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ΤΙΤΛΟΣ ΔΙΠΛΩΜΑΤΙΚΗΣ ΕΡΓΑΣΙΑΣ: “CORPORATE SOCIAL RESPONSIBILITY MATURITY
MODELS, RESOURCE AND SUSTAINABILITY MANAGEMENT”

ΕΙΣΗΓΗΤΡΙΑ: Μπελεσιώτη Μαρία

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Declaration

I declare that while registered as a candidate for the research master degree, I have not been a registered candidate or enrolled student for another award of the University or other academic or professional institution. I also declare that no material contained in the thesis has been used in any other submission for an academic award and is solely my own work.

To George, Silena and Panagiotis

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Abstract

Corporate activities have not always benefitted society, especially in environmental and social terms. These detrimental environmental and social repercussions have not remained unnoticed. Governments and nongovernmental actors responded differently, such as by guidance through the ISO standardization body and progressively launching stricter requirements for disclosure through CSR and sustainability reporting. Departing from this, one of the essential aspects, part or partner of which is CSR, is sustainability. As these terms often need clarification, this thesis highlights an overview of sustainability aspects while emphasizing their connection with CSR. Specifically, the current sustainable practices, the existing sustainable business models, the frameworks applied, the critical success factors and the drivers leading to sustainability are presented and assessed.

Inspired by the UN Sustainable Development Goals (SDGs) program, sustainable development initiatives of companies can be evaluated based on a set of indicators suggesting policies and actions to be implemented. The term Corporate Social Responsibility (CSR) is a concept that captures what constitutes businesses' social, environmental, and economic responsibilities to society. This work started with a consistent literature review to acquire a piece of deep knowledge about the topic of CSR in the context of sustainability. There is a variety of definitions in the literature related to CSR. However, most of them have commonalities because CSR constitutes integrating corporate social, environmental, ethical, and philanthropic responsibilities towards society into its core corporate strategic goals, operations, processes and management considering relevant stakeholders.

Furthermore, CSR has been interpreted as a concept in which responsibilities are not a legal mandate but are tailored to specific activities typically assumed as voluntary initiatives beyond legal requirements and immediate corporate interests. This thesis underlines that companies implement CSR initiatives considering stakeholders' interests and pressure axes, with the prerequisite that these activities are carried out within the framework set by society. The results reveal that corporations adopt CSR practices to improve their CSR performance on the one hand, but they do it due to competitiveness and legitimacy reasons. The role of the individual actor becomes critical, such as managers or employees embedded in the organizational context. What emerged was that the factors recognized could belong to two different levels. Some are focused on organizational aspects, and others are purely human resource management, epicentre

in management decisions, and leadership, regardless of the type of CSR or the size of the company.

The essential CSR theoretical frameworks are presented, and their imprint on corporate social responsibility perspectives is analyzed. Selected external and internal barriers and limits of CSR are depicted along with significant limitations of CSR, and the Critical Success Factors leading to CSR maturity are explored. The findings also indicate that the context of implementing CSR practices could be laxer, failing to secure the integration of these practices in everyday corporate activities at a lower level of maturity. The literature review activity had the further goal of defining the research framework of the work, which was a maturity model assessment in the field of CSR. Hence, research questions were identified in order to bridge the gaps detected in the literature.

In particular, this thesis aimed to understand critical success factors and the enablers that influence the maturity of companies and how this could be implemented considering ISO26000:2010 guidelines. The result of this thesis could be used to assess the maturity of CSR implementation of corporations in a holistic approach and enable them to identify priorities and initiatives that could be implemented to achieve them. It is also a study that identifies existing gaps and provides a comprehensive path to filling them by developing a universal holistic maturity model in the field of CSR assessment.

List of Abbreviations

Acronym	Explanation
CERES	Coalition for Environmentally Responsible Economies
CI	Continuous Improvement
CM	Change Management
CMM	Capability Maturity Model
CR	Corporate Responsibility
CS	Corporate Sustainability
CSFs	Critical Success Factors
CSiR	Corporate Social Irresponsibility
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
CSRMM	Corporate Social Responsibility Maturity
CSRMM	Corporate Social Responsibility Maturity Models
CSP	Corporate Social Performance
EEA	European Environment Agency
EFRAG	European Financial Reporting Advisory Group)
ESRS	European Sustainability Reporting Standards
GRI	Global Reporting Initiative
GQC	Glykas Quality Compass
HR	Human Resource
HRM	Human Resource Management
IEA	International Energy Agency
ISO	International Organization for Standardization
KM	Knowledge Management
KPIs	Key Performance Indicators
OECD	Organisation for Economic Cooperation and Development
PDCA	Plan, Do, Check and Act.
SDGs	Sustainable Development Goals
SS	Strong Sustainability

UN	United Nations
UNSD	United Nations Statistics Division
WRI	World Resources Institute
WS	Weak Sustainability

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1. INTRODUCTION

CSR (Corporate Social Responsibility) is considered one of the most critical objectives for companies (Luo & Bhattacharya, 2006). Implementing CSR initiatives triggers organizations to undertake Responsibility related to their activities' impact on customers, employees, shareholders, the community, and the environment.

This chapter aims to provide a clear historical perspective on the development of CSR as a conceptual paradigm and examine the critical success factors, the corporate beliefs and theories, the relevant academic contributions, and essential social needs that have shaped its understanding and definition. To this end, the methodology used is an extensive literature review examining the main academic contributions and public events that influenced the development process of CSR and how they did so.

Results show that the understanding of corporate responsibility has evolved from a narrow approach to profit generation encompassing a multitude of secondary responsibilities to a more recent belief that companies' primary responsibility should be to create shared value. The results also indicate that the societal expectations of companies attitudes have changed, as has the concept of corporate social responsibility, suggesting that CSR remains relevant in the academic literature and is likely to remain part of the corporate culture, at least for the foreseeable future, leading this thesis to examine the necessary steps for succeeding an adequate maturity and a credible future for CSR in light of this historical development.

Finally, this article paves the way for future academic research to examine how CSR can help meet the latest societal expectations of creating shared value as a core business goal, which could have practical implications when CSR is implemented.

1.1 Literature Survey Methodology and results table

For the literature survey used in this research, the Scholar database was selected as the primary search base, and the following methodology was applied (as depicted in the corresponding scheme). An effort was made to obtain previous works on the topic of this study and related topics for review purposes.

This research focuses on a problem that companies experience with CSR adoption. In order to change towards a more responsible status requires CSR implementation or improvement of the already existing CSR strategy. However, they need help to identify their current position and

develop an improvement plan for a future improved position. The success of a systematic literature review is impacted by the search strategy, which should consider the following: the time span; the research topic; the sources of information; the search methodology as well as the inclusion and exclusion criteria.

The procedure steps that were followed are:

A. Time span

The timespan of this research is considered from the beginning of CSR concept to 2022.

B. Research terms and databases

Our research was focused on Strategic Corporate Social Responsibility. That term was applied in Google Scholar revealing a plethora of well-respected articles, all published in high quality journals and /or consisting parts of prestigious books on the research field.

C. Inclusions and exclusions

The research methodology that was followed was one of inclusions and exclusions. The quantitative results of this method are depicted in the diagram below.

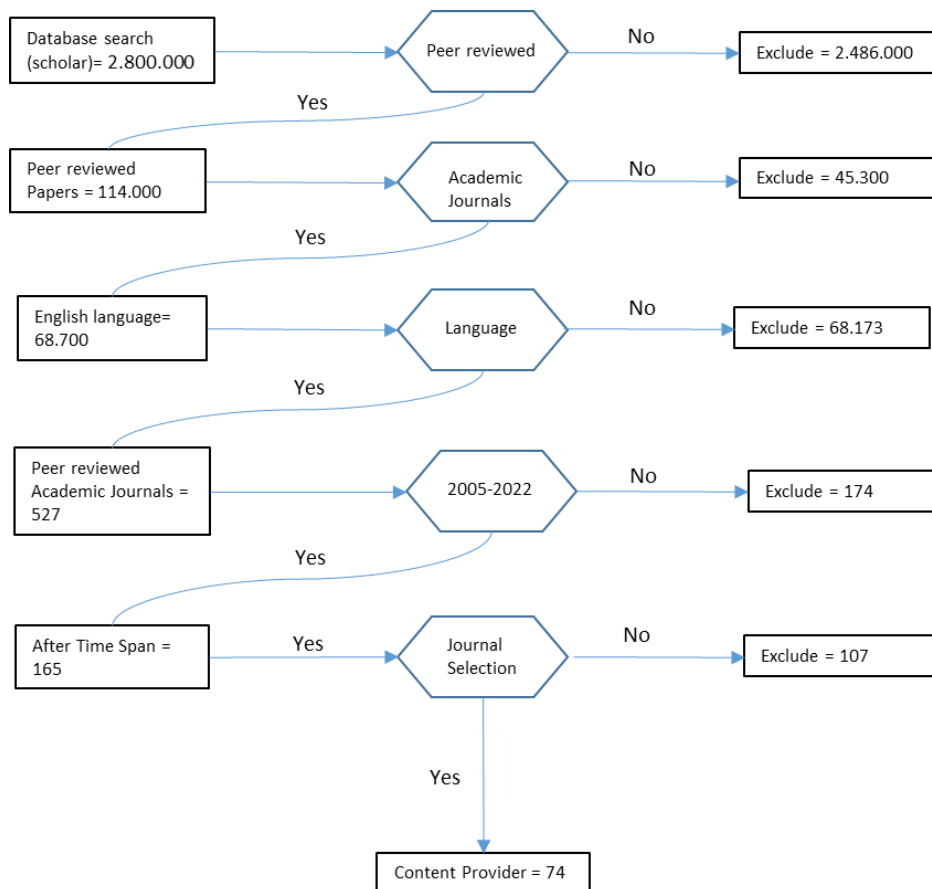


Figure 1. Inclusion and Exclusion Approach

The research results of the literature survey on CSR are shown in the table below, regarding subject focus.

References	Subject Focus
Bowen, (1953)	He defined Corporate Social Responsibility (CSR) as the social obligations companies should fulfill through their policies, their decisions and their actions
Friedman, M. (1970).	Claims that the role of a business is to meet the needs of consumers If anyone is responsible for the present social situation, it is consumers or governments, not business.
Davis, K. (1973)	He described CSR as firm's consideration of issues beyond the narrow economic, technical, and legal requirements.
Carroll (1979)	He gave a broader definition of CSR as the social responsibility of business addressing the economic, legal, ethical, and discretionary expectations each society has
Crosby, P. (1979)	Introduced Quality Management Maturity Grid (QMMG), of how mature their processes are, and how well they are embedded in their culture
French P.A.(1979)	He states that companies can have responsibility and ethics, not as autonomous entities but via their people.
Freeman, R. E.(1984)	Explains the concept of internal and external stakeholders in a corporate environment and their roles and interactions within organizational processes.
Leidecker & Bruno (1984)	They identified CSFs influencing competitive performance for an organization such as analysis of industry structure, scanning of the environment etc.
Carroll, A. (1991).	Explored the nature of corporate social responsibility (CSR) toward understanding its component parts. It divides CSR into four pillars namely economic, legal, ethical and philanthropic responsibilities and is intended as a roadmap for companies in setting their strategy.
Fombrun, C. (1996),	States that corporate reputation reflects how the public perceives the organizational behavior of a corporation. Considers the benefits of good reputation, the most valuable intangible asset a company holds.
Elkington, J. (1997)	Presents the triple bottom line (TBL) consists of three P's: People, Profit and Planet. People represents the social policy, Planet the ecologic vision and Profit the economic management of an organization and their balance is the key issue.
Epstein, M. J.,Roy, M.-J. (2001).	Describes the drivers of corporate social performance, the actions that managers can take to affect that performance, and the consequences of those actions on both corporate social and financial performance
Lantos, G.P. (2001).	Reviews the development of the corporate social responsibility (CSR) concept and its four components: economic, legal, ethical and altruistic duties. Discusses different perspectives on the proper role of business in society, from profit to community service provision
Koys, D.J. (2001),	Addresses the issue of whether positive employee attitudes and behaviors influence business outcomes or whether positive business outcomes influence positive employee attitudes and behaviors
Zadek, S. (2001)	He considers that companies have extended responsibility against society.
Margolis, J. D. and J. P. Walsh: (2003),	Researches the connection between economic and broader social objectives as a starting point for systematic organizational inquiry and investigates the conditions under which a corporation's efforts benefit society .
Matten et al.,2003	He describes the way companies implement CSR activities that can actually make a difference
Bhattacharya, C. B., & Sen, S. (2004).	Considers customers as an important stakeholder group and outlines the positive relationship that could exist between a company's CSR actions and consumers' reactions to that company and its product(s).
Garriga, E, Melé, D. (2004),	Classifies the main CSR theories in four groups: instrumental theories, political theories, integrative theories and ethical theories. Each CSR theory presents four dimensions related to profits, political performance, social demands and ethical values.
De Bakker et al (2005)	Explores three views related to evolution of the literature during a period of 30 years namely i) that development occurred from conceptual vagueness, through clarification of central constructs and their relationships, ii) that hardly any progress is to be expected

	and iii) that progress is obscured or even hampered by the continuing introduction of new constructs
Freeman, R.E. & Velamuri, S.R. (2005)	Based on the stakeholder approach proposes a new CSR – Company Stakeholder Responsibility – as a new capability for organisations to develop. Outlines four levels of commitment and suggests ten principles that can assist in the application of this approach.
Matten, D. & Crane, A. (2005).	They examine the content of contemporary corporate citizenship under the framework of business and society interactions.
Galbreath, J. (2006)	There are fundamental strategic goals and outcomes for companies to consider, and also several cross-border factors that can complicate the success of CSR strategies.
Luo, X. and Bhattacharya, C.B. (2006)	Develop a framework, which predicts that i) customer satisfaction partially mediates the relationship between CSR and firm market value ii) corporate abilities moderate the financial returns to CSR, and iii) these moderated relationships are mediated by customer satisfaction.
Mirvis, P., Googins, B. (2006),	Examines the institutional, environmental, and organizational factors that shape and constrain the development of corporate citizenship within firms.
Porter, M. & Kramer, M. (2006)	Proposed a new way to look at the relationship between business and society that does not treat corporate success and social welfare as independent facts. Introduces a framework companies can use to identify all of the effects, both positive and negative, they have on society; indicates three categories of social issues that affect the company namely Generic social issues, value chain social impacts, and social dimensions of competitive context social issues in the external environment.
Campbell, J. L. (2007).	Specified the conditions under which corporations are likely to behave in socially responsible ways. The relationship between basic economic conditions and corporate behavior is mediated by several institutional conditions.
Jones, T., Felps, W.I., Bigley, G. (2007).	Describes five stakeholder cultures—agency, corporate egoist, instrumentalist, moralist, and altruist—and explain how these cultures lie on a continuum, ranging from individually self-interested (agency culture) to fully other-regarding (altruist culture).
Kourula, A., Halme, M. (2008)	Classifies different CR actions into three types – philanthropy, CR integration and CR innovation – and examines different forms of corporate engagement with nongovernmental organizations (NGOs) through this categorization.
McDonald, L.M. and Rundle-Thiele, S. (2008)	Investigates the effects of CSR initiatives on customer satisfaction.
Morsing, Mette & Schultz, Majken. (2008)	They focus on areas of strategic importance for managers as they embark on CSR communication such as communication strategy and annual reports.
Uddin, M.B., & Hassan, R. (2008).	Literature review on the field of CSR highlighting the social, environmental and economic dimensions.
Weber, M. (2008).	Focuses on the question how to measure the business impact of CSR activities from a company perspective. Using a theoretical approach a multi-step measurement model is developed that allows managers to evaluate their company-specific business case for CSR
Wheelen & Hunger, 2008	Describe a the process of strategic management involves that four basic elements namely environmental scanning, strategy formulation, strategy implementation, and evaluation and control
Maon et al. (2009).	Introduces an integrative framework of corporate social responsibility (CSR) design and implementation. The resulting integrative framework highlights four stages that span nine steps of the CSR design and implementation process. Identifies critical success factors for the CSR process.
Peloza, J. (2009).	Examines the business case for CSP from both the academic and practitioner literatures, and provide recommendations for managers interested in measuring the impacts of CSP investment on financial performance.
Smaiziene, I., Jucevicius, R. (2009),	Researches the concept of corporate reputation in different disciplines – psychology, sociology, impression management, economy, marketing, public relations, business strategy, human resource management – and highlights its exceptional multidisciplinary richness.

Filho, et al. (2010).	Proposes a model is for competitive advantages stemming from the formulation of social strategies, which are explained based on their elements and adaptation to societal expectations.
ISO26000 (2010)	Provides guidance on recognizing social responsibility and engaging stakeholders and indicates ways to integrate socially responsible behavior into the organization by provides key underlying principles such as accountability and transparency and core subjects and issues pertaining to social responsibility (e.g Organizational governance, Human rights)
Jones, D.A. (2010),	States that social identity is an important variable in understanding the connection between employee behavior and CSR. Supports that employees' attitude towards company's volunteerism ultimately predicted outcomes (e.g., intentions to stay) through its effect on organizational identification.
Maon, F., Lindgreen, A., Swaen, V. (2010),	Presents different levels of CSR dedication and implementation, subdivided in different dimensions. Recognizes three cultural phases namely the 'CSR cultural reluctant phase', the 'CSR cultural grasp phase' and the 'CSR cultural embedment'.
Nijhof, & Jeurissen, R. J. M. (2010).	States that the term corporate social responsibility (CSR) suggests that the debate about CSR is all about responsibilities of corporations. In nowadays it is much more about new market opportunities and a business-wise approach to ecological and social problems.
Aguinis, H. (2011),	States that CSR is a context-specific organizational actions and policies that take into account stakeholders' expectations and the triple bottom line of economic, social and environmental performance
Babiak, K. and Trendafilova, S. (2011)	Reveales strategic and legitimacy motives to adopt environmental management practices. Focuses of the strategic motives and institutional pressures as primary reason for adopting an environmental CSR.
McWilliams A, Siegel DS. (2011)	By linking CSR, RBT (resource-based theory), economic models and pricing models, demonstrates how RBT can provide a structure for determining the strategic value of CSR. investigets the conditions under which CSR can contribute to sustainable competitive advantage
Stanaland, A.J.S.; Lwin, M.O.; Murphy, P.E. (2011)	Examines CSR from the consumer's perspective, supporting that financial performance and perceived quality of ethics statements, influence perceived CSR which in turn impacts perceptions of corporate reputation, consumer trust, and loyalty.
Bauman, C.W. and Skitka, L.J. (2012),	Identifies four distinct paths through which corporate social responsibility may affect employees' relationship with their company that correspond to four universal psychological needs: security, self-esteem, belongingness, and a meaningful existence
Melo, T., & Garrido-Morgado, A. (2012).	Presents a five dimensional model consisting of employee relations, diversity issues, product issues, community relations, and environmental issues analysing their significant impact on corporate reputation.
Porter, et al (2012).	The basic idea of CSR in terms of strategy is to provide direct or indirect benefits to the organisation while at the same time contribution to the wellness of the society.
Tuan T., (2012)	Analyzes the linkages among corporate social responsibility, leadership, and brand equity.
Chin et al., (2013)	States that the organizational outcomes and CSR practices are influenced by CEOs' political ideology. Studies a sample of 249 CEOs resulting that the political ideologies of CEOs are manifested in their firms' CSR profiles.
Du, et al (2013).	Highlights the differential roles that transformational and transactional leadership styles play for corporate social responsibility (CSR) practices as well as the interplay between leadership styles and institutional CSR practices
Goyal et al (2013)	States that several studies acknowledged a positive relationship between CSR activities and corporate performance measurement parameters, spanning from financial to non-financial performances
Leslie, M. (2013)	Organization performance is tested against the commitment that the management made in its management system. It measures the management plans of whether social, economic and ecological goals are being achieved
Martinez, P. & del Bosque, I.R. (2013)	States that loyalty is indirectly affected by perceived CSR, via the mediation of trust, identification and satisfaction while at the same time examines managerial implications and limitations.
Davig & Doh (2014)	Firm performance was measured by use of both financial and other non-financial measures. States that firms that included non-financial performance measures were likely to perf orm better than those concentrating only on traditional financial based measures.

Hur, et al., (2014)	CSR has a direct positive effect on corporate brand credibility and corporate reputation. Corporate brand credibility mediates the relationship between CSR and corporate reputation.
Andonov et al (2015)	Regardless of the recent financial crisis and economic downturn where executives' attention is mostly focused on company profits, many members of the professional and scientific communities still support the benefits of CSR
Tyagi et al. (2015)	Identify CSR practices to improve or implement an effective and efficient CSR-based supply chain performance (SCP) system.
Granum et al	Suggest that companies should be considered as the source of the social and environmental problems they are trying to solve
Crane, A. & Glozer, S. (2016).	Reviews five core sub-disciplines by setting out a new conceptual framework – the 4Is of CSR communications research – namely CSR Integration, CSR Interpretation, CSR Identity, and CSR Image. This typology opportunities and challenges for CSR communication theory development, and provides a heuristic against which future research.
Marques-Mendes, A. & Santos, M.J. (2016),	Proposes a framework that enables an approach for analyzing strategic CSR, their underlying motivations and its core factors. Considers the different phases of maturity enabling the evaluation of the distinctive levels of CSR integration into the company strategy and the stage at which the company currently stands at on its determined path.
Goyal, P. & Kumar, D. (2017)	Identifies ten CSR implementation barriers and outlines that lack of money and consumer's passive attitude towards CSR as the major barriers while top management commitment, lack of knowledge and lack of skills are barriers which occur due to the investment required in term of time and consumer's passive attitude.
Crowther, D., & Lauesen, L. (Eds.). (2017)	The ubiquitous flow of information via social media conjointly with the direct communication among active groups and organizations, and finally the necessity for urgent actions regarding ecological resources and environment, force companies to act responsibly and conscientiously.
Chandler, D. (2018).	States that corporations are strategically engaging in CSR initiatives aiming to achieve specific objectives and create value for shareholders
Govindan, K. et al (2018),	Propose a model for choosing firms according to their CSR practices and identify the key actors (Shareholder, Governments, Customers, and Community) whose perspective is vital
Hourneaux et al., (2018)	Proposes a minimum set of indicators to be measured by industrial companies to represent the triple bottom line (TBL) approach. Three hypotheses establish associations among the degrees of use of TBL indicators and their different degrees of use in firms.
Commission Staff Working document (2019)	Provides an overview of progress in implementation that has been made on CSR by the Commission and European External Action Service (EEAS) since the renewed EU strategy for Corporate Social Responsibility of 2011.
De Souza et al. (2019)	Examines with the use of ecosystem network analysis (ENA) how strategies influence the resilience of a supply chain - its ability to handle disturbances without compromising its function.
Kumar et al., (2019)	Studies CSR enablers as well as their interactions and interrelationships among them in Indian companies. Identifies that top management commitment, organizational culture and formal strategic planning are the main enablers of CSR implementation, whereas corporate reputation, better financial performance and customer satisfaction are the dependent enablers that have high dependence power but weak driving power.
Kumar et al. (2021)	CSFs can be organized in three distinct categories: governance on CSR and sustainability; public policy on CSR and sustainability; and relationship principles in CSR and sustainability.
Yu et al., (2021)	States that CSR has direct positive influence on consumers' purchase intention, and there are differences in the positive impact on each dimension namely charity, legal and environmental responsibility.

Table 1. Corporate Social Responsibility References Used in the Literature Survey

1.2 Literature Survey Findings and Research Questions Posed

CSR is considered one of the companies' most important objectives (Luo & Bhattacharya, 2006). Despite its significance, CSR lacks a generalized and unique definition specifying its concept and how this can evolve in the context of an organization. In order to distinguish organizations according to their ability to incorporate CSR actions and classify them, a maturity assessment is necessary. After a thorough analysis of the literature, it was possible to identify areas that needed to be addressed. In fact, even if there is literature on maturity, this does not explain any of the essential adoption prerequisites, the processes, and the critical success factors to achieve a higher level.

None of the above-mentioned literature review papers and the current theorizing provides a satisfactory focus on the proposed research questions. Although scholars highlighted the need to further elaborate on the field of strategic CSR, the need for a satisfactory conceptual approach that includes both theoretical and practical implications and the differentiations among significant theories in the field impedes the study of the subject. Moreover, the diversity of definitions opens the door to new concept introduction, creating additional obfuscation to the meaning of corporate responsibility (Matten & Crane, 2005). Therefore, the literature survey posed the research questions that the research elaborated in this thesis aims to address.

Primary Research Question

How can a holistic CSR Maturity assessment model be developed based on the above?

Research Question #1

What are the critical success factors (CSF) related to Corporate Social Responsibility in a Maturity Assessment Framework?

Research Question #2

What are the enablers that should be analyzed in order to assess the achievement of CSR Maturity Assessment CSFs?

Research Question #3

Can CSR activities within an organization be modelled and assessed?

Research Question #4

What is the link between CSR and corporate performance?

Research Question #5

Can Operations management principles be applied to CSR?

Research Question #6

What is the link between CSR and Quality Management Standards, Methodologies and Excellence awards?

1.3 Research Framework and Contribution to Knowledge

This thesis aims to identify the current frameworks of CSR maturity for all types of corporations and organizations regardless of their individual characteristics, to identify the essential elements of a maturity model and to suggest a holistic maturity model along with its critical success able to improve the current level of CSR. The main objective is to highlight the importance of using maturity criteria and factors in the wider context of CSR, and that is the reason why the first part of this thesis is to define and deepen this topic.

How an organization reaches CSR maturity is not clear. Managers can choose which are of importance among a list of 265 actions provided by ISO26000:2010. This could serve as the foundation for the implementation of a maturity model assessment. In this respect, the thesis focuses on assessing the benefits and opportunities of implementing CSR initiatives for a corporation. For this reason, it considers the essential CSR theories, the current reporting frameworks and some of the best processes to realize CSR following ISO26000:2010 guidelines always in the context of sustainability goals. In Figure 2 the high-level framework of the research is presented.

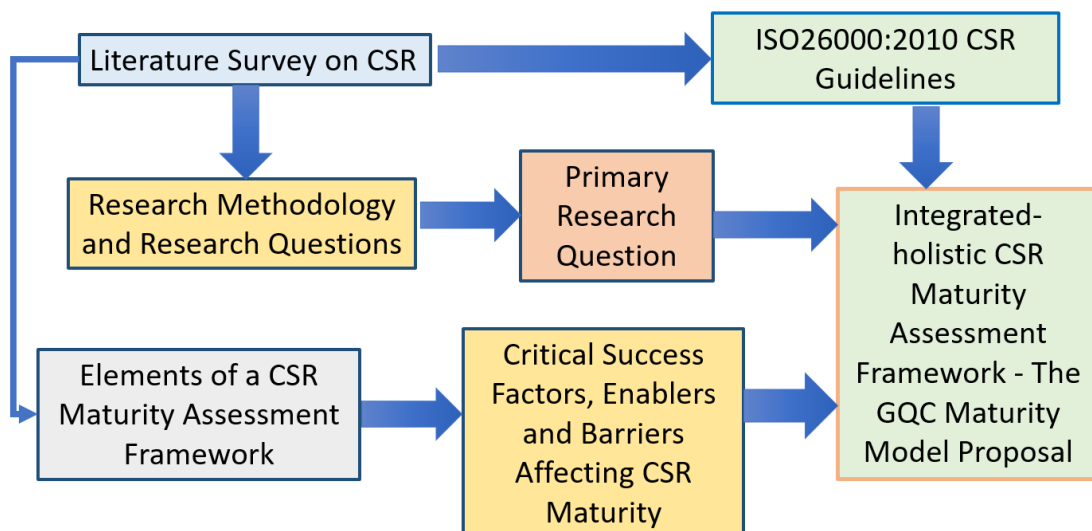


Figure 2: High-level Overview of Thesis Research Framework

Since the literature revealed a gap regarding Maturity Models related to CSR and the way that they could incorporate the most prominent CSFs (Critical Success Factors) and key enablers (or resources), this thesis contributes by summarizing major key aspects of the field and by identifying potential shortcomings in the subject. The target is to enhance awareness regarding CSR and, in parallel with the attention that the concept has attracted in the corporate environment, to highlight the significance of the topic. Considering the guidelines of ISO26000:2010 the thesis proposes a holistic maturity framework assessment that could serve as the foundation for the evaluation and the characterization of a Corporate Social Responsibility.

1.4 Thesis Outline

The purpose of all the information included in this thesis is to answer the research questions and provide a further explanation of the issues raised by this study and its implications. Additionally, this study presented some considerations that could be addressed by future research. At the same time though, it offers the opportunity for addressing new research items in the respective field. In this context, this paper presents a systematic literature review of articles included in academic databases regarding CSR, aiming at addressing the research questions in this specific field.

Introduction. The first part of this thesis introduces the rationale behind the research and the main topic, its objectives and focus, highlights its importance and provides an overview of the document. This part also includes research questions and the research methodology presenting the methods used for the outcome.

Sections 2-3: The second and third part provides the background regarding CSR and the wider framework to which it belongs; sustainability. The overview of the theoretical background explains the concept, its principles and essential elements and the factors that influence its progress towards maturity. It highlights the benefits and opportunities that implementing CSR initiatives can offer to the company, its stakeholders, its performance and society.

