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William J. Donoher

Missouri State University, wjdonoher@missouristate.edu

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THE ORIGIN AND CONTROL OF GLOBAL CSR INITIATIVES: A TRANSACTION COST AND INSTITUTIONAL PERSPECTIVE

William J. Donoher, Missouri State University

The question of how multinational corporations pursue and organize corporate social responsibility (CSR) initiatives is one that has received comparatively little attention in the literature of business and society or organization theory. This article seeks to develop a framework to understand the dynamics associated with global CSR. Using institutional theory and transaction cost economics as relevant theoretical determinants, the framework presented here posits that the point of origin, whether the home country headquarters or foreign business units, is dependent upon the nature of normative pressure faced by the company and its ability to resist or shape those pressures. Management and structure of the initiative, in turn, is seen as a function of its origin and the nature of the transaction costs experienced by the home country HQ or foreign business unit. Implications of the framework and directions for future research conclude the discussion.

Keywords: Corporate social responsibility, international management, global business

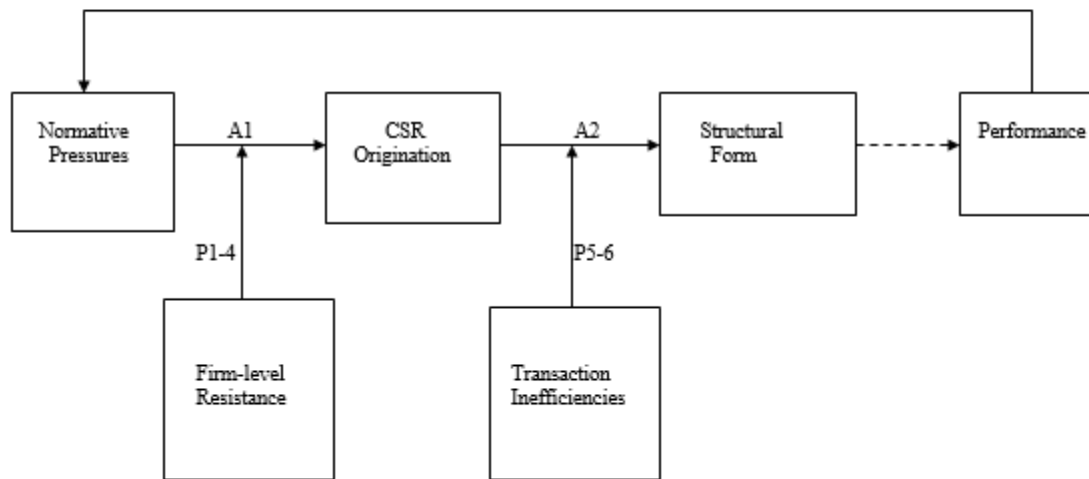
INTRODUCTION

Corporate social responsibility (CSR) increasingly is a global phenomenon—not just because more and more companies in more and more countries are attempting to identify, initiate and manage CSR programs, but also, and more pertinent to this paper, because multinational enterprises are increasingly engaged in CSR across diverse national boundaries (Fortanier & Kolk, 2007; Matten & Moon, 2008). The scope and complexity of these operations makes them an important subject of inquiry for scholars and practitioners alike, given their potential impact on beneficiaries and organizations themselves. As we increase our understanding of the dynamics of decision-making relating to global CSR initiatives, we increase the ability of organizations to contribute to society at large even as they improve the efficacy of their own operations (Porter & Kramer, 2011).

One area of interest within this broader milieu of global CSR is the extent to which multinationals centralize or devolve responsibility for the management of CSR initiatives. In this work, I present an explanatory framework, outlined in Figure 1, in which the organization's institutional context determines the source and scope of the initiative, and the transaction costs associated with the subsequently-developed initiative determine its locus of control. The performance implications of the program can then be expected to feed back, either positively or negatively, into subsequent CSR decision-making processes. Both institutional theory and transaction cost economics will be developed independently, and then applied to the specifics of the CSR origination and management process.

