Corporate Social Responsibility

Context of the Special Issue

The high ranking of corporate social responsibility (CSR) on research agendas (Greenfield 2004; Maignan and Ralston 2002; McWilliams et al. 2006; Pearce and Doh 2005) appears reflected in theoretical and managerial discussions that argue “not only is doing good the right thing to do, but it also leads to doing better” (Bhattacharya and Sen 2004: 9; see also Dunphy et al. 2003; Kotler and Lee 2005). As a result, CSR has moved from ideology to reality, and many consider it necessary for organizations to define their roles in society and apply social and ethical standards to their businesses (Lichtenstein et al. 2004). Although organizations increasingly adhere and demonstrate their commitment to CSR (Pinkston and Carroll 1994), many struggle in this effort (Lindgreen et al. 2009).

The current state of affairs may be the result of how CSR has developed; this development reflects the influence of various theories, including agency theory, institutional theory, the resource-based view of the firm, stakeholder theory, stewardship theory, and the theory of the firm (for a review, see McWilliams et al. 2002; also refer to Carroll 1979; Wartick and Cochran 1985; Windsor 2006), which results in various conceptualizations of CSR (Pinkston and Carroll 1996; Snider et al. 2003). The best conceptualizations remain in their—to use a strong word—embryonic stages, and prescribed approaches to CSR seem perplexing to theorists and completely elude practitioners. This state of affairs likely impedes a full
understanding among managers of what CSR should comprise and hinders further theoretical
development of CSR.

Some studies examine important research in CSR literature and identify critical research
gaps (Carroll 1999; Garriga and Melé 2006; Lee 2008; Secchi 2007). A recent *International
Journal of Management Reviews* article argues that conceptualizations of and research on
CSR have evolved along two avenues (Lee 2008): In terms of the level of analysis,
researchers have moved from a discussion of the macro social effects to an organizational-
level analysis of CSR and its impact on organizational processes and performance. In terms
of the theoretical orientation of this field, researchers have shifted from explicitly normative
and ethics-oriented arguments to implicitly normative and performance-oriented managerial
studies.

Despite the well-accepted belief that CSR enables organizations to meet their stakeholder
obligations, various unresolved issues remain. The main purpose of this special issue is to
offer high-quality literature surveys of five important CSR topics, focusing predominantly on
organizational and managerial levels of analysis. Together, the five literature surveys
enclosed draw timely, reasoned, and authoritative conclusions about questions that have been
left unanswered, as this introduction discusses in more detail in the following sections.

*Stakeholder engagement*

At issue for CSR are the “societal expectations of corporate behavior; a behavior that is
alleged by a stakeholder to be expected by society or morally required and is therefore
justifiably demanded of a business” (Whetten et al. 2002: 374). As a stakeholder-oriented
concept, CSR holds that organizations exist within networks of stakeholders, face the
potentially conflicting demands of these stakeholders, and translate the demands into CSR
objectives and policies. In some cases though, organizations attempt to change stakeholders’
expectations (Lamberg et al. 2003). To achieve the successful implementation of CSR,
managers must build bridge with their stakeholders—through formal and informal dialogues and engagement practices—in the pursuit of common goals and convince them to support the organization’s chosen strategic course (Andriof and Waddock 2002). Business leaders must address the moral complexities that result from the multitude of stakeholder claims and build enduring, mutually beneficial relationships with relevant stakeholders (Maak 2007). Stakeholder engagement then becomes “CSR in action.” Yet the way in which organizations choose to manage their stakeholder relationships in practice varies considerably, such that stakeholder engagement can represent different features and various theoretical perspectives. Inconsistencies, equivocalness, and practical implications related to the role of stakeholder engagement in CSR therefore still need synthesis and resolution.

Implementation

Although CSR now appears as an important dimension of contemporary business activities (Kotler and Keller 2008), the dynamic and practical aspects of developing a CSR orientation within an organization have emerged only recently in literature (Jonker and de Witte 2006; Lindgreen et al. 2009). Implementing a CSR orientation likely represents a determinant event for any organization, yet existing guidelines for implementing CSR and the verifiable criteria for its success still lack theoretical or empirical support, especially from a dynamic perspective. The models and suggestions available to managers are unclear (Porter and Kramer 2002), and, to the best of our knowledge, studies into developing and implementing a CSR orientation focus on relatively limited aspects and dimensions (Maignan et al. 2006; Matten et al. 2003). For example, whereas some authors argue that CSR implementation happening through either incremental or transformational organizational change processes (Dunphy et al. 2003), others argue that changes come by radical, transformational approaches (Doppelt 2003), in which “managers must fundamentally rethink their prevailing views about strategy, technology and markets” (Hart and Milstein 1999: 32). Such studies illustrate the
lack of resolution about CSR integration and development and which approaches will ensure the integration of CSR into the organization’s culture and strategy (‘corporate DNA’). The need for a systematic, interdisciplinary literature review on CSR implementation and change models thus is clear.
Communication

