



# Exploring the concept of strategic corporate social responsibility for an integrated perspective

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## Abstract

**Purpose** – The purpose of this paper is to propose a set of screens which would filter in the corporate social responsibility (CSR) programs that make business sense for a firm and screen out those that do not. This process based set of screens filter CSR initiatives based on certain inclusion and exclusion parameters. This paper further presents an integrated conceptualization of a strategic CSR framework. The CSR programs that pass through the set of screens are evaluated based on its strategic characteristics and the business gains from it.

**Design/methodology/approach** – This paper is conceptual in nature. The approach adopted in this paper is first to set the study context by presenting the extant literature on CSR and strategic management. Further based upon the perspectives from extant literature, the author incrementally builds an integrated framework on strategic CSR by using and providing logical arguments.

**Findings** – This conceptual paper presents new and richer theoretical perspectives on strategic CSR and thus extending the known theoretical knowledge boundaries on CSR. Further, insights could be gathered if the strategic CSR theoretical framework developed in this paper is studied empirically.

**Practical implications** – The perspectives on strategic CSR developed in this paper would help managers to design strategic CSR programs based on its focus and direction, proactiveness, activity nature, characteristics, and benefits.

**Originality/value** – In the past some scholars had attempted to develop framework on designing strategic CSR. In this paper, the author attempts to provide a more holistic and yet comprehensive theoretical perspective on strategic CSR initiatives. CSR managers can use this framework to design their CSR initiatives and manage their firm's CSR initiatives in a more effective and efficient manner.

**Keywords** Corporate social responsibility, Corporate strategy

**Paper type** Conceptual paper

## 1. Introduction

The history of business impacts on society and environment has been as old as the existence of the institution of business (Boyce and Ville, 2002; Youd-Thomas, 2005). But over a period of time, the perspectives towards business impacts on society has changed. Media, civil society and other social institutions have become very pressing and agile to ask and force response by the business organizations towards various issues occupying the boundary between business and society (Altman, 1998). Doing corporate social responsibility (CSR) (Carroll, 1979) activities today, in most parts of the world is becoming a necessity for business organizations rather than just remaining a choice (Moir, 2001; Valor, 2005).

Given the two opposing forces of increased business competition and increased societal expectation towards business' social performance, in the world of practice, as well as in the world of research there is little debate and dilemma that firm CSR activities have to accomplish certain business gains (Porter and Kramer, 2006, 2002;



Crawford and Scaletta, 2005; Salzmann *et al.*, 2005; Meehan *et al.*, 2006; Kotler and Lee, 2005; Windsor, 2006). This is because, the doing of CSR properly requires the sacrifice of significant amount of firm resources (Porter and Kramer, 2006). In a competitive world if such resources are dedicated towards the core business activities then it could provide superior competitive performance results (Porter and Kramer, 2006). In other words resources used for performing CSR initiatives have opportunity costs. Thus, for a rational manager it is important that he designs and undertakes such CSR activities that not only achieve significant social good but also bring significant business-related benefits to the organization. This perspective of attaining business gains from CSR has been christened as strategic CSR (Lantos, 2001; Porter and Kramer, 2006; Crawford and Scaletta, 2005; Salzmann *et al.*, 2005). It is a challenge for a CSR manager to accomplish these twin objectives (economic and social) in designing strategic CSR initiatives.

To help CSR managers do the same, this conceptual paper attempts to develop a portrait that would provide CSR managers a mechanism to figure out the strategic CSR activities and evaluate it by matching it with the strategic traits/characteristics and also to gauge it with the perspective of different kinds of business gains to be achieved. There have been attempts in the past to do the same (Bhattacharyya *et al.*, 2007, 2008; Burke and Logsdon, 1996; McAlister and Ferrell, 2002) but this paper attempts to provide a theoretically richer, holistic and yet more comprehensive account of looking at strategic CSR. This will help CSR managers who are not much familiar and experienced (Amaeshi *et al.*, 2006) with the designing and management of CSR and strategic CSR initiatives to do the same. This also gains more relevance because many researchers found that CSR practices have been generally non-strategic (Ofori and Hinson, 2007; Jamali and Mirshak, 2007). The next section discusses the literature related to the concept of strategic CSR.

## 2. Literature review

This section briefly discusses the extant literature on strategic CSR. Based on the literature review study conducted, apart from the advocacy on strategic CSR (Lantos, 2001; Bruch, 2005) the presence of the following convergent themes were noted in the extant CSR and strategic management literature:

- firm internal and external stakeholders management perspectives;
- firm activities perspective;
- the strategic traits of strategic CSR; and
- the business gains by doing strategic CSR.

The next section discusses each of the mentioned themes in detail.

### 2.a. Firm internal and external perspectives and stakeholders management

CSR activities have been seen as influencing the stakeholders of a firm (Zagenczyk, 2004). Stakeholders can be seen as those individuals and institutions that are influenced by the firms' actions or inactions in the temporal dimension (spanning the past, the present and the future) (Freeman, 1984; Langtry, 1994; Clarkson, 1995; Hopkins, 2003). Firm stakeholders could be internal or external to a firm (Hopkins, 2003). Internal stakeholders are the owners, managers, employees of a firm, who reside inside the boundary of the firm (Freeman, 1984; Polonsky, 1996). While the external stakeholders

of a firm are the suppliers, customers, communities and government (Freeman, 1984; Hopkins, 2003). CSR activities unlike many other firm activities, influences both internal as well as external stakeholders. This very aspect of CSR activities brings a strategic perspective to CSR. From an internal perspective, the doing of CSR activities is expected to motivate the employees and demonstrate a good management practice (ambiance of and for the firm managers and employees) (Hill *et al.*, 2003; Royle, 2005). From the external perspective the doing of firm CSR activities is expected to earn a good reputation in society (including the various government functionaries) and also help a firm to manage its' peripheral functions better (especially ones that have an associated risk dimension) (Lewis, 2003; Fombrun, 2005; Davis, 1960; Whetten *et al.*, 2002; Riordan *et al.*, 1997). The mentioning of the word "activities" with "strategic CSR" brings the next context for discussion, which is about strategic CSR activities.

