 

# Corporate Social Responsibility a Business Strategy or a Social Endeavour: Review of Literature for Sustainability Approach

Ajith Medis*, Assoc. Prof. Dr. David Yong, Prof. Dr. Ali Khatibi, Dr. S.M. Ferdous Azam
Management & Science University
* E-mail of the corresponding author: medisajith@gmail.com
University Drive, Section 13, 40100 Shah Alam, Selangor, Malaysia

**Abstract**
Among many scholars globally, there are two schools of thought; one group believes that CSR should be mainly used as a social endeavour and the other thinks it should be linked to the corporate financial performance strategy. This paper aims to analyse the theories behind the social endeavor approach or the corporate strategy approach of CSR initiatives leads to sustainability of projects. The most important factor of all is the continuous support that a government and society at large expects from its corporate businesses in the building of its economy; ensuring projects are correctly selected, being sustainable and offering opportunities to improve corporate performance and society in general. Therefore, this paper focuses on identifying the theories behind appropriate approaches one should take when selecting a CSR initiative i.e. deciding between social endeavor or the strategic perspective in order to deliver sustainability of these initiatives.

**Keywords:** Social endeavor, strategic CSR, CSR, sustainability, biological environment, social environment, core competencies and satisfaction.

## Introduction

Within management jargon, Corporate Social Responsibility (CSR) is not a new concept, but is still a new area within certain countries markets. After the publication of Friedman's, (1970) thesis; that stated the only social responsibility of a company is to maximise profits, management scholars began to develop and write various theoretical concepts regarding the corporate social responsibilities of a company.

During the last few decades much has been written on corporate responsibilities, corporate social responsibilities, stakeholder analysis, business strategy and competitive advantage (R Edward Freeman, 1984; Kulik, 1999; I. Maignan, Ferrell, & Hult, 1999; Porter, 1990, Scherer, Palazzo, & Matten, 2014, Barnett, 2016). Corporate enterprises, governments and the general public have started to regard an importance of CSR as a meaningful concept. People have also started to believe that the company has an obligation to use its resources in ways that benefit society; through its committed participation as a member of society; taking account of society at large and improving welfare within society at large, independent of direct gains of the company (Kok, Van Der Wiele, McKenna, & Brown, 2001); these are all important factors today.

During the last few decades CSR has been regarded as a debatable subject by many scholars and practitioners; many are confused by the role it can play (A. B. Carroll, 1999). Many scholars continue to discuss the role and nature of social responsibility of a company within society; in other words, the real purpose of a company's very existence. Is it merely to generate a return (profits), or along with profit are there any other responsibilities that a company has towards its stakeholders. Until recently, scholars have believed that a company should not expect any financial and/or non-financial return from their CSR initiatives; however, most recent arguments revolve around the relationship between CSR and a company's performance (Orlitzky, Schmidt, & Rynes, 2003). Furthermore, the debate is about how they should be responsible to society at large, rather than the ways they make a contribution to society.

Against this backdrop it is importance to confirm whether there is a new meaning for corporate social responsibility; this involves examining the greater needs for a corporate responsiveness to all stakeholders against the larger demand from the shareholders for company higher performance.

### What is Corporate Social Responsibility and its paradigm shift?

It is a very common difficulty within social sciences to derive one single definition for a subject; CSR is no exceptional. Corporate Social Responsibility can be understood as the voluntary integration of social and environmental concerns into business operations and interaction with stakeholders (Enquist, Johnson, & Skålén, 2006). The World Business Council for Sustainability Development (2000) define CSR as; the continuing commitment by business to behave ethically and contribute to economic development, whilst improving the quality of life of the workforce and their families, as well as of the local community and society at large. Carroll A.B. (1979) and Andrews (1987) defined CSR as categories of economic, legal, ethical and discretionary activities of a business entity adopted towards the values and expectations of society. Values, ethics and corporate social responsibility are not mutually exclusive; rather they are inter-related and somewhat independent; globally business ethics and values have been around for a very long time.

With the development of new management thinking over the years, researches have given special attention to the link between CSR and a company's financial performance (Garone, 1999; Roman, Hayibor, & Agle, 1999). Peter Drucker (1954) examined the links between management and the prevailing political and social conditions, arguing that management is responsible "…to itself, to the enterprise, to our heritage, to our society, and to our way of life". According to Carroll's (1979), the CSR elements described above, mean that the economic component is business's fundamental responsibility to make profits and grow; the legal component is their duty to obey the law and to play according to the rules of the game; the ethical component is their obligation to respect the rights of others and to meet the obligations placed on them by society that ensures these rights and finally the discretionary component involves philanthropic activities that support the broader community.

Freeman (1984) highlights two of many important stakeholder strategies; a stockholder strategy, referred to as shareholder strategy and the social harmony strategy. According to Freeman, the shareholder strategy focusses on satisfying the desires of shareholders such as ROC, profitability; whilst the social harmony strategy talks about the balancing the needs of the various stakeholders.

**Theories of CSR**

Since there is a great heterogeneity of theories and approaches of CSR, it is important to note the analysis done by Secchi (2007) and it is compared with an analysis by Garriga and Mele (2004). Secchi has come up with a group of theories based on a criterion what role the theories confer to the corporation and society. The theories are as follows: 1) The utilitarian theory, 2) The managerial theory, and 3) The relational theory. On the other hand, Garriga and Mele's (2004) analysis maps CSR into four types of territories. They are: 1) Instrumental theories, 2) Political theories, 3) Integrative theories, and 4) Ethical theories. There is no doubt that some similarities do exist in both conceptualizations of CSR and the discussion are be based on emphases and approaches.

**CSR: Social Endeavour or Business Strategy**

With the many developments amongst global scholars, one school of thought believe CSR should be used mainly as a social endeavor and the other thinks that it should be linked to the corporate strategy for financial performance.

Both Carroll and Freeman focus on the economic/shareholder perspective and philanthropic/social harmony perspective of CSR.

Oliver's Typology (1991) suggest five strategies to confront CSR; the first two of them are "acquiesce" (acceptance of CSR values) and "compromise" (modifying CSR initiatives to suit its own needs).

Roberts' (2003) presents a theory of four manifestations of CSR; he presents the necessity and potential of dialogue across the corporate boundary with those most vulnerable to the effects of corporate conduct and the "responsible director" i.e. getting Organisation wide support to suit the organisational needs. More recent research have progressed towards theory development as well as empirical tests of the relationship between CSR and company performance (Aguilera, Rupp, Williams, & Ganapathi, 2007; Orlitzky et al., 2003). At the same time CEO's globally believe that addressing societal expectations is an importance consideration for competitive success (McKinsey and Company, 2006).

Corporate philanthropy started from the donation of cash/goods to individuals and charities following good days resulting from organisations believing it to be the right thing to do. Business practices based on ethical and moral principles were advocated by pre-Buddhist and pre-Christian thinkers in the early centuries of civilisation e.g. Cicero in the first century and Kautilya in the fourth century BC. According to Weeden (1998), over time, organisations started focusing on the donation of cash and goods to an identified direction or to a particular theme that has some relationship to the company's core business; this practice is called strategic philanthropy. Today globally, organisations are under tremendous pressure to increase their financial performances and investors are escalating their demands on corporations to maximise shareholder returns. Reich, (1998) explains that the compensation for top corporate officers is more tightly linked to share price than ever before.

Therefore, it is appropriate to re-look at the way CSR is viewed in the modern era by corporate organisation's. The issue here is not whether companies should be somehow responsible to society, but rather how they should be responsible. Modern day investors need to view their financial gains from their investments in CSR initiatives (Reich, 1998).

**The Evolution of CSR**

It is interesting to discover the reasons why a corporation is socially responsible whilst making a profit, as opposed to purely making a profit. Questions like, why do corporations need to be socially responsible and what if they are not responsible socially when running their businesses? Academics and practitioners have been searching for answers, using various arguments for years and years.

If we go back in history, although the word CSR was created in the recent past, the practice of the very basic principles can be found in ancient civilization which goes as far back as the inception of trade and commerce. In the era of Babylon (1760), King Hammurabi, created a code that protected the slaves by foreboding the separation of slaves from their families. Also during the King Louis XIV of France reign, an ordinance was created that introduced measurers to preserve the French forests (Esposito, 2009).

Some suggest that social responsibility refers to businesses' decisions and actions taken for reasons, at least partially, beyond the company's direct economic or technical interest. Since late 1950, academics and practitioners have argued that corporation's are socially responsible to society in different ways and one research after another has been completed to prove this point. Eells & Walton (1961) argued that CSR refers to the "problems that arise when corporate enterprise cast its shadow on the social scene and the ethical principles that ought to govern the relationship between the corporations and society."

The early roots of business organisations engaging in corporate social responsibility can be found in 1917, when Henry Ford said that the aim of the Ford Motor company is "To do as much as possible so everybody concerned can make and use money; give employment, and send out the car where the people can use it …. and incidentally to make money" (Lee, 2008). This was followed by his great-grandson, William Clay Ford Jr stressing that "the Ford company valued all stakeholders' interests, as well as the social welfare of its employees and shareholders, including making a better place for all of us" (Meredith, 1999, p.157). Although Ford's statement arises from a business perspective; an academic research perspective was put forward by Bowen's, (1953) article on Social Responsibility of business and is regarded as the first work to discuss the corporates role in society (Carroll, 1979; Wartick & Cochran, 1985).

A study was undertaken in 1966 by the Subcommittee on Business Structure and Performance under the chairmanship of David E. Lilienthal to identify the real role of a business corporation. At the initial stage the subcommittee devoted its main attention to defining the economic objectives, which a satisfactory business structure might be expected to serve and to recommend how the performance in meeting these objectives might be evaluated. However, after 1967 they shifted their interest to the social problems, which might be ameliorated by the efforts of business, especially large, professionally managed corporations. In this exercise the Committee for Economic Development (CED) in 1971 utilised a three concentric circles approach to explain CSR.

The inner circle properly explained the basic economic functions such as jobs, growth and products; the intermediate circle explained that the economic functions must be exercised with a sensitive awareness of changing social values and priorities; whilst the third one, the outer circle explained newly emerging and still amorphous responsibilities that business should assume to become more actively involved in developing the social environment.

During this period, some academics started talking about the social responsiveness instead of social responsibility (Iamandi, 2007). The simple argument put forward by them was the emphasis on responsibility, focused merely on the notion of business obligation and motivation and action or performance were overlooked. This movement kept on emphasising corporate action, pro-action, and implementations of a social role. This new approach to a certain extent led academics and practitioners to think in a new dimension.

Also during this same period a much debated argument was put forward by Friedman (1970); he said that "business" has responsibilities, but only people can have responsibilities. A corporation is an artificial person and they may have artificial responsibilities. Therefore, the only social responsibility of business is to increase its profits. This sparked like nothing before and thereafter many academics argued and proved in many different ways that Friedman was wrong and that a corporation has a responsibility towards the well-being of society. Carroll has contributed greatly to the establishment of a proper mechanism for corporate social responsibility within a company during the late 1970's and 1980's. When one school of thought argued social orientation, another started building corporate social responsibility into corporate strategy as a new dimension. However, the question still remained on how to reconcile the company's' economic orientation with its social orientation.

(KHakabadse, Rozuel, & Lee-Davies, 2005) summarised the evolution of CSR research since 1950 as shown in Fig. 1.

 

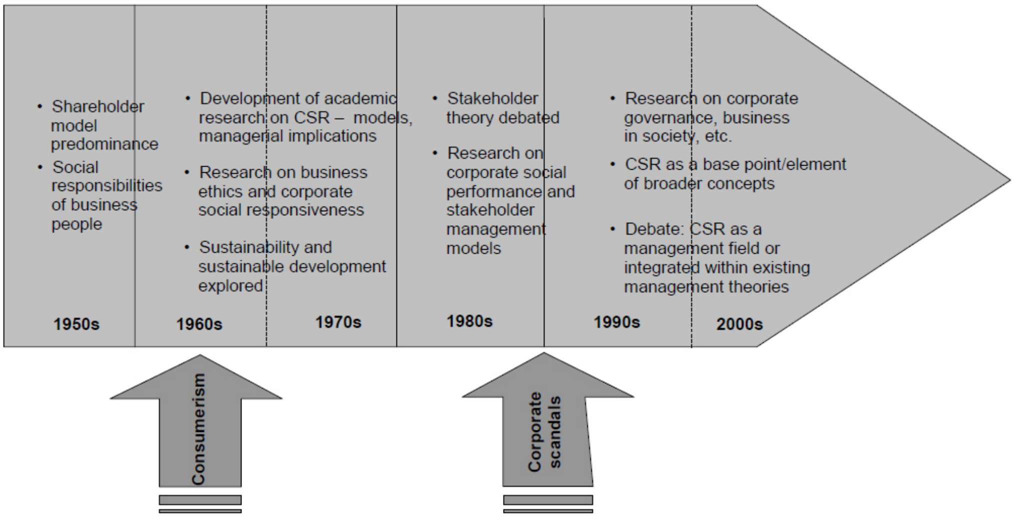


**Figure 1. The Evolution of CSR research**

Source: (Kakabadse et al., 2005)

**The Definition of CSR**

Although the ward CSR is a recent popular term, a pre association of business ethics and the social dimensions of business activity has been in existence for a very long time. Doing business with some moral principles was advocated by western and eastern thinkers such as Cicero in the first century BC and Kautilya in the fourth century BC respectively. Esposito (2009) shows that the first to introduce and define the term CSR was a Christian Pastor named Rev. Bowen in 1953. Bowen explains that the duty of a businessman is to create policies, take decisions and follow lines of action that are socially desirable and are in line with social values and objectives. He also emphasised that firms need to be cognisant of business ethics to achieve long term superior performance.

Throughout the past 60 plus years' different authors have used different concepts to describe and define CSR e.g. corporate social performance, corporate social responsiveness, corporate citizenship, corporate accountability, corporate sustainability, corporate governance and corporate social entrepreneurship.

According to Maignan & Ferrell, (2004), the different viewpoints of CSR can be categorised into four: CSR as a social obligation; CSR as a stakeholder obligation; ethics driven CSR and CSR as a managerial process.

