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CORPORATE SOCIAL RESPONSIBILITY
IMPLEMENTATION EFFECTIVENESS
IMPROVEMENT IN LITHUANIA:
MODEL OF LOCAL GOVERNMENT
INVOLVEMENT

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ABBREVIATIONS

BS – Balanced Scorecard
CBSR - Canadian Business for Social Responsibility
CEO - Global Chief Executive Officer
CFP - corporate financial performance
CLD - Committee for Economic Development
CSO(s) – civil society organizations
CSP – corporate social performance
CSR – corporate social responsibility
CSR Forum - European Multi-Stakeholder Forum on CSR
EC – European Commission
EIA - Environmental impact assessments
EU - European Union
GC - Global Compact
GRI – Global Reporting Initiative
ISO - International Standardisation Organisation
KPI(s) - Key Performance Indicators
NGO(s) - non-governmental organizations
PEST - Political, Economical, Social and Technological analysis
PR - public relations
SWOT - Strengths, Weaknesses, Opportunities and Threats analysis
TBL - Triple Bottom Line
U.S. – United States
UK – United Kingdom
UN CTAD - United Nations Conference on Trade and Development
UN WCED - World Commission on Environment and Development (WCED)
UNDP – United Nations Development Program
UNDP Lithuania - United Nations Development Programme in Lithuania
WBCSD - World Business Council for Sustainable Development

“The important thing for business and society at large to understand is the limit to voluntary action, which is the point where government need to intervene. If we are to live within the earth’s capacity and share its resources equitably, economies must be transformed. That cannot be done by business alone” (Cowe and Porritt , 2002)

INTRODUCTION AND BACKGROUND INFORMATION

The antithesis between economic and social firm’s objectives existed for a long time, but the current modern worlds’ construct refuted this concept in economic terms and have highlighted the social, ethical and environmental values, taking into account definite quality options for everyone - public sector, non-governmental organizations (NGOs) and society - with greater expectations to act in a socially responsible way. Business schools, the media, corporate sector, governments, and NGOs have all begun to pay more attention to issues on corporate social responsibility (hereinafter – CSR) in recent years, while such problems are being discussed in the world for more than half of a century. These issues encompass broad questions about the changing relationship between business, society and government, environmental issues, corporate governance, the social and ethical dimensions of management, globalization, stakeholder debates, shareholder and consumer activism, changing political systems and values, and the ways in which organizations can respond to new social imperatives.

Background information. Integration and globalization of organizations has created many new features, however in line the complexity of organizational management problems emerged which continue encouraging understanding and examination of greater responsibilities in the global context. Users, customers and various organizations persist to know more about the conditions under which different products are produced or services are supplied and what are the sequences of it for the environment. Accordingly today the level of organizations’ entrepreneurship even in transitional economies and new EU member states start being measured under the basis of social acceptability criteria, requiring the submission of information under those traditional (financial) corporate reports. It becomes evident that principals of social responsibility become vital today; the world recognizes the essential condition for sustainable development, ensuring sustainability of the global performance in the long run.

EU set the target of making Europe an example of corporate social responsibility. Communication (2006) explores an interest in the concept of social responsibility in business organizations and provides recommendations for public sector roles in promoting CSR, creating CSR friendly environment and predictable context of CSR development and implementation in public sector. The Communication (2006) is the proof that emphasized CSR priorities are relevant. A decade has already passed since 2000, when the Lisbon Council made its first appeal to companies’ sense of social responsibility. Much progress has been made on CSR en-

dorsement in old EU member states. However implementation of CSR means and values in new EU member states is a more complicated, but not impracticable process.

The new challenges of social governance in globalized societies requires new methodological instruments to analyze how companies contribute to society and how governments adopt new soft roles, taking into account the new frameworks of collaboration between governments, businesses, and civil society stakeholders. Consequently business companies and governments are increasingly aware of the need to formulate their own approach to CSR. CSR no longer simply affects relationships between businesses and society. It has become a way of rethinking the role of companies, and even local governments, in society, which takes governance and sustainability as its core values and can change the focus of CSR public policies. CSR in this research focus not particularly on business, but wider business-society-government relations and is understood as the way organizations [any sector] act under community CSR values-based strategy concerning economic, legal and ethical responsibilities, thus becoming accountable to values' providers. This way CSR values become accountable, provided with resources and processes and accordingly organizations become CSR strategy oriented; CSR is expressed holistically.

European and American scientists had been taking a long debate on CSR issues since the second half of the 20th century (Bowen, 1953; Chamberlain 1973; Friedman 1968, 1970, 1989; Chrisman and Carrol 1984; Freeman 1984; Gaski 1985; Moser 1986; Ahratt and Sacks 1988; Buchholz 1990; Bhide and Stevenson 1990; Wood 1991; Samli 1992; Quazi 1993, 1994, 1997; Quazi and Cook 1996; Quazi and O'Brien 1996, 2000; Carroll 1979, 1991, 1999; Steiner and Steiner 1997; Elkington, 1997; Zadek 2001; Marrewijk 2003, 2004; Perrini 2005; Schwab 2008; Freeman, Edward and Velamuri, 2008; Crane, Matten and Spence, 2008; Lee, 2008; Zu, 2009; Crowther 1999-2010; Crowther and Aras, 2008, 2009, 2010; etc.). The CSR in its level of analysis moved from broadly macro-social to the organizational level; theoretical orientation changed from ethical-obligatory towards managerial; the ethical trends in CSR moved from explicit to more implicit insight. Beginning with excluded discussion on relationship between CSR and corporate social performance (hereinafter – CSP), today it is paid with greater attention on a broader view under relationship.