### *2.b. Firm activities perspective*

Firms undertake certain actions to produce goods or deliver a service to satisfy the customers and earn profit. Thus, activities are central to any firm. Any discussion regarding CSR initiatives have to be action oriented, other wise it has no meaning in the practical world. So any discussion on the concept of strategic CSR should begin with CSR activities, more specifically with CSR activities which are strategic activities for a firm. CSR activities which are strategic in nature are getting increased attention in the last few years. Porter and Kramer (2006) had talked about the CSR activities which contribute to a firm's value chain activities (namely, contributing to the primary and support activities) as well as the CSR activities which contribute to the firm's external context of competitiveness as strategic CSR activities. Székely and Knirsch (2005) had also talked about such CSR activities which builds up the firms external competitiveness settings or directly provide input towards the firm's internal operational activities to be of strategic in nature. Both these authors and others' (Székely and Knirsch, 2005; Porter and Kramer, 2006; Perrini, 2005; Crawford and Scaletta, 2005; Bonfiglioli *et al.*, 2006) who worked in this direction focused on the aspects that CSR activities could help a firm to:

- generate raw material;
- streamline the production and operational activities in terms of cost and environmental parameters;
- streamline the logistical activities in terms of cost and environmental parameters;
- develop technology for new products and services with communities for increased economic, social and environmental inclusiveness;
- develop better human resources; and
- develop administrative systems and procedures which uphold socially responsible and environmentally friendly management practices.

All these activities generally reside inside the firm's boundary and add value. Thus, such CSR activities contribute to build the activities internal to the boundary of a firm. The authors (Székely and Knirsch, 2005; Porter and Kramer, 2006; Perrini, 2005; Crawford and Scaletta, 2005) had also pointed out that CSR activities could:

- (1) Create demand for socially responsible and environmentally friendly products and services amongst consumers in society by undertaking appropriate educative and awareness programs.
- (2) Provide requisite technical skills to the community members for developing, creating and refining the technical capabilities of the citizens. This can be done by setting up educational, vocational, training and other such knowledge imparting institutes.
- (3) Help government and quasi government bodies to frame rules and regulations to:
  - discourage corporate bad behavior particularly on the social and environmental front; and
  - to encourage good firm behavior, regarding the same.
- (4) Conserve natural resources like water, fossil fuel or reduce emission of the green house gases for better environmental state of condition at all levels so that the various environmental risks are reduced.
- (5) Help in developing the capacity of raw material growers and producers so that they can supply the firm with the required raw materials of the desired quality and the required quantity.
- (6) Help to develop industrial clusters and thus create and augment the support infrastructure for the firm.

These actions are directed towards activities which are traditionally outside the boundary of a firm. Such CSR activities when undertaken properly help to develop a firm's relevant and important input infrastructural factor settings. This helps in competing better, because of superior competitive context. Thus, CSR activities can contribute towards a firm's internal and or external activities (Székely and Knirsch, 2005; Porter and Kramer, 2006; Perrini, 2005; Crawford and Scaletta, 2005).

### *2.c. Strategic-ness traits of strategic CSR*

The CSR activities that are strategic in nature must have some traits/characteristics' which distinguishes it from non-strategic activities. CSR activities which are strategic, must exhibit such characteristics which are represented by any firm activity which is strategic in nature. Various researchers and scholars in the past had talked about the various features of a strategic activity (Burke and Logsdon, 1996). This section of the study discusses the traits of strategic activities. The discussion on this can commence with the concept of centrality (Ansoff, 1977; Thorelli, 1977). Any organization exists for creating wealth for its shareholders and also for achieving some broad objectives for the society. The organization might in its present state and capacity be unable to achieve such objectives but might dream of achieving the same in future. These are generally stated as mission, vision and goals of any organization. Any activity that is strategic in nature should be able to help the firm to achieve its mission and vision. Thus, any CSR activity which is strategic should be close to the mission and vision of the organization (Yeoh, 2007; Du *et al.*, 2007; Bruch, 2005). Further any organization which does a strategic CSR activity should have a long-term focus (Osborn and Hagedoorn, 1997; Boatright, 2000; Altman, 1998; Waddock, 2004). This is also true for any other firm activities which have a strategic connotation. This flows from the discussion on centrality as when a CSR activity is intended to contribute

towards the realization of the vision, it should have a long-term focus. Further any CSR activity which has a long-term focus would and should require substantial resource commitment (Russo and Fouts, 1997; Porter and Kramer, 2006; Branco and Rodrigues, 2006). This is because to attend to any of the long-term goals, the necessary firm activities would require a sacrifice and dedication of substantial amount of resources over a period of time.

#### *2.d. Business gains by doing strategic CSR*

Any strategic firm activity brings substantial business benefits (or such gains which are strategic in nature). This statement is a commonsensical and tautological statement. So rather than debating the merit of the statement made, it is worthwhile to ponder into the type of benefits CSR activities (which are strategic in nature) brings to an organization. The business gains are manifested in different ways, but all help a firm reach a competitively advantageous position and secure it over a period of time (sustainable competitive advantage) (Székely and Knirsch, 2005; Porter and Kramer, 2006; Perrini, 2005; Crawford and Scaletta, 2005). This is achieved by one or a combination of the ways mentioned like in terms of the (strategic) CSR initiative:

- helping a firm in following a generic strategy;
- developing strategic resources for the firm;
- creating new business (product-market) opportunities; and
- helping a firm manage stakeholder-related risks better.

This benefit of doing strategic CSR has been discussed in detail in the following sections.