Further, during the last few decades some CSR activities protected companies when negative publicity emerged (P C Godfrey, Merrill, & Hansen, 2009); some have supported not just the growth of sales but employment/investment too (Sankar Sen, Bhattacharya, & Korschun, 2006) and some with higher CSR ratings have attracted more human capital (Carmeli, 2005).

"The term [social responsibility] is a brilliant one; it means something, but not always the same thing, to everybody. To some it conveys the idea of legal responsibility or liability; to others, it means socially responsible behaviour in an ethical sense; to still others, the meaning transmitted is that of "responsible for," in a causal mode; many simply equate it with a charitable contribution; some take it to mean socially conscious; many of those who embrace it most fervently see it as a mere synonym for "legitimacy;" in the context of "belonging" or being proper or valid; a few see it as a sort of fiduciary duty, imposing higher standards of behaviour on businessmen than on citizens at large (Masaka, 2008).

(Kakabadse et al., 2005) summarises various definitions of CSR in both the academic perspective and the business and civil society perspective in table 2.2 and table 2.3

**Table 1. CSR Related Concepts and Definitions**

| CONCEPTS | AUTHORS |
|---|---|
| Integrative | (Davis, 1973), (Carroll, 1979), (Varadarajan & Menon, 1988), (Brown & Dacin, 1997), (Sankar Sen & Bhattacharya, 2001), (Luo & Bhattacharya, 2006) |
| Voluntary | (Jones, 1980), (Abagail McWilliams & Siegel, 2000), (M. L. Barnett, 2007), (Mackey, Mackey, & Barney, 2007) |
| Economic | (Friedman, 1970), (Backman, 1975) and (Campbell, 2007) |
| Public | Steiner and Richman (1971), (Smith, 2003), (Buchholz, 1977), (Sethi, 1979), (Zenisek, 1979) |

Source: Literature Review

**Table 2. CSR Definitions from Business and Civil Soceity Perspective**

| *Author* | *Definition* |
|---|---|
| Bowen (1953) | [CSR] refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society. |
| Frederick (1960) | Social responsibility in the final analysis implies a public posture toward society's economic and human resources and a willingness to see that those resources are used for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms. |
| Friedman (1962) | There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud. |
| Davis and Blomstrom (1966) | Social responsibility, therefore, refers to a person's obligation to consider the effects of his decisions and actions on the whole social system. |
| Sethi (1975) | Social responsibility implies bringing corporate behaviour up to a level where it is congruent with the prevailing social norms, values, and expectations of performance. |
| Carroll (1979) | The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organisations at a given point in time. |
| Jones (1980) | Corporate social responsibility is the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract. |
| Wood (1991) | The basic idea of corporate social responsibility is that business and society are interwoven rather than distinct entities. |
| Baker (2003) | CSR is about how companies manage the business processes to produce an overall positive impact on society. |

Source: Literature Review

 

**Table 3. CSR as a Social Obligation**

| *Organisation* | *Definition* |
|---|---|
| World Business Council for Sustainable Development (WBCSD) (2003) | Corporate Social Responsibility is business' commitment to contribute to sustainable economic development working with employees, their families, the local community, and society at large to improve their quality of life. |
| CSR Europe (2003) | Corporate Social Responsibility is the way in which a company manages and improves its social and environmental impact to generate value for both its shareholders and its stakeholders by innovating its strategy, organisation and operations. |
| Organisation for Economic Co-operation and Development (OECD) (2003) | Corporate Responsibility involves the 'fit' businesses develop with the societies in which they operate. […] The function of business in society is to yield adequate returns to owners of capital by identifying and developing promising investment opportunities and, in the process, to provide jobs and to produce goods and services that consumers want to buy. However, corporate responsibility goes beyond this core function. Businesses are expected to obey the various laws which are applicable to them and often have to respond to societal expectations that are not written down as formal law. |
| Amnesty International – Business Group (UK) (2002) | Companies [have] to recognise that their ability to continue to provide goods and services and to create financial wealth will depend on their acceptability to an international society which increasingly regards protection of human rights as a condition of the corporate licence to operate. |
| The Corporate Responsibility Coalition (CORE) (2003) | As an 'organ of society', companies have a responsibility to safeguard human rights within their direct sphere of operations as well as within their wider spheres of influence. |
| Novethic (2003) | Linked to the application by corporations of the sustainable development principle, the concept of CSR integrates three dimensions: an economic dimension (efficiency, profitability), a social dimension (social responsibility) and an environmental dimension (environmental responsibility). To respect these principles, corporations must pay more attention to all the stakeholders [...] which inform on the expectations of civil society and the business environment. |
| Unilever (2003) | We define social responsibility as the impact or interaction we have with society in three distinct areas: (i) voluntary contributions, (ii) impact of (business's direct) operations, and (iii) impact through the value chain. |
| Novo Nordisk (2003) | Social responsibility for Novo Nordisk is about caring for people. This applies to our employees and the people whose healthcare needs we serve. It also considers the impact of our business on the global society and the local community. As such, social responsibility is more than a virtue – it is a business imperative. |

According to Collins Dictionary "social" means relating to society or the way society is being organised. Merriam Webster suggests that an obligation is something that a person must do because it is morally right. The first definition on CSR given by (Bowen, 1953) was based on the belief of social obligation. Later on many scholars have followed in his footsteps and even prescribed methods in which organisations should fulfil this obligation (A. B. Carroll, 1979; Sankar Sen & Bhattacharya, 2001). Based on the above viewpoints, academics and practitioners believe that an organisation should engage in activities which are desirable and are in-line with social values and objectives. Much work has been done by Carroll, (1979) in this regard and most importantly the CSR pyramid that she introduced plays a bigger role in defining CSR, as shown in Fig.2.2. As illustrated previously, Economic responsibility is the fundamental to all, especially when it comes to the corporate world. Every organisation strives to achieve profitability in order to gain investor confidence. The simple argument is that if an organisation is not achieving profits, it may not be able to survive as an ongoing business entity. In such a case, taking care of other social issues or acting in a socially responsible manner may not be possible. But the fact remain that profitability should be achieved in an ethical manner.

Carroll, (1991) agrees with authors such as Friedman, that only a certain criteria like that of economic responsibility as a fundamental cause for a business entity. Based on the economic criteria, Carroll also states that a corporate should strive to achieve the other three responsibilities shown in the pyramid.

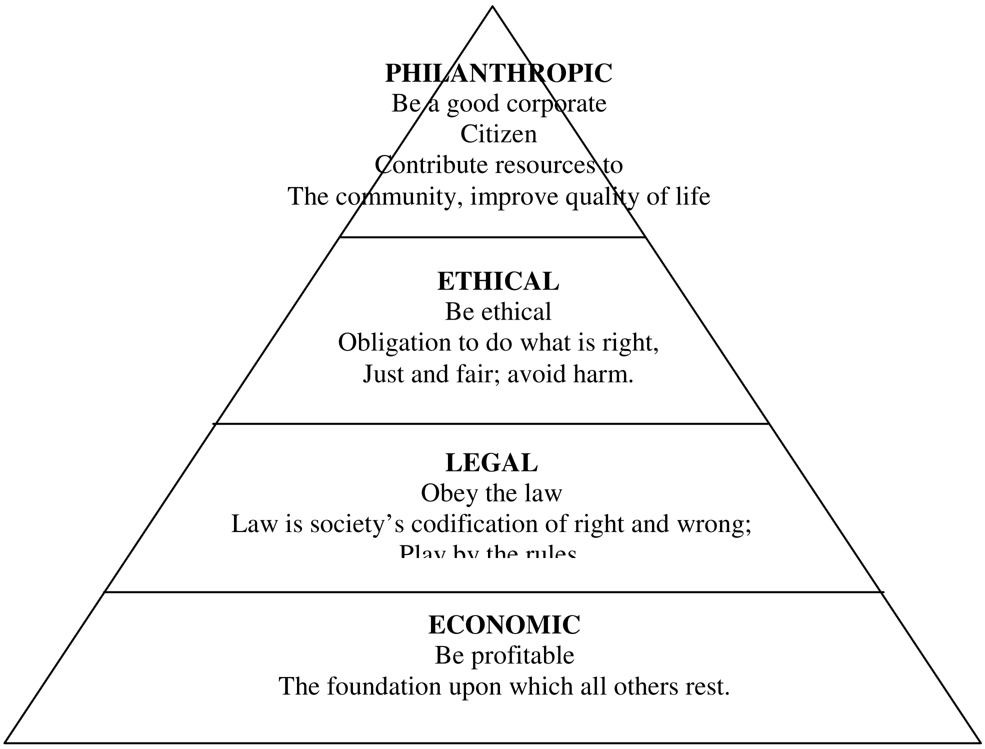


**Figure 2: Pyramid of Social Responsibility**

Source: Carroll (1979)

The next tier in the pyramid is legal responsibility. Businesses are expected to obey and adhere to the legal practices of a country or the market at large. Corporations should maximise the economic objectives within the framework of law. According to Carroll legal responsibilities reflect a view of "codified ethics" defined by law makers of a country.

Ethical responsibilities on the other hand, go beyond what is dictated by law of a country or codified into law. It incorporates the societal values and beliefs which require certain norms to be adhered to. These standards should comply ethically for norms, standards and expectations that are basic requirements of consumers, employees, shareholders, and the community and are regarded as fair, just and protecting the morale rights of stakeholders. This also interplays with the legal responsibility of a country. In other wards it morally demands all operations to be above the law as a best practice when running a business.

The final tier of the pyramid is philanthropic responsibility. This is the public expectation that a corporation is a good corporate citizen, which includes the active engagement in promoting human welfare or goodwill. Philanthropy is more discretionary or voluntary, whereas ethical demands one's adherence requirement. Although many organisations fulfil economic, legal and ethical responsibility, only a handful fulfil their philanthropic responsibilities. According to Visser, Matten, Pohl, & Tolhurst (2010) unlike economic, legal and ethical responsibilities, philanthropy falls into the social sphere and it is outside of a corporation's core operations.

 

Furthermore. Carroll expounds that it is essential that organisations adhere to the lower elements of the pyramid, whilst the higher order elements are not critical for the organisation to function, but are very important for continuous growth. Despite this model being one of the most widely cited models on CSR, several scholars and authors have challenged its accuracy and reliability (Geva, 2008; Visser, 2006). Although some consider this as a universal model, research conducted outside the USA reveal a different view point on CSR.

For example in Visser's (2006) article "Revisiting Carroll's CSR Pyramid, an African perspective" it is clearly shown that the elements in the model has no relevance to Africa. Some authors criticise Carroll for defining the elements in the pyramid too narrowly (Geva, 2008; Visser, 2006); thereby not explaining how each element interacts and integrates with the others. Harrison, (1997) cites a model by (Peach, 1987) that compares the effect that an organisation has on the community it operates within ,to a stone being dropped into a pond where the initial impact is low. Figure 3 shows the basic level responses, which respectable companies deliver in order to protect their reputation and maintain goodwill. Organisations, that have reached the second level, intend to minimise the negative impact its operations have on society and the environment. At the highest level, at which only a few organisations operate, the responsibility for a healthy society or to remove/alleviate ills in society is embraced.

| |
|---|
| **Level 3**<br>Responsibility for a healthy society, Remove/alleviate social ills |
| **Level 2**<br>Minimize negative effects, Acts according to law |
| **Level 1**<br>Pay taxes, observe the law, Fair deals |

**Figure 3: Impact of business on the surrounding environment**

Source: Cited in Harrison (1997)

Over the years, based on many studies completed by various academics and practitioners, there are two main viewpoints that have evolved regarding the role of CSR in society. These are based on taking the shareholder and-stakeholder perspective into consideration when debating this issue.

(Friedman, 1998) plays a major role from the shareholders perspective, which the primary concern of managers is to maximise shareholder wealth. This is considered as the Classical view, which suggests that the organisation’s only social obligation is to generate profits, whilst adhering to basic laws. However in contrast, the stakeholder perspective is based on the principles of the stakeholder theory proposed by Freeman (1999).

Freeman, (1999) argues that constituents other than shareholders are affected by the operations of the organisations. Therefore, management should take these groups into consideration when making decisions. According to the Stakeholder view, the organisation must look into the well-being of these stakeholders.

Freeman, Wicks, & Parmar, (2004) demonstrate the focus of the stakeholder theory by the use of two questions. First, it asks what the purpose of the company is? This mainly focuses on the shared sense of the value they create and what brings to keep its core stakeholders together. By doing this, he believes that the company will perform exceptionally.

 

The second question in the stakeholder theory asks; what responsibility does the management have to stakeholders? According to Freeman, this pushes the managers to articulate how they should do business. Friedman (1970) in his shareholder theory asks, what is meant by saying that a business has responsibilities? As only people have responsibilities, it. further elaborates, saying a corporation is an artificial person and in this sense may have artificial responsibilities; however, business as a whole cannot be said to have responsibilities, even in this vague sense (Friedman, 1970). On the other hand, Freeman says, managers must develop relationships, inspire their stakeholders, and create communities where everyone strives to give their best to deliver the value the company promises. Certainly shareholders are an important constituent and profits are a critical feature of this activity, but concern for profits is the result rather than the driver in the process of value creation (R Edward Freeman et al., 2004). The following Fig. 4, expands both these views.

