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## **CSR AND INNOVATION: AN INTEGRATIVE ROLE FOR MAINTAINING SUSTAINABILITY**

The concept of Corporate Social Responsibility (CSR) has been developed and transferred from a philanthropic concept in the midst of fifties to a concept that adopts the sustainable development goals in the current time. The innovation concept has been developed as well to become integrated into all processes and procedures for enterprises and corporations. Both CSR and innovation have become crucial for maintaining sustainability and strength competitiveness. Many scholars have investigated the relation between CSR and innovation, and they concluded that there is a high correlation between them. For that, through these papers, a combination of the models that interrelate CSR and innovation has been done, to come up with common implementation procedures for CSR and innovation in various aspects.

CSR is a modern concept that integrate several ethical and political procedures for the aim of economic sustainability, community development and ecological permanence. Scholar have investigated in this field for several decades, where a lot of practical and academic milestones have affected the transformation of this concept. The last formal definition for CSR has been issued by formal international organization which is the United Nations Industrial Development Organization (UNIDO): CSR is a management concept as companies incorporate social and environmental concerns into their business operations and their interactions with stakeholders. CSR is generally seen as the way in which a company strikes a balance between economic, environmental and social imperatives (the “bottom three-approach - approach”), while simultaneously addressing the expectations of stakeholders and stakeholders [1]. CSR has become a strategical approach, where all its approaches and methods are considered as implementation procedures for the seventeen Sustainable Development Goals till the year 2030 and which have been issued by the United Nation Global Compact (UNGC) [2]. On the other hand, the innovation concept has been changed and improved during the last decades. Conway and Steward are two famous scholars in the management field who have stated that innovation represent delivering a new product or idea to the market, they added that any new idea also which reduce cost, improve organization network, develop new system in processing system and implementation system is considered part of innovation [3, p.30]. Lewin and Massani have added that innovation emerges from two main sources: internal Research and Development (R&D) based on the company expertise and knowledge and from the imitation of innovations introduced by other companies [4]. The notion of innovation nowadays represents the process of implementing positive and new idea to business practices, such ideas significant component of a company strategy and determines its future evolution [5]. A lot of scholars and entrepreneurs in the management fields have realized the correlation

relation between CSR and innovation where they established various methods and theories to prove this link through analyzing empirical data in academic approaches. The aim behind these papers is to target the common feature for CSR and innovations methods, and to describe the implementation process on various aspects.

Outline of the main materials: several models and methods have been done by scientific scholars explain the relation between CSR and innovation. Three main models have been identified and based on empirical studies. Every model has been described briefly in table one. The characteristic of every model proves that there are many common features between CSR and innovation. Such features and characteristics could be targeted by the decision makers in a company to implement innovation and social responsibility on the endogenous level (inside the company) and on the exogenous level (outside the company). The three models are referred for the following scholars in the economic and management field [6, p.65-76] [7, p. 175-195] [8, p. 2-17].

Table 1

**Innovative models that have common characteristics with CSR theories and models**

Model Name	Type of Model	Authors of the model	Common characteristics between innovation model and CSR model
Sustainable Corporate Entrepreneurship	Visual Innovative Model	Morgan P. Miles, Linda S. Munilla and Jenny Darroch	Innovate in the process of operation and in the strategy through social accountability, economic performance and environmental management.
Cluster approach for CSR engagement	descriptive Innovative Model	Heidi von Weltzien Hoivik and Deepthi Shankar	Implementing CSR as a network-based model to motivate innovation through cooperation and competition between companies in the same geographical area.
Sustainable innovative CSR	mathematical innovative model	Rachel Bocquet, Nicolas Poussing, Caroline Mothe, and Christian Le Bas	Highly innovative firms can generate positive market value from CSR, given that their stakeholders' needs have been successfully satisfied, but it depends on the firm performance, firm size and firm and dynamic alignment with CSR strategy.

It has been shown that innovation and corporate social responsibility is a decision that results from the corporate culture and management attitude. In other words, companies that take a strategic direction towards their social responsibility have a greater capacity for innovation and development, whether on the internal level of the company or the external level in their relations with stakeholders.

Innovation at the internal level of the company is represented by supporting the research and development department, as inclusion of a new mechanism in the production line, which accelerates production and increases productivity at a lower cost with increasing the rate of profitability. Innovation on the internal level could be also through the production of a new products or service required by specific type of

customers, or through the use of alternative energy sources inside the company that reduces thermal emissions and reduces electricity bills, or through the use of a new administrative structure that attempts to secure direct communication between employees and management in order to prevent obstacles and risks.

As for innovation at the external level of the company, it is represented by the company's adoption of political, social and environmental issues in our time. The company must contribute with associations, civil society institutions and government sectors to address social and ecological problems in its current area. As creating activities to reduce poverty, or support educational center, or increase awareness toward human rights and fight corruption. It's important to mention that these initiatives do not require large amount of financial resources to adopt it, but it can be a moral and voluntary participation. Innovation and CSR represent a new opportunity for the company to discover and investigate its community, to attract new customers and to maintain transparent relationships with various stakeholders. Such contribution will enhance the company reputation and strength its competitiveness as well.

High correlation could be targeted between CSR models and Innovation models. Both CSR and innovation aim to achieve economic sustainability for the company, with taking into account innovating new ideas to satisfying the social and ecological concerns. The main for the company is to adopt the model that fit its capabilities, with taking into consideration an innovative implementation process for CSR principles.

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