Organizations increasingly use CSR activities to position their corporate brand in the eyes of consumers and other stakeholders, such as through their annual reports (Sweeney and Coughlan 2008) and websites (Maignan and Ralston 2002; Wanderley et al. 2008). At the same time, literature debates whether organizations should communicate about their CSR initiatives and, if organizations choose to communicate, whether traditional marketing tools are appropriate (Van de Ven 2008). Yet according to recent research, communicating about social activities does not always benefit the communicating organization, notably because CSR communication may trigger stakeholders’ scepticism and cynicism (Mohr et al. 2001; Schlegelmilch and Pollach 2005) A systematic, interdisciplinary examination of CSR communication could offer an essential definition of the field of CSR communication that emphasizes the role of such communication and outlines key CSR communications tactics, such as social and environmental reporting, internationally recognized CSR frameworks, and different means to involve stakeholders in two-way communication processes. Key questions include what to say—and then how to say—about an organization’s CSR programs and achievements, without appearing self-serving or risking stakeholder cynicism.

Measurement

Which business practices can really count as responsible CSR behavior? We might start to answer this question by noting that CSR generally represents a continuing commitment by an organization to behave ethically and contribute to economic development, while also improving the quality of life of its employees (and their families), the local community, and society at large (Watts and Holme 1999). Organizations’ efforts to address a wider variety of social and environmental problems also are CSR. It thus appears natural that CSR be conceived of as multidimensional; its initiatives vary from voluntary programs and partnerships to mitigate the environmental impact of industrial plants and production methods
(Rondinelli and Berry 2000) to the development of sourcing and marketing initiatives that protect social welfare and commit to environmental benefits (Roberts 2003; Szmigin et al. 2007). The impact of corporate practices in developing countries (Eweje 2006; Jeppesen and Hansen 2004) and their implications for human rights (Cragg 2000; Ratner 2001) also remain key concerns for internationally and CSR-oriented organizations. Rather than a single, comprehensive activity, CSR comprises many different activities from which an organization can choose (Lindgreen et al. 2009). Accordingly, relevant questions include the following: How should the level of an organization’s CSR activity be measured? What are the different criteria and indicators that may assess the level of CSR effectively? A critical review of existing scales and indicators would aid further research that seeks to assess the degree of CSR and measure its impact on the different dimensions of business performance and society’s well-being.

**Business case**

There are, as Vogel (2005:2) argues, “many reasons why some companies choose to behave more responsibly in the absence of legal requirements. Some are strategic, others are defensive, and still others may be altruistic”. The basic belief that CSR can be good for business clearly drives corporate interest in CSR (Kotler and Lee 2005), based on the reasoning that organizations create a competitive advantage by integrating non-economic factors (Porter and Kramer 2006), differentiating themselves from competitors and building a better image and reputation (Fombrun and Shanley 1990), and creating consumer goodwill and positive employee attitudes and behavior (Rupp et al. 2006; Brammer et al. 2007; Maignan et al. 1999; Valentine and Fleischman, 2008). From these considerations, companies realize that the development and implementation of CSR programs offers a “win–win” scenario for the organization and its community. A systematic and interdisciplinary examination of the business case for CSR should detail different studies that identify
potential positive and negative effects of CSR on business performance in its broadest conception, not just in financial terms.

This special issue of *International Journal of Management Reviews* on CSR addresses some of the above research lacunae. The issue aims to provide academics with greater insights into some of the more subtle areas of CSR and give practitioners some guiding principles for implementing CSR initiatives.