FIGURE 1

The Origination and Control of Global CSR Initiatives



Note: Solid lines represent formal model; broken line represents assumed implicit relationship, not part of formal model.

Before beginning the presentation of the framework, it is important to note a number of potential boundary conditions that facilitate its development and explanation. First, no consideration is given here to the basis of the firm's initial organization with respect to the centralization of its international operations. Many factors enter into this decision, of course, among them the kinds of transaction cost issues discussed here as a determinant of ultimate control, but for the organization and focus of this work, the firm's initial structure is taken as given and is not presumed to alter the pattern CSR decision-making with which the framework is concerned.

Second, CSR initiatives are presented here as a generalized construct, rather than viewed in terms of their specific content and context. There are indeed many different forms of CSR, many of which may indeed exhibit very different dynamics and parameters, but in the interest of explanatory simplicity these dynamics are not considered and it is assumed that any such distinctions would, at best, result in minor alterations to the general framework presented here. Likewise, many different specific formulations and definitions of CSR exist, as will be delineated below, but for purposes of this framework, CSR is used comprehensively to represent the broader obligations to, or the actions of businesses undertaken for the benefit of, stakeholders and society at large.

Third, as used here, the term "foreign business units" includes any of a multinational's operating units, regardless of organizational form. Thus, whether wholly-owned subsidiaries or divisions are utilized, or a partnership form is adopted in a given country, all are included in this term and are assumed for purposes of this presentation to have relatively uniform relationships with the headquarters unit. More precisely, the nature of a CSR initiative is assumed to be such as to be independent of structure in this sense, in that a particular program might be centralized or decentralized independent of the formal organizational form.

Finally, normative pressures generally are assumed to be constant and an organization's ability to respond or resist such pressures is assumed to represent an average across a number of potential interfaces and issue contests resulting in neither absolute resistance nor absolute conformity. In other words, on a specific issue an organization might be fairly resistant, while on another it might find itself forced to yield to institutional pressure. The framework presented here is

intended to be representative of an aggregate of these effects across a number of organizations, and to exclude those situations in which either automatic rejection, where the opportunity might exist, or automatic acceptance obtain. Thus, the question here is less whether the organization will choose to act or be forced to act, and more a question of how it will act.

In the sections to follow, the development of the CSR literature and its conceptual foundations is outlined, followed by a summary of institutional theory and transaction cost economics. The insights of these theoretical lenses are used to frame the development of the model in terms of their anticipated affect on the implementation of CSR initiatives. The article concludes with a discussion of the implications of the model and directions for future research and development.

CORPORATE SOCIAL RESPONSIBILITY

The concept of corporate social responsibility has been the subject of a vast number of research inquiries covering an array of different approaches and substantive issues. Indeed, this breadth has generated some controversy within the field with respect to definitions, the scope and nature of corporate obligations, appropriate CSR subjects and objects, the actors involved and their relative input into the process, and so forth. Broad themes do emerge, however, and these tend to center on recognition of the quasi-contractual obligations of corporations to society at large. This perspective marked a departure from the more traditional, firm- and shareholder-centric view espoused notably by Friedman (1962).

The initial formulations of CSR grew from this broad, relatively metaphysical orientation, commonly referred to as CSR1 (Frederick, 1987), to encompass a number of different frameworks and perspectives, many of which focused less on the nature and scope of the obligation to the specific actions taken by corporations. Included in this stream was the notion of corporate social responsiveness, or CSR2, and corporate social performance (Geva, 2008). Carroll (1979, 1991) was among the pioneers of this work, offering definition to the question of the scope of corporate duties and the nature of corporate actions, in an internally-oriented approach to the question. Wood (1991) built on this foundation, offering an organizing framework around a definition of corporate social performance as the “configuration of the principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm’s societal relationships (p. 693).” The focus here was thus the nature of actions to be taken, not necessarily outcomes to be achieved. Swanson (1995) refocused the premise toward an outcome and principles-based orientation by focusing on foundational corporate values (see also Frederick, 1987). Work on this question, and the definition of the scope of corporate duties, remains a topic of inquiry and development (Geva, 2008; Munilla & Miles, 2005).

