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# **A conceptual framework for CSR analysis: integration of stakeholder theory and institutional theory within the postmodern strategic management**

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**Abstract:** This paper aims to introduce a contemporary conceptual framework for CSR analysis. Currently, most studies on CSR employ the stakeholder theory and the institutional theory as separate tools rather than being complementary to each other. Therefore, this paper suggests integrating stakeholder theory and institutional theory into strategic management as it constitutes a point of intersection between modern and postmodern eras. In view of that, 'postmodern CSR strategic management' is constructed as a comprehensive framework which provides a bigger picture to CSR analysis than any single theory. The conceptual framework developed in this article can serve as a cornerstone to design and implement a firm's CSR strategy under pressures of stakeholders and institutions that operate at global and local levels. This paper is purely theoretical as the results thereof offer a theoretical foundation for empirical studies relating to CSR practices in postmodern era which is characterised by complexity and multiplicity.

**Keywords:** stakeholder theory; institutional theory; strategic management; postmodern; postmodern CSR strategic management.

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## **1 Introduction**

The recent advancement of information and communication technologies together with the spread of neo-liberal ideology have accelerated the movements of firms from one country to another and increased their roles in growth of the international economy (Kellner, 1997). Increasing movements of business firms across modern societies have been accompanied with opportunistic behaviours and ill practices which poisoned human

and animal lives and their natural environment (Child, 2002). During the 1980s a few leading companies started reacting to pressures of social activists movement which confronted firms' irresponsible behaviour towards the issues of consumer and natural environment (Husted and Allen, 2011). In 1990s, the rising voices of NGOs across the big urban streets in Europe and USA attracted the global attentions to the negative impacts of industrial firms on climate change (Korten, 2015). By 2002, several leading businesses together with governments and NGOs have begun to recognise that none of them could tackle challenges of global sustainability on its own (Baur and Schmitz, 2012).

After the collapse of global financial markets in 2008, firms irresponsible conducts toward stakeholders were criticised by formal and informal global institutions such as UN, mass media, press, NGOs as well as many social activists and intellectuals who accused firms of misusing strategies of finance and accounting (Kim et al., 2017). Of course, these events together with increasing social inequalities represented in increasing the poverty, hunger and the gap between rich and poor countries have become difficult to be ignored. They also opened hot debates among researchers, practitioners and intellectuals on firms' irresponsible behaviours toward stakeholders, institutions and societies.

The increasing pressures of stakeholders and formal and informal institutions on firms have led to many rounds of meetings and conferences held at the global, regional and local levels to improve governance structures of firms (Kim et al., 2017). The recent ascendance to the concepts of multiplicity and complexity at global and local levels has compelled firms to change their CSR practices and become more sensitive to the public opinions than ever before (Sementelli, 2005). Thus, new ways of interactions between firms and stakeholders and institutions have become central point of discussions of scholars and practitioners.

In current academic literatures, it is hard to find precise definition for CSR, or clear model that can guide firms' management to take proper ethical decisions related to CSR. Additionally, most current studies on CSR are descriptive in nature and use the stakeholder theory and institutional theory to describe the relationships between firms and stakeholders and institutions. On one side, stakeholder model as product of modern strategic thinking has emerged as a reaction to the old view of liberal economists who argued that the firms' social responsibility must be focused on shareholders or investors. However, Freeman (1984) extended concept of corporate social responsibility to include stakeholders who have direct influences on firms' performance such as customers, suppliers and employees. Although, stakeholder theory is still in use for CSR analysis, but it remains under attack of many scholars who argue the theory fails to offer a precise model can guide firms' management to making scientific assessment for CSR practices. As well, the theory still offers general guidelines rather than an evident model helps firms improve their CSR practices. Another important critique to stakeholder theory is still confined to firm's narrow perspective which pays a little attention to the influence of external business environments on firms' behaviours related to CSR practices (Fassin, 2008).

On the other side, the institutional theory which highlights effects of local governments, institutions, and industry structures on homogenising firms behaviours as preconditions for gaining social and institutional legitimacy's has failed to clarify the influence of global institutions on firms' practices to CSR at organisational level.

