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Corporate Social Responsibility and Organization Behavior: Research Assessment Indian Economy from a Global Perspective

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Abstract: *This review analyzes how the organization uses CSR initiatives to impact consumer buying behavior. The research papers that focused on the key domains related to the relationship between CSR, firm market value, and different attributes of organizational behavior concerning corporate social responsibility were selected for review. The investigation was performed by analyzing 50 empirical articles found in primary journals. Taxonomy is developed based on the analysis. The current study demonstrated the role of organization strategies in assessing CSR structure. Managers should monitor various important factors in modulating the impact of consumer characteristics and purchase intentions.*

Keywords: Corporate Social Responsibility (CSR), firm's market, CSR Strategies, organization behavior

I. INTRODUCTION

Corporate Social Responsibility (CSR) was misinterpreted as that of social performance by the organization and corporate citizenship. The absence of uniformity while using the term CSR made it very tedious to compare the outcomes over the past research. This hindered the potential to acquire a deep knowledge about the inference of CSR activity. A sound concept of CSR would help us to illustrate how organizational culture and management play a part in how important CSR is to a firm.

Although the phrases good corporate governance and corporate social responsibility are often used (Andriof and McIntosh, 2001; Brandeleer, 1997; McIntosh et al., 1998), no explanation has gained widespread acceptance, and many conceptualizations coexist. Effective CSR theories and models share two characteristics, though: (1) businesses have social as well as economic obligations; and (2) a socially responsible company has a responsibility to respond to the issues and fulfill the needs of its major stakeholders, including its workers, stockholders, buyers, distributors, the media, regulatory bodies, and political groups.

A piece of deep knowledge of the various aspects of organizational behavior will help them to achieve success. Thus, the present review is performed to study the impact of CSR initiatives on organizational behavior and in return on consumers.

1.1 Classification Framework of CSR Studies

The framework has been developed by considering the historical context of CSR research. Brief descriptions of these categories are provided in Table I:

Table I –Studies on CSR Impact on Organization Behavior- An Overview by Thematic Categories and Research Methods

Categories	Research Methods	Brief Description	CSR studies
Impact of CSR on Financial Performance	Questionnaire survey	Predominantly quantitative studies that directly explore corporate	Davis, 1973; Bansal, et al, 2000; Upham, 2000; Abagail Mc William, et al, 2000; Margolis, et al, 2003;

		motivations behind CSR	Peloza, et al, 2011; Hadi Rasoulzadeh, et al, 2013; Enahoro John. A, et al, 2013
Enterprise and Sociological View of CSR	Questionnaire survey	The survey was done using the nominal/ ordinal data only. Various tests were applied to calculate and verify the results.	Sethi,1975; Ackerman, et al, 1976; Carroll, 1979 Wartick, et al, 1985; Kotler, et al, 2005; Broomhill, 2007; Sivaranjini, et al, 2013
CSR and corporate sustainability	Content Analysis	Qualitative & quantitative data were used through open-ended questions and interviews	Epstein, et al, 1987; Oliver,1997; Griffin, et al, 1997; Miller, 2001; Haufler, 2001; Korhonen,2003; Matten, et al, 2004; Porter, et al, 2011
CSR and stakeholder's theory	Descriptive analysis	Secondary data sourced from journals, magazines, articles & media reports	Wilson,2003; Aguilera, et al, 2007; Bird, et al, 2007; Dima Jamali, et al, 2008
Consumers' perceptions of fit, motivation, and timing of corporate social marketing	Questionnaire survey with interview	Predominantly quantitative studies that directly explore the various variables associated with consumer perception and CSR	Becker-Olsen, et al, 2005; Morsing, et al, 2006; Sandro Castaldo, et al, 2009; Lei Wang and Heikki Juslin 2010; Ki-Hoon Leea, Dongyoung Shinb, 2010; Peloza, et al, 2011; Andrea P´erez, et al, 2013; Marina Mattera et al, 2012; Todd Green, et al, 2014; I Baghi, et al, 2009; Silvia Stefania Mihalache, 2010; Ker-Tah Hsu, 2012; Arif Jauhar Tontowi, et al, 2013
Studies relating to the construction of a conceptual framework to find the relationship between CSR, firm market value corporate and customer satisfaction	Exploratory analysis	Secondary data sourced from journals, magazines, articles & media reports	Holbrook, 2006; Riddleberger, et al, 2009; Imran Ali et al, 2010; Miller, et al, 2011; Hamid Reza Saeedniaa and Zahra Sohani, 2013; Kousalya, et al, 2013; Rajeev Prabhakar, et al, 2013

Source: Prepared from research papers reviewed

The framework used here encapsulates important issues regarding various CSR-related organizational factors. It is acknowledged that there could be alternative categorizations of CSR literature such as chronological categorization (See Mathews, 1997).