Emblematic of the continuing evolution of the CSR construct and the duties or actions specified within the framework is the introduction of the concepts of “explicit” and “implicit” CSR. As defined by Matten and Moon (2008: 409-10), explicit CSR refers to “corporate policies that assume and articulate responsibility for some societal interests. They normally consist of voluntary programs and strategies by corporations that combine social and business value and address issues perceived as being part of the social responsibility of the company.” Implicit CSR, on the other hand, refers to “corporations’ role within the wider formal and informal institutions (emphasis in original) for society’s interests and concerns. Implicit CSR normally consists of values, norms, and rules that result in (mandatory and customary) requirements for corporations to address stakeholder issues and that define proper obligations of corporate actors in collective rather than individual terms.” The difference between the two forms of CSR can be expressed as a function of intent. In the case of implicit CSR, the corporation reacts to core values embedded within its network of associations and dealings, while explicit CSR implies a more proactive stance, involving deliberate and voluntary action that may rise to the level of strategic decision-making (Porter & Kramer, 2006).

This formulation also contemplates the role of the stakeholder, a parallel system of analysis within the CSR stream that grew from the notion of external control of business (Jones, 1982). Based on this broad principle, Freeman (1984) formalized the stakeholder concept, which posits the existence of a broader network of actors than shareholders alone, each of which is affected by the firm’s actions and whose interests should be considered by the firm. The extent to which this framework advances or formulates formal theory is open to question (see, e.g., Jones, 1995), although extensive work developing the framework has been undertaken (Munilla & Miles, 2005). For purposes of this work, the idea is important because of its external orientation, specifically including the concept of actors or groups of actors that may have the power to

impinge upon the corporation's decision space, or act to directly impose an agenda through various formal or informal means (Mitchell, Agle & Wood, 1997).

In this, the premise of the stakeholder framework is similar to that espoused by institutional theory (DiMaggio & Powell, 1983), to which attention turns in the next section. The difference between the two approaches, though, can be summarized in terms of the firm's interaction and the identification of the locus of that interaction. Stakeholders tend to be more intimately involved with the firm than institutional forces at large, and are typically individual actors. Institutional forces, by contrast, may be larger societal trends or structures, for example legal or governmental actors and even laws themselves (Scott, 1995). The latter thus may directly act upon the firm in a way that the former do not, although stakeholders may indeed acquire power over the firm and be in a position to enforce that power (Mitchell, Agle & Wood, 1997). But that position also implies an ability of the firm to negotiate with the stakeholder, an ability that often may be lacking in the firm's interaction with societal structures. The question that emerges from this analysis is the extent to which a corporation needs to address its stakeholder or institutional network as a matter of maintaining legitimacy in the face of specific preferences or demands. This question is addressed in the next section as a function of the firm's CSR orientation.

THE INSTITUTIONAL BASIS OF CSR

The notion of legitimacy is central to institutional theory's (DiMaggio & Powell, 1983; Scott, 1995) explanation of isomorphism, the tendency of organizations to adopt similar structures, strategies and practices. Many definitions of the construct exist, but fundamentally legitimacy involves or refers to the extent of congruence "between the practices...of the organization and those that are contained within, approved of, and enforced by the social system in which the organization exists" (Zimmerman & Zeitz, 2002: 416), which will result in "cultural support" for the organization (Meyer & Scott, 1983). Although some degree of divergence between the norm and the firm's strategic posture may be necessary to create competitive advantage and enhance performance (Deephouse, 1999), a pattern of general conformity with accepted, and enforceable, standard practice is a precursor of legitimacy. In return, firms that are viewed as legitimate are able to acquire higher quality resources on more favorable terms than firms whose legitimacy is suspect (Deephouse, 1999).