#### *2.e. Achieving of generic firm strategies*

Many CSR scholars advocated that doing strategic CSR activities (primarily involving environmental activities) help a firm to achieve cost leadership or differentiation (any or both) of the two generic strategies (Miles and Covin, 2000; Porter and Kramer, 2006). Doing CSR has been seen as improving the product/production quality, reduce the consumption of resources for production and operations functions as well as for packaging and its disposal. Thus, CSR can help in the overall product manufacturing and selling costs to go down (Miles and Covin, 2000; Karna *et al.*, 2003; Crawford and Scaletta, 2005; Porter and Kramer, 2006). Thus, strategic CSR activities can lead to cost advantage and hence can help a firm to follow the generic strategy of “Cost Leadership” (Day and Wensley, 1988; Hunt, 2000; Miles and Covin, 2000; Karna *et al.*, 2003; Crawford and Scaletta, 2005; Porter and Kramer, 2006). Similarly doing of strategic CSR activities can help project an image of being a socially responsible, ethically driven and environmentally sensitive firm (Day and Wensley, 1988; Hunt, 2000; Miles and Covin, 2000; Karna *et al.*, 2003; Crawford and Scaletta, 2005; Porter and Kramer, 2006). This helps to differentiate the firm’s products and services in such dimensions from other firms, which do not indulge in being environmentally sensitive and/or act as a social benefactor. Consumers are interested to pay premium for a firm’s product (or reward in other manners) which indulges in CSR activities (McWilliams *et al.*, 2006; Leisinger, 2005). In some developed nations customers might choose to become a customer of only such firms’ product and services which does considerable

and meaningful CSR work (Kotler and Lee, 2005). Thus, strategic CSR activities can lead to product differentiation and hence can help the firm to follow the generic strategy of “Product Differentiation” (McWilliams *et al.*, 2006).

#### *2.f. Generation of tangible and intangible strategic resources*

Some firms which are doing strategic CSR activities are able to generate resources which are strategic in nature (Litz, 1996; Russo and Fouts, 1997; Branco and Rodrigues, 2006). Strategic resources are of much importance to a firm as it can help in securing competitive advantage as explained by the lens of resource-based view (Wernerfelt, 1984; Barney, 1991) of strategy. CSR activities which generate such resources that are valuable to a firm's customers like the goodwill of a firm (Collins, 2003) (helps the firm to command a higher price premium in the market place above other firms' products (that have chosen not to indulge in CSR as mentioned earlier). In certain cases, CSR activities generates those resources that cannot be easily substituted by a non-CSR activity. To provide illustrations, while continuing with the previous example of intangible resources (goodwill), the Tata Group in India because of its CSR activities which is century old (as old as the history of the firm), commands high respect in society (including from the perspective of local and national level government). This neither, the Tata Group by any other activities nor any other firm by CSR (or non CSR) activities could develop. This also brings into perspective the concept of inimitability into the discussion. Respect gained by doing good CSR by a firm is very difficult to be imitated by non-CSR or poorly done CSR activities by other firms. Doing a business is an abstract higher level proxy for means of making (earning) money by the promoters and shareholders. It is related to greed and affluence in many of the oriental cultures, thus to command respect from various stakeholders because of the doing of CSR by a firm is rare. So certain CSR activities generate resources that satisfy the valuable-rare-inimitable-non-substitutable framework (Barney, 1991). So goodwill and reputation (for being socially responsible and environmentally sensitive) is a very important resource, though it is intangible in nature (Lewis, 2003; Fombrun, 1996; Ricks, 2005).

Strategic CSR activities create both tangible and intangible strategic resources. Firms create and generate tangible input resources and materials, like raw natural resources, semi-finished resources, and skilled manpower (Brooks, 2005; Bonfiglioli *et al.*, 2006), etc. This has been indicated previously (McWilliams *et al.*, 2006; Neville *et al.*, 2005). Also, strategic CSR activities create intangible strategic resources like technological know how for socially responsible, economically inclusive and environment friendly products and services (McWilliams *et al.*, 2006). After this discussion on strategic resources and CSR the next section would look into the creation of new business opportunities from CSR.

#### *2.g. Development of new products and markets based on social and economic inclusion*

Management Guru C.K. Prahalad had talked about the existence and creation of the “Bottom of the Pyramid” (BOP) (four billion people earning less than \$2 a day) market (Prahalad, 2004) which brings the perspective of economic and social inclusion to the forefront. Another management Guru Drucker (2001) had talked about looking at social problems as business opportunities. Many scholars advocated that products which are developed keeping in mind the buying potential of the economically backward communities create scope for new products and markets. Prahalad (2004) provided factual case-based evidence to drive home the point that firms that engaged in BOP markets created profits for themselves. Continuing with this line of thinking for new



markets, many scholars also advocated that environmentally friendly/sensitive process technologies, products and services had also existed for several decades now (Hargroves and Smith, 2005; Porter and Linde, 1995). Existence of market for clean/green technology and the growing of the carbon trade market is a vibrant example to support this aspect (Boiral, 2006). Toyota's Prius, the hybrid electric/gasoline vehicle, is another example in this regard which Porter and Kramer (2006) had provided. Business opportunities for environmental care also include management of wastes. According to the estimates of The Energy Research Institute, the business opportunity of waste management will be of \$10 billion by 2050 (Pachauri, 2004). So firms which work on this could make business out of wastes! One of the largest thermal power generation firms in India strives to derive maximum commercial usage from the vast quantities of ash produced at its coal-based stations (NTPC, 2007, 2009).

Thus, the market of socio-economic inclusiveness and environmentally friendly/sensitive domain has been a source of new product-market opportunities (Debroy and Khan, 2005) for business with strategic connotations. When firms' undertake CSR activities it leads to the engagement with various stakeholders. In the course of performing such CSR activities, there is interaction with various stakeholders and with communities themselves. The different CSR activities done with the various stakeholders help the firm managers to better comprehend the diverse social realities and in turn help them to anticipate the emerging needs and trends of society. By doing socially responsible activities, firm CSR managers in some cases are getting inputs from the communities and based on these inputs new products are being developed like the electric chullah in India or the Safari phone in Africa (Brugmann and Prahalad, 2007). Authors explained that CSR activities could help companies to develop the competencies and provide confidence to get into new business. Thus, CSR therefore laid the foundations on which corporations started experimenting with new business models (Brugmann and Prahalad, 2007). Such CSR activities can be strategic as it could help a firm to develop new product-market opportunities like for the BOP or the environmentally sensitive market.

