Convergence Vs Divergence in CSR: An Institutional Perspective
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Convergence Vs Divergence in CSR: An Institutional Perspective

Summary
This paper capitalizes on an institutional perspective to analyze convergence vs divergence in CSR in the Lebanese context. The findings lend support to the view that a cosmetic level of global convergence in explicit CSR policies may materialize in light of mimetic isomorphic pressures but that path dependence is salient in light of national history trajectories and socio-politico configurations which may stand as strong barriers to convergence. The findings reinforce a consistent theme that is more strongly echoed and accepted in the field of CSR today, namely that there is a need to embed CSR analysis in specific national contexts and to move beyond the level of the firm as the unit of analysis to consider a wider spectrum of actors and institutions, for a more sophisticated and holistic understanding of CSR.

Keywords: Corporate Social Responsibility (CSR), Institutional Analysis, Lebanon, Developing Countries

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CONVERGENCE VS DIVERGENCE IN CSR: AN INSTITUTIONAL PERSPECTIVE

BY

Dima Jamali

This paper capitalizes on an institutional perspective to analyze convergence vs divergence in CSR in the Lebanese context. The findings lend support to the view that a cosmetic level of global convergence in explicit CSR policies may materialize in light of mimetic isomorphic pressures but that path dependence is salient in light of national history trajectories and socio-politico configurations which may stand as strong barriers to convergence. The findings reinforce a consistent theme that is more strongly echoed and accepted in the field of CSR today, namely that there is a need to embed CSR analysis in specific national contexts and to move beyond the level of the firm as the unit of analysis to consider a wider spectrum of actors and institutions, for a more sophisticated and holistic understanding of CSR.

Keywords: Corporate social responsibility (CSR); Institutional analysis; Lebanon; Developing countries

Introduction

Corporate Social Responsibility (CSR) has witnessed an astounding ascendancy and global resonance in recent years. In the context of CSR research, there is much recent evidence to suggest that CSR practices vary across institutional environments (Roome, 2005; Matten and Moon, 2005), reinforcing the need to accord systematic attention to institutional mechanisms that may influence whether corporations behave in socially responsible ways or not (Campbell, 2007). Two streams of literature are particularly useful in this regard, including the comparative political economy literature and institutional analysis literature. The comparative political economy literature has a long tradition of directing attention to how political and economic institutions vary cross nationally while institutional analysis recognizes that institutions beyond the markets are often necessary to ensure that corporations are responsive to the interests of social actors beside themselves (Campbell, 2007). Recent formulations have capitalized on a blend of those two literatures, in trying to highlight how specific socio-political and institutional constellations mold significantly different CSR practices across nations (e.g. Roome, 2005; Lenssen and Vorobey, 2005). A similar approach is adopted in this paper in an attempt to shed light on CSR practices in developing countries, taking Lebanon as a case in point and deriving lessons from there that could have wider relevance / applicability.
CSR and Institutional Analysis

Early formulations pointing to the relevance of institutions in analyzing CSR evolved in the context of stakeholder theory. Stakeholder theory directed attention to the fact that CSR takes place within specific stakeholder environments and is influenced by specific stakeholder preferences (Freeman, 1984). Framed around notions of accountability and legitimacy, the stakeholder discourse highlighted the primacy of institutional stakeholders legitimizing new forms of managerial understanding and action (Jonker and Foster, 2002). Gray et al. (1996) define accountability as “the duty to provide an account of action or reckoning of those actions for which one is held responsible.” Legitimacy on the other hand constitutes a license to operate and firms are thus motivated by an implicit social contract (legitimacy) when they voluntarily engage in CSR (Donaldson, 1982). CSR is thus enacted in response to specific stakeholder issues and constituencies and in consultation with stakeholders (Be, 2005). There was subsequently a flurry of empirical evidence in support of these formulations. Brammer and Pavelin (2005) highlight in this respect visible cross country differences in patterns of corporate community involvement across the US and the UK, attributing those to significantly different stakeholder environments. Crane and Matten (2005) similarly document differences in stakeholder orientations across the US and Europe, suggesting an emphasis on short-term economic gain in the US vs a multi-stakeholder approach in Europe. Hence, the stakeholder paradigm constituted an initial useful theoretical lens and positive concrete advancement in documenting cross national differences in CSR.

The recent ascendancy of institutional theory has on the other hand helped in broadening the debate and taking it a step further. Recent institutional theory formulations directed attention that institutions place pressures and constraints upon organizational behavior by supporting the enforcement of specific rules, laws, values and social norms (North, 1990). Drawing on institutional theory, Scott (1995) enumerates salient regulative and normative pillars of institutions, which promote stability and predictability in social behavior, through compliance with codified laws in the case of the former vs conformity or appropriateness in the case of the latter. North (1990) refers to those two pillars as the visible vs invisible rules of the game respectively. Hence central to the new
institutionalism literature is the idea that firms are embedded in national systems and institutions, which influence managerial belief systems, firm stakeholder orientations, and ability to compete, innovate and manage (Roome, 2005). Legitimacy features again in institutional formulations as a central concern, and is determined by the degree to which the values/expectations of institutions are reflected in organizational values and actions (Long and Driscoll, 2008). Organizations in specific environments try to promote their legitimacy through the adoption of similar institutionalized processes, or three varieties of isomorphic tendencies, referred to as coercive isomorphism -seeking legitimacy through alignment with externally codified rules, norms or laws-, mimetic isomorphism -seeking legitimacy through alignment with best practices or managerial fads/fashions- and normative isomorphism -seeking legitimacy through alignment with espoused standards set by educational and professional authorities (Lai et al., 2006). Basically, institutional isomorphism occurs when companies compete with other firms for economic, social and political power and institutional legitimacy (Shepard et al., 1997).

Taking institutional analysis a step further in a recent interesting contribution, Matten and Moon (2005) make a distinction between two facets of CSR which they refer to as implicit and explicit CSR. They designate implicit CSR as the set of values, norms and rules, which result in (mostly) mandatory requirements for corporations to address issues considered salient in their particular environments while explicit CSR refers to voluntary explicit programs and strategies of corporations to address issues perceived by firms and their stakeholders as part of their social responsibility. As illustrated in Figure 1, implicit CSR is thus embedded in the nexus of business-society-government relations and specific national business systems (comprising political, financial, educational and cultural institutions). Implicit CSR can in turn shape explicit CSR policies, which are also invariably affected by institutional legitimacy concerns and the three varieties of isomorphic tendencies highlighted above (Matten and Moon, 2005). Differences in national business systems are thus at the source of different understandings of CSR across cultures, as well as cross-national variations in explicit CSR policies (Matten and Moon, 2005). Therefore the varied spectrum of CSR practices and policies across the world can be attributed to distinctly different national business systems and historically
grown institutions, despite the pressures of globalization and expected harmonization of management processes and structures across cultures (Matten and Moon, 2005).

Figure 1. Implicit Vs Explicit CSR (Adapted from Matten and Moon, 2005)

This line of analysis is further consistent with various recent formulations which suggest that a focus on firm-level variables as the unit of analysis in CSR research may be shortsighted and that there is a need to complement this sort of analysis through reference to national realities and policies. As communicated aptly by Roome (2005, p. 324), the social and political history of a country will affect national expectations in terms of dialogue, democracy and participation; similarly ease of engagement between firms and stakeholders is influenced by the way that stakeholders in civil society and the non-governmental sector are organized and their respective positions in society; the system of management education and training also shape managerial expectations in the field of community involvement; and the social and environmental circumstances and concerns both past and present affect the CSR agenda to which companies are expected to respond. These various elements of CSR are of course interconnected and together constitute a
basic national CSR institutional infrastructure (Roome, 2005). CSR is therefore no doubt influenced by a plethora of actors including business firms but also governments, NGOs, investors, and educational institutions, whose dynamic interactions are in turn molded by complex historical evolutionary institutional frameworks and processes. It is only when we move to this broadened level of analysis that our understanding of CSR evolves to the level of sophistication/maturity required beyond simple firm-level diagnostic excursions.

Within this broader framework, it also becomes clear that convergence in CSR is unlikely given the distinct differences and divergence in (implicit) institutional frameworks. It is precisely this line of thought that is increasingly used to account for the wide spectrum and visible demarcation in CSR practices across Europe (Matten and Moon, 2005; Roome, 2005), and beyond that for sharp contrasts between European and American CSR practices (Crane and Matten, 2005). Significant nuances and differences in CSR practice across developing countries and in contrast to their Anglo Saxon counterparts are further expected to be detected when adopting a macro level institutional lens. While a cosmetic level of global convergence in explicit CSR policies may materialize in light of the three varieties of isomorphism described earlier, the path dependence hypothesis is likely to be salient given national history trajectories and socio-politico configurations which may stand as strong barriers to convergence (Baums, 1994; Aoki and Patrick, 1994). Convergence Vs divergence in CSR is thus a basic theme that will run through this paper and that we wish to tackle from a macro level institutional analysis perspective within the framework of a comparative international CSR research agenda.

A key complementary contribution from a macro level institutional perspective comes from Campbell (2007) who has put forward a number of propositions relating to the nature of the economic environment, the nature of competition, state regulations, the system of industrial self-regulation, the presence of private independent organizations (e.g. NGOs), and the nature of the normative discourse, which can individually and collectively mold different types of institutional environments influencing national expressions and manifestations of socially responsible behaviors. These are summarized in Table 1 and are all firmly grounded in the literature. Campbell (2007) concludes that
the relative health of corporations and the economy and the level of competition to which corporations are exposed affect the probability that corporations will act in socially responsible ways. However there are a variety of institutional conditions which mediate these basic economic relationships. In essence, “corporations are more likely to act in socially responsible ways the more they encounter strong state regulation, collective industrial self-regulation, NGOs and other independent organizations that monitor them and a normative institutional environment that encourages socially responsible behavior” (Campbell, 2007, p. 962).

Table 1. Relevant Propositions regarding CSR from an Institutional Perspective (Campbell, 2007)

<table>
<thead>
<tr>
<th>Proposition</th>
<th>Description</th>
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<tbody>
<tr>
<td>P1</td>
<td>Corporations will be less likely to act in socially responsible ways when they are experiencing relatively weak financial performance and when they are operating in a relatively unhealthy economic environment.</td>
</tr>
<tr>
<td>P2</td>
<td>Corporations will be less likely to act in socially responsible ways if there is either too much or too little competition.</td>
</tr>
<tr>
<td>P3</td>
<td>Corporations will be more likely to act in socially responsible ways if there are strong and well enforced state regulations in place to ensure such behavior.</td>
</tr>
<tr>
<td>P4</td>
<td>Corporations will be more likely to act in socially responsible ways if there is a system of well organized and effective industrial self-regulation in place to ensure such behavior.</td>
</tr>
<tr>
<td>P5</td>
<td>Corporations will be more likely to act in socially responsible ways if there are private, independent organizations, including NGOs, social movement organizations, institutional investors and the press in their environment who monitor their behavior and when necessary mobilize to change it.</td>
</tr>
<tr>
<td>P6</td>
<td>Corporations will be more likely to act in socially responsible ways if they operate in an environment where normative calls for such behavior are institutionalized in for example important business publications, business school curricula and other educational venues in which corporate managers participate.</td>
</tr>
<tr>
<td>P7</td>
<td>Corporations will be more likely to act in socially responsible ways if they belong to trade or employer associations, but only if these associations are organized in ways that promote socially responsible behavior.</td>
</tr>
<tr>
<td>P8</td>
<td>Corporations will be more likely to act in socially responsible ways if they are engaged in institutionalized dialogue with unions, employees, community groups, investors and other stakeholders.</td>
</tr>
</tbody>
</table>