Section 4 deals with CSR and sustainability reporting framework and highlight the benefits of reporting for corporations. The disclosure of this kind of information can increase awareness and understanding of both risks and opportunities of such initiatives, influencing financial and non-financial while improving a constructive dialogue with all related stakeholders.

Section 5 is dedicated to CSR maturity models. A literature overview of the concept is presented according to the type of CSR, their dimensions, and the factors of influence involved. Furthermore, it analyses the levels of maturity that a company can succeed in terms of CSR. This section also presents the critical document that contributed the most to our research, the ISO26000:2010 Social Responsibility guidelines. This standard describes the actions that an organization must implement in order from the state of “CSR”, meaning that employees behave responsibly and ethically by incorporating CSR actions into the state of “Becoming CSR”, meaning that the organization embraces ISO26000:2010 actions and policies, leading to the implementation of responsible corporate. How an organization reaches CSR maturity is not clear. Managers can choose which are of importance among a list of 265 actions provided by ISO26000:2010.

Section 6 presents the result of this study, the proposed maturity model for CSR assessment, the critical success factors that influence it and its enablers. An analysis of its concepts is provided, and a matrix based on Glykas Quality Compass (GQC) framework, which can be used for the three-fold managerial perspective Processes – Human Resources – Information Technology during the implementation of the CSR framework, is highlighted.

Section 7 presents the two scientific papers accepted for publication in two international conferences. These papers are both based on the research implemented in this thesis.

Finally, Section 8 concludes this thesis.

2. SUSTAINABILITY

Sustainability has acquired a crucial pertinence in our lives. Institutions and governments are at the forefront of driving the world toward a cleaner and more ethical reality, and many companies carry out their business with a sustainable approach. The road to this point has been slow, and there are still many paths to be travelled, but the world is moving in the right direction.

This chapter presents a literature review of many aspects related to sustainability. First, it provides a brief overview of the world's challenges, such as pollution, significant population increase, and resource depletion. Then, it describes the history of the development of sustainability and how the governments started step by step to recognize it as an issue that has to be addressed. Due to this public and institutional attention, sustainability started to be included in the corporate strategy of several corporations, driven by regulations and other drivers such as costs, competitiveness, and personal beliefs—afterwards, a thorough analysis of the literature on existing sustainable practices.

2.1 Sustainability Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, offers a shared blueprint for peace and prosperity for people and the planet, now and in the future¹. The new Sustainable Development Goals (SDG) policy takes a very different approach to tackle problems worldwide. The Millennium Development Goals focused on how developed countries identified problems in the world with little consultation with developing countries, resulting in goals that ranged from unambitious to completely unachievable (Taylor, p.2015). As a result, emerging countries need to catch up in meeting these Goals. The lack of transparency and the weak participation of the citizens were strongly criticized and considered a limiting factor. As a result, therefore, many of the eight goals still needed to be achieved. Under this framework, United Nations has developed new Sustainable Development Goals, drawing on an extensive network of national and regional consultations. These new Sustainable Development Goals aim to empower local governments and citizens to be the engines of sustainable development wherever they are. With 17 goals instead of the previous eight, the range of topics has been expanded. Like the previous Millennium Development Goals, they are incredibly ambitious and aim to eradicate poverty. Include and ensure that all children receive free, quality primary and secondary education. Each goal has been assigned targets and indicators to monitor progress. After all, they are just a framework for governments and organizations to strategize. They do not provide guidance or methodology for solving current

¹ <https://www.sgs.com/en-us/news/2023/01/knowning-and-navigating-the-17-un-sustainable-development-goals>

problems. This task is left to everyone, whether government or public decision-makers. These 17 new Sustainable Development Goals are shown in Figure 2.



Figure 3: Sustainable Development Goals

(Source: United Nations)

They represent an urgent call for action by all developed and developing countries in a global partnership. They recognize that the eradication of poverty and other deprivations must go hand in hand with policies that improve health and education, reduce inequality and promote economic growth while tackling climate change and working to protect our oceans and forests (UN).

2.2 Types of Sustainability

The interpretation of sustainability has been an issue of debate among academic and corporate environments, separating traditional economic views from more recent ecological approaches. Another debate that has occurred regards the presentation of the concept of sustainability. This splitting approach was initially confirmed in the Brundtland Report ² in 1987, and it is still in place. The two major perspectives on sustainability focus on economic growth and the environment and can also be addressed as 'weak' sustainability and 'strong' sustainability. (Rennings & Wiggering, 1997; Ang & Van Passel, 2012). Strong and weak sustainability reveals the changes in the concept of sustainable development from what it was originally

² <https://sustainabledevelopment.un.org/content/documents/5987our-common-future.pdf>

intended (strong sustainability) to what it has evolved through various adjustments (weak sustainability).

2.2.1 Weak Sustainability (WS)

Weak Sustainability (WS) recognizes manufactured and natural capital as alternatives and assumes no significant difference between these two types. Therefore, the two capitals are equal alternatives for generating prosperity (Neumayer, 2012; Pelenc & Ballet, 2015; Teigiserova et al., 2020). Therefore, when one type of capital is depleted or inadequate, it can be supplemented by a surplus of the other type. WS only focused on the total value of the capital stock. The overall value preserved for future generations should be maintained at least at the same level or better increased. In WS, environmental issues caused by the constant production of goods and services are assumed to be solved by technological progress and generated engineering solutions. (Ekins et al., 2003; Zagonari, 2019). In other words, environmental damage is measured in monetary terms (Wiggering & Rennings, 1997).

2.2.2 Strong Sustainability (SS)

In contrast to weak sustainability, Strong Sustainability (SS) focuses on the need to protect natural capital, viewing manufactured and natural capital as complements (Ang & Van Passel, 2012; Pelenc & Ballet, 2015; Teigiserova et al., 2020). Therefore, SS does not consider natural capital simply as a stock of capital, as is the case with WS. Rather, SS distinguishes between manufactured capital and natural capital. Natural capital is considered important and represents a complex system of interconnected organisms and abiotic elements. The interactions between these elements define the capacity of ecosystems and, consequently, the resources available. The first is the phenomenon of irreversibility, where the complete depletion of an irreversible resource or the extinction of an animal species is irreversible. The second is a liminal phenomenon that represents an irreversible breaking point in the ecosystem. (Turner, 1995; Pelenc & Ballet, 2015). Manufactured capital can therefore be regulated, and production can be increased or decreased, whereas natural capital can entirely disappear if it is overused and reaches a stage of irreversible deterioration. The elimination of any element of natural capital affects all three pillars and impedes society's ability to produce products or provide services. Moreover, as noted earlier in this chapter, SS rejects WS's contention that these types of capital can be substitutes because the production of manufactured capital is dependent on natural capital.

2.3 Sustainability Models

Several models are commonly used to describe the relationship between WS and SS and the three pillars of sustainability: environmental, social and economic. Models' gradual development and modification are due to the growing trend that the primary focus should be on conserving and halting environmental degradation rather than just creating preventive, remedial measures as an answer to damage from constant growth. Since its inception, many companies have adopted TBL as a framework to communicate at least non-financial impacts. However, there are many interpretations of how these aspects are understood and how they promote sustainability. In doing so, some general perspectives on sustainability are shaped into concrete models. The evolution of these models is shown in Figure 4 and is gradually moving to the evaluation of various factors. Decades ago, views on the importance of each factor were mixed. However, contemporary literature is more balanced and has evolved towards recognising environmental and social factors as necessary conditions to be considered in closed systems.

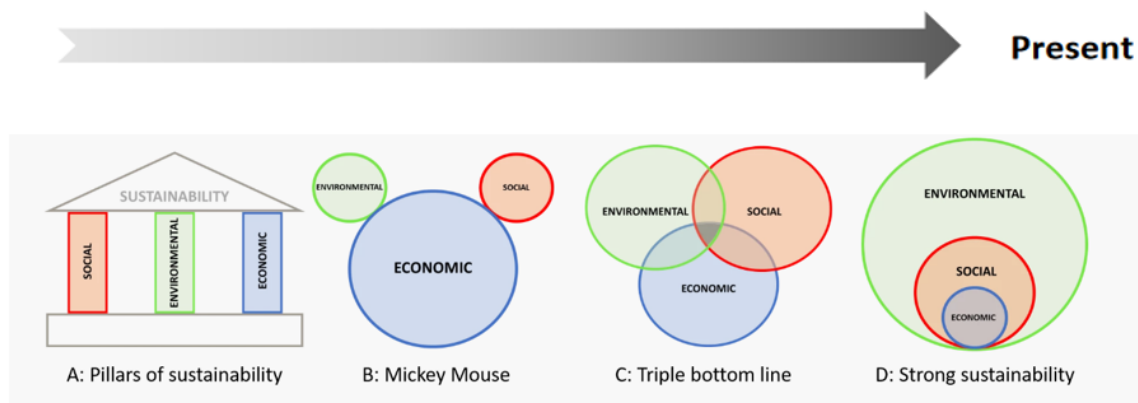


Figure 4: Popular models for sustainability conceptualisation

(Adapted and modified from Peet,2009)

2.3.1 Mickey Mouse model

The Mickey Mouse model considers the sustainability dimensions as separate entities and represents WS, where the economy is considered the main pillar of analysis. The other two pillars, society and the environment, play a subordinate role and are dependent on the economy. Of all the models presented here, the Mickey Mouse model can be considered the least sustainable of all sustainable models. Nevertheless, this model is the one most commonly seen in the current economy (Mulia et al., 2016; Myllyviita, 2013).

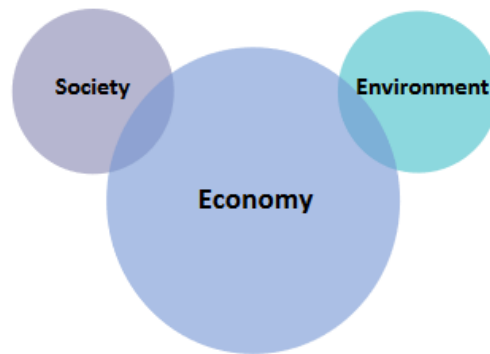


Figure 5: The Mickey Mouse Model

(Mulia et al., 2016; Myllyviita, 2013)

Corporations and governments operate under this model because it is based on economic values that are considered targets and indicators of growth, such as GNP (Gross National Product), profits, the federal economy, and economic growth in general. This model, therefore, best represents the difference between the sustainability that the Bulltland Report seeks to achieve and the current direction of the economy.

2.3.2 The Venn diagram model

The Venn diagram model of sustainability or better known as the triple bottom line model proposed by Elkington (1997) offers a way to achieve "sustainable development that underpins many discourses and policy decisions in areas such as economic development, environmental protection and sustainable society" (Mulia et al., 2016). Sustainable development is achieved through balance, as the model considers all three pillars equally important. However, the intersections of the individual pillars of sustainability are on purpose small, representing the minimal linkages between pillars.

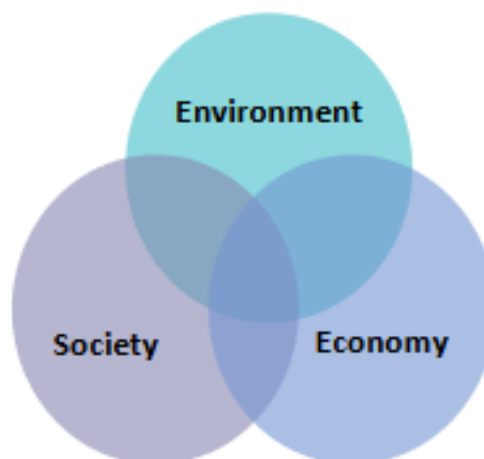


Figure 6: The Tripple Bottom Line Model

(Elkington, 1997)

Although this model is generally recognized as the proper path to sustainable development, its shortcoming lies in the parity of individual pillars. This model does not consider the limits of natural capital. Therefore, it can only lead to WS. It considers manufactured capital and natural capital are fungible, and the focus is on which capital provides greater returns rather than the potential for destroying natural capital. Nevertheless, this model is a more faithful representation of sustainable development than the Mickey Mouse model, but it also represents a slight misalignment from the original concept.

2.3.3 Three Nested Dependencies Model

Last but not least, the three nested dependencies model is considered a more accurate form for representing sustainable development. This model represents the probability of regression to SS. This model embodies the SS and shows that the economy is subordinate to society as it depends on human capital.

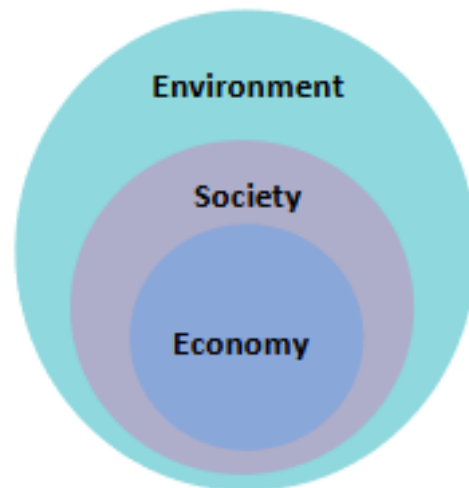


Figure 7: Three Nested Dependencies Model

Ultimately, the economy evolves following society's welfare. Moreover, both the economy and society depend entirely on the environment, its available resources, and the living conditions it supports. The relationship between these three pillars entails that environmental changes directly impact society and the economy. For this reason, SS considers issues related to

sustainability as interdependent. Sustainable development is not a novel concept. SS provides insights into economic performance and economic actors that are currently less common. In practice, it is more common to observe WS than SS., especially in corporate environments in the form of corporate social responsibility (CSR) initiatives.

Although these models do not precisely represent sustainable development, they are the most commonly used models in the literature to show how the pillars of sustainability are related. After all, sustainable development is constantly evolving and will likely be incorporated and adapted. Conceptual development depends on the level of decision-making that determines how to meet society's current and future needs (IISD, 1997). However, such decisions affect different levels of society and require broad cooperation among all market participants. Sustainability development is, therefore, uncertain and dependent on the actions of individual actors. From this point of view, more possible solutions and directions exist.

However, it can be assumed that society's values will gradually change due to the development of sustainable approaches and the use of resources. A shift in the sustainability perspective should therefore move toward an ideology for which there is no real point at which environmental sustainability can be said to have been achieved. Therefore, environmental sustainability must be seen as a means rather than a specific goal. To conclude this chapter, the approach to sustainability has evolved in the literature, with a transition from WS to SS, where the environment gradually became the framework for human behaviour. However, there was a transition to sustainability in practice, while adaptation tends to be different. Some market actors such as governments, corporations and individuals have adopted the SS approach but still consider WS an acceptable form of sustainable development. For this reason, WS is still widely used for representation today.

2.4 Sustainability Benefits to Corporations

According to UN report (UN, 2001) a coherent and sustainable strategy based on integrity, solid values and long-term goals offer clear business benefits and a positive contribution to society. Corporations with a more sustainable approach are positively satisfied in terms of the following (Shahbazpour & Seidel, 2006):

- a) Increased brand value and reputation. Environmental performance is an issue many people use when evaluating companies. Therefore, Sustainable Development Corporate Strategy offers great opportunities, increase brand equity and improve industry image.
- b) Customer acquisition and retention. Sustainable development offers an excellent motive for customers' choice among similar products and providers when price and performance are the same. Customers may consider sustainable development practices as a criterion for their purchasing habits, which must be fulfilled. Existing customers, on the other hand, tend to remain in a corporate portfolio focused on sustainable development.
- c) Differentiation. Marketing tactics that drive sustainable corporate practices are related to products and services, aiming to create a key advantage over its competitors
- d) Reduce operating costs and increase revenue. Operating costs can be reduced through sustainable practices such as energy-efficient practices, pollution prevention and elimination of health and safety hazards.
- e) Improved risk management: Reputational risk is part of corporate success and is affected by sustainable corporate development. Mitigation risk policies can influence corporate strategy, especially in sensitive fields like human rights.
- f) Attract and retain talented employees: Sustainable practices related to employee well-being have proven to be an effective aid in attracting and retaining human capital. Corporate brand name and positive reputation related to environmental and human rights issues enforce the corporate ability to attract and retain employees. Attractiveness and retention of talented employees are an asset that fosters and increases knowledge innovation in corporate environments.
- g) Identify new opportunities: An organization focused on the environmental attributes of its products and processes tends to be open to innovation, which is a crucial competitive factor. Innovation is dominant in many industries trying to find new opportunities and break the limitation of their existing markets.

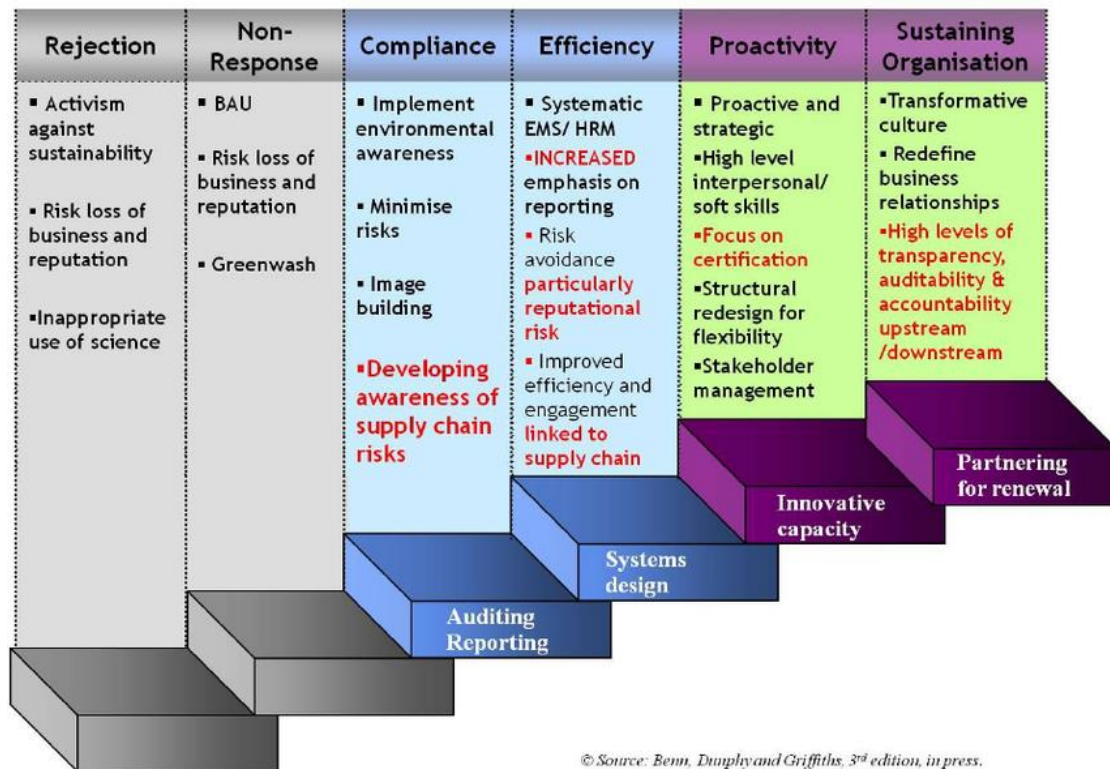
The above-mentioned benefits derive from the incorporation of sustainable development practices in corporate strategy. This can create and enhance an organization's competitive advantage and enforce its business continuity. It also can create a positive reputation and a worthy brand name among customers and society. Thus, the promotion and inclusion of sustainable development principles can be beneficial for the organization in the long run.

2.5 Sustainability in Corporate Environments

Sustainability has become a common term in the corporate world, better known as “Corporate Sustainability” (CS). There are many reasons why organizations decide to embrace sustainable practices. The most popular argument for the increasing demand for sustainability is to gain a competitive advantage which is a crucial concept in business strategy. The concept of sustainable development can be incorporated into manufacturing, management and marketing processes to follow trends determined by consumers. In the business world, sustainability as a competitive advantage translates into cost efficiency, economies of scale, opportunities for innovation, or many other advantages that ultimately lead to business growth.

Even though the discussion about sustainability is emerging, the environmental and social conditions worsen. Dyllick and Muff (2015) call it "The Great Disconnect". This large discrepancy is mainly because organizations are still primarily interested in maximizing profits and mainly belong to "business-as-usual" or "business sustainability 1.0". In reality, becoming fully sustainable is a long process, and it is possible to identify different levels of commitment on the part of the organization. Benn et al. (2014) designed a six-wave phase model that evaluates this commitment and is depicted in the following six phases:

- a) In the rejection phase: the company resists environmental and social pressure focusing on profit maximization without considering the possible external effects. –
- b) In the non-response phase: the company is usually ignorant of the topic; therefore, it does not include sustainability in the strategic goals.
- c) In the compliance phase: the company is more concerned about possible consequences and avoids possible sanctions in the event of misconduct.
- d) In the efficiency phase: the company is concerned with lowering costs through higher efficiency. This attitude falls within the level of Sustainable Business 1.0
- e) In the strategic proactivity phase: Sustainability is placed at the corporate strategic level, playing a much more critical role than in the previous phase. It focuses on innovations that benefit the environment, but the corporate goal remains profit maximization.
- f) In the sustainable corporate phase: The company is fully committed to sustainability in this final phase. It works with a network of partners, such as governments, NGOs and local communities, to effectively fulfil its sustainable future mission. Therefore, while still interested in profit, the organization goes beyond this goal to pursue social and environmental challenges.



© Source: Benn, Dunphy and Griffiths, 3rd edition, in press.

Figure 8: Sustainability phase model
(Benn, 2014)

Keijzers (2002) indicated that the concepts of CSR and CS had separate starting points but lately have grown into convergence. In the past, sustainability was related mainly to environmental issues only, while CSR was about social aspects.

The term "corporate sustainability" describes a new corporate management model focusing on value creation, environmental management, environmental production systems and human capital management. It aims at enhancing growth and profitability for companies through intentional business practices in three distinct areas of society. One particularly prevalent description of the term sustainability employs three interconnected pillars as they are depicted in the figure below.



Figure 9: Three pillars of sustainability

The goal of CS is to provide long-term value for stakeholders without compromising people, the planet, or the economy.

The environmental pillar is the most well-known pillar of the three pillars of corporate sustainability. The main topic stressed here is the effect of organizational actions in the direction of the environment. Thus this pillar refers to the actions that companies can undertake to protect the environment and reduce their environmental impact and carbon footprint. These actions include recycling and the use of sustainable energy resources. For the recognition of environmental initiatives, there are various indicators available as well as systematic management systems that guide organizations to review environmental issues, such as European Environment Agency (EEA), International Energy Agency (IEA), and World Resources Institute (WRI). UNSD (United Nations Statistics Division) also considers governance a critical indicator of environmental health by measuring participation in selected international environmental agreements and evaluating the environmental legislation.

Social sustainability -Social pillar considers the interest of all stakeholders and the community in providing an impartial and ethical organization. More specifically, it deals with companies' interaction and interrelations with their shareholders, customers, employees, and the local society. It discusses the practices companies implement in order to engage their assets in order to enhance social sustainability. Social sustainability enhances operational performance by utilizing 'efficiency', quality products and reliability, which increases productivity, corporate social performance and customers' commitment.

The Economic pillar is considered one of the main drivers for sustainability. It is related to implementing sustainable business practices to promote long-term profitability and is assessed with quality, speed, dependability, flexibility and cost indicators. This pillar embraces several aspects of an organization that need to be fulfilled, in addition to the environmental and social pillars.

For successful development, implementing environmental, social and economic goals must have complementary relationships with the three pillars to be equal without overshadowing each other. Under this frame, it can create success, innovation, and profitability for companies. However, in order to be effective, opportunities and threats should be identified. Thus, companies need a coherent framework to identify, develop, implement, control, and improve corporate sustainability strategies to be more effective and profitable.

3. BACKGROUND OF CORPORATE SOCIAL RESPONSIBILITY

This chapter aims to provide a clear historical perspective on the development of CSR as a conceptual paradigm and examine the salient factors that have shaped its understanding and definition, such as corporate opinions, academic contributions, and essential social actors.

3.1 CSR

Socially responsible activities of any company represent their awareness about the environment in which they operate (Tuan, 2012) since these activities have a significant impact on society, the environment, employees and, at the end of the day, the company itself. Corporate Social Responsibility (CSR) is one of the most popular and emerging organizational issues for the academic community and the business world. It refers to people and organizations behaving and conducting business ethically and respecting social, cultural, economic, and environmental issues. It is considered of high priority, climbing on the top of the agenda of corporations, while its scope spans from responsible business to strategic decision-making.

CSR has been considered one of the essential objectives for companies (Luo & Bhattacharya, 2006). Implementing CSR initiatives triggers organizations to undertake Responsibility related to their activities' impact on customers, employees, shareholders, the community, and the environment. The concept of CSR is extended beyond legislation, as organizations voluntarily incorporate social and environmental concerns in their strategies, playing a more responsible role in the world. CSR embraces three organizational aspects: economic, environmental and social. CSR is often valued as a strategic competitive tool, embracing three distinct organizational aspects: economic, environmental and societal, which force companies to integrate systems that focus on the common good for society in general and stakeholders in particular. However, there is great variety as far as CSR understanding and implementation are concerned, and many definitions of the term exist.

The earliest definition of CSR is the one given by Howard Bowen, who, according to Carroll (1999), is the father of Corporate Social Responsibility. He defined CSR as “*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*” (Bowen, 1953). Davis described CSR as “the firm’s consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm” (Davis 1973, cited in Carroll, 1999).

Carroll (1979) gave a broader definition of CSR, stating, “CSR is the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time”.



Figure 10: Carrol Pyramid of Corporate Social Responsibility

(Source: <https://thecsrjournal.in>)

Carroll’s pyramid of corporate social responsibility proposes a hierarchy of the abovementioned responsibilities, putting as a basis of all the profit generation a prerequisite for corporations that aim to fulfil their other responsibilities. Implementing CSR initiatives triggers organizations to undertake responsibility related to their activities’ impact on customers, employees, shareholders, the community, and the environment. CSR is extended beyond legislation, as organizations voluntarily incorporate social and environmental concerns in their strategies, playing a more responsible role worldwide. CSR embraces three organizational aspects: economic, environmental and social.

Elkington (1997) identified a more common expression of these three organizational aspects: People – Planet-Profit. Planet for ecological vision and Profit for economic management. The balance among the three is a crucial issue for CSR success. Based on this theory, Hourneaux et al. (2018) proposed a minimum set of indicators to be measured by companies to represent the triple bottom line (TBL) approach, associating these indicators with their different degrees of use in companies.

Freeman’s original stakeholder theory (Freeman,1984) was extended by Elkington’s theory in another influential model. The famous Stakeholder Model acknowledges that an enterprise has

stakeholders. However, additionally, it considers the corporation itself as an additional stakeholder in a community of corporations that strives towards common goals. This community usually experiences synergies and economies of scale and exerts strain to achieve these common goals. Another scholar suggests that companies should be considered as the source of the social and environmental problems they are trying to solve (Granum et al., 2015) and not as part of the solution. Therefore, the debate about their role and their obligations is loud. Friedman (1970) argued that the only social Responsibility of a business is to increase its profits within a legal and ethical framework and that a firm cannot be held responsible; only people can. Similarly to Friedman, French (1979) states that companies can have Responsibility and ethics, not as autonomous entities but via their people, since they are organizations with a specific structure that apply decision-making procedures. The result of this decision-making depicts their people's mindset and ethics.

Bloom and Gundlach (2001) defined CSR as *“the obligations of the firm to its stakeholders-people and groups who can affect or are affected by corporate policies and practices. These obligations go beyond legal requirements and the company's duties to its shareholders. Fulfilment of these obligations is intended to minimize any harm and maximize the long-run beneficial impact of the firm on society”*.

CSR captures the Responsibility of business to the environment, its stakeholders, the broader society (Blowfield, 2005), and its employees. It is an open concept continually modified and evolved following the ever-changing expectations of society regarding issues concerning the environment and human rights. CSR is driven by factors such as legislation, social rights agendas, stakeholders' expectations, business strategy, and strategic goals. CSR linkage to business strategy forced companies to utilize CSR to align with international standards (e.g. ISO26000:2010). In exploring CSR and its capability to fulfil social needs, including sustainability, Okoye (2009) describes CSR as a 'contested concept' that attracts continuous dialogue and argument concerning its meaning.

McWilliams et al. (2006) defined CSR as *“situations where the firm goes beyond compliance and engages in actions that appear to further some social good, beyond the interests of the firm and that which is required by law”*, while Moon (2008) defined it as *“the policies and practices of corporations which reflect business responsibility for the wider societal good.”* Aguinis and Glavas (2012) define it as *“social activities of the organizations among organizations,*

employees and public” and El Ghoul et al. (2019) as “*a company’s social or environmental behaviour that goes beyond the legal or regulatory requirements*”. These are only some of the many definitions for CSR that exist in the literature, and as we will explain later, they all have some common characteristics.

The European Commission has defined Corporate Social Responsibility (CSR) in the past as “*a concept whereby companies integrate social and environmental concerns in their business operations and their interaction with their stakeholders voluntarily*”. The World Business Council for Sustainable Development (1999) used a similar CSR definition; “*The commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life*”. In addition, following the needs of European society, in 2011, the Commission of the European Communities re-defined CSR as “*the responsibility of enterprises for their impacts on society*”.