### *2.h. Risk management*

CSR activities are mostly done focusing on the stakeholders, residing outside the firm boundary (Donaldson and Preston, 1995). Thus, CSR activities in general, increase the visibility of a firm (Burke and Logsdon, 1996) and spread its goodwill and reputation to a wide range of constituencies (Frynas, 2005). Strategic CSR activities which are based on long-term relationship with communities tend to reach the relevant (salient) stakeholders (Mitchell *et al.*, 1997; Agle *et al.*, 1999) and have a positive impact on them. CSR activities (and because of its' associated good image) could thus reduce certain kinds of social risks to the firm (Spicer, 1978). In the present day scenario, when there is an increased awareness of the local communities and civil society institutions towards business behavior (what it does and what business should do), it is important for firms to act in ways conforming to the manners expected by society (Bonini *et al.*, 2006). If there is discordance then there is a possibility that stakeholders might operate in inappropriate ways (including unrest of local communities' towards the firm) (Bonini *et al.*, 2006). This could lead to the stalling of a firm's operational activities (for example day to day running of a factory) or the capital activities (delaying in commissioning of new projects). Thus, in such cases, social issues mismanagement might lead to

financial losses (because of stoppage or hindrances of the firm operations or because of increased project costs) (Bhattacharyya, 2008). Social risks could also manifest into a wide spread loss of firm reputation and might result in protest by the broader social institutions against the firm (Smith, 2005). It could further lead to economic risks as when a firm suffers a bad name in society it might be shunned by financial institution, bankers and retail investors in the financial factor market (or the capital market) for funding (Bhattacharyya, 2008). The cost of getting capital increases as investors find it risky to fund the organization (Frynas, 2005). In some cases suppliers might stop supplying raw material to the firm. The disruptions in supply of raw material could lead to operational hindrances and possibly could hurt firms' production targets resulting in losses.

Businesses are witnessing unparallel growth in history especially in the emerging economies of India and China. To ride on this good growth, many industrial firms' are consuming more and more natural resources (as raw material) from the environment. Environmental risks might arise because of the ineffective and inefficient utilization or harnessing of natural resources from the environment. This can also happen because of the firm actions being insensitive towards the natural environment. This could cause natural disasters (global warming) (Boiral, 2006) or harm the natural resource base of the firm. This could get manifested in terms of reduced water resource base and other quantity levels of natural raw materials supply. Risk in the environmental front could also come in the form of environmental activism by environmental activists and non governmental organizations. Activism and protest from such institutions could lead to government interference and subsequently increased regulation (Davis, 1960; Whetten *et al.*, 2002). Bad reputation and widespread social antagonism could lead to closure of the local firm operations because of the loss of the social license to operate (Bhattacharyya, 2008). Further bad name in the society could also cause consumer boycott for a firm's products and could reduce consumer buying, resulting in decreased market share (McWilliams *et al.*, 2006; Du *et al.*, 2007). Failure (crisis) in the environmental or social front can also result in the falling of the firm share price in the stock market (McGuire *et al.*, 1986; Ullmann, 1985). Thus, like social risks even environmental risks also manifest in economic losses. Thus, risk management by the doing of CSR is not only a viable way (Crawford and Scaletta, 2005) but also a path towards reduced economic losses.

### 3. The conceptual model

This section of the paper attempts to integrate different perspectives regarding the concept of strategic CSR and provide a unified, holistic conceptual portrait on strategic CSR. For the same in this part of the paper, the author sequentially describes (the concepts) and applies it logically and incrementally (while providing the background reasoning) for developing the strategic CSR portrait. The quest has been to develop a comprehensive model which could help capture and understand the concept of strategic CSR better, based upon discussion in the literature review in the earlier section. This theoretical development would also help in the explication of the concept in practice.

To start the discussion, the crux of the matter is to look and segregate the strategic CSR activities from the non-strategic CSR activities. A method has to be devised to do the same. The proposed conceptual portrait is made up of a series of screens. Screens and



filter for strategic CSR has also been conceptualized by previous scholars (Werther and Chandler, 2006; Bhattacharyya *et al.*, 2007, 2008) but not in the way and setup conceptualized here. The set of screens individually and collectively segregates the undesired entities (and stops it from passing) while allows the desired entities to pass. Thus, this screen functions little differently from what a screen literally stands for. This screen is made up of elements, which lets pass the “desired” and stops the “undesired” to flow further. The “desired” here stands for the CSR initiatives which have strategic implications for a firm and the “undesired” stands for those CSR initiatives which are non-strategic for a firm. This has been shown in Figure 1.

Thus, as mentioned, the screens conceptualized in this study, screens out the non-strategic CSR initiatives from the strategic CSR initiatives. There are four screens series conceptualized in this study. Each one of the screen, one after another sequentially screens out the non-strategic CSR initiatives from the strategic CSR initiatives. The four different screens are made up of different elements. These elements are conceptual in nature. This has been shown as Figure 2.

The first screen is the “Intent Screen.” It segregates those CSR initiatives that are reactive and unplanned in nature from the proactive and planned CSR activities. Any activity that an individual or an organization undertakes can be of two types proactive or reactive. One can argue that some individual or organization would not act (choose inaction) in certain circumstances. Even inaction could also be a proactive decision (that is not to act; sometimes organizations choose not to act). Any firm activity which is a knee jerk response is a non-strategic action as it is strategically not planned (or well thought out before hand). Such CSR initiatives lack strategic connotation. Thus, for any CSR activity which is not planned or not anticipatory in nature (or in other words, not considerate of the dynamic socio-economic and political contexts) is not strategic in a true sense. Thus, for any CSR initiative to become a strategic CSR initiative, it has to be a proactive and an anticipative step then it can pass the “Intent Screen.” This has been shown in Figure 3.