Increasingly, organizations are judged with reference to their CSR postures and activities and attract attention (and either approbation or criticism) on that basis (e.g., Matten & Moon, 2008). Such activities, then, become part of the basis for the organization's general legitimacy, and may indeed be the primary basis of legitimacy among certain (sometimes critical) stakeholders. An organization judged to be deficient by its stakeholders will realize pressure to respond, and in the context of CSR would attempt either to improve its efforts or initiate new programs in response to the issues salient to its constituents. It is also possible that an organization can independently perceive a deficiency to which a response would be necessary in order to avoid external criticism, and then initiate a search process in order to define the responses necessary to correct that deficiency (Cyert & March, 1963).

Faced with potentially global demands for CSR responsiveness, multinationals will either initiate global development and initiatives or decentralize such efforts depending upon the scope of perceived normative pressure. If normative demands are widespread and strong, organizations will be more likely to initiate the CSR search and development process than when norms are weaker or more localized. In the former situation, it is also possible that the organization will direct and coordinate the efforts of its foreign business units, but the key to understanding the framework is that such efforts will be directed from headquarters rather than devolved to individual business units in this situation. Thus, high normative pressures lead either to centralized search and development or directed foreign business unit development, but in both cases it is the multinational headquarters unit that originates the process. Whether the process is undertaken as a function of normative pressure alone, thus representing an implicit CSR approach, or retains characteristics of strategic choice, thus becoming explicit CSR (Matten & Moon, 2008), is an issue developed below. In the converse situation, where normative pressures are less intense, multinationals are more likely to devolve responsibility for search and development to foreign business units, who may then originate their own, perhaps more locally oriented, CSR programs.

This analysis represents only half of the story, for the question of an organization's vulnerability to such external pressures, and therefore the extent to which CSR initiatives are implicit or explicit, must be considered as well. Oliver

(1991) noted the prospect of active agency by companies operating in an environment otherwise characterized by the existence of normative pressure, and proposed a series of strategic responses ranging from “acquiescence” and “compromise” to “avoidance,” “defiance,” and “manipulation.” Acquiescence may be chosen in cases in which “the approbation of external constituents enhances [the company’s] legitimacy” (p. 153), while a posture involving avoidance would be adopted in order to mitigate pressures for conformity. In this situation, the firm will conceal its nonconformity, undertake buffering activities to minimize the pressure, or seek to remove itself from the locus of control. Defiance involves more active forms of resistance to institutional processes.

Whether a company lands on one end of the spectrum or the other depends upon a variety of factors, all of which ultimately are based upon the firm’s perception of some benefit to be received from compliance. Broadly speaking, the greater extent to which critical factors exist, the more likely the firm is to comply with normative pressure. One such factor is the extent of resource dependence (Pfeffer & Salancik, 1978), which may make conformity necessary to the organization’s survival, if, for example, the resources supplied by a critical constituent are contingent upon acquiescence. Others include the degree of economic gain; the extent of legitimacy conferred; the breadth of the firm’s constituency network and the firm’s level of interconnectedness with the institutional environment in general; the degree of normative consistency and discretionary constraints faced by the organization, also including the prospect of legal enforceability; and the level of environmental uncertainty (Oliver, 1991).

The net effect of the foregoing considerations and their influence on CSR orientation, or the preference for either implicit or explicit CSR initiatives (Matten & Moon, 2008), thus can be stated as follows: Assuming the organization views CSR as a valid corporate function to be undertaken in some form, resistance to normative pressure is likely to result in adoption of implicit CSR initiatives rather than outright defiance, where resistance is taken to mean a perception of minimal organizational value received from conformity. In contrast, low resistance implies that the organization cannot resist normative pressures for one or more of the reasons noted above, or that the organization perceives significant value in conformity. Under these circumstances the organization’s response may invoke either implicit (reactive) or explicit (strategic) CSR approaches, with the approach actually chosen being dependent upon the extent of normative pressure. Thus,

Axiom 1: Organizational resistance moderates the relationship between normative pressure and CSR orientation, such that when resistance is high, implicit CSR initiatives will be preferred to explicit CSR initiatives, and when resistance is low, explicit CSR initiatives will be selected when normative pressure is high, but implicit CSR initiatives will be selected when normative pressure is low.