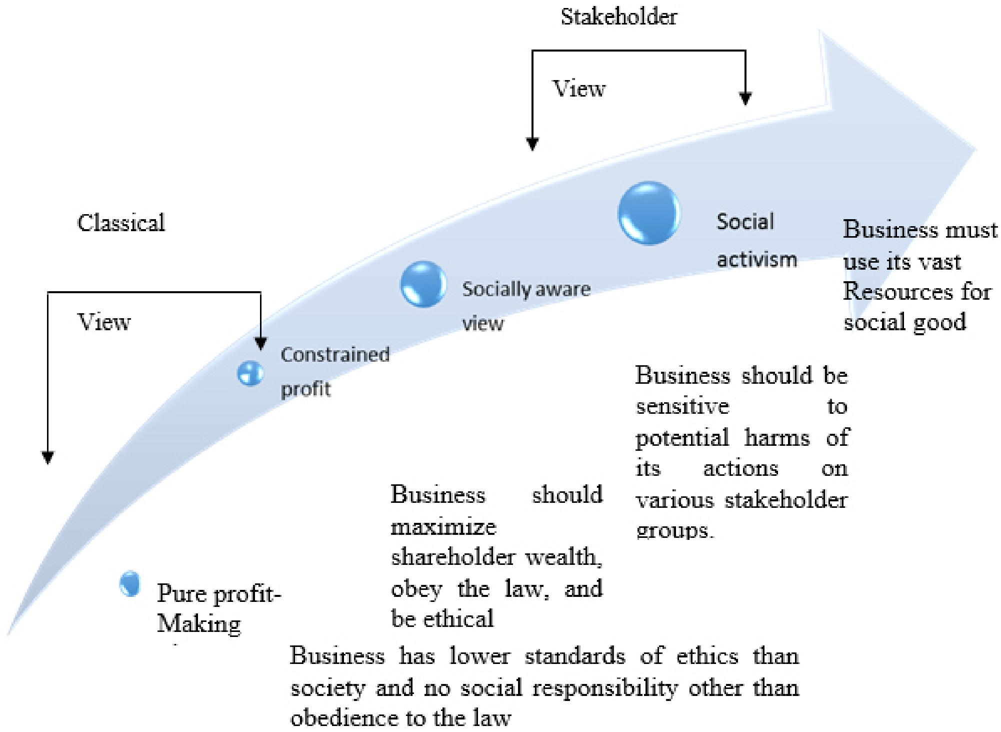


**Figure 4. Two View Points**

Source: Adopted from (Branco & Rodrigues, 2007)

**CSR as a stakeholder obligation**

According to Maignan & Ferrell, (2004) there are two main approaches to organisational CSR initiatives with regard to stakeholder relations: The first is the instrumental approach and the second is the moral perspective approach. Some scholars argue that it is impractical for organisations to serve society at large (Clarkson, 1995). Instead, scholars who are of this viewpoint suggest that companies should focus their CSR activities only on parties that are directly or indirectly affected or affect the practices of the organisation (Wood & Jones, 1995). Such groups/parties are called Stakeholders.

(Clarkson, 1995) further categorises stakeholders into 2 groups as shown below.

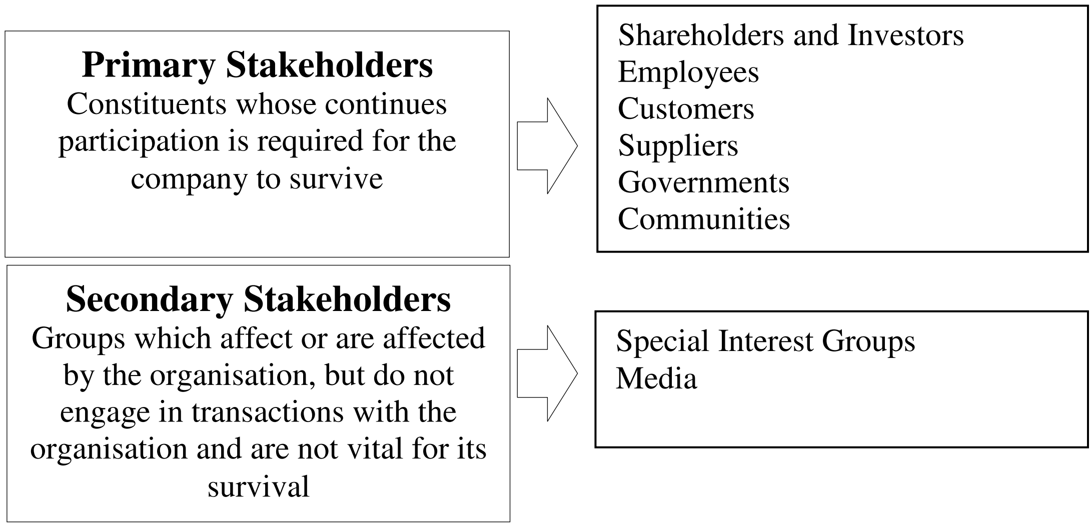


**Figure 5: Typology of Stakeholders**

Source: Adapted from (Clarkson, 1995)

This widely cited and famous stakeholder perspective, is also coming under much criticism. (Branco & Rodrigues, 2007) states that the stakeholder perspective fails to take into account environmental and future generational issues. These stakeholders have an overbearing effect on an organisation's CSR decisions. For example, the organisation's CSR initiative to clean a forest, protect flora, and fauna may not directly be considered as providing a benefit to any stakeholder group. Instead, it will be a measure to protect the ecological environment and ensure that resources are sustained for future generations.

**CSR as Social Responsiveness**

During the 1970's and early 80's, the term social responsiveness was being popularised and some considered it as a replacement for social responsibility. Some believe that social responsiveness is a more positive and accurate term than social responsibility as many corporations have already recognised their responsibility (i.e., obligation) to society and now are reacting to these demands in diverse ways (Arlow & Cannon, 1982). According to Wartick & Cochran, (1985), a social responsiveness approach defines CSR in terms of a concrete organisational process and it is considered as Corporate Social Responsiveness.

According to Ackerman, (1975) there are three steps in Corporate Responsiveness:

- Scrutinizing and appraising environmental conditions;
- Attending to the demands of the stakeholders;
- Devise plans and policies in order to enhance and maximise the positive impact that the company has on different parties through its activities.

**CSR as a Strategy**

Carroll's model (1991) as explained previously does not consider CSR in a strategic perspective; whereas Lantos classifications of CSR takes a different perspective (Lantos, 2001). The following explains the three types of CSR, which are mutually exclusive; as discussed previously, ethical CSR corresponds with Carroll's economic, legal and ethical responsibility. Altruistic CSR corresponds with Carroll's philanthropic responsibility. Today most organisations focus on strategic CSR, as it provides a win-win situation to both the organisation and society.

**ETHICAL CSR**

- Fulfilling the economic, legal and ethical responsibilities
- These are mandatory in nature and every organisation is expected to be responsible in these three areas.

**ALTRUISTIC CSR**

- Fulfilling philanthropic responsibilities not stipulated by law
- It goes beyond being ethical (preventing harm) to alleviating societal and environmental issues.
- Companies engage in it regardless of whether or not it is beneficial them the organization.

**STRATEGIC CSR**

- Philanthropic actions which are both beneficial to society and the organisation
- It helps the organisation to achieve strategic objectives and boost financial returns.
- It helps to fulfil and balance the responsibility to shareholders and stakeholders.

**Figure 6: Type of CSR**

Source: Adapted from (Lantos, 2001)

(Baron, 1995) explains that with the discussion of stakeholder relation management in CSR, more and more scholars have started valuing CSR issues from an integrated strategy aspect. To further explain this, (Isabelle Maignan & Ferrell, 2004) show that organisations respond in a socially responsible way when they align their behaviours with the norms and demands embraced by main stakeholders. Furthermore, they develop a framework to analyse the antecedents and outcomes of organisational CSR behaviour from a major stakeholder perspective.

Aguilera, Rupp, Williams, & Ganapathi, (2007) also explain the social change process, stakeholder-company relations, the role of stakeholders and how stakeholders influence organisational strategy through the mechanisms. As far as strategic CSR is concerned, McWilliams & Siegel, (2011) point out that CSR, which is embedded in an integrated strategy, may be labeled “strategic CSR”. They further elaborate that it will lead to a sustainable competitive advantage.

(Lawton, 2011) emphasises the need to pay more attention to the ethical aspects of their subject, as failure to do so will weaken the community conceptually and thereby undermine its credibility and legitimacy”. When analysing the definition of CSR, it is clear that there are many different perspectives on CSR and each perspective focuses on a different aspect. According to Marrewijk, (2003), although there is an abundance of definitions the problem is that most are biased towards specific interests and therefore prevent the development and implementation of the concept. This thesis will focus mainly on CSR as a social and stakeholder obligation. For the purpose of this thesis CSR will be defined according to the conceptualisation of McWilliams & Siegel, (2001).

CSR is an action in which a company goes beyond legal requirements and the interests of the company by creating compliance standards which require engagement in actions that appear to further social good (McWilliams & Siegel, 2001).

**Reasons for Organizstions to Engage in CSR**

It is important to find out why companies engage in CSR initiatives. The work completed by Haigh & Jones, (2006) identifies many factors that influence organisations to engage in CSR. Those factors are internal pressures on business managers from various parties; pressures from business competitors,; investors; expectations of customers; regulatory pressures coming from governments and non-governmental organisations. What organisations believe is required to overcome these various pressures from different groups, determines how they engage in CSR activities.

Chen (2011) discovered that there are two main reasons why organisations engage in CSR; one is to comply with legal standards, the other is to respond to external constraints. The important point that Chen (2011) mentions is business leaders do not truly understand CSR, and its advantages, instead they are forced by exogenous factors.

**The Argument against CSR**

Today corporations use CSR as a tool to increase their image and character; Whilst the world argues about the validity of using CSR for these purposes.

Beckmann (2007) believes that although customers of organisations liked CSR; simultaneously they tend to be skeptical and cynical in their views. Other than the obvious heavy expenditure reason of CSR, which may not be sometimes beneficial in the short term; (Friedman, 1970) argues that the very existence of CSR policies in the organisation may create many issues. Friedman points out that the funds spent on CSR should be reinvested in various other projects or ideally, be distributed among the shareholders. Karnani (2012) also shares the same view with Friedman and argues that trying to be good to society may reduce profits and it is a violation of the duty of a manger; also stating that it is the duty of the government, civil society watchdogs and non-profit organisations to protect society.

Vogel, (2008) states that customers purchase products based on price, quality and convenience; and do not merely consider the amount of money a company may spend on building corporate virtue. (Auger, Devinney, Louviere, & Burke, 2010) also supports this argument through their research. They found that only the most important social features of products would make a difference in the customer's mind and especially when functional features are satisfied. Vogel, (2008) gives practical examples to prove his point that CSR doesn't always bring returns and states that it does not always reflect positively on share prices. This literature review revealed that there are different arguments as to whether CSR will be beneficial to an organisation in the long term. The question is not whether companies should behave in a responsible and ethical manner; instead it should focus on whether companies should go that extra mile, whilst spending millions to build their reputation for being responsible.

 

**Sustainability**

Corporations in the past regarded CSR as making a donation, e.g. distributing food, water etc. Sometimes it was treated as a function of one department.

Today organisations globally consider social responsibility as a sustainability measure that ensures the company's future remains as bright as the present. There has been a growing awareness regarding environmental regulations and "green management in the recent past (McGee, 1998; Starkey & Crane, 2003). Menon & Menon (1997) introduced a strategic framework to measure the importance of the congruence of environmental concerns, social performance goals and marketing strategy. Most importantly (RUSSO & FOUTS, 1997) also provided statistical evidence from 243 companies to prove that environmental performance is positively correlated with corporate financial performance.

When it comes to sustainability, the argument is not about exploring the current resources excessively, but rather to reserve these for future generations; this also ensures the future earning potential of the company is uncompromised.

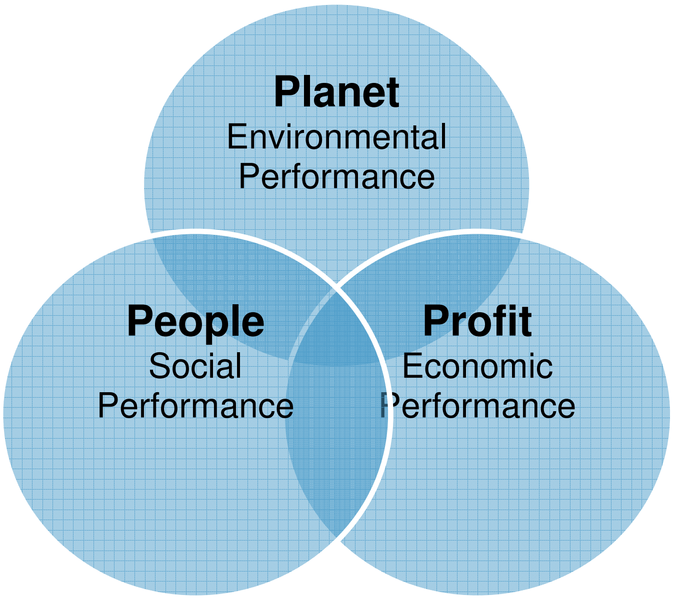


**Figure 7. Triple Bottom Line**

Source: Adapted from (Elkington, 1998)

Today corporations are required not only to be concerned about their profits, but also to pay attention to people and the planet. A measurement tool has been introduced to gauge the level of sustainability, this is called the triple bottom line. The triple bottom line encourages companies to go beyond merely maximising the traditional financial bottom line, but to also identify the impact that has made upon people and the planet.

**CSR and Strategy**

Priem & Butler, (2001) explain that the resource-based view (RBV) can be a meaningful way of looking at CSR as a strategy and they indicate that it will help researchers to transfer actionable prescriptions to practitioners.

Currently there are an insufficient number of studies being conducted into CSR in relation to the resource-based view (McWilliams, Siegel, & Wright, 2006; Abagail McWilliams & Siegel, 2001; RUSSO & FOUTS, 1997).

RBV will help CSR to be viewed as a strategy to judge intangible assets such as good corporate image (Gardberg & Fombrun, 2006), corporate reputation (Hall, 1992), and customer satisfaction (Luo & Bhattacharya, 2006). Cheng, Ioannou, & Serafeim, (2014) found that superior performance of a company in relation to CSR leads to better access to financial resources.

It is generally accepted that strategic CSR helps both the organisation and society to have a win- win situation. The objectives of organisations to engage in strategic philanthropic actions are to improve financial and market performance, whilst directly or indirectly benefiting society and stakeholders at large. Burke & Logsdon (1996) say that the initial cost incurred on strategic CSR should not be considered as a mere expense, instead it should be considered as a strategic investment for long-term growth. They developed a model based on the principle that when CSR is linked to the core strategy of the organisation, it will create value for the organisation.

