CORPORATE SOCIAL RESPONSIBILITY: REVIEW

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Abstract

As a consequence of extremely competitive markets, companies must endeavor to reveal a picture of themselves as highly socially responsible enterprises². The increasing academic interest in Corporate Social Responsibility has led the development of a set of definitions regarding the concept. Nowadays, extant literature presents substantial evidence that CSR activities can play a significant role in enhancing a firm’s value (Mahfuja, 2013). In this scenario, the following paper examines the broad progress of the ideas behind the concept though its origins and evolution in a country focus approach, practices implementation and literature available from different authors over the time. Also, we outline a set of core elements that many scholars associate this term with and finally we develop a special focus towards the stakeholders approach among all theories available on this matter.

Keywords: Corporate social responsibility, stakeholder approach, corporate social performance, corporate citizenship

1. Introduction

Corporate Social Responsibility (CSR) is a concept that, has attracted worldwide attention and acquire a new resonance in the global economy³. Heightened interest in CSR in recent years has stemmed from the advent of globalization and international trade which have reflected in increased business complexity and new demands for enhanced transparency and corporate citizenship (Jamali & Mirshak, 2007).

In today’s global economy, corporate social responsibility is a core component of corporate strategy. Due to financial scandals, losses, and the diminished reputation of the affected listed companies. It is emerging as a crucial instrument for minimizing conflicts with stakeholders. (Becchetti, Ciciretti, & Hasan, 2009).

Since many authors agree that organizations are increasingly concerned about how their actions affect environment and social welfare (Sprinkle and Maines, 2010) there is a reasonable need to be extremely knowledgeable of stakeholder perspectives and their preferences for particular CSR activities and social and community initiatives⁴.

¹ In collaboration: Erika Galindo Aguilar, Student at Esan University.
³ Kakabadse, Rozuel, & Lee-Davis: Corporate social responsibility and stakeholder approach: a conceptual review (2005)
⁴ Munro, 2013: Stakeholder Preferences for Particular Corporate Social Responsibility (CSR) Activities and Social Initiatives.
It is not surprising then, that some firms choose to be socially responsible in this sense, since most large companies, and even some smaller ones now feature CSR reports, managers, departments or at least CSR projects, and the subject is more and more being promoted as a core area of management, next to marketing, accounting, or finance\(^5\). In addition Munro (2013) states that consumers are increasingly interested in the origin of products and; the transparency of the supply chain. As a result, many organizations are willing to indicate their CSR and ethical selections in their communications materials.

From an economics perspective, companies would be expected to engage in such activities if the perceived (measured or unmeasured) benefits exceeded the associated costs in the view of the decision-making entity\(^6\).

According to Shubham & Shruti (2014) the goal of CSR is to cuddle responsibility for the company’s actions and persuade a positive blow through its actions on the surroundings, consumers, employees, communities, stakeholders and every member of the general public sphere.

Additionally, CSR-focused businesses would proactively advance the general public profit by cheering community growth and progress, and volitionally eliminating practices that harm the general public sphere, in spite of lawfulness.

Following this introduction, we first outline a view through several concepts of corporate social responsibility among the literature available reviewing the history behind the term and then, we highlight a stakeholder model approach based on the idea that long-term sustainability of a corporation is dependent upon procuring the cooperation of numerous constituents, including but not limited to shareholders (Korschun & Sen, Strengthening Stakeholder-Company Relationships Through Mutually Beneficial Corporate Social Responsibility Initiatives, 2009).

### 2. Origin and evolution

The first attempts to define CSR appeared in the United States during the 1950s, but studies on the subject had already been published in the 1920s, as a consequence of the debate on the need for company managers to take into account not only shareholders’ interests but also other stakeholders’ interests\(^7\). Because of the Great Depression of the 1930s and the Second World War this debate remained marginal. It was therefore only during the 1950s that the CSR debate became the subject of an important number of studies.