Furthermore, institutional theory is still subjected to continuous changes in global and local structures of governance (Yin, 2017).

We argue whether stakeholder theory alone or institutional theory is able to explain a complex social and organisational phenomenon like CSR. Therefore, this paper aims to develop a conceptual framework for CSR analysis which draws its premises from bringing together these two theories; the stakeholder theory and institutional theory to broader field of strategic management.

To realise the research objective, this paper is organised as follows; second section presents an overview to recent movement from modern strategic management toward postmodern strategic management. Third section presents stakeholder theory and institutional theory as basis to construct the conceptual framework. Fourth section introduces our suggested framework for CSR analysis. Final section presents some conclusions and discussions, contributions and limitations relate to the suggested conceptual framework and the future orientations for CSR studies.

## **2 The shift from modern strategic management toward postmodern strategic management**

To understand the current change of strategic management and the emergence of new ways of firms' practices to CSR, one must understand the recent transformations in economic, political, technological, social and cultural dimensions which have shaped what is called the postmodern era, or postmodern society, or the globalisation. Jameson (1991) described postmodern as late stage of capitalism which produced the new social and cultural configurations and destroyed older system of thoughts which governed behaviours and acts of people, firms and societies in the modern era.

In general, the postmodernism can be described as the frame of mind or the wide range of thoughts that doubted creditably of principles and values governed the modern societies (Giddens, 1991). Thus, understanding the strategic management thoughts and practices in postmodern era can give us deeper meanings and insights to the ways that governing the relationships among firms and stakeholders, institutions and societies. However, it will be difficult to understand the premises of strategic management in the postmodern era, unless we go back to its hostility to strategic management of the modern era (Harvey, 1990).

Accordingly, in this section we present the differences between the concepts of strategic management in the modern and postmodern eras in-terms of methodological, economic, political, organisational, social, leadership and technological. From the methodological perspective, the strategic management in modern era was built on historic linear theories which are derived from micro-economic theory and industrial firms adoption of the strategy of transaction cost; with the assumption that the past firm's strategies were used for predicting future performance (Richard et al., 2015). In contrast, the strategic management in the postmodern era was featured by the use of nonlinear theories to describe processes of designing and implementing company strategy under the contexts of complexity and multiplicity (Piketty, 2014). From economic perspective, the strategic management in modern era was featured by mass production and adoption of firms to effective cost strategy to increase the profits. By contrast, strategic management in the postmodern era has been characterised by economy-based knowledge and adoption

the strategy of exploiting tangible and intangible resources (intellectual capital) to increase competitive advantage of a firm (Harvey, 2017).

From the political and organisational perspectives, the strategic management in modern era was characterised by centralising the structure of decision making and integration of management activities into whole firm strategy. By contrast, strategic management in postmodern era characterises by decentralisation structure, autonomy and coordination of firm's plan by top managers who leave wide spaces for employees and other internal units to develop their own strategies (Lee, 2008).

From social perspective, the strategic management in modern era pays little attentions to influence of external factors – such as markets – on firm's strategy and assume that external business environments are relatively stabilised (Porter and Kramer, 2006). On the contrary, strategic management in postmodern era has taken influence of the external factors and markets movements in consideration, especially when it designs the firm's future strategy. From leadership perspective, the strategic management as a product of the modern era was featured by the rationality of leaders who focus on technical tasks in hands and disseminate their personal values within the firm's boundaries (Thompson, 2003). In contrast, strategic management in the postmodern era is featured by the abilities of firms' leaders and executives to make the right ethical decisions inside and outside the firm. Finally, from technological perspective, the strategic management in modern era is characterises by receiving significant support from the industries and institutions, such as; strategic consulting firms, business schools, and strategic databases (Jashapara, 2011). On the contrary, strategic management in the postmodern era is characterises by using the strategy of dispersion and integration and social linkages between firms' branches by aid of technology (Daniels et al., 2015).

