

Mapping the Active Membership Base of Corporate Social Responsibility in EU Countries

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Abstract

Researching socially responsible companies (CSR) in the context of considering the needs of stakeholders in their activities, decision-making and daily activities. These activities are often associated with the companies' membership in various corporations and associations, which testifies to their transparent approach to the CSR concept. This voluntary commitment of companies, as the overall cultivation of the business environment, is determined on the basis of manual data collection from publicly available web resources of state administration bodies, including paid databases from 2020/2021. Individual EU countries were examined in order to create an overview of the development of this membership. It was found that the number of individual business entities that actually subscribe to the CSR concept compared to the total number of companies in a given country is, however, very low. The role and importance of this membership for socially responsible companies plays a key role.

Keywords: Business Ethics, Corporate Social Responsibility, EU countries, membership base, data collection.

JEL Classification: F60, L20, M14,

1 Introduction

The concept of corporate social responsibility (CSR) has a long history and dates back to the first half of the 20th century. For this reason, it is interesting to see how this approach has institutionally advanced in the 21st century. Organizational commitment to socially responsible business represents great potential for competitive advantage, improved corporate image, but overall cultivation of the business environment (McWilliams & Siegel, 2001). However, it is undoubtedly clear that many companies are integrating into the CSR concept primarily to improve the living, working, and environmental conditions of all stakeholders and society as a whole (Lim & Tsutsui, 2012).

Due to the rapidly evolving concept of CSR, many new organizations began to emerge in the 1990s, expanding the ideas of corporate social responsibility. Their goal is to integrate the concept of CSR into everyday business activities. Similarly, these businesses need to present their CSR activities not only to their closest stakeholders, but to the market as a whole (Steurer, 2010; Knudsen & Brown, 2015). There are already a number of domestic and international associations or associations that register the membership of companies and organizations. As

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well as a number of certified standards and metrics for measuring the level of socially responsible behaviour of individual organizations. After reflecting on the instrumental and normative discourses that shape the concept of CSR, as well as the role of institutions and political discourses in shaping CSR, the concept of sustainable development should be introduced. Discourses on CSR and sustainable development, especially within the business environment, are increasingly interchangeable and therefore necessarily interact (Wheeler, et al., 2003; Montiel, 2008; Strand, et al., 2015).

Bláha & Černek (2015) state that the concept of CSR is becoming an integral part of strategic decision-making and planning within the public and non-profit sector even at the international level. A growing negative view of large, multinational companies in the early 20th century in the United States can be considered the initial impetus that sparked a professional debate on social responsibility (Aupperle, et al., 1985).

However, corporate social responsibility is increasingly at the forefront of financial modeling of government economic policy and taxation, including strategic corporate governance (Carter, Cohen, 2010; Ferrell, 2012; Bowie, 2013). Research is also growing in all areas of ethics and corporate social responsibility, which governs business operations and the value systems that underpin their business activities. Corporate social responsibility with the perspective that corporate social responsibility should be viewed in the context of the overall paradigm of business ethics (Zhao et al., 2012; Mridula et al., 2014; Crifo & Forget, 2015).

The essence of the CSR concept is, among other things, the fact that it is not specifically regulated in any way, but keeps it at the level of voluntariness. Many organizations emphasize that social and environmental responsibility has been a part of their business since their inception. The reasons why socially responsible business is important for companies are both *normative* and *economic* (Chin, 2019). In the case of a normative motive, the point is that the company wants to create better conditions for society and the environment. On the contrary, the economic motive is pragmatic and is related to profit and the need to meet the requirements of stakeholders (Kitzmueller & Shimshack, 2012; Lee et al., 2019). Of course, CSR is also seen as a competitive advantage that sets companies apart from other companies (Morsing & Thyssen, 2003).

Demands for socially responsible businesses are increasing due to increased transparency. Where previously only sporadic information about companies and their activities was available, today you can learn, among other things, about working conditions, resource use, and production facilities (Lins, et al., 2017). NGOs, which are important stakeholders, have an important role to play in this. They often enjoy great public confidence and can thus make a significant contribution to shaping public opinion, for example by publishing information on working conditions or suppliers (Kummer, 2009). The widespread adoption of CSR is due to its chain benefits for both shareholders and employees. The results of the study (Akisik & Gal, 2017) also suggest that the impact of customers and employees on financial results is affected by corporate social responsibility and effective internal control reports that have been reviewed by a third party. Furthermore, we found that third-party CSR reports and effective internal control enable sustained financial performance (MacGregor Pelikánová et al., 2021).

