

Integrated corporate social responsibility

Integrated
CSR

Driving factors and means of integration – a multiple case study analysis

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Abstract

Purpose – The purpose of this paper is to understand what the determinants for integrated corporate social responsibility (CSR) are and how they lead to different means of integration.

Design/methodology/approach – In this study, a research methodology based on the multiple case analysis was chosen. The selection of case studies was based on the combined application of literal and theoretical replication. Within the technique of theoretical replication, maximum variation and criterion methods were used. In order to increase the reliability of the results, a research protocol for data collection was defined by combining two different techniques: semi-structured interviews and content analysis of documents and websites.

Findings – The integration of CSR depends on three factors: the macro-environment, the competitive context and the management philosophy. In particular, management philosophy is the internal variable on which the type of strategic or operational integration depends.

Practical implications – The main managerial implications arising from the empirical analysis can be summarized as follows: first, external conditions influence the CSR management, but the company's success is tied to the management philosophy; second, innovative business ideas are related to a proactive management approach to CSR; and third the consistency between the management philosophy and the means for managing CSR is fundamental to integrate CSR into strategic management.

Originality/value – The analysis allows to fill the literature gap related to the strategic integration of CSR (driving factors and means of integration).

Keywords Strategic management, Corporate social responsibility, Business strategy, Integration factors, Means of integration

Paper type Case study

1. Introduction

Corporate social responsibility (CSR) makes a comeback in the new century for a number of factors that have fundamentally and structurally altered the context in which companies operate. These are, mainly, social macro-phenomena which urge the companies to get involved in issues which are not strictly economic such as: globalization, protection of human rights, development of responsible consumption, ecological issues, financial scandals that have highlighted the risks of non-ethical or non-transparent management. These factors have led to a remarkable expansion of the phenomenon among companies, although CSR has developed in various ways. Consequently, companies approach CSR in a different way: many companies have expanded their use of tools and techniques for the operational management of CSR; others have changed their policies of communication, introducing CSR elements into marketing management. In some cases the focus has been only on specific aspects (e.g. environment, human rights), and in others, CSR has been interpreted as a merely



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philanthropic activity, disconnected from the overall company management. In other situations, companies have simply adopted standards and obtained certifications to be compliant with the requirements and to manage the regulatory pressures. Lastly, CSR has often been incorporated into the overall company activity and has been managed in a strategic way.

Based on the issues mentioned above, considering the importance of the topic, the research aims to analyze in depth the theme of integration of CSR into business activities with special reference to the factors that determine it and to the ways through which it is implemented.

2. Literature review

In the field of management (specifically in strategic management), there is a growing number of contributions addressing the theme of integration of CSR; the theme has been developed through different analysis perspectives.

The first perspective concerns the analysis of the synergies between social success and financial profitability. In this perspective, Porter and Kramer (2006) have highlighted the importance of integrating business and society, which reflects itself on the search for intersections between competitive advantage and CSR. Lantos (2001) introduces the concept of strategic responsibility, linked to the integration of philanthropic responsibilities into business activities to achieve simultaneously social and financial benefits. Likewise, Jamali (2007) argues that the basic idea of strategic CSR is the integration of philanthropic aspects into business strategy. Husted and Allen (2007) examine the financial impacts of the integration of three strategic CSR variables (visibility, appropriability and voluntarism). Porter and Kramer (2011) introduce the concept of shared value related to policies and operating practices that improve the competitiveness of the company and social and economic welfare of society. It is based on the extension of the connections between the financial and social dimensions.

The second perspective concerns the detection of the conditions that lead to the integration of CSR into management. Aguilera *et al.* (2007) identify the external conditions on the macro-environmental level: macro-social phenomena (unemployment, development, globalization, environmental issues, crisis and financial scandals) and pressures from governments (supranational, national and local), non-governmental organizations (NGOs) and corporate interest groups. Porter and Kramer (2006) focus on external conditions related to the socio-environmental level of the competitive context. It is an expression of an industry's configuration and is conditioned by competitive forces, the intensity of which depends mainly on economic elements and, albeit to a lesser extent, on social and environmental factors. The socio-environmental level of an industry depends on: first, the, more or less pronounced, presence of issues in the industry that have a strong environmental or social impact and second, the presence of socio-environmental determinants of competitive advantage. Vitolla and Rubino (2013) identify in management philosophy the condition for the integration of CSR. Management philosophy is the result of multiple factors and includes values, goals and mental models, which is to say, those emotional and cognitive elements that form the basis of the choices and decisions made by entrepreneurs and managers. Management philosophy receives stimuli from society, history and the condition of the company, from the past experiences of top management and from the dynamics of the industry (Allaire and Firsirotu, 1984). With reference to the issues of CSR, management philosophy must be examined in relation to: the purposes and the role of the company;

the concept of profit; the social function and the relationship between the economic and social nature of the company; and the approach to CSR. From this point of view, it is possible to identify four different types of management philosophy. Altruistic management philosophy: managers have the task of contributing to the improvement of public welfare (Bowen, 1953); economic management philosophy: companies have the sole function of maximizing profit (Friedman, 1970) or market value (Jensen, 2002); enlightened, economic-type management philosophy: companies have an “enlightened self-interest” to respond adequately to social issues, where the social relationships help to improve financial performance and enhance the competitive advantage (Jones, 1995); holistic management philosophy: companies have a role that is both economic and social (De Woot, 2005) and they must respond synergistically to the expectations of the different categories of stakeholders (Freeman and McVea, 2001).