The model illustrates five strategic dimensions and demonstrates that those will measure the value created by CSR initiatives.

The first dimension is centrality i.e. aligning CSR to the overall strategy and future of the organisation. Kanter, (1999) finds that when organisations align CSR to the central strategy it develops new competencies and resources, whilst providing a solution to the social problem. He also mentions that these can then be transferred to achieve the core business mission of a company. Husted & Allen, (2009) also argue on the same line and show that initiating CSR within the company's expertise will lead to more control and allow ease of monitoring compared to initiatives which have little or no relationship to the company's core competencies.

The second dimension is specificity i.e. the deriving benefits of CSR initiatives must be enjoyed by the company or it is the ability to tie the social objectives of the financial benefits. McWilliams & Siegel (2001) supports this by explaining that tying CSR attributes to an organisation's products will generate differentiation in the market place.

In general, product differentiation leads the organisations to charge a premium price, thereby creating more value for the company.

The third dimension is pro-activeness i.e. creating new opportunities by early implementation of CSR initiatives. Groza, Pronschinske, & Walker, (2011) show that proactive CSR would render more positive responses from customers. Pro-activity is being more accretive in response to the social trends in the environment. Meznar & Nigh, (1995) and Schmidheiny, (2006) state that pro-activeness creates innovation, as they tend to have better market intelligence.

The fourth dimension is the voluntarism i.e. the selection of CSR initiatives will be completed using the organisation's own judgments without any external interferences. Carroll too explains this in his CSR pyramid concept.

The fifth dimension is visibility i.e. the ability to make CSR initiatives positively visible to external and internal stakeholders. Work done by (P. W. Roberts & Dowling, 2002) shows that a strong corporate reputation always helps to create value which is difficult to imitate by competitors and it leads to competitive advantage. Visibility generates financial benefits by providing the ability to differentiate the product based on its responsiveness to social demands, which eventually leads to being able to charge a premium price in the market place.

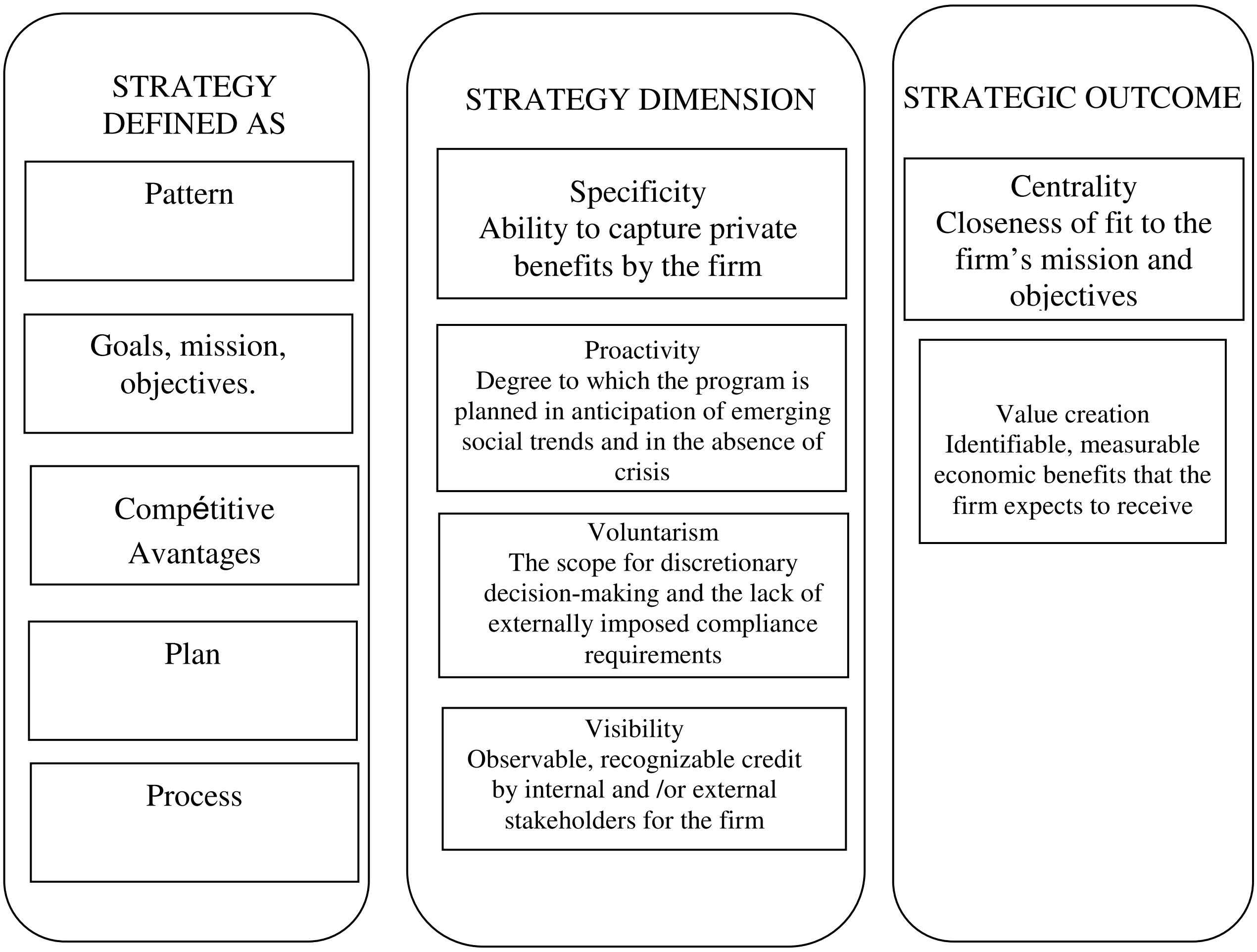


**Figure 8. Link between strategy and CSR**

Source: Adapted from (Elkington, 1998)

Tang, Hull, & Rothenberg, (2012) propose that an organisation bottom line is shaped by the way a company engages in CSR activities. This is shown in the recent research work completed for CSR and Corporate Financial Performance (CFP). They argue that when a company engages consistently with CSR and stressed the CSR dimensions, it increases the CFP. Sahut et al (2014) found in various studies that the relationship between sustainability and performance creates a positive link.

**Corporate Philanthropy**

Corporate philanthropy is a widely discussed topic by both academics and practitioners. They also talk widely on the strategic relevance of corporate philanthropy. The pyramid of social responsibility introduced by Carroll, (1991) and Burke & Logsdon, (1996) model on the strategic dimension for value creation have proposed philanthropy as a key element in CSR. Carroll, (1991) explains that corporate philanthropy is a voluntary action by organisation's to uplift society and it is not bound by the given laws or ethics. Managers in organisations always face a dilemma on the ways to engage in charitable work, as they should always justify their expenditure against the bottom line. Porter & Kramer, (2002) bring a solution to this by suggesting organisations combine social and economic benefits; which is called strategic philanthropy. "Philanthropy can be the most cost effective way for a company to improve its competitive image, enabling companies to leverage the efforts and infrastructure of non-profit and other institutions" (Porter & Kramer, 2002). Furthermore, authors suggest four ways in which corporate donations can be used to gain competitive advantage whilst providing a greater benefit to society.

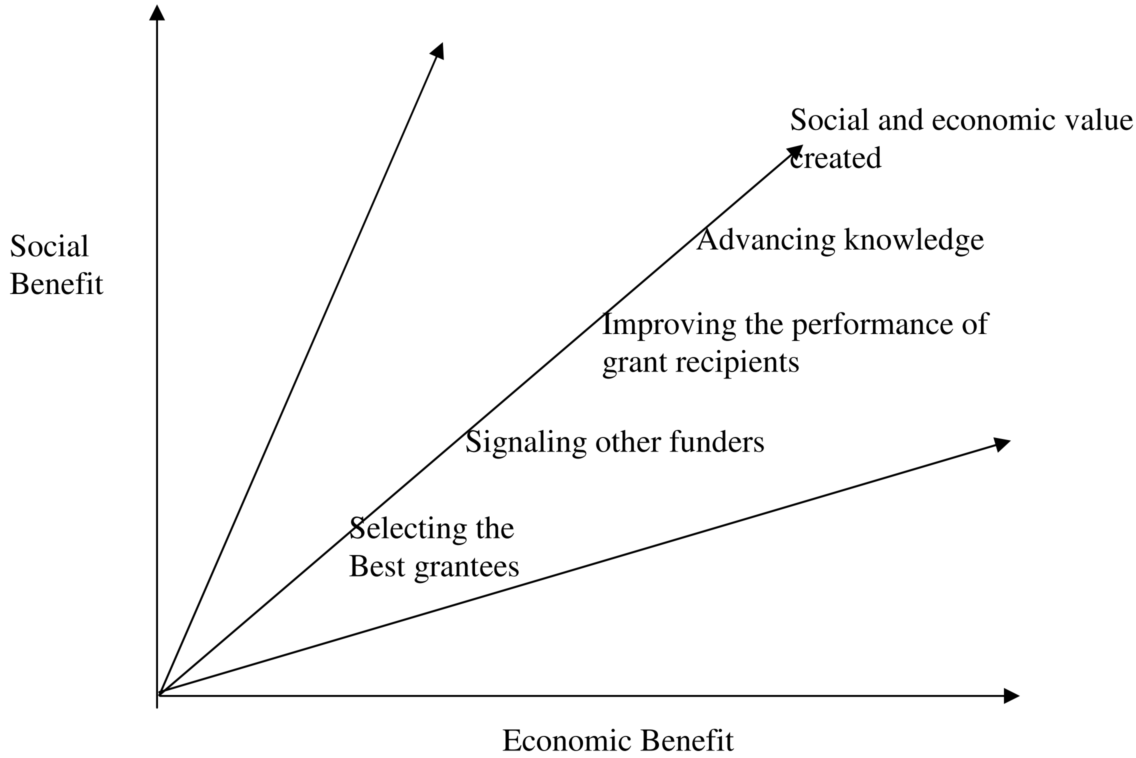


**Figure 9: Maximizing Philanthropy's value**

Source: (Porter & Kramer, 2002)

Porter and Kramer highlight the importance of building strong relationships with non-profit organisations to carry out philanthropic work. It is vitally important to select the correct grantee who is able to effectively execute the actions, as well as being in-line with the strategies of the organisation. In order to provide greater financial assistance and expertise, it is also suggested that cross-joint operations with other organistions, with similar aims regarding the selected CSR initiative are developed. The additional funding, expertise and knowledge will improve the performance of the recipients, enabling them to accumulate advanced knowledge. This expertise, knowledge and financial assistance generated by a few large corporations will eventually assist the development of new solutions to social issues. In this process, with the help of non-profit organisations, the donor organisations will also gain knowledge and raise the probability of developing new innovative and profitable products. In this process it is clear that not only society gains benefit from strategic philanthropy, but the organisation is also able to develop and create a market for their new product.

Some interesting work by Green & Peloza, (2011) has been undertaken into the creation of value for customers through CSR. They found that CSR initiatives could provide emotional, social and/or functional value to customers. They talk about the different CSR actions undertaken by companies and the value customer's attach to these actions; which then lead to the generation of positive behaviour in the customer, such as product loyalty, willingness to buy and product referral. Green & Peloza, (2011) found that customers gain emotional value when purchasing with a social or environmental attribute. It is important to see how social value can be derived;

according to Green & Peloza, (2011) social value is derived from purchases of brands which aggressively engage in CSR initiatives, thereby making peers make positive judgments about one's purchase. Functional value is also important to customers and the findings reveal that customers do not necessarily look for functional values, however, without functional values it is difficult to sell products. Functional value can be referred to, as aspects of CSR that relate to the actual benefit the consumer receives from the product or service. Their research emphasised the importance of practicing functional CSR by corporation.

The study also discovered that during a period of economic uncertainty consumers tends to consider that completed CSR initiatives by corporations that provide functional value are a more important criterion when selecting products, as compared to emotional and social value. According to Kotler, Keller, Brady, Goodman, & Hansen, (2009) the customer perceives value in the product or service with a certain level of benefit analysis rather than pure cost. In other words, the customer perceives that there is real value only if the benefits of the product exceed the cost they incurred. Therefore, they emphasise that merely analysing the value/benefit is not sufficient.

Figure 9 depicts the different costs and benefits associated with product decision.

In Kotler's model what appears to be the most important criteria is CSR as it provides more of an image benefit, i.e. when a customer makes a purchase, they feel better for purchasing an ethically manufactured, whilst he/she believes it conveys a positive image about oneself to others. Kotler emphasised that in order to create value for a customer the cost should be relatively low (reasonably priced) and easily accessible. Simultaneously, Kotler states that the company can charge a slightly higher price than its competitors, due mainly to the positive image it creates by engaging in CSR initiatives. This drives organisations to think why customers are willing to pay a premium price or go to an exclusive shopping outlet to purchase such ethical products. However, one should not forget that functional benefits along with the personal benefit offered to the customer outweigh image benefit. This suggests that although one needs to have an ethical or green product, this does not guarantee success, unless it delivers value to the customer by providing benefits such as durability and efficiency.