While highlighting the role of the public sector in this context may seem paradoxical, but still emerging CSR theories elucidate significant public sector role in CSR. Recent research (Aaronson and Reeves, 2002; Fox et al., 2002; Zappal, 2003; Joseph, 2003; Moon, 2004; Lepoutre et al., 2004; Nidasio, 2004; Midttun, 2005; Matten and Moon, 2005; Roome, 2005; Albareda et al., 2006, 2007, etc.) and best practice examples in advanced European countries show that properly formed by state, adapted to the current conditions, systematically implemented, monitored and improved reflective CSR promotion policy becomes effective for the long-term sustainable development goals.

Recently CSR issues are increasingly recognized by Lithuanian scholars. Research basically focuses business' CSR issues. Several relevant works on CSR is-

sues were published during the last decade by V. Pruskus (2003), D. Štreimikienė and N. Vasiljevienė (2004), R. Pučėtaitė (2004-2009), S. Žirgutenė (2005), N. Vasiljevienė and A. Vasiljevas (2005-2009), V. Juščius (2007, 2008, 2009), J. Ruževičius and D. Serafinas (2007), D. Štreimikienė and R. Kovaliov (2007), J. Ruževičius and O. Mėlynytė (2008); Ž. Simanavičienė and D. Bernatonytė (2008), R. Ginevičius and V. Petraškevičius (2008), V. Juščius and V. Snieška (2008), D. Bagdonienė and E. Paulavičienė (2010). However public sector roles in CSR promotion and local government attitudes towards CSR development in Lithuania are still quite minor researched and lacks the particular attention. A. Guogis ir D. Gudelis (2009) analyzed CSR issues from public administration and business management integration perspectives through public-private interaction model. Lately performed short seminal study by D. Štreimikienė and R. Pušinitė (2009) elucidates Lithuanian local public bodies' attitudes towards CSR development.

Despite the growing attention on governments' soft roles, the emerging problem of local government involvement in effective CSR development seems to be unexplored both in foreign and national research. Under The World Bank initiative several years ago (2004-2005) seminal research in six transitional countries (e.g. Baltic States, Hungary, Poland and Slovakia) was implemented. Research results show, that local government empowerment was recognized between the three CSR top-promoting factors in all countries.

Research problem. Since today Lithuanian local governments stay apart from National CSR Programmes, not mentioned even in its context. They just get overdue top-down recommendations from central government to adopt "Action Plan on Measures Promoting Corporate Social Responsibility" according to their capacities. From the strategic public management perspective, Lithuanian local governments obligatorily applied simplified "balanced scorecard" system in a form of municipal strategy oriented program budgeting several years ago. However, it could be hardly recognized a balanced scorecard based strategic planning as its implementation was left for municipal creativity; strategic planning methodology is not adapted to local governments till now. Therefore advanced strategic performance management, i.e. "balanced scorecard" system with integrated CSR targets under local community values could serve as a "bottom-up" approach instrument, ensuring CSR driven economic public finance spending, efficiency and effectiveness. As matured (i.e. it was observed in 1993) Australian local government practice show, CSR targets could be more successfully integrated into strategic planning process through active civic entrepreneurship. Under these circumstances, local governments could serve as potential intermediaries between local community and state government in CSR development effectiveness improvement.

Therefore the research problem is defined as follows: CSR issues are frequently addressed towards business sector, while government play significant role in CSR development; however the potential of local governments, as intermediaries between central government and citizens, in CSR implementation effectiveness improvement is unexplored.

Research objective. The central theme of the dissertation relates to the government roles in CSR development, searching for the possible CSR development

effectiveness improvement model in Lithuania. Therefore the main objective of this research is to analyze government role in CSR development and to develop CSR development effectiveness improvement model in Lithuania through local government involvement.

The object of the dissertation is CSR models' adaptation and empowerment at local government level. The basic research question is how CSR implementation effectiveness could be improved in Lithuania.

Major hypothesis: corporate social responsibility implementation effectiveness could be improved through local government involvement.

Research tasks. Following the research objective for which this dissertation is intended, and based on the gap of knowledge identified through the review of relevant literature and practical experience the following research tasks are stated to guide the research:

- To analyze CSR concept, theories and models, government role in CSR development and to elucidate and justify the crucial role of local governments in CSR development effectiveness.
- To analyze and justify ways and tools for CSR effectiveness improvement through local government involvement on the basis of structured CSR approaches, strategic management and supplementary tools and develop a conceptual framework.
- To research and describe current conditions of CSR development in Lithuania by evaluating relation towards strategic planning system at national and local government levels and to determine possibilities and ways to involve local governments in CSR implementation effectiveness improvement.
- To develop and justify the model of CSR implementation effectiveness improvement in Lithuania through local government involvement based under the implemented theoretical and empirical research results.

Mixed research methodology was applied to reach the research objective:

- *Scientific literature review* - CSR concepts, definitions, theories and attitudes, relation between governments and CSR, elucidating the reasons for CSR implementation, and parallel strategic management and entrepreneurship attitudes towards CSR effective implementation at national and local government level;
- *Benchmarking studies* of various foreign countries, CSR implementation systems and evaluating their experience in line with Lithuanian conditions;
- *Analysis and synthesis* to systemize scientific literature of CSR and related attitudes, current CSR development problems and model building for CSR development effectiveness improvement through local governments.
- *Document analysis* – aiming to evaluate CSR development conditions in Lithuania, CSR policy relation towards strategic management and program budgeting system at national and local government levels and to identify critical processes of CSR development effectiveness improvement;
- *Structurized interview* aiming to identify Lithuanian local government awareness of CSR, stakeholder identification, National CSR Programme-related problems and recommendations for CSR development effectiveness improvement through local government involvement;

- *Statistical data analysis* - empirical studies of data processing, analysis and evaluation.

