

## Material 2.2.2m

### DEFINITION OF CSR AND CONCEPTUAL FRAMEWORK

Over the past two decades interest by both corporate critics and managers has been steadily increasing. This is a result of three related developments (Habisch et al. 2005; Vogel 2005).

- First, political changes have led to a relative erosion of the power of national governments in industrialised countries. This is especially evident in their decreasing ability to control large MNCs but also in the persistence of social welfare problems.
- Second, civil society in industrialised countries has undergone important changes in recent decades. There is now a growing awareness of environmental problems and persisting social inequality, often induced by campaigning efforts of activist groups. This awareness is coupled with new opportunities for addressing political and social concerns parallel to traditional party politics.
- Third, in the economic sphere we see an increasing mobility of corporations and a growing importance of financial markets for economic success. Magnified by media pressure and advances in information technology, these three developments have raised expectations that business – given its growing economic role in society – should play a more prominent social role too. (Preuss et al, 2009)

#### Definition

#### **Corporate Social Responsibility is an amorphous, contested, and dynamic phenomenon**

- Its definition varies with time, region, country and culture as well with types of organizations.
- It overlaps with other concepts that describe the business–society relationship, such as *business ethics*, *corporate sustainability*, or *corporate citizenship*.



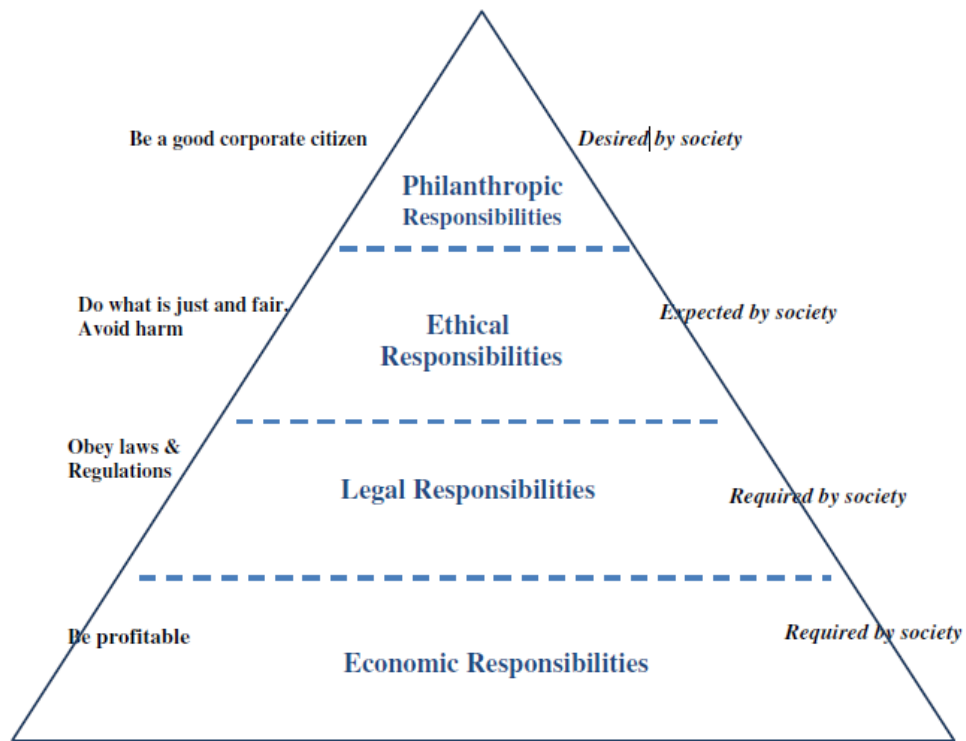
Corporate Social Responsibility (CSR) is an umbrella term to describe how business firms, small and large, integrate social, environmental and ethical responsibilities to which they are connected into their core business strategies, structures and procedures within and across divisions, functions as well as value chains in collaboration with relevant stakeholders (Wickert & Risi, 2019, p. 1).

### Definition from EU Green Paper

- CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (Green Paper, Commission of the European Communities, 2001, p. 6).
- CSR provides the foundations of an integrated approach that combines economic, environmental and social interests to their mutual benefit.
- It opens a way of managing change and of reconciling social development with improved competitiveness.
- Being socially responsible means not just fully meeting legal expectations, but also going beyond compliance by investing “more” into human capital, the environment and their relations with stakeholders.

## The pyramid of CSR (Carroll, 1979)

“Corporate social responsibility encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time” (Carroll, 2016, p. 2).



Related Concepts:

