

DYNAMIC INTEGRATION OF CSR INTO STRATEGIC MANAGEMENT PROCESSES

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Abstract

Based on the strategic management processes, it is particularly necessary to initiate but also develop a connection between CSR integration through a dynamic approach and the social philosophy of management, a systematic analysis of the processes that strategically manage CSR and the socially oriented implementation of the topic strategic integration of CSR. Related to these research topics we need to know closely the strategic management processes that integrate CSR, how they work, what influences strategic change and especially how we can define the management tools used to support the implementation of social management philosophy. In this sense, it is absolutely necessary to initiate a theoretical model that highlights, from an organic point of view but also structurally, the dynamics of the relations supported by the philosophy of social management.

Keywords: Strategic change mechanisms, Dynamic perspective, Strategic management, Corporate social responsibility

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1. INTRODUCTION

According to Zadek, (2001) and Galan, (2006), due to the emergence as well as the increase of a special number of factors that considerably affect the whole in which many actors carry out their economic activity: the emergence of autonomous bodies initiated to encourage social responsibility actions, promoting several tools used by companies for self-control of results but also of social behavior, international and national bodies that self-regulate socially corporate behavior, more effectively aware of human rights, increasing responsibility In the second half of the 1990s, the debates on the topics related to the implementation of CSR in the management of companies increased. Worldwide, the emphasis on corporate social responsibility (CSR) becomes a central theme, influenced by various factors, such as the employment crisis, the economic crisis, increased competitiveness and competition, fiscal problems and performance interference. economic with social and environmental components (Vuță, Cioacă, Vuță, Enciu, 2019).

Within a strategic perspective, in the specialized literature was analyzed the topic related to the integration of CSR by applying to environmental issues and especially to social issues the tools specific to the neoclassical economy, based on the incompatibility between ethics and business; also, several

authors have studied the topic of the thesis of separation by contrast and especially in a philosophical key (Werhane, 1994). In the literature, special attention in recent decades has been paid to the concept of corporate social responsibility (CSR), which has become the main battleground for building theory, criticism, analysis, debate and further research. Attributing all the reflections and theoretical assessments regarding the fundamental significance of the concept to the multiple aspects attached to it, very quickly CSR developed and spread both in practical and academic fields around the world (Grabara, Dura, Drigă, 2016). Two main shortcomings are highlighted by the analysis of the literature:

1. Even if CSR is considered, in order to maximize profit, an innovative means, the links between financial results and CSR are analyzed using an instrumental logic. CSR studied in a systematic manner, using a wisdom based on a socially oriented management, does not present a significant contribution, identifying the double function of companies (social but also economic) and not putting the profit itself on a higher level ordered from the point of view hierarchical.

2. Also, the relative manner of the dynamic approach regarding the incorporation of CSR is not directed towards the structured examination regarding the processes that define the researches regarding the strategic management. Corporate social responsibility consists in incorporating a certain set of social programs and practices within the company's policies and includes optimizing a strategy of involvement in the community but also a collaboration from which the company also benefits (Petrovici, 2013). Currently, corporate social responsibility (CSR) characterizes a useful means necessary to guide the thinking strategies of the organization, such as the quality problem of the early 1980s, the customer-centered image in the 1990s or the Internet in the first decade of the 21st century (Ursacescu, Cioc, 2013).

There are two major objectives regarding the present research: firstly, to fill the gaps in the literature regarding the use of philosophy with a strong social orientation on the subject of strategic integration of CSR and secondly to initiate and develop, based on strategic management, a natural link between the dynamic integration of CSR and the rationale of social management. In particular, this research aims to highlight the dynamic relationships based on a philosophy of social management in an organic and especially structured, the initiation and development of a conception model, defining in the various processes of management strategic, CSR integration. In relation to these objectives, the following research questions were developed:

RQ1. What are the most important strategic management processes in which, following the philosophy of social management, CSR should be integrated?

RQ2. What is the impact of integration (strategic CSR) supported by the philosophy of social management regarding these processes?

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RQ3. What is the way in which the strategic processes of CSR supported by the philosophy of social management influence the strategic change?

RQ4. What are those management tools, supported by the philosophy of social management, that support integration?

2. INTEGRATING STRATEGY AND CORPORATE SOCIAL RESPONSIBILITIES

Research related to the incorporation of CSR into the business strategy of companies is quite limited, although in the mid-1990s, the management and economics literature addresses the contributions of social issues to the corporate strategy of a company. In terms of strategy, flagship studies have always accumulated difficulties in managing the portfolio related to business, financial and economic aspects as well as in terms of competitiveness, while characterizing social factors as important but simple constraints, which must certainly be taken into account when adopting operational management as well as decisions. Today, most people who promote and live in a socially conscious and highly ethical business environment are a real necessity (Popescu, 2019). Corporate social responsibility is a very complex concept and its construction encompasses environmental, social and economic issues, voluntarily emphasizing operational effects. Due to the strength of the financial market, it is considered a strategic element in the real evolution of the economy, being recognized a critical correlation between corporate social responsibility and financial crises (Frecea, 2016).