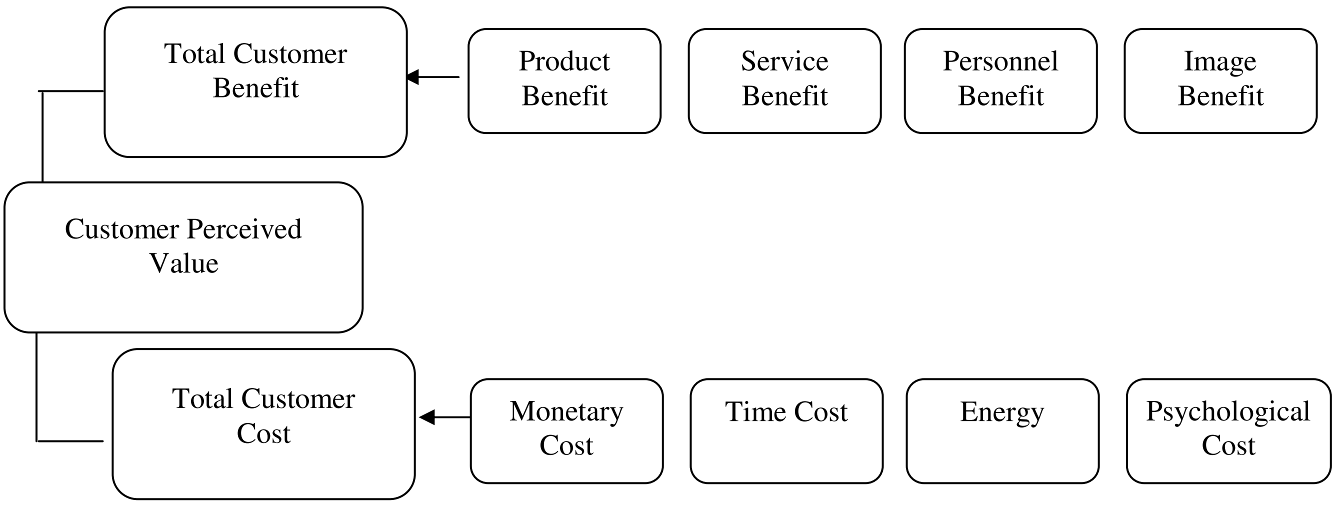


**Figure 10: Determinant of customer perceived value**

Source: Kotler et al (2009)

**Pro-activeness in CSR**

Proactive CSR involves business strategies and practices adopted voluntarily by organisations that always go beyond the mandatory or regulatory requirements within a business environment and thereby contributes extensively and positively to society. The Burke & Logsdon (1996) model identifies pro-activeness as a strategic dimension and recommends that it creates value for the organisation. Husted & Allen (2009) further elaborate and give a few characteristics of a proactive organisation such as; they are constant scanning the social environment to identify trends and new developments, ensuring the organisation is compliant with any new social expectations; they are pioneers in the area of adopting organisation practices and policies in accordance with changing social expectations; they track the development process of new government regulations with the intention that the organisation has in place corporate compliance mechanisms, even before the legislation is enacted.

Organisations can be adjudged as operating along a line of CSR ranging from reactive to proactive in nature. The assumption here is that every company has a social responsibility; assessing to what degree and type of CSR strategies an organisation uses in order to meet these responsibility. Carroll (1979) and (Groza et al., 2011) explain that companies engaging in reactive CSR are characterised by deploying only the minimum, standard level required for CSR initiatives; this does not imply however that these companies are acting irresponsibly, it is simply that they do not see CSR as a tool to achieve a competitive advantage.

Conversely, companies engaging in proactive CSR are characterised as willingly adopting strategies that go beyond regulatory requirements in order to manage social responsibility issues as a competitive priority" (A. B. Carroll, 1979; Du, Bhattacharya, & Sen, 2007; Groza et al., 2011). Schmidheiny (2006) suggest that proactive organisations gain business intelligence, as they are much more proactive and vigilant to social trends in the environment and it can sometimes lead to innovations.

**CSR and Resource Mobilisation**

A resource is a stock or supply of money, materials, staff, and other assets that can be drawn on by a person or organisation in order to function effectively. According to the Business Dictionary it also can be defined as "an economic or productive factor required to accomplish an activity or as a means to undertake an enterprise and achieve the desired outcome. Three of the most basic resources are land, labor, and capital".

A major facet of strategy is concerned with matching internal resources with a changing external environment in a way that enhances organisational performance over-time (Andrews, 1987; Learned, Edmund Philip, Carl Roland Christensen, Kenneth R. Andrews, 1966). Further studies completed by researcher's concerned resources that have various attributes attached to them, such as; activities (Porter, 1985), assets (Dierickx & Cool, 1989), core competencies (Prahalad & Hamel, 1990), and dynamic capabilities (Teece, Pisano, & Shuen, 1997).

Branco & Rodrigues, (2006) suggest that CSR activities may have internal benefits by supporting a company's development of totally new resources and capabilities, it can also lead to important consequences relating to the creation or depletion of intangible resources. Specificity refers to the degree to which resources are leveraged to capture or internal is at least some benefits from engaging in CSR that are specific to the company, rather than simply creating collective goods which can be shared by others in the industry, community or society at large (Porter, 1985; RUMELT, 1980).

Sen, Du, & Bhattacharya (2009) discovered that the active involvement of employees as an internal resource leads to improved CSR initiatives.

### CSR and Stakeholders

It is obvious that for any CSR initiative to be successful it should deliver benefits to its stakeholders.

Freeman, (1984) mentioned the concept of "stakeholders" as the Principle of Who or What Really Counts; that is, who (or what) are the stakeholders of the company? and to whom (or what) do managers pay attention? Some define stakeholders as primary and secondary and give many connotations to primary and secondary, such as, who owns capital as primary and owners of intangibles as secondary (Mitchell, Agle, & Wood, 1997). Freeman, (1994) defines stakeholder as “any group or individual who can affect or is affected by the achievement of the organisation's objectives". (C. B. Bhattacharya, Sen, & Korschun, 2008) produced a stakeholder centric model to aid understanding CSR, as shown in Fig. 11.

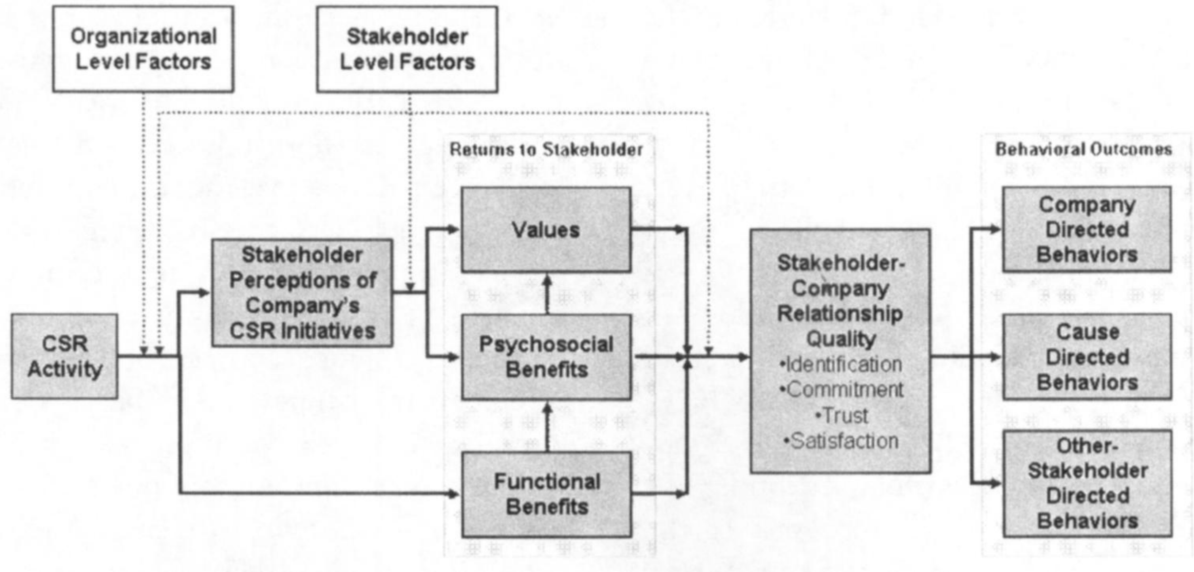


**Figure. 11: Stakeholder Centric Model for CSR**

Source: Adapted from Literature

The model basically elaborates three main insights; first, it shows the stakeholders response to CSR initiatives, second the nature of the stakeholder-company relationship and third the importance of distinguishing between CSR spending and the perception of stakeholders towards the company’s spending on CSR.

Overall the model explains how various stakeholders of an organisation will perceive CSR initiatives. Shareholders of an organisation as stakeholder’s play a pivotal role in deciding the CSR initiatives of a company; “A shareholder is any person, company or other institution that owns shares of a company, often called-stock. Shareholders are a company’s owners” (Investopedia, 2015).

They enjoy profits when a company makes a profit and can also suffer losses if the company fails to make a profit. Shareholders of a company play a major role in CSR initiatives in today’s business environment; there are a number of serious questions one needs to raise in the eyes of a shareholder, such as; "does a company have additional moral or social responsibilities to commit resources to environmental protection? How should we think about the notion of a company sacrificing profits as a result of the social interest? May they do so within the scope of their fiduciary responsibilities to their shareholders? Can they do so on a sustainable basis, or will the forces of a competitive marketplace render such efforts and their impacts transient at best? Do company's in fact, frequently or at least sometimes behave this way, reducing their earnings by voluntarily engaging in environmental stewardship? And finally, should firms carry out such profit-sacrificing activities (i.e., is this an efficient use of social resources)?" (Reinhardt, Stavins, & Vietor, 2008).

Bhattacharya et al., (2008) show the areas of returns that stakeholders will benefit from by engaging in oral health CSR initiatives i.e. the benefits that CSR initiatives give for various stakeholders of a company.

Table 4 explains the various benefits of oral health CSR initiatives.

**Table 4: Returns to stakeholders**

| Returns | Beneficiaries | Consumers | Investors | Employees |
|---|---|---|---|---|
| Functional benefits | Healthy teeth | | Stock returns, lower risk | Use professional skills to aid personal causes |
| Psychological benefits | Social acceptance | Altruism | Financial success | Work-like integration |
| Values | Self-esteem | Well-being | Accomplishment | Harmony |

Source: Literature Survey

**CSR and Market Performance**

It is of paramount important that all organisations perform well in their given market in order to gain investor confidence and achieve growth for the organisations.

Clarkson, (1995) says that customers are the key stakeholders of the company and are critical for organisational development, hence CSR initiatives should focus on customers. Many academics have focused CSR initiatives on market performance by taking the customer as the centrality of the process. In this context, CREYER & ROSS, (1997) states that even during the 1990s consumers were interested in a company's methods of conducting ethical business in respect of their CSR initiatives. McKinsey's survey in which 89% of the consumers expressed the view that an organisations must balance their obligations to shareholders with that of society for the common good (Ramasamy & Yeung, 2009). Therefore, it is evident that today in order to make customers satisfied an organisations should engage and contribute to the betterment of society. This is further endorsed by the research completed and published by ASOCIO (2004), in which it was stated that CSR programs can influence the mind of the customer by up to 70% in his/her purchase decisions.

Academics have also carried out many studies into what organisations should do in regards to their CSR initiatives when the economic conditions or organisation situation is poor. The findings show an interesting result; it is important for an organisations to continue its CSR activities, even during bad times (Iacono, 2009).

Amongst the many benefits of having ethical products is the fact that customers are always willing to pay a premium price for the company's offerings. Research completed by Pelsmacker, Janssens, Sterckx, & Mielants, (2006) proves this point, as they identified that "consumers were willing to pay an average price premium of 10% for a brand they think engages in fair trade and acts in a socially responsible manner". Certain other researchers have also found that customers are willing to pay a premium price only up to a certain threshold and anything above this would fail to increase the positive image of the organisation even it were 100% ethical (Trudel & Cotte, 2008).

Addressing the relationship between CSR and brand loyalty, Bhattacharya & Sen, (2004) and Bhattacharya, Korschun, & Sen, (2009) show that CSR helps to develop long-term brand loyalty and advocacy behaviours in customers. The detailed literature review of engaging in CSR, shows that it facilitates positive word of mouth endorsements Hoeffler & Keller, (2002), positive thinking towards the company (Brown & Dacin, 1997), influences customers to pay a premium price for products/services (Laroche, Bergeron, & Barbaro-Forleo, 2001), the ability of the organisation to be resilient to negative information about the company (John Peloza, 2006) and creates higher purchase intentions (Mohr & Webb, 2005).

**Impact of CSR, Corporate Social Performance (CSP) and Corporate Financial Performance (CFP)**

Researchers have conducted a large number of studies in order to gain understanding as to whether or not there is a relationship between CSR and financial performance. Burke & Logsdon, (1996) suggests that CSR leads to better financial gains for an organisation. As discussed previously, companies can charge a premium price for its ethical practices, which will eventually lead to the generation of greater profits. Burke & Logsdon, (1996) also suggest that CSR will also lead to generating higher sales.

Further, some of the environmental driven practices such as green production techniques, waste management systems and green energy consumption may help to reduce cost and improve efficiencies in the long term (Holliday, Schmidheiny, & Watts, 2002).

Chen, (2011) discovered that between 1971-2001, it is estimated that there were over 120 empirical studies, which show a positive relationship between CSR and financial performance. Although the above findings prove a positive relationship between CSR and CFP, there is a continuous debate about the linkage between the two. This is mainly because of theoretical and empirical studies supporting a number of positions that are often contradictory (Aupperle, Carroll, & Hatfield, 1985; M. Barnett & Salomon, 2006; Cochran & Wood, 1984; P. C. Godfrey, 2005; A. J. Hillman, Keim, & Luce, 2001; RUSSO & FOUTS, 1997; Waddock & Graves, 1997). To justify and summarise the contradictory views on this by previous studies and to understand the link between CSP and CFP, (Orlitzky et al., 2003) conducted a meta-analysis study; they discovered that “52 studies led to the conclusion that CSP has a positive relationship with CFP across all industries and within all corporate contexts” (Margolis & Walsh, 2003). To support this result and also to justify further confusions, Peloza (2009) summarises 159 previous studies concerning CSP and CFP relationship. In Peloza's, (2009) review, he proposes a figure of “stages of financial impact from corporate social performance, in order to elaborate the manner in which CSP influences CFP”. The study completed by Barnett & Salomon, (2006) shows “that at the early stage, financial returns initially declined, but there is a rebound when the firm improves its level of social screening”. Another study completed by Brammer & Millington, (2008) suggest that “curvilinear, that companies with unusually high or low CSP may have a higher CFP, but companies with unusually low CSP only promise short-term financial returns, whilst companies with unusually high CSP promote more long-term financial returns”.