On the opposite side, Zadek (2001) considers that companies have extended responsibility against society. Therefore, he categorizes them into three distinct generations regarding their social activities for sustainable development: philanthropy, corporate strategy to be used as a competitive advantage and companies that implement activities that can actually make a difference. Following Zadek’s view, Matten (et al.,2003) described how companies implement those activities.

In another view, Zadek (2004) stated that organizations pass through five stages of corporate Responsibility, from defensive, to compliance, to managerial and strategic and, finally, to civil. According to Goyal and Kumar (2017), the top management’s involvement and commitment are highly crucial for the successful implementation of CSR. However, the top management’s value system and thought process affect the successful formulation and implementation of CSR activities (Chin et al., 2013).

Porter and Kramer (Porter & Kramer, 2006) linked their value chain model to CSR. They stated that many companies have already undertaken efforts to improve their activities’ social and environmental consequences. They concluded that the efforts at that time could have been more productive. He identified two main reasons for this lack of productivity. The first was based on the finding that business and society were independent- distinct parts without considering their strong interdependencies. Companies also approached CSR from a strategic point of view that

accommodated their own interests and benefits rather than the wider community's general interests. Porter argues that to implement CSR successfully; the focus must be shifted towards a broader framework by understanding the interconnections between society and corporate environments while including it in corporate strategic goals. He also believed that the vital issue guiding CSR is the opportunity to create shared value. He considers this as a societal benefit but also a corporate benefit as well.

When CSR initiatives moved from theory to practice, CSR was considered an essential actor in terms of corporate strategy. Literature contributed to this direction by defining the CSR phenomenon (De Bakker et al., 2005; Garriga & Mele, 2004). To this end, Garriga and Mele (2004) map the present territory by classifying the main CSR theories and related approaches into four groups. These are instrumental theories, in which corporations are seen as only an instrument for wealth creation, and its social activities are only a means to achieve economic results; political theories deal with the corporate power in society and the responsible use of this power in the political arena; integrative theories, in which corporation are focused on the satisfaction of social demands; and finally ethical theories, based on ethical responsibilities of corporations to society. Each CSR theory includes four dimensions related to profit, political performance, social demands and ethical values. The findings outline the need for a novel theory development related to the relationship between business and society, which integrates these four dimensions.

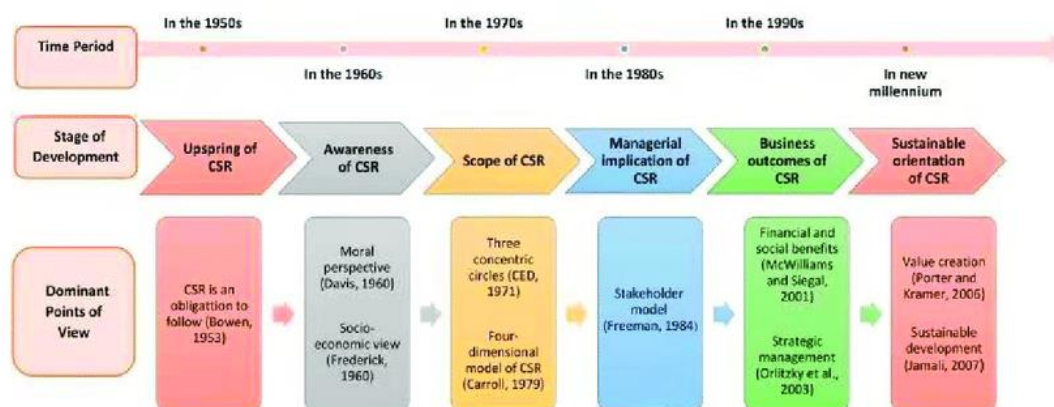


Figure 11: Summary of CSR evolution
(Source: Yang et al., 2019)

Today, CSR has many forms, spanning from corporate-oriented to multi-stakeholder-oriented initiatives considering society, environment and government. CSR has been transformed from philanthropy and voluntary actions to regulated practices and strategic corporate activities. Corporations are receiving pressure from society that demands compliance with regulations on aspects such as human rights, environmental protection, and transparency, necessitating the existence of CSR in the corporate strategy. Respecting legislation is considered a prerequisite for meeting CSR concepts. However, supposed that companies want to be fully aligned, they should have processes that integrate social, environmental and ethical aspects, including consumer concerns, into their corporate operations and strategic goals in close collaboration with their stakeholders. Additionally, companies aim to maximize the creation of shared value for their owners/shareholders and society as well. At the same time, they try to identify, prevent and mitigate possible adverse impacts.

In this respect, CSR has become an integral part of the strategic business planning of most organizations, with its influence spanning from internal policies to external initiatives involving diverse stakeholders. Different CSR levels have been considered in strategic management processes to increase employees' motivation, stakeholders' profit, and the impact on society (Marques-Mendes, & Santos, 2016) in their path to create a corporate brand name and generate competitive advantages.

3.2 Internal and external CSR

Scholars distinguish corporate social initiatives in terms of internal and external CSR, which are aimed at internal and external stakeholders, respectively (El Akremi et al., 2015). Internal CSR refers to organizational policies and practices related to the psychological and physiological well-being of employees (Turker, 2009b; Shen & Jiu-hua Zhu, 2011). These include respect for human rights, employee health and safety, work-life balance, employee training, equal opportunity and diversity (Turker, 2009a; Gond et al., 2011). External CSR refers to environmental and social practices that help enhance corporate legitimacy and reputation with external stakeholders (Carroll, 1979; Brammer et al., 2007). External CSR activities include volunteerism, purposeful marketing, corporate philanthropy, and environmental and animal welfare (Brammer et al., 2007; Chen et al., 2008)

According to stakeholder theory, CSR can be distinguished into two categories. External and internal CSR. External CSR encompasses three main themes: corporate philanthropy, corporate volunteerism and environmental protection (European Commission, 2001). Spence and Lozano (2000) found that the most substantial incentive for corporations to engage in CSR was their concern for the health and welfare of their employees. They, therefore, tended to initiate CSR actions from an internal aspect. Previous researchers have argued that internal CSR and HRM increasingly overlap (Bettridge, 2007; Cooke & He, 2010) by sharing common goals and concerns for responsible employment practices (Ehnert & Harry, 2011). Internal CSR is a company's responsibility and attention to employees. The moral obligation arises from this vigilance, recognizing the employee's role in the company. This is expressed through higher levels of motivation. Employees learn from the company the collective ethics that underlie employee motivation. Her CSR and service motives within the company share the same assumptions about values and ethical awareness.

Internal CSR refers to the actions a company takes to meet employee expectations, be proactive, and improve organizational fairness towards employees (e.g. employees) (Davis,1973). Through provision of employee benefits, internal CSR is closely related to psychological and physiological well-being, and the core idea of CSR is to bring benefits to employees rather than pursue corporate interests (Bentler,1990)

Internal CSR promotes the growth of motivation to serve, as an individual's tendency to respond to motivations rooted in public institutions and institutions (Perry & Wise, 1990; Vogel, 2020). However, to implement internal CSR, traditional HRM needs more capabilities and integration of additional aspects (Jamali et al., 2015). In other words, internal CSR is a responsible aspect of human resource management. As a result, internal CSR functions as a primary HRM activity and is considered an effective strategy to promote employee satisfaction, emotional engagement and engagement, and knowledge-sharing activities (Chaudhary & Akhouri, 2018; Gupta & Sharma, 2016). Internal CSR initiatives can generally increase employee accountability to the company. Manzoor et al. (2019) defined internal CSR as the ethically and legally responsible terms of a company performing tasks and caring for its immediate associates. Build corporate-specific human resources and expand volunteer opportunities for employees to improve their competencies (Jamali et al. ,2019). Internal CSR can be a vehicle for achieving organizational change (Bolton, 2020). Adu-Gyamfi et al. (2021) explain that internal CSR can create opportunities that foster employee self-motivation, while Chang et al. (2021) highlighted the effect of positive behaviour towards employees. Researchers may give different explanations

when referring to internal CSR, but they share essential issues related to human rights, physical and psychological working conditions, employment relationships, and human development (European Commission, 2001; Murillo & Lozano, 2006). This idea has been supported by researchers such as Magnan and Ferrell (2004), Turker (2009), and Welford (2005), who developed various scales to measure internal CSR.

External CSR can be conceptualized as a “response to corporate concerns and society as a whole” (Carroll, 1979; Brammer et al., 2007). External CSR refers to socially responsible actions aimed at local communities, the natural environment and consumers (Chiou & Shu, 2019). Community-related CSR includes charitable giving in support of humanitarian causes, investing in community development, and working with non-governmental organizations (Chung & Safdar, 2014). Environmental CSR includes investments in pollution reduction, environmental protection initiatives, and practices focused on sustainable development for future generations (Baum & Oliver, 1991). CSR committed to consumers includes providing quality goods or services, customer due diligence, and protecting consumer interests beyond legal requirements (Baum & Oliver, 1991). Corporations invest in CSR (Jensen, 2002) and can simultaneously engage in internal and external CSR activities. However, these activities can be costly and not cost-effective for organizations that need more resources for this cause leading to corporate decisions to invest in certain CSR activities (e.g. internal CSR), reducing investments in another type. CSR activities are costly and not cost-effective for companies. Thus, external CSR activities influence internal CSR activities such as employee welfare and training and development (Royle, 2005).

3.3 Theoretical Approach –Key theories of CSR

Any business needs to be understood at three levels of analysis. The first concerns how the business fits into its wider environment on the rational level. The second concerns how the business relates to its environment as a matter of standard operating procedures and routine management processes, or the process level. The third concerns how the business executes actual transaction deals or contracts with individuals with a stake. These three levels of analysis are connected. Successful businesses fit together in a coherent pattern.

As is clear from the previous, numerous definitions exist in the literature and various interpretive approaches to "what" the concept of CSR constitutes (Rupp & Mallory, 2015). This

fact reflects, on the one hand, the essential and extensive companies' engagement with social issues and concerns in recent years (Campbell, 2007), and on the one hand, the attraction of increasingly considerable research interest in this phenomenon internationally (Albinger & Freeman, 2000; Basil & Erlandson, 2008). Therefore, the related literature also includes a significant number of theories that set the appropriate framework to give the answers about it with "why" and "how" companies undertake CSR actions (Garriga & Melé, 2004; McWilliams & Siegel, 2001; Moir, 2001). The three most important and commonly used theories are:

- a) The stakeholder theory (Clarkson, 1995), which explains "how" CSR is implemented, and
- b) The legitimacy theory (Suchman, 1995), which explains "why" corporations are performing CSR activities.
- c) The institutional theory (Moll et al., 2006) which examines the forms of organization,

3.3.1 Stakeholder theory

In the traditional view of the company, the shareholder view, the shareholder or stakeholder is the corporation's owner. Consequently, there is a binding financial obligation to put its needs first to increase its value (Freeman, 1984). However, the stakeholder theory argues that other parties are involved, including government agencies, political bodies, industry associations, unions, communities, financiers, suppliers, employees, and customers. Even competitors may count as stakeholders. Their status is based on their ability to influence the company and other stakeholders.

Stakeholder theory (Clarkson, 1995) is the backbone of the analysis of "the group of people to whom a company is accountable" (Moir, 2001). Therefore, the theory in question is closely related to the field of CSR, where stakeholders play an equally important role (Maon, Lindgreen and Swain, 2009). According to the literature, stakeholders are "groups of people who can influence or be affected by its attainment mission of an organization" (Freeman, 1984). Alternatively, they are referred to as "groups that have some stake or claim on the corporations" (Evan & Freeman, 1988). Mahon et al. (2009) stress that stakeholder group boundaries tend to be broadened to include "all those entities that exhibit the decisive nature of control over organizational behaviour". Initially, the discussion regarding stakeholders began with the not-so-disruptive idea of Freeman (1984), who discerned the actual picture according to which corporations, to ensure their survival, must provide the necessary attention to the expectations

and needs of the groups of people they influence (both internal and external), or from which are affected. Corporations that fail to manage all these groups effectively by satisfying their interests face related difficulties and resistance in implementing their strategic plans (Godfrey, 2009). However, the conflicting interests of different stakeholder groups created managers' dilemmas regarding priority and satisfaction (Mitchell et al., 1997).

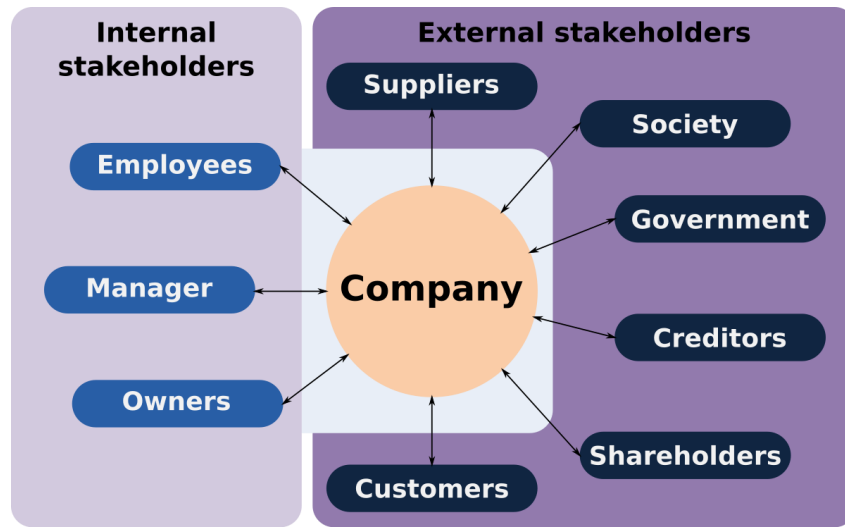


Figure 12: Internal and external stakeholders

(Source: Wikipedia)

While several sets of people can be potential stakeholder groups as they may be directly or indirectly affected, an opposite view examines each group individually and through a narrower perspective based on the benefit of the corporation so that it becomes possible to analyze the data and not hinder decision-making processes (Agle, et al., 1999). Freeman's work (1984) served as the starting point for developing the stakeholders' theory since it contributed to the revision of the organizational stance on dealing with these groups, valuing new external entities beyond the traditional ones, namely customers, employees, and suppliers (Agle et al., 1999).

It also favoured the creation of new forms of perception and practices in management, while at the same time, it offered a new, holistic approach regarding corporate responsibilities organisation (Jamali, 2008; Mitchell et al., 1997). Focusing on the fact that shareholders' expectations cannot be achieved without satisfying, to a certain extent, the expectations of other groups as well, e.g. customers, and employees, stakeholders theoretical framework broadened the managerial boundaries beyond profit maximisation practices (Jamali, 2008; Mitchell et al., 1997).

Even when corporations serve their shareholders' interests as an absolute priority, their success is determined by other stakeholder groups (Agle et al., 1999; Mitchell et al., 1997). The theory of interested parties argues that all groups' needs should be considered regardless of their power. Balancing the needs of often-conflicting sides with mutually exclusive interests has proven particularly difficult in practice (Galbreath, 2006).

Despite the willingness that may exist, corporations are de facto unable to respond due to limited resources (Sweeney & Coughlan, 2008). Therefore, setting priorities among the groups of stakeholders is necessary and is conducted based on corporate benefit or according to the existing regulatory framework. In the first case, CSR is part of the corporate strategy and is perceived as a tool for maximizing financial performance (long-term) (Garriga & Melé, 2004; Jamali, 2008), while in the second case, CSR is considered a philosophy that must be strictly adhered to, based on one normative framework that clearly defines the ethical behaviour towards society and stakeholder groups (Garriga & Melé, 2004; Jamali, 2008).

Consequently, stakeholder theory raises the question of whether CSR today benefits corporate purposes or is more a matter of offering in the context of social responsibility. Under this framework, Moir (2001) and Hamil (1999) state that CSR usually appears to primarily benefit companies.

The relationship between CSR and stakeholders theory is a bit blurry. Part of the literature considers that one concept is a subset of the other (Garriga & Mele, 2004; Wood, 1991), while another part acknowledges them as competitive concepts((Brown & Forster, 2013). in addition, there is a third view that argues that CSR and stakeholder theory are complementary to each other. (Jamali, 2008; Russo & Perrini, 2010; Kurucz, Colbert, & Wheeler, 2008). However, given the fact that the research on the field of CSR and stakeholder theory, respectively, has been considerably developed over the last decades, and both concepts often refer to the same issues but from a different perspective, the need for clarity might be helpful. Considering stakeholders theory and CSR as distinct concepts with overlapping similarities and differences can be defined under the frame that Corporations are always integrated into society. Their most significant similarity is that both stakeholders' theory and CSR emphasize the importance of incorporating social benefits into business activities.

On the contrary, the two concepts differ in that the stakeholders' theory assumes a central responsibility of the entire corporation, namely the company's responsibility. Responsibility to society in the context in which companies operate is very important, but only a part of it.:

Corporate integrity. Relationships and value creation for all stakeholders can vary according to the corporate business model, with compromises between them and the respective corporations to be central. Leaders must find ways to steer both sides' interests in the same direction. Despite the fact that CSR deals with corporate activities such as charity, volunteer activities, environmental initiatives, and ethical business practices, it does not understand the economy as a whole, and it does not try to identify the big picture. Instead, CSR focuses on a set of business responsibilities, such as the responsibility to local communities and society at large - ensuring at the same time beneficial results for the corporation.

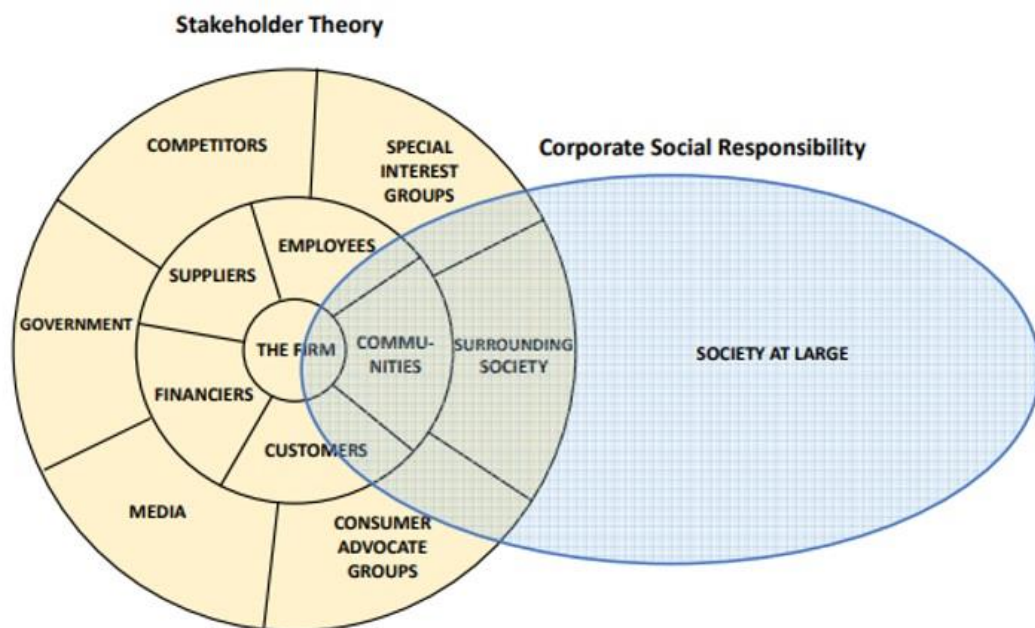


Figure 13: Interrelationship between stakeholder theory and CSR

(Source: Freeman & Dmytriiev, 2017)

Both concepts emphasize the importance of corporate responsibility to the community and society. However, stakeholder theory tends to focus within reasonable bounds of corporate activities, while CSR is mostly interested in the surrounding corporate environment (blue circle).

CSR manages to expand corporate social focus significantly, sometimes to the maximum. Regarding corporate responsibility to employees and customers, CSR focuses primarily on ethical work practices and environmental commitments. In contrast, stakeholder theory focuses on these stakeholders' corporate responsibility and seeks to understand their responsibilities

towards the company and other stakeholders fully. The theory also addresses corporate liability, while CSR needs to emphasize specific stakeholders in one direction (from business to community and society). Differences between stakeholder theory and CSR can also be defined by acknowledging the different perspectives under which a corporation is viewed. Stakeholder theory considers corporations from a purely operational point of view and the side of immediate stakeholders. These perspectives claim that corporations are responsible for ensuring the interests of all stakeholders (Freeman, 1984). Aside from that, it assumes that stakeholders are interdependent and that creating value for one stakeholder creates value for others (Freeman et al., 2010).

On the contrary, CSR considers the company from another perspective: society. So it prioritizes specific corporate responsibilities to society (community, employees and customers), omitting the responsibilities to other stakeholders. CSR and stakeholder theory often deal with the same problems related to management. Both concepts can be helpful from different perspectives depending on the overall purpose and the impact they want to create. Stakeholder theory can guide corporate operational matters, while CSR can be beneficial in separating some key stakeholders' relationships and to single out responsibilities to the community or society as worthy of special attention.

In other words, CSR denotes corporate responsibility to all members as equally important stakeholders. On special occasions, CSR focuses on specific stakeholders (usually regarding social aspects), emphasizing this particular attribute accordingly.

3.3.1.1 Stakeholders Theory Principles

Freeman outlined six principles by which stakeholder-organization relationships should be managed.

- a) The principle of entry and exit: This principle requires clear rules for boundary setting. For example, hiring and firing rules must be clear and transparent. The principle of governance deals with how to change the rules that govern the relationship between stakeholders and the company—all changes with unanimous approval.
- b) The principle of externalities: The question here is how groups that do not benefit from the corporation's actions have to suffer particular hardships because of these actions. This principle states that anyone who bears the costs of other stakeholders has the right to become a stakeholder (marketing91) since, according to stakeholder theory, all members affected by a company become stakeholders.

- c) The principle of contract costs: Each party must bear equal costs or costs proportional to their advantage within the organization. Only some of these costs are monetary, so they can be challenging to quantify.
- d) Agency principle: This principle states that company managers are agents of the company and, therefore, accountable to both stakeholders and shareholders.
- e) The principle of limited immortality: This principle relates to corporate continuity. To ensure the success of both the organisation and its owners, the organisation needs to exist for a more extended period. If a corporation exists only for a minimal period, this will be advantageous to some parties and unfavourable to others. This violates the stakeholder theory concept. Therefore, the company must continue to exist for a longer period of time and must be managed in such a way that its survival is ensured. "Limited" immortality refers to the fact that the organisation can live for a long time, but it is impossible actually to become immortal. These basic principles of stakeholder theory, according to which a corporation should plan and behave in the interest of all stakeholders, not just shareholders or a minority of stakeholders.

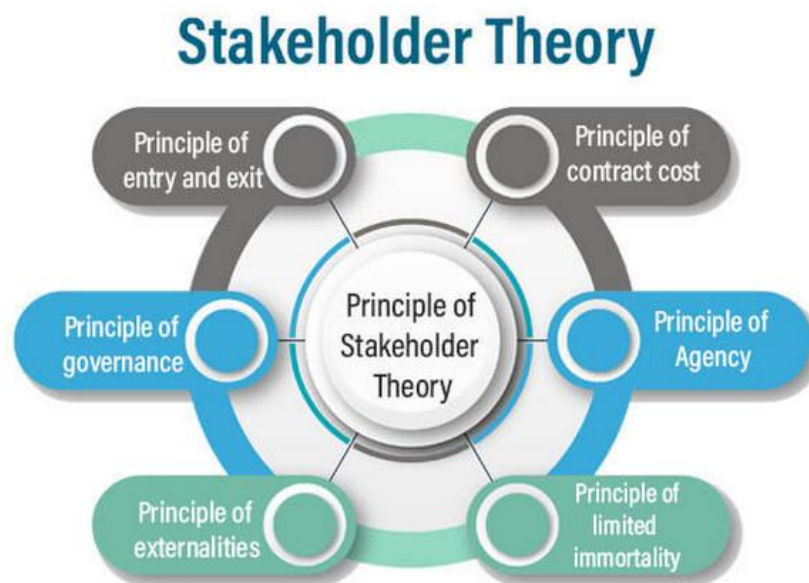


Figure 14: Stakeholder Theory - Six Principles of Stakeholder's Theory

(Source: educba.com)

One of the main challenges of stakeholder theory is that it focuses on everyone who may or may not be affected by the outcome of an organization's business decisions. Therefore some experts

criticize this theory for reducing management's concern for shareholder value. Shareholders bear the greatest risk when investing, but management is under no obligation to protect their interests first. It is also believed that this theory is meant to serve everyone's interests, but this is actually impossible. Therefore, management's attempt to meet the needs of all non-financial stakeholders can destroy the entire value proposition of the organization. Stakeholder theory suggests that an organization can only succeed if it satisfies all its stakeholders, not just its shareholders. Describes organizations as ecosystems of related groups, all of which need to be satisfied in order to maintain corporate prosperity over the long term.

3.3.2 Legitimacy theory

Suchman (1995) considers that “*Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions.*” Therefore it is considered a business investment asset, which must be obtained, coordinated, and modified by the manager planning the intervention while focused on strategy (Suchman, 1995). Part of the related literature points out that legitimacy theory uses the concept of a “social contract” between the corporation and a social group (Fernando & Lawrence, 2014). The terms of this agreement are both direct and indirect in the sense that there are precise legal prerequisites that must be met (direct conditions) and expectations of social and moral nature (indirect conditions) (Fernando & Lawrence, 2014) that corporations must ensure that are met, in order to maintain their legitimacy at a satisfactory level. This is a sign of social contempt that society allows the existence of the corporation (Fernando & Lawrence, 2014). It is also worth emphasizing that legitimacy management is closely related to communication” (Suchman, 1995). Under this framework, Moir (2001) points out that legitimacy efforts must consider institutional communication forms. Ensuring social legitimacy, however, is not necessarily a “sinless” process for companies (Moir, 2001).

For example, in the literature (Gray et al., 1996), four different strategic options for ensuring legitimacy are described so that companies can deal with potential related threats:

- a) Informing stakeholders regarding corporate intentions to correct an undesirable situation that negatively affects legitimacy
- b) Changing organizational perception of the problem that has arisen, but without being accompanied by a change in the way of dealing with it,
- c) Creating distractions for avoiding focusing on the problem,

- d) Abdication of organizational responsibilities and seeking to change external expectations for action on the part of the company in order to solve the problem (Gray et al. 1996). Based on the above, legitimacy is considered an important factor that should be taken seriously in the design and implementation of CSR, using their related actions as a means of corporate exposure and influence (Gray et al., 1996).

Society and stakeholder groups should consider responsible behaviour, deciding the rewards and the punishments, respectively, providing thus corporation with the relevant legitimacy (Handelman & Arnold, 1999). A particularly important source of corporate legitimacy is the employees themselves, offering a form of "internal legitimacy" that constitutes organisational approval methods on behalf of the employed staff (Liu et al., 2010). Moir (2001) concludes that the research on CSR practices should also consider social legitimacy as a possible motivation for organisations, as referred to in social contract theory (Gray et al., 1996). In addition, the various ways that each stakeholder group perceives and approves CSR initiatives provide the required permission and legitimise companies to continue being part of society. The aforementioned point of view is only one of the many that exist for the legitimacy theory and the evaluation of CSR.

3.3.3 Triple Bottom Line

When corporations commit to socially responsible initiatives they create a positive impact on their employee, enhancing satisfaction and retention. This theory is considered the basis for all other theories related to CSR. The Triple Bottom Line, also known as the "Three Ps" from the initial letter of Profit, People, and the Planet, is the foundation concept of CSR. It declares that corporations should commit to performing social and environmental actions without overseeing their financial performance.

Triple bottom line theory considers as part of business success the inclusion of environmental health, social well-being, in addition to profitability.

Profit: In a capitalist economy, corporate success depends heavily on its financial performance - the profit it generates for its shareholders. Strategic initiatives and corporate financial decisions are usually thoroughly designed to maximize profits while reducing costs and mitigating risks. In the past, corporate goals ended there. Today, leaders realize their power to use their organizations to make a positive difference in the world without compromising their financial

performance. In several cases, adopting sustainability initiatives has proven to be the critical driver of business success.

People: The second element of the triple bottom line emphasizes a company's social impact: its commitment to people. This category considers all stakeholders (rather than just shareholders), such as employees, the communities in which the organization operates, individuals throughout the chain of supply, future generations and customers. A link to Corporate Social Responsibility (CSR) is central to this part of the Triple Bottom Line. CSR is defined as the responsibility of an organization to meet the needs of stakeholders and the responsibility of stakeholders to hold the organization accountable for its actions. It is essential to distinguish between company shareholders and stakeholders. Traditionally, companies have focused on shareholder value as a measure of success. In other words, they strive to create value for those who own company equity. As companies declare their commitment to sustainability, they are shifting their focus to creating value for all stakeholders affected by business decisions, including customers, employees and community members. Corporations can contribute to societal issues in their inside environment.