With this axiom in mind, Figure 2 presents the juxtaposition of these competing considerations and their impact on the origination of CSR initiatives, particularly with respect to the apportioning of responsibility between home country headquarters and foreign business units. Recalling that the difference in approach between implicit and explicit CSR may be the degree to which an initiative is purely reactive or possibly strategic in nature (Matten & Moon, 2008; Porter & Kramer, 2006), adoption of the latter, explicit CSR, will condition the organization to centralize the fundamental strategic search and decision process (Cyert & March, 1963). The reactive stance associated with implicit CSR will, meanwhile, incline the firm toward a more decentralized posture. Likewise, where resistance implies low perceived value and/or the ability to defer action indefinitely (Oliver, 1991), the organization will be more likely to devolve responsibility in order to be seen to be “doing something,” while not integrating such activities into the organizational core.

FIGURE 2
CSR Origination Typologies
(Normative Pressure vs. Organizational Resistance)

	High Resistance	Low Resistance
High Pressure	1 Directed Local	2 Headquarters
Low Pressure	3 Local	4 Joint HQ-Local

Recognizing these basic tendencies yields four different CSR origination typologies. In Cell 1, the organization faces high normative pressure but also is positioned for high resistance. The existence of such pressure will impress upon the organization the need to be seen as responsive, but its individual dynamics remove it from the necessity of immediate compliance, and such compliance is not seen as clearly productive in terms of organizational goals. The organization thus will respond by specific delegation to foreign business units, what Figure 2 characterizes as “directed local” activity, such that the specific choice of CSR initiatives is left to local discretion, but the headquarters unit originates the search process, sets parameters, perhaps including time, scope and resource commitment, and may reserve the right to ultimately decide or direct the determinations of the foreign business unit. Thus,

Proposition 1: A condition of high normative pressure met by high resistance will result in directed local CSR initiatives.

By contrast, Cell 2 represents the opposite organizational resistance condition, in which the firm either cannot resist normative pressure or sees specific value in responding. CSR initiatives in this case are likely to be explicit in orientation, and thus the firm is more likely to centralize the initiative at headquarters. Thus,

Proposition 2: A condition of high normative pressure met by low resistance will result in headquarters-originated CSR initiatives.

Cell 3 depicts the confluence of high organizational resistance and low normative pressure. In this condition, little impetus and little perceived need to act on CSR initiatives exists, although, pursuant to this article’s underlying assumptions, the organization will not engage in outright defiance (Oliver, 1991). But the lack of any direct need to act means that the firm’s headquarters will not originate and direct CSR initiatives; rather, its foreign business units will be permitted to act as local conditions and relationships may necessitate, likely within standard organizational operating procedures relating to authorization, budgeting, and so forth. Accordingly,

Proposition 3: A condition of low normative pressure met by high resistance will result in locally originated CSR activities.

Finally, in Cell 4 we observe the condition of low normative pressure and low resistance, a combination that seemingly results in the least imperative foundation for establishing a CSR program. However, the organization's position is still as tenuous as that found in Cell 2, given its low resistance posture, particularly if norms were to change or the firm were to become more focal within its organizational field and thus subject to increasing normative pressure at some point in the future (Scott, 1995). The distinction between this condition and that of Cell 2 thus reduces to one of timing, with the high pressure seen in Cell 2 leading to a more immediate response than will be observed under the conditions existing in Cell 4. Thus, search activities will be undertaken, but not with the immediacy or urgency, and not with the same level of strategic intent, as would be true of Cell 2. Joint undertakings between headquarters and foreign business units are thus likely to result from this combination of circumstances, facilitating progress but permitting substantial devolution at the same time.

Proposition 4: A condition of low normative pressure met by low resistance will result in jointly-originated CSR initiatives.