1.2 Factors Influencing Organizational Behavior and CSR

Seven interrelated factors for which the empirical evidence shows significant relationships were identified.
These seven factors are

- Firm's Financial Performance
- Timing of Corporate Social Initiatives

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- Firm's and sociological view of CSR
- Firm's Market Value
- CSR and stakeholder's theory
- CSR and Corporate Sustainability
- CSR and Corporate Governance

Each of the factors and the empirical literature bearing on it is discussed in detail below:

Firm's Financial Performance

30 out of 50 studies examine the impact of CSR on a Firm's Financial Performance. The first set of studies examines the short-run financial impact (abnormal returns) when firms engage in socially responsible or irresponsible acts (like Clinebell and Clinebell, 1994; Hannon and Milkovich, 1996; Posnikoff, 1997; Teoh, Welch, and Wazzan, 1999, etc). A second set of studies examines the nature of the relationship between some measures of corporate social performance, CSP (a measure of CSR), and measures of long-term firm performance, using accounting or financial measures of profitability (like Aupperle, Carroll, and Hatfield, 1985; McGuire, Sundgren and Schneeweis, 1988; and Waddock and Graves, 1997). It was found that companies engaged in CSR practices could satisfy their benefits, including reputation enhancement; avoiding costs stemming from litigation; attracting investors; improving their competitiveness and market positioning; and improving their operational efficiency. CSR was recommended to be invested in as it will boost the firm's performance and improve shareholders' wealth in the long run.

Timing of Corporate Social Initiatives

13 out of 50 studies examine the impact of CSR and the Timing of Corporate Social Initiatives

Handelman and Stephen (1999) stated that due to the positive relationship between CSR and company performance, companies have successfully integrated public-purpose marketing with their economic-oriented marketing strategies. Porter and Kramer 2006; Smith 2003 stated that the willingness to invest in CSR emphasizes that it is not a cost, a constraint, or the right thing to do but a source of competition. Smith and Higgins (2000) explained that the effective use of CSR by the brand manager can distinguish a company from its rivals and help it gain a competitive advantage. Varadarajan and Menon 1988 pointed out that CSR can associate social attributes with a company's brands to differentiate a product or service.

Firm's sociological view of CSR

Only 7 out of 50 examine the impact of the Firm's sociological view of CSR activities. The concept of eco-efficiency should be used to measure firm CSR. Support for that argument was well established in the literature (Dyllick and Hockerts 2002, Schaltegger and Sturm 1998, Welford 1997, Korhonen, 2003) It was found that the role of government as a significant driver behind firms' engagement in CSR had been emphasized by other studies, which indicated that governments could motivate firms to become socially responsible through enforcement, endorsement, and guidance and partnering.

Firm's market value

17 out of 50 studies discuss the Firm's market value and CSR activities. Each firm aims to enhance the public image and hopes it leads to increased customers, better employees, and other benefits. A firm that wishes to capture a favorable public image must show it supports the social goals that the members of the public find important (Davis 1973, Sethi 1975).

CSR and stakeholder's theory

10 out of 50 examine the CSR and stakeholder's theory. Mette Morsing, et al (2006) tried to endeavor stakeholder theory focusing on communication and linking stakeholder relations with three CSR communication strategies which were information, response, and involvement, and attempted to discuss the implication for managerial practices as companies want to communicate about the being an ethical and socially responsible organization. The various authors suggested that communication messages should claim to represent a true picture of corporate initiatives such as CSR.

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They revealed the importance of involving internal and external stakeholders in a proactive and continuous process of sense-giving and sense-making in CSR communication with the manager.

CSR and Corporate Sustainability

8 out of 50 discussed CSR and Corporate Sustainability. As Wilson (2003) stated in his research paper, corporate-level sustainability is based on four distinct conceptual principles: sustainable development, CSR, stakeholder theory, and corporate accountability theory. In that context, sustainable development was considered a derivative of three concepts- the principles of economics, ecology, and social justice. Those four pillars of sustainability and their underlying disciplines were depicted and attention was drawn to the contradictions within that multidimensional and multidisciplinary construct.