Scientific novelty. CSR issues in scientific literature and practice are often addressed to while recently emerged important public sector roles in CSR development. However, the lack of scientific research related to government roles in CSR development at different governance levels is observed. Implemented theoretical research of CSR concepts, theories and models theoretically elucidate crucial relation between governments and CSR. Theoretically summarized roles of government in CSR development disclose critical CSR policy formation and implementation processes and identifies the importance of CSR responsibilities' distribution at different levels of government in relation towards effective CSR development. The new scientific research field emerge in this context, i.e. possibilities and tools for local governments, as the lowest organizational level of decentralized government, involvement in CSR development effectiveness improvement. In this research the possibility of to integrate CSR values into local government's strategic and action planning system was identified with serve of particular strategic planning methodology, i.e. balanced scorecard, developed by Kaplan and Norton (1992) for business sector and adapted to public sector. This way local government activity becomes community CSR values-driven. This research justifies how balanced scorecard methodology in line with supplementary civic entrepreneurship help create CSR based strategic plans and program budget. CSR values become accountable, provided with resources and processes, monitored and feed backed; local governments become CSR values driven and responsible for CSR values providers in local community. Following the explored logics, CSR values become part of daily activity in the lowest organizational level of decentralized government, therefore – part of national CSR goals. From this perspective was composed the model of local government involvement in CSR development effectiveness improvement. Research of relationship between CSR, corporate governance and entrepreneurship provide additional insights for further research, focusing on civic entrepreneurship, least researched but successfully employed in fragmentary practice.

Practical application of results. Practical application of theoretically developed model of CSR implementation effectiveness improvement through local government involvement is explored by analyzing its integration into existing strategic planning and program budgeting system in Lithuania. From practical perspective, the proposed logics of strategic plan and program budgeting improvement help focus on critical CSR implementation effectiveness processes and this way the research may serve as a supportive framework for local governments while improving CSR oriented strategic planning and program budgeting manual and arranging trainings. The analysis of national CSR development programme 2009-2013 and its Action plan 2009-2011 highlighted several problems and relevant recommendations are provided for the forthcoming action plan development, practical recommendations are provided. The developed and empirically tested framework encompass three-domain CSR and stakeholder identification instrumentarium for CSR awareness diagnostics in local governments and can be applied to longitude tests.

*“Defining CSR is not as easy as it might at first appear”
(Garriga and Melé, 2004)*

1. THEORETICAL FOUNDATIONS OF CORPORATE SOCIAL RESPONSIBILITY, GOVERNMENTS AND MANAGEMENT

This chapter presents theoretical overview of corporate social responsibility (further – CSR) concept in existing models, related concepts and their attitudes to public management effectiveness improvement, elucidating the crucial role of local governments in CSR effective development. First section provides conceptual framework of CSR definitions and different models created to explain CSR paradigm. The second section of the chapter examines the role of government in CSR development, trying to stress the importance of relation between business, society and governments. This part of the chapter explores how important is to balance relationships between every part of the relational CSR. The third section presents the strategic management attitudes towards CSR and presents the CSR integrated Balanced Scorecard methodology which serves as a tool helpful to incorporate CSR values in any organization’s strategy. The fourth section examines the relationship between CSR and civic entrepreneurship. This chapter is summarized by building the framework of theoretical model for further research.

1.1 Corporate social responsibility concepts, theories and approaches

The modern concept of Corporate Social Responsibility (CSR) covers various social issues, such as how to treat employees in a responsible manner and how to respect the interests of customers, communities, suppliers, competitors, and governments. Environmental issues are relevant to reduce business’s impact on the environment through efficiency improvements. Furthermore, CSR also affects a company’s economic behaviour, as it adopts transparent and accountable business conduct as well as avoiding bad practices such as fraud, bribery, or corruption.

1.1.1 CSR theories

The CSR field since the appearance of Garriga and Mele’s (2004)¹ examination by “mapping the territory” was some kind of landscape of theories and also a proliferation of approaches, which are still controversial, complex and unclear. The situation in systematic context was clarified with the researchers by classifying the

¹ Based under research of Garriga, E. and Mele D. (2004), “Corporate Social Responsibility Theories: Mapping the Territory”, *Journal of Business Ethics*, Vol. 53, No.1-2, pp. 51-71.

main CSR theories and related approaches into four groups of CSR theories (see Figure 1).