The second screen in the series of screens conceptualized is the “Focus Screen.” Any firm activity which does not contribute in a constructive manner towards attaining the goals and objectives for achieving the overall mission and vision of the organization are not central to a firm. “Centrality” is a measure of how strategic a firm activity is for the firm.

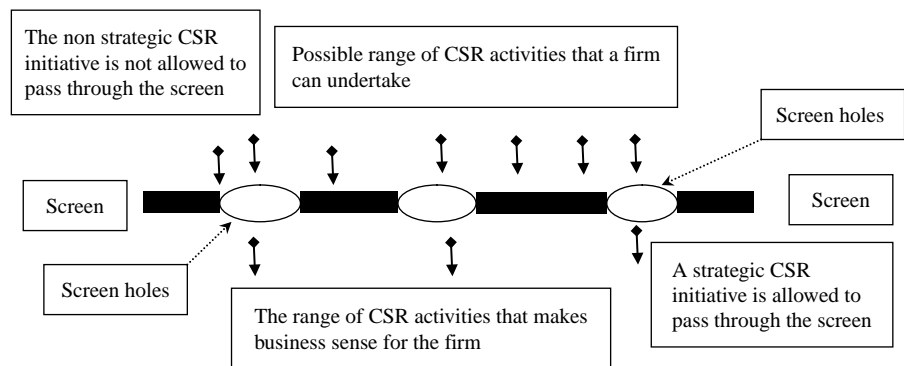
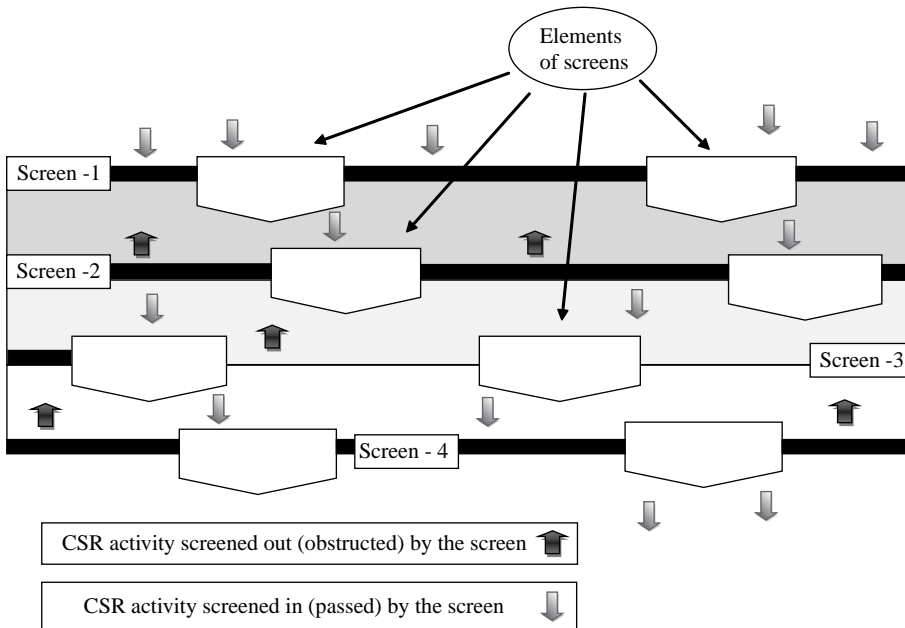
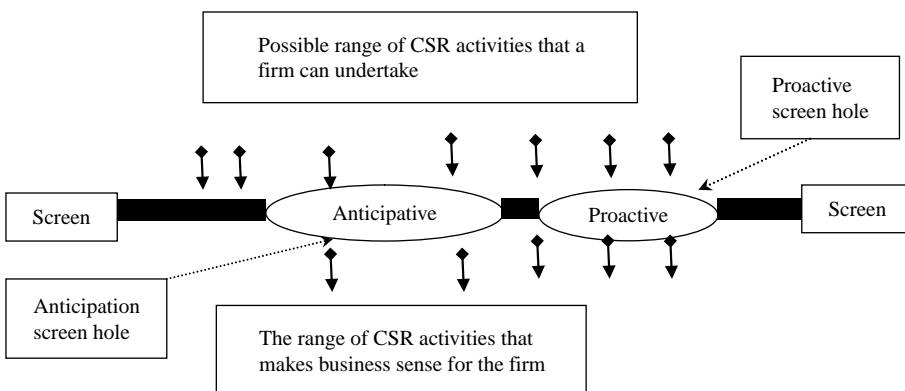


Figure 1.  
Strategic CSR  
initiative screen



**Figure 2.** Set of screens and the screening of the CSR initiatives for strateginess



**Figure 3.** Intent screen

Thus, as mentioned earlier any organizational activity to be strategic should help the firm towards achieving its “mission” and “vision.” Focus of any strategic activity should be central to the firm. This is also true for a firm CSR activity. Firm CSR activity which is strategic should be “Central” to the firm. Thus, the “Focus Screen” (second screen) lets pass those CSR initiatives that help in attaining the organizational “mission” and “vision” (that is the strategic CSR initiatives) and stops those CSR activities that do not help in the cause of securing the “mission” and “vision.” This has been shown in Figure 4.

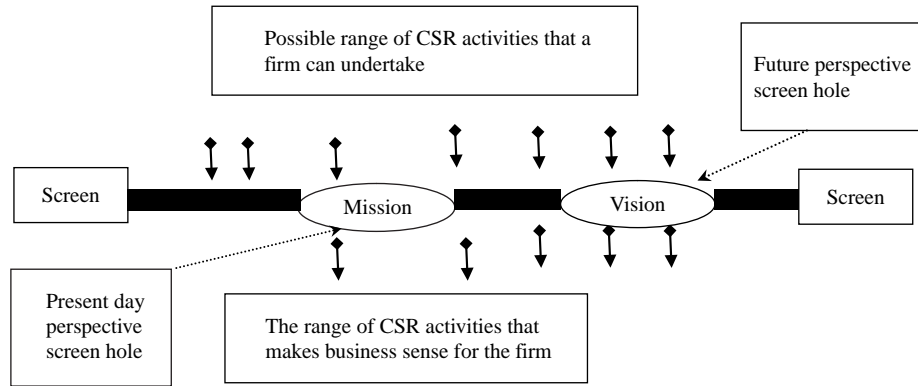


Figure 4.  
Focus screen

The third screen is the “Commitment Screen.” Any activity especially CSR activity if it has to be strategic, it should:

- be long-term in perspective; and
- require sacrifice of substantial amount of resources.