They can also look outward to make a difference on a larger scale. For example, many organizations have successfully partnered with purposeful, nonprofit organizations that share common goals. Initiatives that organizations can consider as part of their CSR goals include: Promoting human rights; ending poverty and hunger; Diversity, equity, and inclusion, Equal rights; ensuring a healthy and safe working environment; Community involvement and volunteerism. CSR initiatives benefit stakeholders but are also crucial for companies that adopt this business strategy. We also see companies sharing best practices with other companies and organizations as part of their efforts to advance their CSR initiatives.

Planet: Since the birth of the industrial revolution, big companies have caused enormous amounts of pollution and are significant contributors to climate change. In recent decades, more and more companies have been adopting practices to minimize their environmental impact. The speed of information through social media and its impact on consumers have pushed stakeholders to hold organizations accountable for their actions. Consequently, this is reflected in rewarding positive effects and discouraging negative ones. Stakeholders are increasingly aware of the significance of environmental and social issues, and the impacts could cause. Additionally, today's leading organizations are taking a step further towards sustainability by

having a positive or regenerative impact on the environment and society. The final element of the triple bottom line has a positive effect on the planet.

3.3.4 The institutional theory

The institutional theory examines the forms of organization, explaining the homogeneous functions or forms within an “Organization Field”. (DiMaggio & Powell, 1983) defined an organizational field for the organizations that collectively constitute the recognized areas of institutional life, such as major suppliers, consumers of resources and products, regulators and other organizations that produce similar services or products. Oliver (1991) and Carpenter and Feroz (2001) stated that in institutional theory, organizations are social institutions of norms, values, and trivial assumptions about what constitutes appropriate or acceptable economic behaviour. In line with institutional theory, organizations adapt within related organizational domains, probably due to institutional pressure for change and homogeneity that will lead to viability (Scott, 1987).

DiMaggio and Powell (1983) argued that as organizational disciplines become more structured, different powerful forces emerge within society and organizations within disciplines become more similar. According to DiMaggio and Powell (1983), institutional theory has two aspects; Isomorphism and decoupling. Isomorphism is the concept that best describes the process of homogenization. They define isomorphism as “forcing entities within a population to resemble other entities exposed to the same environmental conditions” (DiMaggio & Powell, 1983). Moll et al. (2006) decomposed isomorphism into competitive and institutional isomorphism. According to Moret et al. (2006), competitive isomorphism has been described as “the process competitiveness drives an organization to adopt least-cost, efficient structures and practices”.

On the contrary, institutional isomorphism can be classified into three processes: coercive isomorphism, mimic isomorphism, and normative isomorphism (DiMaggio & Powell, 1983). Coercive isomorphism is related to external factors such as stakeholder and employee influence and governmental policies. It is caused by pressure from influential or critical stakeholders (on which the organization relies) to change its practices and processes, such as CSR reporting (Deegan, 2009). This process depends on the managerial view of stakeholder theory, focusing on key stakeholders. Deegan (2009) stated that these stakeholders may have similar expectations of other organizations, leading to the convergence of practices adopted by various

organizations. As far as mimetic isomorphism is concerned, it involves organizations attempting to emulate or copy the practices of other organizations in order to acquire a competitive advantage since the need for viability can stimulate imitation (DiMaggio & Powell, 1983). Unerman and Bennett (2004) argued that organizations that do not follow innovative practices and procedures adopted by other organizations might risk their legitimacy.

According to DiMaggio and Powell, the third process is normative isomorphism. This refers to the pressure from shared values to adopt certain institutional practices. It should be pointed out that all three of the above processes lead to isomorphic processes, in which an organization implements similar structures and management practices regardless of their utility or organizational efficiency (DiMaggio & Powell, 1983; Carpenter & Feroz, 2001). According to Carpenter and Feroz (2001), *“the institutional theory is based on the premise that organizations respond to pressures from their institutional environment and adopt socially accepted structures and procedures as appropriate organizational choices”*.

Besides isomorphism, decoupling is another aspect of institutional theory. Decoupling refers to separating an organization’s external image and structure, procedures, or practices. An organization’s actual practices must not always fulfil external expectations. This disconnection can be a deliberate or unintentional action termed decoupling (Moll et al., 2006). Dillard, et al. (2004) stated, *“Decoupling refers to the situation in which formal organizational structures or practices are separated and distinguished from actual organizational practices”*.

3.4 CSR principles and Core Characteristics

Although there are many definitions of CSR, three principles and six core characteristics are reproduced in almost all of them. The concept of corporate social responsibility integrates in business operations, social and environmental concerns as well as their interactions with stakeholders on a voluntary basis (Blowfield, 2005). This relationship is governed by CSR principles namely transparency, sustainability and accountability.

The principle of transparency in CSR is based on moral values, respect for people, society and the environment, and is directly related to the transparency in the business practices. CSR reporting plays a key role in this principle, demonstrating that the external impact of the organization’s actions can be ascertained from organization’s CSR reporting and pertinent facts are not disguised within that reporting.

The principle of Sustainability or better well know “Sustainable development” is defined as the development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all, addressing global challenges such as poverty, climate change etc.

The third CSR principle, accountability, refers to the responsibility of an organization regarding the consequences of its actions affecting the external environment. This concept therefore implies a quantification of the effects of the taken actions, both internally within the organization and externally, in the society. Besides the above mentioned principles that govern CSR concept, there are six CSR characteristics which depict how CSR is represented with different initiatives and processes. Crane et al. (2008) described these features as they are depicted in the Figure 14.



Figure 15: Six Core characteristics of CSR

(Source: Crane et al., 2013)

CSR considers many interests and impacts among different types of stakeholders and shareholders. Companies have responsibilities to their shareholders but they also have responsibilities to their customers, employers, suppliers, and local societies. The emphasis given from companies to satisfy the needs and the orientation of their multiple stakeholder basis, characterizes CSR strategic goals. This emphasis should not overlook the social and economic

responsibilities of the company, which should be aligned with both shareholders' demands and firm's profitability. CSR should ensure that social and economic responsibilities covered while at the same time, company benefits economically from being socially responsible.

CSR refers to business practices and values related to social issues, but it can also be interpreted as a philosophy or set of values that underpins these practices. This means that CSR is not only about what companies do for the society but also why they do it. Corporate philanthropy and corporate social responsibility are similar concepts that often overlap in practice. Both are positive concepts designed to deliver corporate resources to the community the corporation serves and often philanthropy is integrated into a bigger corporate social responsibility plan. When it comes to developing or underdeveloped economies, CSR is mainly about philanthropy. However, the role of CSR is beyond philanthropy. It is about how companies' strategy and core operation influences society. This is directly related to the argument that CSR should be part of corporate strategy and not just voluntary activities, and has become a key issue in the CSR practitioner world (Grayson & Hodges, 2004).

Voluntarism characterizes CSR by definition. Voluntary activities that go beyond those prescribed by law refer to the responsibilities companies undertake beyond of what the legal minimum poses, such as self-regulatory CSR initiatives from industry that can be seen as a way of forestalling additional regulation through compliance with societal moral norms. The case of companies such as McDonald's, KFC, Pret A Manger, and Pizza Hut agreeing in 2011 to introduce calorie labelling in the UK on out-of-home food and beverage items (as part of a Department of Health voluntary program) is a good example of this characteristic.

Externalities are the sequences affecting societies from business transactions. When companies internalizing or managing externalities, CSR becomes a derivative of business transactions. Pollution is the most well-known example of an externality since local communities bear the costs of businesses located in their area. Regulation can force companies to internalize the cost of the externalities, but implementing CSR is considered a voluntary approach to manage externalities, for example investing in clean technologies that prevent pollution in the first place. Many CSR activities deal with externalities management (Husted & Allen, 2006), such as the management of human rights violations in the workforce, social and economic impacts calculation when it comes to relocation or downsizing, or reducing the health impacts of 'toxic' or otherwise dangerous products, etc.

3.5 CSR Drivers

Several factors can influence corporate Social Responsibility (CSR). Profitability and business continuity, leadership beliefs, corporate reputation, environmental awareness, compliance with laws, social equity issues, innovation, and change management are some of them. CSR can be explained by observing various influencing factors in different dimensions of development. These factors can be broken down into internal (Motivational factors) and external factors.

3.5.1 Internal drivers

Székely and Knirsch (2005) explicitly discuss the internal influencing factors determining the performance of the organization for sustainable development. Corporations expect a strategic approach to corporate sustainability, contribution to the improvement of the financial results and long-term support of their interests. The internal factors favouring the adoption of a sustainable approach toward business operations, among others, include:

1. Managerial factors:

- a) Evaluation of all internal organizational structures and management procedures;
- b) Traditions and values, because the national origin is of high importance for many organizations
- c) Companies in the same country usually have a specific business style (Hallbäck, 2012);
- d) Development and implementation of funding incentive mechanisms Initiatives for sustainable development and increasing sustainable performance company;
- e) Reputation and image are important internal factors in the development of CSR, and the strategic and competitive strengths that make up good corporate citizenship are often expected by the national and international community;
- f) Advanced risk management, lower level of risk;
- g) Increased employee safety
- h) Quality of recruiting and retention.

2. Operating Factors:

- a) Identification of environmental issues;
- b) Minimization of environmental impact;
- c) Reduction of the use of materials;
- d) Achieve energy efficiency (eco-efficiency);

e) Operating Licenses.

3. Financial factors:

- a) New market-led opportunities;
- b) Cost savings;
- c) Research, Development and innovation.

3.5.2 External drivers

Székely and Knirsch (2005) argued that external factors could determine CSR and sustainability performance inside an organization. External factors force managers to behave in a certain way and to meet certain expectations the company requires. External drivers can be classified as follows:

1. Market drivers:

- a) Product differentiation;
- b) Customer values (e.g. green consumers, human rights)
- c) Access to new markets;
- d) Enhanced competition
- e) Increased consumer awareness related to ethical and socially responsible business conduct;
- f) Investors with social orientation ;
- g) Improved company reputation and brand name.

2. Government factors:

- a) Operating licences;
- b) Socio-economic and socio-political area factors influencing Society (Hallbäck, 2012);
- c) Community expectations and Politics (Hallbäck, 2012);
- d) Legislation and regulations exist in the national origin of the corporation (e.g. environmental laws) (Mirvis & Googins, 2006).

3. Stakeholder expectations:

- a) Transparency and access to information;
- b) Internalization of negative impacts from the external environment (e.g. pollution);
- c) Reduction of material consumption

3.6 Critical Success Factors

3.6.1 Corporate Strategy as a Critical Success Factor

Contemporary companies measure their success beyond profit. The positive impact that provide to both society and local community is critical. Thus, corporate social responsibility should be seen as an appropriate process, for advanced mitigation actions that minimize the negative effects and not only as a strategic competitive tool. CSR can assist companies to self-regulate their actions and be socially accountable to its customers, stakeholders, and the society at the same time. Although organizations choose where to focus when planning their CSR strategy, their initiatives usually, fall under one of these four categories: philanthropy, environment conservation, diversity and labor practices, or volunteerism.

The term philanthropy means serving humanity. Philanthropic CSR is focusing on the unprivileged areas and /or people that require support to sustain themselves on this planet. Companies fulfill their philanthropic responsibility by donating money or resources to charities aiming to support organizations at national or international levels. Philanthropic CSR should not be confused with volunteerism. In this case, CSR strategy includes the planning of volunteer efforts devoted to an important cause. It mainly refers to local community where companies are located and these initiatives are aligned with each company mission.

Companies implementing CSR activities are usually engaged in environmentally friendly practices. The most frequent environmental CSR areas refer to limiting pollution and reducing greenhouse gases. Societies' awareness about environmental issues is growing fast and consumers put pressure on companies about these issues. Businesses, depending on their size and industry, are committed to environmental responsibility while benefiting society while implementing actions such as recycling or when using alternative energy sources.

Ethical responsibility is based on the strong relationship between rights and ethical responsibilities in order to attain legitimacy. It includes diversity and labor practices, which ensure healthy, safe, and supportive workplace conditions. When companies ensure fair labor practices for employees, eliminate gender, race, or religious discrimination promoting thus equal pay for equal work and better living wage compensation. Internal and external factors influence ethical responsibility such as leadership vision, company identity, increasing or

decreasing competition, community interests, corporate image, external stakeholders' networks (clusters), social investment, and law and regulations. However, ethical responsibility can be used as a strategic competitive tool for firms if communicated correctly.

In order to implement a successful CSR strategy, corporations should include social responsibility initiatives into their business strategy. Even more, in order for companies to maximize the value of corporate responsibility commitments CSR should be aligned with the company's specific corporate goals and core competencies. The identification of internal and external stakeholders, the definition of key objectives and the availability of means to satisfy them are crucial steps to integrate the CSR into strategy.

Comprehensive CSR strategy can be beneficial for all stakeholders if implemented properly. Depending on the size of the company. The United Nations Sustainable Development Goal 17: Global Partnerships for Sustainable Development (United Nations, 2021) encourages corporate and civil sponsorship for its goals. The following figure illustrates the four pillars of CSR evolution in terms of strategy.

3.6.1.1 CSR Implications in Strategic Planning

Corporate social responsibility can become a source of tremendous social progress, as the business applies its considerable resources, expertise, and insights to activities that benefit society (Porter, 2006). Many strategic management researches study the positive interconnection between social success and economic and financial profitability (strategic CSR approach). Porter and Kramer (2006) stressed the high importance of integrating corporate strategy and society needs while Lantos (2001) introduces the concept of strategic responsibility, linked to the fulfilment of philanthropic responsibilities that will simultaneously benefit the financial performance. To this respect, the basic idea of CSR in terms of strategy is to provide direct or indirect benefits to the organisation while at the same time contribution to the wellness of the society. (Porter et. al., 2012).

Strategic CSR has become an emerging topic in the business world due to four trends that are expected to have great influence on the consumers and the society perception (Belal, 2016). Customers' loyalty, increase of consumers' demand and expectations, especially in developed countries, the ubiquitous flow of information via social media conjointly with the direct communication among active groups and organizations, and finally the necessity for urgent actions regarding ecological resources and environment, force companies to act responsibly and

conscientiously (Crowther & Lauesen, 2017). Strategic CSR initiatives have increased in both variety and volume, affecting communities and corporations in terms of economic, environment and social aspects. Under this framework, CSR perception incorporated in strategic management, as a mean of enhancing both social profile and company's competitiveness will be considered in this paper. More specifically, we aim to investigate the prominent position of CSR on corporate agenda, the added value it creates for all respective parts of the chain and we will critically analyze the key enabling factors and constrains that play crucial role in the adoption and finally the implementation of CSR initiatives.

The implications of CSR to corporate strategy and how CSR could be integrated into businesses strategy remained limited until mid-90s (Galbreath, 2006). In 2011, the Commission launched its renewed CSR strategy, which combined horizontal approaches with more specific ones, referring to individual sectors and policy areas, for the promotion of CSR. Considering that as a public authority has to support and ensure CSR conduct by using a smart mix of voluntary and mandatory measures, including regulation, put CSR at the center of Commission policies and proposals. The actions that Commission is targeting are analytically described in a staff working document (SWD (2019) which was published in March 2019.

Extra emphasis is given to the drivers of corporate social performance, the actions that managers can take to affect that performance, and the consequences of those actions on both corporate social and financial performance (Epstein & Roy, 2001) as well as the stakeholders. Stakeholder theory (Frieeman, 1984) identifies strategic motivations for relationships with the different categories of stakeholders. The differential roles that transformational and transactional leadership styles play for corporate social responsibility practices, as well as the interplay between leadership styles and institutional CSR practices are also under continuous consideration (Du et al, 2013).

Strategic CSR in the framework of its underlying motivations and core factors, the evolutionary stages and circumstances that trigger movement and illustrate characteristic company attitudes and practices at each stage, have been revealed such as institutional, environmental, and organizational factors that could shape and constrain the development of corporate citizenship in contemporary corporate environment (Mirvis & Googins, 2006). Nijhof, & Jeurissen, (2010) state that the term corporate social responsibility is all about responsibilities of corporations to the society, although in nowadays it is much more about new market opportunities and a business-wise approach to ecological and social problems.

Regarding the level of CSR inclusion in the strategic planning, Maon et al (2010,) refer to stages of different levels of CSR dedication and implementation. These different stages are subdivided in different dimensions describing a consolidative model while different characteristics from academic literature are formulated into cultures in which an organization can exist. In addition Kouroula and Halme (Kourula, A., Halme, M., 2008), focus on the societal and business outcomes of engagement, classify different corporate responsibility (CR) actions into three types – philanthropy, integration and innovation which influence corporate engagement and commitment.

Chandler (2018) stated that corporations are strategically engaging in CSR initiatives aiming to achieve specific objectives and create value for shareholders. He considers that managers according to their strategic goals implement face CSR initiatives from different perspectives not by irresponsibility, but with the view to the potential benefits, it will offer. Therefore, CSR initiatives are included in the strategic planning of organizations, and are broadly recognized through policies and activities involving both stakeholders and society.

However, the term has evolved gaining recognition among top management processes and Corporations acknowledge their obligations towards society, extending beyond law mandatory aspects and the narrow goal of profit making. Thus, how will CRS be applied by companies is of major importance, for them to gain increased social acceptance. Thus corporations face the challenge of efficient implementation of related initiatives.

3.6.2 Leadership (support of senior management, commitment, governance and management) as a Critical Success Factor in CSR

CSR can increase the generation of socio-environmental benefits while contributing to the improvement of company's competitiveness. The creation of shared value for the company and the society can be realized only if CSR is integrated in the company's strategy, which is necessary to obtain major business advantages from CSR commitment. In particular, CSR commitment can result in an improvement of the company's leadership or differentiation strategy.

Corporations play an increasingly important role in society as key actors that influence and govern the wellbeing of citizens, workers, and consumers. If we examine CSR from another

perspective, it can be defined as “the broad array of strategies and operating practices that a company develops in its efforts to deal with and create relationships with its numerous stakeholders and the natural environment” (Waddock 2004). CSR activities’ role is to improve societal welfare, employees’ benefits, community development and in addition to enforce sustainable corporate practices. In Freeman’s stakeholder theory (Freeman et al. 2007), corporations interact with primary stakeholders such as customers, employees, and investors who are necessary for the business continuity and with secondary stakeholders, who can also influence business operation but in an indirect way.



Figure 16. Influential Actors of Leadership

(Source: Yaakob et al. 2020)

Leadership theories, such as leader–member exchange theory and individualized leadership models, do not focus on leaders’ influence on organizational processes (Waldman et al. 2006). Burns (1978) identified two leadership styles that managers apply: transformational and transactional. Transformational leader can inspire positive changes and creates a vision of the future that can be shared with followers while motivates them to perform beyond their perceived capabilities achieving remarkable results. On the other hand, transactional leader (also known as managerial leadership), focuses on supervision and motivate employees primarily through contingent-reward exchanges (Burns, 1978). Of course, a manager can have characteristics of both styles in order to be more effective at operating an existing system and driving change at the same time.

The current social, economic and environmental challenges require new approaches to leadership and responsibility. CSR addresses the needs of its stakeholders and the society as well. In order to build a sustainable world, intersection of leadership and ethics is a necessity. Leadership plays vital role in promoting an ethical and moral behavior. Moreover, when companies implement CSR activities they seek to gain stakeholders' trust. Transformational leadership is associated with altruistic ethics and according to Bass and Steidlmeier (1999), transformational leaders are highly ethical and focused on values fostering CSR practices that consider the needs and challenges of both primary and secondary stakeholders (Vera et Crossan 2004). On the contrary, transactional leaders focus on maintaining rewards and punishments style of leading, paying attention to constraints and efficient organization. Their view is shareholder-centric and they consider CSR a necessary distraction from the company's core business, able to boost reputation and thus increase market share and profit.

As companies put responsibility and sustainability at the center of their CSR strategy, they need a broader range of leadership skills and attributes. The model of responsible leadership, provided by Maak and Pless (2006) acknowledges the need for the responsible leader to act as a 'change agent' or to play the role of a 'coach'. Responsible leadership provides a leadership approach that focuses on the leader–follower relationship. However, it is originated from the traditionally hierarchical view of leadership, expanding the concept of leader–follower relationship to include a broader range of stakeholders. This concept offers a more balanced approach to the corporate-stakeholder dyadic dimension, by approaching leaders as facilitators of relational processes within and across stakeholder relations.

Today's leaders must deliver daily organizational performance amid high-velocity changes, embrace continuous innovation that unlocks new value for the long-term and on top must earn and build stakeholder trust through sustainable and responsible approaches (Accenture, 2020) Companies that achieve all three goals are also appear to stand apart by how they lead. Their leaders exhibit leadership qualities such as continuous learning backed by data; a stakeholder mindset anchored in compassion; a technology vision reinforced by creativity; generous humility; and listening to intuition. (Accenture, 2020). These qualities are classified in five major categories as the figure below illustrates.



Figure 17. The Five elements of responsible leadership
 (Source: World Economic Forum/Accenture)

According to a research presented to the World Economic Forum in Davos by Accenture, in cooperation with Forum of Young Global Leaders and the Global Shapers Community the elements of responsible leadership are Stakeholder Inclusion, Emotion & Intuition Mission & Purpose, Technology & Innovation and Intellect & Insight. Responsible leadership promotes active stakeholders’ dialog where they share knowledge, which, in due course, augments organizations’ knowledgebase and stimulates innovation. Additionally, it creates new organizational and societal value that requires integration of social and environmental aspects into the vision.

Although leadership seems positively associated to CSR activities, leaders have always been critical within CSR. They have present it in different forms spanning from values and practices in corporations, reorientation of a corporation to more sustainable actions and finally CSiR (Corporate Social Irresponsibility) indicating the absolute lack of leadership. According to Moon, “Leadership can be transformational or transactional. The main leadership challenge is to combine the will for transformation with the capacity for transaction.” (Matten et Moon, 2008). When it comes to Corporate Social Responsibility, leaders should manage company’s interrelations with society while they address the various stakeholder concerns and at the same time contribute to the economic, social, and environmental performance.

3.6.3 Stakeholders and Customers

The concept of stakeholders is central to CSR and can be defined as “groups and/or individuals that both affect and affected by the achievement of an organization’s mission” (Freeman, 1984). According to Jones et al. (2007) there are five stakeholder cultures —agency, corporate egoist, instrumentalist, moralist, and altruist. These cultures lie on a continuum, ranging from individually self-interested (agency culture) to fully other-regarding (altruist culture). In addition, Aguinis (2011) states that CSR is “context-specific organizational actions and policies that take into account stakeholders’ expectations and the triple bottom line of economic, social and environmental performance”. Stakeholder theory, which emerged in the middle of the 1980s, orientates firms’ managers to operate in compliance with stakeholders’ welfare (Freeman, 1984). Corporate stakeholders such as customers, employees, governments and NGOs are important drivers for CSR engagement that is dynamited by the pervasive use of technology leading to augmented awareness of society in general. This makes it imperative for corporations not to solely fulfill the demands of their key stakeholders related to their social responsibilities but to integrate social issues and initiatives into the core strategy of their business operations. Under this frame European Commission provided guidance on social responsibility and engaging stakeholders by indicating ways to integrate socially responsible behavior into the organization. More specifically, provides key underlying principles of social responsibility such as accountability and transparency and core subjects and issues pertaining to social responsibility (e.g. Organizational governance, Human rights) (ISO26000, 2010)

Except key stakeholders, that profit from a cooperation, consumers can be considered as another category of major stakeholders, always looking for value-maximizing propositions, and according to Bhattacharya and Sen (2004), CSR plays an important role for contemporary consumers and could increase the value of any product and any company. The same research reveals that consumers not only care about their consumption experience but also take into consideration wider societal. Various studies have also confirmed a positive relationship between CSR and customer satisfaction (Luo and Bhattacharya, 2006; McDonald and Rundle-Thiele, 2008). Crane et al (2016) sets out a new conceptual framework – the 4Is of CSR communication – namely CSR Integration, CSR Interpretation, CSR Identity, and CSR Image explaining the CSR communication purpose. Thus, the acknowledged perception regarding company’s CSR, including branding, reputation building, and communications is partially defined by its corporate responsibility and marketing reports that provided evidence of the CSR actions performed (Stanaland et al., 2011).

3.6.4 CSR processes as Critical success factors

Whilst adequate literature exists related to definition of CSR very few, studies have been conducted utilizing CSFs and CSR processes. According to ISO26000:2010, the concept of corporate social responsibility is built upon three pillars: economic, social and environmental. The economic pillar refers to company's operations that have both direct and indirect impact on shareholders' wealth and has quantitative measures such as return on investment and profit. On the other hand, the social pillar is explained by stakeholders' work for the society's benefit, while the environmental pillar considers the resources' usage with respect to the environmental impact of the company's operational activities (Uddin & Hassan, 2008).

The processes that are related to these pillars are defined in standard ISO26000:2010 and namely they are: organizational governance, human rights, labour practices, environment issues, fair operating practices, consumer issues and community involvement and development. CSR organizational governance refers to processes that are directly linked to policies, strategies and procedures, required for satisfying stakeholders' expectations.

Stakeholder's management is one of the key processes related to CSR. Once the company identifies its key stakeholders then should ensure their interest in engaging with the organization activities. Stakeholder engagement has been identified as an essential component in the success of any corporate activities (Morsing and Schultz, 2006). CSR strategic planning process should adopt company's objectives, measurement process and goals and set the key performance indicators (KPI) which in a later stage will be brought into company's overall strategic planning. Organizational governance, is the center of ISO26000:2010 core subjects since has a direct impact and the power to define the other core subjects. CSR implementation is based on the core processes mentioned above, and according to literature, (Govindan et al (2018), De Souza et al. (2019), Tyagi et al. (2015)) is directly impacted by Critical Success Factors. These factors can be organizational resources and culture, upper management strategy, societal support, corporate CSR strategies and practices, assessment on CSR performance and related benefits, government and current legal initiatives and customers' perspective.

These Critical Success Factors (CSFs) refer to the functions or areas where things must go right to ensure successful competitive performance for an organization. Several ways of identifying such factors include analysis of industry structure, scanning of the environment, industrial

expert opinion, best practice analysis, analysis of competitors, assessing the internal feelings or judgment of companies, and data gathering about profit impact or market strategy (Leidecker and Bruno, 1984). According Kumar et al (2021) CSFs can be organized in three distinct categories: governance on CSR and sustainability; public policy on CSR and sustainability; and relationship principles in CSR and sustainability.

3.6.5 Human Resource Management (HRM)

HRM is considered one of most important assets related CSR in an organisation (Jamali et al., 2015). Voegtlin and Greenwood (2016) noted that the debate in CSR–HRM is dominated by two trends: HRM as a part of CSR and CSR as a part of HRM. The critical issue of these trends is two-fold: to explore the role of HRM in the development and implementation of CSR as well as the impact that HRM functions have on CSR initiatives and secondly, how CSR as an element of HRM, influences the implementation of effective and socially responsible HRM (Barrena-Martinez et al., 2019).

Companies have embraced Corporate Social Responsibility practices, which are encouraged and supported by HRM (Human Resources Management) professionals, HR management practices, and employees. CSR, by definition, involves people, both society and employees, and their interrelation. Strandberg (2009) asserted that HR is a strategic partner in the organization and, as such, can help drive the formulation of the CSR strategy. In addition, Fernandez et al. (2003) stated that organisational culture and HRM decisions are essential elements for the creation of a sustainable competitive advantage of organizations because they are “the linking mechanism for the rest of the company’s resources.

Due to its strategic influence, HRM can contribute to the development and implementation of CSR. It can contribute to shaping the organisational context for the exercise of responsible leadership. The development of CSR strategy in organizations concerns establishing CSR objectives, priorities, frameworks, policies, and initiatives (Carroll & Buchholtz, 2008), which are shaped by various organisational factors that influence management decisions, such as the company’s size, reputation, history, and leadership. The leaders’ mentality, beliefs, abilities, and actions have a major impact on CSR implementation. However, CSR can be also driven by employees’ will, with the support of HR. HR is directly involved in a company’s strategic planning and has the crucial role of aligning CSR strategy with corporate objectives and values. HR is responsible for promoting positive behavior, creating an engaged workforce, and

sustaining a work environment where CSR is embedded in every aspect of the employee's lifecycle (Weybrecht, 2010).

The implementation of CSR strategy is linked to organisational culture and employee involvement (Cooke & He, 2010). It can bring cultural changes (Maon et al., 2009) that are evidenced by adopting different work practices. Through various roles and tools, HRM can play a crucial role in managing the relationship between leaders and employees by enhancing the centrality of employees in CSR strategies and co-design processes where employees actively contribute to shaping CSR practices. This is crucial to developing CSR policies that reflect and fulfil employees' needs (Rupp et al., 2006). In addition, employees can play an essential role in generating social capital that emerges from responsible management (Muthuri et al., 2009), and they have the power to push leaders to implement CSR activities (Aguilera et al. 2007.)