The third perspective concerns the identification of the modes and stages by which CSR is integrated into management. Chirieleison (2006) makes a distinction between integration at product strategy level and integration related to customer’s value strategy. Galbreath (2006) identifies four different options to connect CSR and strategy: the shareholder strategy, which focuses on short run financial goals; the altruistic strategy, related to philanthropic activities; the reciprocal strategy, which suggests that companies should establish relationships with stakeholders that are mutually beneficial to both parties; the citizen strategy, linked to the simultaneous achievement of the objectives of responsibility, transparency, sustainability and accountability. Mirvis and Googins (2006) identify five stages of evolution in the integration between CSR and corporate strategy based on seven variable: definition, purpose, leadership support, structure, issues management, stakeholder relations and transparency.

Although in the literature the integration between CSR and management has been investigated, there are gaps related to: first, the missing identification of the factors that determine the strategic integration (the existing literature goes only so far as identifying the factors leading to the introduction of CSR and its integration in the management) and second, the links between these factors and the different means of integration. Based on the gaps detected in the literature, the following research questions can be considered scientifically relevant:

RQ1. What are the most important determinants for integrating CSR into strategy?

RQ2. Why and how do they lead to different means of integration?

3. Methodology

The research methodology for this study was based on the multiple case analysis. The case study method is particularly suited to the research in question, as it is very effective for the analysis of complex phenomena, which constitute a relatively new area of research (Eisenhardt, 1989).

In particular, the analysis of multiple cases, specifically six, was chosen because the data can only be compared, and the results subsequently generalized (in an analytical way), if there is a sufficient number of observations (Eisenhardt, 1989). Furthermore, the analysis of multiple cases makes the empirical evidence more compelling and the research design more robust. The selection of case studies was not based on sampling logic, peculiar of surveys and of statistical methods, but on the combined application of literal and theoretical replication (Cavaye, 1996; Yin, 2009). In applying literal replication, in order to observe the similarities in terms of results, the cases which

present the same contextual characteristics are identified; whereas in using theoretical replication, different contextual conditions may be identified in order to highlight the divergent results. Within the technique of theoretical replication, specific maximum variation and criterion methods (Patton, 1990) were used, which provide for a selection of companies that are very different from each other with respect to certain analysis criteria (competitive context and macro-environmental context). For privacy reasons, in the case study report, the names of the companies were replaced with a letter (from A to F). The data collection phase was based on multiple sources: primary data (semi-structured interviews to executives and managers) and secondary data (content analysis of documents and websites). The use of more sources makes the empirical evidence more compelling and the research design more robust, following a corroborative research activity based on a triangulation (Yin, 2009) of the data (expressing the convergence of empirical evidence coming from different sources). In the Appendix the outline of the semi-structured interviews (aimed to analyze the vision and mission, the external context of CSR, the approach of CSR, the organization of CSR, the tools and the processes of CSR) is shown. After the data collection, there was a phase of evidence analysis. Initially, a within-case data analysis (Eisenhardt, 1989) has been carried out, in order to examine the data with the purpose of answering to the research questions (Yin, 2009). Successively, the cross-case patterns were investigated through the identification of analysis dimensions which allows a categorization of the data and an identification of the similarities and differences. In particular, a first classification was based on two dimensions of analysis, which seem relevant according to the literature analyzed: level of the pressures by the competitive context and by the macro-environmental context. Later, a finer analysis was carried out, introducing a third dimension of classification, the management philosophy (economically oriented or socially oriented), identified through the perception of the phenomenon by the researchers (Eisenhardt, 1989), that was gradually consolidated during the activity in the field; this led to the detection of some cross-patterns relevant to the findings.

4. Results

For each company the results are presented as follows: brief description of the company; external context and CSR; vision and mission; approach to CSR; organization of CSR; tool and processes of CSR. Table I summarizes the data.

4.1 Company A

It is a middle-sized listed Italian multi-utilities company. It provides energy, water and environmental services.

4.1.1 External context and CSR. The company operates in a sector in which the social and environmental impacts are particularly relevant. The CSR manager describes the environmental, water and energy services sectors as particularly critical with respect to the CSR and sustainability challenges. The growing general awareness concerning this sector has subsequently widened the scope of rules and regulations and has generally widened the pressure by society.

This situation significantly influences company management, with a special attention to the adoption of management standards aimed at the preservation of the natural resources and the reduction of pollution.