This is because CSR activities are discretionary activities which can be done now and then, here and there. For many firms’ CSR is more like philanthropic or charitable activities, which are done in a fragmented manner with insignificant amount of firm resources dedicated for the same. Here, CSR is often seen as a token, a lagniappe thrown by the business towards the society. Business and society researchers had written that the doing of strategic CSR activities should engage with stakeholders with a long-term perspective and it should require substantial commitment of resources otherwise it is unlike any serious business activity. Thus, resource commitment having a longitudinal sense is important. This third screen “Commitment Screen” ensures this. This has been shown in Figure 5.

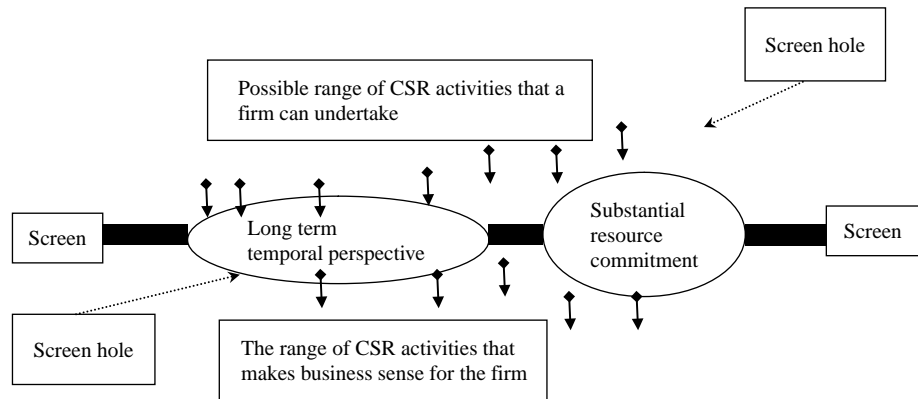


Figure 5.  
Commitment screen

The fourth and final screen in the series of screens is the “Activity Screen.” This “Activity Screen” is a very important and pivotal screen. As mentioned earlier, Porter and Kramer (2006) and Székely and Knirsch (2005) had discussed about the CSR activities which are strategic in nature for a firm. They indicated that CSR activities which contribute to the firms’ internal and external activities context are strategic in nature. This was deliberated in detail in the literature review section of this paper. Thus, the “Activity Screen” allows only those CSR activities that contribute to the internal and external activities context. The CSR activities which do not build the internal and external activities context are not allowed to pass through the “Activity Screen.” This has been shown in Figure 6.

The CSR activities that pass through all the four screens are strategic CSR activities. One has to remember that if a CSR activity fails to pass through one screen then it is not a strategic CSR activity. Figure 7 shows the screening of strategic CSR activities from the non-strategic CSR activities.

Thus, for a CSR activity to become strategic it has to cross all the four screens (intent, focus, commitment, and activity screen). Any firm activity which is strategic in nature brings some benefits/gains to the organization. Thus, the CSR activity which is strategic in nature is also expected to bring benefits/gains to the organization. As discussed in the literature review section of this paper, many researchers had advocated the benefits of doing CSR activities. The next section of the paper paints the second story in the strategic CSR canvas (the benefits) based upon the logical deliberations made in the literature review section. In other words, the next section provides the rational towards looking at benefits of doing CSR from a strategic perspective. When CSR activities are done to support or contribute towards a firm’s internal and/or external activities context, then it helps the firm to follow one or both of the generic strategies of “Cost Leadership” or “Product Differentiation.” Generally, strategic CSR activities that are integrated to the firms’ internal activities (more than the external context building CSR initiatives) help a firm to follow one or both of the generic strategies of “Cost Leadership” or “Product Differentiation.” In some instances, the strategic CSR activities help the firm to generate strategic resources or help to generate/possesses such resources that are critical for the firm as input resources. Thus, the strategic CSR activities that help a