TRANSACTION COSTS AND THE LOCUS OF CONTROL

Having initiated a CSR program, multinational enterprises are faced with the question of how to organize and implement the program across national boundaries. The relationships between and among the multinational headquarters and its foreign business units is complex and dependent upon a number of factors, but the same issue of relative centralization discussed above with regard to the point of origin arises with more force when the issue becomes implementation and its attendant operational realities. Operations may involve third parties, not least foreign governments, in the decision-making process and invoke a variety of control issues.

In assessing the impact of these kinds of factors on organizational structure, Williamson (1975) developed the notion of transaction cost economics to describe and assess the countervailing considerations between internal organization and reliance on external markets. More than a simple description of relative cost, as its name seems to suggest, the theory identifies a number of variables that increase the hazards associated with external organization. These include bounded rationality (the inability of human beings to comprehend all possible outcome permutations associated with perfect knowledge and rationality), opportunism and information impactedness (in general, asymmetrical knowledge, or access to information, between the contracting parties), small numbers bargaining (resulting in untoward dependence on the opposite contracting party), and uncertainty and complexity. As these factors increase, internal organization is to be preferred, even at the cost of the flexibility associated with market-based, external organization.

Multinationals encounter issues such as these in normal operations, generally through their foreign business units. More externally-oriented organizations would devolve responsibility and perhaps rely on market transactions between the foreign business units and third parties resident in the host country. Centralized organizations would do the opposite where possible, organizing internally and controlling operations on a global, or at least regional, scale. CSR initiatives, likewise, might invoke any number of the transacting inefficiencies identified by Williamson (1975), and therefore necessitate internalization of the program's operations. In other words, regardless of the point of origin and the extent of centralized direction of its development, as discussed in the preceding section, the implementation decision will be conditioned on the contracting specifics necessitated by the program.

The question becomes the application of general principles to the organization of global CSR initiatives. Williamson's (1975) logic clearly reduces to the conclusion that centralization or internalization in general is the natural response to the existence of transaction costs. But in the context of this article, the question must be extended to account for the relationship between the headquarters unit and its various foreign business units and for the nature of the endeavors giving rise to the transaction costs in question, i.e., CSR initiatives in the present context. With respect to the latter, the issue presented is whether the transaction costs are likely to be seen by the headquarters unit as sufficiently great as to merit integration into the organizational core (Thompson, 1967). Using Williamson's (1975) arguments as a basis, the following axiom is presented as an organizing mechanism for understanding a multinational corporation's response to the existence of transaction costs, particularly those experienced only at the level of the foreign business unit:

Axiom 2: CSR initiatives will be internalized and centralized in headquarters in the presence of transaction costs when the initiative is central to the organization's goals and doing so is necessary as a function of scale.

The logic of this axiom is that the organization will not undertake the effort and coordination cost associated with the internalization of transaction specifics unless there are efficiencies of scale sufficient to benefit the organization as a whole and the CSR initiative itself is a substantial part of the organization's general strategic direction (Thompson, 1967). Lacking these characteristics, the organization will maintain a devolved posture, and, to the extent transaction costs arise, the activities in question will be internalized at the level of the foreign business unit.

Applying this axiom to the CSR origination typologies discussed above depends first upon identification of the likely locus of control associated with each. Headquarters-originated CSR clearly will be oriented toward core integration, while jointly-originated CSR, although lacking the overall control the previous condition and being more amenable to local control, will facilitate core integration in the face of significant transaction costs given the involvement of headquarters. The devolved nature of the directed local response or locally-originated CSR, meanwhile, implies that internalization in response to transaction inefficiencies is more likely to occur at the local level. These observations permit deduction of the following propositions:

Proposition 5: Transaction inefficiencies moderate the relationship between CSR origination and structure, such that core integration is more likely in response to transaction inefficiencies when the CSR initiative is partially or wholly originated by the headquarters unit than when foreign business units are responsible for origination.