The following table presents selected academic definitions of CSR and also critical questions with regard these definitions:


\(^7\) Sustainable development through the global impact (2007)
<table>
<thead>
<tr>
<th>Scholars</th>
<th>CSR Definitions</th>
<th>Critical Questions / Dilemmas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bowen (1953)</td>
<td>“What responsibilities to society may businessmen reasonably be expected to assume? [CSR] refers to the obligations of businessmen to pursue those policies to make those decisions or to follow those lines of action, which are desirable in terms of the objectives and values of our society” Interest in politics in the welfare of the community, in the education, in the happiness of its employers and in fact in the whole social world about it. Therefore business must act justly as a proper citizen should.</td>
<td>What constitutes “reasonable” and unreasonable+” expectations of businessmen? What if the objectives and values of our society are irresponsible? How does business combine “interest in politics” with being an impartial, responsible citizen?</td>
</tr>
<tr>
<td>Frederick (1960)</td>
<td>“Social responsibility in the final analysis implies a public posture toward society’s economic and human resources and a willingness to see that those resources are used for broad social ends and not simply for the narrowly circumscribed interest of private persons and firms”</td>
<td>Why is “social responsibility” only a public posture toward resources? What about intangible matters of CSR?</td>
</tr>
<tr>
<td>Sethi (1975)</td>
<td>Social responsibility implies bringing corporate behavior up to a level where it is congruent with the prevailing social norms values and expectations of performance”</td>
<td>How does it address business influences on “social norms, values and expectations of performance”</td>
</tr>
<tr>
<td>Carroll (1979)</td>
<td>“The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time”</td>
<td>What to balance society expectations with business responses? Does it imply that business only responds to expectations?</td>
</tr>
<tr>
<td>Drucker (1984)</td>
<td>The proper social responsibility of business is to tame the dragon that is to turn all social problem into economic opportunity and economic benefit into productive capacity into human competence into well-paid jobs, into wealth</td>
<td>What about non-tangible, non-economic benefits? How to measure these opportunities?</td>
</tr>
<tr>
<td>Wood (1991)</td>
<td>Argues that the basic idea of corporate social responsibility is that business and</td>
<td>How does society evaluate business social responsibility if</td>
</tr>
<tr>
<td>Scholars</td>
<td>CSR Definitions</td>
<td>Critical Questions / Dilemmas</td>
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<tr>
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<tr>
<td></td>
<td>society are interwoven rather than distinct entities</td>
<td>being interwoven it may be influenced by business irresponsibility?</td>
</tr>
<tr>
<td>Mc Williams and Siegel (2001)</td>
<td>CSR is situations where the firm goes beyond compliance and engages in actions that appear to further some social good beyond the interest of the firm and that which is required by law</td>
<td>What are the boundaries of “some social good”?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>How to address potential disparity between different social groups understanding of “some social good”?</td>
</tr>
<tr>
<td>Kottler and Lee (2005)</td>
<td>“Corporate social responsibility is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources”</td>
<td>Does this exclude business organization’s internal wellbeing?</td>
</tr>
<tr>
<td>Hopkins (2007)</td>
<td>CSR is concerned with treating the stakeholders of the firm ethically or in a responsible manner. Ethically or responsible means treating stakeholders in a manner deemed acceptable in civilized societies. Social includes economic responsibility. Stakeholders exist both within a firm and outside.</td>
<td>How to define universally acceptable benchmarks of civilized societies?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>How to represent nature as valid stakeholders?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>What constitutes “higher and higher standards of living”?</td>
</tr>
<tr>
<td>Freeman (2008)</td>
<td>Propose to replace —corporate social responsibility with an idea of company stakeholder responsibility. “Company” signals that all forms of value creation and trade, all businesses need to be involved. “Stakeholder” suggests that the main goal of CSR is to create value for key stakeholders and fulfill our responsibilities to them. And “Responsibility” implies that we cannot separate business from ethics.</td>
<td>How organizations can achieve higher levels of commitment towards this new CSR?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>How is possible for executives and business thinkers to begin applying this approach?</td>
</tr>
<tr>
<td>Visse (2010)</td>
<td>Using the metaphor of a computer analogy, CSR 2.0 is about global commons, innovative partnerships and stakeholder’s involvement. He states that CSR 1.0 was about “one size fits all” meaning standardization, accountability through external certifications and listing companies at sustainability ranking lists, whereas CSR 2.0 is about decentralizing the power to shared local panels of</td>
<td>What corporate principles are capable to reflect this new concept?</td>
</tr>
</tbody>
</table>
Country specific studies focus on one aspect or other of CSR from the above analysis a transition in the concept and practices of CSR is clearly visible.