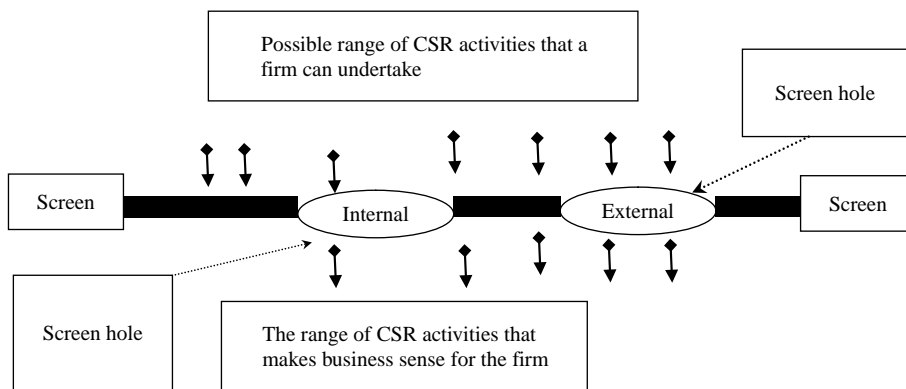
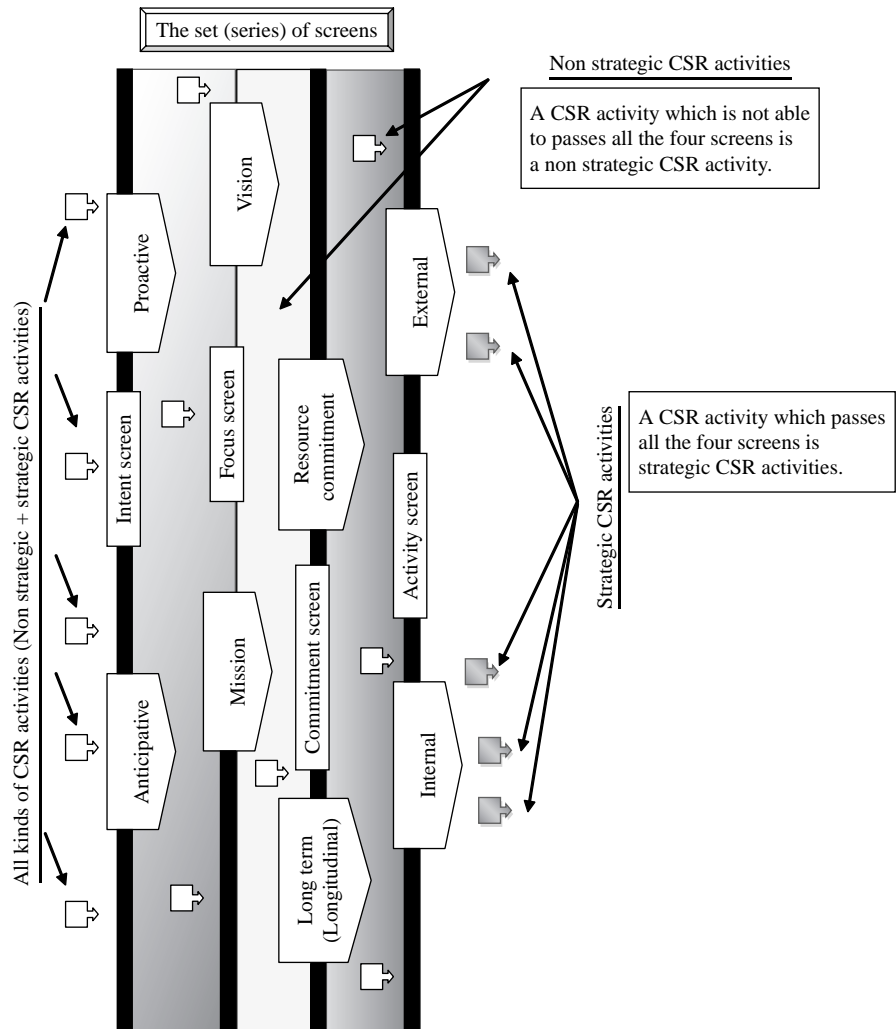


Figure 6.  
Activity screen



**Figure 7.**  
Screening of strategic  
CSR activities from  
the non-strategic  
CSR activities

firm to develop strategic resources or follow a generic strategy, ultimately helps the firm to create competitive advantage at the first place and then sustain the competitive advantage in its existing business (Reinhardt, 1998). For venturing into new business, certain strategic CSR activities accommodate socio-economic inclusiveness and environmental sensitivity. It is paving the way, for creating new business (product-market) opportunities. Firm strategic CSR activities which involve for both the contribution towards internal and external activities would help a firm to generate strategic resources for the firm as well as help the firm to develop and secure new business opportunities in the marketplace.



Certain strategic CSR activities are done to engage with stakeholders who are relevant and salient (Mitchell *et al.*, 1997; Agle *et al.*, 1999) for a firm, such that they:

- possess resources critical for the functioning of the firm;
- have political base (or are opinion leaders) to drive view points in favor or against the firm or can harm or hurt the firm by some coercive means;
- are harmed by the firms' functions or operations and thus have legitimate claim over the firm's actions; and
- are emotionally or culturally related to the firm management or employees.

Strategic CSR activities accommodating the needs and sentiments of the relevant and salient stakeholders (Mitchell *et al.*, 1997; Agle *et al.*, 1999) provide the firm with increased visibility as well as bring a good name (reputation). Increased reputation compounded with the increased visibility increases the firm's social license to operate in the society. Such good name protects the firm from various risks as mentioned earlier. Possibility of social risks characterized by demonstrations (and other forms of antagonism) by local communities/civil societies/media against the firm also reduces. The scope of political/regulatory risks characterized by enhanced or stricter regulation (or imposition of certain penalty) on the firm by the government also decreases. Environmental risks might lead to a scarcity of critical natural resources or threaten the very existence of business and all (like the occurrence of phenomenon like global warming and climate change would touch all alike).

Management of risks (social or environmental) mentioned ultimately helps a firm to minimize losses in economic or financial terms. This happens because of the lowering of cost of capital, or less delay in project completion or ensuring smooth flow (and at a relatively cheaper cost) of resources for firm operations. The benefits of doing strategic CSR has been shown in Figure 8.

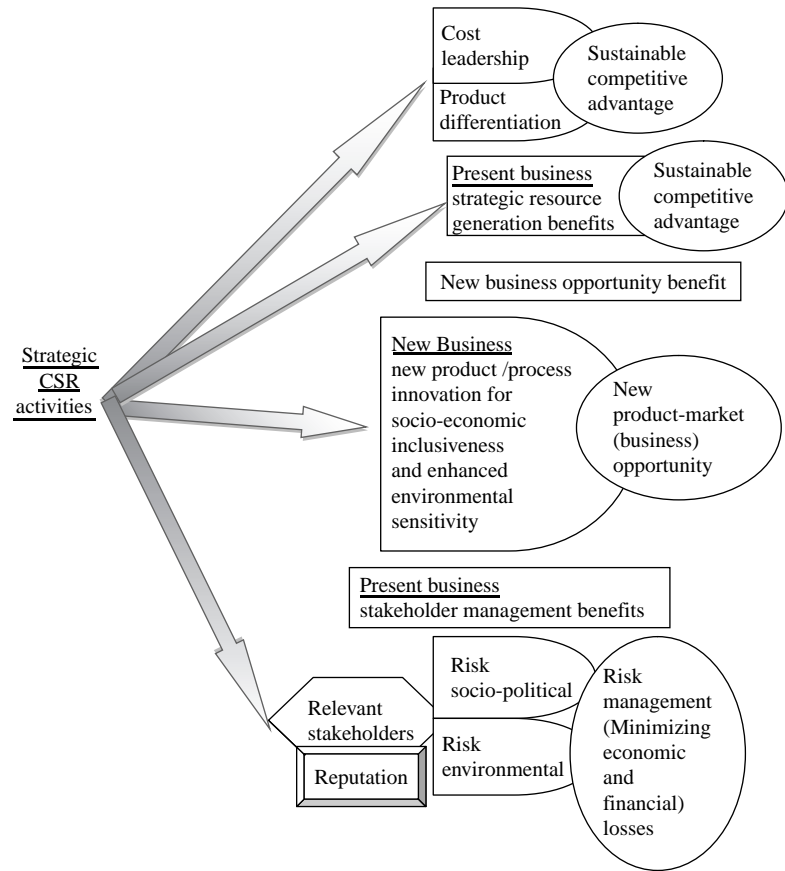
Thus, if one attempts to integrate the screens for the screening of strategic CSR activities and the benefits of doing strategic CSR activities, then one can place Figures 7 and 8 side-by-side. This has been shown in Figure 9.