2.1 Aspects of ethical issues related to the thesis of integration and separation

In the literature on CSR, the absence of debate on strategy is generated by a fundamental hypothesis, in other words by the presence of a real incompatibility in terms of strategic and ethical approaches. In the conception of many scientists and philosophers, business ethics is an oxymoron and the discussion of applied ethics is a contradiction. The unique goal for the businessman, within the neoclassical vision, is to make a profit, while ethics overlaps with winning the market; singular managerial responsibility is represented by the increase of the shareholders' fortune. In this respect, Jensen (2010) states that it is not possible to maximize objectives that are related to different dimensions of the outcome and also that a type of behavior of a corporate nature requires a characteristic function for a single objective. Traditionally, a company's goal is to make the necessary profit to pay shareholders, but today, for long-term business to be sustainable, a corporate social responsibility (CSR) strategy is essential to meet the requirements of stakeholders, ensuring respect for ethical principles and at the same time provide a relevant response to organizational stakeholders (Hategan, Sirghi, Pitorac, Hategan, 2018).

Theoretical integration could be a theoretical unit (building and developing a certain theory that can unify, from a certain methodology and methodological perspective, ethics and business), a theoretical

reciprocity (elaboration of a general explanatory framework that incorporates concepts and principles of ethics and business) as well as an import of a conceptual nature (which involves the assimilation of concepts that are affiliated with a different science). Corporate social responsibility (CSR) highlights the reactions to social pressures, respectively the responses to the expectations and needs of stakeholders, social needs and environmental concerns that outline its dimensions (Gherghina, Vintilă, 2016).

2.2 Corporate social responsibility literature and strategic management

Making a specific reference to the themes of strategy and CSR, most areas of corporate strategy research deal, in part and indirectly, with the theme of CSR: historical approaches (Chandler, 1962) highlight the social dimension of changes in the external environment; the Harvardian approach, the link between the business context and the socio-environmental one is characterized in specific terms by weaknesses, strengths, threats and opportunities; regarding business ideas the social values on which learning is supported by practice are highlighted; in the analytical manner, the strategy that is linked at the corporate level to the economic and social environment of the company is fully considered; the competitiveness framework (Porter, 1980) describes the environmental and social context with the help of the analysis of the existing relations with the stakeholders that compose the competitive type scenario; Hamel and Prahalad, (1994), describe the resource-based approach, exploring the important issues identified in existing relationships with entities that deliver core competencies; also, Peters and Waterman, (1982), observe, in the excellent framework of companies, the ability and skill to register success in different dimensions specific to the result. Social responsibility is an appreciated strategic option, which is of increasing interest to the business environment, given that it has become a real source of development and creation of competitive advantages so necessary to organizations (Androniceanu, 2019).

The strategic scope is analyzed in the fields of research specialized in CSR: the theory of stakeholders which recognizes, in an instrumental projection, the strategic motivations indispensable for the links between different and the various categories of stakeholders; corporate social performance, which refers primarily to research that examines the link between economic performance and social responsibility; the capacity for corporate social reaction, responsible for studying the ability of firms to manage and respond to pressures exerted by the environment. By the end of the 2000s, quite a few contributions were reported and exemplified in the field of strategic management that explicitly and directly analyzed the subject of CSR: Hart (1995) analyzed the relationships between competitive advantage and CSR in a projection based on resources; Husted and Allen (2000) defined the social strategy related to the allocation of resources needed to meet the competitive and social objectives of

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the company; Meznar et al. (1990) argue that at the strategic level of the enterprise CSR is included in the strategic management; Drucker (1984) highlights the possibility that business itself allows the transformation of social responsibility into real business opportunities.

2.3 Strategic corporate social responsibility

There are several research and strategic management studies that analyze the beneficial connection between financial and economic profitability and social success (strategic approach to CSR). The particular importance of the integration of society and strategy as well as CSR and competitive advantage is emphasized by Porter and Kramer (2006), who propose an analytical mechanism supported by the role of CSR in the competitive context and the social impact of the value chain. The concept based on strategic responsibility, correlated with the realization of philanthropic responsibilities that are direct beneficiaries of financial performance is introduced by Lantos (2001). Within the same perspective, the central idea for strategic CSR is represented by the correlation of strategies and business objective with philanthropic contributions. Examining the impact of three main strategic variables of CSR (voluntarism, adequacy and visibility) in terms of creating intrinsic value within firms was conducted by Husted and Allen (2007).