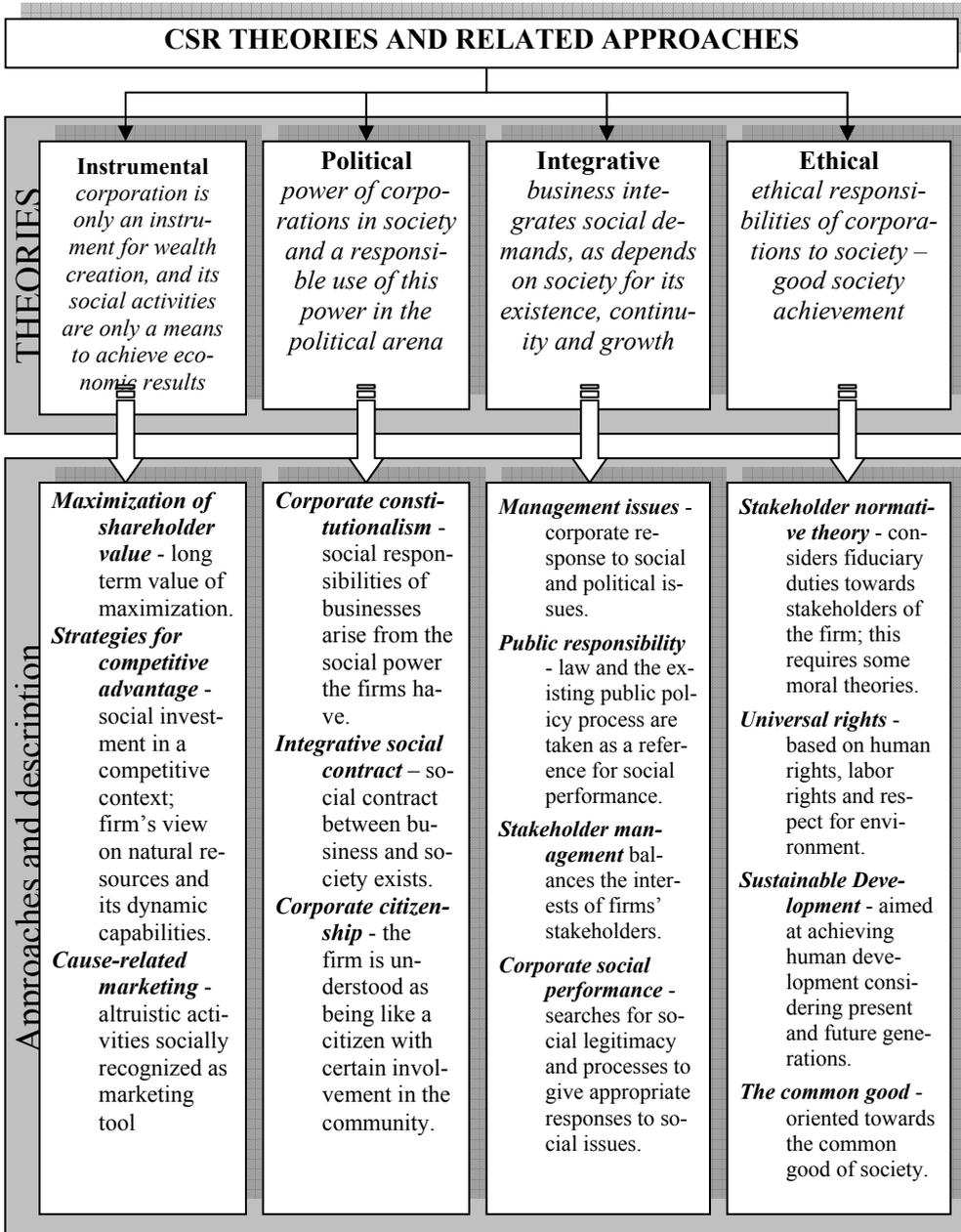


Figure 1. Corporate social responsibility theories and related approaches
Source: adapted by author according to Garriga and Mele (2004, p.63-64)

From the view of Garriga and Mele (2004), in practice it is most common that each of CSR theory presents four aspects related to:

- meeting objectives that produce long-term profits,
- using business power in a responsible way,
- integrating social demands,
- contributing to a good society by doing what is ethically correct.

These aspects permitted Garriga and Mele (2004) research to classify the most relevant theories on CSR and related concepts into four groups. Scholars recognized that most of the theories considered do not make explicit the implications of each specific approach for the aspects considered in other groups of theories. Therefore, further directions are drawn in terms of these four dimensions connection in most relevant theories and consider contributions and limitations, under which new theory could be developed.

Partly different approach to CSR dimensions had come to research much earlier, when famous American CSR researcher Archie B. Carroll (1979) suggested the four-dimensional model of CSR. That is why Garriga and Mele (2004) according to their findings state, that “there exists the necessity to develop a new theory on the business and society relationship, which should integrate these four dimensions” (p.51), and, may be, some new ones.

According to Carroll (1983), “corporate social responsibility involves the conduct of a business so that it is economically profitable, law abiding, ethical and socially supportive. To be socially responsible then means that profitability and obedience to the law are foremost conditions when discussing the firm’s ethics and the extent to which it supports the society in which it exists with contributions of money, time and talent” (p.608). By Carroll’s (1999) own admission, this is the only one of countless definitions which has proliferated in the literature since the 1950s.

From the diversity of CSR conception Moon (2002) observes that CSR, similar to other important concepts like democracy and justice, is “essentially contested”. Moon (2002) states, that CSR “is only one of several terms in currency designed to capture the practices and norms of new business-society relations. There are contending names, concepts or appellations for corporate social responsibility” (p.3). Consequently, Wisser (2007) points out, that these statements are confirmed by a survey of CSR education in Europe, which found 50 different labels for CSR modules, 40 different labels for CSR programmes and numerous CSR synonyms, the most popular of which were: business ethics, corporate citizenship, sustainability or sustainable development, corporate environmental management, business & society, business & governance, business & globalisation, and stakeholder management. Reviews of CSR literature by Carroll (1994; 1999) and Garriga & Mele (2003) had come to the similar conclusions regarding multiplicity of aligned terms.

