Chapter N (please do not write anything in this line. Editors will annotate the chapter number)

**Comparison and Contrast between Corporate Social Responsibility and Corporate Social Innovation**

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**Abstract****.** Noteworthy issues encountered by the business world have been nailed through corporate social responsibility (CSR) and corporate social innovation (CSI). Still, several are to be addressed through comparative studies and integration of both concepts. However, research on comparing both concepts has not been comprehensively examined. This article explores how CSR and CSI are executed in integrating diverse key components of an organization and how they vary in practices. A systematic literature review was conducted to provide a comprehensive comparison. Thirty articles were systematically selected and thematically analyzed. The significance of CSR and CSI practices shows that CSR is business-oriented with the intention of organizational motives. In contrast, SCI is a collaborative approach with various elements of society. This article contributes to a true historical account of CSR and CSI visions from evolutions to organizational implementation with comparison and contrast based on literature.

**Keywords.** Corporate social responsibility, Social Innovation, Corporate social innovation

# Introduction

It has become crucial for businesses to employ a foresighted approach to tackle sustainability problems due to rising environmental crises and societal distress (Amran et al., 2021). By integrating corporate social responsibility (CSR) moves in the primary business layout, corporations are said to fulfill their commitment to society's wellbeing. Institutions and business corporates must go beyond the classic nature of CSR to a novel paradigm as businesses can no longer manage to employ CSR actions exclusively to meet social obligations without obtaining a monetary return (Jali et al., 2017). Discussions in this direction have encouraged various disciplines to consider the novel paradigm in perspective beyond economic resolutions; accordingly, the need for innovative initiatives and solutions has been prioritized (Laville, 2010). Corporate social innovation (CSI) has appeared as the emerging paradigm of innovation and acknowledged immense attention from organizations worldwide intending to achieve commercial-driven gains and simultaneously contribute to the progression of humanity and the quality and quantity of social life (Benneworth & Cunha, 2015; Iizuka, 2003). Though the theoretical foundations of CSI are under-researched, Caroli et al. (2018) and its implementation suffer from several conceptual overlaps (Iizuka, 2003). Generally, less is understood about the contrast between CSR and CSI in practice and the borders and delineation of these two ideas (Tabares, 2022). A thorough understanding of the insight between CSR and CSI must be well comprehended (Jali et al., 2017). Hence, this paper aims to compare the two concepts systematically and cover the literature gaps by assessing the correlation between CSR and CSI. This investigation provides an understanding of how differently CSR and CSI perform in the diverse key components of a company.

# Review of the literature

The most prominent approach to CSR development evolved from Bowen (1953), who introduced a particular set of opinions for businesses to answer their social obligations. He classified the actions and decisions of entrepreneurs, which turned to their stakeholders, customers, and employees with an immediate outcome on quality of living. Carroll (1979) acknowledged that the social responsibility of an enterprise possesses the legal, economic, discretionary, and ethical expectations that society has of organizations at a given stage. As stated by European Commission (2011), CSR is an outlook through which companies integrate environmental and social goals into their operational procedures and voluntarily collaborate with stakeholders. Hence, CSR indicates businesses have organizational and mutual responsibilities beyond legal obligations. This obligation can be explained by applying the sustainability triple bottom concept containing social, economic, and environmental dimensions (Weisenfeld, 2012). Moving to the CSI literature, the concept originated in the underdeveloped world to design the unique markets to mitigate impoverishment. CSI leads a corporation towards societally related innovation and recognizes the full extent of corporate assets as instruments for resolving the difficulties at hand (Herrera, 2015). By CSI, an organization can respond to the obligations of the diverse stakeholders (Herrera, 2015), counter the environmental issues (Moulaert et al., 2005), and control internal issues more effectively (van der Have & Rubalcaba, 2016). Many organizations have adopted this core capability and practicing to manage social issues, considering the idea of Mirvis & Googins (2017, p.2): “Corporate social innovation is a strategy that combines a unique set of corporate assets in collaboration with other sectors and firms to co-create breakthrough solutions to complex economic, social, and environmental issues that bear on the sustainability of both business and society.” CSI has grown over two decades, reinforcing traditional CSR strategies to embed social influence more rapidly in organizational policies, ventures, and alliances (Mirvis & Googins, 2017).

