing of the audit was significant as it coincided with the debate about the scope of the powers of Government and the new regulatory body to externally regulate these activities (see section above). For the NHF the audit would demonstrate the value that had been created independently in the absence of regulation, from a regulatory perspective it could be argued that counting is a necessary prior step to regulation.

The Audit provided a useful classification of the types of community investment activities the sector is engaged in and the relative scale of different types of activity measured as numbers of activities, levels of investment and whether this investments was funded directly by the associations or by levering in external finance.
The overall findings (based on a grossing up of audit respondent's data in proportion to their share of total sector stock) were that social landlords delivered 6,800 neighbourhood services and provided or maintained hundreds of neighbourhood facilities, which benefited the equivalent of around 5.5 million people. Directly employing 4,560 staff to deliver these neighbourhood services, the total social investment over that period was almost £435 million, with £272 million of their own funds and an additional £163 million from other sources. (NHF, 2008). The most significant activities in rank order of investment were: neighbourhood facilities (£351 million), safety and cohesion (£90million), environmental services (£79million), education and skills (£66million), employment and enterprise (£45million), poverty and inclusion (£44million) and health and well-being (£41million).

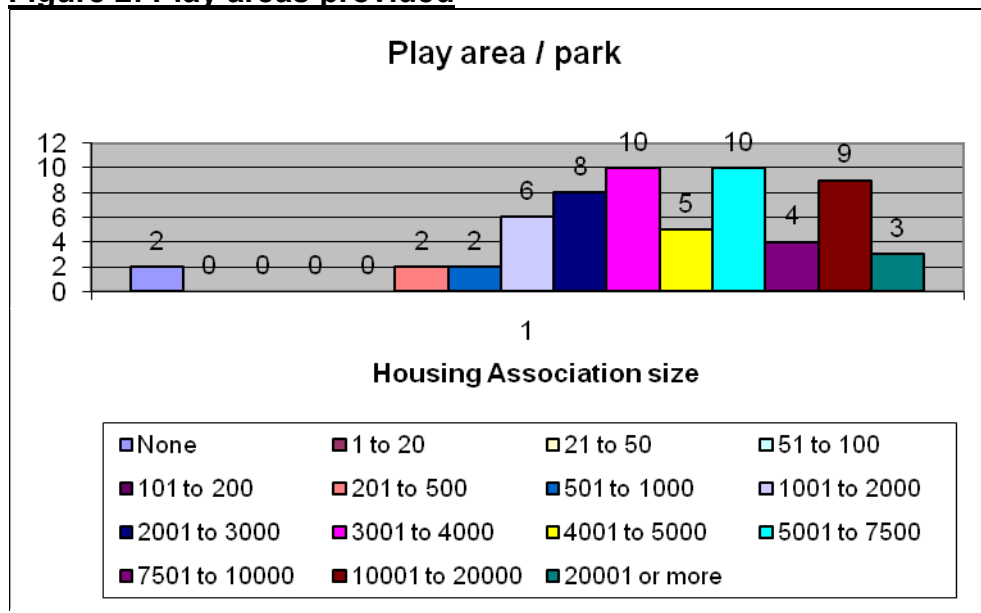## 4.2 Relating activities to organisational size

For this paper we were interested to establish whether the audit provided any evidence for hypothesis that adoption of CSR might increase the propensity of organisations to invest more in neighbourhoods and related services. In the absence of data on which associations had adopted CSR, but following the argument set out earlier in this paper, we used organisational size as a proxy for the adoption of CSR type approaches, With permission and support from the NHF, we undertook a comparative analysis of the published and raw data from the NHF national audit to explore the relationship between organisational size, the number of facilities provided and the level of investment in such activities from the associations' operating surpluses and total investment taking into account external leverage. Organisational size is indicated in the graphs by numbers of properties owned