The strategic management of such issues is considered a critical factor of success and is deemed as being fundamental for the competition in the industry. The CSR

(continued)

Company	Brief description	External context and CSR	Vision and mission	Approach to CSR	Organization of CSR	Tools and processes for CSR
A	Medium-sized company operating in the multi-utilities sector. It provides energy, water and environmental services	The company operates in a sector in which the social and environmental impacts are particularly relevant This situation significantly influences company management, with a special attention to the adoption of management standards aimed at the preservation of the natural resources and the reduction of pollution. Furthermore, the utilities sector is very relevant from a social point of view, with special reference to the challenges of reducing the prices of the services that are being offered and the continuity of the services provided. The impact of the macro-context is particularly significant, in particular that of the listing on the stock exchange	CSR is a fundamental element of management. The company works to develop and promote policies to satisfy the needs of all stakeholders in a balanced way. It claims to be the best multi-utility company for its customers, its employees, its shareholders and the wider community. Its aim is to responsibly manage natural resources and use solutions aimed to improve the environmental impact of its business	The company's approach has always been proactive, aimed at transforming CSR into a strategic factor and a critical element for success	At the level of governance, the presence of an ethics committee is indicated, which is tasked with monitoring the dissemination and implementation of the code of ethics. It is composed of the vice president, the CSR manager and an external member. The CSR manager has been operating for a few years, as the CEO's body of staff, with the task of ensuring that the principles of social responsibility become an integral part of business planning and management The CSR manager is in charge of the definition and proposal of the company's guidelines concerning corporate social responsibility, of drawing up a report on sustainability, of the proposition and of managing the implementation of projects concerning social responsibility	The company, in addition to having environmental certification and CSR management tools (code of ethics and reporting of sustainability), has initiated an evolved process of stakeholder engagement and a multi-dimensional balanced scorecard system encompassing the financial, social and environmental dimensions. Furthermore, it has set up a system of evaluation and incentivisation of managers including sustainability objectives

Table I. Analysis of the companies

Table I.

Company	Brief description	External context and CSR	Vision and mission	Approach to CSR	Organization of CSR	Tools and processes for CSR
B	A small business engaged in the paper and packaging industry, characterized by an organizational structure that is vertically underdeveloped	The company operates in an industrial field that has no relevant environmental and social impacts. Some environmental problems can be traced in the supply chain; they are the woodland and forests management, which are linked to the production of the raw materials such as paper or wood, which only marginally affect the economic actors downstream of the production process. For the packaging companies also the specific social pressures can be considered irrelevant	Ethics is the core of the company management, oriented toward sustainable development and CSR. Its mission is to be an excellent company that satisfies all of its stakeholders	The managerial approach to CSR has always been proactive. The human resources management has been innovative from the beginning; employees relationships are based on ethical principles, aimed at enhancing the curiosity and the innovative abilities of individuals while stimulating professional and personal improvement. Proactivity manifests itself in every aspect of CSR management through stakeholder engagement and the development of innovative and environmentally friendly products	There is no department dedicated to CSR management	The company has ecological management quality certificates, as well as a very advanced system of integrated reporting and intellectual capital. Although not formalized, the system of stakeholder engagement is relevant and aimed at dialogue, sharing of business decisions and the creation of the conditions necessary for generating bottom up ideas

(continued)

Company	Brief description	External context and CSR	Vision and mission	Approach to CSR	Organization of CSR	Tools and processes for CSR
C	A company of primary importance operating in the financial brokerage industry with a good degree of internationalization, present in retail and corporate segments	The competition context does not exert any particular pressure since the environmental challenges are practically irrelevant, while the social challenges are often unsubstantial in view of the achievement of a competitive advantage. Conversely, the managers underscore some strong social pressures in the macro-environmental context	The mission is the pursuit of the objectives of growth and the creation of value for the stakeholders, in compliance with the ethical principles of management. CSR has a double aspect: that of philanthropy and that of obligation to the stakeholders. From the economic point of view, it represents a cost for the company	The managerial approach to CSR has always been adaptive. In effect, external contextual conditions, which go beyond economic factors, determine the assumption of responsibility. All the initiatives to protect the savers are connected to the requirements in the banking regulations and specifications; the governance and the internal control systems merely adopt the guidelines from the competent institutions	There is no department dedicated to CSR management	The bank has a code of ethics, AA1000 system of stakeholder engagement, socio and environmental certifications and a system of sustainability reporting
D	A small family business which operates in the industrial clothing sector, with a centralized and underarticulated organizational structure	The competitive scenario in the textile factor is characterized by the absence of particular social-environmental pressures. The rather small size of the company and its reduced visibility involve the absence of any particular social and ecological pressures in the macro-environment	CSR is not referred to in the company vision or mission statement. The company is considered only in economic terms, the mission has a technical-productive character	The managers do not consider CSR among their business management issues	There is no department dedicated to CSR management	The company does not have CSR management tools

(continued)

Table I.

Table I.

Company	Brief description	External context and CSR	Vision and mission	Approach to CSR	Organization of CSR	Tools and processes for CSR
E	A large listed company in the energy sector specializing in the activities of oil refining and marketing of petroleum products	The energy sector provides extremely important environmental challenges. The productive structures are often invasive, waste management is a critical factor, due to the toxicity of waste and the difficulty of its disposal, the productive activity may give rise to issues about air and water pollution. On top of these, there are also the geological critical issues. There are pressures by the macro-environment that directly impact this sector. These are linked to social phenomena, such as the increased environmental sensitivity, the growing attention on the issue of transparency and the economic crisis. Both governments and interest groups, such as environmental associations, exert considerable pressure on the company	CSR is an element considered in the management of the company which obliges it to act responsibly and in an ethically correct manner. Accountability appears mainly influenced by external conditions (the high environmental impact of the business) rather than by reasons relating to obtaining benefits for the company. The mission is to consolidate the competitive position through high level technological development	The company's approach has always been defensive-reactive, adapting to the reference context and paying great attention to the possible risks arising from environmental issues	There is no specific company department dedicated to CSR. The management of the environmental aspects is assigned to the production department	The company has environmental certification and CSR tools, such as a code of ethics. It has developed a complex system of environmental reporting. Some time ago the company launched an effective program for the protection of the health of its employees and for the prevention of any form of accident. It has obtained OHSAS 18001:2007 certification. The environmental management systems are aimed at safeguarding the core business