The effort made within the strategic management in order to identify the stages as well as the way in which CSR is integrated in the strategic management has acquired a special importance. Four strategically different options were identified by Galbreath (2006): the citizen strategy, established within the objectives of accountability, sustainability and transparency and with which a company can achieve both the growth of intangible assets and tangible assets; the mutual strategy, through which companies could establish mutually beneficial partnerships with stakeholders through which in the medium and long term the company could achieve an optimization of financial performance; altruistic strategy, through which a company, in different periods, can contribute to actions of a philanthropic nature, actions that do not bring financially and immediately any measurable and identifiable benefit for the corporation; and the shareholders' strategy is focused on financial objectives that are responsible in the short term for maximizing profits. Five distinct evolutionary stages were identified by Mirvis and Googins (2006) in the process of integrating corporate strategy and social responsibility based on seven variables: transparency, stakeholder relations, problem management, structure, leadership support, purpose and definition.

3. DYNAMIC PROJECTION OF STRATEGIC MANAGEMENT

Strategic analysis can have different connotations, depending on the type of approach: if a dynamic approach is adopted, focused exclusively on contextual conditions (organizational and strategic) as well as on the processes of change of the strategic approaches in which the respective processes take place but also on the formation of the strategy or a static approach is adopted, mainly focused on the content. The static approach helps to understand the causes but also the resources through which some companies achieve competitive and economic-financial performance clearly superior to other companies. The dynamic approach proves to be complementary to static approaches by offering explanations on the causes of success (the path followed by the company through which it manages to obtain a certain position in the competitive system) and at the same time allows us to understand how the company can be kept or brought back on the path to success. The dynamic approach to management is based, as a central point, on the logic of processes.

For a long time, strategic management studies on the dynamic approach have focused exclusively on strategy formation processes. Numerous contributions have been divided by Mintzberg (1990) into two schools of thought: descriptive and prescriptive. Descriptive schools describe the implementation of company processes while prescriptive schools characterize and define the normative nature of assessments related to strategic management processes.

3.1 Prescriptive school

The design school has a special relevance in prescriptive schools. Strategy formation is an analytical-rational process and is supervised by senior management, according to this school of thought. It defines a process of a sequential nature and the implementation of the strategy follows exactly the form of its drafting. The formulation of the strategy represents the process of cognitive nature of decision-making and which aims at the elaboration of economic alternatives that are subject to the subsequent stages of selection and evaluation. The process is based on the external analysis of the environmental context (absolutely necessary in order to identify the main opportunities it could take advantage of but also the threats that the company could face) and on the internal analysis of the company (its weaknesses and strengths). At the same time as the design school, the planning school was developed.

3.2 Descriptive school

The attention of descriptive schools is focused on describing specific strategic management processes (political, cultural, business, cognitive, etc.) rather than managerial needs. Entrepreneurial school, being an intrinsic part of descriptive schools, is focused on the main figure and amplifies an entrepreneurial vision based on judgment, intuition and own experience. The strategic management process is

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essentially the learning process for top management governed by a strategic vision. Specifically, it represents the task of learning through actions that guide senior management to the continuous reorientation of their own strategy each time in a direct relationship with the actions undertaken and implemented. Within this model, the delimitation made between action and thinking but also between implementation and formulation is really overcome. Also, in a similar perspective, the cognitive school completes that the origin of the intentions of the strategic nature of senior management was in mental models formed from experiences.

3.3 Evolutionary school

This school is focused on dynamic processes specific to change: cause and effect relationships can be defined as a component of the strategic management process consisting of several layers. Top management establishes at the corporate level a structural framework through which variations evolve that are generated internally. Through changing organizational and structural conditions, top managers directly influence the development of specific types of managerial behaviors. Management behaviors could be induced, insofar as they are in line with the perspective of senior management or may be autonomous when they deviate from this concordance. Three fundamental aspects of evolutionary approaches are explained by Barnett and Burgelman (1996): the links between strategic change and the processes of choosing strategic variations, changing strategies pursued by organizations and recognizing dynamic examples capable of predicting patterns of change.

4. DYNAMIC PROJECTION OF STRATEGIC CORPORATE SOCIAL RESPONSIBILITIES BASED ON THE PHILOSOPHY OF SOCIAL MANAGEMENT

The foundation of dynamic analysis models is represented by the size of the process. The implementation and strategy formulation processes in strategic management highlight the processes that are related to internally generated variations and emerging strategies. To all this can be added the feedback processes responsible for monitoring the content of critical hypotheses and the implementation of the strategy. Certainly, it is feasible to recognize the processes of strategic management by: preserving and selecting internally generated variations; bottom-up production of internal variations; top management training; strategy evaluation, diagnosis and analysis; management-specific actions related to the implementation of the deliberate strategy; elaboration of the forecasted strategy.