However the common ground between these concepts and CSR is widely acknowledged (Madsen & Ulhøi, 2001; Moon, 2002; Van Marrewijk, 2003; Wheeler, Colbert, & Freeman, 2003). Hereby, the definition of corporate responsibility by

SustainAbility (2004) is a good illustration of this confluence and interdependence of terms, describing it “an approach to business that embodies transparency and ethical behaviour, respect for stakeholder groups and a commitment to add economic, social and environmental value” (p.4).

For the current stage of dissertation (in this chapter), while discussing various approaches to CSR, CSR is viewed as an umbrella concept, which includes corporate citizenship, corporate sustainability, stakeholder management, environmental management, business ethics and corporate social performance. However, as the starting point is the Carroll’s CSR four-domain definition, which will serve as the framework for further analysis and discussion, because despite the infinite CSR definitions over the last 50 years, it looks like Carroll’s CSR conceptualisation, as observed by Crane and Matten (2004), has been the most durable and quite frequently cited in CSR related literature. Visser (2007) gives five **reasons for Carroll definitions’ durability**:

1. The model is simple, easy to understand and has an intuitively appealing logic;
2. Over the 25 years since Carroll first proposed the model, it has been frequently reproduced in top management and CSR journals, mostly by Carroll himself (Carroll, 1979, 1983, 1991, 1994, 1998, 2000, 2004);
3. Carroll has sought to assimilate various competing themes into his model, e.g. corporate citizenship (Carroll, 1998) and stakeholders (Carroll, 2004);
4. The model has been empirically tested and largely supported by the findings (Aupperle, Carroll, & Hatfield, 1985; Pinkston & Carroll, 1994); and
5. The model incorporates and gives top priority to the economic dimension as an aspect of CSR, which may endear business scholars and practitioners. In fact, Carroll (1991) goes so far as to point out how little his definition of CSR differs from Friedman’s (1970) view of the responsibilities of the firm.

It is quite reasonable particularly agree with these statements, as Carroll’s model and its modifications looks like to be the simply understood although in those regions where CSR is at its starting point.

According to Carroll’s research (Carroll 1999), the CSR definition construct began in the 1950s, and marked the beginning of the modern era of CSR. Definitions expanded during the 1960s and proliferated during the 1970s. In the 1980s, there were fewer new definitions, more empirical researches, and alternative themes began to mature and these alternative themes included corporate social performance (hereinafter - CSP), stakeholder theory and business ethics theory. In the 1990s, CSR continued to serve as a core construct but yields to or was transformed into alternative thematic frameworks.

Recently built on Carroll’s study, Lee (2008) traces the conceptual evolutionary path of theories on CSR, and argues that the concept of CSR went through a progressive rationalization, which entails **two broad shifts in the conceptualization of CSR**:

The first shift is concerned with the level of analysis as researchers have gradually moved from the discussion of macro-social effects to organizational-level analysis of CSR’s effects on financial performance.

The second focuses the theoretical orientation; researchers have shifted from explicitly normative and ethics-oriented studies to implicitly normative and performance-oriented studies.

Since the late 1990s, CSR had begun being coupled with strategy literature and its relationship with market outcome had been made more explicit (Hart 1997; Kotler and Lee 2005; Orlitzky et al. 2003; Porter and Kramer 2002, 2006).

According to the lately developed studies, the concept of CSR has been progressively rationalized and became associated with broader organizational goals such as reputation and stakeholder management. Also, the environmental aspect of CSR has gained the wide support of institutional investors. Following Lee's (2008) study, the CSR conceptual shift took place on four dimensions and these changes are argued to be characterized as greater rationalization of CSR. However, there is quite vital sense of such kind characterization.

Another famous American scientist Bowen (1953) conceived CSR as a part of his broader vision of better American society "where economic and social goals reinforce each other consequently" (1953, p.14-21), by suggesting CSR to be a complementary and corrective measure for some social failures inherent in *laissez-faire* economy. Meanwhile, opponents of CSR, beginning with Levitt (1958) and Friedman (1962, 1970, 1972) on the contrary had envisioned much more segregated roles of economic and political actors by arguing that corporate managers' first and foremost responsibility should be to maximize shareholder wealth, and that is why solving social problems should be left to politicians and civil society to deal with. Focusing on the potential agency problems, Friedman argued that corporate managers would make unreliable and inefficient agents of social responsibility. That is why his behavioural assumption of corporate managers as self-interested *homo economicus* simply did not allow him to see that CSR and corporate financial performance (hereinafter - CFP) could be simultaneously and effectively pursued by corporate managers.

For about two decades, because of the vast differences in theoretical orientation and assumptions, the two sides went into an intellectual stalemate and only in the early 1970s, an attempt towards new theoretical development was initiated, that could reconcile the two sides (Zu, 2009). The effort of reconciliation was the raised discussion of CSR in a more concrete and observable level of organizations and engaged the question of the financial ramifications of CSR. Nevertheless, the motivation for research still steamed from normative concern as researchers have attempted to make the managerial outcomes more explicit, while shifting the ethical arguments to the background. According to Zu (2009), the goal of rationalization efforts during this period was to establish appositive linkage between CSR and CFP while most researchers in the 1970s and 1980s tried to find the relationship between CSR and CFP without explaining the relationship. The outcome was the more responsive concepts of CSR and CFP, still maintained their own identity and logical separateness by being only loosely coupled. That is why the need to a broader theoretical explanation for linkage between CSR and CFP arose and resulted with theoretical framework development in the 1980s and application in the 1990s.