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Company	Brief description	External context and CSR	Vision and mission	Approach to CSR	Organization of CSR	Tools and processes for CSR
F	A medium-small sized company engaged in the production and distribution of agricultural products. Highly internationalized, with a major presence in large distribution system	There are significant pressures in this sector linked to quality, to safety, healthiness and traceability of its products. These pressures are exacerbated by the power of great distribution, which asks for increasingly higher levels of food safety. There are not particular pressures linked to the macro-environmental profile and by governments and interest groups	CSR is considered in terms of attention to the consumer and quality and health of the products sold. The environmental aspects are to be considered a non-distinctive factor in achieving a competitive advantage. The mission is to bring the consumer a fresh fruit and vegetable product of superior quality	The company's approach has always been defensive-reactive to adjust to the reference regulatory and competitive context	There are no specific departments or units that deal with CSR	The environmental management tools are identified with the quality ones: traceability of production and distribution and adherence to EU hygiene standards, which are necessary requirements for retail systems. The company has the following certifications: UNI EN ISO 9001:2008; EMAS III; British Retail Consortium; Global G.A. P. The process management related to certifications requires supplier engagement

Table I.

manager points out that the impact of the macro-context is particularly significant, in particular that of the listing on the stock exchange, both on the organizational and governance structure (e.g. the introduction of an ethical committee and of a control and risk committee), and on the adoption of advanced reporting models.

4.1.2 Vision and mission. Social responsibility is a fundamental element of management. This emerges from the sustainability report in which both the vision and mission of the company are specified: “the company is committed to act for the development and promotion of the company’s policies aimed at satisfying in a balanced way the needs of all its stakeholders. It seeks to be the best multi-utility for its clients, its employees, for its shareholders and for the whole community; it aims at a responsible management of the natural resources and the use of solutions to improve the environmental impact of its own activities.”

The CSR manager points out the aspects concerning the integration of the CSR in the business management: “The business management is characterized by moral and ethical values focused on the respect of the person. The company is committed to combining social and economic value with the aim of fulfilling, in time, the legitimate expectations of those who come into contact with it; the final goal is to obtain significant synergies between the economic dimension and the socio-environmental one.”

This integration also emerges by reading the strategic plan, in which are taken into account the economic, social and environmental impacts of the different strategic choices.

4.1.3 Approach to CSR. The company’s conduct is always a proactive one, aimed at transforming the socio-environmental responsibility into a strategic factor and crucial factor of success.

From the letter to the stakeholders by the CEO included in the sustainability report, it appears that “the CSR is cross-cutting with respect to the most important trends of strategic innovations.” The proactive attitude towards the CSR arises from the business policies enacted. The results obtained through this kind of innovative approach have been confirmed by a number of awards received by the company related to sustainability and CSR.

4.1.4 Organization of CSR. It should be pointed out, as far as governance is concerned, the presence of an ethical committee, with the task of monitoring the dissemination and implementation of the ethical code. This body is made by the vice president, the CSR manager and by an independent member. The CSR manager has been operating for a few years, as the CEO’s body of staff, with the task of ensuring that the principles of social responsibility become an integral part of business planning and management.

4.1.5 Tools and processes of CSR. The company, apart from possessing environmental certifications (ISO and EMAS) and tools for the management of social responsibility, such as the ethical code and the sustainability report, drawn up according to the GRI principles, has started advanced processes of stakeholder engagement and has developed a multi-dimensional system through a balanced scorecard which encompasses the financial dimension, the social dimension and the environmental dimension. It has developed systems of management aimed at respecting human rights, guaranteeing the worker’s rights, the safety and healthiness of the workspaces in accordance with the SA8000 standard. Finally, it has drawn up an evaluating system and incentive plan for the managers, which include the sustainability targets.

4.2 Company B

It is a small size company working in the paper converting and packaging industry. The relevant market sector is the national one with a strong local identification. The organization follows the Lean Production, characterized by an underdeveloped vertical structure and by the unification of the departments.

4.2.1 External context and CSR. The company operates in an industrial field that has no relevant environmental and social impacts. Some environmental problems can be traced in the supply chain; they are the woodland and forests management, which are linked to the production of the raw materials such as paper or wood, which only marginally affect the economic actors downstream of the production process. For the packaging companies also the specific social pressures can be considered irrelevant.

The small size of the company and its limited visibility make the macro-environmental pressures really marginal. The context scenario is summarized by the general manager thus: “there are no particularly relevant context pressures of social or environmental nature. On the contrary, the presence of significant aspects linked to the raw materials used (paper and wood), highlights the important strategic opportunities concerning the search of a synergy between the environmental perspective and the competitive one. Social challenges such as globalization, financial crises and scandals are very far from small businesses like ours.”