**Structure of the Special Issue**

In ‘Stakeholder engagement, discourse ethics and strategy,’ James Norland and Robert A. Philips cite two significant—and significantly different—lines of thought on the matter of stakeholder engagement. The first line, “Habermasian,” distinguishes between “strategic” and “moral” action. Specifically, strategic action pursues personal or corporate ends; moral action instead attempts to achieve genuine understanding through communication. In the second line of thought, researchers, whom the authors call “strategists,” deny the viability of the Habermasian distinction and the insistence on ethics and strategy necessarily constituting each other. Norland and Philips generally prefer the Habermasian emphasis on legitimate, good-faith communication with stakeholders and recognition of the implications of power imbalances; they argue that distinguishing between moral and strategic action tends to undermine rather than enhance arguments for the just engagement of stakeholders. Yet if business and ethics are separate realms, or strategy and morality must be kept independent of each other, then there can be no method to address the multitude of responsibilities companies confront. Therefore, understanding how and why ethics may be inextricable from good strategy offers a more promising route. To achieve a coherent thought framework, the authors argue, ethics must be part of strategy—more accurately, business strategy must be a part of a broader ethics.
In a context in which CSR literature tends to be segmented by various aspects of the CSR development process, François Maon, Adam Lindgreen, and Valérie Swaen, in ‘Organizational stages and cultural phases: a critical review and a consolidative model of CSR development,’ propose an integrative framework that links moral, cultural, strategic and organisational aspects and implications of CSR in order to provide a more comprehensive perspective of the CSR phenomenon. Based on a critical review of existing stages models of CSR development and the morally based stakeholder culture continuum by Jones et al. (2007), these authors propose a seven-stage developmental path that is articulated around three cultural phases (CSR reluctance, CSR grasp, and CSR embedment phases). The proposed consolidative model differs from other models mainly through the importance given to cultural implications of the evolution along the CSR path and, in particular, the integration of stakeholder relationships. This paper reinforces the viewpoint that changes required to progress toward CSR demand shifts in organizational culture (Doppelt 2003; Lyon 2004).

With a fresh perspective, ‘Maximizing business returns to corporate social responsibility: the role of CSR communication,’ by Shuili Du, C.B. Bhattacharya, and Sankar Sen, argues that stakeholders’ low awareness and unfavourable attributions of corporate CSR activities impede efforts to maximize business benefits from those activities. In this setting, stakeholders may perceive predominantly extrinsic motives in companies’ social initiatives in which the companies are seen as attempting to increase their profits, which creates backlash against CSR communication. On the basis of their conceptual framework of CSR communication, these authors assess what to communicate (i.e., message content), where to communicate (i.e., message channels), as well as company- and stakeholder-specific factors that impact the effectiveness of CSR communication.

Donna J. Wood attempts to fill the knowledge gap about political will for measuring and tracking corporate social performance in general. In ‘Measuring corporate social
performance: a review,’ she maintains that we lack a good understanding of how to develop
corporate social performance measures. Without significant methodological developments,
advances in corporate social performance measurement have stalled. The theory that does
exist tends to be weak and largely unverified; extant data are, according to Wood, too often
“perceptual, reputational, second-hand, self-reported, indirect, grossly incomplete, distorted,
or simply false.” Finally, where “methods are applied, they are unable to overcome the
deficiencies of theory and data.” This sorry state of affairs hinders theory development,
methodology applications, and strong results. Businesses may be able to do well even without
exercising social responsibility, because social responsibility requirements derive from
society’s guiding political philosophy. Despite these seemingly dire predictions, the article
remains optimistic, because identifying the significant outcomes and impacts of corporate
actions and then finding a meaningful categorization may not be that difficult. Furthermore, a
social indicators approach suggests the possibility of measuring consequences of corporate
actions for society as a whole. Again though, it remains up to society to demand such
information, generally through increased regulation.

Finally, in ‘The business case for corporate social responsibility: a review of concepts,
research and practice,’ Archie B. Carroll and Kareem M. Shabana investigate the business
case for CSR: In the end, why should the business community jump on the CSR bandwagon?
How do companies benefit tangibly from engaging in CSR policies, activities, and practices?
The authors provide some historical background and perspective, as well as a portrait of how
understanding of CSR has evolved and a summary of some long-established, traditional
arguments both for and against the idea. The business case for CSR may be categorized into
four arguments, they say: (1) reducing cost and risk, (2) strengthening legitimacy and
reputation, (3) building competitive advantage, and (4) creating win–win situations through
synergistic value creation. Therefore, from a narrow view, the business case justifies CSR
initiatives only when they produce direct and clear links to firm financial performance. In contrast, a broad view would note that CSR initiatives produce direct and indirect links to firm performance that enables the company to benefit from CSR opportunities. Effective CSR requires developing appropriate CSR strategies, and effective CSR activities are those directed at improving both stakeholder relations and social welfare. In turn, the right CSR strategy achieves convergence between economic and social goals, though to formulate a successful CSR strategy, companies must understand that its benefits will depend on both mediating variables and situational contingencies, which means that the impact of CSR will not always be to enhance firm financial performance. Finally, a contingency perspective could explicate the lack of a positive relationship between CSR and firm financial performance in certain circumstances, as well as defend the business case for CSR in environments in which the business case appears to have failed. Only when companies pursue CSR activities with support from stakeholders can there be a market for virtue and a true business case for CSR.