Figures 2-4 focus on three activities within the neighbourhood facilities domain and relate the size of housing associations with the number of these facilities provided.
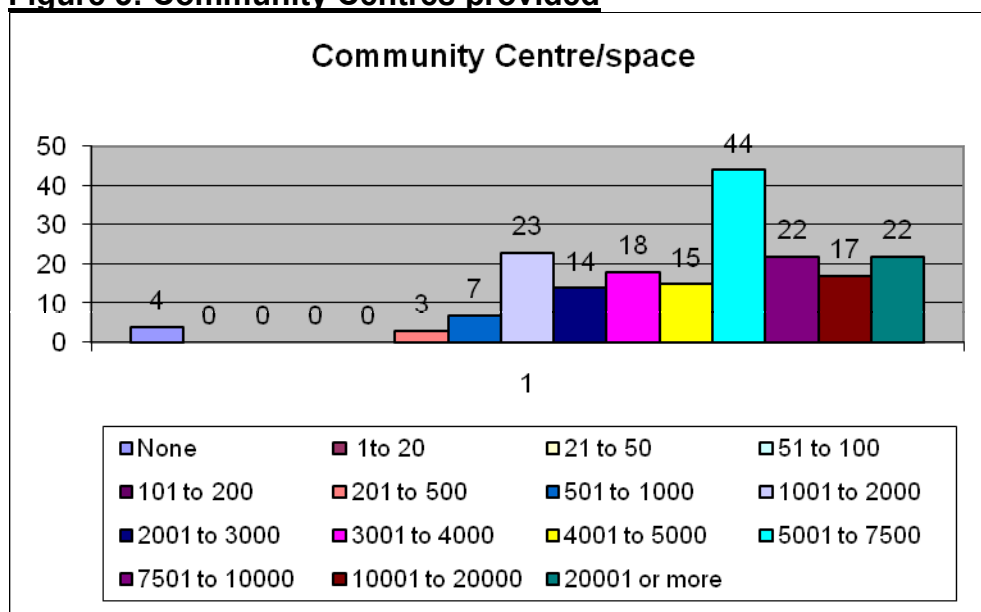
Interestingly with all 3 activities, it is the medium sized housing associations with a stock between 5000 and 20000 homes which have the highest number of facilities. This could be partially explained because the mega-associations with over 20000 homes may be non-asset holding parents of operating companies which are reflected in the figures above. Notwithstanding this, 2 of the above 3 graphs had the highest number of facilities provided by social landlords with a stock of between 5000 and 7500. CSR frameworks have tended to be adopted by the larger social housing associations yet these figures indicate that smaller associations may be providing proportionately more of these discretionary services.
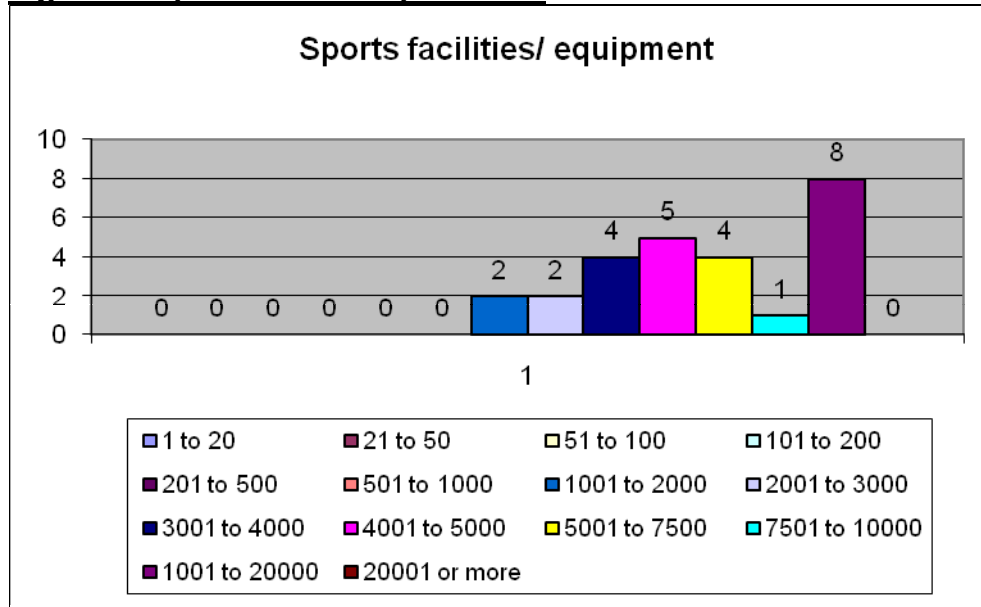
Figure 2: Play areas provided