4.2.2 Vision and mission. Ethics is the fulcrum of business management, translated into the orientation toward the sustainable development and the social and environmental awareness. The underlying principles of the vision are outlined in the sustainability report: customer care, product quality, innovation and continuous improvements, respecting the individual, safeguarding the environment and optimizing the financial results. The company’s mission, outlined in the sustainability report, is stated as follows: “Being an excellent company that can satisfy all its stakeholders.”

The underlying principles of the company’s vision and mission emphasize the multi-dimensional character of the entrepreneurial and managerial values. Such approach reflects itself on the company’s objectives; the general manager explains that: “the company’s goal is the creation, through the participation of all the stakeholders, of a shared value in order to produce a social and economic welfare; the company aims at combining the competitive, financial, social and environmental aspects of the management.”

4.2.3 Approach to CSR. The managerial approach to CSR has always been of a proactive kind. As stated in the sustainability report, the business management is centered upon the search for innovative solutions able to enhance simultaneously the socio-environmental, competitive and financial performances. The proactivity manifests itself in all the aspects of management and of social responsibility, from the stakeholder’s engagement to the development of innovative and eco-sustainable products.

The production manager reports that “the company is engaged in the search for productive solutions that would allow to reduce the use of natural resources (through the experimentation of innovative techniques in the use of recycled paper) and to use non-polluting raw materials (natural varnishes, ecological solvents). This enables the company to offer its clients products with high safety standards, to enhance the brand reputation, to improve the competitive positioning and the financial results.”

4.2.4 Organization of CSR. There are no formally recognized bodies devoted to CSR management. This is directly connected to the type of organization (SME), flatly structured and non-formalized.

4.2.5 Tools and processes of CSR. The company holds eco-management quality certifications, as well as a very advanced system of integrated reporting and of intellectual capital. It has an outstanding system of stakeholder's engagement, though non-formalized, which, especially with reference to the collaborators, has the purpose of dialoguing with them, of sharing the company's decisions and the creation of the conditions which favor the generation of bottom up ideas.

4.3 Company C

It is an outstanding company of primary importance in the field of financial brokerage, with a good degree of internationalization. It is engaged in the retail and corporate segments. Its activity includes the traditional forms of credit loans, portfolio management, merchant banking and financial consultancy.

4.3.1 External context and CSR. The competition context does not exert any particular pressure since the environmental challenges are practically irrelevant, while the social challenges are often unsubstantial in view of the achievement of a competitive advantage. Conversely, the managers underscore some strong social pressures in the macro-environmental context. Such condition was confirmed by an interview given by the CEO to a specialized magazine "the visibility of banks in the economic world is such that their management is always in the spotlight of public opinion. In the recent years, the crisis and financial scandals have exacerbated this trend. The community and the governments confer ever growing ethical and social responsibilities and ask for, more forcefully than ever, ethically correct and transparent behaviours." The managers have also highlighted the growing pressures by the community and by the NGOs on the company to the end of promoting philanthropic activities.

4.3.2 Vision and mission. The mission is mainly an economic one, even if it is bound by the compliance with the ethical principles: "The mission is the pursuit of the objectives of growth and the creation of value for the stakeholders, in compliance with the ethical principles of management." For the managers, social responsibility represents a constraint for the financial objectives and, on a managerial perspective, it must necessarily be evaluated in terms of generated costs. For the general manager "social responsibility has a double aspect: a philanthropic one and a moral obligation towards the stakeholders."

4.3.3 Approach to CSR. The managerial approach to social responsibility has always been an adaptive one; as a matter of fact, the external context conditions are the factors which determine the responsibilities which go well beyond economic ones. All the initiatives to protect the savers are connected to the requirements in the banking regulations and specifications; the governance and the internal control systems merely adopt the guidelines from the competent institutions (as stated in the governance report).

4.3.4 Organization of CSR. There are no bodies devoted to the management of social responsibility.

4.3.5 Tools and processes of CSR. The company has an ethical code, socio-environmental certifications, AA1000 formalized processes of stakeholder's engagement. With a special attention to reporting, the company publishes a complex

sustainability report. By reading this report the prevalence of the formal elements emerges compared to the substantial ones: the report contains much data on the environmental aspects, which have little relevance in banks, leaving out the information about many other critical aspects, from an ethical standpoint of the bank activity (e.g. the ethical-social challenges linked to compound interest and the selling of derivative instruments).

4.4 Company D

It is a small family-run company, operating in the clothing industry, with a centralized and little developed organizational structure.

4.4.1 External context and CSR. The competitive scenario in the textile factor is characterized by the absence of particular social-environmental pressures. The rather small size of the company and its reduced visibility involve the absence of any particular social and ecological pressures in the macro-environment. The entrepreneur explains the situation thus: “the only relevant aspect concerning the social field is linked to the outsourcing of the productive activities in low-cost countries which is connected to the protection of children’s rights, and more generally, to the rights of all workers. The company is not particularly involved in such dynamics since it produces everything internally.”

4.4.2 Vision and mission. Social responsibility is not referred to either in the company’s vision or mission. The company is considered exclusively an economic institution; the mission has a technical-productive character. The entrepreneur summarizes his vision and mission thus: “the company’s values which define the vision are the competitiveness on the market and the return on the invested capital. The mission is the search for productive excellence. The company’s goals develop themselves on three main areas: economic growth, maximization of the income and financial balance.” In relation to CSR, the entrepreneur states: “the company is responsible exclusively for the quality of the products and the preservation of the enterprise capital.”

