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RESEARCH ARTICLE

CSR AND PERFORMANCE: TWO SUBSTITUTABLE CONCEPTS FOR MEASURING ORGANIZATIONAL REALITIES: A THEORETICAL APPROACH

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Abstract

The objective of this article is to study the contribution of CSR in relation to the neighbouring but much older concept of performance. The emergence of CSR embodies an evolution of the company whose borders are becoming increasingly permeable and evolving. The firm's conception based on the existence of formal property rights is thus undermined by the existence of cooperation strategies, alliances, the use of outsourcing, and more generally by an increasing interdependence with all its stakeholders. The main consequence of this development is the extension of the scope of the company's responsibility, including legal responsibility, to all the company's stakeholders, thus influencing the notion of performance. - The first part of this paper presents in a synthetic way the concept of CSR and in particular its foundations and its variations. - The second part brings together the concepts of performance and CSR, highlighting their convergences and oppositions. Even if these two concepts diverge theoretically, their purposes being different, the tools for measuring performance and the degree of consideration of the social responsibility of firms seem quite similar.

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Introduction:-

The objective of this article is to study the contribution of CSR in relation to the similar but much older concept of performance. The emergence of CSR materializes an evolution of the firm whose borders are becoming more and more permeable and evolving. The concept of the firm based on the existence of formal property rights is thus challenged by the existence of cooperation strategies, by alliances, by recourse to outsourcing, and more generally by an increasingly strong interdependence with all its stakeholders. The main consequence of this evolution is the extension of the scope of the company's responsibility, including legal responsibility, to all of the company's stakeholders, thus influencing the notion of performance.

1. The first part of this paper presents the concept of CSR in a synthetic way, and in particular its foundations and its declinations.
2. The second part brings together the concepts of performance and CSR, highlighting their convergences and oppositions.

Even if these two concepts diverge at the theoretical level, their purposes being different, the tools for measuring performance and the degree to which firms take social responsibility into account seem to be quite similar.

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What does the concept of CSR cover?

The concept of CSR, like the concept of performance, is broad and not very stable. In a recent study, Allouche, Huault and Schmidt (2004) underline the numerous confusions surrounding the definition of CSR, maintained by the different actors (researchers, institutions, companies). At the academic level, Bowen (1953) opened the debate on CSR by avoiding confining this concept to a definition that is too narrow. He approaches CSR as "an obligation for business leaders to implement strategies, make decisions, and ensure practices that are consistent with the goals and values of the community at large.

These initial reflections were supplemented by the more formal work of Carroll (1979), who proposed a conceptual model based on three essential dimensions of CSR: the principles of social responsibility, the way in which the company puts its principles into practice (social sensitivity), and the societal values it embodies. Wartick and Cochran (1985) extend this approach by highlighting the specificity of CSR as a result of the interaction of three dimensions: principles/processes/policies. They also point out that CSR is a microeconomic approach to the relationship between the firm and its environment and not an institutional vision of the links between institutional firms and society as a whole. In the continuity of this work, Wood (1991) proposes a model integrating :

1. the principles of responsibility and the motivations behind actions and choices,
2. organizational processes and practices
3. the results of the actions and choices made by the company.

Polysemous concept

The CSR model reflects plural logics where hierarchy does not seem to be established, where new dimensions (such as the environment) appear, where the boundaries of the company have become permeable and the structure of government evolving with more power to the community. The main stages in the empowerment of the community can be summarized as follows - from 1945 to 1970, with executive employees and managers occupying the key positions (and this is all the more verified as the shareholding is dispersed and the managers little controlled) ;

1. from 1970 to 1980, with customers and the advent of marketing as a key function in the company;
2. from 1980 to 2000, with shareholders demanding return on equity and growth in earnings per share;
3. since the stock market crash of September 2000, with the civil society (national, regional...) to whom we must be accountable.