Further Research Avenues

As the selected articles reveal, issues surrounding CSR constitute a rich area of inquiry for both academics and practitioners. The research findings enclosed in this special, informative issue illustrate the myriad of ways in which organizations design and implement their CSR initiatives, as well as measure the performance outcomes of these initiatives, communicate about their engagement in CSR to stakeholders, and attempt to build a business case for CSR. As such, this special issue offers key insights into the conditions for successful CSR implementation, which clearly requires sensitivity to the norms and values of the host communities, as well as open conversations with representatives from multiple communities. This issue may help guide managers in determining the types of CSR initiatives to undertake, the resources on which they should attempt to draw, the way to communicate their CSR
involvement to various stakeholder groups, and manners to integrate stakeholders actively in
the process. Finally, we hope sincerely that this special issue leads to continued, ongoing, and
additional research on CSR fields that remain under researched.

One field for example, the emphasis to date on characterising and justifying CSR actions
has left unexplored the antecedents of CSR, such as the societal level values or leadership
behaviours that trigger or shape corporate responses in this domain (Basu and Palazzo, 2008;
Waldman et al. 2006). Empirical studies of CSR have largely ignored the place of the
corporate leader in implementing CSR initiatives. What, however, are the effects of leader
values, ethics, and style in regards to CSR? Some recent research has attempted to address
this question and a wide variety of leadership styles have been associated directly or
indirectly with CSR (e.g., Campbell, 2006; Waldman and Siegel, 2008). However, more
cross-level research is needed to clarify links between leadership behaviours, leadership
styles, and CSR (Waldman and Siegel, 2008).

Furthermore, Lee’s (2008) observation that the vast majority of CSR research focuses
almost exclusively on large publicly traded corporations is still relevant. Little is known
about what CSR means and how CSR is implemented in small and medium enterprises
(SMEs) and enterprises with different ownership structure. Some recent research highlights
that SMEs have nurtured ‘peculiar’ CSR orientations revolving around intimate and
personalized stakeholder relationships and moderate innovation, limited institutionalization
of CSR processes, and limited identification with the business case for CSR (cf. Jamali,
Zanhour, and Keshishian 2008). More research is needed in order to identify the peculiarities
of practising CSR in SMEs and to emphasize the business case for CSR among SMEs.

Finally, with the expansion of the global economy, CSR has also gone global. However,
research in CSR still remains largely local (Lee 2008). Further empirical investigation of
CSR practices should examine how CSR is conceived and practiced in diverse institutional contexts.

Acknowledgments

We take this opportunity to thank first all those who have contributed toward this special issue of International Journal of Management Reviews. The reviewing was a double-blind process; we greatly appreciate the work of the reviewers who have taken time to provide timely feedback to the authors, thereby helping the authors improve their manuscripts: Ralf Barkemeyer, Debra Basil, Guido Berens, Oana Branzei, Sally Gunz, Ans Kolk, John Peloza, Maria May Seitanidi, Tage Skjøtt-Larsen, Joëlle Vanhamme, and David Walters.

We also extend special thanks to the editors, Steve Armstrong and Adrian Wilkinson, for giving us the opportunity to guest edit this special issue of International Journal of Management Reviews. Last but not least, we warmly thank all of the authors who submitted their manuscripts for consideration in International Journal of Management Reviews. We appreciate and are grateful for the authors’ desire to share their knowledge and experience with the journal’s readers—and for having their views put forward for possible challenge by their peers. We are confident that the articles in this special issue contribute to a greater, more detailed understanding of CSR. As well, we hope the selected articles will generate the kind of dialogue that is necessary to further understanding in this important area.

—Adam Lindgreen and Valérie Swaen

Special Issue Guest Editors

Biographical sketches

Dr. Adam Lindgreen is Professor of Strategic Marketing at Hull University Business School. He received his Ph.D. from Cranfield University. Dr. Lindgreen has published in Business Horizons, Industrial Marketing Management, Journal of Advertising, Journal of Business

Dr. Valérie Swaen is Associate Professor of Marketing and Corporate Social Responsibility at the Louvain School of Management at the Université catholique de Louvain, and a part-time Assistant Professor with the IESEG School of Management. She is an active member of the Center of Excellence on Consumers, Markets and Society and the head of the Louvain CSR Network at the Louvain School of Management. She has published in Corporate Reputation Review, International Review of Retail, Distribution, and Consumer Research, Journal of Business Ethics, Recherche et Applications en Marketing, and Revue Française du Marketing. Her research interests include relationship marketing, consumer behaviour, CSR implementation and CSR communication.

References


