Chapter 6
Relationships Between Corporate Social Responsibility and Strategic Planning

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6.1 Introduction

Although the first known definition of CSR was given in 1953 by Howard Bowen (1953, p. 6) the time of business environment becoming aware of corporate social responsibility importance started in '60s and '70s. As a result of businesses globalization and interconnection, companies increasingly follow the globally imposed trends, social responsibility being at the forefront of such trends (Halme, Roome, & Dobers, 2009). Over the last decades of the twentieth century and the first decades of the twenty-first century, there have been developed a variety of concepts related to social responsibility: corporate social performance (Carroll, 1979), corporate citizenship (Marsden and Andriof, 1998; McIntosh, Thomas, Leipziger, & Coleman, 2003), corporate accountability (Gray, 1992; Zadek, Pruznan, & Evans, 1997), corporate governance (OECD, 1999; Shleifer & Vishny, 1997; Zingales, 1998; Baron, 2001).

Currently, the issue causes an utmost interest both in the academic community and among managers of multinational companies. The main topics investigated aim at the multitude of CSR actions and the consequences they can have on business. The managers are aware of the diversity of legal norms, standards, practices and CSR needs for the nation, region or line of business, and of the fact that local managers are subjected to constant pressure from stakeholders in order to enhance their involvement in CSR.

Following the carried out investigations, McWilliams and others (2006) concluded that CSR analysis is still in an embryonic stage, any theoretical frameworks, indicators and empirical models generally accepted and easy to implement being absent. Moreover, CSR has been analyzed from the perspective of several research

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areas, due to its interdisciplinary. Over time, there have been stated a number of theories that formed the basis of CSR research views (agency theory, stakeholder theory, stewardship theory, resource-based view of the firm, institutional theory, theory of the firm etc.).

Social responsibility involves taking into account all stakeholders expectations, as well as the management of all economic, social and environmental aspects manifested in relations with stakeholders in their areas of influence: work place, market, value-adding chain, community and public policy. Social responsibility is the solution to render the company's objectives concerning profit with social objectives. Attention to social problems may support maintaining or improving organizational ethics, increasing the company's market value and local community consideration (Heal, 2004; Kraft & Hage, 1990).

Representatives of civil society question organizations' motives to carry out CSR programs, considering that these programs are just public relations campaigns which aim at improving organizations reputation. This view is grounded on the civil society actors' distrust in the companies' intentions which want to only increase profits. Oppositely, there are views that reject CSR role in a market economy where the primary responsibility of companies is with its shareholders and focuses on maximizing profits (which may be payable to capital holders as dividends or be capitalized by investments increasing company's value). According to this view (Rangan, Chase, & Karim, 2012) the value of any campaign is given by the added value it creates. CSR actions that do not simultaneous create profit for any company, are considered loss of corporate resources, therefore being unnecessary.

Corporate social responsibility is, therefore, a new business philosophy, which emphasizes the need to look beyond their ultimate main goal (customer's satisfaction in order to maximize profit to be distributed to capital holders) and to pay attention to other stakeholders in order to minimize the negative impact that these corporations have on the environment or society in general.

6.1.1 Strategic Corporate Social Responsibility

Globally there is a trend towards the process of organizational changing and developing that has profound strategic implications, since that aims the business strategy model adopted by the company in order to operate more efficiently and achieve better results. According to Andrews (1987), Friedman (1970), company strategy development implies attaining those economic choices that affect not only the company's results but also a large number of stakeholders that are associated either directly or indirectly with the company. In other words, the strategic decisions made by large companies involve economic, social and environmental issues and consequences, which are closely interlinked. Porter and Kramer (2006) highlighted the existence of interdependence between organizations and society as a whole, due to the fact that an organization's activities have a direct impact on the communities where it operates. In the process of strategy development, one should take into account the positive and negative effects that may occur as a result of decision-making, not only on the organization's activities, but also on various stakeholders and society in general (de Sousa, Wanderley, Gomez, & Farache, 2010).

Andrews (1987) considers that the four components of a strategy development are:

- business opportunities;
- skills and company resources;
- values and aspirations;
- obligations to shareholders and society as a whole.

In this way, Andrews acknowledges that an important component of the strategy is accountability to the needs and requirements of stakeholders and society as a whole. To formulate new models of social strategies, Husted and Allen (2001) used the tools and concepts borrowed from strategic management. Molteni (2006) places social responsibility as part of corporate strategy as it supports organization management in finding solutions to solving stakeholders' requirements and expectations. He proposes an innovation model based on social responsibility, saying that this may be an important factor in boosting competitiveness.