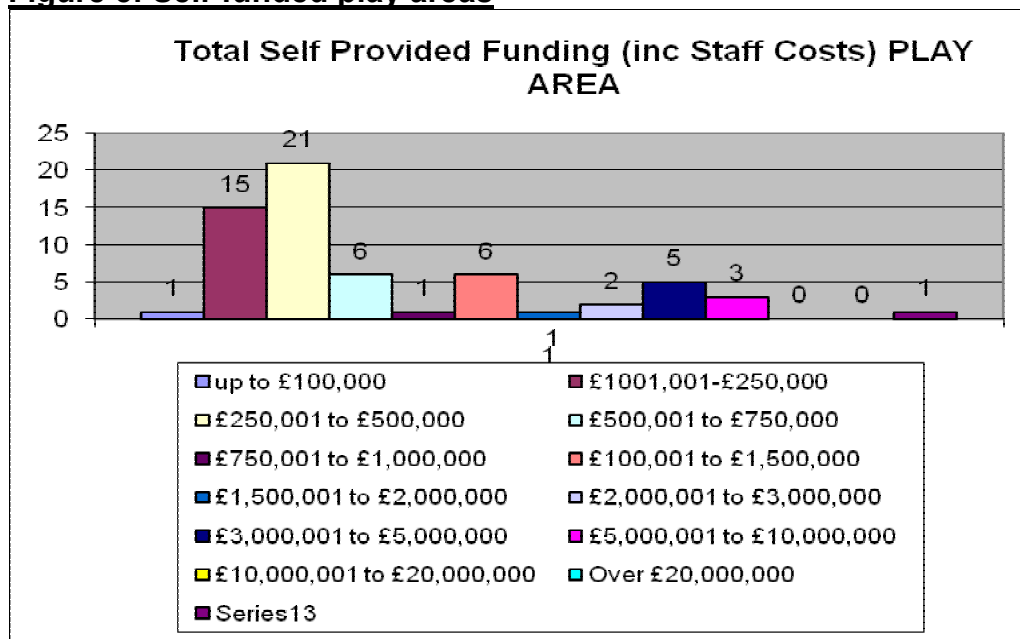**Figure 3: Community Centres provided**
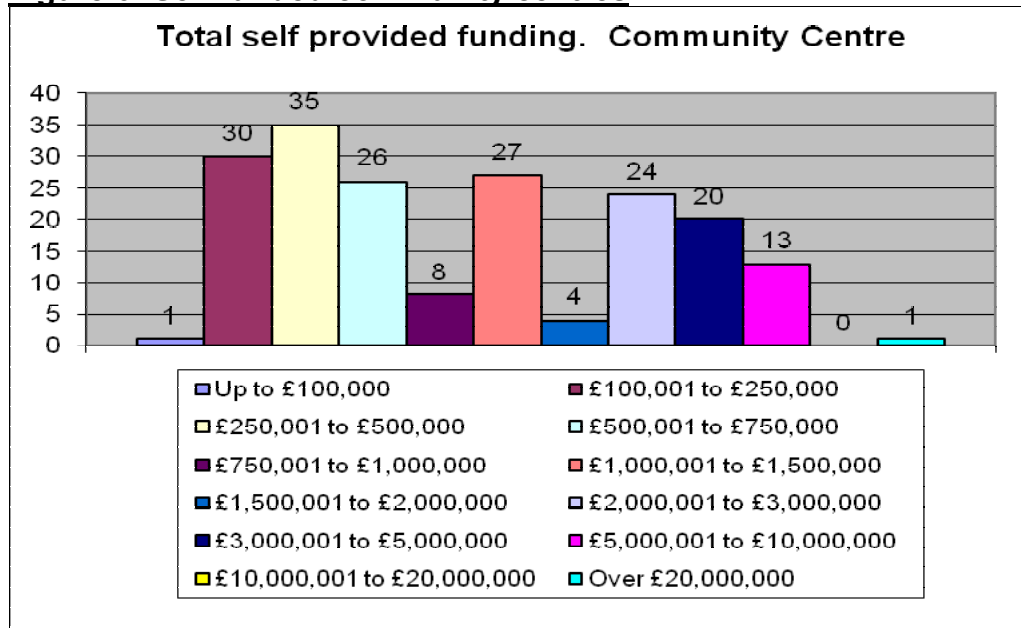
Figure 4: Sports facilities provided:

Sports facilities/ equipment

Legend:
□ 1 to 20   ■ 21 to 50   □ 51 to 100   □ 101 to 200
■ 201 to 500   ■ 501 to 1000   ■ 1001 to 2000   □ 2001 to 3000
■ 3001 to 4000   ■ 4001 to 5000   □ 5001 to 7500   ■ 7501 to 10000
■ 1001 to 20000   ■ 20001 or more

4.3 Relating investment to organisational size

Turning to the Audit evidence of levels of investment Figures 5 to 7 show a greater spread of funding across the 3 types of facilities. Collectively most associations spend between £250 000 and £750 000 on these services. Loosely correlated the two sets of information suggest that larger and smaller housing associations may be committed to similar amounts of funding relative to their scale, as the medium sized ones are providing the greater number of facilities. If the premise is continued that larger, more corporate focused social landlords that tend to adopt CSR strategies then these do not automatically mean larger amounts of self-funding for community initiatives. It could however show that the influence and networking potential of CSR allows larger associations to bid more successfully for external funding for social initiatives and community investment schemes.

Figure 5: Self-funded play areas

Total Self Provided Funding (inc Staff Costs) PLAY AREA

Legend:
□ up to £100,000   ■ £1001,001-£250,000
□ £250,001 to £500,000   □ £500,001 to £750,000
■ £750,001 to £1,000,000   ■ £100,001 to £1,500,000
■ £1,500,001 to £2,000,000   □ £2,000,001 to £3,000,000
■ £3,000,001 to £5,000,000   ■ £5,000,001 to £10,000,000
□ £10,000,001 to £20,000,000   □ Over £20,000,000
■ Series13

Figure 6: Self funded community centres

Total self provided funding. Community Centre

Legend:
- Up to £100,000
- £100,001 to £250,000
- £250,001 to £500,000
- £500,001 to £750,000
- £750,001 to £1,000,000
- £1,000,001 to £1,500,000
- £1,500,001 to £2,000,000
- £2,000,001 to £3,000,000
- £3,000,001 to £5,000,000
- £5,000,001 to £10,000,000
- £10,000,001 to £20,000,000
- Over £20,000,000

Figure 7: Self-funded sports facilities

Total Self Provided Funding Sports Facilities

Legend:
- Up to £100,000
- £100,001 to £250,000
- £250,001 to £500,000
- £500,001 to £750,000
- £750,001 to £1,000,000
- £1,000,001 to £1,500,000
- £1,500,001 to £2,000,000
- £2,000,001 to £3,000,000
- £3,000,001 to £5,000,000
- £5,000,001 to £10,000,000
- £10,000,001 to £20,000,000
- Over £20,000,000
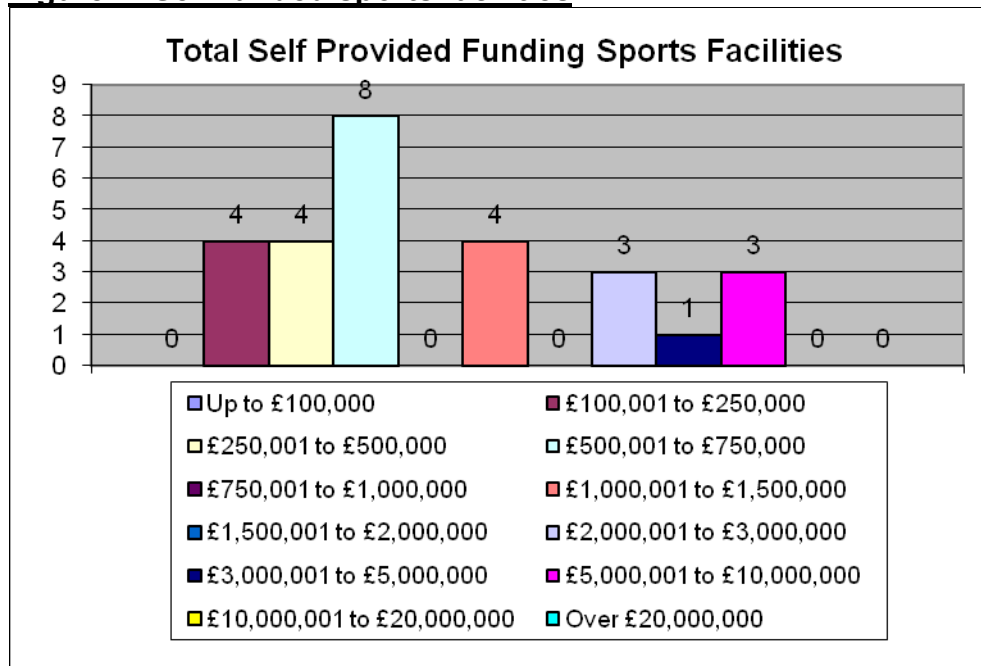
This analysis is necessarily tentative, but indicates a direction that future research on the impact of CSR on community investment activities could take to begin to match the strategic level of adoption of CSR approaches with the outputs and impacts associated with community investment in the ground. Benchmarking around the proportion of surpluses allocated to community investment and the social return achieved on that investment could become as important a set of indicators for housing associations as more traditional measures of rent arrears, empty properties and debt:asset ratios on property holdings. We will return to consider some implications of these findings in our conclusion.