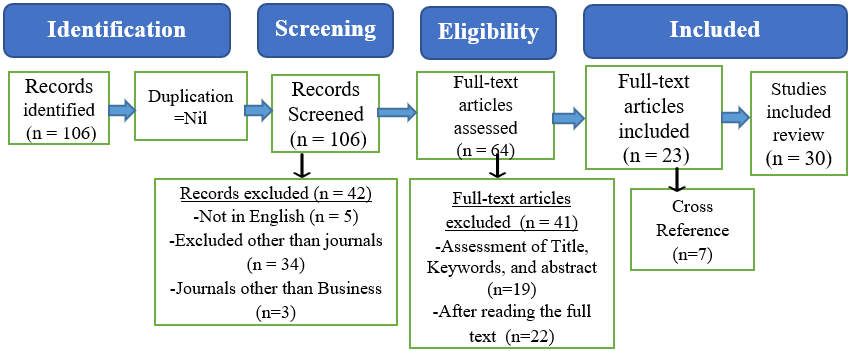
# Material and methods

Systematic literature review (SLR) was selected as the research methodology. It is known more transparent, robust, and rigorous approach to recognize relevant articles and allows for analyzing and assessing contemporary knowledge (Green, 2010; Linnenluecke et al., 2020). As our research compares and contrasts two contemporary corporate concepts, CSR and CSI, hence SLR is a compatible methodology due to the comprehensive approach to the business model, stakeholder, and sustainability literature (Fobbe & Hilletofth, 2021). The most relevant studies on CSR, CSI, and SI were recognized in the Scopus database (Comin et al., 2020). The search fields ‘Article title, Abstract, Keywords’ and ‘Topic’ were utilized to explore the databases. Keywords appropriate to our research inquiry comparison and contrast between CSR and CSI were specified, and search terms executed to gather all suitable papers were as below:

(TITLE-ABS-KEY ("Corporate Social Responsibility”) AND TITLE-ABS-KEY ("Social Innovation”) OR TITLE-ABS-KEY ("Corporate Social Innovation")) AND  (LIMIT-TO (LANGUAGE,  "English" ))

To simplify efficiency and the trackability of articles included/excluded, Figure 1 shows the PRISMA flowchart (Moher et al. 2009). Initially, 106 records were found, then we formed a manual and independent assessment of the papers to match the objective of the systematic review (Krey et al., 2022). Thus 30 articles have rigorously been investigated. The thematic analysis is considered a fruitful synthesis approach in managerial SLRs (Shu et al., 2021). It is suitable for comparing and contrasting CSR and CSI grounded on a qualitative scope, which identifies key emerging concepts (Linnenluecke et al., 2020; Tranfield, 2003). For this purpose, 30 papers were analyzed, and information regarding the existing practices of CSR and CSI was extracted and systematized, allowing the development of factors pertinent to the research objective (Denyer & Tranfield, 2009).

Fig. 1. PRISMA flowchart



# Results and Discussion

The thematic analysis of the articles included in the SLR revealed seven key aspects of the business-oriented organizations which have influence of CSR and CSI activities differently, and some have the similar treatments and outcomes. The key components are workforce, stakeholders, social marketing, economic performance, competitive advantage, knowledge exchange, and pandemics or emergencies (Table 1).