It could be observed, that one of the most important for the past decade empirical studies on the status of CSR was undertaken by Lockett et al. (2006). This study demonstrates that the most popular issues investigated CSR research published in management journals from 1992 to 2000, have been environmental and ethics; the empirical research has been overwhelming a quantitative nature; the theoretical researches have been primarily non-normative; the field is driven by agendas in the business environment as well as by continuing scientific engagement; and the single most important source of references for CSR articles was the management literature itself (p.132-133). Still, Lockett et al. (2006) suggest, that “CSR does not meet even the more relaxed definition of a substantive discipline and therefore is better described as a field because, as Busentiz et al. observe about of the field of entrepreneurship, it has ‘highly permeable boundaries’ (2003, p. 285). We suggest that CSR relies on disciplines for theories and methodologies and cannot, as yet, claim substantive/systematic distinctiveness. Indeed, debate continues about the nature of CSR knowledge” (p.117).

Hereby, Marrewijk (2003) hold a bit different position on evolution of CSR concepts and definitions. He overviews the contemporary debate on the concepts and definitions of CSR and corporate sustainability and make conclusions, based on historical perspectives, philosophical analyses, impact of changing contexts and situations and practical considerations. From the view of Marrewijk (2003), “one solution fits all”, i.e. definition for CS(R) should be abandoned, accepting various and more specific definitions matching the development, awareness and ambition levels of organizations.

Defining and rationalizing CSR in management literature becomes increasingly important, because the lack of a widely agreed definition contribute to misunderstanding and cynicism towards the concept itself. If CSR means different things to different people, then debate on its importance in strategy formulation and stakeholder management becomes confused. Dahlsrud (2006) analyzes 37 definitions of CSR between 1980 and 2003 based on five dimensions: the environmental, social, economic, stakeholder and voluntariness. He resumes on available definitions of CSR and observes, that they are consistently referring to above mentioned five dimensions. Although they apply different phrases, the definitions are predominantly congruent, making the lack of one universally accepted definition less problematic than it might seem at a first glance. The CSR definitions describe a phenomenon, but fail to present any guidance on how to manage the challenges within this phenomenon. Therefore, Dahlsrud (2006, p.7) suggests, that “the challenge for business is not so much to define CSR, as it is to understand how CSR is socially constructed in a specific context and how to take this into account when business [organization] strategies are developed”.

Summarizing the overviewed CSR theories, particular attention, relevant to this research, should be paid towards integrative theories with intension towards: firstly, management issues, stating the importance of corporate response to social and political aspects; secondly, public responsibility, related to law and existing public policy process as a reference for social performance; thirdly, stakeholder management, addressed to balance organization’s stakeholder interests; and finally,

corporate social performance in search for legitimacy and processes to give appropriate responses to social issues. These are the primary identified dimensions, addressed to solve government, business and civil society CSR issues. However, lately CSR definitions, theories and various approaches are discussed under particular models of CSR. Therefore the analysis of CSR conceptual and definitional development focus on CSR models, proposed by discussed dimensions and approaches to CSR, trying to identify the appropriate CSR model or develop new model for this research.

1.1.2. Models of CSR

Lately several CSR models emerged in scientific literature, mainly addressed to socio-economic dimensions, stakeholder approach and triple bottom line. Consequently seminal work on conceptual framework for understanding CSR in Europe appeared by Matten and Moon (2004). Therefore the examination of these models helps determine appropriate basis for further research.

1.1.2.1 Socio-economic model of CSR

Socio-economic model of CSR was summarized by Zu (2009) by distinguishing two basic arguments on the social and economic dimensions of CSR. Researcher describes, that the **first group represents the orthodox paradigm** which maintain social responsibility of business as a single dimensional activity in which business has the only responsibility of supplying goods and services to society at a profit (Bhide and Stevenson 1990; Friedman 1968, 1970, 1989; Gaski 1985; Chamberlain 1973; cited in Zu, 2009). These classical models of CSR have a quite narrow focus of the role of business in modern society; still, such models could exist before the other ones developed. Zu (2009) states, that they also put much emphasis on the cost of social involvement of business and consider profit as the only criterion for judging the efficiency of business operation, thus ignoring the reality that business is a part of the larger society with a wider responsibility reaching beyond the narrow perspective of profit.

But on the other hand the **second group of models allocate business in a social matrix contributing to the welfare of society as a whole** and support the view that business is a part of the greater society and it has responsibility reaching beyond the narrow perspective of profit maximization in the short term (Steiner and Steiner 1997; Quazi 1997, 1994, 1993; Quazi and Cook 1996; Quazi and O'Brien 1996; Samli 1992; Buchholz 1990; Ahratt and Sacks 1988; Chrisman and Carrol 1984; Carroll 1979; cited in Zu, 2009).

Zu summarizes that these models recognize the fact as in order to understand the complexity of social responsibility in modern corporate enterprise, a second dimension of contemporary views if social responsibility is needed (Steiner and Steiner 1997; Wood 1991; Moser 1986; Carroll 1979) and this broader dimension is justified because managers not only make decisions that reflect their assessment of the role of the company, but they also make judgments as to whether there will

be net benefits or net costs to the company associated with the exercise of social responsibility.

Quazi and O'Brien (2000) develop a **two-dimensional model of CSR** and empirically testing its validity in the context of two dissimilar cultures — Australia and Bangladesh, afterwards this model was tested in other countries also. The distinguished two dimensions are the span of corporate responsibility (narrow to wider perspective) and the range of outcomes of social commitments of businesses (cost to benefit driven perspective). The test results confirm the validity of the two-dimensional model in two environments. They conclude that CSR is two-dimensional and universal in nature and that differing cultural and market settings in which managers operate may have little impact on the ethical perceptions of corporate managers.