As the business world evolves with globalization and advanced technologies, CSR has become a multifaceted disciplinary topic (Low, 2016). It is clear from CSR trends and practices that social responsibility has both an ethical and a moral component as a business component. In today's world of intense global competition, it is clear that CSR can only be sustainable as long as it continues to add value to corporate success. However, it is necessary to keep in mind that this is a company, or the public, which is playing an increasingly important role in what constitutes business success, not just the business managers themselves, and for this reason,

CSR has an optimistic future in the global business arena. However, the pressures of global competition will continue to intensify, and this will dictate that the "business case" for CSR will always be the focus.

Ding et al. (2019) show that legal, cultural, economic, and demographic differences significantly explain differences in CSR factors across metropolitan statistical regions, states, and regions. A company's behavior in accordance with CSR principles brings a number of benefits and profits to the company, mainly of a non-financial nature, which are important for its quality and long-term sustainable operation (Valsquez, 2002; Collins, 2012). Stulz & Williamson (2003) discuss the possibility of the influence of monetary economic policy on national cultural differences, especially on the religion of individual countries, and on the degree of protection provided to creditors. Jiraporn et al. (2013) argue that the justification of corporate social responsibility in specific regions is due to specific ratings.

Despite the growing focused scientific and managerial interest in corporate social responsibility (CSR) since the 1950s, its implementation is still a growing topic, as most of them remain academically unexplored (Bhattacharyya & Verma, 2020). As CSR is increasingly consolidated in organizational strategies, an understanding of its implementation is needed for both academia and industry (Mariani et al., 2021; Fatima & Elbanna, 2022).

The rest of this paper is organized as follows: Section 2 literature review. Section 3 objective and methods the develops our hypothesis and describes the research data and methodology. Section 4 empirical results. Section 5 presents concludes.

Literature Review

Bowen (1953), social responsibilities refer to "*the obligation of businessman to pursue those policies, to make those decisions, or to follow those lines of action that are desirable in terms of objectives and values of our society*". Carroll (1979) argues that the social responsibility of business encompasses economic, legal, ethical and discretionary expectations that society has of organizations at a given point in time. Since CSR is based on values and the integration of ethical principles in business operations (Zwetsloot & van Marrewijk, 2004), executives need to value social responsibility if they are to reach beyond legal obligations and incorporate it in their strategic management.

According to Schwartz (2011), the ethical responsibilities embody those standards, norms or expectations that reflect a concern for what consumers, employees, shareholders and the community regard as fair, just or in keeping with the respect or protection of stakeholder's moral rights. Therefore, society expects corporations to act ethically towards its stakeholders (Crane & Matten, 2007). Consistent with stakeholder approach, organizations are not only accountable to their shareholders but should also consider the contrasting interest of all other stakeholders that can affect or be affected by the achievement of organization's objective (Freeman, 1984). Stakeholder and legitimacy theories applied to the CSR literature place the social contract at the heart of corporations' social responsibility and posit that dedicating appropriate attention to all legitimate stakeholders is fundamental to achieving superior results (Freeman, 2000; Laplume, Sonpar, & Litz, 2008; Verbeke & Tung, 2013).

We start from the thesis that the current concept of corporate social responsibility is one of the managerial tools of company development, which has a real financial impact, profit (Kim & Lee, 2020). However, the concept of CSR in its beginnings was rather perceived as the selfless help of successful companies, organizations closest to the corporate environment (Idowu, 2012).

The concept of social responsibility is gaining more and more attention in the development of companies and enterprises in management and business experts, which clearly shows the impressive increase in the number of studies on this topic (Mariani et al., 2021). Over the years, CSR as a domain of research and literature has developed into a very strong and rich field. Today, CSR literature as a body of knowledge has become very important. The current literature review summarizes the outlines and state of CSR research by categorizing CSR literature into five classification factors. These are CSR Drivers, CSR Contextual Anchoring, CSR Historical Heritage, Strategic CSR and CSR Implementation (Bhattacharyya and Verma, 2020).