From postmodern perspective which is the focal interest of our analysis, the above list of comparisons between characteristics of postmodern strategic management vs. modern strategic management seems impractical to draw conceptual framework for CSR analysis. Because it may lead to trapping in dual relationship which hides some inconsistencies exist in an each concept. In addition, we argue that division of analysis between the strategic management in the modern and postmodern eras seem to be an artificial, because firm's CSR strategy does not stop and restart from the beginning rather it is always subjected to continuous improvements over the years (Richard et al., 2015). Therefore, we suggest integrating stakeholder theory and institutional theory within the larger field of strategic management which has seen as the point of intersection between the modern and postmodern eras. At present, many authors do not confirm the direct relationship between the concepts of CSR and strategic management. This is due to the view that CSR associates with generating profits in short-run, while strategic management focuses on strategic decisions that can be taken by managers to achieve better performance and a competitive advantage for organisations in the long run (Lee, 2011). Recently, the concept of strategic management has extended to include top management decisions and their impacts on global and local sustainability (Harvey, 2017). The famous postmodern scholar Foucault stated that rational discourse is embedded in interactive communications which produces truth, where the power is not only possessed by central authority or top firm's management, but it is relative in nature and circulates everywhere to empower identities of diverse social groups; in this case, the groups of stakeholders and institutions which exist in the global and local levels (Foucault, 2001).

To avoid confusion between concepts of strategic management and postmodern approach, we view strategic management as a movement from internal firm's perspective to development and implementation of a competitive CSR strategy which helps firms' management cope with the pressure of external environment. Postmodern approach goes further to describe pressures of each group of stakeholders and institutions operate in local and global levels on the firms' practices to CSR at the organisational level. Before constructing a conceptual framework for CSR analysis, it would be rather useful to discuss stakeholder theory and institutional theory as core components of our suggested conceptual framework.

### **3 Stakeholder theory and institutional theory as basis to construct the conceptual framework**

#### *3.1 Stakeholder theory and CSR analysis*

The core perception of business social responsibilities has been dated by Adam Smith in 18th century, when he stated that free market economy could flourish through interactions and collaborations of individuals and organisations together to serve needs of the society (Madrakhimova, 2013).

In 1920s the term of business ethics developed by Weber through the concepts of public service and trusteeship (Corbett, 2003). Bowen (1953) went beyond Weber's view to coin the term of businessmen's social responsibilities as a basis for the development of the modern concept of CSR. Walton (1967) introduced a remarkable contribution to the CSR concept when highlighted principle of voluntary activities, which means that firms must go beyond the traditional enforcement of laws to obtain economic viability and social legitimacy. In 1970s the neo-classical scholars revived traditional economic perspective which supports the view that key responsibility of businesses towards society is to increase shareholders profits within legal and ethical frameworks prevail in a particular country (Shaw, 2012). By 1979, Carroll developed pyramid of CSR as a simple model based on four main responsibilities of the organisations toward society, include, economic, legal, ethical and philanthropic (Carroll, 1979).

In 1980s, the concept of CSR gained more acceptance and was widely explained by many authors such as Wartick and Cochran (1985), Aupperle et al. (1985). Freeman (1984) argued it is no longer acceptable for firms to focus on the shareholders or investors in isolation from society, stakeholders and natural environment. He went further to say that "firm's success depend mainly on serving interests of the stakeholders groups such as customers, suppliers, investors, employees or any others that have influence, or are influenced by its financial performance".

Freeman (1984) has divided the stakeholders into two groups. The first group involves the primary stakeholders such as shareholders, investors, employees, customers, and suppliers who would support or hinder the firm's performance. The second group involves the secondary stakeholders groups such as media, trade associations, labour unions, NGOs and other regulatory institutions that have indirect influences on perceptions and attitudes of firm's management. At present, most academic literature on CSR categorise stakeholders into three different perspectives; the normative stakeholder, the instrumental stakeholder, and the descriptive stakeholder (Pesqueux and Damak-Ayadi, 2005).