5.0: Case Study Observations

5.1 Organisational Logics and Motivations

The adoption of a CSR framework by our case study organisation can be understood as a combination of some of the motivating factors discussed in section 2. The strongest motivations are associated with the market angle of the triangle shown in Figure 1, but as the triangular image would suggest the influence of the state and society have also been involved. We introduce the main organisational logic here as 'harnessing business efficiency to create social value' but return later to state and society angles by considering impacts on regulatory and stakeholder relationships.

The market motivations for adoption of CSR were associated with the strong commercial ethos of the organisation 'harnessing business efficiency to create social value' and the resulting attraction to models that draw on commercial logics.

An initial attraction was to become involved in a network of major corporate businesses, Business in the Community, which promotes CSR in the UK and Ireland. The potential for a social business to benefit from a values based link with the corporate sector is clear, as one interviewee put it *'the nature of our core business gives us a head start in some aspects of CSR',* providing a potential opportunity for the association to provide social and environmental projects that their corporate peers could invest in.

A second, market related driver was the adoption of a strong corporate culture with an emphasis on strategic planning, business models and financial return. CSR provides a way of incorporating social (and environmental) objectives within this corporate and returns orientated approach, for example through the corporate planning process in which one of the association's eight high level objectives 'what we stand for' makes explicit reference to 'what we stand for as a socially responsible organisation, evidenced by a range of measures including …governance review and …sustainable environmental strategy.

A third market orientated driver that influenced the adoption process the construction of a narrative linking business efficiency with benefits to society to be delivered through CSR. This was specified in the idea of a 'social dividend' (whereby surpluses returned through efficient operation of core business would be re-invested in its social purposes through a 'community investment strategy'). This model evolved as part of the negotiation of a plan for organisational restructuring to outline potential benefits to sceptical non-executive directors. The social dividend was presented as the organisational prize for streamlining governance and organisational structures; those who opposed restructuring were thereby opposing the dividend.

Following these logics enabled the organisation to give substance to its mission as harnessing business efficiency to create social value' using the concept of social dividend and subsequently developing a national set of indicators for community investment covering employment and training, financial inclusion and neighbourhood investment. In addition to recording funding inputs, including external funding, this system focuses on outputs covering numbers of individuals and organisations benefiting from these activities. This addressed common criticisms of CSR: 'it is surprising how patchy attempts to measure corporate responsibility have been and that we do not know more about corporate responsibility's overall impact' (Blowfield and Murray, 2008p.309). However, demonstrating wider outcomes and impacts will require considerable further

work, which the organisation is tackling through projects stimulating social performance measurement within the sector.

Thus there are clear links in this case between organisational logics and motivations for adoption of CSR which help to explain some of the puzzles set out at the start of the paper. However, the more interesting questions to explore in a case study such as this are not so much to do with the 'why?' CSR question, but with the 'what?' and 'so what?' questions raised in our introduction. It is only in an organisational context that we can explore what CSR means in practice, for example the extent to which it is about rhetoric or substance, a framework or an entity of itself, bridging accountability gaps or excluding key interests, voluntary or discretionary. We draw on the case study to address these issues in the next two sections, firstly addressing internal questions of the process and direction of organisational change then shifting back to the external focus provided by Figure 1 to consider external stakeholders and links to society and state.