4.1 Elaboration of strategic social responsibility of companies

In developing the established strategy, which is the first process, senior management establishes the vision necessary for the company and mentions its own strategic intention. The respective process is, for the beginning, based on an external analysis of the environment in order to identify opportunities and threats but also on an internal analysis of the context necessary in order to identify weaknesses and strengths. Regarding the integration of CSR within the intended strategy, it is particularly important to monitor not only the relations with stakeholders, but also the competitive environment in order to identify favorable economic and social areas or, on the contrary, borderline situations. Integration is only partially achieved when pure reaction initiatives take place, more precisely those that are more easily adaptable to the external environment by identifying CSR actions unrelated to basic activities. The next step is to develop the strategic alternatives needed to be evaluated based on the management philosophy. According to this theory, there is the possibility to identify four distinct variants of the management philosophy:

The philosophy of altruistic management: Represents a philosophy based on the following beliefs: usually CSR involves actual costs that are not supported by economic performance; ethical and economic objectives are often incompatible; regardless of the nature of the effects on economic performance, managers are morally obliged to “do what needs to be done”; the objectives as a whole incorporate many of the pressing needs of society and are not always in line with the specific interests of the company; the company has a responsibility to participate in increasing public prosperity.

Philosophy of economic management: It is based on the following hypotheses: there is an incompatibility between ethical and economic objectives; because the public authority is obliged to offer solutions to social concerns, the company has no social responsibilities; the unique objective attributed to the company is represented by the absolutization and maximization of the profit and the only function of the company is that of maximizing the market value or the profit.

Philosophy of instrumental management: Unlike the previous philosophy, it does not consider social and economic objectives to be incompatible. In conclusion, in order to respond appropriately to social problems, there may be a certain “enlightened personal interest”, in which social relationships amplify the competitive advantage and contribute to increasing financial performance.

Philosophy of social management: The philosophy of this type of management is based on the following beliefs: competitive, social and economic objectives are very closely interconnected; to the expectations of different categories of stakeholders the company is forced to provide synergistic responses; profit is not positioned in a position hierarchically superior to the ideals of other companies and the company has both a social and an economic role.

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The development of different premeditated strategies is determined by the results of the elaboration process, correlated with the evaluation activities of the strategic alternatives supported by the management philosophy. The philosophy of this social management has as an effect the formation of an intentional strategic CSR, which could be defined by innovative business ideas, ideas that can aim to establish a shared value through an extension of the competitive advantage expressed in a socio-ecological perspective, an optimization of the reputational profile and through an increased satisfaction in terms of the expectations of different categories of stakeholders. The philosophy of altruistic management cannot promote any kind of integration, because it refers strictly to the fulfillment of social objectives. In contrast, in the presence of the philosophy of instrumental or economic management, the intended strategy is weak socially, relations with employees are based exclusively on the appreciation of trade union rights and relations with suppliers are limited exclusively to the conditions mentioned in the contract. Based on this analysis, the following sentences can be expressed:

P1. If it is supported by a philosophy of social management, the mechanism for developing the strategy leads to the recognition of an intentional strategic CSR, defined by incorporating CSR into the strategic intention.

P2. If it is supported by the philosophy of instrumental or economic management, the mechanism for developing the strategy leads to the incorporation of CSR in the operational type management supported by the existence of pressures generated by the external context.

4.2 Execution mechanism

The second process refers to the mode of execution: it is necessary for the upper echelon of leadership to change into concrete actions the good intentions expressed and declared and also to be able to put into practice the established strategy. The most critical effort, from this perspective, is represented by the implementation of the strategic intention within the company's management but also by solving the possible problems that may occur. Execution is represented by the organization of specific managerial activities able to transform into actions the deliberate strategy, which approves its fulfillment. In conclusion, it is necessary that the managerial activities show coherence with the strategic action of the company. From this point of view, it is necessary for CSR activities to be in direct agreement with the main occupations through action-based approaches focused with priority on the social aspects of the value chain. It is essential to take into account, from an operational perspective, all the social problems that are intrinsically related to the main activities of the company, both support and primary activities, so that the activities that need improvement are evaluated. In order to maintain as well as to broaden the social consensus. Based on this analysis, it is possible to define the following sentence:

P3. Insofar as the CSR actions are incorporated in a non-imitative but also systematic manner within the main activities of the company, the execution process leads to obtaining the intended strategic CSR.

