THE DESIGN DIMENSIONS OF THE JUST ORGANIZATION:
AN EMPIRICAL TEST OF THE RELATION BETWEEN ORGANIZATION
DESIGN AND CORPORATE SOCIAL PERFORMANCE

by

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(ABSTRACT)

Although organization design to bring about corporate social performance (CSP) is a critical issue in the business and society field, little research has been conducted. This study is an empirical test of the general model of the just organization presented by Stephens and colleagues (1991; Stephens, et al., 1997). The theoretical development describes organizational design principles from John Rawls’ (1971) Theory of Justice, chosen for its emphasis on economic organizations and structure, its emphasis on efficiency as well as justice, and its affinity with Max Weber’s wertrational (or value rationality) social action category from Economy and Society (1978/1910). From the general model of the just organization and characteristic organizational design features (structural and processual) consistent with the general model, an ideal type of just organization is developed.

The primary hypothesis is that the more an organization emulates the ideal type of the just organization, the better its social performance will be as measured by higher CSP ratings. The degree of similarity of design with the ideal-type profile of the just
organization is measured by the Euclidean distance, or summary distance metric, of the sample organization’s profile to the ideal-type profile.

The methodology utilizes surveys of corporations for organizational design features and the CSP ratings from the Kinder, Lydenberg, and Domini, Inc., social ratings database. The results indicate that there is no correlation between organization design and social performance when CSP is taken as an aggregate of all the stakeholder-firm relationships. However, when the specific stakeholder relationship is analyzed, there is an association between the presence of stakeholder-specific design features and higher CSP ratings along the stakeholder-specific social rating dimension.
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# TABLE OF CONTENTS

## CHAPTER 1: Introduction

1.1 Problem Statement ................................................................. 2  
1.2 Problem Background ............................................................ 3  
1.3 Framework of the Study .......................................................... 5  
1.4 Definitions .............................................................................. 5  
  1.4.1 Organization Design ............................................................ 6  
  1.4.2 Equifinality ........................................................................... 7  
  1.4.3 Normative Design Principles .............................................. 8  
  1.4.4 Terminal Value or Absolute Goal ....................................... 8  
  1.4.5 Ideal Type and Ideal-Type Profile ....................................... 9  
  1.4.6 Corporate Social Responsibility ........................................ 10  
  1.4.7 Corporate Social Performance ............................................ 13  
1.5 Design Dimensions of a Just Organization .............................. 15  
1.6 Justice and Value-Rationality ................................................... 17  
1.7 The Relation Between Organization Design and Corporate Social Performance ................................................................. 18  
1.8 Research Questions ............................................................... 19  
1.9 Significance of Study ............................................................. 20  
1.10 Plan of Study ......................................................................... 21  

## CHAPTER 2: Literature Review And Theoretical Development

2.1 Previous Research ................................................................. 24  
  2.1.1 Ethical Ramifications of Organizations ............................... 24  
  2.1.2 Freeman’s Stakeholder Theory ........................................... 24  
2.2 Rawls’ Theory of Justice As The Normative Principle Underlying Stakeholder Theory ................................................................. 27
3.4.1.4 Strategic Planning ............................................................. 82
  3.4.1.4.1 Survey Questions
  3.4.1.4.2 Strategic Planning Rating Scheme
3.4.1.5 Organizational Ethos .......................................................... 84
  3.4.1.5.1 Survey Questions and Analysis
  3.4.1.5.2 Organizational Ethos Rating Scheme
3.4.2 Summary Distance Metrics .................................................... 89
3.5 Dependent Variable .................................................................... 92
3.6 Control Variables ....................................................................... 95
3.7 Summary of Variables .................................................................. 96
3.8 A Posteriori Analysis .................................................................. 96
  3.8.1 Equifinality .......................................................................... 96
  3.8.2 Bureaucratization ................................................................. 97
  3.8.3 Interactions ......................................................................... 98
  3.8.4 Non-Respondents ................................................................. 98
  3.8.5 Psychometric Properties ....................................................... 99

CHAPTER 4: Results.............................................................................. 101
4.1 Survey Results ............................................................................ 102
4.2 Control Variables ........................................................................ 104
  4.2.1 Size ................................................................................... 104
  4.2.2 Industry .............................................................................. 105
4.3 Independent Variables .................................................................. 107
  4.3.1 Structural-Configuration Design Dimension ......................... 107
    4.3.1.1 Board of Directors -- Internal Structure ......................... 108
    4.3.1.2 Board of Directors -- Outside Members ...................... 112
    4.3.1.3 Management Structure .................................................. 116
    4.3.1.4 Structural Configuration Ratings ................................. 119
  4.3.2 Human Resource Policies and Incentives (HRPI)
Design Dimension