Mainstream economics has examined the direct relationship between corporate social responsibility and company performance. However, there is uncertainty due to the large number of variables included in the models. Saeidi et al. (2015) confirm that the relationship between CSR and corporate performance is a fully mediated relationship. The positive impact of CSR on company performance is primarily due to the positive impact of CSR on competitive advantage, reputation and customer satisfaction. The role of good corporate governance (Rodriguez-Fernandez, 2016) obviously plays a key role in the actual implementation of CSR activities in corporate strategy.

Governments in Western countries are significantly more active in promoting corporate social responsibility than governments in Central and Eastern European (CEE) countries. As these differences reflect differences in the popularity of CSR as a management approach in Europe, recent literature has concluded that CSR public policies reinforce rather than compensate for Europe's "Corporate Social Responsibility Gap" (Steurer et al., 2012). There are also studies examining the effect of product market competition on CSR activities in emerging economies.

The literature also points to the growing cultural and social heterogeneity that contributes to the diversity of CSR activities in the regions of the world (e.g. Di Giuli and Kostovetsky, 2014). It is widely agreed that the local effect may be related to the immediate institutional environment or social context of the company (Perrini et al., 2006). Boeprasert (2013) argues that companies formulate their own CSR policies based on their geographic peers.

The effects of CSR perceptions on customers are also very significant (Schaefer et al., 2019; Bhattacharya et al., 2020; Hur et al., 2020). The authenticity and appropriateness of CSR activities and analyzed the impact of individual consumer perceptions based on CSR involvement (Kim & Lee, 2020; Cheng et al., 2021). This is the signalling role of CSR activities on customers.

More specifically, the literature emphasizes that financial factors are major obstacles to the adoption of CSR practices (Saha et al., 2019). This largely explains why corporations are reluctant to implement these trends. Business is not just about hard numbers and results. We are talking here about the capital of trust that is created between companies and their stakeholders. It is generally acknowledged that modern corporate entities have a certain social responsibility to society; even the most staunch opponents of CSR agree with this opinion. However, there are several different views on what this responsibility entails. In fact, there are different paradigms of corporate social responsibility (Idowu, 2012).

The widespread adoption of CSR is due to its chain benefits for both shareholders and corporate governance itself. As the business world evolves with globalization and advanced technology, CSR has evolved into a multifaceted disciplinary subject (Low, 2016). CSR has become a global standard that organizations must adhere to. However, the trend towards the use of the CSR concept has seen a significant shift in this development. Businesses find that applied social responsibility also has significant financial benefits in the long run.

This is explained partly by the traditional attachment to philanthropy by the fact that it is most direct way to improve living conditions in their immediate surroundings and also by a traditional culture of fatalism, dependence and assistance in developing countries. Conversely, the pressure to comply with existing legislation is less as compared to the developed countries (Ragodoo, 2009).

According to the societal approach, firms are responsible to society as a whole, of which they are an integral part. The main idea behind this view is that business organizations operate by public consent in order to serve constructively the needs of society to the satisfaction of society (van Marrewijk, 2003). The societal approach appears to be a strategic response to changing circumstances and new corporate challenges previously not occurred such as CSR.

2 Objective and Methods

Social responsibility is becoming a normal part of business and usually means an increase in the prestige of the entire company. However, I have always been interested in how much companies are really involved in the concept of CSR in the individual countries of the European Union.

The aim of the paper is to find out to what extent business entities in individual EU countries are integrated into various associations and associations of companies that implement the concept of social responsibility in their strategies. The study characterizes the general issues of corporate social responsibility and also the European solution to this concept. Of course, the question remains to what extent the organizations behave responsibly out of conviction and to what extent they have the need to make this application approach public, public. In this case, it is a question of finding out the total number of companies operating in individual EU countries for the year 2020/2021 and a subsequent comparison with the number of companies that transparently subscribe to the CSR concept.