4.3 Evaluation, diagnosis and analysis of the strategic corporate social responsibility achieved

The third process, regarding the evaluation, diagnosis but also the analysis of the strategy, refers to the way of interpreting the situation offered by the company's management. The specific function of this type of process is to support management in assimilating actions of a corrective nature when the strategy is divergent from the desired one. It can authorize the filling of the existing gap between the realized and the intended strategy. The strategic management process is influenced by the management philosophy. In the evaluation, diagnosis and analysis of the strategic CSR carried out, there is an attitude with social orientation detached from the specific philosophy of social management. This attitude model represents the necessary foundation in order to identify the strategic shortcomings as well as to initiate the corresponding corrective actions CSR. For starters, the more prominent level specific to social objectives, related to the philosophy of social management can determine quite likely, in the diagnosis and analysis, the emergence of social gaps, responsible for incomplete achievement of CSR strategic objectives and failure to meet social objectives. Second, the behavior of social orientation in the evaluation, analysis but also in diagnosing the impact of strategic CSR on the possibilities of identifying social gaps and ways of understanding the evidence in its breadth: more precisely, it may be able to establish differences between CSR achieved strategic and intentional strategic CSR only insofar as it can distinguish reality in its true complexity (a social disproportion correlated with a certain level of satisfaction for stakeholders but which is obviously in disagreement with their level of expectation). Based on this analysis, it is possible to define the following sentence:

P4. If the process of evaluation, diagnosis and strategic analysis is based on a socially oriented attitude, it will guide the intensification of feedback loops aimed at optimizing the strategic CSR achieved and the establishment of strategic social gaps.

4.4 The learning process

The fourth process, learning senior management, makes direct reference to changing the intended strategic CSR by developing strategic skills and using the analysis of the strategic CSR achieved. In this case, the crucial hypotheses specific to the strategic intention are debated, unlike the previous process. Emphasis is placed on monitoring and measuring strategic assumptions underlying the characterization of strategic objectives. Predominant in this process, in relation to the technical-managerial aspects (prevalent in the process of diagnosis and analysis of the realized strategy) are the aspects of cognitive-

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behavioral nature; feedback loops as well as the learning process depend directly on the attitudes of senior management but also on mental models. Within the philosophy of altruistic management, only the analysis of social aspects is focused on top management: as a consequence, the learning process has a solid social orientation; competitive profitability as well as financial profitability, within the philosophy of economic management, is a major problem, even in the situation where, in the appropriate manner, legal aspects must be considered: in this situation, the learning process will be focused on compliance but also on the financial aspects.

The reactive approach implements a specific set of feedback actions that has as a priority the recovery of the lost consensus of the stakeholders and emerges mainly in the senior managers passively faced with constraints arising from their social environment. There are multiple causes that can determine the appearance of such behavior: overestimation of the influence manifested by the interested parties, impediments in the process of interpreting the environmental dynamics, absence of explicit information, etc.

The defensive approach does not show significant differences from the reactive approach; even in these conditions, the approaches differ in the situation in which a certain analysis is provided, even minimal, for the company and for the context in which it was performed in order to respond in an appropriate manner to the pressures exerted by the environment.

The most favorable approach is adopted by top managers who notice a latent disagreement that may generate tensions and conflicts in the future and that would predict responses capable of leading to serious negative effects. This approach provides for the inclusion in the analysis of social issues as well as the estimation of the strategic CSR achieved.

The proactive approach is established in the innovative entrepreneurial context, in which the main objective is to meet, in a gradual approach, the respective needs expressed by stakeholders. In the situation in which new entrepreneurial ideas would arise, it can be stated that the expression of an innovative strategic CSR was premeditated, considering that in essence the process is advised to provide a tension with positive effects in its structure. It is possible to express the following sentence, based on this analysis:

P5. If the process of learning top management is based on a proactive approach but also on the philosophy of social management, it leads to the improvement of the intended strategic CSR and to the social optimization of the specific strategy development process.

4.5 The process from the bottom up

The implemented strategy may not be identical to the intended one because the implementation processes may be inefficient as well as due to the presence and expression of emerging strategies.

Related to the composition and structure of the intended strategy, internally generated variations have the ability to change the strategy achieved. They represent the bottom-up strategies developed by the managers responsible for operations performed at the lower levels in terms of organizational structure. The challenge of internal variations takes place more easily in some contexts of an organizational nature than in others. For two of the dimensions, the organizational contexts could be noted: the soft one, mainly related to ideologies, values but also myths and the hard one associated in essence with the operational mechanisms as well as the organizational structure. Certainly, organizational contexts are more advantageous to internally generated variations. Within a light projection, there are many elements responsible for stimulating bottom-up entrepreneurship (Ghoshal and Bartlett, 1994): effective support for the implementation and development of innovative ideas; a climate of mutual trust; a high degree of managerial rigor as well as an adequate level of organizational scope driven by senior management. In a more difficult projection, the decentralized, flexible but also flat organizational structures benefit the appearance and the increase of the internally generated variations. Based on this analysis, the following sentences can be defined:

P6. If it is supported on the basis of the philosophy specific to social management, the organizational context can lead to the production of socially oriented internal variations and to the shaping of emerging strategies.

P7. If it incorporates socially oriented criteria, the mechanism for preserving and selecting emerging strategies as well as internal variations leads, from the bottom up, to the improvement and extension of the specific content of the strategic CSR achieved.