The different pieces of research presented above reinforce a consistent theme that is more strongly echoed and accepted in the field of CSR today, namely that there is a need to embed CSR analysis in specific national contexts, with reference to specific national roots and historically grown institutional frameworks. It is also important to move beyond the level of the firm as the unit of analysis to consider a wider spectrum of actors and institutions, for a more rounded and holistic understanding of CSR. If CSR indeed addresses the reconfiguration of the balance between institutions that together make up
society as recently suggested by Habisch and Jonker (2005) and if it further represents a fundamental transition of the long taken-for-granted balance between core clusters of institutions including government, civil society and the market, then it is essential to look beyond the level of firm-specific characteristics and initiatives to also examine relevant actors and institutions (formal and informal) that come to bear on the character and shape of CSR and its manifestation in a specific national context. We turn in the next section to such kind of nuanced analysis in the Lebanese context to derive a better understanding of CSR in a transition economy that could have wider relevance/applicability in the context of an international comparative CSR research effort.

Research Methodology
The research adopted combines two types of methodologies. The first methodology involves a compilation of relevant contextual background information that helps set the scene for CSR in Lebanon, with reference to specific historical roots and institutions. We complement this analysis with interpretive primary research (Gephart, 2004), capitalizing on in-depth interviews with representatives from five key actors that are directly or indirectly involved in CSR in the Lebanese context, including MNCs and local business firms, as well as representatives from the government sector, the NGO sector and academia. Interpretive research is qualitative in nature seeking to unearth collective frames of reference, or construed realities that guide the attribution of meaning and help account for how managers create, enact or interpret the reality they inhabit (Isabella, 1990). To gain a better understanding of CSR interpretations, it was deemed useful to seek viewpoints derived from managers involved in different types of organizations (e.g. Lebanese Vs. multinational; governmental; nongovernmental; academia). This diversified sample composition was considered necessary to capture differences in perceptions and interpretations of national business systems, relevant institutional frameworks, and salient institutional pressures across various institutional actors and representatives, with potentially differing responsibilities in the context of a national CSR research agenda. The sample for this research thus came to comprise 38 managers, representing different institutional actors and sectors as illustrated in Table 2.
Table 2. Sample Description

<table>
<thead>
<tr>
<th>Representatives of</th>
<th>Type</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>MNCs</td>
<td>10 managers</td>
<td>Citigroup; HSBC; Fransabank; Reuters; Raddison; Pfizer; Microsoft; Tetrapak; Deloitte; Procter and Gamble</td>
</tr>
<tr>
<td>Local corporations (mostly SMEs)</td>
<td>10 managers</td>
<td>Rashidi; Harb; Maatouk; Byblos Bank; Audi Bank; Al Mawarid Bank; BLOM Bank; Sanita; Fattal; Cyberia Ministry of Culture; Ministry of Telecommunications;</td>
</tr>
<tr>
<td>Government</td>
<td>6 managers</td>
<td>Ministry of Labor; Ministry of Economy; Ministry of Finance; Ministry of Social Affairs; Ministry of Education Credit Libanais; Injaz; Entrepreneurial Development</td>
</tr>
<tr>
<td>Non governmental sector</td>
<td>6 managers</td>
<td>Foundation; Association for Volunteers Services; Cedars for Care; UNICEF</td>
</tr>
<tr>
<td>Academic institutions</td>
<td>6 managers</td>
<td>2 from American University of Beirut; 2 from Lebanese American University; 2 from Saint Joseph University</td>
</tr>
</tbody>
</table>

A semi-structured interview guide comprising three sections was developed addressing three key themes. The first section addressed the level of CSR awareness and importance accorded to CSR. The second section addressed the roles of different institutional actors in promoting CSR, exploring the perspectives of the various representatives of their role and that of other actors in the context of CSR. Finally, the third section investigated the interviewees’ perspectives on the state of CSR in Lebanon, and challenges stemming from existing institutional realities and specific institutional constellations. The interview guide was sent to a sample of 50 managers representing different sectors and actors, and a meeting scheduled upon securing approval to discuss the research issues and questions. As illustrated in Table 2, a total of 38 managers agreed to take part in the interviews.