- 1 The normative perspective assumes that all stakeholders have the same ethical claims in the firm's intrinsic resources. Therefore, the firm's management requires several CSR strategies to meet the demands of all stakeholders with no bias (Fassin, 2008).
- 2 The instrumental perspective assumes the direct positive relationship between CSR activities and firm's financial performance. Therefore, the firm's management dedicates CSR activities to the powerful stakeholders who have direct influences on its financial performance (Donaldson and Preston, 1995).
- 3 The descriptive perspective explains the specific characteristics and behaviour of top firm management with respect to the diffusion of societal information, and determines targeted stakeholders groups and the significance attributed of each group to the firm's objectives.

These three perspectives of stakeholder theory identify the relationships between the firms and stakeholders groups according to moral, economic and managerial views. However, some theoretical inconsistencies may emerge in each individual perspective.

According to moral view, the normative perspective of stakeholder theory which states that stakeholders groups must be treated fairly irrespective of critical resources in their hands still challenge firms in how to keep balance relations with diverse groups of stakeholders (Clarkson, 1995). According to economic view, instrumental perspective of stakeholder theory which affirms on positive relationship between CSR activities and firms' financial performance have been confronted by many empirical studies that revealed negative results or, neutral relationship between the two variables (Harrison and Wicks, 2013). According to managerial view, descriptive side of the stakeholder theory, which explains characteristics and behaviours of the firm's management, is not more than exploratory propositions allowing prediction of future relationships with stakeholders and thus, it does not offer any possible connection between stakeholders' management and traditional firms' objectives, such as profits.

In total, these three perspectives of stakeholder theory have been approved inadequate because they focused on firm's narrow point of view which does not explain the complex relationships between the firms' management and the stakeholders groups found in global and local levels.

We observed that most empirical studies on stakeholders, whether explicit or, implicit, examined the relationship between firm's management and the stakeholders based on scenario of cause and effect, e.g., CSR and the firms' performance, or CSR and the firms' competitive advantage. However, this type of studies remain linear in nature and fail to describe the complex structural relationships between the firms and stakeholders group which are always subjected to changes over the years. Furthermore, this type of studies unable to reveal inherent contradictions within discourse of CSR and still focus the analysis on firm's responses to the demands of powerful stakeholders, which in result, may create the game of winners and losers and hinder the society development.

Freeman, as an advocate of stakeholder theory, emphasised the importance of applying it to any CSR analysis, with the assumption that the stakeholder model can reveal the influence of powerful stakeholders on the behaviours and acts of the firm's management. However, we argue that such view is naïve, because it focuses on internal firm's perspective and ignore the pressures of global and local stakeholders on the firm's practices related to CSR.

Vogel (2008) argued that linking firm's CSR strategy with long-term objectives instead of economic objectives at short term allow firms to enjoy more competitive advantages.

Donaldson and Preston (1995) emphasised on the validity of stakeholder model in-terms of scope and pattern to CSR analysis. They suggested bringing the institutional and cultural dimensions into the stakeholders' definition to provide better understanding to the complex relationships between firms' management and stakeholders groups that activate at local and global levels.

Kostova (1999) agreed with Donaldson and Preston (1995) on bringing the concept of global stakeholders groups such as international institutions, mass media, NGO's and other institutions that operate in global level into the stakeholder's definition to reveal their influences on firms decisions related to CSR practices at the micro organisational level. In this article, we attempt to move CSR analysis from the traditional stakeholder model which focuses on the company single perspective to multi levels perspective, and redefine the concept of stakeholders in light of recent changes associated with increasing pressures of global and local stakeholders on firm's behaviours towards CSR practices at micro organisational level. Thus, stakeholder theory and its modifications would be positioned at the centre of our conceptual framework for CSR analysis.

### *3.2 Institutional theory and CSR analysis*

Institutional theory can be viewed as an analytical tool to explain influence of prevailing institutional structures in a particular society; and procedures, rules, habits, routines and symbols which are produced and promoted by local institutions to make firms which operate in the same sector consistent with acceptable social and economic behaviours (Kostova et al., 2008).