Leadership and employee relationship to HRM have a bi-directional influence on each other. To evaluate the practical contribution of HR to responsible leadership, employees' commitment to CSR activities and consequently to the implementation of CSR initiatives, Gong et al. (2011) clustered HRM practices into three categories:

- a) Advanced HRM practices are reported as CSR. Practices traditionally regarded as part of HR, such as training, labour health, safety, etc. For some companies, CSR strategy enables them to deploy advanced policies related to those mentioned above. These practices are usually managed by HR and are often externally reported as 'CSR initiatives'.
- b) Practices that overlap CSR issues and HRM. These CSR practices are focused on employees and rely on HR support. They are frequently regarded as a part of CSR strategy and are related to issues such as policies targeting gender issues or ethics and compliance.
- c) CSR practices involving HR. These practices usually focus on external stakeholders as well as on employees. They aim to improve the local society and environment as well as to assist those in need.

3.6.6 Corporate Performance (CP)

Corporate Social Performance (CSP), as conceived by Wood (1991), is a framework of descriptive categorizations of organizational activities, focusing on the impacts towards society, stakeholders and the corporation itself. Accordingly, it can be defined as "*the degree to which*

principles of social responsibility motivate actions taken on behalf of the company, the degree to which the firm makes use of socially responsive processes, the existence and nature of policies /and programs designed to manage the firm's societal relationships and the social impacts of the operational actions, programs, and policies” (Wood, 1991,)

The positive relationship between CSR and corporate performance measurement parameters span from financial to non-financial performances (Goyal et al., 2013). Most strategic management studies have emphasized criteria such as competitive advantage, profitability, and survivability of corporation, for establishing a good strategy (Wheelen & Hunger, 2008). When it comes to strategic CRS, different studies have been made on the strategic perspective of CSR (Freeman & Velamuri, 2005; McWilliam & Siegel, 2011) examining the conditions under which CSR can contribute to sustainable competitive advantage. Some studies explain the strategic perspective of CSR (Porter & Kramer 2006), while others empirically show the existing contradiction related to the strategic perspective of CSR (Filho et. al., 2010). Nevertheless, these studies do not evaluate CSR in terms of proper strategy.

Corporate performance assesses the commitment of management focusing on the social, economic, and ecological goals that have been achieved (Leslie,2013). In another view, corporate performance measures the impact of CSP investment on financial performance (Peloza, 2009).CSR performance can be measured with various tools such as CSR questionnaire surveys, expenditures spent on CSR activities, reputation assessments, and professional agency CSR ratings (Weber, 2008). Many companies reviewed the traditional financial models, by including multiple key factors, able to influence performance measurement, in their strategic goals. Davig et al. (2014) stated that corporations that included non-financial performance measures were likely to perform better than those concentrated only on traditional financial-based measures.

During the financial crisis that started in 2008 from the collapse of the Leeman brothers, executives' attention was mostly focused on company profits and new ways of how to maximize them. However, even at that time, many members of both the professional and scientific communities supported the view that CSR could be beneficial for corporations in terms of financial performance enhancement (Andonov et al, 2015). The relationship between CSR and financial performance has been investigated in both theoretical and empirical studies (Margolis & Walsh 2003). Empirical research related to CSR and financial performance mainly focuses

on investigating the influence of CSR on competitiveness. Theoretical research outlines that the relationship between economic performance and ecological/social performance follows an inverse U-shaped curve (Weber, 2008).

3.6.6.1 *Measuring the Overall CSP*

Even though the literature on measuring CSP on a company level is gaining attention (Gallardo-Vázquez & Sanchez-Hernandez, 2014), there is still no generally established method. The main barrier is the ambiguity of the CSR definition and its multidimensional construct. Researchers have used different methods to measure CSP. Commonly, they have used objective data provided, e.g. from corporate social and environmental annual reports (e.g. Brammer & Millington, 2008; Seifert, et al. orris & Bartkus, 2003; Stanwick & Stanwick, 2006).

Another standard method used in the literature is the assessment of CSP third parties, such as the KLD ratings, a database containing social ratings of more than 3000 of the most significant American publicly traded companies (e.g. Levine et al., 2009; Davenport, 2000). Greening & Turban, 2000; Hillman & Keim, 2001; Lydenberg & Sinclair, 2009; Waddock, Graves & Gorski, 2000) or KLD-like ratings when these were not available such as the Fortune's reputation index (Turker, 2009; Igalens & Gond, 2005; Mahoney & Thorne, 2005, O'Shaughnessy et al., 2007). Nevertheless, Maignan and Ferrell (2000) considered and concluded that these indicators needed to be revised to assess all companies.

A third view in the literature uses scales to measure CSR performance. The first attempt to develop a scale was made by Aupperle (1984) that measured the manager's values on the CSR dimension. A similar attempt was made by Quazi and O'Brien, (2000) who have developed a scale to measure individual values related to CSR, but not organizational impact related to socially responsible activities. Another significant attempt for corporate social activities measurement at the organizational level are from Maignan and Ferrell (2000). Using Carroll's (1979) model and stakeholder theory, they created a Corporate Citizenship Scale. Turker (2009) recognized the need to measure CSR behavior for the benefit of various stakeholders and developed a 17-point scale that measures CSR for five stakeholders namely: employees, environment, next generation, society and NGOs, customers and government. This method is considered a comprehensive approach to measuring a company's social performance holistically and empirically.

3.6.6.2 Key Performance Indicators for CSR Performance Measurement

Implementing social responsibility actions often assists upper management in leading a corporation to fruitful results. KPIs are another method of measuring CSR performance success and reverberations. Well-defined and structured KPIs are necessary for motivating employees to perform better. Corporations have started to follow a charitable attitude towards society, with some managers resisting and arguing that this concept distracts the corporation from its primary purpose of existence, profitability.

Another area for improvement is regarding the proper recording and measurement of KPIs. Firstly, this requires extreme thoroughness in deciding which initiatives should be followed and which will be discarded. Then, defining appropriate values is vital in quantifying the KPIs suitably and impartially. This is quite challenging since the social branch of CSR is difficult, if not unfeasible, to be measured. Besides the measurable KPIs, CSR performance is continually evaluated by employees, customers, and business partners. As far as employees are concerned, their percentage of corporate satisfaction can be measured e.g. with internal surveys as well as their engagement. The number of hours volunteered by an employee, and the employee turnover rate is KPIs that can be quantified. Regarding customers, the complaints received and the retention rate can be measured. Of course, customers' involvement and the feedback received are also issues for companies to consider. In this respect, interactions with corporate social media combined with the number of active users (on a daily or a monthly basis) can be analyzed, offering invaluable information.

3.6.7 Change Management and CSR

The role of Corporate Social Responsibility continues to gain attention and has the potential to affect (and be affected) significantly change management within an organisation. Stakeholders demand the active engagement of corporations in social and environmental initiatives, so managers have a twofold role; to change the way they conduct their business (Mahmood & Humphrey, 2013). Moreover, to ensure acceptance across all organizational levels while integrating CSR. To succeed in this, a Change Management (CM) process is essential since it will contribute to meeting the intense and highly competitive expectations of a rapidly changing corporate environment that affects organizations. Change does not mean disruption but adjusting to new by making appropriate interventions that will offer a comparative advantage.

In CSR terms, this may imply a need to adopt more appropriate social change strategies (Sachs, 2015) to effectively meet the advent of socioeconomic challenges. Under this view, two CM conceptualizations could be implemented. The first one refers to the interaction between the organisation and its external stakeholders while the second is oriented to the internal processes required for change (Zollo et al., 2009) and both of them are critical for the integration and adoption of CSR within an organization. Organizations are willing to include social objectives into their strategy and integrate respect into their corporate culture to contribute to social progress. Therefore, as CSR implementation is becoming more imperative, there is a growing need for managing the change of CSR integration (Boubakary, 2016).

3.6.8 Continuous Improvement

According to scholars, Continuous Improvement is perceived as a planned, organized, and systematic approach aiming to improve overall organisational performance (González-Aleu & Van Aken, 2016; Granerud & Rocha, 2011). The process of continuous Improvement (CI) was initially focused on product quality and efficiency of production systems. Since Corporate Social Responsibility was not a primary concern for organisations, the improvement of the field was not included in corporate agendas and was considered unnecessary. The acknowledgement of CI as a critical success factor for social responsibility and sustainability became a fact with the realisation of the responsibility of corporations towards their stakeholders and society. Employees' active involvement at all hierarchical levels was a necessity. Organisations were forced to develop the essential capabilities, the appropriate mentality, and the required knowledge and skills (Mohrman & Worley, 2010) that will allow them to use integrated management approaches to create added value for their different stakeholders and to achieve excellence and viability.

Comprehensive methodologies such as six sigma and total quality management utilize a dedicated group targeting to improve a process or system aiming to achieve a general or specific objective, usually over a relatively short period and with minimal capital investment.

3.6.9 Knowledge management

Management is defined as planning, organizing, leading, and controlling resources to accomplish specific performance objectives (Schermerhorn, 2005). Knowledge Management (KM) is considered the most critical asset of an organization. It is described as the process of creating, sharing, using, and managing the knowledge and information of an organization. It is

considered an interdisciplinary approach for capitalizing knowledge in achieving organisational goals and aligning with challenges posed by globalization. Davenport and Prusak (1998a) define knowledge management as the method that simplifies the processes responsible for sharing, distributing, creating, capturing, and understanding information, ideas, and perceptions that constitute a company's knowledge.

Although Knowledge Management is a challenging and important topic for an organisation, the required experience for instrumenting CSR initiatives has yet to be. Leadership support and corporate culture are the essential prerequisites for promoting knowledge related to CSR in an organisation. Several CSR objectives can be linked with innovative initiatives originated by KM and embraced by corporations. This collision generates valuable intangible assets such as corporate reputation, image making, and loyalty, promoting at the same time the relationship with stakeholders and influencing performance.

Within KM, some taxonomies explain some types of knowledge. The most known distinction is between tacit knowledge and explicit knowledge. Tacit knowledge originates from personal experiences, which designate self-thinking, generating knowledge that is difficult to articulate. However, knowledge is initially tacit, developed over time, through a trial and error process and according to experience gained.

Explicit knowledge refers to verbal and written communication, organized data, applications, and other explicit forms of information, transmittable in formal, systematic language. The combination of tacit and explicit knowledge creates organizational knowledge, which focuses on the process of knowledge distribution created in an organization. KM aims to develop methods and systems that will improve the knowledge assets in the context of an organization, which in turn, will enhance the overall corporate performance. Regarding CSR, KM contributes to the development of practices that satisfy stakeholders' objectives (Waddock, 2004).

Knowledge Management processes usually focus on organizational aspects such as continuous improvement, increased performance, and competitive advantage of the organization. Innovation in corporations depends on management's perceptions and internal and external decision processes. Even though CSR and Sustainability aspects have been given considerable attention, more necessary knowledge is needed to implement such initiatives. For this reason, Knowledge Management in the context of CSR is considered an essential and very challenging

prerequisite, able to provide opportunities for organizations, assisting CSR integration into corporate strategy.

Innovation, KM, and CSR depend on the extent to which stakeholders adopt the cultural values underlying these processes. KM is responsible for connecting the social dimension of CSR with innovation and development, steaming from Knowledge exchange, and generating specific initiatives that will benefit customers, stakeholders (internal and external), society, and the environment. Innovation can be the key to facilitating recurring developments in pertinent activities (Dai et al., 2013). This relationship between innovation, CSR, and corporate performance can also reverse. The most profitable an organisation is, the more means it has to be innovative and create new knowledge (Helfat, 1997), enhance corporate culture (Denison, 1990) and reputation (Roberts & Dowling, 2002) and develop human capital (Wright et al., 2005). Therefore, the prevalence of a culture that encourages trust, participation, and support explains the achievements of KM in the field of CSR. For this, managers and stakeholders need to consider how to integrate CSR into innovation in a way that will benefit the overall corporate performance.

3.7 CSR Barriers and Obstacles

Despite the great interest in CSR, companies who want to act in a socially responsible manner still have to overcome hurdles. In the literature, there are many factors that make it difficult and block the implementation of solutions in the area of corporate social responsibility in companies. Laudal (2011) extensively discussed the hurdles and barriers faced by CSR implementation and barriers springing from control measures. External barriers take place when the company is unable or doesn't have sufficient knowledge to integrate CSR, while internal barriers refer to the lack of strength from leadership and upper management to integrate CSR (Laudal, 2011). In addition, internal barriers include factors within the organization itself that can be defined as weaknesses. According to (Newell, 2005), there are not enough checks and procedures at the organizational level related to multiple CSR's existing approaches (Hallbäck, 2012), so the interpretation can vary accordingly.

Several steps can be taken to reduce the negative impact of internal barriers to CSR implementation. Management awareness of the existence of special restrictions and their willingness to improve the existing situation appears to be important here. External barriers are primarily macroeconomic conditions over which the company has little control. These obstacles

mainly concern the overall business environment, the external sources of financing, the legal framework, the information management and training activities and the existing social and general conditions.

The first and maybe most significant barrier relates to the cost-benefit ratio and regards corporations that lack the financial resources for the development of CSR or where there are compromises between profit and ethical decisions and actions in the path of the corporate target of financial prosperity creation for shareholders. Bird (2006) emphasized that consumers and other stakeholders influence, at the same time, company policy through sophisticated products manufactured by companies that whether CSR should be taken into account or not.

Another obstacle is the need to allocate company resources to socially responsible activities. Developing and implementing a CSR policy can be complex. This undoubtedly includes the use of human and financial resources. A fundamental limitation is the lack of awareness of the business benefits that flow from CSR practices and the lack of entrepreneurial knowledge and skills. Discussion about the effectiveness of the implementation of social responsibility activities is significantly limited by the need for more measures and indicators for their evaluation (Figiel, 2013,) Most CSR initiatives are qualitative in basis, making their measurement with quantitative criteria rather difficult if not impossible (Whitehouse, 2006). Only recently, has the topic of corporate social responsibility entered university curricula or started to spread promoted to small and medium-sized enterprises. Globalization has led to this awareness of social responsibility is not only growing among companies but also, especially among customers. In this regard, consumer awareness forces companies to adopt a CSR strategy that allows them to offer added value to the customer.

A barrier to implementing CSR is the need for more internal and external financial resources. Some socially responsible initiatives may require high costs, but several practices only require a little money. Unfortunately, many managers falsely believe that CSR requires high financial investment and capital. Under this framework, ethical matters are becoming a secondary concern for leaders. However, what is mainly needed is commitment. Corporations can demonstrate creativity by selecting appropriate CSR actions that will not generate high costs. Whether any and, if so, which initiatives are undertaken and how they are communicated to the environment affects the company's perception, starting from leadership and including employees and current and future partners and clients.

At this point, it should be noted that the attitude of business resulting from the CSR strategy, in which the company envisages and initiates proper actions, which is more practical and less costly than simply responding to problems that arise (Skrzypek & Saadi, 2014). As another factor limiting the implementation of CSR, some organizations indicate the need for more departments and people who would deal with the subject. An effective CSR policy requires delegation among employees, who must be appropriately trained in implementing and conducting socially responsible activities within the corporate environment. They should be deeply rooted in corporate operations and inscribed in organizational culture. Corporate Social Responsibility should result from the organization's actual needs in solving social and environmental problems in the company's environment. Only then can it become a permanent and long-term initiative that can offer a lasting basis for building an image of being a trusted and credible partner in the social space. For socially responsible companies, the essential capital consists of people and their knowledge. Both significantly contribute to the company's development.

3.8 CSR Beneficial Impact on Corporations

Globalization has led to this awareness of social responsibility is not only growing among companies but also, especially among customers. In this regard, consumer awareness is pushing companies to adopt a CSR strategy that allows them to offer added value to the customer.

The integration of CSR into strategy within organizations has many advantages. In literature, Crowther and Aras (2008), Sarbutts (2003), and Du et al., (2010) have reported on the benefits of implementing CSR initiatives as follows:

- a) Improvement of the company image or can lead to an increase in revenues,
- b) Health and safety benefits;
- c) Ease of attracting investment with lower;
- d) Better community relations can lead to a more accessible and faster planning process;
Improved relationship with regulators, where applicable;
- e) Improved morale among workers leads to significant productivity, reduced staff turnover and consequently, lower recruitment and training costs;
- f) Public image and relationship improvement with stakeholders.

In addition, there is a growing recognition that a commitment to sustainability benefits not only society but also companies (Chlad, 2016). It should be noted that due to CSR implementation, an organization may achieve numerous financial and non-financial benefits. The main non-financial benefits include improving the company's image and building better relationships between customers, business partners or the local community. The financial benefits can be related to, for example, the benefits obtained by employing people with disabilities or tax deductions (donations). Awareness of the importance of public image and, in particular, its impact on society and the environment is currently one of the fundamental factors shaping a company's development. Image and reputation are essential intangible values a company can achieve. In many companies, these aspects are the main reasons for implementing the CSR concept. Corporate image can be understood concerning how a company is perceived by its environment. At the same time, reputation as a long-term task is related to evaluation and is perceived as a process that includes building appropriate relationships with interested parties. Among other things, it includes protecting the environment and employees or working with the local community.

It should be emphasized that a company can benefit from its good reputation in many ways. According to Urbanek (2007), these include increased demand for higher-margin products capability of hiring and retaining highly qualified employees, better and more profitable conditions in dealing with business partners, establishing alliances with attractive business partners, lower risks and increased share price. When a company is committed to its surrounding environment, providing material or financial support to local institutions or organizations, working with local authorities and decision-makers increases the reputation and can attract new contractors and customers, creating significant value. Additionally, a company that does this will be perceived as a trusted partner, anchored in the local business and social space.

4 CSR & SUSTAINABILITY REPORTING FRAMEWORKS

4.1 Global Reporting Initiative (GRI)

The concept of pure profitability as the only measure of corporate development has gradually altered during business development. Therefore, in contemporary corporate environments, extra emphasis is given to CSR initiatives implementation in parallel with pursuing profits. Under this framework, CSR engagement requires corporations to be focused while working on meeting their CSR targets. The general information about the level of success of this engagement is delivered to stakeholders and investors through CSR reporting. Therefore, its quality is of high importance since it serves the purpose of establishing proper communication.

Global Reporting Initiative (GRI) is a quality-driven initiative dealing with CSR matters related to CSR performance. It was founded in 1997 by corporations and organisations of the Coalition for Environmentally Responsible Economies (CERES), aiming to develop appropriate guidelines for reporting on economic, environmental, and social performance, initially for corporations and eventually for any organization, governmental or non- governmental (GRI, 2002). Representatives from different companies participate in the GRI organization. To ensure that the proposed guidelines serve their purpose, a stakeholder council continuously evaluates the content of the reports. Additionally, companies exercising these guidelines are encouraged to communicate them to their stakeholders and coordinate their efforts to propose new guidelines.

The GRI organization is considered the global standard setter of sustainability impact reporting from vision and corporate strategy to organisational systems influencing sustainability. GRI promotes a common language for sustainability impact reporting and acknowledges that only some indicators can be applied to all businesses. GRI reporting guidelines (GRI,2002) contain a variety of environmental, social, and economic performance indicators, and they are considered essential assets for sustainability reporting.

They are designed to enable corporations to understand and provide a report about their most significant impacts on the triple bottom line – people, planet (environment), and profit (economy); including how they are managed. Their purpose concerning corporate reporting is to enhance the credibility and transparency of sustainable development contributions. This facilitates comparability and checks the quality of reported information, supporting managers and leaders in making well-informed decisions and assessments. GRI Standards guide the

implementation of responsible business conduct, and they are based on expectations. International authorities such as the Organization for Economic Co-operation and Development (OECD) and the United Nations (UN), in their guidelines, report information using these Standards, assisting thus in the assessment of an organization regarding CSR performance.

The sustainability reporting process begins with the organization identifying relevant topics to include in the report. Material topics reflect the organization’s significant economic, environmental, and social impacts, which are essential to its stakeholders. For the GRI Standards, these are the “material” topics an organization reports on. The significant aspects of an organization can be related to its activities and operations. They are categorized into topic-specific and universal standards (Global Reporting Brochure).



Figure 18. GRI standards

(Source: <https://www.globalreporting.org/>)

The topic-specific GRI Standards provide information that an organization can use to report its impacts on its material themes and how to deal with these effects. On the other hand, universal standards help the organization identify its material topics and define the essential principles for preparing an adequate report. They also contain information about the specific context of the organization, such as size, activities, governance and stakeholder engagement, all helping to better understand one’s organization’s approach to the different topics that are reported on. This approach to identifying and reporting on material topics helps organizations to produce sustainability reports that are focused on focuses on the impact of their theme activities and operations and satisfies the information needs of its stakeholders.

4.2 The Corporate Sustainability Reporting Directive

On January 2023, the Corporate Sustainability Reporting Directive (CSRD) came into force. This new policy modernises and strengthens the rules companies must declare for social and environmental information. Large organizations, as well as listed SMEs, are now required to report on their sustainability actions. CSRD will allow investors and other interested parties to access the information they need to assess investment risks arising from sustainable development issues. It will also create a culture of transparency about how businesses impact people and the environment.

Finally, harmonising the information provided will reduce the reporting costs for companies in the medium to long term. Corporations must apply these new rules for the financial year 2024 for the reports published in CSRD 2025, which must comply with the European Sustainability Reporting Standards (ESRS). The draft standards are developed by the European Financial Reporting Advisory Group (EFRAG), where independent bodies bring together different stakeholders³. The standards will align with EU policies while building on and contributing to international standardisation initiatives. The Commission is expected to adopt a first set of standards by mid-2023 based on the standards published by EFRAG. The CSRD also sees a mandatory audit for companies that have declared information on sustainability. It also ensures the digitisation of information on sustainability. CSRD companies must report according to the European Sustainability Reporting Standards (ESRS).

³ https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en

5 CSR MATURITY MODELS (CSRMM)

Literature regarding CSRMM focuses on the development of specific models, without verifying its practical application in companies (Marques-Mendes & Santos, 2016). When a company is Socially Responsible (SR), means that the company incorporates actions to ensure that its employees act in a responsible manner. Becoming Socially Responsible implies that a company is in the transition of becoming SR, by undertaking actions and policies that enable responsible behavior. ISO26000:2010 guides companies on how to create insight in these actions and policies.

5.1 Literature Overview on Maturity Models

The origins of the concept of maturity models can be found in the study by Nolan and Gibson (1974). Crosby (1979) introduced the first maturity grid, which referred to the Quality Management Maturity Grid and contained five levels of organizational skills, dealing with methods and tools of quality management on a scale from one to five, such as uncertainty, awakening, enlightenment, wisdom, certainty of sales, improvement actions and company quality posture. The grid revealed a development path defining all necessary actions what should be in place for the company to reach the next maturity level.

The adoption of maturity as a measure of an organization's capabilities in a particular area gained traction when Carnegie Mellon University's Software Engineering Institute introduced the Capability Maturity Model (CMM), which provided a maturity assessment of the software development process. Initially, the CMM model was developed for companies involved in implementing IT projects to guide them in managing current processes and enabling them to grow and strive for excellence.

The CMM concept also introduced guidance to help the selection of a process improvement strategy by determining the current process maturity and identifying the key issues impacting the status and quality improvement of the software. A given organization can continually improve its processes by focusing on activities and the hard work involved, thereby enabling consistent and lasting benefits (Paulk et al., 1993). According to Kluth et al.(2014) "the maturity model is a (simplified) representation of reality used to measure the quality of business processes." A broader definition is given by Kohlegger et al. (2009), who defined "the maturity

model conceptually, representing phases of increased quantitative or qualitative change in a maturing ability to assess its progress relative to particular areas of interest.”

Maturity models are often developed in a matrix form. The maturity levels are marked on the horizontal axis, and the dimensions on the vertical axis (De Almeida Santos, 2020). A progressive and hierarchical approach to change within the analyzed area or entity, often characterized by measurable indicators (or specific practices), represents maturity levels. The dimensions reflect a more detailed approach to the analyzed entity based on their importance or specific characteristics required for analysis (Tiwari, 2021). Within the management topics, maturity models have been developed for knowledge management (Escrivao, 2019) and leadership (Hogan, 2008).

Although CSR-related queries were used in the research process, the results related to maturity models were developed for purposes other than assessing a company's overall CSR maturity level. David Patón-Romero et al (2019) created a green IT maturity model that focuses solely on financial and environmental performance, while CSR covers more than one environmental objective. Bohas and Bouzidi (2012) also dealt with information systems, considering other areas of CSR besides the environment. Although these two models are innovative, they can only be applied to computing. Machado et al. (2017) have developed a maturity model for integrating sustainability into operational management. These authors have also distinguished which business processes play a crucial role at which level of maturity. The authors refer to CSR only once and state that CSR principles are formed at the fourth level of maturity. The Simmons (2008) study aimed to characterize CSR as part of leadership. The author used a stakeholder empowerment approach to develop ethical human resource management, stressing the need to integrate ethics into the strategic HR process. This CSR maturity model focuses on developing stakeholder selectivity from stakeholder recognition to stakeholder engagement; however, it covers only one group of stakeholders, namely workers.

Bacinello et al (2020) have combined CSR and sustainable innovation in their maturity model. The authors did not present the maturity assessment methodology as they aimed to find general correlations between CSR, innovation maturity and business efficiency (in the economic, social and environmental dimensions). On the other hand, Głuszek (2021) focused on the maturity of reputation management in companies, including concerning CSR. Using the Delphi method, he created a model consisting of 14 CSR practices, with assigned dimensions such as leadership,

values, skills, structures and systems, methods and tools, policies and procedures. Stawiarska et al. (2021) addressed CSR as one of the areas in implementing Industry 4. and measured the maturity of implementation in the context of the intensity of CSR activities, indicating that the intensity of CSR practices has been assessed.

Witek-Crabb's (2019) CSR maturity model deals with ecological, social and ethical aspects; it is inspired by Schein's model of organizational culture (Schein, 1990) and therefore comprises three levels of analysis. The first level, corresponding to cultural artefacts, is the maturity of CSR processes. The second level is the official maturity of CSR (attributed to cultural values), and the third is the developmental maturity of CSR (connected to cultural assumptions). The first level is assessed using the CMMI model, and the five levels are converted into points from 0 to 1. while maturity is rated on a scale between 0 and 1. The CSR development maturity measurement comprises six levels, from initial responsibility to a holistic CSR approach. In this case, too, it is necessary to convert levels into points with each level to score a point between 0 and 1. If the average score is between 0 and 0.32 points, CSR is random, 0.33 and 0.65 - tactical and 0.66 and 1 - strategic.

Maturity levels describe next levels of CSR implementation. They are hierarchically structured, and the levels follow a logical sequence, starting from total immaturity, (level 1), through informality or implementation (level 2), standardization and monitoring (level 3), aware measurement and management (level 4), until continuous improvement, as a display of the highest maturity (level 5).

<u>Maturity levels</u>	
<u>Level 1</u>	Lack of practices and standards related to corporate social responsibility and sustainable innovation
<u>Level 2</u>	Informality or implementation phase of practices and standards related to corporate social responsibility and sustainable innovation
<u>Level 3</u>	Formal establishment of practices and standards related to corporate social responsibility and sustainable innovation
<u>Level 4</u>	Formal establishment and strategic systemic use of practices/standards of corporate social responsibility and sustainable innovation
<u>Level 5</u>	Formal establishment, strategic systemic use, and pursuit of continuous improvement to optimize practices/standards related to corporate social responsibility and sustainable innovation

Table 2 CSR Maturity Levels

(Source: Bacinello et al., 2019)

Each maturity level is described by the strategies, structures, systems, processes and used methods and tools, describing at the same time the path of CSR implementation development as far as CSR and indicating the successive stages of maturity and the current position of the company. A CSR maturity model should be enabled from ISO26000:2010 actions and act as a tool/method that assesses organizations regarding their CSR performance and the same time suggests actions for performance improvement.

The two most comprehensive models describing the stages of CSR development are the Mirvis and Googins Model from 2006 and the Maon, Lindgreen and Swaen model from 2010. The first assumes a finite sequence of stages in the development of corporate citizenship. The successive stages of maturity are enforced by the so-called triggers which are internal and external challenges that demand action. According this model, these triggers focus primary on the credibility of the company as a citizen, and then on its ability to meet the stakeholders' expectations. Coherence of efforts and, finally, involvement in the institutionalization of citizenship in its business strategies and culture are in the later stages (Mirvis and Googins, 2006).

Maon, based on the previous model, additionally introduce stakeholder culture dimension and social responsiveness dimension, and build the consolidated, 7-staged CSR development model that integrates organizational values and culture with managerial processes and operations (Maon et al. 2010). In their view, organizational culture plays crucial role in CSR development, since transition to the higher stages of maturity requires good understanding of the concept and internalization of its respected values.