Proposition 6: Core integration of locally-originated CSR or directed local CSR origination will occur only when efficient implementation of the initiative requires global scale.

The latter proposition thus serves to explain the conditions under which a locally-generated CSR initiative might be implemented and controlled by headquarters. Derived from Axiom 2's sub-condition, this proposition essentially says that headquarters, although not involved in the origination of the CSR initiative, will act to assume greater control and responsibility when it is necessary not only to the functioning of the initiative but to the full realization of the initiative's benefits. Circumstances of this nature might arise, for example, in sourcing decisions, when a foreign unit's decision to change its sourcing practices might not be economically efficient at the local level, but would facilitate the spread of the practice on an efficient basis if that initiative were coordinated globally at the headquarters unit.

The final issue to be considered is the issue of performance and the external assessment thereof. As presented in Figure 2, this framework does not address how specific CSR structures and initiatives affect financial performance, but instead focuses on the fact that a CSR initiative was undertaken. In this sense, the question concerns CSR performance, and specifically the extent to which the performance and conduct of some CSR initiative satisfies the original normative expectations and therefore affects the development of subsequent expectations. In other words, regardless of the normative pressures originally brought to bear on the organization, its subsequent CSR efforts will either increase or decrease the degree of normative pressure faced by the organization. The cycle would be reinstated incorporating the newly derived information on performance and resultant expectations. Thus, high initial pressure, if satisfied, would reduce pressure in subsequent cycles—and either decrease CSR accordingly, or, in terms of the framework, provide greater latitude for local initiatives. Unsatisfied demands for performance, however, would result in higher pressure and newly initiated search responses (Cyert & March, 1963), thus restarting the cycle from the global perspective. A negative relationship can be derived, therefore, between the extent of the organization's CSR performance and the level of subsequent normative pressure to which it is exposed.

Proposition 7: A negative relationship exists between the extent to which the organization's CSR performance satisfies external expectations and the level of normative pressure experienced in subsequent time periods.

DISCUSSION AND FUTURE DIRECTIONS

This article attempts to develop a framework to understand the dynamics associated with global CSR initiatives, an issue that has received relatively little attention in the existing literature. Using institutional theory and transaction cost economics as relevant theoretical determinants, the framework presented here posits that the point of origin, whether the home country headquarters or foreign business units, is dependent upon the nature of normative pressure faced by the company and its ability to resist or condition its responses to those pressures. Management and structure of the initiative, in turn, is seen as a function of its origin and the nature of the transaction costs experienced by the home country HQ or foreign business unit. The framework thus contributes to the literature by facilitating inquiry into the dynamics of global CSR, the relationships between global headquarters and its foreign business units, and the manner in which companies develop these relationships within the context of a specific endeavor and differential environmental contexts.

The model also can be expanded in a number of directions, any or all of which would continue the process of developing greater understanding of the development, implementation and control of global CSR. First and foremost of these issues is the question of performance. Beyond the relationship developed in the model, a related question is the extent to which, if at all, the nature of implementation and the organizational structure adopted with respect to a global CSR initiative affects financial performance, and what implications for CSR initiatives might follow. For example, if CSR initiatives succeed in meeting normative expectations but result in some decrease in financial performance, how will this affect the organization's subsequent decisions with regard to CSR? Many other performance metrics and related implications can be derived, all of which are worthy of further investigation.

There also is a question of knowledge and skill bases within the organization and the transfer of knowledge between business units or between headquarters and business units. Here, the organization is likely dealing with issues such as the specific nature of the initiative and its relationship to the firm's core activities or knowledge and resource base, and the locus of fundamental knowledge of local conditions. For example, if the initiative is centralized, is local knowledge transferred along with control? If so, how quickly is the process undertaken, and under what limitations? Is local knowledge transferred to headquarters for use in subsequent endeavors, even those not involving the specific local business unit involved in the focal CSR activity? These are but a few of the questions that need to be asked with regard to knowledge and skill transfer surrounding CSR initiatives.