The model has two axes. The horizontal axis having two extremes: a narrow and a wide responsibility. The right hand extreme (the positive side) represents the narrow view of social responsibility where business responsibility is perceived in the classical sense, that is in terms of supply of goods and services leading to profit maximization within the “rules of the game” (regulation). The emphasis here is on profit maximization in the short term. By contrast, the left extreme (the negative side) considers corporate social responsibility in a broader context, reaching beyond regulation to serve the wider expectations of society in areas such as environmental protection, community development, resource conservation and philanthropic giving. The vertical axis of the model represents two extremes in the perceptions of the consequences of social action of businesses ranging from concern with the cost of social commitment to a focus on the benefits of social involvement. The negative end of this axis is concerned with cost of social action that is where the expenditure involved in the exercise of social responsibility in the short term is the main consideration. The emphasis here is on social costs in the short term. The positive end is concerned more with the long term benefits arising from social action, and perceives the potential benefits for business to outweigh costs in the long term. Thus the model proposed has four distinct quadrants. Each quadrant is named as follows:

1. Classical view: This is concerned with the classical view of social responsibility in which there is no provision to look beyond a narrow view of profit maximization as it is seen to generate a net cost to the company without any real benefit flowing from an activity.

2. Socio-economic view: This quadrant represents a narrow view of social responsibility but accepts that adopting some degree of social responsibility will lead to net benefit to the company in terms, for example, of avoiding costly and embarrassing regulation, building good customer relationships, good supplier relationships or the politics of networking. In this context, social responsibility can be justified even if a manager holds a narrow view. Quadrant I is then concerned with the socio-economic view in which business can simultaneously perform the dual function of profit maximization while serving social demand.

3. Modern view: Modern view captures a perspective in which a business maintains its relationship with the broader matrix of society where there are net

benefits flowing from socially responsible action in the long run, as well as in the short term. This is a modern view of social responsibility and includes the stakeholder view noted earlier.

4. Philanthropic view: This quadrant depicts a broader view of social responsibility in which business agrees to participate in the charitable activities even though this is perceived as a net cost. This impetus may come from altruistic or ethical feelings to do some good for society. This can be associated with the philanthropic view.

As it was mentioned above, Carroll (1979, 1983, 1991) suggests four CSR different layers: economic, legal, ethical and discretionary (philanthropic) categories of business performance. Business leaders must decide the layer at which they choose to operate. The pyramid of CSR depicted the economic category as the base (the foundation upon which all others rest), and then built upward through legal, ethical, and philanthropic categories (Carroll 1991, p. 42). Carroll made it clear that business should not fulfill these in sequential fashion, each is to be fulfilled at all times. It is observed that the pyramid was more of a graphical depiction of CSR than an attempt to add new meaning to the four-domain definition. Stated in more pragmatic and managerial terms, Carroll summarizes: “The CSR firm should strive to make a profit, obey the law, be ethical, and be a good corporate citizen” (1991, p. 43). In the same article, Carroll provided insights from CSR to stakeholder theory/management perspective by observing, that “There is a natural fit between the idea of corporate social responsibility and an organization’s stakeholders’ (p. 43). He argues that the term “social” in CSR has been seen by some as vague and lacking in specificity as to whom the corporation is responsible. Carroll suggested that the stakeholder concept, popularized by Freeman (1984), personalizes social or societal responsibilities by delineating the specific groups or persons business should consider in its CSR orientation and activities. Thus, the stakeholder nomenclature puts “names and faces” on the societal members or groups who are most important to business and to whom it must be responsive.

Built on Carroll’s definition and model of CSR (Carroll 1999), Geva (2008) undertakes a comparative analysis of three recognized CSR models: Carroll’s pyramid model, intersecting circles (Jones 1980, 1983; Schwartz and Carroll 2003)², and concentric circles of the Committee for Economic Development (CLD 1971), (see Fig.2).

² Schwartz and Carroll (2003) resumes on usefulness of three-domain CSR, i.e. economic, legal and ethical; though for the sake of comparison, Figure 2B includes all four domains of responsibility. This prototype model represents the general idea of intersecting circles, rather than trying to depict every one of the resultant categories.

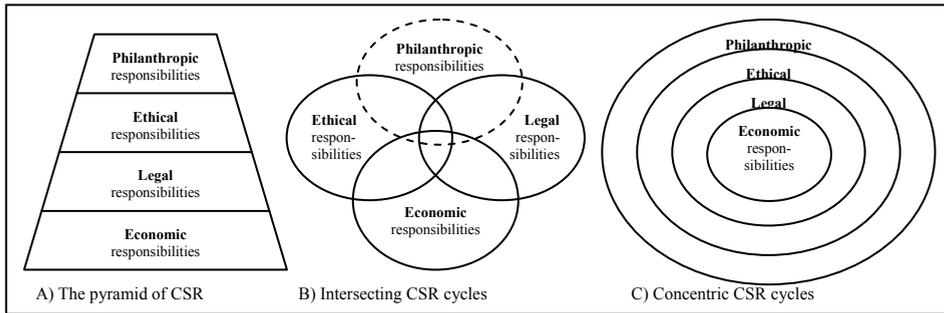


Figure 2. Four-domain model of corporate social responsibility
Source: Adapted by author according to Liangrong Zu (2009, p.24)

It is relatively obvious that the comparative analysis of three conceptual models shows that **the same terminology represents different meanings and different approaches to CSR**. Therefore, Geva (2008) analyzes the difference in the conceptual structure across the three models based on the nature of CSR, the underlying boundary assumptions, the methodological tools, and the performance assessments. Pyramid model (Figure 2A) is understood hierarchically, beginning from economic, then legal, afterwards - ethical and finally philanthropic responsibilities, without stressing interrelation between these domains.