Figure 9, thus provides an integrated account of the concept of strategic CSR. The canvas in Figure 9 shows the integrated strategic model.

#### 4. Future research agendas

In this paper four screens segregated the strategic CSR activities from the non-strategic ones. This paper discussed the benefits to be achieved by undertaking strategic CSR initiatives. The characteristics of strategic CSR activities were also deliberated upon. The relevant concepts were introduced in a logical way and discussed elaborately. Finally, an integrated strategic CSR conceptual canvas was developed. It has to be remembered that in the field of CSR, reaching a conclusive consensus is often very difficult to be achieved (Waddock, 2004) as different fields of interest (from business ethics to marketing management) cross paths.

The integration of strategic management literature with the classical CSR literature is witnessing considerable discussion. New threads of debate are unsettling the old ones and unfolding newer ones. During the last couple of years the level of advocacy on strategic CSR has made its way into practice. Though of late, theoretical inputs on strategic CSR have been coming but there was need for a comprehensive model.



**Figure 8.**  
Benefits of doing  
strategic CSR

The various constructs described in the model need to be operationalized to be measured. Once the constructs are operationalized, the constructs mapped in the theoretical canvas conceptualized in this paper could be used as a guiding framework by practicing CSR managers to better comprehend strategic CSR initiatives and design new initiatives. This conceptualized theoretical canvas would even provide firm CSR managers with a framework to evaluate the existing CSR initiatives wrt to the strategicness and help them to modify it for the same.

As CSR (definitely including strategic CSR) initiatives is practiced relatively at a higher and more intense level in the developed countries than in the developing world, this theoretical canvas could be tested by future researchers by setting the study in the context of a developed country. A series of longitudinal case study research (Yin, 2003) would be very insightful. Such case study research would provide thematic perspectives, which would help to modify the theoretical canvas proposed in this paper. The fragmentation and anergy between empirics, theory and the (non) normative orientation (Lockett *et al.*, 2006) has to be settled. Future empirical research would start a new thread of conversation regarding strategic CSR.

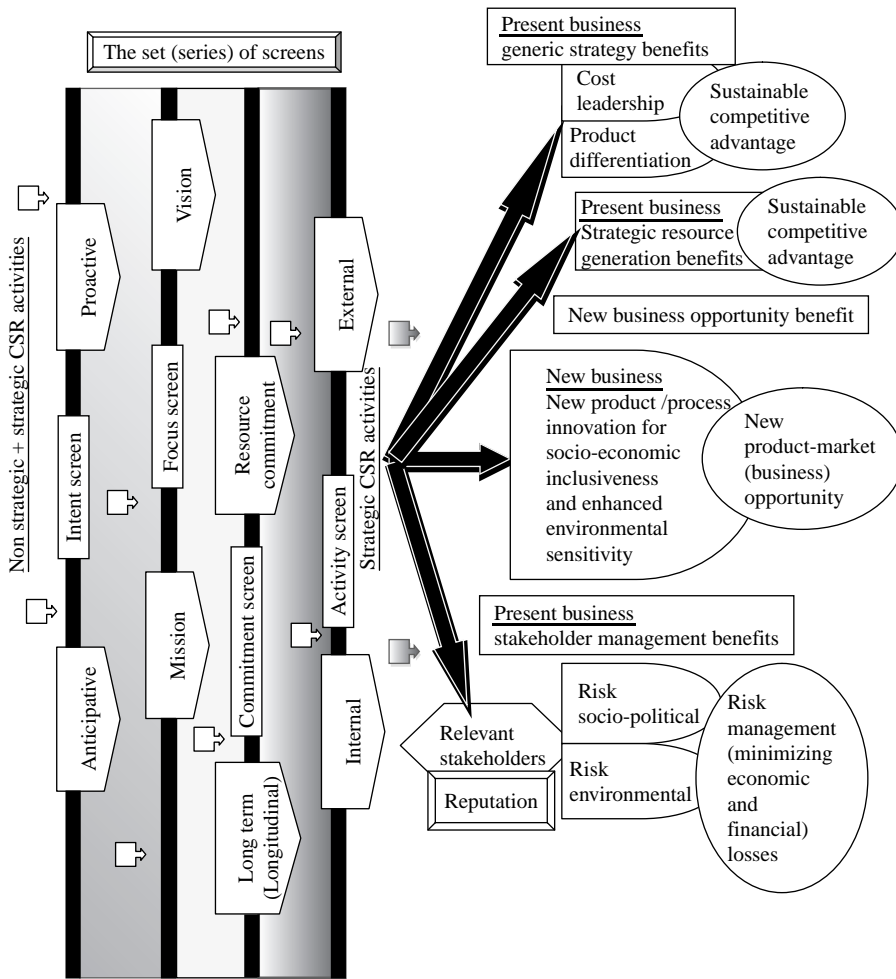


Figure 9. The integrated canvas of strategic CSR activities

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