Following the transcription of the interviews and the codification of the data, the analysis focused on detecting commonalities or patterns of agreement / convergence in the statements provided, but areas of divergence were equally noted / highlighted. The analysis of the data collected in the last section of the interview regarding perceptions of institutional realities and challenges followed a grounded theory approach as formulated by Glaser and Strauss (1967), involving a comparison of the data with institutional theoretical perspectives presented earlier. The result of this fluid movement between theory and data is according to Isabella (1990) fruitful in way of re-conceptualization and accounting for all nuances in the data. In this respect, points that participants tended to repeat served to augment the evolving theory (Isabella, 1990).
Relevant National Contextual Background

Political: Lebanon is a small country located along the eastern shore of the Mediterranean sea bounded on the north and east by Syria and on the south by Israel, with a total area of 10,452 square kilometers and a population of around 4 million inhabitants. Lebanon qualifies as a parliamentary republic with a centralized, multi-religious, and multiparty government. Its quasi-democratic political system is based on power-sharing between the country’s confessional groups, with representatives of the three largest religious sects forming a ruling ‘troika’ (The Economist Intelligence Unit, 2007). The grouping of people by religion plays a critical role in Lebanon’s political and social life and has given rise to Lebanon’s most persistent and bitter conflicts.

Economic: The Lebanese economy is small, open and largely services based. The agricultural sector accounts for around 5.5% of nominal GDP and the industrial sector is also small. In the wake of the civil war (1975-1990) primary attention has been accorded to reconstruction, causing significant budgetary strain, and recurrent budget deficits averaging more than 12% of GDP in the five years until 2006 (The Economist Intelligence Unit, 2007). Recent governments have pursued monetary stabilization policies to finance the growing budget deficit, curb inflation rates and restore confidence in the national currency. However, economic recovery looms as a daunting challenge given recurrent substantial chronic economic shortfalls and debt servicing problems.

Financial: Beirut was the main financial services centre for the Middle East until the 1970s, however it has lost its edge to its regional rivals (particularly Dubai and Bahrain) in the wake of the civil war. There has been a concerted effort by local institutions to regain something of Beirut’s regional role. While leading Lebanese financial institutions (e.g. Audi Bank, Byblos Bank, BLOM Bank) are internationally regarded and profitable, competition has become stiff in recent years, requiring consolidation and a regional focus and expansion. There are 52 commercial banks operating in Lebanon, ten investment banks and 15 representatives of foreign banks as well as 50 insurance firms both local and foreign-owned (The Economist Intelligence Unit, 2007).
**Education:** Lebanon is characterized by a highly literate, multi-lingual workforce, which reflects the country’s relative strength compared with its regional neighbors in the field of education (The Economist Intelligence Unit, 2007). Overall adult literacy stood at 87%, in 2003 with literacy rates nearing 98% for boys and girls aged 15-24, well above the regional norm of 82% (The Economist Intelligence Unit, 2007). Lebanese society values and accords primary attention to education which is also reflected in steady improvement in women’s educational enrollment, with women’s post secondary educational enrollment nearing 50 percent in both public and private educational sectors. For example, more than half of all university students are women – 53 percent in 2001 (World Bank, 2005).

**Culture:** Although Lebanon is an Arab country and a founding member of the Arab league, it also differs significantly from Arab countries particularly in the domain of culture. Lebanese culture is a blend of conservatism and liberalism, individualism and collectivism, masculinity, and high power distance (Sidani, 2002). This is no doubt attributed to the history of Lebanon and its greater openness to the West than its neighboring Arab counterparts. Lebanese culture has thus retained important residues of masculinity, patriarchy, and collectivism, which are counterbalanced by liberal values particularly in the Capital Beirut and amongst Christian communities. This contradictory mix is felt by women, who despite increasing rates of economic activity (32.4% in 2007) report salient cultural constraints hindering career advancement (Jamali et al., 2005).

**Religion:** Lebanon is a pluralist multi-confessional country par excellence. The Lebanese communities are commonly divided into two religious categories: Christian and Muslim. However, cleavages in Lebanese society far exceed the traditional Christian-Muslim divide as there are several complex sub-divisions within these two general classifications. Indeed, seventeen different religious sects are officially recognized by the Lebanese government, ten of which can be considered politically salient (Maronite, Greek Orthodox, Greek Catholic, Armenian Orthodox, Armenian Catholic, Protestant, Sunni, Shia, Druze, Alawi). This complex segmentation coupled with the institutionalization of religious representation into the rules of government have given rise to Lebanon’s most persistent and protracted conflicts.
Research Findings
The findings are presented here in the aggregate with respect to the main themes explored. Points of convergence and divergence are highlighted, although identities of the managers are concealed for confidentiality and anonymity purposes.