To determine the degree of participation of individual states of the European Union in the concept of corporate social responsibility, it was first necessary to determine the total number of organizations in individual EU states. This information was drawn mainly from the official websites of the central state administration bodies of the countries mentioned. For example, in the Czech Republic it is the *Czech Statistical Office*, which coordinates the collection and processing of statistical data, in Germany it is the *Statistische Bundesamt*, in France it is *Le Conseil national de l'information statistique*, etc. In some countries, this type of information was provided only in the official, resp. native language.

This information was drawn mainly from the official websites of the central state administration bodies of the countries mentioned. When collecting data on the degree of participation in socially responsible business, it was necessary to pay attention to each EU country separately and to look for individual information in the official language of that country. Data collection consisted of manual registration of the frequency of the number of private business entities. The research made it much more time consuming to find out the number of companies that officially subscribe to the CSR concept, as there is no comprehensive free list that provides this data. The used member databases of companies that publicly subscribe to the CSR concept are managed individually in different countries and provide only basic data. It is therefore a basic set for comparison purposes.

3 Results

The country with the highest number of operating companies in 2020 is Italy with a specific number of 6,091,671. The lowest number of companies within the EU is Luxembourg (33,700). The United Kingdom, Poland, Spain, Germany are countries with an average number of companies ranging from about four to three million.

Another result is the number of companies transparently reporting the implementation of the CSR concept. The country with the highest number of companies officially integrated into the CSR concept is Belgium with 2,251 companies. Other countries with a higher number of integrated organizations include, for example, Finland, France and the Netherlands. In contrast, Hungary and Malta have the lowest number of 107 officially integrated enterprises.

The complete findings are available in **Table 1**. Individual countries are ranked according to the most frequent participation of companies in the CSR concept. This table also shows the total number of businesses operating in the country in 2020. The third column shows the total number of companies that officially apply to the CSR concept, and the last column shows the percentage of companies that are officially integrated into socially responsible business.

The country with the largest share of companies implementing the CSR concept in their activities is Finland (0.62%). The country with the lowest number of CSR companies is Hungary together with Poland (0.01%). Not a single EU country exceeded the symbolic one percent of CSR companies in that country. The Czech Republic represents the imaginary European average (0.04%).

Table 1 General overview of EU countries and their participation in CSR

Country	Number of companies (2020)	Number of companies reporting CSR	Number of companies reporting CSR (%)
Finland	286 042	1 781	0,62
Luxembourg	33 700	186	0,55
Slovenia	200 174	770	0,38
Belgium	633 982	2 251	0,35
Denmark	316 970	826	0,26
Estonia	88 186	195	0,22
Cyprus	216 572	469	0,22
Croatia	195 593	356	0,18
Austria	346 469	515	0,15
Lithuania	107 004	137	0,13
Bulgaria	419 681	520	0,12
Malta	103 458	107	0,10
Latvia	187 780	173	0,09
Netherlands	1 899 940	1 580	0,08
France	2 783 993	1 594	0,06
Ireland	271 000	171	0,06
Sweden	1 166 602	701	0,06
Czech Republic	503 187	219	0,04
Portugal	1 295 299	407	0,03
Great Britain	4 202 044	1 095	0,03
Italy	6 091 971	1 045	0,02
Germany	3 279 136	687	0,02

Romania	1 360 000	263	0,02
Greece	789 975	153	0,02
Slovakia	596 042	108	0,02
Spain	3 363 197	567	0,02
Hungaria	1 794 409	107	0,01
Poland	3 770 137	198	0,01

Source: own calculation

3.1 Selected EU countries and their involvement in the CSR concept

In 2021, there were around 633,982 companies in **Belgium**. Of this total number, only 2,251 companies officially declare themselves to be socially responsible. The fact that Belgium belongs to the countries with the highest level of involvement in the CSR concept is to some extent caused by the fact that the capital of Belgium is the seat of two main EU institutions (the European Commission and the Council of the European Union). Europe has been active in corporate social responsibility for some time with the GRI initiatives for employment and social affairs, for business and for the environment. The Green Book and other already mentioned documents on corporate social responsibility are proof of European commitment. The European Parliament is also dealing with this issue.