5. CONCEPTUAL REPRESENTATION OF THE DYNAMIC STRATEGIC CSR MODEL SUPPORTED BY THE SOCIAL PHILOSOPHY OF MANAGEMENT

Based on the proposals developed in the previous section, it is possible to define the abstract model of dynamic strategic CSR, set out in Figure 1. By identifying key processes, this model dynamically symbolizes strategic change, responsible for incorporating CSR into strategic management. This model favors the identification of the three circles of change: A, the circle responsible for achieving the strategic intention; B, the circle regarding the elaboration of the strategic intention; C, circle of innovations from the bottom up.

5.1 The circle responsible for the realization of the strategic intention

Circle A establishes the change of specific CSR activities undertaken in order to achieve an intentional strategic CSR; represents the chosen circle following the evaluation, diagnosis and analysis of the

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strategic CSR performed. Establishing the existing gaps between the intended strategic CSR and the realized strategic CSR represents the central position of the circle. Obviously, in order to feel the strategic social gaps, it is necessary to use the integrated diagnostic systems, responsible for the analysis of the realized strategy and within the social dimension. Discontinuities and strategic social shortcomings produce a tension in the change: they lead to a continuous increase in the quality and value of the strategic CSR achieved in order to align with the intended strategic CSR, on the one hand; on the other hand, they are responsible for stimulating social changes in managerial actions. Regarding the specific changes of this circle, they are characteristic of the special diagnostic control mechanism: strategic changes are actually associated with the supervision of the strategy based on a feedback mechanism adopted mainly when they become relevant differences between social outcomes and social objectives. In this situation, the intended strategy cannot be questioned and the strategic control aims at monitoring the performance of the realized strategy.

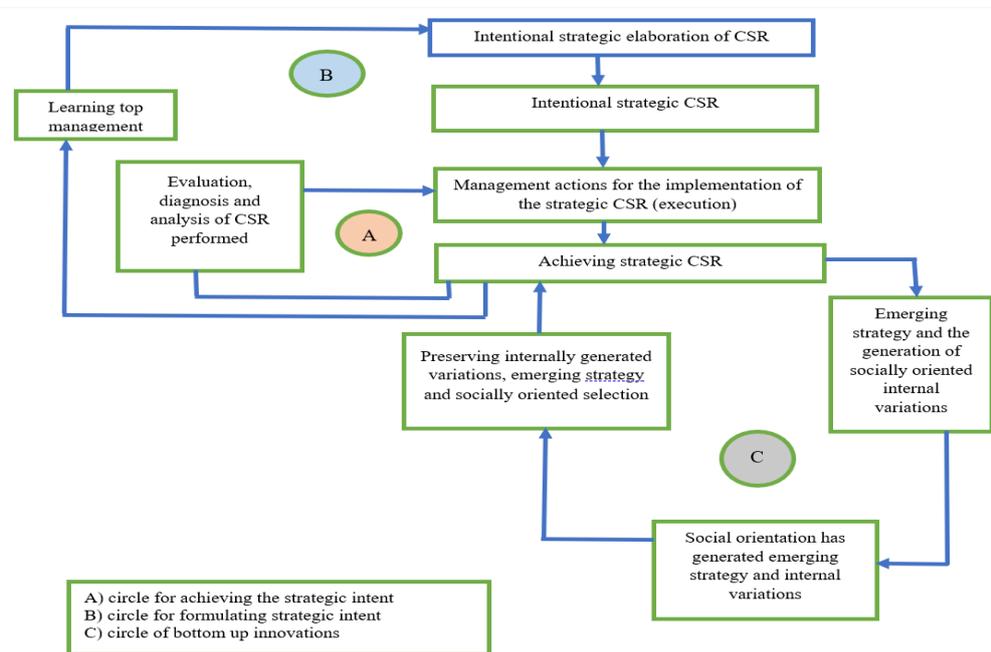


FIGURE 1. A CONCEPTUAL MODEL OF STRATEGIC CSR IN A DYNAMIC PERSPECTIVE

Source: Author's Compilation (2021)

5.2 The circle of formulating the strategic intention

The statement of strategic intent is related to circle B: it represents the circle activated by top management and is responsible for producing strategic changes. The characterization of the intended strategy actually authorizes the explanation of the mission, the increase of the attention regarding the

vision and very possibly its incorporation within the strategic plans. The intentional strategy establishes the prototype of change used by the realized strategy: based on the intended strategy the execution is developed dynamically. In connection with this circle, the changes are closely related to the variety of management philosophy: the philosophies specific to instrumental and economic management are able to cause socially contradictory rectifications in terms of strategic intention (initially) but also in terms of strategic achievements (later). The process of learning senior management achieves significant strategic optimizations only when it manifests a proactive and social orientation. These characteristics are specific to the learning process supported by stakeholders. The strategic upward changes, more precisely those not explicitly adopted by the higher order, are related to the C circle. In the opinion of Burgelman, (1983), they represent the internally generated variations that guide the optimization of the achieved strategy. They grow efficiently when the organizational context (embedded in the strategy) is advantageous for bottom-up processes. Strategic social changes can be achieved only when organizational variables manifest social orientation. On the one hand, the socially oriented organizational context favors the production of innovative ideas within a social perspective and on the other hand guarantees the preservation but also the selection of internally generated changes based on socially oriented procedures. The process that generates internal variations as well as the process of retention and selection characterizes the specific circle of bottom-up innovations.