Next, we should note that it is possible that there is a recursive relationship between the existence of transaction inefficiencies and the decision concerning which unit is or should be responsible for origination of CSR initiatives. If an organization determines that contracting specifics, and with it the nature of the CSR initiative, give rise to transaction costs, does that knowledge affect the underlying origination decision? Or, is it the case that, given a certain origination point, contracting costs will or will not be likely to arise? At present, there is little or no research into structural dynamics such as these, but enhancing understanding of what may be a critical determinant in the success of a global CSR campaign will be vital to improving both the efficiency and effectiveness of such initiatives in the future.

The issue of transaction inefficiencies is not limited to effects such as these. If transaction costs arise, and are recognized as such and responded to in the fashion suggested above in the model's development, it is important to note that the conditions under which that response are most likely are those associated with low organizational resistance (Oliver, 1991). Core integration, the centralization of an otherwise locally-developed CSR initiative, is less likely under circumstances of high resistance, but possible if, as posited, scale is an important consideration. If this is so, the net effect may be to transform the level of resistance from high to low, or at least begin the process of decreasing resistance. This follows from recognition of the potential benefit associated with the initiative and the organization's adaptation, even though its origin was devolved so as to decrease its involvement in central administration. Here again we can identify an important research question representing a dynamic process with implications for an organization's future CSR initiatives.

Other implications associated with this framework, and related future research directions, can be identified by noting the assumptions underlying this work. First is the nature of the organization's original global structure. In other words, independently of CSR, organizations structure their global operations based upon any number of complex factors and unique circumstances. The question of how those initial decisions might affect subsequent structural decisions, or global CSR in

particular, is beyond the scope of the present framework but an issue that is worthy of investigation. A loosely coupled organization may well respond differently to normative pressures than a more tightly integrated company (Thompson, 1967), and may make correspondingly different global CSR decisions.

Likewise, the nature of the environments within which an organization's foreign business units operate can have significant effects on global decision-making, and indeed may impose absolute limitations on the nature of such decisions. In particular, it is not uncommon in many countries to observe foreign-ownership restrictions that in effect dictate structure and the unit's potential interaction with other units and with headquarters. Given these restrictions, it is also possible that mitigation of transaction inefficiencies may be impossible in a given location. In light of these considerations, how will, or should, a multinational respond? Is there a difference between the response associated with standard operating procedures and CSR? These are important questions, and answering them would facilitate improvement of both theory and practice.

There is also a question of how specific CSR initiatives may differ with respect to the parameters identified in this model. CSR is a broad topic that encompasses a variety of different programs and approaches, from philanthropic endeavors to sourcing and production decisions and beyond. This framework generally does not differentiate among these approaches, but the extent to which variance would appear in organization and implementation decisions on a global scale is a subject worthy of further inquiry. In addition, the model assumes that such initiatives are viewed as generally worthy of corporate attention and that resistance is a matter of amount and direction rather than of kind, in the sense that organizations would not wholly resist pressure to be seen as socially responsive. But there are undoubtedly organizations that, in all truthfulness, would fall into this category, and others whose activities would be circumscribed by an organizational perception of illegitimacy, and still others who would actively and eagerly search for and pursue all available possibilities. In other words, it is likely that a continuum of responsiveness exists that is broader than that depicted here, regardless of the assumption made in this work that the more uniform attitude is representative of what might be considered the broad middle of companies. The differences that exist across the continuum of possible internal perceptions is something that would be harder to quantify and therefore measure, but would still advance knowledge and understanding of CSR dynamics.

Despite the existence of open questions, this work contributes to the literature by offering an organizing framework that is broad in nature and yet specific enough to offer opportunity for rich discussion. And presenting the framework in and of itself helps identify even richer areas of inquiry and additional understanding of a complex and dynamic set of issues. Understanding these dynamics, whether as initially presented in this framework or as future research may elaborate, is critical to improving our theory and practice and understanding both what is and is not effective global CSR practice.

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