There were 503,187 companies operating in the **Czech Republic**. The number of companies in the Czech Republic that officially subscribe to the CSR concept is only 219. As a percentage, this is 0.04 % of companies integrating into socially responsible business. In the Czech Republic, the state does not significantly regulate socially responsible business, but maintains it on a voluntary basis. Since 2013, the Ministry of Industry and Trade (MIT) has been the national manager of CSR, whose task is to develop the strategic document National Action Plan for Social Responsibility of Organizations in the Czech Republic. MIT is also entrusted with the management of the Quality Council of the Czech Republic and the organizational assurance of its activities. MIT is the main entity ensuring the promotion of activities in the field of socially responsible business at the national level. The strategy in the field of CSR has been part of the Council's strategic plans since 2006. In 2008, for the more effective management of activities in the field of CSR, the Quality Council of the Czech Republic established an expert section on the Social Responsibility of Organizations. In 2015, on the basis of the resolution of the Quality Council of the Czech Republic, this section was reorganized and is currently called Quality and Sustainable Development. Its task is to support and coordinate the concept of CSR and sustainable development in the Czech Republic. In addition to the MIT, non-governmental organizations also participate in the development of CSR in the Czech Republic, such as the Association of Social Responsibility, Business for Society, the Czech Business Council for Sustainable Development and the Business Leaders Forum (Official Portal of the Quality Council of the Czech Republic, 2021). According to an article in *Hospodářské noviny* (2006), foreign companies in the Czech Republic do not behave responsibly, or at least in the way they would behave west of our borders. Some companies even claim responsible behavior, but their activities do not correspond to this. According to the article, the low level of CSR is primarily due to weak social demand.

The total number of companies in **Denmark** was equal to 316,970. Of these, only 826 companies are officially integrated into the concept of corporate social responsibility. This is only 0.26 % of companies involved in the CSR concept. The Danish economy is rated as one of the strongest in the world. The economic environment in Denmark is characterized by a large number of small and medium-sized enterprises. Among the important elements that influence

the local CSR concept is the willingness of business managers to take corporately socially responsible steps. Many Danish corporations emphasize that social and environmental responsibility has been part of their business since their inception. The reasons why CSR is important to Danish companies are normative and economic. In the case of a normative motive, it means that the company wants to create better conditions for society and the surrounding environment. In contrast, the economic motive is pragmatic and is linked to profit and the necessity to fulfill the requirements of interested parties, the so-called stakeholders. Of course, CSR is also understood as a competitive advantage that differentiates companies from other companies (Morsing & Thyssen, 2003).

Finland ranks among the countries with the highest level of involvement in the CSR concept. The total number of companies was 286,042 companies. Of these, 1,781 companies are officially involved in socially responsible business. In percentage terms, this is 0.62 % of the total number of companies. As already mentioned in the work, it is necessary to point out the fact that if companies do not officially integrate into the CSR concept, it does not mean that their business is not socially responsible. The FIBS Corporate Social Responsibility Survey, which was conducted for large Finnish companies in 2015, showed that around half of the companies surveyed considered corporate social responsibility to be very important. The reasons why companies integrated into the CSR concept and invested in socially responsible behavior were mainly: building the company's reputation, greater competitiveness, responsibility as a starting point for business, also the impact on the environment or customer satisfaction. In terms of corporate social responsibility, Finnish companies are the most responsible in terms of working conditions and the environment (Idowu, 2016).

Within the EU, **Italy** is the country with the highest number of companies in the country (6,091,971). 1,045 companies are officially integrated into socially responsible business, which is 0.02 % of the total number. Italy is a country in which the number of companies involved in the CSR concept could be higher than the obtained results present. A number of important organizations and associations do not display the list of members publicly, or the information is not freely accessible. In addition to the national level, the activities of the Italian government in the area of corporate social responsibility are also manifested at the international level. Italy actively participates in conferences organized by the EU (European Multistakeholders Forum or regular meetings of experts and discussion forums). The size of Italian companies greatly influences the attitude towards the concept of CSR. Large companies show a much higher interest in this topic than small businesses (Molteni & Lucchini, 2004).

The total number of companies in **Luxembourg** is 33,700. The number of countries officially integrating into the CSR concept is 186. This number is 0.55 % of the total number of companies in the country. Although Luxembourg belongs to the small countries of the EU, the Luxembourg economy is very powerful and characterized by high dynamics of development and growth. Even though the rate of involvement in the CSR concept is only 0.55 %, it is one of the countries with the highest rate of involvement in socially responsible business in the EU. This is due to the efficient economy and low tax burden. Compared to other developed Western European countries, Luxembourg has a really low tax burden, thanks to which companies can spend more funds on promoting or implementing socially responsible business.