We proceed to present a compilation of corporate social responsibility practices in different countries around the globe, it’s visible that definitions often vary as they represent historical and social differences between countries.

Indeed, certain definitions underline a particular theme because it is more relevant in that particular state, at other times the concept of CSR reflects the level of economic and therefore social development of a country⁸. See table 2.

It can be stated that now CSR is a wider concept and has traversed from being focused on social issues and collectivism to being involved with transparency, accountability and corporate citizenship. (Sharma & Kiram, 2013).

Table 2: Corporate social responsibility: practice country wise focus

<table>
<thead>
<tr>
<th>Country</th>
<th>Author</th>
<th>Sector</th>
<th>CSR Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>Furrer et. al. (2009)</td>
<td>Education</td>
<td>Business students attribute more importance to environmental CR and less importance to social CR than managers</td>
</tr>
<tr>
<td>Europe</td>
<td>Steurer (2010)</td>
<td>The role of governments in CSR characterizing public policies.</td>
<td>CSR started out as a neo-liberal concept that helped to downscale government regulations but that it has in turn matured into a more progressive approach of societal co-regulation.</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Arli and Lasmono (2010)</td>
<td>Consumers perception of CSR</td>
<td>Consumers are often unaware and unsupportive towards CSR. But when consumers have to buy similar products with the same price and quality, CSR could be the determining factor.</td>
</tr>
<tr>
<td>Chinese</td>
<td>Ramasamy and Yeung (2009)</td>
<td>Consumers perception of CSR</td>
<td>Economic responsibilities are most important while philanthropic responsibilities are of least importance.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location</th>
<th>Author(s)</th>
<th>Industry/Context</th>
<th>Key Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>Muller and Kolk (2009)</td>
<td>Auto industry</td>
<td>Local companies do engage in the type of CSR activities commonly associated with CSR in developed countries.</td>
</tr>
<tr>
<td>Germany and UK</td>
<td>Silberhorn, D. and Warren, R.C.  (2007)</td>
<td>CSR view from big companies</td>
<td>German companies could benefit more from demonstrating a broad business-driven understanding of CSR.</td>
</tr>
<tr>
<td>Finland</td>
<td>Kapoor and Sandhu (2010)</td>
<td>Compares CSR practices of forest company a cooperative bank and a retail cooperative</td>
<td>The local corporate social responsibility should be in balance with global corporate social responsibility. Companies have still much work to do for good “corporation citizenship”</td>
</tr>
<tr>
<td>Japan</td>
<td>Fukukawa and Teramoto (2009)</td>
<td>Multinational companies</td>
<td>Japanese business is not keeping up with corporate social responsibility practices and it needs to achieve a more global mode of transparency and accountability.</td>
</tr>
<tr>
<td>United States, Europe and Asia</td>
<td>Hill (2007)</td>
<td>Company stock market valuation</td>
<td>European countries and United Stats represented in this study are best characterized by horizontal individualism. Thus, their possible impact on socially responsible investing may be very different than Asian investors.</td>
</tr>
<tr>
<td>India</td>
<td>Murthy (2008)</td>
<td>Top Software firms</td>
<td>Corporate social disclosure practices of the top 16 software firms in India. Firms had different motives/reasons for reporting the different attributes of CSR.</td>
</tr>
<tr>
<td>Asia</td>
<td>Cahpple and Moon (2005)</td>
<td>CSR Web site Reporting</td>
<td>Multinational companies are more likely to adopt CSR than those operating solely in their home country.</td>
</tr>
<tr>
<td>India</td>
<td>Kiran and Sharma (2011)</td>
<td>Health, education and environment</td>
<td>Investment in CSR initiatives vary according to the firm size.</td>
</tr>
</tbody>
</table>

3. The concept of corporate social responsibility

A number of different authors have tried to develop and define the concept of CSR. Although various definitions had been developed, the one proposed in 2007 for the Corporate Social Responsibility Forum held in Spain state that Corporate social responsibility is apart from the strict application of all the current legal obligations [by the company], the voluntary integration of social, working, environmental and human rights observation concerns, that arise from the relationship and transparent talks with its stakeholders, into its government and management, strategy, policies and procedures, in a way that the company takes responsibility for the consequences and impact of its actions.