4.3.3 Control-Systems Design Dimension

4.3.4 Strategic Planning Design Dimension

4.3.5 Organizational-Ethos Design Dimension

4.3.6 Correlation and Variation of the Design Dimensions

4.4 Dependent Variables

4.5 Deviation Distance Calculated From Design Dimensions

4.6 Comparing Individual “Stakeholder” Design Elements to Stakeholder-Specific CSP Dimensions

4.6.1 Community

4.6.2 Diversity

4.6.3 Employees

4.6.4 Environment

4.6.5 Product

4.7 Difference in Design Elements and Design Dimensions for High Performers vs. Low Performers

4.8 Cluster Analyses

4.8.1 Cluster Analysis by Firm

4.8.2 Cluster Analysis by Variable

4.9 Summary

CHAPTER 5: Discussion and Conclusions

5.1 Research Questions

5.1.1 Ideal Type of Just Organization

5.1.2 Organization Design and Corporate Social Performance (CSP)

5.1.3 Equifinal Ideal-Type Profiles

5.1.4 Individual Stakeholder Dimensions

5.1.4.1 Community

5.1.4.2 Diversity
5.1.4.3 Employees ................................................................. 166
5.1.4.4 Environment ............................................................ 167
5.1.4.5 Product ................................................................. 168

5.2 Discussion of Findings ...................................................... 168
  5.2.1 CSP Measurement ...................................................... 169
  5.2.2 Mimetic Isomorphism ................................................. 170

5.3 Limitations ................................................................. 172

5.4 Future Research .......................................................... 173

REFERENCES ................................................................. 175


**LIST OF TABLES**

Table 2.1: Rawls’ Model of Justice .................................................................35
Table 2.2: General Model of a Just Organization ..........................................37
Table 2.3: Ideal-Type Value-Rational, Just Organization
   (from Stephens, 1993) ...........................................................................40
Table 2.4: Van de Ven and Ferry’s (1980) Macroorganizational
   Focus of Analysis .............................................................................44
Table 2.5: Macroorganizational Dimensions and Associated Design or
   Measurement Features ...................................................................45

Table 3.1: Predicted Relationships Between Design and Performance ..........91
Table 3.2: KLD Rankings of General Electric Company (GE) .......................93
Table 3.3: Translation of KLD rankings to CSP Score (GE) .........................93

Table 4.1: Size .......................................................................................105
Table 4.2: Industry Category .....................................................................106
Table 4.3: Board of Directors: Internal Structure and Committees .............109
Table 4.4: Board of Directors: Internal -- Correlation Matrix .................111
Table 4.5: Board of Directors: Internal structure and Outside Members ....113
Table 4.6: Board of Directors: Outside Members -- Correlation Matrix ....115
Table 4.7: Management Structure: Department of Officer .......................117
Table 4.8: Management Structure: Management Committee .................118
Table 4.9: Management Structure: Correlation Matrix .............................118
Table 4.10: Structural Configuration Design Dimension Ratings ...............119
Table 4.11: Human Resource Policies and Incentive Design Elements .......120
Table 4.12: HRPI Design Elements: Correlation Matrix ............................121
Table 4.13: HRPI Design Dimension Ratings ............................................122
Table 4.14: Control Systems: Audits and CEI Plans .................................123
Table 4.15: Control Systems Design Elements: Correlation Matrix ...........124
Table 4.16: Control Systems Design Dimension Ratings ................................. 124
Table 4.17: Strategic Planning ........................................................................ 127
Table 4.18: Interorganizational Alliances: Correlation Matrix ....................... 128
Table 4.19: Interorganizational Alliances Design Dimension Ratings ............... 129
Table 4.20: Organizational Ethos Design Dimension Ratings .......................... 131
Table 4.21: Organizational Ethos and Industry: Comparison of Means .......... 132
Table 4.22: Design Dimensions: Correlation Matrix ....................................... 134
Table 4.23: CSP Scores Comparison ............................................................. 135
Table 4.24: Regression Analysis .................................................................... 138
Table 4.25: Regression Analysis for KLD Community Dimension ................. 140
Table 4.26: Regression Analysis for KLD Diversity Dimension ..................... 143
Table 4.27: Regression Analysis for KLD Employees Dimension .................... 146
Table 4.28: Regression Analysis for KLD Environment Dimension ............... 148
Table 4.29: Regression Analysis for KLD Product Dimension ....................... 149
Table 4.30: Comparison of Means Between High and Low CSP Performers ... 151
Table 4.31: Cluster Analysis by Firms ............................................................ 152
Table 4.32: Cluster Analysis by Variable ....................................................... 154
Table 4.33: Correlation Matrix for Design Dimensions A Posteriori and KLD
Subdimensions With 2-tailed Significance .................................................... 155
Table 4.34: Regression Analyses for A Posteriori Design Dimensions and KLD
Subdimensions ............................................................................................. 157
LIST OF FIGURES

Figure 3.1: The Systems Approach -- The Ideal-Type Profile..............................56
Figure 3.2: Expected Relationship Between Deviation Scores (Absolute Values) and Performance [From Drazin and Van de Ven (1985)] ..........57
Figure 3.3: 2-dimensional depiction of design dimension categories ...................71
Figure 3.4: Form A -- Content Analysis Form for Credo or Code .......................87
Figure 3.5: Example Calculation of Summary Distance Metric for Corning.......91
LIST OF APPENDICES

Appendix 1: Pilot Study Information
Appendix 2: Final Survey Form
Appendix 3: Reliability and Factor Analyses of the Design Dimensions