**Corporate Identity and Ethics**

The main attribute that support the definition of a company's character and its values is called the company's personality or the corporation's identity (Paine, 2003). Corporate identity always reflects how a company is really perceived in the total arena it works within. Most companies try to establish a corporate identity by the use of marketing communication, especially branding, which has today become the central focus of their success and competitive advantage (Werther & Chandler, 2006). Corporate identity helps companies to very clearly differentiate their product offerings in the minds of customers. The question arises as to whether corporate identity truly reflects the business ethics of the company.

Carroll, (1991), expounds that a company's CSR activities start with economic responsibilities and continues with legal, ethical, and discretionary responsibilities respectively. Werther & Chandler, (2006) argue that what was ethical or even discretionary in the past, has become increasingly important today because of the ever changing business environment. CSR can be used, as a mechanism to match corporate identity with societal values within a rapidly changing business environment. Therefore, ethical behaviour reflects and becomes a prerequisite for strategic CSR.

Paine (1994) explains that a company's ethical behaviour is the mirror image of many things that include, its culture, shared values. It's principles and most importantly, ethical behaviour and culture are part of the definition of their corporate identity.

**CSR and Customer Satisfaction**

Customer satisfaction is defined as the overall evaluation of the entire customer experience, from pre-purchase to post purchase, with goods or service over time (Anderson, Fornell, & Mazvancheryl, 2004; Philip Kotler, 2011). Today customer satisfaction has been identified as the key driver in long term performance of a company, as well as being part and partial of a company's strategy (Fornell, Mithas, Morgeson, & Krishnan, 2006). It is important to identify what customer satisfaction has to do with CSR and its implications; discovering if good CSR initiatives drive customer satisfaction.

Both the institutional theory (Scott, 1987) and stakeholder theory (Isabelle Maignan, Ferrell, & Ferrell, 2005) show that CSR initiatives appeal to customers not just as an economic means but also as a family member, a community partner and the country at large. (Sankar Sen & Bhattacharya, 2001) suggest that a strong CSR record creates positive attitudes towards the company in the longer term. (Fornell, Johnson, Anderson, Cha, & Bryant, 1996) and (Mithas, Krishnan, & Fornell, 2005) examined the antecedents of customer satisfaction and identified antecedents such as perceived value promote customer satisfaction. (Sankar Sen & Bhattacharya, 2001) further suggested that engaging in CSR will allow companies to understand customers better, thus leading to better customer knowledge.

 

**CSR and Market Orientation**

It is widely understood that market orientation is the application of marketing concepts (Kohli & Jaworski, 1990); this means marketing concepts are the basis for market orientation. The marketers primary task is the identification of customer's needs, expectations and to find the correct ways to satisfy them (Philip Kotler, 2011). This fundamental task is called the marketing concept. Kotler (1980) defines the marketing concept as "the management orientation of the organization that holds the key tasks that determine the needs and wants of its target market and to adapt the organisation in order to deliver the desired satisfaction more effectively and efficiently than its competitors". Therefore, the marketing oriented organisations always acts in line with the marketing concept.

(Narver & Slater, 1990) also identify market orientation as the creation of an efficient and effective culture within the organisation to deliver superior value to customers and leads to superior customer satisfaction; however, in order to deliver superior customer satisfaction, one cannot consider customers in isolation as they are part of society at large, today's customers are also well connected. In order for an organisation to perform well, pure customer orientation is not sufficient

(Isabelle Maignan, 2001 )explain that customers expect companies to make a positive contribution to society.

**Impact of CSR on Other Qualitative Performance Indicators**

Today corporations are eager to acquire talents, grow and retain them in order to obtain better performance. Recent research has proved that ethical companies that are driven by good CSR practices are able to attract a higher standard of employees; One of the primary reasons for this is that employees see these organisations as being a fair employers (Turban & Cable, 2003). Furthermore, by having a culture embedded in social responsible values, employees will endeavour to contribute more because they see the organisation's purpose as larger than merely achieving profits (Kanter, 2011). The study also shows that CSR will lead to improvements/support to develop society at large, which eventually contribute to national development. This is one reason why governments value and encourage organisations to engage in CSR.

**Conclusion**

This paper has documented the in depth analysis of almost all the relevant and important findings identified by scholars, practitioners and organisations from the early beginning to 2015 in order to understand corporate social responsibility as a social endeavour and as a company derived strategy.

**References**

Ackerman, R. (1975). *The social challenge to business*. Harvard University Press.

Aguilera, R. V., Rupp, D. E., Williams, C. A., & Ganapathi, J. (2007). Putting The S Back in Corporate Social Responsibility: A Multilevel Theory of Social Change in Organizations. *Academy of Management Review*, *32*(3), p. 836–863. http://doi.org/10.5465/AMR.2007.25275678

Anderson, E. W., Fornell, C., & Mazvancheryl, S. K. (2004). Customer Satisfaction and Shareholder Value. *Journal of Marketing*, *68*(4), p.172–185. http://doi.org/10.1509/jmkg.68.4.172.42723

Andrews, K. (1987). *The concept of corporate strategy*.

Arlow, P., & Cannon, M. J. (1982). Social Responsiveness, Corporate Structure, and Economic Performance. *Academy of Management Review*, *7*(2),p. 235–241. http://doi.org/10.5465/AMR.1982.4285580

ASOCIO. (2004). *Corporate Social Responsibility*.

Asongu, J. J. (2007). *Strategic Corporate Social Responsibility in Practice*. Greenview Publishing Co.

Auger, P., Devinney, T. M., Louviere, J. J., & Burke, P. F. (2010). The Importance of Social Product Attributes in Consumer Purchasing Decisions: A Multi-Country Comparative Study. *International Business Review*, *19*(2), p. 140–159. http://doi.org/10.1016/j.ibusrev.2009.10.002

Aupperle, K. E., Carroll, A. B., & Hatfield, J. D. (1985). An Empirical Examination of the Relationship Between Corporate Social Responsibility and Profitability. *Academy of Management Journal*, *28*(2), p. 446–463. http://doi.org/10.2307/256210

Babbie, E. (2006). *The Practice of Social Research*. *Practice of* (Vol. 5th editio). Retrieved from http://books.google.com/books?id=QySynvetGQIC&pgis=1

Backman, J. (1975). *Social responsibility and accountability*. New York: New York University Press.

Barnett, M. L. (2007). Stakeholder Influence Capacity and the Variability of Financial Returns to Corporate Social Responsibility. *Academy of Management Review*, *32*(3), p.794–816. http://doi.org/10.5465/AMR.2007.25275520

Barnett, M., & Salomon, R. (2006). Beyond Dichotomy: The Curvilinear Relationship Between Social Responsibility and Financial Performance. *Strategic Management Journal*, *1122*(September), 12. http://doi.org/10.1002/smj

Baron, D. (1995). Integrated strategy: Market and nonmarket components. *California Management Review*.

Bartelson, J. (2006). Making Sense of Global Civil Society. *European Journal of International Relations*, *12*(3), 371–395. http://doi.org/10.1177/1354066106067348

Beckmann, S. C. (2007). Consumers and Corporate Social Responsibility: Matching the Unmatchable, *Australasian Marketing Journal (AMJ)*, *15*(1), p. 27–36. http://doi.org/10.1016/S1441-3582(07)70026-5

Ben-Gal, I. (2005). Outlier Detection. In *Data Mining and Knowledge Discovery Handbook* p. 131–146). New York: Springer-Verlag. http://doi.org/10.1007/0-387-25465-X_7

Bennett, R. (1996). *Corporate Strategy and Business Planning*. London: Bennett, R.

Bhattacharya, C. B., Korschun, D., & Sen, S. (2009). Strengthening Stakeholder–Company Relationships Through Mutually Beneficial Corporate Social Responsibility Initiatives. *Journal of Business Ethics*, *85*(S2), p. 257–272. http://doi.org/10.1007/s10551-008-9730-3

Bhattacharya, C. B., & Sen, S. (2004). Doing Better at Doing Good: When, Why, and How Consumers Respond to Corporate Social Initiatives. *California Management Review*, *47*(1), p.9–24. http://doi.org/10.2307/41166284

Bhattacharya, C. B., Sen, S., & Korschun, D. (2008). “Using Corporate Social Responsibility to Win the War for Talent.” *MIT Sloan Management Review*, *49*(2), p.37–44. http://doi.org/10.1007/s10551-008-9812-2

BLOWFIELD, M. (2005). Corporate Social Responsibility: Reinventing the Meaning of Development, *International Affairs*, *81*(3),p. 515–524. http://doi.org/10.1111/j.1468-2346.2005.00466.x

Bowen, H. R. (1953). *Social responsibilities of the businessman*. New York, Harper.

Brammer, S., & Millington, A. (2008). Does It Pay to Be Different? An Analysis of the Relationship Between Corporate Social and Financial Performance. *Strategic Management Journal*, *29*(12),p. 1325–1343. http://doi.org/10.1002/smj.714

Branco, M. C., & Rodrigues, L. L. (2006). Corporate Social Responsibility and Resource-Based Perspectives. *Journal of Business Ethics*, *69*(2),p. 111–132. http://doi.org/10.1007/s10551-006-9071-z

Branco, M. C., & Rodrigues, L. L. (2007). Positioning Stakeholder Theory within the Debate on Corporate Social Responsibility. *Electronic Journal of Business Ethics and Organization Studies*, *12*(1), p.5–15. http://doi.org/10.1007/BF00412085

Brown, T. J., & Dacin, P. A. (1997). The Company and the Product : Company Associations and Corporate Consumer Product Responses. *Journal of Marketing*, *61*(1), p.68–84. http://doi.org/http://dx.doi.org/10.2307/1252190

Bryman, A. (2006). Integrating Quantitative and Qualitative Research: how is it done? *Qualitative Research*. http://doi.org/10.1177/1468794106058877

Buchholz, R. A. (1977). An Alternative to Social Responsibility. *MSU Business Topics*, *25*(3).

Burke, L., & Logsdon, J. M. (1996). How Corporate Social Responsibility Pays Off. *Long Range Planning*, *29*(4), p.495–502. http://doi.org/10.1016/0024-6301(96)00041-6

Campbell, J. L. (2007). Why Would Corporations Behave in Socially Responsible Ways? an Institutional Theory of Corporate Social Responsibility. *Academy of Management Review*, *32*(3),p. 946–967. http://doi.org/10.5465/AMR.2007.25275684

Carmeli, A. (2005). Perceived External Prestige, Affective Commitment, and Citizenship Behaviors. *Organization Studies*, *26*(3),p. 443–464. http://doi.org/10.1177/0170840605050875

Carroll, A. B. (1979). A Three-Dimensional Conceptual Model of Corporate Performance. *The Academy of Management Review*. http://doi.org/10.2307/257850

Carroll, A. B. (1979). A Three-Dimensional Conceptual Model of Corporate Performance. *Academy of Management Review*. http://doi.org/10.5465/AMR.1979.4498296

Carroll, A. B. (1991). The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders. *Business Horizons*. http://doi.org/10.1016/0007-6813(91)90005-G

Carroll, A. B. (1999). Corporate Social Responsibility: Evolution of a Definitional Construct. *Business & Society*, *38*(3),p. 268–295. http://doi.org/10.1177/000765039903800303

Cheng, B., Ioannou, I., & Serafeim, G. (2014). Corporate Social Responsibility and Access to Finance. *Strategic Management Journal*, *35*(1), p.1–23. http://doi.org/10.1002/smj.2131

Clarkson, M. B. E. (1995). A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance. *Academy of Management Review*, *20*(1), p.92–117. http://doi.org/10.5465/AMR.1995.9503271994

Cochran, P. L., & Wood, R. A. (1984). Corporate Social Responsibility and Financial Performance. *Academy of Management Journal*, *27*(1),p. 42–56. http://doi.org/10.2307/255956

CREYER, E. H., & ROSS, W. T. (1997). Tradeoffs Between Price and Quality: How a Value Index Affects. *Journal of Consumer Affairs*, *31*(2), 280–302. http://doi.org/10.1111/j.1745-6606.1997.tb00392.x

Damayanthi, D. G., & Rajapakse, R. M. R. B. (2011). Factors Leading To CSR Reporting: A Case From Manufacturing Sector In Sri Lanka. In *Annual-research-symposium-management-and-finance*.

Davis, K. (1973). The Case for and Against Business Assumption of Social Responsibilities. *Academy of Management Journal*, *16*(2),p. 312–322. http://doi.org/10.2307/255331

Dierickx, I., & Cool, K. (1989). Asset Stock Accumulation and the Sustainability of Competitive Advantage: Reply. *Management Science*. http://doi.org/10.1287/mnsc.35.12.1514

Drucker, P. (1954). *The Practice of Management*. Foresman and Company.

Du, S., Bhattacharya, C. B., & Sen, S. (2007). Reaping Relational Rewards from Corporate Social Responsibility: The Role of Competitive Positioning. *International Journal of Research in Marketing*, *24*(3), p.224–241. http://doi.org/10.1016/j.ijresmar.2007.01.001

Edwards, J. R., & Bagozzi, R. P. (2000). On the Nature and Direction of Relationships between Constructs and Measures. *Psychological Methods*, *5*(2),p. 155–174. http://doi.org/10.1037/1082-989X.5.2.155

Eells, R. S. F., & Walton, C. C. (1961). *Conceptual foundations of business: an outline of major ideas sustaining business enterprise in the Western World*. RD Irwin.

Elkington, J. (1998). Partnerships from Cannibals with Forks: The Triple Bottom Line of 21st-Century Business. *Environmental Quality Management*, *8*(1),p. 37–51. http://doi.org/10.1002/tqem.3310080106

Enquist, B., Johnson, M., & Skålén, P. (2006). Adoption of Corporate Social Responsibility – Incorporating a Stakeholder Perspective. *Qualitative Research in Accounting & Management*, *3*(3), p.188–207. http://doi.org/10.1108/11766090610705399

Esposito, M. (2009). *Put Your Corporate Social Responsibility Act Together!* Tate Publishing.