Institutions are the kinds of formal or informal structures that shape the mode of actions of people to fulfil the needs of society. When these structures are shaped and settled in a particular society, many local regulatory forces attempt to bring behaviours of organisations that operate under same environmental conditions toward more homogeneity (Masahiko, 2001). From institutional theory perspective, homogeneity of the social structures would be brought more stability to the social systems and allow firms to enjoy legitimacy, resources and survival. DiMaggio (1991) indicated that, the institutional structures are variable and operable at local and global levels and always subject to changes in process which ranges from incrementalistic to discontinuity. Moll et al. (2006) has divided isomorphism process into two main types, the competitive isomorphism and institutional isomorphism.

Competitive isomorphism refers to the notion that firms do not only compete to generate profits, but to gain the political and social legitimacy as well. The institutional isomorphism has been subdivided into three processes: coercive, mimetic and normative. Coercive isomorphism describes firms' reactions to pressures of institutional structures under which they are heavily dependent, and other sources of power such as governmental mandates, financial reporting and contracts law local regulatory institutions which are used to influence firms' behaviours and practices (Dacin et al., 2008). Mimetic isomorphism describes how firms which fail to adopt high level of ethical practices attempt to imitate behaviours of the leading firms which operate in the same sector to avoid the risk of missing of social and institutional legitimacy (Unerman and Bennett, 2004). The normative isomorphism describes how firms' on voluntary basis adopt the

values, habits and norms that govern practices of a particular sector or profession in order to gain social legitimacy.

At present, most empirical studies are utilised these three perspectives of institutional isomorphism to describe firms' reactions to pressures of formal and informal institutions according to scenario of cause and effect, e.g., the influence of institutional pressures on the firm's legitimacy. However, this type of research is linear in nature and unable to explain influence of the complex and multiple institutional structures which are always subjected to continuous changes on firms' legitimacy. For instance, the institutional structures that governed behaviours and practices of firms in modern era according to the principle of economic performance, at present has been shifting to focus on the firms' values, norms, habits, missions and objectives as main sources for gaining competitive advantage. In the last two decades, the international institutions in partnership with business leaders have offered some guidelines and initiatives such as partnerships among private, public and civil organisations to improve the institutional structures at macro global level.

Matten and Moon (2008) examined the impact of national institutional structures on firms' practices of CSR in specific groups of countries. More specifically, they compared between the institutional structures in the USA and European countries such as France and Germany. They found strong effect by the governments of France and Germany on national institutional structures related to CSR policy practices due to the collective actions which govern structural relationships among firms, governments and civil society organisations in those countries. On the other side, they indicated that institutional structures in the USA are characterised by high level of flexibility, autonomy and less government interventions in CSR policy due to mode of liberal pluralism which govern the structural relations between business firms, society and government of the USA.

Scott (1995) has emphasised that institutions are not only a set of an organised formal structures, but also are dynamic and flexible social entities shape the modes of interactions of others. DiMaggio (1991) introduced the new institutional theory as an emerging concept in organisation theory and sociology, moving institutional analysis from a rational-actor's model to the effect of cognitive and cultural dimensions on firm's strategic management decisions with regard to CSR practices. He considered the new-institutional theory as analytical tool describing how firm management perceive the influences of social and cultural environments on firm's long-term objectives and behave accordingly. In this situation, the choice of the firms' CSR strategy is cumbersome by the social and cultural prescriptions that transmit from local regulatory institutions and global institutions related to the highest standards of CSR practices. Since firms have challenged by different sources of institutional pressures and with different course of actions, they have become operate under the contexts of complexity and multiplicity.

In this respect, new-institutional theory would help us understand strategic management activities related to CSR practices at micro organisational level, and the ways in which firms adapt to continuous changes in external institutional structures in order to survive in business (DiMaggio and Powell, 1991).

We argue that recent changes in institutional structures along with new ways of designing and implementing of firm's CSR in the postmodern era require a new understanding. Postmodern approach, being the focal point of analysis, has celebrated concepts of complexity and multiplicity and has provided more room for the researchers to employ whatever theoretical or methodological approaches being most relevant to the research topic. In this context, multi-levels analysis may expand our understanding of the



complex relationships between at least two different levels or contexts. More specifically, this approach allows us to move CSR analysis from firm's single perspective to pressures of the global institutions (at macro level) and the local government and other regulatory institutions (at intermediary level) on the firm's practices to CSR (at micro organisational level). Thus, institutional theory and its modifications would be positioned at the centre of our suggested framework for CSR analysis.