Developing this concept is fair to describe CSR activities of companies are those that exceed compliance with respect to, e.g., environmental or social regulations, in order to create the perception or reality that these firms are advancing a social goal (Morrison & Seagel, 2006).

In similar vein it means operating a business in a socially responsible manner whereby the business (Gopal, 2010, p.120) can undertake ethical practices in employment and labor by improving workplaces; is involved in building local communities and communicates with concerned communities regarding the consequences of its policies and products, invests in building social infrastructure, contributes to a cleaner environment, its protection and sustainability and finally how contributes by way of its corporate governance to economic development at large.

For Reid & Nwagbara (2013) the concept embraces organizations’ activities able to resonate with corporate conscience, social accountability, social performance, corporate citizenship and responsible business. Some understand it to be a commitment of a corporation to manage its numerous roles in society, as producer, employer, client and national in a very accountable manner whereas for others it's synonymous to Company Responsibility (CR) or company Citizenship or Social Action Programme (SAP).

The concept involves a company’s commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Stakeholders include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and non-government organizations, local communities, environment and society at large.

Sharma & Kiram (2013) states corporate social responsibility as a concept whereby companies integrate social, environmental and health concerns in their business strategy (policy) and operations and in their interactions with stakeholders on a voluntary basis. The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time (Carroll, 1979).

An interesting point by Mortazavi, Pirmouradi, & Soltani (2013) defines CSR as the responsibility of an organization for the impacts of its decisions and activities on society and the environment through transparent and ethical behavior that is consistent with sustainable development and the welfare of society.

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9 Shubham & Shruti: Corporate social responsibility: a need of a present and future (2014)

CSR, also known as corporate social performance, sustainable business, sustainable responsible business, corporate responsibility, corporate citizenship is an integral component of the operations of a company whereby it voluntarily contributes to society in terms of economic, environmental, ethical and social investment. (See Figure 1)

Following the review, Basu & Guido (2008) analyzed three fundamental lines of CSR enquiry prevalent in the academic literature, they might be characterized as:

A. **Stakeholder driven**: CSR is viewed as a response to the specific demands of largely external stakeholders such as governments and consumer lobby groups with regard to a firm’s operations, or with regard to generalized social concerns.

![Cyclical matrix of corporate social responsibility](image)

**Figure 1: Cyclical matrix of corporate social responsibility**


B. **Performance driven**: emphasizes the link between external expectations and a firm’s concrete CSR actions, focusing on measuring the effectiveness of such actions (Wood, 1991) as well as determining which activities might be best suited to deliver the requisite performance.

C. **Motivation driven**: examines either the extrinsic reasons for a firm’s CSR engagement such as enhancing corporate reputation (Fombrun, 2005), preempting legal sanction (Parker, 2002), managing risk (Fombrun, Gardberg & Barnett, 2000; Husted, 2005), generating customer loyalty (Bhattacharya & Sen, 2001 and 2004) among other reasons.
4. Core elements of corporate social responsibility

4.1 Long-term perspective

The first characteristic of CSR is that it is part of a long-term perspective of economic gain that may not be financially measurable but may provide a valuable asset for future profitability, and eventually for “social power” (Davis, 1973; Carroll, 1999). This idea is reminiscent of the concept of sustainability, i.e., business does not pursue only short-term profits, but rather a multitude of goals which all combine to guarantee business’s survival and prosperity in a changing environment. (Kakabadse, Rozuel, & Lee-Davis, 2005). CSR must be designed, executed and evaluated in line with strategic criteria, following the same guidelines as for any other vital interests of the company. It must also be integrated with the organization’s mission. It should not be a sham, or a set of tasks that diverts the organization away from its core business activities.\(^{11}\)

4.2 Beyond the Law

A second characteristic on which academics agreed by the 1970s and many authors nowadays is that CSR is about going “beyond the narrow economic, technical, and legal requirements of the firm” (Davis, 1973,p.312; Carroll, 1999). Therefore, abiding by the law does not immediately mean being socially responsible and CSR is implicitly the expression of a voluntary effort by which the firm complies with ethical standards, as opposed to purely economic or legal imperatives (Jones, 1980; Carroll, 1999). (Mortazavi, Pirmouradi, & Soltani (2013) highlight that aspect, stating that: “corporate social responsibility is concerned with the ways in which an organization exceeds the minimum obligations to stakeholders specified through regulation and corporate governance”.