For any company, the strategy must go beyond the process of choosing the best practices in a field. Porter and Kramer (2006) believe that the strategy involves choosing a unique way of doing business that either reduces costs or better meets customers' specific set of needs. This applies to the relationship between organization and stakeholders and society as a whole. Strategic CSR takes into account both the effects on the organization's value chain, and on environment, allowing maximum effect with minimum effort. Strategic CSR opens the way to developing a symbiotic relationship between business and community success which mutually reinforce. Typically, the more a social problem is related to corporate business field, the more the possibility of using company resources with maximum effect, with benefits for both company and society, increases. Godfrey and Hatch (2007) believes that, approached from a strategic perspective, CSR literature can be divided into two sub-domains: the ethical or moral orientation and the business orientation. The first approach envisions CSR as a series of actions which mutually take place between company and stakeholders. From this point of view, selecting actions in a CSR program depends on stakeholders' needs and objectives (Mitchell, Agle, & Wood, 1997). On the contrary, the second approach considers that there is a causal relation between CSR programs and financial performance. This perspective suggests that CSR is consistent with profit maximization objective and can be harmoniously integrated into company business strategy (Sharp & Zaitman, 2010). Whatever the chosen approach, integrating CSR programs in business strategy is necessary to ensure the effectiveness of CSR programs, the networking with the company's business objectives and the elimination of redundant actions and processes.

Burke and Logsdon (1996, p. 496) believe that social responsibility is "strategic when produces substantial benefits for the company, particularly by supporting its core activities, thereby contributing to the company's mission fulfilment." They underlined that it is important for organizational management to be aware of strategic CSR benefits; otherwise CSR will be regarded as an operation used to improve company's image, a way of communication, but not a way of doing business. Burke and Logsdon (1996) consider that a company should include planning and investment effecting in CSR field as parts of corporate planning process which will facilitate the assessment of benefits generated by CSR programs for both the organization and society as a whole.

Following empirical research, Murray and Hazlett (2005) found that in some organizations there is not a clear CSR policy. Such organizations do not try to benefit from the advantage offered by the status of being socially responsible. CSR is perceived as an obligation to conduct a series of activities in order to not be disapproved by community. One can say that such organizations carry out CSR actions under duress (for example, the case of companies that significantly pollute the environment where they operate). There is also another category of organizations that engage in CSR in order to get a good image and reputation in community (Murray & Hazlett, 2005). Even if the organization wins by the means of a better reputation, the benefits are difficult to be quantified. One can therefore say that such organizations are engaged in altruistic CSR activities rather than in strategic CSR activities. Oppositely, there are the organizations understanding that CSR should be a tool to support the organization maximizing its results and increasing its competitiveness. Many such organizations have a separate CSR strategy which sets objectives and outcomes expected from CSR program (Murray & Hazlett, 2005). In these organizations, CSR is viewed as a business opportunity, creating numerous benefits to both the organization and stakeholders.

Brooks (2005) states that as integrating quality management in organizational processes CSR also takes time and often involves a change of organizational culture. Due to the lack of CSR strategic integration, the organization cannot fully benefit from its potential benefits (Hemingway & Maclagan, 2004; Joyner & Payne, 2002; Lantos, 2001).

In turn, Gyves and O'Higgins (2008) studied the relationship between implementing CSR programs and organization strategy, indicating the existence of four different ways to apply CSR:

- non-strategic activities of constrained CSR (donations that companies feel obliged to do). These types of CSR activities do not benefit companies;
- strategic activities of constrained CSR (companies take CSR actions as a result of their obligation under environmental or social issues legislation). These types of CSR activities do not benefit to a great extent to companies, but may give rise to opportunities that lead to the development of voluntarily CSR strategic activities.
- non-strategic activities of voluntary CSR (donations that companies make following a careful selection of social causes they wish to be involved in). However, there is not a link between the basic strategy of the company and these donations. The benefits of this type of CSR are public gratitude, improved

reputation, and increased employee morale, increased ability to attract and retain valuable human resource. The benefits, however, cannot be clearly quantified and the ratio of effort and effect is not optimized.

- voluntary CSR strategic activities (companies put in accordance their CSR programs with the basic strategy and the activities of value creation chain). This is possible only if CSR is integrated within the core strategy.