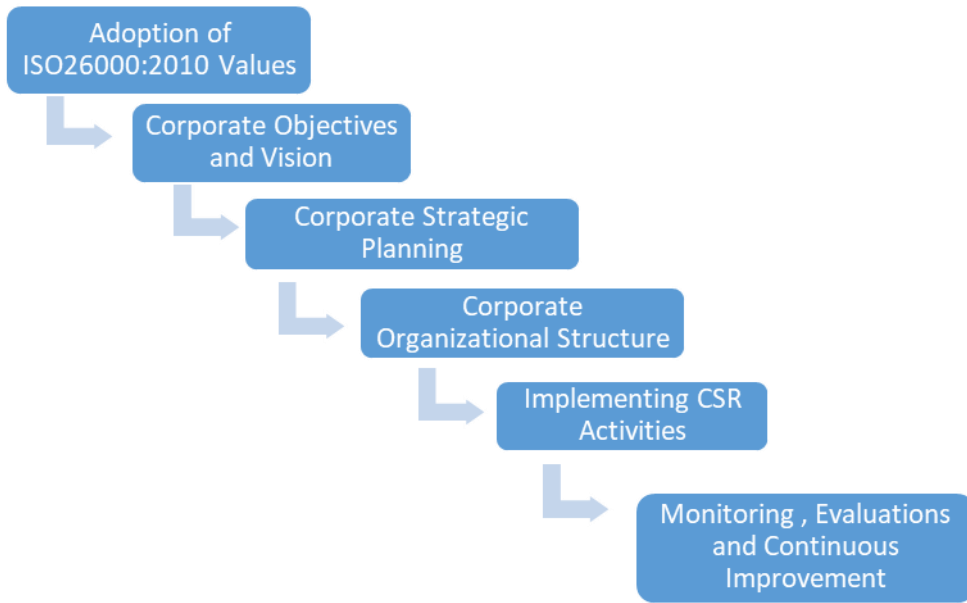


Figure 19. CSR implementation processes

Another method to create distinction in the maturity level of companies when implementing ISO26000:2010 actions is to develop a maturity grid consisting of distinct maturity levels. These levels contain actions and processes that a company should accomplish in order to qualify for that specific level. They can serve as a "roadmap" that enables managers to diagnose what capabilities a company currently possesses and which are lacking and need to be built in order to progress in a particular area. A CSR maturity model should be enabled from ISO26000:2010 actions and act as a tool/method that assesses organizations regarding their CSR performance and the same time suggests actions for performance improvement

5.2 Influential Elements of a CSR Maturity Assessment Framework

Due to increasing social, political, environmental and economic responsibilities, CSR has become one of the growing concerns in contemporary business environment (Babiak and Trendafilova, 2011) in both developing and developed economies. Public pressure often forces corporations to reverse negative aspects deriving from their everyday business and to comply with societal expectations. Societies demand socially active corporations that on top of profit maximization consider their market value and their reputation inside and outside corporate environment. Companies invest on CSR initiatives to create positive moral capital and support

their credibility and reputation. There are a number of studies indicating that CSR positively influences corporate reputation (Peloza, 2009).

Active participation of a company in CSR activities, leads to improvement in customer satisfaction and loyalty (Martinez and del Bosque, 2013), positive growth in corporate reputation, corporate brand credibility and image (Hur et al., 2014) and positive influence on consumers' purchase intention (Yu et al., 2021). Bhattacharya and Sen (2004) stated that the effect of CSR activities on consumer awareness or attitudes, which are "internal" outcomes, is significantly greater than their effect on outcomes "external" to the consumer, such as purchase behavior. The relationship between economic factors and corporate behavior, mediated by several conditions (Campbell, 2007) triggers policies and practices of corporations that reflect business responsibility, influencing at the same time corporation's business benefit.

5.3 ISO26000:2010 Standard: Guidelines for CSR Maturity

ISO26000:2010 standard, does not dictate an obligatory procedure for companies that wish to behave socially aware. On the contrary, it provides valuable recommendations acting as a method pointer for creating social policy as an efficient tool through which organizations can contribute and perhaps influence social issues in the context of the wider communities they operate. The guidelines proposed by ISO26000:2010 concentrate on their potential to contribute to the strengthening of the social establishments of the above-mentioned communities, to empower, generate autonomy, and develop skills in their final beneficiaries.

ISO26000:2010 standard refers to corporations that develop and implement - or wish to do so - CSR activities in their strategic agenda. Its purpose is to provide guidelines that allow these corporations to perform their respective activities in compliance with social and environmental requirements in the framework of their corporate priorities. ISO26000:2010 was initially developed in 2005 and published in 2010, by the International Organization for Standardization (ISO). The aim was to effectively assess and address social responsibilities that are relevant and significant to their mission and vision. Its target purpose was to give an overview of the Corporate Social Responsibility concept and under this frame; it identified opportunities arising from its implementation such as increased competitiveness and reputation resulting in profit increase.

The standard highlights seven key subjects underpinning the development and operation of any organization: More specifically, it provides guidance on recognizing social responsibility and engaging stakeholders and ways to integrate socially responsible behavior into the organization. In addition identifies seven core subjects and issues pertaining to social responsibility namely Organizational governance, Human rights, aligned with the UN Guiding Principles, Labor practices, The environment, Fair operating practices, Consumer issues and last but not least Community involvement and development

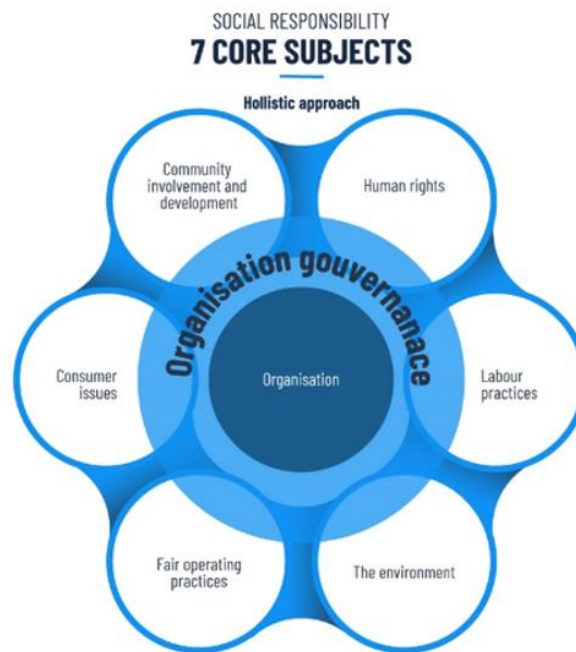


Figure 20. ISO26000:2010 CSR Core Subjects Overview

(Source: <https://www.boreal-is.com/blog/iso-26000-social-responsibility/>)

Moreover, it acknowledges seven key underlying principles, such as Accountability, Transparency, Ethical behavior, Respect for stakeholder interests, Respect for the rule of law, Respect for international norms of behavior and Respect for human rights and provides guidance on these, targeting in assisting organizations to address their social responsibilities, while at the same time, respect cultural, societal, environmental, and legal differences and economic development conditions. It provides practical guidance related to making social responsibility operational and emphasizes on performance results and continuous improvement. ISO26000:2010 supports stakeholders' engagement and in addition enhances credibility of reports and claims made about social responsibility. It aims at increasing confidence and satisfaction in organizations among both their customers and other stakeholders and ensures consistency with existing documents, international treaties and conventions, and existing ISO

standards. Finally, ISO26000:2010 promotes common terminology in the social responsibility field and targets to broaden awareness of social responsibility

5.4 Guidelines of the ISO26000:2010 Guide on CSR towards the Community

Since the beginning of the discussions regarding the implications of corporate social responsibility in the '50s, CSR has evolved from actions of philanthropy to a more complicated and structured procedure including different theoretical contributions (Carroll 1999, 2015; Garriga and Melé 2004; Dahlsrud, 2008). Although the formulation of CSR took under consideration different but complementary views of the same phenomenon.

ISO26000:2010 synchronized with the evolution of the complementary views enclosed in the diverse definitions of CSR, projecting the existing theories and the responsibilities organizations have towards society. The most well-known theory, Stakeholder Theory can be considered as the starting point of ISO26000:2010 implementation. Balzarova and Castka (2012) analyzed the role of stakeholders on the definition and the development of standards taking into consideration five distinct parameters. The first one is to eliminate and, if possible, to avoid any unintended consequences of a phenomenon through standardization. Then the standard under development should be connected to previous ones and/or to other international norms and regulations already specified while the dialogue between all relevant stakeholders during development procedure or improvement should be encouraged. Finally it must be ensured that the standard will be periodically updated, expanded and improved. (Popa & Dabija, 2019).

Core subject: Organizational governance	6.2
Core subject: Human rights	6.3
Issue 1: Due diligence	6.3.3
Issue 2: Human rights risk situations	6.3.4
Issue 3: Avoidance of complicity	6.3.5
Issue 4: Resolving grievances	6.3.6
Issue 5: Discrimination and vulnerable groups	6.3.7
Issue 6: Civil and political rights	6.3.8
Issue 7: Economic, social and cultural rights	6.3.9
Issue 8: Fundamental principles and rights at work	6.3.10
Core subject: Labour practices	6.4
Issue 1: Employment and employment relationships	6.4.3
Issue 2: Conditions of work and social protection	6.4.4
Issue 3: Social dialogue	6.4.5
Issue 4: Health and safety at work	6.4.6
Issue 5: Human development and training in the workplace	6.4.7

Core subject: The environment	6.5
Issue 1: Prevention of pollution	6.5.3
Issue 2: Sustainable resource use	6.5.4
Issue 3: Climate change mitigation and adaptation	6.5.5
Issue 4: Protection of the environment, biodiversity and restoration of natural habitats	6.5.6
Core subject: Fair operating practices	6.6
Issue 1: Anti-corruption	6.6.3
Issue 2: Responsible political involvement	6.6.4
Issue 3: Fair competition	6.6.5
Issue 4: Promoting social responsibility in the value chain	6.6.6
Issue 5: Respect for property rights	6.6.7
Core subject: Consumer issues	6.7
Issue 1: Fair marketing, factual and unbiased information and fair contractual practices	6.7.3
Issue 2: Protecting consumers' health and safety	6.7.4
Issue 3: Sustainable consumption	6.7.5
Issue 4: Consumer service, support, and complaint and dispute resolution	6.7.6
Issue 5: Consumer data protection and privacy	6.7.7
Issue 6: Access to essential services	6.7.8
Issue 7: Education and awareness	6.7.9
Core subject: Community involvement and development	6.8
Issue 1: Community involvement	6.8.3
Issue 2: Education and culture	6.8.4
Issue 3: Employment creation and skills development	6.8.5
Issue 4: Technology development and access	6.8.6
Issue 5: Wealth and income creation	6.8.7
Issue 6: Health	6.8.8
Issue 7: Social investment	6.8.9

Table 3 Documentation Requirements of the ISO26000:2010

Before addressing their social responsibility, corporations need to understand, by considering the core subjects of social responsibility, three key relationships: the first one is between the organization and its society, by recognizing how their strategic decisions and corporate activities affect society and environment as well as society's expectations concerning these impacts. The second relationship is between the corporation and its respective stakeholders by identifying them and acknowledging their vision and needs interests. Finally, the relationship between stakeholders and society should be clarified. This relationship is twofold. On one hand the stakeholders' interests, affected by the corporate activities and the society expectation on the other should be considered. And, despite the fact that stakeholders are part of society, their interests may not always be consistent with its expectations.

Under this framework, and in order to balance the perspectives of all three relationships while recognizing its social responsibility, should consider all aspects. Of course, other relationships outside the sphere of influence of a corporation and beyond its value chain should not be neglected. In this case, corporations should be alerted so as to avoid contributing to negative impacts through their relationships, acknowledging at the same time the fact that they are not obliged to exercise influence purely because they have the ability to do so.

6 PROPOSED FRAMEWORK OF AN INTEGRATED –HOLISTIC CSR MATURITY ASSESSMENT FRAMEWORK-THE GQC MATURITY MODEL

CSR as a part of management systems has evolved from a systemic approach to pure strategic management. Organizations that have integrated and implement CSR activities, compliant with ISO26000:2010 guidelines standard, must continuously improve it. Furthermore, the measurement of corporate CSR activities is of key important from a sustainable organization perspective. The concept of CSR is directly related to long-term focus and benefits. Maturity assessment in corporate social responsibility (CSR) evaluates corporate evolution not only in general but in specific areas as well, so that to create strategical improvements related to economic, social, and environmental dimensions.

Literature did not provide us with studies regarding the relationship of CSR and the CSF with main management principles. Glykas Quality Compass (GQC) considers ten quality concepts subdivided into three categories: five core concepts, three intra-core concepts and two auxiliary concepts as described below:



Figure 21. Glykas Quality Compass Concept (Glykas 2019)

1. Five core concepts:

- *Strategic Focus*: Strategy is directly related to the vision of the corporation, the implemented CSR activities and the quality management system of the organization. An organization that has a clear strategic direction, provides senior management the roadmap for alignment of functional activities towards achieving the corporate goals and objectives

and consequently increasing operational efficiency. Clear strategy achieves greater employee involvement and contribution, improved human efficiency, enhanced performance, greater commitment, higher levels of internal and external customer satisfaction, competitive advantage and thus increase profitability and market share.

- Customer Focus: Refers to the required actions and procedures that must be addressed so as a corporation to meet customers' needs and expectations. It concerns actions related to the general direction of the quality management system, the policy, the objectives, their design, the awareness, the production, the support, the monitoring of the customer satisfaction and the continuous improvement. Customer focus can affect brand reputation and increase loyalty.
- Human Resources Focus: Human Resources of all organizational levels is fundamental. Employees must be engaged and contribute by creating and delivering value for the achievement of the organization's target goals and vision. Effectively managed employees comprise a high performing workforce providing organization a competitive advantage. This can be achieved through proper coordination and communication within the organization. Through active participation, employees gain knowledge and experiences, understand the importance of quality, create and enhance strategic partnerships while at the same time increase their commitment to the organization. Essential considered the incentives, the education and employees' training as well as their integrity and the way they conduct business promoting respect, trust and fairness.
- Process Focus: It deals with processes and interdependent activities that convert inputs into outputs adding value, increasing quality levels and productivity leading to continuous improvement. Extra emphasis is given in achieving efficiency and effectiveness during organizational processes.
- Leadership Focus: One of the most important factors for the continuous improvement of the quality of an organization is that of the appropriate senior management. Leadership sets clear organizational goals, establishes unity and decides and defines quality policy that must be aligned with quality objectives as part of the corporate culture. Leadership communicates the vision and strategy of the organization motivating employees to participate towards achieving the goals of the organization.

2. Three intra-core concepts:

- Change Management Focus: It is a framework or a systematic approach, related to organizational changes affecting employees, customers, core values processes and

profitability through evaluation methods and corrective actions provided by data analysis. Change management metrics should be considered holistically, providing organization the required information for implementing strategies and methods that will ensure effective change and tactics' adjustment to achieve its goal.

- Performance Measurement Focus: It is the process of evaluating, measuring and determining the efficiency and effectiveness of actions of an employee. Performance measurement brings scientific metrics into decision-making process, underlining the change derived by information accuracy and knowledge, instead of practical experience. The primary goal of performance measurement is the identification of opportunities that can contribute to employees' evolution inside a corporation as well as to act as a motive for succeeding their maximum performance through appropriate and continuous support. Evaluates productivity and ensures the personal development of individual employees, increasing at the same time job satisfaction, motivation and commitment to the organization and its vision.
 - Continuous Improvement: Also known as a continual or continuous improvement process. It's a continuous effort for products, services or processes of an organization improvement, focusing on value-added activities enhancement. Organizations with a culture of continuous improvement can benefit from inherent flexibility and techniques improving knowledge sharing, process improvement and workflow management.
3. Two auxiliary concepts:
- Information-Knowledge management: Knowledge management is the process of creating, maintaining, using and sharing exchanging knowledge and experience of employees in an organization. Although knowledge management is usually about know-how, information management is about know-what referring to management of data both facts and figures obtained from vertical sources. It is a cycle of knowledge, a multidisciplinary approach improving performance by avoiding previous unsuccessful approaches and strategies and by making the best use of knowledge. In organizations with continuous learning and development culture, knowledge management is focused on improved performance, competitive advantage, innovation and exploitation aspects, and knowledge sharing to ensure the continuous improvement of the organization.
 - Corporate responsibility: It concerns the impact that an organization has on society, the environment, the economy and all stakeholders. Organizations that have effective corporate responsibility programs add value to the organization itself, ensure its viability, and operate in ways that enhance society and the environment. In addition, CSR activities

can help forge a strong bond between employees and the organization, boost morale and increase commitment.

The above concepts are used in all four quality perspectives (CSRMM, standards, methodologies and Quality excellence awards) and follow the PDCA cycle for continuous improvement. The PDCA cycle, or Deming cycle, is a methodology that consists of four stages: Plan, Do, Check and Act.

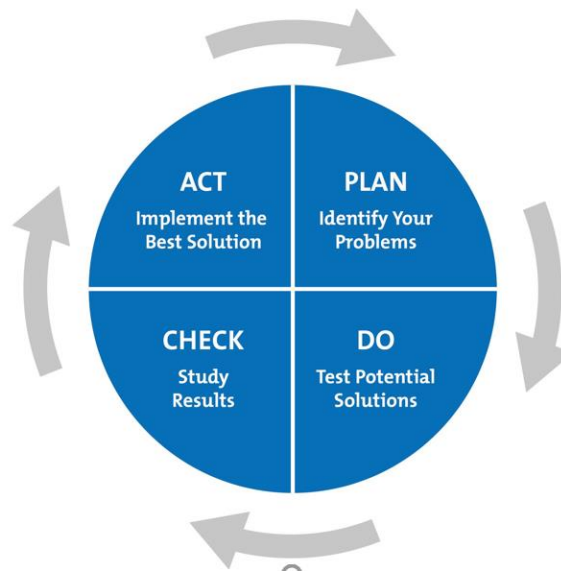


Figure 22. Deming Cycle Graphical Representation
(Source: <https://deming.org>)

The Glykas Quality Compass (GQC) framework provides a matrix, a ten-to-ten table, founded on the ten, most crucial, critical-success factors, which are identified in current, maturity-assessment frameworks and the ten, best-known enablers, which are identified in literature. The matrix can be used with reference to the CSFs during the design of the framework and with reference to the enablers during the implementation of the CSRMM framework, for the three-fold managerial perspective Processes – Human Resources – Information Technology.

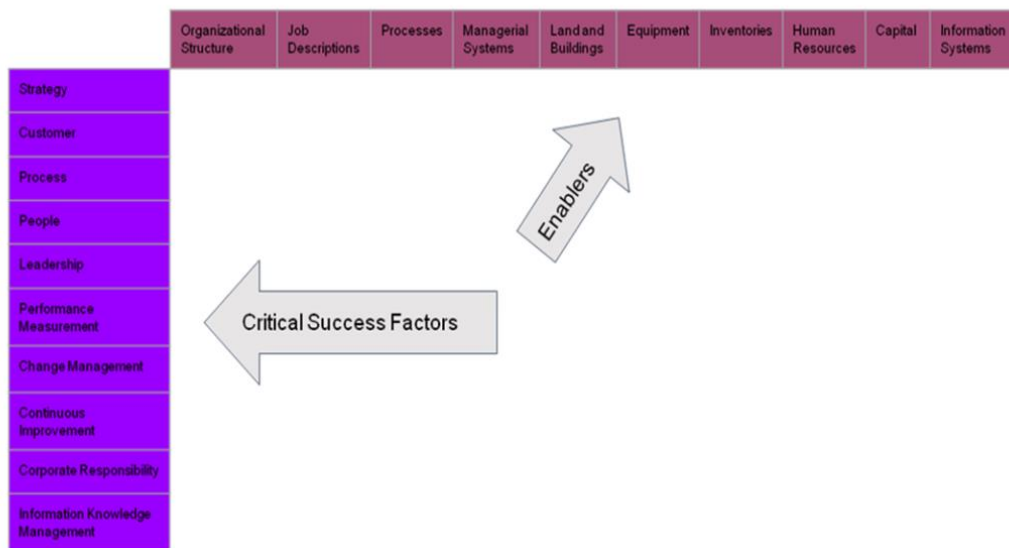


Figure 23. Framework of Glykas Quality Compass (2019)

In order to examine whether the GQC can be expanded to apply to the ISO26000:2010 requirements, given that the standard’s scope is to “provide guidance to those who recognize that respect for society and environment is a critical success factor. It is a way of assessing an organization’s commitment to sustainability and its overall performance”. All the requirements of this document are applicable to any organization, regardless of its type or size, or the products and services it provides”, the ISO26000:2010 clauses presented in the following table were compared to the factors of the ten by ten matrix defined by the GQC, as shown in Figure 21.

	Organizational Structure	Job Descriptions	Processes	Managerial Systems	Land and Buildings	Equipment	Inventories	Human Resources	Capital	Technology and Information Systems
STRATEGY	6.2 , 6.6.3, 6.6.4		6.5.6	6.4.3, 6.4.4	6.5.3, 6.7.5			6.3.3, 6.3.4, 6.6.3		
CUSTOMER	6.3.5, 6.6.5, 6.7.4		6.7.4, 6.7.6, 6.7.7, 6.7.8	6.7.3, 6.7.4	6.7.4	6.7.3,		6.7.3, 6.7.6, 6.7.9		6.7.3, 6.7.4, 6.7.6, 6.7.7
PEOPLE	6.2, 6.3.5, 6.6.3, 6.8.8	6.3.10	6.3.6, 6.4.4, 6.5.6	6.3.10	6.4.6, 6.5.3			6.3.5, 6.3.7, 6.3.8, 6.3.9, 6.4.7		
PROCESS	6.6.5				6.4.6, 6.7.5			6.6.3		6.8.6
LEADERSHIP	6.2, 6.6.5			6.4.3	6.6.7			6.4.6, 6.6.3		
CHANGE MANAGEMENT	6.2							6.4.7, 6.8.5		
PERFORMANCE MEASUREMENT	6.2, 6.6.5				6.7.5		6.8.7			6.8.6
CONTINUOUS IMPROVEMENT	6.2, 6.5.5		6.5.6	6.5.5	6.7.5			6.4.5 , 6.4.7, 6.8.4, 6.8.5	6.8.4	
INFORMATION & KNOWLEDGE MANAGEMENT	6.2, 6.6.4	6.3.10	6.3.10		6.7.5			6.4.5 , 6.4.7, 6.8.5		6.8.6
CORPORATE SOCIAL RESPONSIBILITY	6.2, 6.5.6, 6.8.3	6.4.6	6.4.3, 6.5.4, 6.8.3	6.5.4, 6.5.5	6.5.4, 6.6.7, 6.7.5		6.8.7	6.4.5 , 6.4.7, 6.8.6	6.5.4	6.7.5

Table 4. Implementation of the ISO 26000:2010 requirements on the GQC framework

The holistic approach of the GQC maturity assessment model combined with CSFs corporate social responsibility management principles and organizational resources, could be implemented for the assessment of the ISO 26000:2010 Corporate Social Responsibility Standard, providing a useful guide for the continuous improvement of organizations. At the same time, depicts the level of maturity when it comes to CSR implementation in corporate environments. The GQC approach could also assist CSR management implementation team clarify the CSR concept and link it properly with corporate strategy. (Glykas, 2019).

This research could be used as a recommendation and implementation guide according to the ISO 26000:2010 for an organization in order to test the GQC method. Such a case study would provide findings, tools and categories to expand the GQC model, producing thus a generic GQC CSRM maturity framework to be used as reference by future researchers in the field of CSR maturity assessment.

7 ABSTRACT OF PUBLISHED WORK

7.1 Published Work #1

A paper was submitted in the ITEMMA 2022 conference which was held at the Faculty of Economics and Business, University of Maribor, Maribor, Slovenia on October 27, 2022 (hybrid). (www.itema-conference.com)

Scope of Conference

The purpose of the ITEMMA conference is to support the power of scientific research and dissemination of the research results with the objective to enhance society by advancing knowledge, policy-making, lives, and ultimately, the world. Our objective is to continue to be the foremost annual conference on cutting-edge theory and practice of information technology, tourism, economics, management, and agriculture; encouraging advancement via excellence, and interaction.

Title : A Holistic CSR Maturity Assessment

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Abstract: Recently, there has been an increasing interest in defining Corporate Social Responsibility (CSR) and the factors that have the potential to influence it. CSR has become an essential strategic tool and its initiatives have increased in variety and scope, impacting communities and businesses in economic, environmental, and social terms as a means of raising the social profile and maximizing the corporation's long-term economic and social value. This paper aims to introduce the concept of Corporate Social Responsibility and to investigate the key enabling factors and constraints that play a crucial role in the adoption and implementation of CSR initiatives. For this, a holistic framework, namely a Corporate Social Responsibility Maturity Model (CSRMM) for CSR assessment will be analyzed and presented.

Keywords: Corporate Social Responsibility, Maturity Model, CSR Maturity Assessment Framework, ISO26000:2010

7.2 Published Work #2

A paper was submitted in the 8th International Scientific-Business Conference titled: Leadership, Innovation, Management and Economics: Integrated Politics of Research – LIMEN 2022 held on December 1, 2022, in Budapest (Hungary).

Scope of Conference

Bearing in mind the challenges of a dynamic engagement in contemporary organizations, it is clear that within the analysis of these important subjects should be applied interdisciplinary approach. For this reason, the main theme of the conference LIMEN was processed through the following key topics.



KEY TOPICS

- Leaders and Leadership
- Entrepreneurship
- Innovation
- Creativity
- Management of Small and Medium-sized Enterprises
- Contemporary Strategic Management
- Financial Management and Banking
- Marketing Management
- Project Management
- GREEN Management
- Natural Resource Management
- Quality Management
- Management of New Technologies
- Management Information Systems
- Education Management
- Intercultural Management
- Public Sector Management
- Human Resources Management
- Organizational Behavior
- Business Ethics
- Macroeconomics
- Microeconomics
- Finance
- Marketing
- Labour Law
- Business Law

Figure 24: Key Topics of LIMEN Conference

Title : A Novel Approach in Corporate Social Responsibility Performance Measurement

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Abstract: Corporate Social Responsibility Performance (CSR) Measurement is as essential as performing CSR. Measurement of Corporate Social Performance is two-fold: firstly can assist stakeholders in understanding the difference between short-term financial metrics and building valuable long-term relationships and assets leading to long-term corporate value. Secondly, it offers society, employees, and customers the ability to judge a corporation's social behaviour and ethics and reward it accordingly. So, the exact contribution of CSR to a company and its stakeholders should be evaluated and assessed by tangible and measurable results. Since there is no standardised method or predefined criteria for CSR assessment, literature has tried to define the influencing factors of corporate social performance and to describe the techniques and methodologies of CSR assessment. However, due to its "soft nature", the pure social part of the term is difficult to measure. Corporations use Global Reporting Initiative (GRI) Standards and Key Performance Indicators (KPIs) to measure their performance. However, these measures are not sufficient since they cannot affect corporate strategic goals. In the present paper, a CSR performance measurement framework is presented, targeting to assist organisations in measuring the effectiveness of their CSR initiatives. The key factors affecting corporate performance are identified, and a literature review of the concept is performed.

The paper has been accepted and will be published in the LIMEN 2022 Conference Proceedings (ISSN 2683-6149, ISBN 978-86-80194-66-0, DOI numbers will be assigned).

8 Conclusion

The present thesis discusses maturity models concerning CSR and proposed a holistic model that assesses the maturity level of CSR implementation in a holistically viewed organization. The objectives and the limitations, the potential advantages, and critical success factors and enablers of CSR maturity were discussed based on the literature.

The analysis of various articles indexed in the Google Scholar database showed that CSR is rarely evaluated at the organizational level. Many authors focus on areas such as IT, operations management or leadership. Other authors consider CSR as one of the corporate elements or organizational processes that impact other corporate sectors, such as corporate reputation and image or financial performance. The main theoretical frameworks of CSR and sustainability that can influence the maturity of an organization have been presented. Moreover, the most acknowledged models have been identified.

The purpose of the present thesis was to study the current CSR maturity models and, based on the ISO26000:2010 guidelines, propose a comprehensive, holistic maturity model assessment for all companies. In this respect, the thesis contributes to developing CSR knowledge by analyzing and integrating the results of CSR maturity models. It also identifies a theoretical gap and presents a proposal to fill it. This proposal is presented as a comprehensive model for implementing the CSR maturity concept at the organizational level. The developed model combines and simultaneously extends existing approaches, making it a universal model that can be used in different organizations.

In addition, it identifies the theoretical model of organizational maturity in the field of social responsibility and defines the guidelines for improving the organization in the field of CSR. The developed model combines and simultaneously extends existing approaches, making it a universal model that can be used in different organizations.

Some limitations could be considered in the proposed assessment model - as in many theoretical concepts. The literature review examined includes articles published up to the middle of 2021, mainly from Google Scholar. Further analysis is required, including recently published articles using the same methodology from more databases. Moreover, the search method may result in some valuable articles being omitted from the sample when published in other publications, books,

chapters, conference proceedings, and other languages. In addition, the model needs to consider that some concepts may be conflicting or mutually exclusive, for example, ethics and law or philanthropic and economic dimensions of CSR. Furthermore, the importance of certain groups of interest (stakeholders) is depicted accurately in the model.

The fact that the proposed model was based on the theoretical framework of GQC quality compass and ISO26000:2010 does not prove that, in practice, the findings might conflict in many instances. If had been the application of the framework in a corporate environment, this thesis would have further contributed to knowledge and would have modify the respective interpretations and conclusions accordingly. Such a case study would provide findings, tools and categories to expand the GQC model, producing thus a generic GQC CSRM maturity framework to be used as reference by future researchers in the field of CSR maturity assessment.

Under this consideration, the intention of this thesis was solely to enhance the knowledge regarding the CSR maturity assessment. The presented work can be used as a recommendation and implementation guide according to the ISO 26000:2010 for an organization, in order to test the GQC method efficiency in evaluating Corporate Social Responsibility maturity levels.