4.4.3 Approach to CSR. The management does not consider CSR as one of the company’s operating challenges. The entrepreneur underscores that: “the company is responsible for the legal requirements alone, therefore, the management has to conform to the regulations.”

4.4.4 Organization of CSR. There are no bodies devoted to the management of social responsibility.

4.4.5 Tools and processes of CSR. The company does not have any tools to manage CSR.

4.5 Company E

It is a large listed company in the energy industry specialized in oil refinement activities and in trading petroleum products. In the recent years, it has entered the segment of renewable energies.

4.5.1 External context and CSR. The energy sector provides extremely important environmental challenges. In the last few years, there has been an increasing pressure on the companies of this sector, concerning the accident risks. This particular aspect is highlighted by the factory manager: “Our sector has always shown some relevant critical issues from an environmental point of view, due to the nature of the productive processes and the produced goods. But in the last few years the risk of accidents has

exacerbated the pressure on the economic actors with respect to the increase in the safety levels.”

There are pressures by the macro-environment that directly impact this sector. These are linked to social phenomena, such as the increased environmental sensitivity, the growing attention on the issue of transparency and the economic crisis. Both governments and interest groups, such as environmental associations, exert considerable pressure on the companies.

4.5.2 Vision and mission. The socio-environmental responsibility is to be considered, in the management of the company, as an obligation to act in an ethical and responsible way. The company’s reference values, which underlie the vision and mission, are competitiveness, technological development and sustainability. The vision implies “an economic development compatible with the protection of the environment”; the mission implies the “consolidation of the competitive position through a high technological development.”

The company’s final goal is to create economic value and an adequate evaluation of the company’s shares, preserving at the same time the privileged stakeholders’ interests and also those of future generations. The accountability seems to be influenced mainly by the conditions of the external context (the strong environmental impact of the activities carried out by the company), rather than by motivations aimed at obtaining advantages for the company.

4.5.3 Approach to CSR. The company’s conduct has always been defensive-reactive, adaptive to the referring context and has always taken into great consideration the possible risks concerning the environmental issues. The factory manager explains that “the management is oriented towards the achievement of high safety standards in order to minimize the environmental risks.”

4.5.4 Organization of CSR. There is no specific company CSR oriented function. The management of the environmental aspects is assigned to the production department.

4.5.5 Tools and processes of CSR. The company holds some environmental certifications and some tools for the management of social responsibility, such as the ethical code. It has developed a complex environmental reporting system. The company has activated, for some time, an efficient program for the prevention of any form of accident or injury for all that operate in the different productive sites. In the last years, it has received a certification for its Workplace Health and Safety Management System with reference to the standard OHSAS 18001:2007.

4.6 Company F

It is a medium-small sized company involved in the production and distribution of agricultural products. It is significantly internationalized on the customer markets, with a relevant presence in the organized distribution channels and in the large retail ones.

4.6.1 External context and CSR. There are significant pressures in this sector linked to quality, to safety, healthiness and traceability of its products. These pressures are exacerbated by the power of great distribution, which asks for increasingly higher levels of food safety. The access to market is tied to the compliance with the regulations and technical specifications, and also to the acquisition of specific certifications. Without such certifications, any access to large distribution is barred. The CEO does not highlight any particular pressures linked to the macro-environmental profile and by governments and interest groups.

4.6.2 *Vision and mission.* Socio-environmental responsibility should be considered in terms of attention to the customer and to quality, healthiness of the offered products. The environmental aspects should be considered a necessary factor, and not a distinctive one, in order to achieve a competitive advantage. According to the CEO: “competition in the sector forces the company to respect the high quality standards. Even if, in order to be successful, the productive/logistic process efficiency and the relationship with large distribution are factors of crucial importance.” The mission is to “give the consumer very fresh fruit and vegetables of the highest quality.” The company’s goals are of financial and competitive nature. The CEO highlights those aspects: “the company aims at obtaining satisfactory financial results and a good competitive positioning.”

4.6.3 *Approach to CSR.* The company’s conduct has always been defensive-reactive, adaptive to the specific context (regulatory and competitive). The CEO explains that “the compliance with the regulations and certifications are necessary competitive factors, though these don’t represent a critical success factor.”

4.6.4 *Organization of CSR.* The company does not include bodies and specific units dealing with CSR.

4.6.5 *Tools and processes of CSR.* The environmental management tools are linked to the quality management: traceability at every phase of production, distribution and compliance with the EU hygiene standards, which are necessary requirements to operate in the channel of large distribution. The certificates include UNI EN ISO 9001:2008; UNI EN ISO 14001:2004; EMAS III; British Retail Consortium; International Food Standard; Global G.A.P.

5. Evidence analysis and discussion

It is possible to classify the six companies analyzed on the basis of the pressure exerted by the macro-environmental and competitive context (Figure 1).