Three different dynamics of change influence the strategic CSR achieved: the innovations made from the bottom up and which influence the change of direction; the execution, responsible for identifying the managerial implementation of the change based on the intended strategy; elaboration of the intentional, defining strategy regarding the mode and direction of change recommended by the senior management and / or the mechanisms of change regarding the strategic approach of the senior management.

6. PRACTICAL IMPLICATIONS: THE STRATEGIC EQUIPMENT NEEDED TO SUPPORT CORPORATE STRATEGIC SOCIAL RESPONSIBILITY IN THE DYNAMIC PERSPECTIVE

The establishment of change with social orientation is related to the use of specific tools and methods necessary to support managers in various processes of strategic management, closely related to bottom-up innovations, execution and strategy development. These tools, defined with the help of managerial expressions, represent the specific technical elements necessary to optimize the operability of strategic management processes: they promote the efficiency of managerial activities and increase the circumstances through which strategic management processes manage to achieve the desired results and effects. In conclusion, it is essential that methods, technical mechanisms and tools be adopted and used by managers to support the change process. Of course, these tools, from a technical

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perspective, could include mechanisms and methods capable of supporting a strategic CSR. The lack of integrated elements can influence an irrational strategic CSR and can also undermine the chances of generating social change.

6.1 Corporate governance: the mechanism that maintains the whole process of strategic change

The processes specific to corporate governance support, within the mechanisms of strategic change, an essential function, considering the fact that it helps to draw up all the provisions of an institutional nature that substantiate all the circles of change and all the strategic managerial activities. Specifically, the processes of corporate governance present at the higher level help to characterize the institutional components of the enterprise. These are the mechanisms responsible for leading the proper functioning of corporate governance and generally involve the distribution of power. The mechanisms specific to corporate governance could be used in a more limited way or in a more extensive way. Within a narrow perspective, corporate governance is created and defined as a set of systems, mechanisms and rules responsible for guiding and managing the proper functioning of the corporate governance system (holding existing relationships between property members, managers and board members, modalities functioning of the board of directors but also the component of the board of directors).

On the issue of the distribution of power between the various stakeholders, corporate governance mechanisms could successfully integrate social goals and stakeholders' interests. The role manifested by such mechanisms refers to: identification for the enterprise of the most appropriate legal status, distribution of actions to stakeholders for the obvious purpose of facilitating their access and participation in the decision-making process of the enterprise, use of the board (or of similar committees) and the incorporation of different categories of stakeholders (with priority of the members representing the workers) but also to the operational mechanism of such additional governance bodies (ethics committees, for example).

The specific elements of strategic intelligence have the role, based on a large-scale analysis of the environment, to verify and test the validity of the main fundamental hypothesis behind an intentional strategy. These tools, with the help of the analysis of the external context, support with priority the circle in order to formulate the strategic intention. Strategic intelligence tools are used to highlight latent threats as well as emerging opportunities (in this case, socio-ecological). Broadly speaking, they are the necessary tools for recording, selecting and collecting information specific to the socio-ecological area; In this case, the sources include websites, specialized reviews (on environmental issues), newspapers, magazines, case studies, best practices, etc. In addition, the data collection mechanism, which presents a special reference on socio-ecological intelligence, can be supported with the help of stakeholders.

6.2 Performance measurement: the dual-function instrument needed to support the development and realization of the strategic intention

The specific instruments necessary for measuring performance have links, even if with different intensities, both with the circle responsible for the realization of the strategic intention and with the circle responsible for the elaboration of the strategic intention. Regarding the first circle, the performance estimation limits the learning process related to the strategic CSR performed, recommending adequate information in order to evaluate the validity of the intended strategic CSR but also for arranging the appropriate feedback actions. These tools become much more relevant in the second circle. It is highlighted as a necessary system for diagnostic control with the stated purpose of aligning the achieved strategic CSR and the intended strategic CSR; the recognition of strategic social shortcomings has a strict connection with the evaluation of the achieved strategy. Whenever the performance is not consistent with the strategic objectives, there are changes in execution with the main purpose of filling those strategic gaps. The measurement function is framed within the feedback mechanism which, going through the control and evaluation of the received results and analyzing them in relation to the objectives that were planned, initiate feedback actions responsible for changing the company's activities and managerial behavior, in the situation in which the realized strategy is not in full agreement with the desired and expected one.