Voluntary CSR integrated within basic strategy of the company determines obtaining maximum and sustainable benefits both for the company and for its stakeholders and society as a whole (Gyves & O'Higgins, 2008). In turn, based on the voluntary approach and the strategic focus, Husted and De Isus Salazar (2006) distinguish between three types of CSR: strategic CSR, selfless CSR and constrained CSR, implemented as the result of community pressure.

Porter and Kramer (2006) consider that the predominant approaches regarding CSR are fragmented and disconnected from business strategy which leads to missing a number of beneficial opportunities for both the company and society as a whole. Although social responsibility and corporate strategy were considered as two distinct components of company policy (social responsibility contributing to achieving social goals, and corporate strategy contributing to achieving economic objectives), there is a need for interconnecting the two components (Husted & Allen, 2001). Therefore, in recent years, economic and academic environment has paid more attention to the possibility of integrating within a company's strategy corporate social responsibility.

In order to integrate CSR into core strategy of a firm, Heslin and Ochoa (2008) have defined a set of seven principles: "cultivate needed talent; develop new markets; protect labor welfare; reduce your environmental footprint; profit from by-products; involve customers; green your supply chain". McWilliams and Siegel (2001) suggest that CSR activities should be included in strategy development and that the resources to be used for CSR programs should be determined by cost—benefit analysis. The analysis of CSR strategic implications is hampered by cultural and institutional differences that lead to different expectations. For companies that operate in several countries with different cultures this fact complicates determining CSR activities to be addressed and the human, financial and material resources to be used.

McElhaney (2009) investigated CSR in terms of strategy, saying in turn, that CSR should be part of the organization strategies. Moreover, McElhaney defines strategic CSR as a business strategy that is integrated with core business objectives and core competencies of the company, being designed to create added value and generate positive social changes and being incorporated into the organizational culture and daily operations. Guadamillas-Gomez, Donate-Manzanares, and Skerlavaf (2010) considers that this integration targets issues of organizational culture, leadership, organizational structure, stakeholder involvement and participation in making important business decisions, employees' motivation to achieve their full involvement in CSR activities.

Given the large number of heterogeneous CSR actions within an organization and the multitude of motivations that form the base to these actions, it is quite difficult for an organization to coordinate them and, at the same time, to integrate them within organizational strategy. Rangan et al. (2012) argues that every organization should have a strategy for unifying all CSR activities under one umbrella. However, they consider that the concept of CSR strategy does not mean a complete integration within organization's strategy, but it is a separate component of it. Based on this premise, Rangan et al. (2012) defines three main areas of CSR that can have strategic implications. The characteristic feature of each area is given by the manner in which specific programs will address the CSR priorities of an organization.

The first field groups together philanthropic activities, even if they can generate potential benefits for the organization. The second area includes CSR activities with a social or environmental impact, aiming the entire chain of added value creation (including supply chain, distribution channels, and production processes). The third area includes programs that aim to fundamentally change the company environment. This transformation aims at sustainable development of the organization, but often involves addressing short-term risks in order to create social value. Rangan et al. (2012) considers that an organization is not required to address all three areas simultaneously or sequentially, but must choose those actions that it thinks will bring a competitive advantage over other organizations and to develop a coherent strategy for its CSR programs. Types of CSR programs addressed by an organization should be determined by its core competencies and institutional capacity.

Within the process of CSR integration into the strategies, operations and current activities of a company, it must be taken into account the interests and objectives established by stakeholders. Norris and O'Dwyer (2004, p. 174) show that in companies there is a change in the way of doing business: it is paid particular attention to the accountability towards all stakeholders, not only towards certain shareholders. It can be said that there is a rethinking of relations with all those involved in the company's business (shareholders and other investors, customers, suppliers, employees, local community, state and local government, etc.) through the application of ethical principles and values in the company's activities.

Integrating social needs with business ones involves a number of adjustments in the organization. Few companies have identified and prioritized social issues that could have a significant influence on the company's competitive context. Porter and Kramer (2006) believe that companies need to move from a fragmented, defensive approach to an integrated, offensive one. The focus should move from obtaining a better image to the actual fulfilment of social needs related to company's activities, from a responsive CSR to a strategic CSR.