Germany is also among the EU countries with a high number of companies in the country (3,279,136). However, the rate of official involvement in the concept of socially responsible business is only 687 companies, i.e. 0.02 % of the total number of German companies. These results may also be skewed in favor of CSR firms by insufficient data retrieval resources within the research. Demands for socially responsible business are increasing in Germany thanks to increased transparency. Where previously only sporadic information about companies and their activities was available, today you can learn about working conditions, resource use and

production facilities, among other things. NGOs, which are important stakeholders, play an important role in this. They often enjoy a high degree of trust from the population and can thus contribute significantly to shaping public opinion, for example by publishing information about working conditions or suppliers (Kummer, 2009).

There are 1,899,940 companies in the **Netherlands**. Of this total number, only 1,580 companies officially subscribe to the concept of social responsibility. The level of involvement of Dutch companies in the CSR concept is 0.08 % of the total number of companies. In the Netherlands, the topic of socially responsible business and sustainability has been relevant for many years, and not only among corporations and non-profit organizations. In recent years, the state administration has also been significantly involved in this area. The Ministry of Economic Affairs founded the NGO Nederland in 2004, which supports CSR activities. In addition to various information on corporate social responsibility events, they also actively participate in various projects that they often initiate and prepare themselves. The goal of MVO Nederland is to make social responsibility a completely normal part of every Dutch company or enterprise. For them, cooperation with all interested entities – from the private, non-profit and state sectors – is very important. NGO Nederland created, for example, the so-called CSR Passport. It is an online brochure whose task is to inform about what CSR is, how companies can integrate into responsible business, how social responsibility can be understood, etc. The Ministry of Economic Affairs, the Ministry of Foreign Affairs also participated in the creation of the CSR Passport and the Ministry of Labor and Social Affairs. Many independent organizations cooperate closely with NGO Nederland (Special social responsibility, 2014).

The total number of **Spanish** companies is 3,363,197. 567 companies are officially integrated into socially responsible business, which is 0.02 %. The document *Estrategia Española de Responsabilidad Social de las Empresas* (2015) states that large Spanish companies have occupied and continue to occupy leading positions in the ranking of indices that measure sustainability performance. Some Spanish companies even lead the global CSR rankings. For these reasons, it is assumed that even here the degree of involvement of companies in the concept of socially responsible business in Spain is higher than these results. Again, this is mainly due to insufficient resources when searching for data within the research, as many associations and organizations dealing with socially responsible business in Spain did not publish lists of members or partners. The aim of Spain's CSR strategy is to promote the development or responsible practices of public and private organizations so that they can become a significant driver of the country's competitiveness and its transformation to a more productive, sustainable and inclusive economy.

With its number, **Great Britain** ranks among the countries of the former European Union with the highest number of companies (4,202,044). The number of companies that officially apply for socially responsible business is 1,095, which is 0.03 % of the total number of companies. Corporate social responsibility has been increasing rapidly in the UK business community over the past few decades. Many of the UK's top retailers are major employers who continue to stay at the cutting edge of innovation and growth, and many are aware of the impact they have on the environment, society and economy. They increasingly want to communicate their commitment to CSR to their shareholders, customers, employees, government and the general public. The government's approach is to encourage and stimulate the adoption and reporting of CSR through best practice guidelines and possibly smart regulation and fiscal incentives. The UK government encourages companies to report on their CSR performance in a number of ways, such as environmental reporting guidelines issued, etc. (UKDiss.com, 2019).

4 Conclusion

The results show that the level of participation of individual EU countries in the CSR concept did not individually exceed the symbolic 1%. The ratio of the total number of companies to those that participate transparently in the social responsibility of organizations is very low. Of course, we start with the fact that if any company does not officially integrate into the CSR concept, it does not mean that it is socially irresponsible. A number of companies implement socially responsible behavior in their daily activities and activities, but do not need to state this publicly or be registered anywhere.