#### **4 Constructing a conceptual framework for CSR analysis**

In the above sections, we discussed how the traditional linear theories, such as the stakeholder and institutions, have been approved inadequate because they were unable to explain the firms' behaviours related to CSR practices under pressures of the external environment. Alternatively, this paper utilises benefits of integrative approach as a basis for construction of a comprehensive conceptual framework which provides new insights and a wider perspective to the CSR analysis than any single theory.

The ideas behind integration of stakeholder theory and institutional theory in the field of strategic management are derived from assumptions that both theories have been walked together without contradictions during the modern and postmodern periods and progressively have been integrated into broader field of strategic management. Drawing from the above mentioned ideas, the conceptual framework constructed in this paper might be described as 'postmodern CSR strategic management'. This conceptual framework is supported by multi-levels analysis which expands our understanding to the influences of stakeholders and institutions operate at the global and local levels on the firm's decisions related to CSR practices at micro organisational level. This paper is an attempt to introduce a contemporary and tentative conceptual framework for CSR analysis aiming at increasing the efficiency of firm's management in the areas of developing and implementing CSR strategy in the postmodern era which is characterised by complexity and multiplicity.

Several elements are suggested and assembled into framework of postmodern CSR strategic management to make CSR analysis a more dynamic and insightful as mentioned earlier.

The first element is to extend the stakeholder theory to include wide range of global stakeholders such as international organisations, international media, NGOs into the CSR analysis. The idea is that the business ethics is like the firm operates at local and global levels with no geographical restrictions to its movements (De George, 2006). Recently, the global stakeholders have offered a group of universal packages of laws as well as some voluntary principles to improve the firms' CSR practices at micro organisational level, as well as the global public interests at macro level. For example, the NGOs expect that firms which align their behaviours with universal criteria of ethics would be able to protect themselves from green washing and social dumping (Harrison and Wicks, 2013).

The second element is to extend the institutional theory to include the degree of firms' compliance with the standards, guidelines and voluntary initiatives that have been produced by international institutions such as, the OECD guidelines, Global Reporting Initiative (GRI), global CSR rating agencies, the ISO 26000 and the UN Global Compact. For example, the firms' compliance with the UN Global Compact which covers the global concerns in many areas of CSR such as human rights, labour standards,

environment and anti- corruption allows firms to gain the social and institutional legitimacy's (Matten and Moon, 2008).

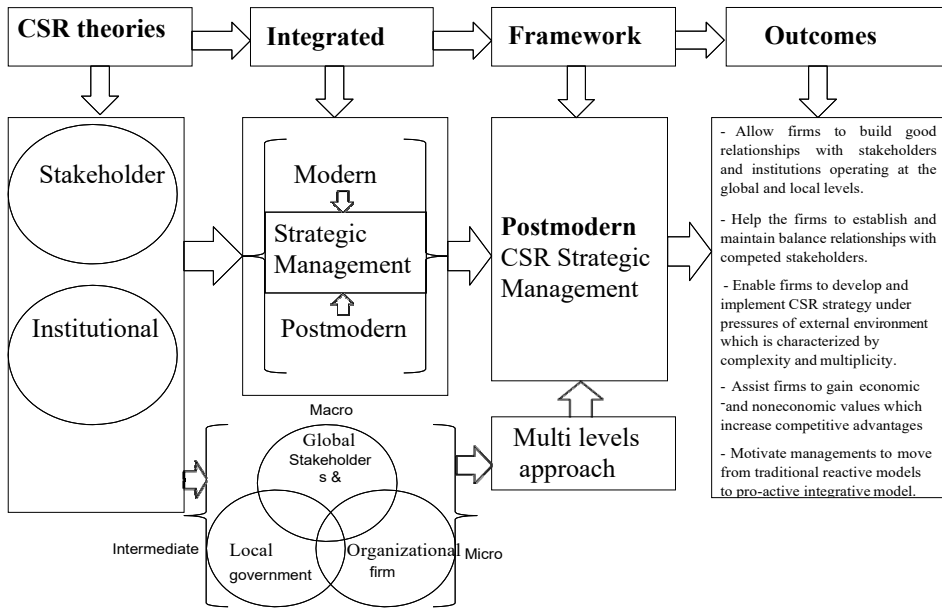
The third element is to include the local government and other regulatory institutions at the centre of CSR analysis. The idea is that CSR does not only refer to economic objective, but also to social and environmental objectives. These objectives are, of course, consistent with the main goals of government policy. Therefore, greater coordination and cooperation between the government and private sectors seem essential to bring continuous improvements to CSR practice at micro organisational level.