5.2 Directions

The case study organisation is at an early stage of adoption of CSR, and research to date has been confined to clarifying the origins and motivations associated with adoption (above) and beginning to explore the relationship between CSR adoption, strategic management and cultural change through a set of case studies sampling different parts of the organisation. Some early observations from this work are summarised in Table 4 below to suggest some directions of change attributable to CSR.

Table 4 Directions of Change in Case Study Organisation

1. Hybrid identity strengthened
• Business led approach confirmed
• Social actions given greater visibility
• Corporate plan represents CSR aims – could lead to balanced scorecard giving greater equivalence to social and economic objectives – aim gives most attention to image?

2. New centralised CI team (core strategic themes) vs. localised ad hoc services
• Corporate approach to measurement
• Could lead to corporate v local priority setting

3. Project on Green Agenda
• So far not really connected to CI or other CSR actions
4. Discretionary and Obligatory activities
• Evidence emerging from discussions and multi-levels within the organisation

5. Reflections on changing organisation culture
• Multiple realities: CSR is seen in different ways at different levels in the organisation. It is most visible to corporate managers, least to community investment and outreach workers on the ground

6. Presentation and substance
• How has CSR been communicated? – Newsletters – Transition
• Corporate Plan seems to associate it with getting a message across of 'what we stand for' rather than as a balancing element of economic, social, and environmental aims

5.3 Potential impacts on regulatory and stakeholder relationships

The Introduction to the case study focused in market angle, now after review of the market led logic and direction of change we return to the Figure 1 triangle to consider the interaction with the state and society angles.

The main interface with the state has been in relation to funding and regulation. The adoption of CSR has tended to be associated with the promotion of 'independent' social objectives going beyond the minimum laid down by sector regulation. Thus the organisation was a prominent supporter of the industry trade body campaign against state regulation of community investment activities and against 'policy passporting', emphasising 'the value of housing association independence and a pragmatic approach to legitimate accountability requirements'. The recent adoption of a co-regulation stance by the new industry regulator may make it more difficult to separate independent from imposed objectives and to distinguish between voluntary and discretionary aspects of CSR. At the local level, the key state relationship is with local government, which in response to twenty years of fragmentation is now involved in leading local strategic partnerships and allocating funding through local area agreements. The case study organisation had taken a cautious approach to engagement in local strategic partnerships, preferring to focus on its core business and to avoid excessive numbers of unproductive meetings with local authorities and other local partners. However, one new direction signalled by some joint lobbying being undertaken with other large associations is to argue for a more contractual approach for neighbourhood services in which commissioning and monitoring of services would be the responsibility of the local authority, and housing associations could choose to contract (or not) for the required services (Housing Futures Network, 2009).

In relation to society drivers, CSR provides a framework within which the organisation's traditional links with civil society, through support for tenants and community groups, outreach projects with minority ethnic communities will evolve. Much will depend on the extent to which CSR imposes a centralising focus on priority setting and a homogenisation of activity or provides the framework within which locally emerging links with community groups, social businesses can be supported. Other society links that have been emphasised by the organisation involve volunteering by the workforce and corporate support for specific charities, with staff encouraged to participate actively in fund raising efforts. Intentions to forge links with social enterprise have been signalled by the invitation of high profile figures to talk at a staff conference about social enterprise examples linked to employment and training in the catering sector. Co-production of services with residents is being piloted through use of a former estate office as a community resource centre, run by residents to signpost their peers to local services and to host local surgeries of some services.

6.0 Conclusion

We began this paper by setting out four puzzles raised for us by the adoption of CSR by social housing organisations and by using three questions to structure the material that we would present in this paper to explore the puzzles. Our discussion was prefaced by introducing some recent debate on hybridity within the third sector in general and specifically in the social housing sector. We believe that the answer to our puzzles is to be found in the specific character of hybridity in different types of organisations. That is to say the extent to which these organisations are primarily driven by state, market or

society or by varying combinations of these influences. To use Billis' (2009) phrase where the 'principal ownership' of these organisations lies. Before setting out this major conclusion in a little more detail we will briefly review the evidence we have presented in relation to our puzzles and questions that has led us to this conclusion.