Table 1 Differences and similarities between CSR and CSI approaches

|  |  |  |  |
| --- | --- | --- | --- |
| Company’s perspective | | |  |
| Key Components | CSR Significance | CSI/SI Significance | Differences /Similarities /integrations |
| Workforce | Ethical labor practices. (Harazin & Kósi, 2013) Employees behavior (Panagopoulos et al., 2016), low staff turnover (Carroll & Shabana, 2010) | Decent work, reducing inequalities (Tabares, 2022), collaborative learning opportunities (Bennett & McWhorter, 2019), Broaden perspective, and stimulate creativity (Roszkowska-Menkes, 2018) | Emotional intelligence (Gul et al., 2015), creativity at the workplace (Carmeli et al., 2014), creative towards society, Enhance Organi  -zational citizenship Beha  -vior and Value cocreation (Chen et al., 2021) |
| Stakeholders | Two-way communication (Mattera & Baena, 2015) Value-based demand ranking (Wickert and Risi, 2019) | Stakeholder engagement (Herrera, 2015), Individuality (Carvalho, 2022), Local stakeholders (Nguyen et al., 2020) | Corporate value through stakeholders satisfaction (Shin et al., 2022),  Stakeholders projects (Turker & Ozmen, 2021) |
| Social Marketing | Brand positioning (Andrianova & Yeletskikh,  2012), Goodwill (Williams et al., 2020) | Social resolutions, corporate brand equity.  ( Andrianova & Yeletskikh, 2012) | Societal marketing, Planning process enhances SI (Andrianova & Yeletskikh, 2012) |
| Economic  Performance | Women entrepreneur (Kapoor, 2019), Financial | New sources of revenue  (Williams et al., 2020) |  |
|  | returns (Santos, 2014) |  |  |
| Competitive Advantage | Improves the R&D  Technological innovation.  (Huang et al., 2021) | Shapes societies (Bennett & McWhorter, 2019).Taps conscious consumers (Roszkowska-Menkes, 2018), innovations, and markets (Yang & Yan, 2020) | Sustains competitive advantage (Mattera & Baena, 2015), innovative strategy (Mirvis & Googins, 2018), Enhance relations with a society (Tabares, 2022) |
| Knowledge Exchange | Knowledge sharing with stakeholders on non-pecuniary bases  (Roszkowska-Menkes, 2018) | Institutionalized, cross-sector mergers (Bennett & McWhorter, 2019).Inter-active, experiential (Mirvis et al., 2016),Emerging economies,(Bennett & McWhorter, 2019) |  |
| Pandemic / Emergencies | Charity and donations. (Tabares, 2022) | Boosts in emergencies (Rabbani et al., 2021) | Business and social intensions (Tabares, 2022) |

## 1.4.1 Workforce

CSR emphasizes ethical behavior in labor practices. Like as favorable working conditions or work autonomy (Harazin & Kósi, 2013). CSR undertakes commitments that influence employees’ behavior (Panagopoulos et al., 2016), improving organizational commitment and lower staff turnover (Carroll & Shabana, 2010). In contrast, CSI observes a transformative agenda in line with global SDGs, reducing inequalities, encouraging decent work, and emphasizing organizational culture (Tabares, 2022). SI proposes possibilities for intra-organizational collaboration, and Sectoral boundary-crossing contributes to new ideas and learnings (Bennett & McWhorter, 2019). CSR improves their productivity, whereas CSI works on their development. Employees engaged through CSR are resourceful and emotionally intelligent (Gul et al., 2015) to accomplish innovative work (Carmeli et al., 2014), while employees engaged through SI are creative toward the community and eager to address problems (Roszkowska-Menkes, 2018). Both practices consider the employee as crucial stakeholders and give high importance to human rights (Harazin & Kósi, 2013). Effective directives regarding CSR and SI can benefit a firm by enhancing value cocreation and organizational citizenship behavior (Chen et al., 2021).

## 1.4.2 Stakeholders

CSR specifies channels to communicate more effectively with stakeholders and encourage them to participate in innovation-creation (Mattera & Baena, 2015). SI activities are conditional on stakeholder engagement (Herrera, 2015) and often occur due to individual stakeholders' determination. (Carvalho, 2022). It handles acute social issues through business solutions that benefit the company and local stakeholders (Nguyen et al., 2020). CSR attains corporate business value, contributing to societal stakeholders' happiness with corporate resources. SI is the most influential path to integrating companies with the community (Mattera & Baena, 2015). Sometimes integration of CSR & SI works together, as suggested by the SDG 17 “Partnership for the Goals”; when CSR projects lack expertise, collaboration with other organizations provides a joint social innovation (Turker & Ozmen, 2021).