Companies D and B experience no particular pressure from the external context. From the macro-environmental profile, these companies are not influenced significantly by macro-social phenomena, nor are they under any particular pressure from

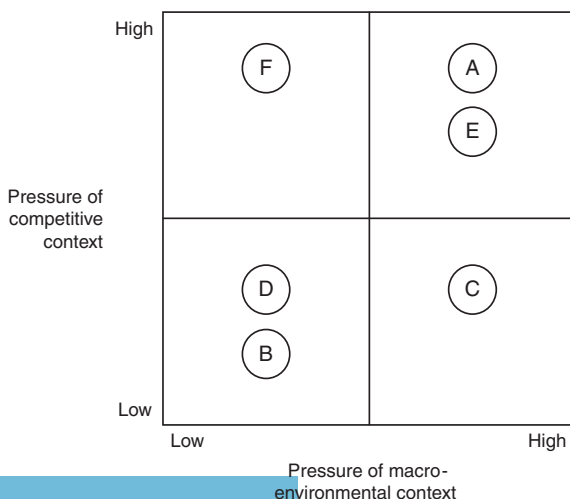


Figure 1.
The classification of the companies based on the external context

governments, NGOs or corporate interest groups. With regard to competitive pressures, companies D and B operate to industries (textiles and paper) at a low socio-environmental level and with limited pressure from competition.

Conversely, companies A and E receive significant pressures from the reference context. These medium-large, listed companies have high visibility, which results in higher transparency requirements and more structured systems of governance aimed at preventing financial crises and scandals. They are under pressure from national and local governments in terms of developing and maintaining employment and are influenced by the presence of corporate interest groups that provide standardized CSR management tools and sustainability reporting accounting principles. As for the pressures from the competitive context, company E operates in the energy sector, which has a strong environmental impact with respect to the problems of pollution, whereas company A provides public services in the multi-utilities sector, which has a strong social impact. Company F experiences pressure solely from the competitive context, as it operates in the agri-food industry in which the determinants of competitive advantage are often linked to socio-environmental elements (product traceability, food safety, etc.). It experiences significant pressure from customers and mass retailers. Company C, on the other hand, experiences pressure only from the macro-environmental context due to its importance on the national economic landscape; hence, it needs to equip itself with systems for protecting its clients and for preventing financial risks and scandals. It experiences strong pressure from NGOs who demand that it develop philanthropic activities.

It is immediately apparent that the pressures from the reference context are not sufficient to explain the different ways the CSR is integrated into company management in terms of organizational structures and governance and the tools and processes used. The external environment is a factor that has an effect on CSR but not on the means of business management integration, especially when it comes to strategy.

We must therefore consider an additional variable: the management philosophy. From the analysis of the vision and mission of the companies analyzed, as well as the approach to CSR, it is evident that companies C, D, E, F have an economically oriented management philosophy insofar as: economic purposes dominate. CSR is considered a cost or alternatively assumes an instrumental nature with respect to profit goals; the attitude toward CSR is defensive/adaptive. Companies A and B are characterized by a socially oriented management philosophy insofar as: a holistic vision dominates; they will seek synergies between economic, social and competitive goals; the CSR approach is proactive, aimed at finding innovative solutions that surpass the conflicts between economic, social and environmental aspects.

The introduction of this third variable allows for a more effective classification of the companies analyzed (Figure 2).

In the case of company D, there is no integration, since it has an economically oriented philosophy and a context that does not exert significant pressures.

In the case of company C, there is a formal integration arising from the need to adapt to the conditions of the macro-environmental context (listing on the stock exchange, media exposure, quasi-regulation). The integration is the adoption of formalized CSR tools and management processes: ethical code, sustainability report, etc.

In the case of company F, there is an operational management integration associated with the type of business, which requires, and not only in formal terms, the adoption of socio-environmental management tools: traceability, control of the supply chain, compliance with specific regulations and hygiene standards. CSR is not, however,

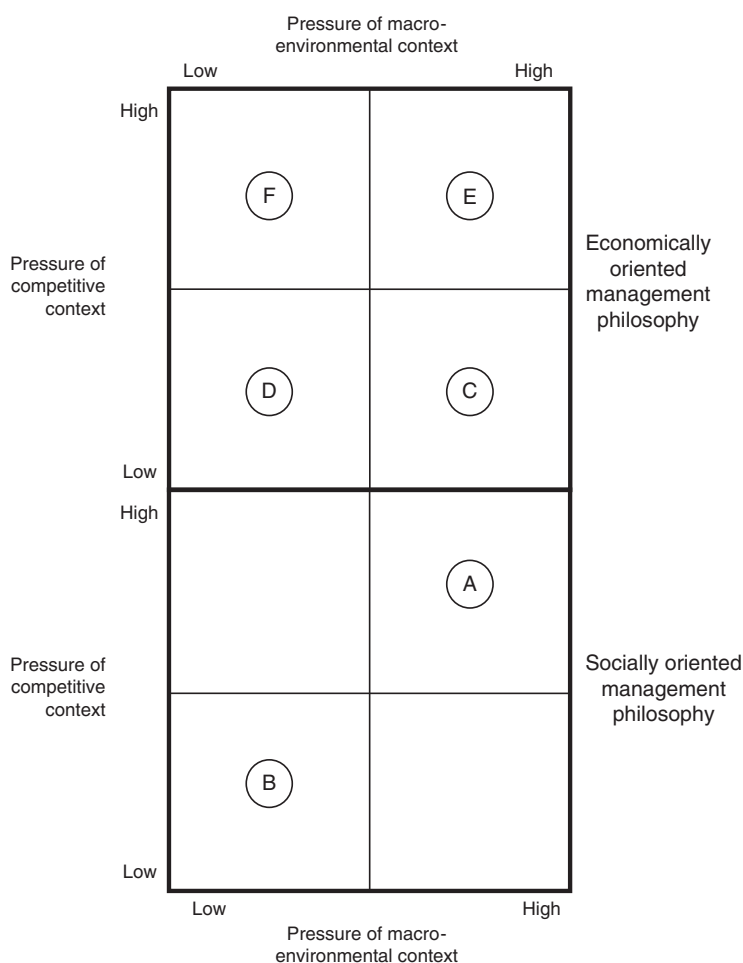


Figure 2.
The classification of the companies based on the external context and management philosophies