Finch, W. H. (2012). Distribution of Variables by Method of Outlier Detection. *Frontiers in Psychology*, *3*. http://doi.org/10.3389/fpsyg.2012.00211

Fornell, C., Johnson, M. D., Anderson, E. W., Cha, J., & Bryant, B. E. (1996). The American Customer Satisfaction Index: Nature, Purpose, and Findings. *Journal of Marketing*, *60*(4), 7. http://doi.org/10.2307/1251898

 

Fornell, C., Mithas, S., Morgeson, F. V., & Krishnan, M. S. (2006). Customer Satisfaction and Stock Prices: High Returns, Low Risk. *Journal of Marketing*, *70*(1), p.3–14. http://doi.org/10.1509/jmkg.2006.70.1.3

Freeman, R. E. (1984). *Strategic Management: A Stakeholder Approach*. *Analysis* (Vol. 1). http://doi.org/10.2139/ssrn.263511

Freeman, R. E. (1994). Ethical Theory and Business. *Prentice Hall, Englewood CliffsFrey B.(1997) The Legal and Ethical Responsibilities of Transnational Corporations in the Protection of International Human Rights. Minnesota J Global Trade*, *6*, 153188Frynas.

Freeman, R. E. (1999). Divergent Stakeholder Theory. *Academy of Management Review*, *24*(2), p.233–236.

Freeman, R. E., Wicks, A. C., & Parmar, B. (2004). Stakeholder Theory and "The Corporate Objective Revisited." *Organization Science*, *15*(3), p.364–369.

Friedman, M. (1970). The Social Responsibility of Business is to Increase its Profits. *The New York Times Magazine*, (32), September 13.

Friedman, M. (1998). The Social Responsibility of Business Is to Increase Its Profits. *The New York Times Magazine*, (32), September 13. http://doi.org/10.1007/978-3-540-70818-6_14

Galbreath, J. (2009). Building Corporate Social Responsibility into Strategy. *European Business Review*. http://doi.org/10.1108/09555340910940123

Gardberg, N. A., & Fombrun, C. J. (2006). Corporate Citizenship: Creating Intangible Assets Across Institutional Environments. *Academy of Management Review*, *31*(2),p. 329–346. http://doi.org/10.5465/AMR.2006.20208684

Garone, S. J. (1999). *The link between corporate citizenship and financial performance*. Conference Board of Canada.

Geva, A. (2008). Three Models of Corporate Social Responsibility: Interrelationships between Theory, Research, and Practice. *Business and Society Review*, *113*(1),p. 1–41.

Godfrey, P. C. (2005). The Relationship between Corporate Philanthropy and Shareholder Wealth: a risk management perspective. *Academy of Management Review*, *30*(4), p.777–798. http://doi.org/10.5465/AMR.2005.18378878

Godfrey, P. C., Merrill, C. B., & Hansen, J. M. (2009). The Relationship between Corporate Social Responsibility and Shareholder Value: An Empirical Test of the Risk Management Hypothesis. *Strategic Management Journal*, *30*(4), p.425–445. http://doi.org/Doi 10.1002/Smj.750

Green, T., & Peloza, J. (2011). How does Corporate Social Responsibility Create Value for Consumers? *Journal of Consumer Marketing*, *28*(1),p. 48–56. http://doi.org/10.1108/07363761111101949

Groza, M. D., Pronschinske, M. R., & Walker, M. (2011). Perceived Organizational Motives and Consumer Responses to Proactive and Reactive CSR. *Journal of Business Ethics*, *102*(4), p.639–652. http://doi.org/10.1007/s10551-011-0834-9

Haigh, M., & Jones, M. (2006). The Drivers of Corporate Social Responsibility: a critical review. *Business Review*, *5*(2),p. 245–251. Retrieved from The drivers of corporate social responsibility: a critical review

Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate Data Analysis*. *vectors*. http://doi.org/10.1016/j.ijpharm.2011.02.019

Hall, R. (1992). The Srategic Analysis of Intangible Resources. *Strategic Management Journal*, *13*(2),p. 135–144. http://doi.org/10.1002/smj.4250130205

Harrison, S. (1997). Corporate Social Responsibility: linking behaviour with reputation.

Hart, S. L., & Sharma, S. (2004). Engaging Fringe Stakeholders for Competitive Imagination. *Academy of Management Executive*, *18*(1), p.7–18. http://doi.org/10.2307/4166031

Hawkins, T., S, T. D., & I, H. D. (1995). *Marketing Research: Measurement and Method*. Prentice Hall.

Hillman, A. J., & Keim, G. D. (2001). Shareholder Value, Stakeholder Management, and Social Issues: What's the bottom line? *Strategic Management Journal*, *22*(2), p.125–139. http://doi.org/10.1002/1097-

0266(200101)22:2<125::AID-SMJ150>3.0.CO;2-H

Hillman, A. J., Keim, G. D., & Luce, R. A. (2001). Board Composition and Stakeholder Performance: Do Stakeholder Directors Make a Difference? *Business & Society*, *40*(3), p.295–314. http://doi.org/10.1177/000765030104000304

Hoeffler, S., & Keller, K. L. (2002). Building Brand Equity Through Corporate Societal Marketing. *Journal of Public Policy & Marketing*, *21*(1), p.78–89. http://doi.org/10.1509/jppm.21.1.78.17600

Holliday, C. O., Schmidheiny, S., & Watts, P. (2002). *Walking the Talk: The Business Case for Sustainable Development*. Berrett-Koehler Publishers.

Horton, N. J., & Kleinman, K. P. (2007). Much Ado About Nothing. *The American Statistician*, *61*(1), p.79–90. http://doi.org/10.1198/000313007X172556

Hung Chen, C. (2011). The Major Components of Corporate Social Responsibility. *Journal of Global Responsibility*, *2*(1), p.85–99. http://doi.org/10.1108/20412561111128546

Husted, B. W., & Allen, D. B. (2009). Strategic Corporate Social Responsibility and value Creation. *Management Iternational Review*, p.781–799. http://doi.org/10.1007/s11575-009-0016-5

Iamandi, I. (2007). Corporate Social Responsibility and Social Responsiveness in a Global Business Environment. A Comparative Theoretical Approach. *Romanian Economic Journal*, *10*(23), p.3–18.

Investopedia. (2015). Definition of “Shareholder.” Retrieved from http://www.investopedia.com/terms/s/shareholder.asp

Jensen, M. C. (1998). Foundations of organizational strategy. *Business*, 1–7.

Johanson, G. A., & Brooks, G. P. (2010). Initial Scale Development: Sample Size for Pilot Studies. *Educational and Psychological Measurement*, *70*(3),p. 394–400. http://doi.org/10.1177/0013164409355692

Jones, T. M. (1980). Corporate Social Responsibility Revisited, Redefined. *California Management Review*, *22*(3),p. 59–67. http://doi.org/10.2307/41164877

Kakabadse, N. K., Rozuel, C., & Lee-Davies, L. (2005). Corporate Social Responsibility and Stakeholder Approach: a conceptual review. *International Journal of Business Governance and Ethics*, *1*(4),p. 277. http://doi.org/10.1504/IJBGE.2005.006733

Kanter, R. M. (1999). From Spare Change to Real Change. *Harvard Business Review*, p.122–132.

Kanter, R. M. (2011). How Great Companies Think Differently. *Harvard Business Review*, *89*(11), p.66–78. http://doi.org/10.1037/e712102011-006

Kariyapperuma, K. A. N. R. (2011). Level of Corporate Social Responsibility Involvement of Sri Lankan Business Organizations: Special Study on Insurance Industry. In *Proceedings of International Conference on Business Management*.

Karnani, A. (2012). Markets of the Poor: Opportunities and Limits. *International Journal of Rural Management*, *8*(1-2), p.7–17. http://doi.org/10.1177/0973005212461980

Kohli, A. K., & Jaworski, B. J. (1990). Market Orientation: The Construct, Research Propositions, and Managerial Implications. *Journal of Marketing*, *54*(2), 1. http://doi.org/10.2307/1251866

Kok, P., Van Der Wiele, T., McKenna, R., & Brown, A. (2001). A Corporate Social Responsibility Audit within a Quality Management Framework. *Journal of Business Ethics*, *31*(4), p.285–297.

Kotler, P. (2011). Reinventing Marketing to Manage the Environmental Imperative. *Journal of Marketing*, *75*(4),p. 132–135. http://doi.org/10.1509/jmkg.75.4.132

Kotler, P., & Armstrong, G. (2005). *Principles of Marketing*. Prentice-Hall.

Kotler, P., Keller, K., Brady, D. M., Goodman, M., & Hansen, M. T. (2009). *Marketing Management*. Pearson;

Kulik, T. (1999). *The Expanding Parameters of Global Corporate Citizenship*.

Labib Eid, N., & Robert Sabella, A. (2014). A Fresh Approach to Corporate Social Responsibility (CSR): Partnerships between Businesses and Non-profit sectors. *Corporate Governance: The International Journal of*

*Business in Society*, *14*(3), p.352–362. http://doi.org/10.1108/CG-01-2013-0011

Lantos, G. P. (2001). The Boundaries of Strategic Corporate Social Responsibility. *Journal of Consumer Marketing* (Vol. 18). http://doi.org/10.1108/07363760110410281

Laroche, M., Bergeron, J., & Barbaro-Forleo, G. (2001). Targeting Consumers who are willing to Pay More forEenvironmentally Friendly Products. *Journal of Consumer Marketing*, *18*(6), p.503–520. http://doi.org/10.1108/EUM0000000006155

Lawton, T. (2011). Corporate Political Activity*: A literature review and research agenda*.

Learned, Edmund Philip, Carl Roland Christensen, Kenneth R. Andrews, and W. D. G. (1966). *Business policy: Text and cases*. Irwin.

Lee, M. D. P. (2008). A Review of the Theories of Corporate Social Responsibility: Its Evolutionary Path and the Road Ahead. *International Journal of Management Reviews*, *10*(1), p.53–73. http://doi.org/10.1111/j.1468-2370.2007.00226.x

Litwin, M. S. (1995). How to Measure Survey Reliability and Validity. *Sage Publications*.

Luo, X. (2007). Consumer Negative Voice and Firm-Idiosyncratic Stock Returns. *Journal of Marketing*, *71*(3), p.75–88. http://doi.org/10.1509/jmkg.71.3.75

Luo, X., & Bhattacharya, C. B. (2006). Corporate Social Responsibility, Customer Satisfaction, and Market Value. *Journal of Marketing*, *70*(October),p. 1–18. http://doi.org/10.1509/jmkg.70.4.1

Mackey, A., Mackey, T. B., & Barney, J. B. (2007). Corporate Social Responsibility and Firm Performance: Investor Preferences and Corporate Strategies. *Academy of Management Review*, *32*(3),p. 817–835. http://doi.org/10.5465/AMR.2007.25275676

Mahalanobis, P. C. (1936). On the Generalized Distance in Statistics. In *Proceedings of the National Institute of Sciences* (p. 49–55).

Maignan, I. (2001). Consumers' Perceptions of Corporate Social Responsibilities: A cross-cultural comparison. *Journal of Business Ethics*, p.57 – 72. http://doi.org/10.2307/25074480

Maignan, I., & Ferrell, O. C. (2004). Corporate Social Responsibility and Marketing: An Integrative Framework. *Journal of the Academy of Marketing Science*, *32*(1),p. 3–19. http://doi.org/10.1177/0092070303258971

Maignan, I., Ferrell, O. C., & Ferrell, L. (2005). A Stakeholder Model for Implementing Social Responsibility in Marketing. *European Journal of Marketing*, *39*(9/10),p. 956–977. http://doi.org/10.1108/03090560510610662

Maignan, I., Ferrell, O. C., & Hult, G. T. M. (1999). Corporate Citizenship: Cultural Antecedents and Business Benefits. *Journal of the Academy of Marketing Science*, *27*(4), p.455–469. http://doi.org/10.1177/0092070399274005

Margolis, J. D., & Walsh, J. P. (2003). Misery Loves Companies: Rethinking Social Initiatives by Business. *Administrative Science Quarterly*, *48*(2), p.268. http://doi.org/10.2307/3556659

Marrewijk, M. Van. (2003). Concepts and Definitions of CSR and Corporate Sustainability: between Agency and Communion. *Journal of Business Ethics*, *44*, p.95–105. http://doi.org/10.2307/25075020

Masaka, D. (2008). Why Enforcing Corporate Social Responsibility (CSR) is morally questionable.

McGee, J. (1998). Commentary on "Corporate Strategies and Environmental Regulations: an organizing framework" by A. M. Rugman and A. Verbeke. *Strategic Management Journal*, *19*(4), p.377–387. http://doi.org/10.1002/(SICI)1097-0266(199804)19:4<377::AID-SMJ988>3.0.CO;2-S

McWilliams, A., & Siegel, D. (2000). Corporate Social Responsibility and Financial Performance: correlation or misspecification? *Strategic Management Journal*, *21*(5),p. 603–609. http://doi.org/10.1002/(SICI)1097-0266(200005)21:5<603::AID-SMJ101>3.0.CO;2-3

McWilliams, A., & Siegel, D. (2001). Note Corporate Social Responsibility : a Theory of the Firm Perspective. *Academy of Management Journal*, *26*, p.117–127.

McWilliams, A., & Siegel, D. S. (2011). Creating and Capturing Value: Strategic Corporate Social Responsibility, Resource-Based Theory, and Sustainable Competitive Advantage. *Journal of Management*, *37*(5), p.1480–1495. http://doi.org/10.1177/0149206310385696

McWilliams, A., Siegel, D. S., & Wright, P. M. (2006). Corporate Social Responsibility: Strategic Implications*. *Journal of Management Studies*, *43*(1), p.1–18. http://doi.org/10.1111/j.1467-6486.2006.00580.x

Menon, A., & Menon, A. (1997). Enviropreneurial Marketing Strategy: The Emergence of Corporate Environmentalism as Market Strategy. *Journal of Marketing*, *61*(1),p. 51. http://doi.org/10.2307/1252189

Meredith, R. (1999). The Newest Ford Generation Takes the Company Spotlight.