Porter and Kramer (2006) believe that while responsive CSR requires only the approach of a good corporate citizen status and diminishing the social damage caused by activities of the value chain, strategic CSR is more selective. Companies should address only those social issues which represent opportunities and provide a competitive advantage for organization through the significant impact they have on the society as a whole. If organizations make the right choices and take social focused, proactive and integrated actions, their core strategies will increasingly differentiate from the rest of competitors.

However, in most organizations which had already implemented a CSR strategy, CSR programs were and still are not fully integrated within business strategy. A CSR strategy is a first step towards integrating CSR in the business strategy, but it is not enough. CSR actions must be strategically integrated within the organization. CSR should not only be the subject of activities, reports, and strategies programs, but must be integrated into employees' attitudes and behaviors, be part of the decision-making process and organizational culture. In this way, CSR will not only be an image vector but a driver of sustainability, competitiveness and overall performance.

6.2 CSR Impact on Company Competitiveness and Performance

When managed effectively, CSR programs can create significant benefits in terms of reputation, motivation and employees loyalty. CSR can contribute also to strengthening the partnerships with various stakeholders (Pearce and Doh 2005; Jones, 1995). Husted and Allen (2001) highlighted the positive association between strategic actions of social responsibility and competitive advantage. Other authors argued that corporate reputation, which can be enhanced by social responsibility actions, is a crucial element in increasing the amount of products and services sold and provided (Logsdon & Wood, 2002), reputation strengthening determining, therefore, a competitive advantage.

Implementing CSR in the company's core strategy can create social benefits and increase the company's reputation, because when the strategies are established and company's activities get under way, other objectives set by various categories of stakeholders are taken into account in addition to the central objective of the business (profit maximization) (Guadamillas-Gomez et al., 2010). In this regard, it is necessary an organizational development process in order to integrate CSR within company's strategies, processes and activities (Donaldson & Preston, 1995).

Ideally, well-run CSR programs create social value, while supporting the organization's performance goals and the diminishing of operating costs, as well as the strengthening of relationships with stakeholders. Therefore, Rangan et al. (2012) considers it imperative for organizations to establish a CSR department whose primary responsibility is coordination and integration of CSR actions, even if functional responsibility for various actions remains dispersed throughout the organization.

McElhaney (2009) believes that the benefits of strategic CSR, most often encountered in literature and proven in practice, are seen in human resources, talent management, organizational reputation, branding and operational cost savings. Employees are more loyal to companies that have corporate responsibility programs. As a result, CSR can be used as an effective strategy to recruit and retain the best employees from a field and a given market.

An important topic concerning the relationship established between CSR and companies' strategy refers to the possibility of an effective CSR program to turn into a source of competitive advantage through product, processes or corporate image differentiation in relation to its competitors (McWilliams and Siegel, 2000). Although the expenditures involved in CSR activities may reduce short-term performance, some studies (Garcia-Castro, Canela, & Arino, 2008; Ogden & Watson, 1999) show that on long-term organizational performance will be higher because of the competitive advantage gained reported to competition and increasing reputation.

A company can create added value and achieve competitive advantage through social responsibility actions only if CSR programs are interconnected with corporate strategies. In the public eye, the actions of social responsibility add value to products and also improve the business environment (Porter & Kramer, 2002). de Sousa et al. (2010) proposes a theoretical framework that allows understanding social responsibility as a competitive advantage strategic creator. In this framework the company's strategy formulation is the result of implementing organizational values into practice, understanding the importance of stakeholders, analyzing internal resources and skills, identifying opportunities in the external environment and analyzing the structure of the economic sector where the company operates. The main elements used to formulate social strategies should be linked to the company's core activity (Burke & Logsdon, 1996; Husted, 2003; Zadek, 2005).

To measure the impact of strategic CSR, organizations must develop a system of indicators to analyze the results in terms of triple-bottom-line: impact on people, environment and organization's profit. The opportunities for strategic CSR can occur at any level within an organization or even from outside. During the implementation of CSR initiatives, some employees tend to reject organization's change of attitude. Therefore, based on the indicators characterizing the performance of strategic CSR, achieving objectives must be integrated in the reward system (Heslin & Ochoa, 2008).

Summarizing, strategic CSR can be defined as a win-win approach of social responsibility, organizations demonstrating responsibility towards society and obtaining at the same time, benefits (Lantos, 2001). CSR can support building and improving an organization's reputation (Fombrun & Shanley, 1990). Moreover, CSR can support an organization in gaining competitive advantage as the activity is difficult to imitate (Litz, 1996; Barney, 2001). Besides the benefits of improving the reputation and competitive advantages, the integration of CSR in organizational strategy can lead to lower operational costs, attracting talented human resources, improving long-term performance. Also, integrating CSR into the overall strategy will help organization meet the growing demands of stakeholders, contributing to the organization's strategic compatibility with the environment in which it operates.

6.3 Models for Integrating CSR in Business Strategy

Although there is a need to integrate CSR into company strategies, there are not generally accepted models in this respect. Implementation of a CSR model involves changes in organizational strategy. Currently there are responsive type models which involve carrying out the following steps:

- integrating the principles of social responsibility within the organization's vision and values system;
- evaluating CSR actions undertaken so far without a well-structured plan;
- developing CSR program that contains the actions to be undertaken in the intervention targeted areas;
- creating a communication plan through which the organization is trying to disseminate all CSR activities and effects obtained.

One of the best-known theoretical frameworks to create a CSR strategy was developed by Porter and Kramer (2002, 2006). In 2002, they first established a framework for achieving a competitive advantage based on corporate philanthropy activities. The framework consists of five stages: the competition examination, the review of existing philanthropic portfolio, the analysis of potential philanthropic activities that can add value to the company, the identification of those opportunities related to other partners and the monitoring and evaluating of results (Porter & Kramer, 2002). In 2006, Porter and Kramer (2006) reformulated this framework emphasizing the importance of integrating within the company's core strategy of strategic CSR (Porter & Kramer, 2006).

Prioritizing social issues that the company should focus on can be very difficult. Porter and Kramer (2006) suggest dividing social problems into three categories: generic social issues, social issues that have an impact on the company's value chain, social problems affecting the competitive context. Creating a corporate social agenda goes beyond the idea of responsive CSR, according to which the company must be a good corporate citizen and must reduce the negative impact of value chain activities.

Corporate social agenda allows company to focus on strategic CSR (Porter & Kramer, 2006) and obtain a unique position by combining the connections with stakeholders. In this way, companies can easily identify social problems that might become relevant for inclusion within the strategy.

The benefits of a strategic CSR can be substantial, but the potential challenges arising from making changes to organizational structure and culture needed to implement strategic CSR can leave organization's management in difficulty. Heslin and Ochoa (2008) believe that an organization management must follow five guidelines to successfully implement strategic CSR: CSR initiatives choice, identification and involvement of relevant stakeholders, effective management of ethical dilemmas, developing a system of reporting indicators, and integration in the reward system.

Based on a careful analysis of the strategic challenges and opportunities, the organization should focus only on few CSR initiatives that have the best prospects in terms of results and the fulfilment of stakeholders' expectations. Prioritization can provide the necessary focus to achieve the best outcomes of a CSR program. The choice of stakeholders is important because, although there is not necessary those to have a contractual link with the organization, their ability to influence public opinion, the organization's reputation and the results can be significant. Implementation of strategic CSR poses a number of ethical issues to organization. Organizational management should carefully consider relevant ethical principles that form the foundation of the organization's affairs to avoid dilemmas that may arise. A proactive management, by using the "devil's advocate" technique can prevent a number of problems that can harm the organizational reputation.

Bhattacharyya, Sahay, Arora, and Chaturvedi (2008) developed a theoretical model for designing CSR programs which include five steps:

- identifying stakeholders,
- identifying stakeholders 'needs and requirements,
- identifying areas subject to CSR activities in which the company has a strategic interest,
- identifying social and environmental problems, the resolution of which may turn into an opportunity for the company,
- estimating the benefits that strategic CSR actions can bring to the company and stakeholders.

The leaders of an organization know that to achieve the targets set they need strategies that guide all organizations' members and ensure mobilization of resources in places where they are needed (McElhaney, 2009). Because the real goals of most CSR actions do not support the typical functions of a company, such as production, sales, supply etc., company managers fail to clearly establish some objectives or strategies specific to CSR actions. The result is a mix of strategies that are not interconnected to each other or to the basic strategy of the company. According to McElhaney (2009) developing a CSR strategy involves the following steps:

- Company management, including the board of directors should clearly express their public commitment to CSR programs and initiate the process of establishing a strategy;
- CSR strategy alignment with the core competencies of the company (companies should choose those social problems for which their work is part of the solution to these problems);
- fully integrating CSR into corporate culture, corporate governance and the company's development strategy, and within management and performance existing systems;

- developing key performance indicators to measure the impact of their CSR strategies on the company and environment.
- communication on all channels of the company's CSR program to increase synergistically its effects.