a distinctive element for obtaining a competitive advantage, but a necessary factor which characterizes the operation of that particular business.

In the case of company E, there is a systematic integration, meaning that it extends to the company management but does not entail strategic implications. It is a direct result of both the particular configuration of the competitive environment, which is especially sensitive to environmental issues and the pressures at the macro-level. It materializes in the use, both substantial and formal, of tools and processes of operational sustainability management.

In the case of company B, there is a strategic innovative integration characterized by a socio-competitive creativity, aimed at seeking solutions that increasingly meet stakeholder expectations and act as a factor for developing competitiveness. Proactive behaviors exist, considering the absence of macro-environmental and competitive pressures. The tools and processes used are both those typical of strategic analysis and those of stakeholder engagement aimed at involving stakeholders in the company management. The recourse to formal tools is limited, considering the absence of pressure from the context.

In the case of company A there is a pervasive strategic integration based on a socially oriented management philosophy. The pressures of the external context contribute to the spread of socially oriented policies across the company. CSR is the company's main development engine and covers the overall strategic and organizational structure. The same is reflected in the governance and organizational structure, with the presence of specific departments dedicated to sustainability. CSR management tools, whether formal or otherwise, refer to planning systems and strategic control, communication processes, advanced stakeholder engagement and multi-dimensional reporting.

6. Conclusions

On the basis of the analysis that was carried out it is possible to answer to the research questions. The integration of CSR depends on three factors: the macro-environment, the competitive context and the management philosophy. In particular, management philosophy is the internal variable on which the type of strategic or operational integration depends. In the presence of a socially oriented management philosophy, there is full integration of CSR in the company's strategic management: this concerns the governance, the organizational structure, the planning and strategic management phase, the relationships with stakeholders and the human resources management systems. In contrast, an economically oriented management philosophy involves a partial integration. In some cases this integration is only formal, and in other aspects it refers only to current management aspects. In still others it is systematic, but still limited solely to operational management. The external factors, as a result, affect the assumption of CSR and its integration in the management of the company, but they are not decisive for purpose of strategically implementing CSR. The conditions of the external environment simply favor the use of formalized and structured CSR management tools and processes.

The main managerial implications arising from the empirical analysis can be summarized as follows: first, external conditions influence CSR management, but the company's success is connected to a management philosophy that can transform external pressure into management opportunities; second, innovative business ideas are related to a proactive management approach to CSR that allows one to design successful solutions in the absence of external pressure; third, the consistency between the management philosophy and the means for managing CSR is fundamental: the adoption of tools and processes, even sophisticated ones, but not fundamentally based on socially oriented values, can lead, in the long term, to negative tensions in relationships with stakeholders.

The main limitation of this research is related to the methodology used, which makes it difficult to generalize the results. With respect to said aspects, possible directions for future research could focus on extending the analysis to foreign companies and on the verification of research outcomes through quantitative methodologies.

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(The Appendix follows overleaf.)

Topic	Questions
External context	<p>Is there any particular issue of social and environmental nature in your industry?</p> <p>How do the social and environmental issues characterizing your competitive context impact your management activities?</p> <p>What is the relevance of the social and environmental pressures exerted by the competitive context?</p> <p>Is there a link between competitive advantage and socio-environmental aspects in your industry?</p> <p>Are there any social and ecological aspects in the macro-environment which impact your management activities? What are they? With what intensity? In what way do they impact?</p> <p>Who are the main actors who make socio-environmental pressures on your activity ?</p> <p>To which characteristic of your company would you attribute the social impacts of the macro-environment?</p>
Vision and mission	<p>What are the entrepreneurial values to which your company looks up to?</p> <p>What is your vision of business?</p> <p>What is your company's mission and role in society?</p> <p>What are the goals of your company?</p> <p>How much importance do you attribute to profit in the scope of the company's aims?</p> <p>Which responsibilities do you give your company in carrying out its activity?</p> <p>What role do you ascribe to CSR in your management?</p>
Approach to CSR	<p>What are the reasons that lead toward the undertaking of CSR actions?</p> <p>What role do the context conditions have toward the undertaking of CSR actions?</p> <p>Are your CSR actions innovative? Which ones deserve to be mentioned?</p>
Organization of CSR	<p>Are there, in your organization, bodies specifically devoted to CSR? What are these bodies? How are they structured?</p>
Tools and processes of CSR	<p>What tools and CSR management processes do you use in your company?</p> <p>What are the reasons leading to their use?</p> <p>Do you hold any certifications of socio-environmental kind? What are they?</p>

Table A1.
Semi-structured
interview outline

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