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Appendix I- Published Work #1

A HOLISTIC CSR MATURITY ASSESSMENT MODEL

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Abstract: *Recently, there has been an increasing interest in defining Corporate Social Responsibility (CSR) and the factors that have the potential to influence it. CSR has become an essential strategic tool and its initiatives have increased in variety and scope, impacting communities and businesses in economic, environmental, and social terms as a means of raising the social profile and maximizing the corporation's long-term economic and social value. This paper aims to introduce the concept of Corporate Social Responsibility and to investigate the key enabling factors and constraints that play a crucial role in the adoption and implementation of CSR initiatives. For this, a holistic framework, namely a Corporate Social Responsibility Maturity Model (CSRMM) for CSR assessment will be analyzed and presented.*

Keywords: *Corporate Social Responsibility, Maturity Model, CSR Maturity Assessment Framework, ISO26000:2010*

INTRODUCTION

It has been many years since Bowen published his work about the responsibilities of businesses for society, defining Corporate Social Responsibility (CSR) as the social obligations companies should fulfill through their policies, their corporate decisions, and their actions (Bowen, 1953). The concept of CSR is extended beyond legislation, as organizations voluntarily incorporate social and environmental concerns in their strategies, adopting a more responsible role. Implementation of CSR initiatives triggers organizations to undertake responsibility related to the impact their activities have on customers, employees, shareholders, the community, and the environment. CSR embraces three organizational aspects: economic, environmental, and social. Elkington (1997) identified a more common expression of these three aspects and named it with 3Ps: **people-planet-profit**.

The environmental pillar is the most well-known of the three. The main topic stressed here is the effect of organizational actions in the direction of the environment. Thus, this pillar refers to activities companies undertake to protect the environment and reduce their environmental impact and carbon footprint.

The second pillar is the Social one. It takes into account the interest of all stakeholders and the community in the progression of providing an impartial and ethical organization. It deals with companies' interaction and interrelations with their shareholders, customers, employees, and the local society and discusses the practices companies implement to engage their assets to enhance social sustainability. This pillar enhances operational performance through 'efficiency', quality products, and reliability, which increases productivity, corporate social performance, and customer commitment.

The Economic pillar is considered one of the main drivers for sustainability and CSR. It is related to the implementation of sustainable business practices to promote long-term profitability and is assessed with indicators related to quality, speed, dependability, flexibility,

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and cost. This pillar supports the environmental and social pillars, embracing aspects that an organization must fulfill.



Figure 1. Illustration of CSR Pillars

For the successful development and implementation of environmental, social, and economic goals these three pillars must have complementary relationships and be equal without overshadowing each other. Thus, companies need a coherent framework to identify, develop, implement, control, and improve their strategy with social flair, able to ensure effectiveness and profitability.

CSR is considered one of the most important objectives for companies (Luo and Bhattacharya, 2006). However, despite its significance, it lacks a generalized and unique definition. To explain this concept, different definitions and theoretical perspectives have been framed –with a considerable common ground between them. It is associated with corporations and their evident societal obligations expecting that companies are not only responsible to their shareholders but to society in general, in addition, to pursuing profits. (Hsu, 2012) Due to this, there is a growing interest in the topic from the academic world and CSR practitioners, aiming to investigate the CSR key enablers, the benefits generated by fulfilling social responsibilities, the impact on the company's reputation and the customers' perception, and finally the stakeholders' view.

The concept of CSR can be approached from different angles, which can vary in context, processes, and added value. For the purpose of this paper, we will consider CSR as a part of corporate strategy that is driven through by ethical implications, social awareness, and environmental concerns, interacting with stakeholders, on a frequent and structured basis.

The contribution of our research is the proposition of a novel methodology and a holistic CSR Maturity Model (CSRMM) that assesses the CSR maturity level of corporations and can be implemented from small and medium enterprises to multinational organizations with the same efficiency. The resulting model provides all the necessary information for identification and mapping the drawbacks and the assets of that strategy professionals and academics have to consider when designing CSR initiatives. It also provides practical guidance to corporations for succeeding at a higher level of maturity.

In Section 2, a literature review of the CSR concept is presented. It was based on the most prominent literature review articles related to the adoption and implementation of CSR policies and activities during the last years. The research has formulated the research objective that this paper addresses, namely: the proposal of a novel holistic and integrated framework for CSR Maturity Assessment since this literature survey revealed a gap in this field. Section 3 presents ISO 26000:2010, the standard that provides guidelines for CSR

initiatives implementation, intending to assist organizations to upgrade to a higher level of maturity. The overview of ISO 26000:2010 is crucial for the formulation of our research objective. In applying this standard, corporations should consider diversities related to society, environment, culture, and low and organizational aspects, while being consistent with European and international norms.

Section 4 presents a short overview of the current maturity models, while Section 5 is the core of our research. A Holistic CSR Maturity assessment model is proposed. The Critical Success Factors and Enablers related to Corporate Social Responsibility in a Maturity Assessment Framework are depicted and their interrelations are analyzed. Finally, Section 6 concludes our work.

LITERATURE REVIEW OF THE CONCEPT

Socially responsible activities of any company, represent their awareness about the environment they operate (Tuan, 2012) since these activities have a significant impact on society, the environment, employees, and, at the end of the day, the company itself. Corporate Social Responsibility is established as one of the most popular and emerging organizational issues for both the academic community and the business world. However, there is great variety as far as CSR understanding and implementation are concerned, and many definitions of the term exist.

CSR is traditionally perceived as philanthropic actions organized and implemented by corporations. The earliest definition of CSR is the one given by Howard Bowen who, according to Carroll (1999), is the father of corporate social responsibility. He defines CSR as the obligation of businessmen to implement actions, decisions, and policies that are desirable in terms of the objectives and values of society (Bowen, 1953). Davis described CSR as a firm's consideration of issues beyond the narrow economic, technical, and legal requirements (Davis 1973 cited in Carroll, 1999) while Carroll (1979) gave a broader definition defining CSR as the social responsibility of business addressing the economic, legal, ethical, and discretionary expectations each society has. Another scholar suggests that companies should be considered as the source of the social and environmental problems they are trying to solve (Granum et al., 2015) and not as part of the solution. Therefore, the debate about their role and their obligations is loud. Friedman (1970) argued that, the only social responsibility of a business is to increase its profits within a legal and ethical framework and that a firm cannot be held responsible, only people can. Similarly to Friedman, French (1979) states that companies can have responsibility and ethics, not as autonomous entities but via their people, since they are organizations with a specific structure that apply decision-making procedures. The result of this decision-making depicts the mindset and the ethics of their people.

On the opposite side, Zadek (2001) considers that companies have extended responsibility against society. Therefore, he categorizes them into three distinct generations regarding their social activities for sustainable development: philanthropy, corporate strategy to be used as a competitive advantage, and finally companies that implement activities that can make a difference. Following Zadek's view, Matten (Matten et al., 2003) describes the way companies implement those activities.

Looking behind the scene of this implementation, European Commission (2002) while addressing the CSR concept, has acknowledged the motivation that companies have as well as

their role. So, it defined CSR as a corporate contribution to sustainable development, recognizing CSR as an undivided part of corporate business, and depicting the social and environmental concerns of stakeholders. However, nowadays the term has evolved and climbed up the management ladder (Skarmeas and Leonidou, 2013). Today, CSR has many forms, ranging from corporate-centered to business-centered to multi-stakeholder initiatives involving civil society and government. CSR has been transformed from philanthropy and voluntary actions to regulated practices and strategic corporate activities. Corporations are receiving pressure from society that demands compliance with regulations on aspects such as human rights, environmental protection, and transparency, necessitating the existence of CSR in the corporate strategy. Respecting legislation is considered a prerequisite for meeting the CSR concept but if companies want to be fully aligned they should have in place processes that integrate social, environmental, ethical, human rights, and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders. Additionally, companies aim to maximize the creation of shared value for their owners/shareholders and society as well while, at the same time, they try to identify, prevent and mitigate possible adverse impacts.

Corporate Social Responsibility refers to both people and organizations behaving and conducting business ethically and respecting social, cultural, economic, and environmental issues. It is considered of high priority, climbing on the top of the agenda of corporations, while its scope spans from responsible business to strategic decision-making. CSR is often valued as a strategic competitive tool, embracing three distinct organizational aspects: economical, environmental, and societal, which force companies to integrate systems that focus on the common good for society in general and stakeholders in particular. Businesses acknowledge their obligations towards society, extending beyond law mandatory aspects and the narrow goal of profit-making.

When CSR moved from theory to practice, it was considered a breakthrough dimension of business operations. Literature contributed to the definition and characterization of the CSR phenomenon (De Bakker et al., 2005). To this end, Garriga and Mele (2004) map the present territory by classifying the main CSR theories and related approaches into four groups. More specifically, according to instrumental theories, the corporation is an instrument for wealth creation and its social activities are only a means to achieve economic results. Political theories, deal with the power of corporations in society and the responsible use of this power in the political arena; integrative theories consider that in which corporations are focused on the satisfaction of social demands; and finally ethical theories, based on the ethical responsibilities of corporations to society. In practice, each CSR theory presents four dimensions related to profits, political performance, social demands, and ethical values. The findings suggest the necessity to develop a new theory on the business and society relationship, which should integrate these four dimensions.

When looked at strategically, corporate social responsibility can become a source of tremendous social progress, as the business applies its considerable resources, expertise, and insights to activities that benefit society (Porter and Kramer, 2006). Strategic management research has studied the positive interconnection between social success and economic and financial profitability (strategic CSR approach). Porter and Kramer (2006) stressed the high importance of integrating corporate strategy and society's needs while Lantos (2001) introduces the concept of strategic responsibility, linked to the fulfillment of philanthropic responsibilities that will simultaneously benefit the financial performance. Zadek (2004) states that organizations pass through five stages of corporate responsibility, from defensive,

to compliance, to managerial and strategic, and, finally, to civil. According to Goyal and Kumar (2017), the top management's involvement and commitment play a crucial role in the successful implementation of CSR. However, the value system and the processes affect the formulation and implementation of CSR initiatives (Chin et al., 2013)

In 2011, the Commission adopted its renewed strategy for CSR, which combines horizontal approaches to promote CSR with more specific approaches for individual sectors and policy areas. Considering that a public authority has to support and ensure CSR conduct by using a smart mix of voluntary and mandatory measures, including regulation, put CSR at the center of Commission policies and proposals. The actions that Commission is targeting are analytically described in a staff working document (SWD, 2019) which was published in March 2019. Extra emphasis is now given to the drivers of corporate social performance, the actions that managers can take to affect that performance, and the consequences of those actions on both corporate social and financial performance (Epstein & Roy, 2001) as well as the stakeholders. Stakeholder theory (Freeman, 1984) identifies strategic motivations for relationships with the different categories of stakeholders. The differential roles that transformational and transactional leadership styles play in corporate social responsibility practices, as well as the interplay between leadership styles and institutional CSR practices, are also under continuous consideration (Du et al, 2013).

While exploring the need for systematic evaluation to identify the level of acceptance of CSR in strategic planning, several studies have been conducted. Maon (Maon et al., 2010,) refers to stages of different levels of CSR dedication and implementation. These different stages are subdivided into different dimensions describing a consolidative model different characteristics from academic literature are formulated into cultures and stages in which an organization can exist. In addition, Kouroula and Halme (Kouroula, A., Halme, M., 2008), focus on the societal and business outcomes of engagement, classify different corporate responsibility (CR) actions into three types – philanthropy, integration, and innovation which influence corporate engagement and commitment.

To this end, different phases of maturity enable the evaluation of the distinctive levels of CSR integration into the company strategy and the stage at which the company currently stands on its determined path (Marques-Mendes and Santos, 2016) bringing into the spotlight maturity models as a key factor of successful CSR adoption.

ISO 26000:2010 STANDARD: GUIDELINES FOR CSR MATURITY

ISO26000:2010 was initially developed in 2005 and published in 2010, by the International Organization for Standardization (ISO). The aim was to effectively assess and address social responsibilities that are relevant and significant to their mission and vision. Its target purpose was to give an overview of the Corporate Social Responsibility concept and under this frame; it identified opportunities arising from its implementation such as increased competitiveness and reputation resulting in profit increase. It does not dictate an obligatory procedure for companies that wish to behave socially aware. On the contrary, it provides valuable recommendations acting as a method pointer for creating social policy as an efficient tool through which organizations can contribute and perhaps influence social issues in the context of the wider communities they operate. The guidelines proposed by ISO 26000:2010 concentrate on their potential to contribute to the strengthening of the social establishments of the above-mentioned communities, to empower, generate autonomy, and develop skills in their final beneficiaries.

ISO26000:2010 standard refers to corporations that develop and implement - or wish to do so- CSR activities in their strategic agenda. Its purpose is to provide guidelines that allow these corporations to perform their respective activities in compliance with social and environmental requirements in the framework of their corporate priorities. The standard highlights seven key subjects underpinning the development and operation of any organization: More specifically, it provides guidance on recognizing social responsibility and engaging stakeholders and ways to integrate socially responsible behavior into the organization. In addition identifies seven core subjects and issues pertaining to social responsibility namely Organizational governance, Human rights, aligned with the UN Guiding Principles, Labor practices, The environment, Fair operating practices, Consumer issues and last but not least Community involvement and development



Figure 2. CSR Core Subjects Overview

Source: <https://www.boreal-is.com/blog/iso-26000-social-responsibility>

Moreover, ISO26000:2010 acknowledges seven key underlying principles namely Accountability, Transparency, Ethical behavior, Respect for stakeholder interests, Respect for the rule of law, Respect for international norms of behavior, and Respect for human rights, targeting in assisting organizations to address their social responsibilities, while at the same time, respect cultural, societal, environmental, and legal differences and economic development conditions. It provides practical guidance related to making social responsibility operational and places emphasis on performance results and continuous improvement. ISO 26000:2010 supports stakeholders' engagement and additionally enhances the credibility of reports and claims made about social responsibility. It aims at increasing confidence and satisfaction in organizations among both their customers and other stakeholders and ensures consistency with existing documents, international treaties and conventions, and existing ISO standards. Finally, ISO 26000:2010 promotes common terminology in the social responsibility field and targets to broaden awareness of social responsibility.

CSR MATURITY MODELS

CSR Literature regarding CSRMM focuses on the development of specific models, without verifying their practical application in companies (Marques-Mendes & Santos, 2016). When a company is Socially Responsible (SR), means that the company incorporates actions to ensure that its employees act in a responsible manner. Becoming Socially Responsible implies that a

company is in the transition of becoming SR, by undertaking actions and policies that enable responsible behavior. ISO 26000:2010 guides companies on how to create insight into these actions and policies.

A method to create distinction in the maturity level of companies when implementing ISO 26000: 2010 actions is to develop a maturity grid consisting of distinct maturity levels. These levels contain actions and processes that a company should accomplish in order to qualify for that specific level. They can serve as a "roadmap" that enables managers to diagnose what capabilities a company currently possesses and which are lacking and need to be built in order to progress in a particular area. A CSR maturity model should be enabled from ISO: 26000 actions and act as a tool/method that assesses organizations regarding their CSR performance and the same time suggests actions for performance improvement

Crosby (1979) introduced the first maturity model, which referred to the Quality Management Maturity Grid and contained five levels of organizational skills, dealing with methods and tools of quality management on a scale from one to five, such as uncertainty, awakening, enlightenment, wisdom, certainty of sales, improvement actions and company quality posture. The grid revealed a development path defining all necessary actions that should be in place for the company to reach the next maturity level.

Maturity levels describe the next levels of CSR implementation. They are hierarchically structured, and the levels follow a logical sequence, starting from total immaturity, (level 1), through informality or implementation (level 2), standardization and monitoring (level 3), aware measurement and management (level 4), until continuous improvement, as a display of the highest maturity (level 5). Each maturity level is described by the strategies, structures, systems, processes, and used methods and tools, describing at the same time the path of CSR implementation development as far as CSR and indicating the successive stages of maturity and the current position of the company.

The two most comprehensive models describing the stages of CSR development are the Mirvis and Googins Model from 2006 and the Maon, Lindgreen, and Swaen model from 2010. The first assumes a finite sequence of stages in the development of corporate citizenship. The successive stages of maturity are enforced by the so-called triggers which are internal and external challenges that demand action. According to this model, these triggers focus primarily on the credibility of the company as a citizen, and then on its ability to meet the stakeholders' expectations. Coherence of efforts and, finally, involvement in the institutionalization of citizenship in its business strategies and culture are in the later stages (Mirvis and Googins, 2006).

Maon, based on the previous model, additionally introduces the stakeholder culture dimension and social responsiveness dimension and builds the consolidated, 7-staged CSR development model that integrates organizational values and culture with managerial processes and operations (Maon et al. 2010).

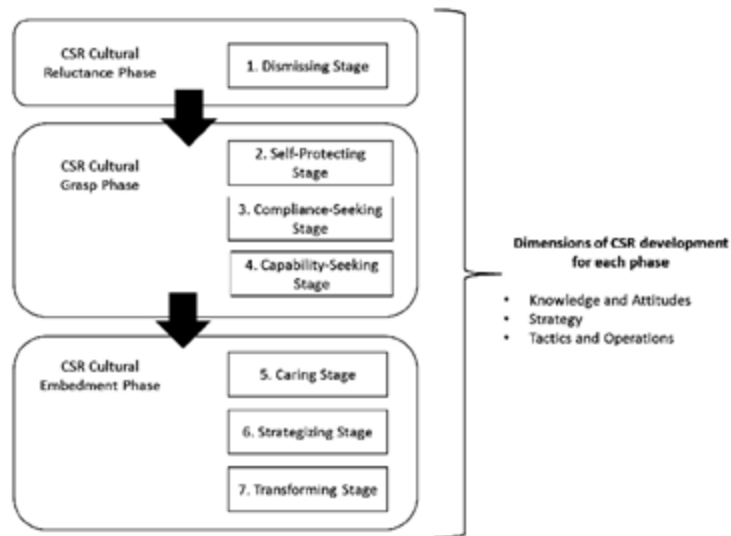


Figure 3. CSR implementation process
Source: Maon et al., 2010

In their view, organizational culture plays crucial role in CSR development, since transition to the higher stages of maturity requires good understanding of the concept and internalization of its respected values. Our methodology for a CSRMM development is a 6-staged procedure (Figure 4), strongly related to corporate strategy and organization



Figure 4. Proposed CSR implementation process

PROPOSED INTEGRATED-HOLISTIC CSR MATURITY ASSESSMENT FRAMEWORK

CSR as a part of management systems has evolved from a systemic approach to pure strategic management. Organizations that have integrated and implemented CSR activities, compliant with ISO26000:2010 guidelines standard, must continuously improve it. Furthermore, measuring CSR activities is of key importance from a sustainable organization perspective. The concept of CSR is directly related to long-term focus and benefits. Maturity assessment in corporate social responsibility (CSR) evaluates corporate evolution in general and in specific areas as well to create strategic improvements related to economic, social, and environmental dimensions.

The literature did not provide us with studies regarding the relationship of CSR and the CFS with main management principles. Glykas Quality Compass (GQC) considers ten quality concepts subdivided into three categories: five core concepts, three intra-core concepts, and two auxiliary concepts as described below:



Figure 5. Glykas Quality Compass Concept

1. Five core concepts:

- a. **Strategic Focus:** Strategy is directly related to the vision of the corporation, the implemented CSR activities and the quality management system of the organization. An organization that has a clear strategic direction, provides senior management the roadmap for alignment of functional activities towards achieving the corporate goals and objectives and consequently increasing operational efficiency. Clear strategy achieves greater employee involvement and contribution, improved human efficiency, enhanced performance, greater commitment, higher levels of internal and external customer satisfaction, competitive advantage and thus increase profitability and market share.
- b. **Customer Focus:** Refers to the required actions and procedures that must be addressed so as a corporation to meet customers' needs and expectations. It concerns actions related to the general direction of the quality management

system, the policy, the objectives, their design, the awareness, the production, the support, the monitoring of the customer satisfaction and the continuous improvement. Customer focus can affect brand reputation and increase loyalty.

- c. **Human Resources Focus:** Human Resources of all organizational levels is fundamental. Employees must be engaged and contribute by creating and delivering value for the achievement of the organization's target goals and vision. Effectively managed employees comprise a high performing workforce providing organization a competitive advantage. This can be achieved through proper coordination and communication within the organization. Through active participation, employees gain knowledge and experiences, understand the importance of quality, create and enhance strategic partnerships while at the same time increase their commitment to the organization. Essential considered the incentives, the education and employees' training as well as their integrity and the way they conduct business promoting respect, trust and fairness.
- d. **Process Focus:** It deals with processes and interdependent activities that convert inputs into outputs adding value, increasing quality levels and productivity leading to continuous improvement. Extra emphasis is given in achieving efficiency and effectiveness during organizational processes.
- e. **Leadership Focus:** One of the most important factors for the continuous improvement of the quality of an organization is that of the appropriate senior management. Leadership sets clear organizational goals, establishes unity and decides and defines quality policy that must be aligned with quality objectives as part of the corporate culture. Leadership communicates the vision and strategy of the organization motivating employees to participate towards achieving the goals of the organization.

Three intra-core concepts:

- f. **Change Management Focus:** It is a framework or a systematic approach, related to organizational changes affecting employees, customers, core values processes and profitability through evaluation methods and corrective actions provided by data analysis. Change management metrics should be considered holistically, providing organization the required information for implementing strategies and methods that will ensure effective change and tactics' adjustment to achieve its goal.
- g. **Performance Measurement Focus:** It is the process of evaluating, measuring and determining the efficiency and effectiveness of actions of an employee. Performance measurement brings scientific metrics into decision-making process, underlining the change derived by information accuracy and knowledge, instead of practical experience. The primary goal of performance measurement is the identification of opportunities that can contribute to employees' evolution inside a corporation as well as to act as a motive for succeeding their maximum performance through appropriate and continuous support. Evaluates productivity and ensures the personal development of

individual employees, increasing at the same time job satisfaction, motivation and commitment to the organization and its vision.

- h. **Continuous Improvement:** Also known as a continual or continuous improvement process. It's a continuous effort for products, services or processes of an organization improvement, focusing on value-added activities enhancement. Organizations with a culture of continuous improvement can benefit from inherent flexibility and techniques improving knowledge sharing, process improvement and workflow management.

3. **Two auxiliary concepts:**

- i. **Information-Knowledge management:** Knowledge management is the process of creating, maintaining, using and sharing exchanging knowledge and experience of employees in an organization. Although knowledge management is usually about know-how, information management is about know-what referring to management of data both facts and figures obtained from vertical sources. It is a cycle of knowledge, a multidisciplinary approach improving performance by avoiding previous unsuccessful approaches and strategies and by making the best use of knowledge. In organizations with continuous learning and development culture, knowledge management is focused on improved performance, competitive advantage, innovation and exploitation aspects, and knowledge sharing to ensure the continuous improvement of the organization.
- j. **Corporate responsibility:** It concerns the impact that an organization has on society, the environment, the economy and all stakeholders. Organizations that have effective corporate responsibility programs add value to the organization itself, ensure its viability, and operate in ways that enhance society and the environment. In addition, CSR activities can help forge a strong bond between employees and the organization, boost morale and increase commitment.

The above concepts are used in all four-quality perspectives (CSRM, standards, methodologies and Quality excellence awards) and follow the PDCA cycle for continuous improvement. The PDCA cycle, or Deming cycle, is a methodology that consists of four stages: Plan, Do, Check and Act.



Figure 6. Deming Cycle Graphical Representation
source: <https://deming.org>

The Glykas Quality Compass (GQC) framework provides a matrix, a ten-to-ten table, founded on the ten, most crucial, critical-success factors, which are identified in current, maturity-assessment frameworks and the ten, best-known enablers, which are identified in literature. The matrix can be used with reference to the CSFs during the design of the framework and with reference to the enablers during the implementation of the CSRM framework, for the three-fold managerial perspective **Processes – Human Resources – Information Technology**.

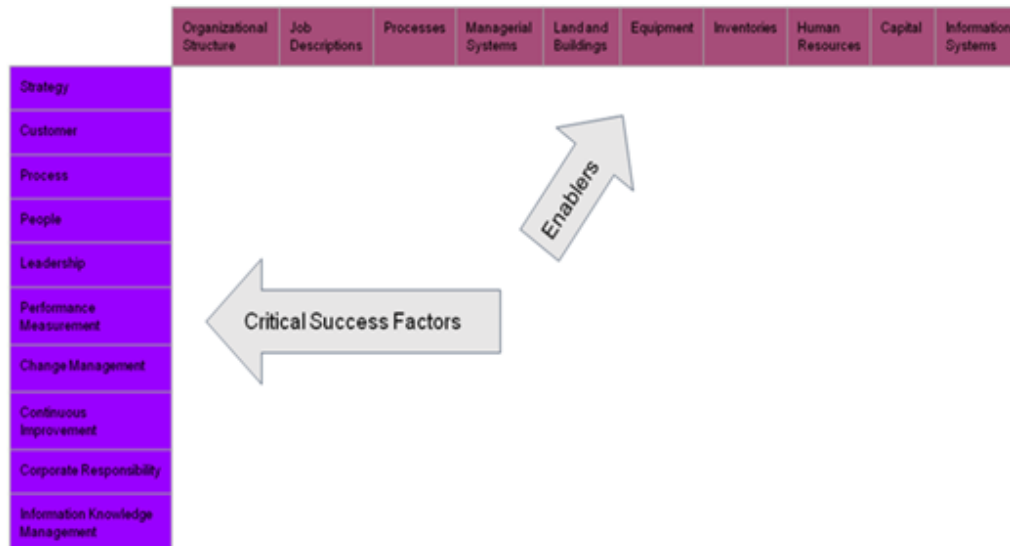


Figure 7. Framework of Glykas Quality Compass
source: Glykas, 2019

In order to examine whether the GQC can be expanded to apply to the ISO26000:2010 requirements, given that the standard's scope is to "provide guidance to those who recognize that respect for society and environment is a critical success factor". The holistic approach of the GQC maturity assessment model combined with CSFs corporate social responsibility management principles and organizational resources, could be implemented for the assessment of the ISO26000:2010 Corporate Social Responsibility Standard, providing a useful guide for the continuous improvement of organizations. At the same time, depicts the level of maturity when it comes to CSR implementation in corporate environments. The GQC approach could also assist CSR management implementation team clarify the CSR concept and link it properly with corporate strategy. (Glykas, 2019).

This research could be used as a recommendation and implementation guide according to the ISO 26000:2010 for an organization in order to test the GQC method. Such a case study would provide findings, tools and categories to expand the GQC model, producing thus a generic GQC CSRM maturity framework to be used as reference by future researchers in the field of CSR maturity assessment.

CONCLUSION

Contemporary companies measure their success beyond profit. The positive impact they provide to both society and the local community is critical. Thus, corporate social responsibility should be seen as an appropriate process, for advanced mitigation actions that minimize the negative effects and not only as a strategic competitive tool. CSR can assist companies to self-regulate their activities and be socially accountable to their customers, stakeholders, and society, at the same time. So, in a nutshell, corporations engage in CSR aiming to enhance financial performance, achieve a competitive advantage, and broaden their reputation and image.

in this paper, we provided a literature survey on the field with our study focusing on the investigation of the relationship between ISO2600:2010 and CSR dimensions, aiming to develop a maturity model that verifies the influence of the standard guidelines in CSR. Our research verified that ISO 2600:2010 does not influence CSR dimensions in the same way. It acts more proactively in ethical and environmental dimensions and is less present in social and strategic CSR. We found evidence of a positive association between the standard guidelines and CSR principles, which indicates the importance of its implementation as well as in the dissemination of values and behaviors aligned with its scope.

The Critical Success Factors (CSF) related to Corporate Social Responsibility in a Maturity Assessment Framework have been identified and thoroughly analyzed. Moreover, the relationship between CSR activities that influence corporate performance, reputation, brand name, and finally profitability was presented.

The contribution of our research is significant to both professionals and academics since the study's research objective resulted in the proposal of a holistic and integrated Corporate Social Responsibility Management Maturity Assessment framework encompassing the core guidelines of ISO26000:2010 in order to be used by both researchers and practitioners. In order to answer these questions, the GQC model was presented and a framework combining this model with the requirements of the ISO 26000 was designed in order to be tested in a future case study.

During our study, we had to overcome several limitations. The relevance of this study relies on the association of ISO 26000:2010 with the advancement of corporate social responsibility, especially in the context of implementing its guidelines. Although there are studies that investigate the relationship between these constructs, there is a gap in the literature regarding standard implementation and its influence on the different dimensions of CSR.

Our ongoing research on the Corporate Social Responsibility Maturity Assessment Framework application includes the implementation of the proposed framework in a corporate environment. This will prove its feasibility and furthermore will define the extent of influence each of the critical success factors has on the evolution of Corporate Social Responsibility.