CSR Awareness
The interviews clearly exhibited general awareness of CSR across sectors. Interestingly though, the cross-sector interviews also indicated that the degree of sophistication and depth of CSR awareness and knowledge of CSR principles varied considerably, with the private sector generally and MNCs specifically exhibiting the highest levels of awareness and the governmental sector the least. To assess the level of CSR awareness, we looked at interviewees’ definitions of CSR to draw inferences about the level of familiarity with the contemporary CSR movement and its principles. In doing so, it is clear that there is a general consensus among the key actors in Lebanon regarding a common definition of CSR as a voluntary orientation on the part of the private sector to address social and environmental concerns. As stated by one private sector interviewee, CSR reflects the growing need for companies to "care about the social, economic, and environmental impacts of their operations and act as responsible citizens" (Private Sector Manager).

Certain divergences are also evident in relation to implications of CSR beyond initial definitions. For example, recurring themes among private sector interviewees revolved around legitimacy concerns as well as the importance of CSR for branding, public relations and reputation. The private sector in Lebanon thus exhibited a predominantly instrumental CSR orientation. Greater attention was accorded by the educational sector to the sustainability aspects of CSR, with educational representatives emphasizing the need for collaborative efforts among all actors to better achieve sustainability and meaningful social impacts. NGOs, on the other hand, tended to perceive CSR as a private sector obligation in the first place but realized that they can draw on and leverage joint resources synergetic-ally in case of effective collaboration. At the lower end of the awareness spectrum, government interviewees stressed that CSR is in essence a mindset at the individual level, but also recognizing the value of participation and collaboration of all parties and stakeholders.
Perceived Roles of Different Actors

A level of consensus was detected across sectors regarding the evolving understanding and practice of CSR in Lebanon. All interviewees generally agreed that CSR in Lebanon is still in its very infancy, and that there is much work to be done. The interviewees argue that the private sector, which should be leading the CSR movement, is not doing enough. Interviewees from the public sector, NGOs and the educational/research community, point to the evolving understanding of basic CSR principles in the private sector, and believe that the private sector is still primarily profit-oriented and looking to promote its self-interest. “The business sector still does not have a strategy for CSR. Some corporations are still on the first end of the continuum, relying on competition to solve all problems, while others have already made strides in way of helping their employees and communities through education, hospitalization, etc. But as a general view, the private sector still cares about its own interests, and most efforts are better classified as philanthropy or public relations than real CSR” (Public Sector Manager).

This philanthropic (explicit) CSR orientation was attributed in turn in the Lebanese context to isomorphic pressures of the mimetic variety, whereby “large private sector firms feel increasingly compelled to adopt CSR as the latest fad or fashion as popularized by their multinational counterparts and recent academic discourse on the subject” (NGO Manager). The philanthropic orientation was in turn attributed in the case of the majority of SMEs to religious principles and motivations primarily rooted in the context of various Islamic principles corresponding to responsible business conduct. Hence whereas there is an evolving international consensus on a wider definition of CSR involving sustainable development, reinforcing competitiveness, social cohesion and environmental protection (Be, 2005), a more simplistic conceptualization seems salient in the Lebanese context, which is worth analyzing further from an institutional perspective. One manager commented that the limited sophistication of CSR in Lebanon should also be attributed to the turbulent political and economic situation in the country. A common view is that the private sector “has more pressing problems and that political and economic realities are not helping to consider / prioritize other issues including CSR” (Private Sector Manager).
There was a general consensus among all interviewees that all actors still do not have full appreciation of their respective roles and responsibilities. A private sector manager builds on this line of thought, arguing that there is “a wrong or weak understanding of CSR in Lebanon; people confuse it with charity and capitalize on philanthropic activities often labeling their efforts as strategic CSR” (Private Sector Manager). NGOs on the other hand are in the words of one manager “limited in scope, organized along sectarian lines, do not have clear performance indicators (KPIs), and lack a clear vision, mission and basic strategizing” (Private Sector Manager). According to one manager, “there are just too many of them doing the same thing instead of partnering with others; many are also holding on to their traditional way of doing business, and are just not innovative or professional enough in their approach” (Private Sector Manager). This is perhaps where the government should step in to regulate and facilitate CSR, however government efforts are best characterized “as modest and intermittent as in recent allusion to the importance of CSR by Minister Saidi but beyond that the government does not provide any incentives and/or funding for CSR” (NGO Manager).