The mechanism through which the control of the value of the enterprise is realized is implemented as a strategic tool of alternative control to the management by objectives, characterized by specifying the objectives as well as by quantifying the results. Moreover, in order to stimulate innovation from the bottom up, it is extremely necessary to take particular action on the company's value system and, more generally, on the organizational culture. In order to achieve this goal, the priority is to give greater freedom to the lower levels. In the event that it is not adequately completed, this freedom could lead organizationally to chaos.

The mechanism responsible for controlling the values of the enterprise is particularly useful in order to direct the organizational behavior for researching new opportunities, limiting the spaces necessary for internally generated variations, at the same time. Their purpose is to connect emerging strategies to a philosophy of senior management. These mechanisms assemble two components: a system of limits that negatively highlights everything that should not be done to avoid inconsistent behaviors in the philosophy of management and a system of beliefs that positively provides values and ideals rewarded and pursued by the organization.

7. CONCLUSIONS

The objective of this study was to fill the theoretical gaps regarding the systematic analysis of the integrated mechanisms of strategic CSR supported by the specific philosophy of socially oriented management. Moreover, previous research has focused on the study of the financial effects generated by the integration of CSR in strategic management and in addition, it was not advisable to receive limited attention in the dynamic approach to strategic CSR. The innovative feature of this study lies in the use of social philosophy oriented towards particular aspects of strategic management, practicing, simultaneously, the amplified dynamic approach to all processes. In this paper, in order to fill the theoretical gaps, we optimized an ideal model based on socially oriented relationships that define the dynamic integration of CSR in strategic management. The construction of this model is preceding the identification of the strategic processes that are part of the integration: sorting as well as maintaining the internally generated variations; bottom-up generation of internal variations; learning senior management; evaluation, diagnosis and analysis of the strategy; the management activities responsible for the concretization of the intended strategy but also the elaboration of the intentional strategy.

Thirdly, the diagnosis, the strategic analysis as well as the evaluation stage naturally lead to the recognition of the strategic social deficiencies but also to the intensification of the feedback loops responsible for optimizing the relative level of integration and the strategic CSR achieved. Moreover, the existing arrangement between the proactive approach and the management-specific philosophy favors the initiation of a specific learning process, directly responsible for identifying innovative solutions, embedded in a social perspective.

Such processes define three different circles of change: the elaboration of the intended strategy, which characterizes ways of change recommended by senior management; execution, which establishes the managerial way of implementing the change supported by the intended strategy as well as the innovations coming from the bottom up, responsible for driving the change of direction and / or the ways of change compared to the strategic manner established by senior management.

The first circle of change presents connections with the elaboration of the intentional strategy responsible for characterizing the business idea based on the philosophy of senior management (and which contains the specific values of this type of management) and mental models and their perceptions of reality. The elaboration of the established strategy aims at placing the organization in conditions that allow it to cope with new social challenges. As a result of any challenge solved with real success, there is a positive stress responsible for defining, creating and developing a certain business idea responsible for increasing the level of social performance. Therefore, it involves a continuous search for the notions responsible for innovating the social structure of the business idea, while retaining the defining characteristic elements for originality. The optimization of the will and decision of the members of the

organization, following the gaps between the strategic CSR achieved and the intentional strategic CSR is the result of identifying socially challenging goals. Heavy challenges, but not unlikely, support the motivation of permanent and sustainable development for a company but also the constant optimization of social, competitive and financial results. The use of that circle of change requires a certain proactive expression manifested by the top management, which is the basis for the intentional creation of the gaps responsible for generating tension. The second circle of change is related to the strategic realization of the intention responsible for reducing the difference between what the company represents and what the company should have looked like. Developing the intended strategy is a real challenge for the entire organization; the implementation stage takes place when the entire company staff is responsible for the challenge and participates in the game. In this case, the change is characterized by the limitation of the differences between the intended strategic CSR and the strategic CSR achieved with the help of the CSR activities included in the basic activities. Within the first circle there is a development of the void; In the second circle, there is an attempt to cover this disagreement. In order to implement a substantial responsible change throughout the company on the road to a balanced and sustainable development, it is no longer enough to express good intentions from senior management, driven by entrepreneurial and ethical values because this idea must be realized.

The third circle of change refers to internally generated fluctuations, in line with bottom-up innovations. In this case, the change is the result of strategic social reorientation, accepted in terms of variations adopted and designed by managers at lower levels within the organization. The establishment of such a circle requires a certain organizational context advantageous for the generation of socially oriented internal variations. Especially in complicated corporate contexts, internally generated variations often favor the use of opportunities generated by innovation, opportunities that senior management is not able to understand, because they are often far from the defining elements for single enterprises.

The respective three dynamics present an interconnection between them: the assimilation of change relentlessly manifests a dependence on the direction stipulated by the higher order management; it is also true that at the implementation stage, a number of elements could appear responsible for orienting senior management towards changing the initial direction.

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