Traditionally, CSR began as a voluntary form of private regulation; however, after the collapse of global financial markets in 2008, the pressures of stakeholders and institutions have maximised the role of government in regulating the private sector to bring more stability to national and global systems of governance. Although, the balance approach between global and local systems of governance may differ among nations, the presence of government and institutions that operate at local-intermediary level must appear in the heart of CSR analysis.

The fourth element is to move the CSR analysis from a single company perspective to multi- levels perspective. This would help us understanding how the strategic management behaves under the pressures of global stakeholders and global institutions at the same time. For example, institutions that operate at global and local levels often attempt to reflect their rules and values on the firms' practices of CSR at micro organisational level, while the firms' practices of CSR at micro organisational level can be interpreted in light of pressures of the global and local institutions in the same time.

Figure 1 depicts the different elements of our suggested framework.

**Figure 1** Conceptual framework for CSR



## **5 Discussion and conclusions**

Literature reviews and studies have revealed the importance of firms' adoption to CSR as strategy for survival and competitiveness. The main methodological gap in current studies of CSR is represented in utilising stakeholder theory and institutional theory as separate tools for CSR analysis rather than being complementary to each other. This paper aims to develop a conceptual framework for CSR analysis utilising the benefits of integrative approach to provide a wider perspective and newer insights than any single theory (stakeholder or institutional).

'Postmodern CSR strategic management' developed as a conceptual framework for CSR analysis draws its understanding from combining both stakeholder theory and institutional theory within the field of strategic management as being the point of intersection between the modern and postmodern eras. This framework provides understanding to the firm's behaviours related to the CSR practices under pressures of the external environment hosting stakeholders and institutions that activate at local and global levels at the same time. At present, the firm's practices to CSR in the postmodern era which is characterised by complexity and multiplicity are not just a matter of generating additional profits at a short-run. The firm's CSR would, rather, be viewed as an effective strategy which aims at establishing and maintaining good communications with stakeholders and institutions through involving their values, demands and expectations in the firm's long-term objectives. For the last three decades, the stakeholder theory and institutional theory have been used as effective managerial strategy which aims to increase firms' financial performance and their social and political legitimacy. Recent pressures of formal and informal groups of stakeholders and institutions have compelled firms to redesign their CSR strategies in certain ways and to become sensitive to public opinions than ever before.

Under this context of external pressures, the issues of designing and implementing CSR strategy in postmodern era, which is characterised by complexity and multiplicity, requires new qualities of top managers who move from dictating contents of the CSR strategy into establishing and maintaining good relationships with various stakeholders and institutions operating at global and local levels. Although the traditional stakeholder theory was extended to include the global stakeholders, the old institutional theory was moved to new-institutional theory which focuses on the impact of cognitive and cultural dimensions on firms' management decisions. However, until now, there is no consensus among scholars on unified definition or model for CSR analysis.