To many of the interviewees, an important indicator of limited evolution of CSR is the lack of collaborative, systemic CSR efforts. Building on this perspective, an NGO manager highlights that “in Lebanon, CSR efforts are still fragmented, and result from certain affiliations, whether political, sectarian, religious, regional, or others. As such, the few CSR initiatives remain predominantly discretionary, ad-hoc, and non strategic” (NGO Manager). According to one of the university professors interviewed “each sector is still pursuing their individual interests in isolation although CSR could potentially evolve as a viable umbrella for cross-sector collaboration” (University Professor). The private sector is supposed to take the lead, to be a “game changer” according to one of the interviewees but this is hardly the case. NGOs on the other hand were characterized as having the necessary motivation and positive orientation but “lacking in resources and facing various sustainability challenges”, while the government remains “distant and alienated” (Private Sector Manager). Universities are in turn “not doing their fair share in way of laying the necessary cognitive foundation for CSR” (University Professor).
In analyzing the state of CSR in Lebanon and the perspectives of the various actors, various institutional realities and challenges were detected as alluded to directly or indirectly by the respondents. Several interviewees made reference to the recent political crisis in Lebanon as stifling and undermining any hope of serious progress on the CSR front. As characterized by one manager “Lebanon is witnessing serious latent sectarian tensions, political disagreements, political assassinations and a political crisis and vacuum at the highest level; in these circumstances, all companies put their CSR planning / investment on hold awaiting better future prospects” (Private Sector Manager). Hence a peculiar set of political constraints may be at play in developing countries, which are deserving of consideration in CSR research.

The recent economic stagnation was equally described as a serious institutional constraint and as aptly put by one manager “as a serious deterrent in way of prioritizing CSR” (Private Sector Manager). This is consistent with the theoretical propositions of Campbell (2007) illustrated in Table 1 and P1 more precisely, namely that corporations will be less likely to act in socially responsible ways when they are operating in a relatively unhealthy economic environment. Various companies in the Lebanese context seem to have lost their motivation for CSR during cycles of recession and in the face of chronic and recurrent economic shortfalls and debt servicing problems. Economic factors are thus certainly deserving of closer scrutiny and investigation in national contextual investigations of CSR.

Several interviewees also made reference to the fact that during such unsettling times and cycles of political and economic turmoil, the government was focused on securing the operation of basic public services, with marginal attention accorded to incentivizing and regulating CSR. “Despite increasing familiarity of the government with CSR, no concrete steps were taken to induce CSR or organize it through soft or hard regulation” (Public Sector Manager). This is consistent with the theoretical propositions of Campbell (2007) illustrated in Table 1 and P3 more precisely, namely that corporations will be less likely to act is socially responsible ways if there are no strong, well-enforced state regulations.
in place to ensure such behavior. We can also detect from the foregoing that coercive isomorphic pressures are low in the Lebanese context.

While politico-economic constellations are clearly salient in the Lebanese context and undermining further evolution and progress in the domain of CSR, there was a general consensus that the educational sector is also not doing its fair share. “Only one University has introduced CSR aggressively within its curriculum in recent years; all other universities still treat CSR as a peripheral business topic” (University Professor). Various interviewees emphasized the role of the educational sector to act as a catalyst for a more serious discourse on CSR and as a bridge or liaison between the various actors. We can detect from the foregoing that normative isomorphic pressures are low in the Lebanese context. These observations also lend support to P6 in Table 1, namely that corporations will be more likely to act in socially responsible ways if they operate in an environment where normative calls for such behavior are indeed institutionalized.