CSR and Corporate Governance

7 out of 50 discussed CSR and Corporate Governance. Dima Jamali, et al (2008) proposed an attempt to explore the interrelationships between corporate governance (CG) and corporate social responsibility (CSR). To better understand CG/CSR interpretations, it was deemed useful to seek viewpoints derived from managers involved in different types of organizations. The research supports Hancock (2005) and the findings resulted in forming the following prepositions - Proposition 1: Despite convergence pressures arising from globalization, local socio-politico-institutional environments significantly affect CG practices in developing countries. Proposition 2: Limited institutional pressures for homogenization in CSR translate into philanthropic and instrumental CSR orientations in developing countries. Proposition 3: Good CG is increasingly considered a foundational pillar for a genuine and sustainable CSR orientation in developing countries. Proposition 4: The ascendancy and taken-for-grandness of good CG in developing economies is increasingly complemented by due regard and consideration for voluntary corporate social performance.

II. FINDINGS

Companies engaged in CSR practices were able to satisfy their own benefits, including reputation enhancement; avoid costs stemming from litigation; attract investors; improve their competitiveness and market positioning; and improve their operational efficiency.

The success of CSR programs depended on the chief executive officers of large companies and owners of SMEs, who would be champions in displaying business responsibility.

There was a significant relationship between CSR and the dimension of effectiveness such as profitability stability, public image, staff morale, adaptability, innovativeness, social impact, organizational commitment, and job satisfaction while environmental affairs were not significantly related to any of the dimensions

Corporate Governance (CG) and CSR cannot be considered independently and sustained. Irrespective of the relationship between CG and CSR, a company without an efficient long-term view of leadership, effective internal control mechanisms, and a strong sense of responsibility vis-à-vis internal stakeholders could not pursue genuine CSR.

III. CONCLUSION AND RECOMMENDATIONS FOR FUTURE RESEARCH

30 studies examine the firm's financial performance, 17 measure the firm's market value, 13 investigate the Timing of Corporate Social Initiatives, and 10 focus on CSR and stakeholder theory. 7 studies examined each factor CSR and Corporate Sustainability plus CSR and Corporate Governance respectively.

The corporate social performance was treated as an independent variable, predicting financial performance, in 30 of the 50 studies. In those studies, almost half of the results indicated a positive relationship between corporate social and economic performance. Only five studies found a negative relationship; 3 reported non-significant relationships, while 6 reported mixed findings. Corporate social performance was treated as a dependent variable, predicted by financial performance, in 10 of the 50 studies. In those studies, the majority of results (16 studies) pointed to a positive relationship between corporate financial performance and social performance. Four studies investigated the relationship in both directions. The summary of the findings of those studies suggested a positive association between a company's social performance and financial performance and indicated very little evidence for a negative association.

It has been found that the more investment in CSR, the more it will boost the firm's performance and improve the shareholders' wealth in the long run. Most organizations tend to take corporate social responsibility as a strategy for achieving their goals. It is a form of corporate self-regulation integrated into a business model that positively impacts the organizational performance (financial of firm, market, and shareholders return).

It has been shown, experimentally in past studies that consumer knowledge of a firm's CSR initiatives may lead to a higher evaluation of the company and a more positive evaluation of its product (Brown & Dacin, 1997). Maignan (2001) has called for more research to investigate consumers' true awareness of firms' CSR records. Baghi et al. (2009) stated that consumers are growing concerned with corporate social responsibility. These findings have spurred corporate marketing divisions to determine the degree of correlation between consumer perception of the company's social responsibility and the sales of their new product offerings (Yoon et al., 2006).

The seven factors and the diverse measures used by different studies indicate that CSR is a multidimensional and multidisciplinary phenomenon. Reviewing these past studies shows that other studies have various ways of operationalizing seemingly identical constructs. This methodological issue must be addressed in future research to develop a validated instrument for measuring organizational behavior toward CSR practices.

One of the limitations of this study is the selection of the existing studies. Owing to time limitations, few numbers of journals were searched. This may leave some other prominent empirical studies out. Moreover, most of these studies indirectly explain the reasons behind CSR's importance. In addition, owing to the multidisciplinary nature of CSR, it would be exciting to compare the literature to those of other disciplines.

By summarizing the current studies based on literature review and analysis, this paper identifies seven factors in the impact of corporate social responsibility on organizational behavior predicting the relationships among these factors. It provides a comprehensive picture of the status of this area.

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