6.1 Why CSR?

The puzzle of 'social purpose organisations' adopting a framework that emerged to enable profit orientated organisations to set social and environmental goals alongside their economic goals is explained by the hybrid character of these organisations. The increased scale of the largest organisations, the extent of their private borrowing, their adoption of hybrid financial methods to cross-subsidise social purposes from commercial activities means that the key reference points for these organisations often lie with corporate sector. It is natural therefore for them to adopt the repertoire of tools developed for the corporate sector, not least in a field where '*the nature of our core business gives us a head start'.*

The puzzle of adoption occurring for different reasons in different contexts is explained by the apparently irresistible combination of market and state drivers at European level by change agents such as trade bodies and consultants that are leading to isomorphism in practice between housing companies in very different national contexts. It also reflects the variable strength of market, state and society influences for example, whether there is perceived to be a legitimacy crisis or accountability gap that CSR might fill as in the Netherlands or a need to assert an independent identity as in England.

The third and fourth puzzles of the selective definition of CSR activities to exclude areas subject to state regulation and the definition of CSR actions that exceed *'the minimum obligations to stakeholders specified through regulation and corporate governance'* prove to be closely related in practice. In the English case, assertion of independence around community investment activities was of symbolic importance in the face of high levels of regulation of core activities. Nevertheless,

6.2 What is CSR?

The literature reviewed in section 2 established huge variability in the conceptualisation and content of CSR which may best be regarded as A 'cluster concept'. CSR enables companies to recognise responsibilities to wider society in addition to their own shareholders and investors, and to behave in ethically responsible ways, to promote social, environmental and economic sustainability. This *is about* more than just philanthropy. CSR activities may also be explicit or implicit. Critics of CSR suggest that it is often little more than rhetoric and that impacts are rarely measured in an independent or systematic way. Foremost amongst the agreed characteristics of CSR is the notion of discretion. We therefore intend to explore the distinction between discretionary and obligatory activities on the case study organisation to uncover which activities different actors regard as core and intrinsic to the service offer, and which activities were regarded as additional and supplementary. The blurred interface of discretion and requirement, at which these services were located, is likely to reflect both the strategic direction and organisational culture of the case study organisation and a range of external drivers and stakeholder expectations and aspirations.

While primarily associated with the private sector, CSR has been increasingly applied to the state and third sectors, not least in relation to social housing whose industry characteristics hold the potential for wide-ranging social, environmental and economic impacts. Our consideration of formal adoption of CSR in the housing sector drew on the English case, where CSR reporting has been stimulated externally to the sector by the private sector led Business in the Community. We also noted the emergence of pan-European CSR reporting frameworks for housing that embody the wider European policy isomorphism associated with Lisbon and Gothenburg economic led strategies.

Content of implicit CSR activities was further explored in the English housing sector by examining the frequently neglected area of measurement. We decided to focus on community investment activities because these have been at the centre of tensions between discretionary and obligatory activities. The recent NHF audit provides a picture of the wide range of activities that housing associations have been involved in, but analysis appears to show a lower level of investment by larger associations who are more likely to have adopted CSR This constitutes a further puzzle that we would expect future work to address.

6.3 CSR - so what?

What will the adoption of implicit and explicit CSR mean for the strategy and culture of social housing organisations? This question could be addressed at a process level by describing the types of corporate governance, reporting systems and adopted. Here we address in a more concrete way by considering the impact of adopting a CSR approach on the construction, performance and monitoring of socially responsible activities.

Returning to our preliminary discussion of hybridity and social entrepreneurship we can now consider a number of alternative scenarios for setting priorities and regulating performance of community investment activities. Drawing in the triangular model for social entrepreneurial organisations proposed by Gruis (2009) and with some commonalities with Billis's (2009) model of hybrid zones we would propose four distinct ways in which the content of socially responsible activities can be constructed, priorities set and performance monitored.

Table 5: Zones of Hybridity: Four Possible Influences on construction, priority setting and monitoring of social investment activities by housing organisations