Postmodern perspective as the focal point of constructing our conceptual framework for CSR analysis gives researchers the opportunity to employ whatever theories or methodological approaches relevant to the topic under investigations. Accordingly, a multi-levels approach can be utilised as an analytical tool enable us moving CSR analysis from firm's single perspective to complex and multiple relationships between firms and external environment. In this context, multi-levels approach can expand our understanding of the influences of stakeholders and institutions which operate at the global and local levels on firms' management, especially, when the latter take serious decisions related to process of designing and implementing CSR strategy at micro organisational level. Accordingly, we identified three levels of pressures on firms management practices to CSR:

- 1 the macro global level refers to the pressures of stakeholders and institutions operating at global level, such as (international organisations, international media, NGOs, OECD guidelines, Global Reporting Initiative GRI, global CSR rating agencies, the ISO 26000 and the UN Global Compact)
- 2 the intermediate local level refers to the pressures of the national government and other regulatory institutions
- 3 the micro organisational level refers to degree of firm's response to the pressures of 2 and 3 on its practices to CSR.

Weber (2008) stated that firms operate under pressures of the global and local levels determine styles of communications with others according to their values, resources, sizes, culture, missions and objectives. For instance, firms which adopt track of financial reporting and integrate the values and expectations of all stakeholders and institutions in their objectives will be more effective than others. Garvey and Newell (2005) emphasised that the successful community of practices of the CSR depend on the right mixture of relationships between the state, private and society. In the same sense, Carroll and Buchholtz (2014) argued that the successful firms' practices to CSR depend on the webs of social interconnections and their consequences on global and local interests and objectives of the firm on the long run. Postmodern CSR strategic management seems to be a comprehensive framework consists of the stakeholders, institutions, strategic management and postmodern management, as presented in figure 1. This framework is not meant to be applied without changes; i.e., it is an attempt to provide researchers with an analytical tool examining the firms' practices to CSR under ongoing pressures of uncertain and dynamic environment.

### *5.1 Research significant implications on CSR strategic management*

In summary, the postmodern CSR strategic management as conceptual framework for CSR analysis has several positive outcomes on top firms' management, such as:

- allow firms to build good relationships with stakeholders and institutions operating at the global and local levels
- help the firms establish and maintain balance relationships with various competed stakeholders
- enable firms to design and implement CSR strategy under pressures of external environment which is characterised by complexity and multiplicity
- assist firms to gain economic and non-economic values which would increase their competitive advantages.

### *5.2 Significant contributions to researchers*

This paper is based on utilising the benefits of integrative approach which limits the one-sided perspective and opens CSR analysis to multi-levels perspective. Postmodern CSR strategic management which is suggested as a framework for CSR analysis gives researchers a broader picture and newer insights than any single theory. Based on this framework, the integration of stakeholder theory and institutional theory into strategic

management field, which overlaps with modern postmodern eras, give researchers a comprehensive model to CSR analysis and pave the way for future research. Furthermore, 'postmodern CSR strategic management' might be useful analytical framework to help researchers investigate firm's practices of CSR under pressures of global and local stakeholders which vary in purposes, dispositions, demands, expectations and values. It also gives the researchers opportunity to understand missions, objectives, norms of firms' strategic managements in postmodern era. Additionally, it would stimulate researchers to move from traditional reactive models, e.g., stakeholder theory and institutional theory to pro-active integrative model. Finally, the framework helps researchers to consider CSR strategy as a moment in time rather than a permanent resolution.

### *5.3 Limitations and future research direction*

Aside from the above mentioned benefits to the application of post modern CSR strategic management in business context, there are three main limitations to this framework:

- 1 the primary concern of the suggested framework is restricted to the CSR analysis in terms of scope and content, and it may not apply to other business topics
- 2 the suggested framework does not include some relevant theories to CSR such as: legitimacy theory, political theory, corporate citizenship theory, agency theory, resource dependency theory, social contract theory, which maybe used to explain firms' practices of CSR under different contexts of external pressures
- 3 this framework would be beneficial in understanding the behaviours and practices of the middle and large size firms which engage in business transactions, however, this framework does not apply to small-size firms.

### *5.4 Recommendations for future research*

The conceptual framework of postmodern CSR strategic management requires some empirical studies to ensure the validity of its application of CSR analysis in different contexts. This framework encourages researchers to utilise some of its components to understand CSR practices in postmodern era. It also requires conducting future empirical studies on some of the large and middle size firms to understand their practices of CSR strategy under the pressures of global and local levels at the same time.

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