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Appendix 2- Published Work #2

A Novel Approach in Corporate Social Responsibility Performance Measurement

Maria Belesioti¹ and Michail Glykas¹

Abstract: *Corporate Social Responsibility Performance (CSR) Measurement is as essential as performing CSR. Measurement of Corporate Social Performance is two-fold: firstly can assist stakeholders in understanding the difference between short-term financial metrics and building valuable long-term relationships and assets leading to long-term corporate value. Secondly, it offers society, employees, and customers the ability to judge a corporation's social behaviour and ethics and reward it accordingly. So, the exact contribution of CSR to a company and its stakeholders should be evaluated and assessed by tangible and measurable results. Since there is no standardised method or predefined criteria for CSR assessment, literature has tried to define the influencing factors of corporate social performance and to describe the techniques and methodologies of CSR assessment. However, due to its "soft nature", the pure social part of the term is difficult to measure. Corporations use Global Reporting Initiative (GRI) Standards and Key Performance Indicators (KPIs) to measure their performance. However, these measures are not sufficient since they cannot affect corporate strategic goals. In the present paper, a CSR performance measurement framework is presented, targeting to assist organisations in measuring the effectiveness of their CSR initiatives. The key factors affecting corporate performance are identified, and a literature review of the concept is performed.*

Key-Words: *Corporate Social Responsibility (CSR), Corporate Social Performance (CSP), CSR Measurement, CSR Assessment, GRI.*

INTRODUCTION

Several factors can influence Corporate Social Responsibility (CSR). Profitability and business continuity, leadership beliefs, corporate reputation, environmental awareness, compliance with laws, social equity issues, and innovation are some of them. the measurement of corporate Social Performance is two-fold: foremost will assist stakeholders in perceiving the difference between short-term financial metrics and build valuable long-term relationships and assets, resulting in long-term corporate value. Secondly, it allows society, employees, and customers to evaluate a corporation's social behaviour and ethics and reward it accordingly. So, the precise contribution of CSR to an organisation and its stakeholders should be evaluated and assessed by tangible and measurable results. Since there is no standardised technique or predefined criteria for CSR assessment, literature has tried to outline the influencing factors of corporate social performance and describe the techniques and methodologies of CSR assessment. However, the purely social part of the term, because of its "soft nature," is tough to be measured.

Many corporations use Global Reporting Initiative (GRI) Standards to measure their impact on the economy, environment, and society. Key Performance Indicators (KPIs) constitute a unique approach to CSR performance measurement. They are another method used to attain an overview of the organisation's CSR performance via predefined values appointed to parameters and play a key role in CSR initiatives evaluation. However, these measurement means are not

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considered efficient since they cannot quantitate performance in fields such as reputation and customers' loyalty.

Under this framework, CSR perception incorporated into strategic management as a means of enhancing both the social profile and the company's competitiveness will be investigated in this paper. More specifically, we aim to investigate the prominent position of CSR on the corporate agenda and the benefits it creates for all parts of the chain. We will also analyse the critical success factors that play a crucial role in adopting and implementing CSR initiatives. The key factors affecting corporate performance are identified, and some of the most well-known CSR performance measurement frameworks are presented, targeting to assist organisations in evaluating the effectiveness of their CSR initiatives. Based on the guidelines of ISO26000:2010, the proposed framework aims to identify both practices and existing constraints related to CSR performance evaluation.

CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is one of the most popular and emerging organisational issues for the academic community and the business world. Implementing CSR initiatives triggers organisations to undertake responsibility related to their activities impact on customers, employees, shareholders, the community, and the environment. For this reason, CSR has been considered one of the most critical objectives for companies (Luo & Bhattacharya, 2006).

The concept of CSR embraces three organisational aspects: economic, environmental, and social and is extended beyond legislation, as organisations voluntarily incorporate these aspects in their strategies, aiming to play a more responsible role in the world. The socially responsible activities of a company represent its awareness of the environment in which it operates (Tuan, 2012). These activities significantly impact society, the environment, employees, and, at the end of the day, the company itself.

Many definitions of the term exist in trying to depict CSR understanding and implementation requirements. Elkington (1997) identified a more common expression of these three organisational aspects as people–planet–profit. Planet for ecological vision and profit for economic management. The balance among the three is a vital issue for CSR success. Based on this theory, Hourneaux et al. (2018) proposed a minimum set of indicators to be measured by companies to represent the triple bottom line (TBL) approach, associating these indicators with their different degrees of use in companies so this is often considered the primary attempt related to CSR performance measurement

Freeman's stakeholder theory (Freeman,1984) extended Elkington's theory into another influential model. The famous Stakeholder Model acknowledges that an enterprise has stakeholders. However, additionally, it considers the corporation itself as an additional stakeholder in a community of corporations that strives towards common goals. This community usually experiences synergies and economies of scale and exerts strain to succeed in achieving these shared goals. Another scholar suggests that companies should be considered as the source of the social and environmental problems they are trying to solve (Granum et al., 2015) and not as part of the solution. Therefore, the debate about their role and their obligations is loud. Friedman (1970) argued that the only social responsibility of a business is to increase its profits within a legal and ethical framework and that a firm cannot be held responsible; only people can. Similarly to Friedman, French (1979) states that companies can have responsibility and ethics, not as autonomous entities but via their people, since they are organisations with specific structures that apply decision-making procedures. The result of this decision-making depicts their people's mindset and ethics.

On the opposite side, Zadek (2004) considers that companies have extended responsibility against society. Therefore, he categorises them into three distinct generations regarding their

social activities for sustainable development: philanthropy, corporate strategy to be used as a competitive advantage, and finally, companies that implement activities that can make a difference. Following Zadek's view, Matten (et al., 2003) describes how companies implement those activities.

Porter and Kramer (Porter & Kramer, 2006) linked their value chain model to CSR. He states that many companies have already undertaken efforts to improve their activities' social and environmental consequences. He concluded that the efforts at that time could have been more productive. He identified two main reasons for this lack of productivity. The first was based on the finding that business and society were independent- distinct parts without considering their strong interdependencies. He also noticed that companies approached CSR from a strategic point of view that accommodated their interests and benefits rather than the wider community's general interests. Porter argues that to successfully implement CSR successfully, the focus must be shifted towards a broader framework by understanding the interconnections between society and corporate environments while at the same time including it in corporate strategic goals. He also believes that the key issue guiding CSR is the opportunity to create shared value. He considers this as a societal benefit but also a corporate benefit as well.

When CSR moved from theory to practice, it was considered an essential actor in terms of corporate strategy. Literature contributed to this direction by defining the CSR phenomenon (De Bakker et al., 2005; Garriga & Mele, 2004). To this end, Garriga and Mele (2004) map the present territory by classifying the main CSR theories and related approaches into four groups. These are instrumental theories, in which the corporation is seen as only an instrument for wealth creation, and its social activities are only a means to achieve economic results; political theories deal with the power of corporations in society and the responsible use of this power in the political arena; integrative theories, in which corporation are focused on the satisfaction of social demands; and finally ethical theories, based on ethical responsibilities of corporations to society. Each CSR theory presents four dimensions related to profits, political performance, social demands, and ethical values. The findings suggest the necessity to develop a new theory on the business and society relationship, which should integrate these four dimensions.

Zadek (2004) states that organisations pass through five stages of corporate responsibility, from defensive, to compliance, to managerial and strategic, and, finally, to civil. According to Goyal and Kumar (2017), the top management's involvement and commitment are highly crucial for the successful implementation of CSR. However, the top management's value system and thought process affect the successful formulation and implementation of CSR activities (Chin et al., 2013).

In this respect, CSR has become an integral part of the strategic business planning of most organisations, with its influence spanning from internal policies to external initiatives involving diverse stakeholders. Different CSR levels have been considered in strategic management processes to increase employees' motivation, stakeholders' profit, and the impact on society (Marques-Mendes, & Santos, 2016) in their path to create a corporate brand name and generate competitive advantages.

CSR INTEGRATION IN STRATEGIC PLANNING

Corporate social responsibility can become a source of tremendous social progress as the business applies its considerable resources, expertise, and insights to activities that benefit society (Porter, 2006). Many strategic management research studies signify the positive interconnection between social success and economic and financial profitability (strategic CSR approach). Porter and Kramer (2006) stressed the importance of integrating corporate strategy and society's needs, while Lantos (2001) introduced the concept of strategic responsibility,

linked to fulfilling philanthropic responsibilities that will simultaneously benefit financial performance.

In 2011, the Commission launched its renewed CSR strategy, which combined horizontal approaches with more specific ones, referring to individual sectors and policy areas for the promotion of CSR. Considering that a public authority has to support and ensure CSR conduct by using an intelligent mix of voluntary and mandatory measures, including regulation, put CSR at the centre of Commission policies and proposals. The actions that Commission is targeting are analytically described in a staff working document (SWD,2019) published in March 2019. Extra emphasis is given to the drivers of corporate social performance, the actions that managers can take to affect that performance, and the consequences of those actions on both corporate social and financial performance (Epstein & Roy, 2001) as well as the stakeholders. Stakeholder theory (Friedman, 1984) identifies strategic motivations for relationships with the different categories of stakeholders. The differential roles that transformational and transactional leadership styles play in corporate social responsibility practices and the interplay between leadership styles and institutional CSR practices are also under continuous consideration (Du et al., 2013).

Strategic CSR in the framework of its underlying motivations and core factors, the evolutionary stages and circumstances that trigger movement and illustrate characteristic company attitudes and practices at each stage, have been revealed such as institutional, environmental, and organisational factors that could shape and constrain the development of corporate citizenship in the contemporary corporate environment (Mirvis & Googins, 2006). Nijhof, & Jeurissen, (2010) state that the term corporate social responsibility is all about the responsibilities of corporations to society, although nowadays it is much more about new market opportunities and a business-wise approach to ecological and social problems. Regarding the level of CSR inclusion in strategic planning, Maon et al. (2010) refer to CSR dedication and implementation stages.

These stages are subdivided into different dimensions describing a consolidative model while different characteristics from academic literature are formulated into cultures in which an organisation can exist. In addition, Kouroula and Halme (Kouroula, A., Halme, M., 2008) focus on the societal and business outcomes of engagement, classify different corporate responsibility (CR) actions into three types – philanthropy, integration, and innovation which influence corporate engagement and commitment. Chandler (2018) stated that corporations are strategically engaging in CSR initiatives aiming to achieve specific objectives and create value for shareholders. According to their strategic goals, he considers that managers face CSR initiatives from different perspectives, not by irresponsibility, but with a view to the potential benefits, it will offer. Therefore, CSR initiatives are included in organisations' strategic planning and are broadly recognised through policies and activities involving stakeholders and society. However, the term has evolved, gaining recognition among top management processes, and Corporations acknowledge their obligations towards society, extending beyond law mandatory aspects and the narrow goal of profit-making. Thus, how companies apply CRS is necessary to gain increased social acceptance. Thus, corporations face the challenge of efficient implementation of related initiatives.

CRITICAL SUCCESS FACTORS (CSFs) AFFECTING CSR PERFORMANCE

The most significant Corporate Social Responsibility CSFs can be classified as external and internal, based on the source of the factors causing them. According to Aguinis and Glavas, they are divided into three distinct categories: individual, organisational, and institutional, with the organisational ones to be most acknowledged. Other scholars divide them into value-driven, performance-driven, and stakeholder-driven (Govindan et.al.,2015; Maignan et Ralston, 2002).

These studies consider value-driven, the ones that spring from self-motivation. In contrast, performance-driven ones depend directly on corporate economic performance, and stakeholder-driven reflect stakeholders' demands regarding CSR initiatives. Besides literature, corporations have also identified criteria regarding the factors that can impact CSR. From this perspective, the challenge is balancing corporate performance and responsibilities with the social obligations an organisation needs to exercise beyond mere compliance.

Human Resource Management (HRM) contribution to CSR Performance

HRM is considered one of the enablers of CSR in an organisation (Jamali et al., 2015). Voegtlin and Greenwood (2016) noted that the debate in CSR–HRM is dominated by two trends: HRM as a part of CSR and CSR as a part of HRM. The critical issue of these trends is two-fold: to explore the role of HRM in the development and implementation of CSR as well as the impact that HRM functions have on CSR initiatives and secondly, how CSR as an element of HRM, influences the implementation of effective and 'socially responsible HRM (Barrena-Martnez et al., 2019)

Companies have embraced Corporate Social Responsibility practices, which are encouraged and supported by HRM (Human Resources Management) professionals, HR management practices, and employees. CSR, by definition, involves people, both society and employees, and their interrelation. Strandberg (2009) asserts that "HR is a strategic partner in the organisation and, as such, can help drive the formulation of the CSR strategy", while Fernandez et al. (2003) state that organisational culture and HRM decisions are essential elements for the creation of a sustainable competitive advantage of organisations because they are "the linking mechanism for the rest of the company's resources".

Due to its strategic influence, HRM can contribute to the development and implementation of CSR. It can contribute to shaping the organisational context for the exercise of responsible leadership. The development of CSR strategy in organisations concerns establishing CSR objectives, priorities, frameworks, policies, and initiatives (Carroll & Buchholtz, 2008), which are shaped by various organisational factors that influence management decisions, such as the company's size, reputation, history, and leadership. The leaders' mentality, beliefs, abilities, and actions have a major impact on CSR implementation. However, CSR can be also driven by employees' will, with the support of HR. HR is directly involved in a company's strategic planning and has the crucial role of aligning CSR strategy with corporate objectives and values. HR is responsible for promoting positive behaviour, creating an engaged workforce, and sustaining a work environment where CSR is embedded in every aspect of the employee's lifecycle (Weybrecht, 2010).

The implementation of CSR strategy is linked to organisational culture and employee involvement (Cooke & He, 2010). It can bring cultural changes (Maon et al., 2009) that are evidenced by adopting different work practices. Through various roles and tools, HRM can play a crucial role in managing the relationship between leaders and employees by enhancing the centrality of employees in CSR strategies and co-design processes where employees actively contribute to shaping CSR practices. This is crucial to developing CSR policies that reflect and fulfil employees' needs (Rupp et al., 2006). In addition, employees can play an essential role in generating social capital that emerges from responsible management (Muthuri et al., 2009), and they have the power to push leaders to implement CSR activities (Aguilera et al. 2007.)

Leadership and employee relationship to HRM have a bi-directional influence on each other. To evaluate the practical contribution of HR to responsible leadership, employees' commitment to CSR activities and consequently to the implementation of CSR initiatives, Gong et al. (2011) clustered HRM practices into three categories:

- Advanced HRM practices are reported as CSR. Practices traditionally regarded as part of HR, such as training, labour health, safety, etc. For some companies, CSR strategy enables them to deploy advanced policies related to those mentioned above. These practices are usually managed by HR and are often externally reported as 'CSR initiatives'.
- Practices that overlap CSR issues and HRM. These CSR practices are focused on employees and rely on HR support. They are frequently regarded as a part of CSR strategy and are related to issues such as policies targeting gender issues or ethics and compliance.
- CSR practices involving HR. These practices usually focus on external stakeholders as well as on employees. They aim to improve the local society and environment as well as to assist those in need.

Managerial Perception influencing CSR

Lately, there is a growing admittance by corporations that not only should they seek financial gain and compliance with legal requirements but also that they should be seen as a significant actor of accountability implementation in the corporate environment. Two dimensions motivate corporations that embrace CSR, the strategic and the moral (Graafland and van de Ven, 2006), with both of them being highly dependent on leaders' values and beliefs. (Hemingway and Maclagan, 2004). The strategic dimension is based on CSR pursuits while achieving profitability. It targets the provision of direct and indirect benefits to the organisation while contributing to the wellness of society. (Porter et. al., 2012). So, CSR initiatives incorporated in corporate strategy are an emerging topic in the business world due to four trends that greatly influence the consumers' and society's perception (Belal, 2016). Customers' demands, the ubiquitous flow of information via social media conjointly with the direct communication among active groups and organisations, and the necessity for urgent actions regarding ecological resources and the environment force companies to act responsibly and conscientiously (Crowther & Lauesen, 2017). On the other hand, the moral motive springing from the moral duty of corporations reflects their obligations towards society.

CSR initiatives depend on management's perception of the subject. Managers with a narrow conception of the term (Quazi and O'Brien, 2000) focus on maximising shareholder value while complying with legislation and are usually sceptical regarding CSR practices. According to this conception, CSR is a utopia based on pure philanthropy and should only occur when it contributes to profitability. Thus, these managers tend to be less committed to CSR initiatives. However, other managers with a wider perception of CSR, entailing aspects such as ethical and moral responsibilities, consider corporations an integral part of society. Therefore, they play a critical role in embodying effective CSR into corporate strategy, and while reflecting on the benefits of it, they support ethical management and sustainable development. Although managerial discretion is the key point and includes actions, initiatives, and decisions based on business ethics and decision-makers morality. It can determine the processes of corporate social responsiveness and reinforce the outcomes of corporate behaviour related to public expectations of social responsibility (Wood, 1991). Nevertheless, an organisation's economic performance should be addressed since economic sustainability affects the degree to which corporations act socially responsibly.

Knowledge management and CSR Performance

Management is defined as planning, organising, leading, and controlling resources to accomplish specific performance objectives (Schermerhorn, 2005). Knowledge Management

(KM) is considered the most critical asset of an organization (Girard & Girard, 2015). It is described as the process of creating, sharing, using, and managing the knowledge and information of an organisation. It is considered an interdisciplinary approach for capitalising knowledge in achieving organisational goals and aligning with challenges posed by globalisation. Davenport and Prusak (1998a) define knowledge management as the method that simplifies the processes responsible for sharing, distributing, creating, capturing, and understanding information, ideas, and perceptions that constitute a company's knowledge. Although Knowledge Management is a challenging and important topic for an organisation, the required experience for instrumenting CSR initiatives has yet to be. Leadership support and corporate culture are the essential prerequisites for promoting knowledge related to CSR in an organisation. Several CSR objectives can be linked with innovative initiatives originated by KM and embraced by corporations. This collision generates valuable intangible assets such as corporate reputation, image making, and loyalty, promoting at the same time the relationship with stakeholders and influencing performance.

Within KM, some taxonomies explain some types of knowledge. The most known distinction is between tacit knowledge and explicit knowledge (Nonaka and Peltokorpi, 2006). Tacit knowledge originates from personal experiences, which designate self-thinking, generating knowledge that is difficult to articulate. However, knowledge is initially tacit, developed over time, through a trial and error process and according to experience gained. Explicit knowledge refers to verbal and written communication, organised data, applications, and other explicit forms of information, transmittable in formal, systematic language. The combination of tacit and explicit knowledge creates organisational knowledge, which focuses on the process of knowledge distribution created in an organisation. KM aims to develop methods and systems that will improve the knowledge assets in the context of an organisation, which in turn, will enhance the overall corporate performance. Regarding CSR, KM contributes to the development of practices that satisfy stakeholders' objectives (Waddock, 2004).

Knowledge Management processes usually focus on organisational aspects such as continuous improvement, increased performance, and competitive advantage of the organisation. Innovation in corporations depends on management's perceptions and internal and external decision processes. Even though CSR and Sustainability aspects have been given considerable attention, more necessary knowledge is needed to implement such initiatives. For this reason, KM in the context of CSR is considered an essential and very challenging prerequisite, able to provide opportunities for organisations, assisting CSR integration into corporate strategy.

Innovation, KM, and CSR depend on the extent to which stakeholders adopt the cultural values underlying these processes. KM is responsible for connecting the social dimension of CSR with innovation and development, steaming from Knowledge exchange, and generating specific initiatives that will benefit customers, stakeholders (internal and external), society, and the environment. Innovation can be the key to facilitating recurring developments in pertinent activities (Dai et al., 2013). This relationship between innovation, CSR, and corporate performance can also reverse. The most profitable an organisation is, the more means it has to be innovative and create new knowledge (Helfat, 1997), enhance corporate culture (Denison, 1990) and reputation (Roberts & Dowling, 2002) and develop human capital (Wright et al., 2005). Therefore, the prevalence of a culture that encourages trust, participation, and support explains the achievements of KM in the field of CSR. For this, managers and stakeholders need to consider how to integrate CSR into innovation in a way that will benefit the overall corporate performance.

Change Management and CSR

The role of Corporate Social Responsibility continues to gain attention and has the potential to affect (and be affected) significantly change management within an organisation. Stakeholders demand the active engagement of corporations in social and environmental initiatives, so managers have a twofold role; to change the way they conduct their business (Mahmood & Humphrey, 2013) and moreover, to ensure acceptance across all organisational levels while integrating CSR. To succeed in this, a Change Management (CM) process is essential since it will contribute to meeting the intense and highly competitive expectations of a rapidly changing corporate environment that affects organisations. Change does not mean disruption but adjusting to new by making appropriate interventions that will offer a comparative advantage. In CSR terms, this may imply a need to adopt more appropriate social change strategies (Sachs, 2015) to effectively meet the advent of socioeconomic challenges. Under this view, two CM conceptualisations could be implemented. The first one refers to the interaction between the organisation and its external stakeholders while the second is oriented to the internal processes required for change (Zollo et al., 2009) and both of them are critical for the integration and adoption of CSR within an organisation (Rodriguez, 2015). Organisations are willing to include social objectives into their strategy and integrate respect into their corporate culture to contribute to social progress. Therefore, as CSR implementation is becoming more imperative, there is a growing need for managing the change of CSR integration. (Boubakary, 2016).

Continuous Improvement

According to scholars, Continuous Improvement is perceived as a planned, organised, and systematic approach aiming to improve overall organisational performance (González-Aleu & Van Aken, 2016; Granerud & Rocha, 2011). The process of continuous Improvement (CI) was initially focused on product quality and efficiency of production systems. Since Corporate Social Responsibility was not a primary concern for organisations, the improvement of the field was not included in corporate agendas and was considered unnecessary. The acknowledgement of CI as a crucial factor for social responsibility and sustainability became a fact with the realisation of the responsibility of corporations towards their stakeholders and society. Employees' active involvement at all hierarchical levels was a necessity. Organisations were forced to develop the essential capabilities, the appropriate mentality, and the required knowledge and skills (Mohrman & Worley, 2010) that will allow them to use integrated management approaches to create added value for their different stakeholders and to achieve excellence and viability. Comprehensive methodologies such as six sigma and total quality management utilise a dedicated group targeting to improve a process or system aiming to achieve a general or specific objective, usually over a relatively short period and with minimal capital investment.

CSR PERFORMANCE FRAMEWORKS

Global Reporting Initiative (GRI)

The concept of pure profitability as the only measure of corporate development has gradually altered during business development. Therefore, in contemporary corporate environments, extra emphasis is given to CSR initiatives implementation in parallel with pursuing profits. Under this framework, CSR engagement requires corporations to be focused while working on meeting their CSR targets. The general information about the level of success of this engagement is delivered to stakeholders and investors through CSR reporting. Therefore, its quality is of high importance since it serves the purpose of establishing proper communication.

Global Reporting Initiative (GRI) is a quality-driven initiative dealing with CSR matters related to CSR performance. It was founded in 1997 by corporations and organisations of the Coalition for Environmentally Responsible Economies (CERES), aiming to develop appropriate guidelines for reporting on economic, environmental, and social performance, initially for corporations and eventually for any organisation, governmental or non-governmental (GRI, 2002). Representatives from different companies participate in the GRI organisation. To ensure that the proposed guidelines serve their purpose, a stakeholder council continuously evaluates the content of the reports. Additionally, companies exercising these guidelines are encouraged to communicate them to their stakeholders and coordinate their efforts to propose new guidelines.

The GRI organisation is considered the global standard setter of sustainability impact reporting from vision and corporate strategy to organisational systems influencing sustainability. GRI promotes a common language for sustainability impact reporting and acknowledges that only some indicators can be applied to all businesses. GRI reporting guidelines (GRI,2002) contain a variety of environmental, social, and economic performance indicators, and they are considered essential assets for sustainability reporting.

They are designed to enable corporations to understand and provide a report about their most significant impacts on the triple bottom line – people, planet (environment), and profit (economy); including how they are managed. Their purpose concerning corporate reporting is to enhance the credibility and transparency of sustainable development contributions. This facilitates comparability and checks the quality of reported information, supporting managers and leaders in making well-informed decisions and assessments. GRI Standards guide the implementation of responsible business conduct, and they are based on expectations. International authorities such as the Organization for Economic Co-operation and Development (OECD) and the United Nations (UN), in their guidelines, report information using these Standards, assisting thus in the assessment of an organisation regarding CSR performance.

Key Performance Indicators for CSR Performance Measurement

Implementing social responsibility actions often assists upper management in leading a corporation to fruitful results. KPIs are another method of measuring CSR performance success and reverberations. Well-defined and structured KPIs are necessary for motivating employees to perform better. Corporations have started to follow a charitable attitude towards society, with some managers resisting and arguing that this concept distracts the corporation from its primary purpose of existence, profitability.

Another area for improvement is regarding the proper recording and measurement of KPIs. Firstly, this requires extreme thoroughness in deciding which initiatives should be followed and which will be discarded. Then, defining appropriate values is vital in quantifying the KPIs suitably and impartially. This is quite challenging since the social branch of CSR is difficult, if not unfeasible, to be measured.

Besides the measurable KPIs, CSR performance is continually evaluated by employees, customers, and business partners. As far as employees are concerned, their percentage of corporate satisfaction can be measured e.g. with internal surveys as well as their engagement. The number of hours volunteered by an employee, and the employee turnover rate is KPIs that can be quantified. Regarding customers, the complaints received and the retention rate can be measured. Of course, customers' involvement and the feedback received are also issues for companies to consider. In this respect, interactions with corporate social media combined with the number of active users (on a daily or a monthly basis) can be analysed, offering invaluable information.

PROPOSED CSR PERFORMANCE ASSESSMENT FRAMEWORK

While corporations try to accurately measure their CSR performance using either KPIs or GRI performance indicators, we propose a holistic methodological framework on the combination of the CSR enablers and critical success factors, aiming to incorporate CSR into corporate strategy, measure the performance and evaluate the results.

The Glykas Quality Compass (GQC) framework provides a matrix, a ten-to-ten table, founded on the ten most crucial critical-success factors identified in current maturity-assessment frameworks and the ten best-known enablers, which are identified in the literature. The matrix can be used concerning the CSFs during the framework's design and regarding the enablers during the implementation of the CSR holistic framework for the three-fold managerial perspective Processes – Human Resources – Information Technology.



Figure 1. The framework of Glykas Quality Compass (2019)

The proposed framework is based on GQC and ISO26000:2010 standard requirements. This standard guides those who recognise that respect for society and the environment is a critical success factor. It is a way of assessing an organisation's commitment to sustainability and its overall performance". All the guidelines of ISO26000:2010 are applicable to any organisation, regardless of its type or size, or the products and services it provides.

The holistic approach of the GQC maturity assessment model, combined with Critical Success Factors (CSFs) corporate social responsibility management principles and organisational resources, could be implemented for Corporate Social Responsibility Performance Evaluation, providing a helpful guide for the continuous improvement of organisations. At the same time, it depicts the level of maturity regarding CSR implementation in corporate environments.

Based on the description of the typical levels of CSR maturity, the proposed framework provides a roadmap for those targeting to achieve a better maturity level while measuring their performance in the related field. Each level has prerequisites that need to be fulfilled for CSR maturity to proceed to a higher one. Under this perspective, the proposed CSR maturity framework acts as a tool/method that assesses organisations regarding their CSR performance and suggests actions for CSR performance improvement.

The GQC framework places weight on qualitative performance CSFs, such as those related to processes, continuous improvement, change management and leadership, since they are perceived to be necessary. They are integrating these concepts into strategy. This model targets measuring the objectives achieved and the activities and CSR policies performed.



Figure 2: Maturity Levels of the proposed framework

The proposed framework evaluates the level of maturity of CSR implementation in corporate environments and measures its performance (Glykas, 2019). However, the evaluation process is complicated since it is mainly based on qualitative indicators, which cannot accurately be translated into quantitative results. The most critical difficulty in this evaluation relates not only to the results of the indicators used but also to the fact that the measurement is usually based on different indicators mature and less mature organisations use. So, the feedback Nevertheless, the feedback provided by this assessment process will allow the readjustment of the CSR strategy in general.

CONCLUSION AND FURTHER RESEARCH

The most important finding of the proposed holistic framework is that Corporate Social Responsibility should be integrated into corporate strategic goals to be efficient. The proposed approach identified the critical success factors and their interdependencies in terms of management and leadership, human resource, internal processes, and customers that can influence the CSR adoption in a corporation's strategy. Considering the same factors as a method of performance measurement is a good starting point for identifying the necessary adjustments that can lead to a higher maturity level. The proposed indicators can affect the corporate processes at all levels, demanding the involvement of upper management and the employees.

Of course, a number of questions have arisen, related to the CSR performance evaluation and have to be further researched. The most important one is the accuracy of the quantification of the proposed indicators. These indicators are soft, therefore, can only be measured with quantitative criteria. Furthermore, their impact on corporate results can only be calculated afterwards. A second question that needs to be analysed is the CSR maturity levels and their impact on corporate strategy. CSR maturity is meaningful only when a corporation considers CSR actions as a competitive advantage able to offer added value in corporate results, either financial or in terms of reputation/customer relations.

Under this frame, the research will be carried out in the future, examining the weaknesses of the proposed approach. In practice, the applicability of the suggested model should be examined in the field with an end-to-end approach starting from corporate strategy goals formulation until the actual implementation of the initiatives.

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