In turn, Galbreath (2009) exposed how CSR can be effectively integrated into the company's strategy. He identifies six dimensions of the strategy to be integrated into CSR programs: mission, strategic issues, markets, customer needs, resources, competitive advantage. All six dimensions form inherently the foundation for strategy development, being interconnected. An organization should consider how CSR fits in every dimension if it wants to fully integrate CSR in the core strategy.

According to Guadamillas-Gomez et al. (2010), integrating CSR in business strategy could be achieved through three stages. Implementing the CSR program actions within organization's strategy is achieved by implementing the strategic objectives of CSR program (established taking into account stakeholders' needs and requirements) within the company's general objectives system. CSR implementation involves the integration of CSR actions and processes among business actions and processes, taking into account leadership, human resources practices, and management system. CSR generalization refers to CSR integration into organizational culture, vision and values. This third stage is complemented by the establishment of a reporting system in order to measure the evolution of CSR and company and stakeholders benefits.

Rangan et al. (2012) developed a model for creating a CSR strategy consisting of three stages (auditing, remodelling and development) which involves approaching CSR programs actions from three perspectives (organizational, functional and community). The first step in developing a CSR strategy (audit) involves classifying and grouping CSR actions in one of the CSR domains. The second stage involves passing CSR actions from the operational level to strategic level. Establishing a comprehensive and coherent CSR strategy requires the interconnection among the various actions. Without coordinating various CSR programs through a coherent strategy, the organization will not have a clear direction, but rather distinct and, possibly, ineffective campaigns. This coordination takes place in the third stage when a unified CSR program is developed.

However, the models developed are still too focused on theory, with no practical tools to make them applicable for organizations' managers. Therefore, in our opinion, creating those tools that support the CSR integration within organizational strategy, it is necessary. These tools should offer practical solutions, not just theoretical elements, so that CSR becomes an organic part of the organization's strategy.

6.4 A New Methodological Framework for the Implementation of the CSR Throughout the Whole Process of the Strategic Planning

The authors believe that a new paradigm in implementing CSR programs in the overall strategy of a company is needed. This paradigm should be based on four aspects (process-based approach, global monitoring system, management by objectives and participative management) used as factors of integration to meet four important levels of integration (compatibility, coordination, integration, involvement). The model is based on the methodology used by Jorgensen model of integrated management system (Jorgensen, Remmen, & Mellado, 2006) (Fig. 6.1).

Compatibility means ensuring correspondence between operational CSR activities and current activities of the company, eliminating doubling, confusion and redundant activities. *Coordination* ensures alignment of policies and objectives within processes and tasks. *Integration* implies the interweaving of policies and objectives, and the development of a single process to underpin the responsible conduct of business, in conditions of maximum profitability. *Involvement* requires interaction with stakeholders (local community, customers, suppliers, employees, state and local government), understanding the internal and external influence factors in the domain of social responsibility.

Process approach involves using PDCA cycle of continuous improvement, on which should be based, in authors view, integration of CSR programs into business strategy. In this way it is provided a tool that enables effective integration of CSR activities in core activities. Planning phase allows the analysis of the current

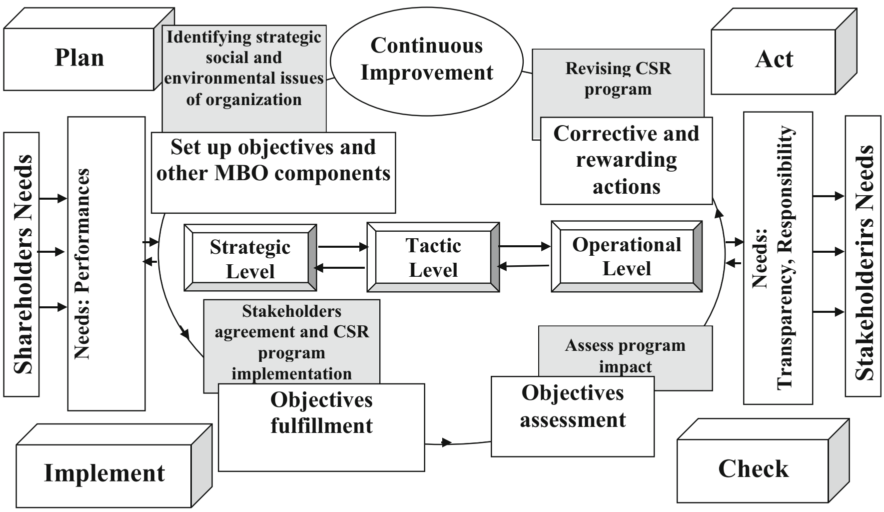

Fig. 6.1 Model of CSR integration within organization's strategy

situation, identifying social and environmental issues of strategic interest to the organization, establishing performance measurement indicators of CSR program.