4.3 Accountability to stakeholders

A third characteristic of CSR is the idea that business is accountable to various stakeholders who can be identified and have a claim, either legally mentioned or morally expected, on the business activities that affect them (Frederick, 1987; Mitnick, 1995; Jones, 1999). The assumption that firms have responsibilities to shareholders is usually not contested, but the point is that because corporations rely on various other constituencies such as consumers, employers, suppliers, and local communities in order to survive and prosper, they do not only have responsibilities to shareholders. (Crane, Dirk, & Spencer, 2008)

4.4 Social contract

In relation to stakeholder arguments, CSR is also often associated with the theme of the ‘social contract’ or alternatively of ‘license to operate’ (Kakabadse, Rozuel, & Lee-Davis, 2005). In that perspective:
“A corporation is defined as an entity created and empowered by a state charter to act as an individual. This authorization gives the corporation the right to own, buy and sell property, to enter into contracts, to sue and be sued, and to have legal accountability for damages and debt only to the limit of the stockholders’ investment.”

This definition alone gives a scary taste of what corporations could do if they operate ‘free of any moral restraints’. But the idea of a license to operate implies that society allows business to operate assuming that it will behave fairly and show accountability for its actions beyond legal requirements\(^\text{12}\).

4.5 The notion of power

Proponents of CSR argue that “the source of this responsibility is based on the power and influence that organizations have, which leads them to cause, both directly and indirectly, moral effects in society” (L’Etang, 1995). Wilson (2000, p.13) explains that CSR is related to various layers of behavior, whose extremes are, on the one hand, “the basic need to meet commonly accepted ethical principles of ‘good behavior’”, and on the other hand, “an insistence that corporations have a social responsibility to help solve social problems […] they may have, in part, created, and that most certainly affect their performance”. He defines CSR as a ‘set of new rules’ somewhere in between these two positions, which specifies society’s ethical expectations, and which relates to the themes of legitimacy, governance, equity, the environment, employment, public-private sector relationships and ethics (Wilson, 2000).

The rule of legitimacy for Wilson implies that “to earn and retain social legitimacy, the corporation must define its basic mission in terms of the social purpose it is designed to serve rather than as the maximization of profit” (Wilson, 2000, p.13). See figure 2.

![Figure 2: Core elements of Corporate Social Responsibility](source)

Source: Adaptation of Mortazavi, Pirmouradi, & Soltani: Corporate Social Responsibility: 2013

5. The stakeholder approach

Extant research indicates that CSR initiatives are successful in generating returns to the company to the extent that they foster strong and enduring relationships with stakeholders (Waddock and Smith, 2000).

In that sense, Maignan and Ferrell (2004) propose that the degree to which stakeholders develop a bond of identification with the company is based upon the extent to which CSR initiatives address issues that are important to the stakeholder group. While relationships and the benefits that drive these relationships have received little attention in the CSR literature, the importance of developing strong and enduring relationships with stakeholders by providing those benefits has solid footing in both stakeholder theory and relationship marketing. (Korschun & Sen, 2009)

One of the main aspects that the different definitions of and approaches to CSR contain is the fundamental role that stakeholders play in a company. Regarding this, in recent years, numerous authors have analyzed the relationship between stakeholders and CSR. This is known as the stakeholder approach presented by Edward Freeman in the 1970’s. (Server & Capó, 2011)

A stakeholder-oriented approach to CSR emphasizes that organizations exist within large networks of stakeholders, all of which stake claims on organizations. Within the organization, the interests of these various stakeholders meet and interact with one another and the interests of the organization. When organizations face demands from stakeholders to recognize the importance of CSR, they generally translate those demands into CSR objectives and develop CSR policies for the stakeholders. It is no surprise then, that a proactive organization able to recognize these varied interests will therefore engage with its stakeholders in order to acquire the ethical right to access those resources.

This approach begins by looking at various groups to which the corporation has a responsibility based on that they are typically analyzed into primary and secondary stakeholders, for example, Clarkson (1995, p. 106) defines a primary stakeholder group as “one without whose continuing participation the corporation cannot survive as a going concern” with the primary group including “shareholders and investors, employees, customers and suppliers, together with what is defined as the public stakeholder group: the governments and communities that provide infrastructures and markets, whose laws and regulations must be obeyed, and to whom taxes and obligations may be due” (p. 106). The secondary groups are defined as “those who influence or affect, or are influenced or affected by the corporation, but they are not engaged in transactions with the corporation and are not essential for its survival”.

