# Summary

## Institutional antecedents of corporate social responsibility

One of the key issues discussed by researchers dealing with corporate social responsibility (CSR) is why companies and their managers become involved in voluntary activities broadening the scope of social well-being. For a long time attempts to answer this question revolved around the ethical and strategic conditions of companies' operations. However, the first decade of the 21st century saw a shift towards attempts to use institutional theories which search for an explanation for CSR's growing popularity in social, cultural, economic and political factors that are external to the company. This monograph extends this stream of research.

The main aim of this work is theoretical in character. In the monograph an attempt is made to determine the influence of institutional factors on the involvement of companies in voluntary social and environmental activities which are termed corporate social responsibility. Three specific objectives can be distinguished and these are discussed in the next chapters of this work:

a) to determine the influence of distinct institutional factors operating in highly developed countries, representing different models of capitalism (particularly different models of the welfare state) on the level of companies' involvement in CSR in those countries;

b) to explain the influence of institutional factors operating in highly developed countries on the motivation of corporate managers for engaging in CSR;

c) to identify institutional mechanisms leading to the global spread of CSR.

In order to establish the relationship between institutional arrangements and the level of involvement in CSR in highly developed countries, this monograph refers to the concept of the models of capitalism, particularly to the models of the welfare state (Esping-Andersen, 1990). Among other things, these models differ in terms of the institutional arrangements determining the delivery of social services such as health care, pensions, education, culture and social assistance. These differences are especially noticeable between the USA and Western European countries and can serve as an explanatory factor elucidating the differences in CSR uptake among companies operating in the two regions. In short, companies operating under stronger institutional pressure occurring in countries with an extensive welfare state model (such as Western European countries) are less likely to engage voluntarily in CSR, while a lower pressure level of institutional factors in countries with a relatively minor role of the state in creating and redistributing well-being (e.g. the USA) increases the involvement of companies in socially responsible activities.

The relationship between the national institutional arrangements and CSR involvement in developed countries can be further elaborated at the level of the motivation of an individual manager. For this purpose use was made of Frey's economic theory of personal motivation (1997a). This theory distinguishes two types of motivation: intrinsic and extrinsic. Intrinsic motivation can be understood as a human's readiness to take a certain action, even if they receive no reward, apart from the fact of taking the action. In turn, extrinsic motivation is when a person undertakes specific actions under the influence of an external incentive resulting, for example, from formal or informal institutional arrangements. The types mentioned are not additive in character. The relationship between these two kinds of motivation is such that extrinsic motivation having its source in external intervention in the form of an economic incentive or legal regulation (or another social norm) can decrease (or increase) people's intrinsic motivation to undertake specific actions.

This reasoning is applied to explain the relationship between the institutional arrangements in countries representing various models of capitalism (especially various models of the welfare state) and the managers' motivation to engage in CSR. In countries characterised by an extensive model of the welfare state, the existing institutional arrangements determining the provision of social services decrease the intrinsic motivation of managers to become involved in CSR. Thus, managers in these countries limit their voluntary actions in this realm to the level determined by external intervention. On the other hand, in countries where the model of the welfare state adopted exerts weaker pressure in terms of obligatory creation and redistribution of social services, the intrinsic motivation of managers for socially responsible actions is higher. This relationship is illustrated with numerous examples from the USA, as well as from Western European countries.

The final purpose of the study was to identify the institutional mechanisms leading to the global spread of CSR. In order to achieve this purpose, the concept of institutional isomorphism was applied (DiMaggio and Powell, 1983). Isomorphism is the process which causes one unit in a population to resemble other units that face the same set of environmental factors. Hence, organizational practices which are perceived as those that allow legitimacy to be maintained in a given organizational environment spread and become popular as the result of this process. In the light of DiMaggio and Powell's (1983) concept, there are three kinds of institutional isomorphism: a) coercive isomorphism, resulting from political influence and the need for legitimacy, b) mimetic isomorphism, which stems from the reaction of an organization to the uncertainty of the environment, and c) normative isomorphism with its main source in professionalization. In the present monograph, the three institutional mechanisms are applied in order to explain the global diffusion of formal organizational practices in the realm of CSR.