Implementation phase involves obtaining stakeholder agreement and implementation of CSR at the same time with the current activities of the organization. Verification phase consists of assessing the impact of the program to determine the level of fulfilling the targets set out in the CSR. Action phase require readjusting the organization plans as well as of CSR program in order to achieve the objectives.

Global monitoring system allows setting indicators to measure the performance of CSR program. In this regard, one can use indicators that are generally accepted such as those proposed by Global Reporting Initiative (GRI) that is a reference instrument in the area of sustainability reporting.

Management by objectives is the structured instrument that allows the implementation of strategic plans of the organization. Stages of development and implementation of CSR strategy (Identifying strategic social and environmental issues of organization, stakeholders agreement and CSR program implementation, assess program impact, revising CSR program) can be integrated in the stages of implementing management by objectives (Set up objectives and other MBO components, Objectives fulfilment, Objectives assessment, Corrective and rewarding actions). In this way there is a permanent control of CSR objectives' fulfilment and the full integration of CSR goals with the overall objectives of the organization's performance is ensured.

The fourth factor of integration, *participatory management*, ensures the involvement of all stakeholders in the achievement of both social and environmental goals and in the organization performance objectives fulfilment.

By using the four factors of integration and covering the four levels of integration any organization will be able to address CSR in a strategic manner.

The model is designed to operate at all three levels of implementation: strategic (long-term, under the responsibility of top management), tactical (medium term, under the responsibility of each department manager), operational (short-term, under the responsibility of working teams and individuals).

Many companies are eager to implement social responsibility programs, investing significant funds in this sense, but their efforts are often frustrated by the lack of a comprehensive strategy that integrates social responsibility. The programs are fragmented and therefore their effectiveness to support the local community or society as a whole is limited.

The model that we proposed would be very useful to international corporations like Apple or Microsoft, which are perceived as organizations that rank capital owners as the most important, developing, only in the background, a series of activities dedicated to social responsibility. Apple does not have a CSR strategy. Apple's CSR is the responsive type. The degree of transparency is low, the company does not have a team to deal with the design of such activities, stakeholders do not represent a particular concern for the company, and there is no triple bottom line thinking.

In contrast, although Microsoft invests heavily in this area, develops and implements social responsibility strategies—citizenship strategies, these strategies are not integrated into the overall strategy of the company. An integration of corporate social responsibility within current activities will change public perception and lead to improved reputation and harmonization of organizational goals with social objectives.

6.5 Conclusion and Further Research

Literature suggests that organizations can be socially responsible in various ways that bring significant benefits to stakeholders and society as a whole, but can also bring substantial benefits for the organization. To be effective, however, CSR programs must be integrated into the core strategy of the organization, thereby creating a competitive advantage for it. Integration implies the interweaving of CSR programs and targets with company policies and strategies, and the development of a single process to underpin the profitability objectives and accountability to stakeholders. However, organizations still fail to reach maturity in terms of integrating CSR into business strategy. Currently, organizations continue to address CSR in different ways, with different objectives and addressing different needs.

Most theoretical models developed so far do not include practical tools to make them applicable to managers of organizations. In this chapter, based on a review of existing models the authors built a model of integration of CSR programs in organizational strategy. In this model there were used as integration inputs four practical tools (process-based approach, global monitoring system, management by objectives and participative management) to achieve the four major levels of CSR integration into the organization's strategy (compatibility, coordination integration, involvement).

Implementing this model will enable a full integration of social responsibility programs in the organization's strategy. International corporations, such as Microsoft and Apple, will improve their reputation and image among the public if they will work responsibly. If until now social responsibility programs are seen as an ancillary activity, when incorporated into the organization's strategy all actions and activities will be perceived as responsible and in accordance with the principles of business ethics.

According the research the authors can strongly argue that in future CSR focus will be on integration it into current business strategies in order to transform CSR programs into competitive advantages for organizations.

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