The official level of involvement of companies in the CSR concept in some EU countries is higher than that presented in the research. The results may be slightly different in favor of CSR companies, as it was not possible to get the necessary information free of charge in all states. Some official databases require registration based on a domestic ID for entry. This is mainly due to the insufficient resources when searching for data within the investigation. Many important data on member organizations within the concept of responsible business were not available free of charge. Similarly, the relevance of the data obtained may be sporadic due to insufficient resources when searching for data in research, as many associations and organizations dealing with socially responsible business do not publish lists of members or partners. In this methodological gap is additional area for improving the quality of future research in this area.

The fact that Western countries are among the countries with the highest degree of involvement in the CSR concept is to some extent the result of earlier implementation of issued documents and initiatives into their corporate strategies (*GRI for Employment and Social Affairs*, *GRI for Business and Environment*, *Green Paper* and others). These and other documents are proof of a certain European commitment. The European Parliament is also addressing this issue.

The main reasons and reasons why the concept of CSR is more supported in some EU countries are mainly how the government itself, the state administration and local communities encourage companies and corporations to take socially responsible business. The government plays a very important role here because some countries (eg the Czech Republic, Poland, Slovakia, Hungary) do not significantly regulate socially responsible business, but only keep it at the level of voluntariness. This is, of course, reflected in the degree of participation of companies in the CSR concept. Conversely, some governments (eg the UK, Belgium, the Scandinavian countries) directly encourage companies to report on their CSR performance. The government's approach is to support and stimulate the adoption and reporting of CSR through best practice guidelines and, where appropriate, smart regulation and fiscal incentives. Another factor that significantly affects the participation of companies in socially responsible business is the economic situation in the country and the degree of ethics of the business environment. The lower application of the CSR concept is present in countries with lower economic performance. Restrictions on profit maximization and concerns about further increasing their costs are directly linked to managerial decisions. On the other hand, countries with an efficient economy and a low tax burden (eg Luxembourg) may spend more money on promoting or implementing socially responsible business.

The pluralistic CSR framework has been useful in emphasizing that SMEs mostly rely on the normative motivations of owners' managers to involve CSR, although instrumental ones also play a role. This is also supported by the business literature. Some entrepreneurs are more focused on nonfinancial rewards (Ateljevic & Doorne, 2000), seeking autonomy and pursuing a lifestyle (Thomas, et al., 2011) or family values. It is therefore common for CSR

implementation to be influenced by these alternative non-economic values, which started the business in the first place (Looser & Wehrmeyer, 2015).

This analysis also emphasizes that the idealized view of small businesses is contextualized by recent studies that emphasize the importance of balance between the various elements. The general balance of motives is found in most small businesses, as different motives, both ethical and financial, are followed (Sen & Cowley, 2013; Reyes Rodriguez et al., 2014). From a theoretical perspective, conflict resolution theory emphasizes the positive effects of CSR activities by improving a firm's reputation, increasing firm profitability, and increasing firm value.

The main contribution to understanding this issue is a pluralistic framework for CSR analysis, which can be used as an analysis framework for future empirical studies in business and society. Such a framework has been used to highlight the various aspects of CSR in SMEs, in particular its informal nature based on personal values, characterized by the social anchoring of SMEs. The future steps proposed for research in this area are further exploration of the informal approach of the Slovak Republic in small and medium-sized enterprises. This should be done, where appropriate, through empirical studies based on different sectors, such as hospitality and tourism, as well as in different local contexts. In future research, focus on the effect of socially responsible companies on financial performance, corporate value and corporate reputation. The condition of this research will be the analysis of macroeconomic variables (economic growth and the quality of the institutional environment).

At the same time, it will be important in future research to identify corporate social responsibility responses to public policies, institutional environments, and firm specific attention to corporate social responsibility before, during, and after global economic recessions. The main focus will be on the tight diversity and lack of political leadership. We also believe that the financial justification for CSR passivity in selected firms caused by negative external shocks (especially during economic downturns) disappears in countries where policymakers actively use CSR public policy tools. We also hypothesize that the effectiveness of public policies is enhanced by formal and informal institutions, particularly the rule of law and social trust.

Acknowledgements: The author would like to thank all the reviewers, who will always contribute to the improvement of the quality of this paper with their valuable opinions.

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