The interviewees aptly pointed to the weakness of other institutional drivers for CSR, including for example NGO activism and environmental activism “Ecological sustainability is accorded lowest consideration by the private sector and NGOs hardly monitors this area in light of more pressing concerns” (Public Sector Manager). This coupled with limited activism on the part of consumers and employees translates into limited isomorphic pressures of the coercive and normative variety. This is consistent with P5 in Table 1, namely that corporations will be more likely to act in socially responsible ways if there are private, independent organizations, including NGOs, social movement organizations, institutions investors and the press in their environment who monitor their behavior and when necessary mobilize to change it.

In the domain of culture, the interviewees pointed out that Lebanese culture exhibits various characteristics that are not congruent with CSR, including “high levels of power distance, increasing levels of individualism and high levels of masculinity” (University Professor). Indeed, according to Katz et al. (1999) community activism is more likely to occur in cultures exhibiting lower levels of power distance, lower levels of uncertainty
avoidance, lower levels of individualism and lower levels of masculinity. Hence, cultural characteristics in the Lebanese case are not necessarily congruent with CSR adoption although this is an area that clearly needs more systematic investigation. Religion seems on the other a salient cultural characteristic which has not been systematically integrated in CSR research, but which according to interviewees may in some cases catalyze CSR or induce “positive CSR behavior given its congruence with Islamic principles of ethical business conduct” (Private Sector Manager).

In way of summation, it may be useful to make a distinction between pull and push institutional factors. Pull factors are institutional variables that may play against the adoption of CSR in a specific context. In the Lebanese case, these comprise political and economic realities, educational orientation and culture. The only push factor identified in the Lebanese case is religion, with the findings implying that specific religious principles may induce positive CSR inclinations in some cases. There is however room, and hope, that pull institutional factors may transform over time to push factors including a change in economic realities for example or the forging (by the educational sector) of a more sophisticated CSR discourse.

Concluding Remarks
This paper has presented an institutional analysis of CSR in a developing country context. The paper clearly highlights the usefulness of an institutional theoretical lens, and the varied nuances and profound insights it can generate in the context of CSR research. The empirical component demonstrated the salience of various institutional elements, which in combination are serving to slow down CSR initiatives in Lebanon. In this respect, it may be useful to strike a distinction between pull and push institutional factors, with the study demonstrating that the constellation of specific pull factors may very well serve to undermine CSR in specific national contexts.

Linking this to implicit and explicit notions of CSR as suggested by Matten and Moon (2005), the research lends support to the usefulness of this distinction. Specific national business systems (comprising political, financial, educational and cultural institutions),
have translated into specific norms of business behavior or implicit CSR shaping in turn the manifestation of explicit CSR policies in the Lebanese context which took mostly the form of voluntary philanthropic interventions lacking depth or institutionalization. The proposed distinction is therefore likely to be very useful in the context of an international comparative research agenda.

The findings further lend support to the view that a cosmetic level of global convergence in explicit CSR policies may materialize in light of various isomorphic pressures, but that the path dependence hypothesis (and hence divergence) is indeed more salient in light of national history trajectories and socio-politico configurations which may stand as strong barriers to convergence. The findings indeed reveal that in the Lebanese context, mimetic isomorphism is marginally salient, but that coercive and normative varieties of isomorphism are not. The latter are affected by national business systems and institutional realities, and hence not exerting enough pressure in way of explicit CSR convergence. This is very interesting and deserving of further consideration.

Finally, the research suggests that while the firm has traditionally been the focal point for social responsibility research, there is merit in considering a wider circle of actors and institutional determinants, which in combination mold the explicit manifestations of CSR in specific national contexts. This is very true in developing countries, where institutional clusters and actors may not be exerting even a threshold level of pressure in way of CSR adoption. This may help account in turn for the simplistic and philanthropic CSR orientations and the gap between CSR rhetoric an reality documented in previous CSR research in developing countries (Jamali and Mirshak, 2007; Jamali, 2007; Jamali, 2008).
References