Meznar, M. B., & Nigh, D. (1995). Buffer or Bridge? Environmental and Organizational Determinants of Public Affairs Activities in American Firms. *Academy of Management Journal*, *38*(4), p.975–996. http://doi.org/10.2307/256617

Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Toward a Theory of Stakeholder Identification and Salience: defining the principle of who and what really counts. *Academy of Management Review*, *22*(4),p. 853–886. http://doi.org/10.5465/AMR.1997.9711022105

Mithas, S., Krishnan, M. S., & Fornell, C. (2005). Why Do Customer Relationship Management Applications Affect Customer Satisfaction? *Journal of Marketing*, *69*(4), p.201–209. http://doi.org/10.1509/jmkg.2005.69.4.201

Mohr, L. A., & Webb, D. J. (2005). The Effects of Corporate Social Responsibility and Price on Consumer Responses. *Journal of Consumer Affairs*, *39*(1),p. 121–147. http://doi.org/10.1111/j.1745-6606.2005.00006.x

Narver, J. C., & Slater, S. F. (1990). The Effect of a Market Orientation on Business Profitability. *Journal of Marketing*, *54*(4),p. 20. http://doi.org/10.2307/1251757

Oliver, C. (1991). Strategic Responses to Institutional Processes. *Academy of Management Review*, *16*(1), p.145–179. http://doi.org/10.5465/AMR.1991.4279002

Orlitzky, M., Schmidt, F. L., & Rynes, S. L. (2003). Corporate Social and Financial Performance: A Meta-Analysis. *Organization Studies*, *24*(3),p. 403–441. http://doi.org/10.1177/0170840603024003910

Paine, L. S. (1994). Managing for Organizational Integrity. *Harvard Business Review*, *72*(2), p.106–117. Retrieved from http://ezproxy.library.capella.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=9405100924&site=ehost-live&scope=site

Paine, L. S. (2003). Value Shift. Why Companies Must Merge Social and Financial Imperatives to Achieve Superior Performanceq. New York: MacGraw-Hill.

Peach, L. (1987). Corporate Responsibility (In. N. A. ). UK: McGraw-Hill.

Pearce, J. A., & David, F. (1987). Corporate Mission Statements: The Bottom Line. *Academy of Management Executive*. http://doi.org/10.5465/AME.1987.4275821

Peloza, J. (2006). Using Corporate Social Responsibility as Insurance for Financial Performance. *California Management Review*, *48*(2), p.52–73.

Peloza, J. (2009). The Challenge of Measuring Financial Impacts From Investments in Corporate Social Performance. *Journal of Management*, *35*(6), p.1518–1541. http://doi.org/10.1177/0149206309335188

Pelsmacker, P. De, Janssens, W., Sterckx, E., & Mielants, C. (2006). Fair-trade beliefs, attitudes and buying behaviour of Belgian consumers. *International Journal of Nonprofit and Voluntary Sector Marketing*, *11*(2), p.125–138. http://doi.org/10.1002/nvsm.47

Porter, M. E. (1980). Competitive Strategy: Techniques for Analyzing Industries and Competitors. *Competitive Strategy*, *1*, 396. http://doi.org/10.1002/smj.4250020110

Porter, M. E. (1985). *Competitive Advantage*. *Strategic Management* (Vol. May-June). http://doi.org/10.1108/eb054287

Porter, M. E. (1990). *The competitive advantage of nations*. *Harvard business review* (Vol. 68). New York: Free Pres.

Porter, M. E., & Kramer, M. R. (2002). The Competitive Advantage of Corporate Philanthropy. *Harvard*

*Business Review*, *80*(12), p.56–68, 133. http://doi.org/10.1177/0007650306297941

Prahalad, C. K. K., & Hamel, G. (1990). The Core Competence of the Corporation. *Harvard Business Review*, *68*(3),p. 79–91. http://doi.org/10.1007/3-540-30763-X_14

Priem, R. L., & Butler, J. E. (2001). Is the Resource-Based "View" a Useful Perspective for Strategic Management Research. *The Academy of Management Review*, *26*(1), John E. Butler.

Rajapakse, B., & Manamperi, L. (2008). How Do Sri Lankan Companies Perceive Corporate Social Responsibility? An Empirical Study Of The Motivations Underlying CSR Projects And Reporting By Sri Lankan Companies. In *International Research Conference on Management and Finance*. Retrieved from http://archive.cmb.ac.lk:8080/research/handle/70130/1617

Rajmanthri, S. (2005). Effects of Corporate Social Responsibility (CSR) on Organizational Sustainability: A case study of the Sri Lankan Corporate Sector. *Social Responsibility Journal*, *1*(3/4), p.149–152. http://doi.org/10.1108/eb045805

Ramasamy, B., & Yeung, M. (2009). Chinese Consumers' Perception of Corporate Social Responsibility (CSR). *Journal of Business Ethics*, *88*(S1), p.119–132. http://doi.org/10.1007/s10551-008-9825-x

Ragan K.,Chase L. & Karim S.,The truth about CSR, Harward Business Review,2015

Rathnasiri, H. C. H. (2003). Corporate Social Responsibility Practices of Sri Lankan Private Sector: An exploratory study. *Sri Lankan Journal of Management*, p.195–228.

Reich, R. B. (1998). The New Meaning of Corporate Social Responsibility. *California Management Review*, *40*(2).

Reinhardt, F. L., Stavins, R. N., & Vietor, R. H. K. (2008). Corporate Social Responsibility Through an Economic Lens. *Review of Environmental Economics and Policy*, *2*(2),p. 219–239. http://doi.org/10.1093/reep/ren008

Roberts, J. (2003). The Manufacture of Corporate Social Responsibility: Constructing Corporate Sensibility. *Organization*, *10*(2), p.249–265. http://doi.org/10.1177/1350508403010002004

Roberts, P. W., & Dowling, G. R. (2002). Corporate Reputation and Sustained Superior Financial Performance. *Strategic Management Journal*, *23*(12), p.1077–1093. http://doi.org/10.1002/smj.274

Roe, M. J. (2000). Political Preconditions to Separating Ownership from Corporate Control. *Stanford Law Review*, *53*(3),p. 539. http://doi.org/10.2307/1229469

Roman, R. M., Hayibor, S., & Agle, B. R. (1999). The Relationship between Social and Financial Performance: Repainting a Portrait. *Business & Society*, *38*(1),p. 109–125. http://doi.org/10.1177/000765039903800105

RUMELT, R. (1980). The Evaluation of Business Strategy. In W. G. (Ed. . Glueck (Ed.), *Business Policy and Strategic Management* (3rd ed.). New York: McGraw Hill Publishing.

RUSSO, M. V., & FOUTS, P. A. (1997). A Resource-Based Perspective on Corporate Environmental Performance and pProfitability. *Academy of Management Journal*, *40*(3), p.534–559. http://doi.org/10.2307/257052

Schmidheiny, S. (2006). Turning Point: A View of Corporate Citizenship in Latin America. *Journal of Corporate Citizenship*, *2006*(21),p. 21–24. http://doi.org/10.9774/GLEAF.4700.2006.sp.00004

Scott, W. R. (1987). The Adolescence of Institutional Theory. *Administrative Science Quarterly*, *32*(4), 493. http://doi.org/10.2307/2392880

Sekaran, U. (2006). *Research methods for business: A skill building approach*. John Wiley & Sons.

Sekaran, U., & Bougie, R. (2010). *Research Methods for Business: A Skill Building Approach* (5, illustr). John Wiley & Sons.

Selznick, P. (1994). *The Moral Commonwealth: Social Theory and the Promise of Community*. University of California Press.

Sen, S., & Bhattacharya, C. B. C. B. (2001). Does Doing Good Always Lead to Doing Better? Consumer Reactions to Corporate Social Responsibility. *Journal of Marketing Research*, *38*(2), p.225–243.

http://doi.org/10.1509/jmkr.38.2.225.18838

Sen, S., Bhattacharya, C. B., & Korschun, D. (2006). The Role of Corporate Social Responsibility in Strengthening Multiple Stakeholder Relationships: A Field Experiment. *Journal of the Academy of Marketing Science*, *34*(2), p.158–166. http://doi.org/10.1177/0092070305284978

Sen, S., Du, S., & Bhattacharya, C. B. (2009). *Building Relationships through Corporate Social Responsibility', In Handbook of Brand Relationships in Handbook of Brand Relationships*. (D. J. MacInnis, C. W. Park, & J. R. Priester, Eds.). M.E. Sharpe.

Senaratne, S. (2009). Corporate Social Responsibility Reporting System in Sri Lanka. *Sri Lanka Journal of Humanities and Social Sciences*.

Sethi, S. P. (1979). A Conceptual Framework for Environmental Analysis of Social Issues and Evaluation of Business Response Patterns. *Academy of Management Review*, *4*(1),p. 63–74. http://doi.org/10.5465/AMR.1979.4289184

Smith,R.E.,"Defining Coperate Social Responsibility :University of Pennsylvania,2015

Smith, N. C. (2003). Corporate social responsibility: not whether, but how. *Center for Marketing Working Paper*.

Smyth, R. (2004). Exploring the Usefulness of a Conceptual Framework as a Research Tool: A Researcher's Reflections. *Issues in Educational Research*, *14*(2), p.167–180.

Srivastava, R. R. K., Shervani, T. A., Fahey, L., & Srivastava, Rajendra, K. (1998). Market-Based Assets and Shareholder Value: A Framework for Analysis. *Journal of Marketing*, *62*(1), p.2–18. http://doi.org/10.2307/1251799

Starkey, K., & Crane, A. (2003). Toward Green Narrative: management and the evolutionary epic. *Academy of Management Review*, *28*(2), p.220–237. http://doi.org/10.5465/AMR.2003.9416086

Sutton, M. (2003). Between a Rock and a Judicial Hard Place: Corporate Social Responsibility Reporting and Potential Legal Liability Under kasky v. nike. *UMKC L. Rev*, 1159.

Tabachnick, B. G., & Fidell, L. S. (2007). Using Multivariate Statistics. *Using Multivariate Statistics 5th Ed*, 980. http://doi.org/10.1037/022267

Tang, Z., Hull, C. E., & Rothenberg, S. (2012). How Corporate Social Responsibility Engagement Strategy Moderates the CSR-Financial Performance Relationship. *Journal of Management Studies*, *49*(7), p.1274–1303. http://doi.org/10.1111/j.1467-6486.2012.01068.x

Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic Capabilities and Strategic Management. *Strategic Management Journal*, *18*(7), p.509–533. http://doi.org/10.1002/(SICI)1097-0266(199708)18:7<509::AID-SMJ882>3.0.CO;2-Z

Tirole, J. (2001). Corporate Governance. *Econometrica*, *69*(1),p. 1–35. http://doi.org/10.1111/1468-0262.00177

Trudel, R., & Cotte, J. (2008). Reward or Punish: Willingness to Pay for Ethically-Produced Goods. *Advances in Consumer Research*, *35*(2001), 740. Retrieved from http://search.ebscohost.com/login.aspx?direct=true&db=buh&AN=35063886&site=ehost-live&scope=site

Turban, D. B., & Cable, D. M. (2003). Firm Reputation and Applicant Pool Characteristics. *Journal of Organizational Behavior*, *24*(6), p.733–751. http://doi.org/10.1002/job.215

Turner, B. S. (1993). *Citizenship and Social Theory*. SAGE.

U., M., & A.M.I., L. (2011). Impact of Organizational Corporate Social Responsibility on Employee Motivation in Public Quoted Companies in Sri Lanka. In *2nd International Conference Business and Information–ICBI*.

Varadarajan, P. R., & Menon, A. (1988). Cause-Related Marketing: A Coalignment of Marketing Strategy and Corporate Philanthropy. *Journal of Marketing*, *52*(3), p.58. http://doi.org/10.2307/1251450

Visser, W. (2006). Revisiting Carroll's CSR pyramid. *Corporate Citizenship in Developing Countries*, p.29–56.

Visser, W., Matten, D., Pohl, M., & Tolhurst, N. (2010). *The A to Z of corporate social responsibility*. John Wiley & Sons.

Vogel, D. (2008). Complete Coverage on Corporate Social Responsibility. *Forbes*.

Waddock, S. a., & Graves, S. B. (1997). The Corporate Social Performance-Financial Performance Link. *Strategic Management Journal*, *18*(4),p. 303–319. http://doi.org/10.1002/(SICI)1097-0266(199704)18:4<303::AID-SMJ869>3.3.CO;2-7

Wartick, S. L., & Cochran, P. L. (1985). The Evolution of the Corporate Social Performance Model. *The Academy of Management Review*, *10*(4), p.758–769. http://doi.org/10.2307/258044

Weeden, C. (1998). *Corporate Social Investing: T*he Breakthrough Strategy for Giving & Getting Corporate Contributions. Berrett-Koehler Publishers.

Werther, W. B., & Chandler, D. (2006). Strategic Corporate Social Responsibility: Stakeholders in a Global Environment. Sage Publications.

Wijesinghe, K. N. (2012). Current Context of Disclosure of Corporate Social Responsibility in Sri Lanka. *Procedia Economics and Finance*, *2*,p. 171–178. http://doi.org/10.1016/S2212-5671(12)00077-9

Wijesinghe, K., & Senaratne, S. (2011). Impact of Disclosure of Corporate Social Responsibility on Corporate Financial Performance in Bank, Finance and Insurance Sector in Sri Lanka. In *Internation Conference of Business and Information*.

Wood, D. J., & Jones, R. E. (1995). Stakeholder Mismatching: a Theoretical Problem in Empirical Research on Corporate Social Performance. *The International Journal of Organizational Analysis*, *3*(3), p.229–267. http://doi.org/10.1108/eb028831

Wright, P., & Ferris, S. P. (1997). Agency Conflict and Corporate Strategy: the Effect of Divestment on Corporate Value. *Strategic Management Journal*, *18*(1),p. 77–83. http://doi.org/10.1002/(SICI)1097-0266(199701)18:1<77::AID-SMJ810>3.0.CO;2-R

Zenisek, T. J. (1979). Corporate Social Responsibility: A Conceptualization Based On Organizational Literature. *Academy of Management Review*, *4*(3),p. 359–368. http://doi.org/10.5465/AMR.1979.4289095

Zikmund, W. G. (2003). *Business Research Methods*. Thomson/South-Western.