## 1.4.3. Social Marketing

Companies choose a CSR endeavor based on how nicely the initiative serves their corporate brand identity. It is equally related to the brand positioning, or a certain brand portfolio or extent of societal value-added, i.e., influence drawn by the company on the specified CSR issue, and a positive reaction of that initiative both on profitability and the brand value (Andrianova & Yeletskikh, 2012) Hence, CSR can develop goodwill and improve corporate reputation. However, companies implement SI to address public life and the environmental concerns within business opportunities and prefer stakeholders' interest which ultimately enhance corporate brand equity (Andrianova & Yeletskikh, 2012).

## 1.4.4 Economic performance

CSR activities empower women economically in an underdeveloped country like India (Kapoor, 2019). Micro-level CSR impacts the generation of financial returns; however, there is no analysis of its significance on global sustainability (Santos, 2014). Whereas CSI generates a more socially relevant innovation to create new avenues for firm revenue, which can also be a competitive advantage (Williams et al., 2020).

## 1.4.5 Competitive Advantage

CSR significantly improves the investment level of R&D in high-growth companies; CSR dimensions such as employee responsibility and shareholder responsibility promote the effect on technological innovation (Huang et al., 2021). On the other hand, SI creates and sustains competitive advantages through technology development and economic outputs, shapes institutions and social structures, and provides learning platforms (Bennett & McWhorter, 2019). SI also enhances supply chains, taps socially aware and green consumers, and reaches markets at the pyramid's base (Roszkowska-Menkes, 2018). CSR improves intellectual assets, reinforcing the corporate sustainable competitive advantage (Mattera & Baena, 2015). CSI is on its own an innovation in the organizational sphere. Being an innovative approach, it is a key factor of organizational growth and necessary to sharpen and sustain competitive advantage (Mirvis & Googins, 2018).

## 1.4.6 Knowledge Exchange

On non-pecuniary bases, as a part of organizational CSR strategy, businesses communicate a small piece of knowledge and innovation with stakeholders regarding intellectual property donations for pro bono initiatives or open-source projects for society (Roszkowska-Menkes, 2018). Whereas SI as a movement finds social issues to solve and has institutionalized into centers and agencies that teach SI processes, usually with or without higher education collaboration. These learning centers encourage cross-sector collaborations and can enhance individual and organizational innovation capability (Bennett & McWhorter, 2019). CSI actions are intensely experimental and interactive, knowledge exchange grows among all the groups in CSI collaborations, and knowledge transfer is mostly multi-lateral (Mirvis et al., 2016). SI seeks to help those in need by providing expert knowledge and resources for impoverished communities (Bennett & McWhorter, 2019). The traditional theory of ecosystems strengthens due to SI, which enhances the relationship between markets and technology innovations (Yang & Yan, 2020)

## 1.4.7 Pandemics/emergencies

During Covid-19, Companies performs CSR activities through charity/donation (Tabares, 2022), whereas SI tends to flourish through innovative social solution (Rabbani et al., 2021). The key difference between these two concepts is that CSR activities intend for businesses, and SI enhances collaboration with society and its stakeholders. However, CSR and CSI perform similar practices regarding positive business relationships with society and sustainable development (Tabares, 2022).

# 1.5 Conclusion and future perspectives

The present study provides an overview of the existing literature on CSR and CSI/SI practices implemented in key components of the organizations. The main contribution of the SLR review is to identify key aspects, to answer the research question of how differently CSR and CSI perform in diverse key components of a company. We have found that CSR and CSI practices positively influence the employee workplace and capabilities. However, CSR is limited to organizational benefits, whereas CSI performs beyond organizational motives to answer social issues. Both practices enhance brand corporate reputation but with different strategies. CSR positively enhances economic performance, competitive advantage, and acknowledge exchange, whereas CSI generates more avenues for earnings and learning and is helpful to attaining competitive advantage. Both practices serve society for betterment, but the difference is the intentions of businesses. Limitations in this study are openings for prospective studies. The present study has conducted SLR on only journals; future studies may include all other records or be conducted on a case study basis. Furthermore, studies can examine the integration of both practices.

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