1. **Strategy Based**	CSR becomes the corporate planning framework and priorities for social and community investment activities are set and monitored corporately
2. **Local Relationship Based**	Priorities are set locally by local managers with residents and community.
3. **Contract Based**	Priorities are set externally by contracts won from state (and local state) who are seen has having the legitimacy to make these decisions
4. **Partnership Based**	Priorities are negotiated externally through partnerships with other social actors (this seems quite a strong theme for NHF and is evidenced by the leverage achieved as HA contributions are boosted by partner contributions)
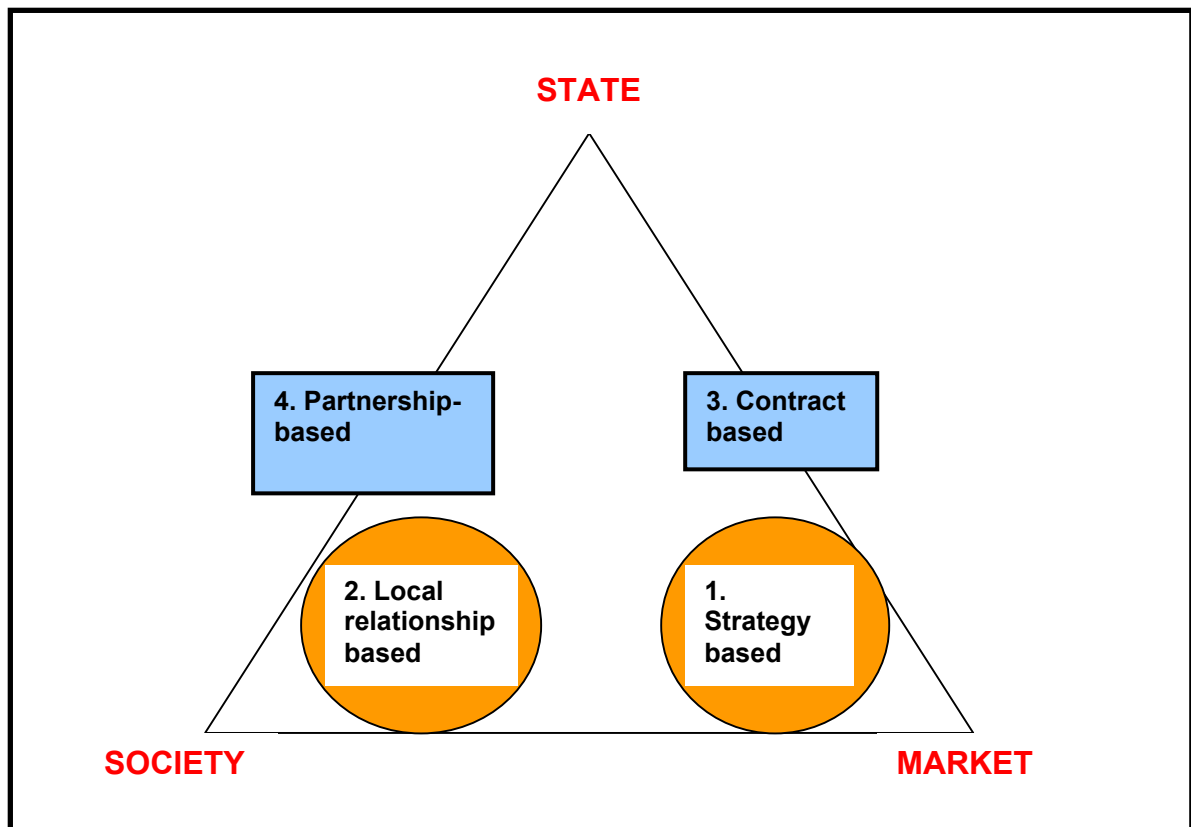
Figure 2: Zones of Hybridity: Four Possible Influences on construction, priority setting and monitoring of social investment activities by housing organisations

Figure 2 presents the four approaches are associated with the market and society **angles** of the triangle and with the state/market and society/market intersections (depicted as **sides** of the triangle). In summary, the ways in which organisations construct, prioritise and measure their implicit CSR social investment activities will depend upon whether their principal ownership is primarily market driven, in which case CSR will be driven by their corporate business strategy in the same way as an private company. If, on the other hand they are more society driven (e.g, neighbourhood focused housing associations) then community investment activities will emerge from locally based relationships between staff and residents and success will be judged through local stakeholders' feedback. The concept of hybrid zones offers the prospect of more complex outcomes. For example organisations with strong state and strong market influences may be attracted by the contractual model put forward by the Housing Futures Network; in this case social investment arises less from the organisation's explicit CSR strategy than from opportunities to win contracts. Finally for organisations with stronger society and market links (e.g. as members of third sector partnerships), activities may be co-produced and priorities set and monitored jointly. In the first case explicit CSR strategies are likely to be the key influence on an organisations' implicit CSR activities, in all other cases it may only provide a framework through which external influences are mediated.

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