The importance of stakeholders can be determined by their relative power, legitimacy, and urgency (Mitchell, Agle, & Wood, 1997). The overall logic is that CSR increases the trustworthiness of a firm and so strengthens relationships with important stakeholders (e.g., increases employee satisfaction), which decreases transaction costs and so leads to financial gain (e.g., decreased employee turnover, more eager talent pool, union avoidance). According to Freeman (1978), there are two basic principles on which the stakeholder approach to management is based:

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14 Uzoma: CSR stakeholder engagement and Nigerrian Tobacco manufacturing sub-sector (2012)

15 Moir: What do we mean by corporate social responsibility (2001)

The first states that the main objective is to get the maximum global cooperation between all stakeholders to achieve the organization’s objectives. The second states that the most efficient strategies to manage the relationships with stakeholders, involve effort that has to be simultaneously applied to other matters that affect multiple stakeholders.17

The stakeholder approach has been used extensively to explore the ethical consequences on stakeholders of managerial action18. Freeman (2008) proposed four different ways in which scholars had applied the stakeholder approach to business ethics: as a normative theory, which posits that managers ought to take into consideration the interests of all stakeholders; as a descriptive theory, which limits itself to describing how managers in fact treat stakeholders; as an instrumental theory, which takes the position that managers who take into consideration stakeholders’ interests will enjoy better firm performance; and finally, as a managerial theory, that is, as a guide to managerial action.

Therefore, stakeholder management tries to integrate stakeholders in the business decision-making processes of the company. Instead of focusing on a generic responsibility, in specific matters or in the principle of public responsibility, this approach is focused on stakeholders or the people that affect, or are affected by, company policies and practices (Garriga and Melé, 2004).

An important question that has been addressed is to which groups do managers pay attention? Mitchell et al. (1997) develop a model of stakeholder identification and salience based on stakeholders possessing one or more of the attributes of power, legitimacy and urgency. Agle et al. (1999) confirm that the three attributes do lead to salience. Thus, we might anticipate that firms would pay most attention to those legitimate stakeholder groups who have power and urgency. In practice this might mean that firms with problems over employee retention would attend to employee issues and those in consumer markets would have regard to matters that affect reputation. (Moir, 2001)

On the other hand, (O’ Riordan & Fairbrass, 2008) states that Stakeholder dialogue potentially offers a fruitful approach to managing stakeholder relations. Through such a mechanism, firms and their stakeholders can participate in a process which allows them to constructively air their views and contribute to a debate about the potential shape and extent of the social responsibilities to be shouldered by the firms. By entering a dialogue about the possible social, economic, and environmental obligations of pharmaceutical companies, business managers may find ways of identifying, evaluating, addressing, and balancing the demands of their stakeholders.

6. Conclusions and comments

This paper has reviewed a broad understanding of what is meant by corporate social responsibility how and why business might undertake such behavior through studying country wide literature on the matter.

17 Server & Capó: The interrelationship between the demands of Corporate Social Responsibility and cooperative principles and values (2011)

In view of the increasing pressure by society for companies to assume responsibility and increase competitiveness, the incorporation of Corporate Social Responsibility into business policies can be a good response.

Currently corporations in the global economy are strengthening their commitment to respecting human rights, social and environmental accountability, ethical control and promoting sustainable development through their services, processes, products and relationships. Corporate social responsibility in a global economy entails aligning a company’s activities with the social, economic and environmental expectations of its ‘stakeholders’.

This research has focused attention on a stakeholder approach based on the original work of Edward Freeman’s stakeholder theory. In fulfilling CSR obligations, organizations are expected to engage with their stakeholders through various initiatives and activities.

Our purpose is to outline why stakeholder perspectives and preferences are of great interest and importance to corporations wishing to gain stakeholder acceptance, understanding and respect and why this should be examined across different markets and nationalities.

Benefits resulting from applying CSR as part of the business strategy will be a unique competitive advantage if each company seeks an exclusive position, establishing lasting relations with the stakeholders in order to reinforce their competitive position.

**References**


