

# Appendix

## Definitions of Corporate Social Responsibility

Author (year)	Proposed construct	Definition
Bowen (1953)	Businessmen social responsibility	“It refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of actions which are desirable in terms of the objectives and values of our society” (p. 6)
Davis (1960)	Corporate social responsibility	“Businessmen’s decisions and actions taken for reasons at least partially beyond the firm’s direct economic or technical interest” (p. 70)
McGuire (1963)	Corporate social responsibility	“The idea of social responsibilities supposes that the corporation has not only economic and legal obligations but also certain responsibilities to society which extend beyond these obligations” (p. 144)
Walton (1967)	Corporate social responsibility	“In short, the new concept of social responsibility recognizes the intimacy of the relationships between the corporation and society and realizes that such relationships must be kept in mind by top managers as the corporation and the related groups pursue their respective goals” (p. 18)

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Author (year)	Proposed construct	Definition
Maignan and Ferrell (2000)	Corporate citizenship	“The extent to which businesses meet the economic, legal, ethical and discretionary responsibilities imposed on them by their stakeholders” (p. 284)
McWilliams and Siegel (2001)	Corporate social responsibility	“Here, we define CSR as actions that appear to further some social good, beyond the interest of the firm and that which is required by law” (p. 117)
Baker (2003)	Business process	CSR is about how companies manage the business processes to produce an overall positive impact on society
Matten and Crane (2005)	Corporate citizenship	“Corporate citizenship describes the role of the corporation in administering citizenship rights for individuals” (p. 173)
Campbell (2006)	Corporate social responsibility	“I view corporations as acting in socially responsible ways if they do two things. First, they must not knowingly do anything that could harm their stakeholders. Second, if they do harm to stakeholders, then they must rectify it whenever it is discovered and brought to their attention” (p. 928)
Crouch (2006)	Corporate social responsibility	“...behaviour by firms that voluntarily takes account of the externalities produced by their market behaviour, externalities being defined as results of market transactions that are not themselves embodied in such transactions. CSR is essentially corporate externality recognition” (p. 1534)
Basu and Palazzo (2008)	Corporate social responsibility	“...we can define CSR as the process by which managers within an organization think about and discuss relationships with stakeholders as well as their roles in relation to the common good, along with their behavioral disposition with respect to the fulfilment and achievement of these roles and relationships.” (p. 124)

## International Organisations on Corporate Social Responsibility

Organisation	Definition
World Business Council for Sustainable Development (WBCSD) (2003)	Corporate Social Responsibility is business' commitment to contribute to sustainable economic development working with employees, their families, the local community, and society at large to improve their quality of life
CSR Europe (2003)	Corporate Social Responsibility is the way in which a company manages and improves its social and environmental impact to generate value for both its shareholders and its stakeholders by innovating its strategy, organisation and operations
Organisation for Economic Co-operation and Development (OECD) (2003)	Corporate Responsibility involves the 'fit' businesses develop with the societies in which they operate. [...] The function of business in society is to yield adequate returns to owners of capital by identifying and developing promising investment opportunities and, in the process, to provide jobs and to produce goods and services that consumers want to buy. However, corporate responsibility goes beyond this core function. Businesses are expected to obey the various laws which are applicable to them and often have to respond to societal expectations that are not written down as formal law
Amnesty International—Business Group (UK) (2002)	Companies [have] to recognise that their ability to continue to provide goods and services and to create financial wealth will depend on their acceptability to an international society which increasingly regards protection of human rights as a condition of the corporate licence to operate
The Corporate Responsibility Coalition (CORE) (2003)	As an 'organ of society', companies have a responsibility to safeguard human rights within their direct sphere of operations as well as within their wider spheres of influence
Novethic (2003)	Linked to the application by corporations of the sustainable development principle, the concept of CSR integrates three dimensions: an economic dimension (efficiency, profitability), a social dimension (social responsibility) and an environmental dimension (environmental responsibility). To respect these principles, corporations must pay more attention to all the stakeholders [...] which inform on the expectations of civil society and the business environment

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Organisation	Definition
Unilever (2003)	We define social responsibility as the impact or interaction we have with society in three distinct areas: (i) voluntary contributions, (ii) impact of (business’s direct) operations, and (iii) impact through the value chain
Novo Nordisk (2003)	Social responsibility for Novo Nordisk is about caring for people. This applies to our employees and the people whose healthcare needs we serve. It also considers the impact of our business on the global society and the local community. As such, social responsibility is more than a virtue—it is a business imperative

### County Wise Focus on CSR Practices

Country	Author	Sector	CSR practice
Europe	Furrer et al. (2009)	Education	Business students attribute more importance to environmental CR and less importance to social CR than managers
Europe	Steurer (2010)	The role of governments in CSR	Characterizing public policies 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
Indonesia	Arli and Lasmono (2010)	Consumers’ perception of CSR	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. Eg. ITC notebooks
Chinese	Ramasamy and Yeung (2009)	Consumers perception of CSR	Economic responsibilities are most important while philanthropic responsibilities are of least importance

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Country	Author	Sector	CSR practice
Mexico	Muller and Kolk (2009)	Auto industry	Local companies do engage in the type of CSR activities commonly associated with CSR in developed countries
Germany and UK	Silberhorn and Warren (2007)	CSR view from big companies	German companies could benefit more from demonstrating a broad, business-driven understanding of CSR
Finland	Kapoor and Sandhu (2010)	Compares CSR practices of forest company, a cooperative bank, and a retail cooperative	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"
Japan	Fukukawa and Teramoto (2009)	Multinational companies	Japanese business is not keeping up with corporate social responsibility practices, and it needs to achieve a more global mode of transparency and accountability
United States, Europe, and Asia	Hill (2007)	Company stock market valuation	European countries and United States 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
Asia	Chapple and Moon (2005)	CSR web site reporting	Multinational companies are more likely to adopt CSR than those operating solely in their home country
India	Murthy (2008)	Top software firms	Corporate social disclosure practices of the top 16 software firms in India. Firms had different motives/reasons for reporting the different attributes of CSR

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Country	Author	Sector	CSR practice
India	Chaudhri et al. (2007)	Information technology (IT) companies	IT companies in India are lagging behind in creative and effective CSR communication on their web sites. Multinational corporations would do well to proactively present CSR information on country specific sites as an expression of their commitment to local communities
India	Kapoor and Sandhu (2010)	Impact of corporate social responsibility on financial performance	Bi-dimensional model
India	Kiran and Sharma (2011a)	Education	Introduce CSR into course-work of management curriculum
India	Kiran and Sharma (2011b)	Health, education and environment	Investment in CSR initiatives vary according to the firm size. Need of the hour is for the development of CSR framework

## Schools of Thoughts on CSR

In the literature on CSR, one can come across three schools of thoughts which has its own pros and cons. Michael, 2003 elaborate the focus and left out aspects of each schools of thought:

### 1. Neoliberal school

Self-regulation by industry in accordance to the risks and rewards of CSR activities but failing to address the resource misallocations and unintended consequences by CSR.

### 2. The state-led school

This school of thought focuses on the international and national regulation and cooperation but failing to address the underlying politics behind government encouraging CSR.

### 3. The 'third-way' school

It focus on the roles of not-for-profit and for profit organisations but failing to address the self-interests of participating individuals involved in CSR.

### Distribution of CSRD Across Sample Years