In fact, one may ask whether pure capitalism is not doomed, unless one becomes a follower of sustainable development? However, it has not been proven to date that a socially responsible company systematically obtains better results in the long term. The summaries by Margolis and Walsh (2002) and Orlitzky, Schmidt and Rynes (2003) show respectively that the CSR-financial performance relationship is only slightly positive (51 studies out of 122 observations identify a strictly positive link) and that the methodologies and results obtained reveal inconsistencies in terms of the samples, the measurement of the variables tested and the causal relationships. All that can be said is that the art of management has changed profoundly: the manager must take into account all the interests involved, and in particular the community. In seeking to bring together the concepts of CSR and performance, we are interested in how the company manages its CSR. CSR involves a profusion of discourse and an over-mediatization of practices (Allouche et alii, 2004) to the point that today it seems to us that companies are more concerned with making themselves known than with doing. The emphasis is on standards, and evaluations focus more on the presence and nature of certain indicators than on their level of use.

A concept with multiple dimensions in management

CSR builds the ambiguities necessary for the development of a "meaning": - It offers the support of a reinterpretation of the managerial dialectic that H. A. It offers the support for a reinterpretation of the managerial dialectic that H.A. Simon⁷⁶ emphasized when he showed the difficulty of moving from values referring to principles from a universalist perspective to facts from a consequentialist perspective.

Here we find the importance of the dilemma-based reasoning that has marked Business Ethics.

1. It is the basis of partial and biased discourse, marking the triumph of a communicative activity without allowing us to say that it is only discourse without any concrete elements. The Danone Way consists in "really" taking into account the categories of Human Rights in the managerial logic, but yoghurt packaging fills our dustbins and our most primary desires are flattered by a commercial communication based on the erotic stimulation of greed;

2. It leads to the monopolization of the political field by organizations whose legitimacy in this field remains to be proven, which in turn leads to the development of politics.
3. A management theme "exhausts" its dynamics. Its concretizations weigh down the procedural side of organizational functioning. This aspect enters into composition with the other procedural tensions (for example, those of financial accounting), even if the increase in the procedural side enters into tension with efficiency.

And this is where its dynamic is exhausted. This institutionalization can be defined as operating at the level of mentalities (with representations of the role of the organization and its links with society), that of discourses (with the way of speaking about CSR), that of practices (specific to CSR) and institutions (those that participate in the training of managers, those that bring out and legitimize the norms of CSR) and that of knowledge (on the understanding of CSR).

Performance, a concept in constant evolution

From financial performance to organizational performance Business law assumes that the objective of the firm is to maximize the satisfaction of the shareholder, who alone would bear the final risk in the event of bankruptcy. As a consequence, obtaining financial resources and access to capital markets are the main concerns of managers and produce a governance structure that reflects the predominance of financial market reactions to the decisions and actions of top management.

But the concept of performance has evolved and now requires a broader vision of results. The perception changes if we look at it from the point of view of managers, employees, customers, etc. Advocating a global approach to performance management, many authors suggest that managers use a company's interpretation grid comprising indicators that complement and clarify each other and that are linked to multiple objectives (Kalika, 1988; Kaplan and Norton, 1992, 1993).

Financial measures alone are no longer sufficient for managers and, in practice, operational measures complement the former: they allow for the evaluation of processes and are the driving force behind future success; they provide pilots with an indispensable global vision of performance in several areas simultaneously. As an illustration, we use the representation proposed by Morin, Savoie and Beaudin (1994), which aims to reconcile the plurality of views on an organization and to grasp the complexity and richness of the concept of performance. The model has three levels of abstraction:

1. performance dimensions (organizational sustainability, economic efficiency, human resource value, organizational legitimacy with external groups);
2. the criteria that define the dimensions (there are thirteen of them);
3. the indicators used to measure the criteria.

Two substitutable concepts

At first glance, the concepts of CSR and performance seem to be relatively far apart; CSR defines a company's attitude towards its environment, while the concept of performance questions the sometimes subtle links between the articulation of resources and the achievement of one or more results. However, the operationalization of these two concepts leads many authors to identify the same indicators and the same criteria. Consequently, the purpose of this section is to show, beyond the conceptual differences, the similarities that exist between the tools for measuring performance and CSR.

When we try to define performance, we have to admit that the vocabulary of specialists is not stabilized. Performance is a construct that differs from one author to another, a "suitcase" word that has received and continues to receive numerous meanings. In management, performance is more or less assimilated to the achievement of the organization's objectives. Performance is a concept that focuses on the announced result, but it also conveys a value judgment on the final result obtained (positive or negative) and the approach that allowed it to be achieved. Thus, by extension, it can designate success (Bourguignon, 1995). Similar notions coexist (efficiency, effectiveness) and sometimes overlap with performance in writing.

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