The concentric-circle model (Figure 2C) is similar to the pyramid model in that it views the economic role of business as its core social responsibility and similar to the intersecting circles (Figure 2B) model in that it emphasizes the interrelationships among the different CSR. However, underlying these similarities, there are essential definitional differences. The pyramid defines the corporate economic role in terms of narrow self-interest (“he profitable”), whereas the concentric-circle model defines this same role in terms of CSR, namely, enhancing the good of society (“he constructively profitable”). In contrast to the pyramid, which scales down the importance of the non-economic social responsibilities (i.e., legal, ethical and philanthropic), and in contrast to the intersecting circles model which, along with interrelationships, also allows for no relations among the different domains of responsibility, the concentric-circle model outlines the non-economic social responsibilities as embracing and permeating the core economic responsibilities.

Herein, Schwartz and Carroll (2003) discuss three-domain interesting CSR constraint. The three-domain model of CSR is composed of the three responsibility areas: economic, legal, and ethical. In general, these domain categories are defined in a manner consistent with Carroll’s four-part model, with the exception that the philanthropic category is subsumed under the ethical and/or economic domains, reflecting the possible differing motivations for philanthropic activities.

The role of philanthropy in CSR constraint has been widely discussed under its sence. From the view of Geva (2008), philanthropy in the context of the CSR pyramid can be discussed from two perspectives: inwards - as compared to other

components of CSR, and outwards - as compared to other notions of CSR. Inwards, the question arises whether the philanthropic category can be correctly considered a responsibility in itself. To the extent that responsibility is conceived as a normative restraint or an obligation it clearly contradicts the discretionary nature of philanthropy. In an attempt to reconcile this difficulty, Carroll (1991) has argued that in fact, “philanthropy is highly desired and prized but actually less important than the other three categories of social responsibility.” (p.229) Looking outwards, philanthropy is often regarded as the defining component of CSR. Milton Friedman’s statement that management is to make as much money as possible within the limits of the law and ethical custom embraces three components of the CSR pyramid - economic, legal, and ethical (Carroll, 1979).

A central tenet of presentday thinking on CSR is that businesses have a responsibility that goes beyond the demands of law and common morality. Philanthropy, which is usually understood as exceeding this minimum, appears to serve as the distinguishing point between the neoclassical economic position and the new widely accepted notion of corporate citizenship, which highlights the importance of corporate giving. Indeed, Carroll’s pyramid treats philanthropic giving, or for that matter, good corporate citizenship, as a discretionary responsibility, separated from daily business operations and secondary to the more basic economic, legal, and ethical responsibilities. The intersecting CSR model treats corporate philanthropy as either “strategic philanthropy,” subsumed under economic responsibility, or “charity expected by society,” subsumed under ethical responsibility. However, given the discretionary nature of philanthropy, its role as the distinguishing component of CSR creates a boundary problem.

Intersecting circle model (Jones 1980, 1983; Schwartz and Carroll 2003) contrasts with pyramid model in two main aspects, as it firstly, recognizes the possibility of interrelationships among CSR domains; and, secondly, rejects the hierarchic order of importance.

The summarized comparison of CSR models is explored in table 1.

Table 1. Comparison of Three CSR Models

		CSR Pyramid	Intersecting Circles	Concentric Circles
General Description		Hierarchy of separate responsibilities	Nonhierarchical set of intersecting responsibilities	Integration of responsibilities; all sharing a central core
Theoretical Assumptions	Nature of CSR	Normative restraints of responsiveness	Classification framework; no normative guidance	Incurred obligation to work for social betterment
	Scope of Responsibilities	Narrow	Split	Wide
	Total CSR	Conjunction	Disjunction	Integration

		CSR Pyramid	Intersecting Circles	Concentric Circles
	Order of importance	Hierarchy; Economic responsibility first	No <i>prima facie</i> order	Inclusion system; Economic circle at the core
	Role of Philanthropy	“Icing on the cake”	Subsumed under economic/ethical responsibilities	Integral part of CSR
Research Implications	Operationalization	Constant-sum method	CSR portraits	Representative range of measures
	CSR–CFP relationship	Positive	Positive, Negative, or Neutral	Nonlinear
Managerial Implications	Justification for CSR	Ethics pays	Strategic considerations	Normative obligation

Source: Geva (2008), p.6

Even when the World Business Council for Sustainable Development (WBCSD) defined CSR in 1999 and 2000, the environmental dimension was not included in CSR. For example, WBCSD defined CSR as the commitment of business to contribute to sustainable economic development working with employees, their families, the local community and society at large to improve their quality of life; in 2000 there was a little change in the definition: CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their family as well as the local community and society at large.

1.1.2.2 Stakeholder Model of CSR

Business has complex relationships with many segments of society. A company’s success can be affected - negatively or positively - by its stakeholders. In an era when business strategies are changing because of such forces as global competition, new political arrangements, shifting public values, and ecological concerns, managers are challenged to achieve good economic results while also considering the needs and requirements of their business’s stakeholders (Post et al. 2002).

The stakeholder theory argues that focusing purely on the economic function of the firm ignores the complexity that firms deal with along with related inefficiencies, information asymmetries and multiple incentive problems. A firm’s role shall be broadened to include other external and internal actors apart from shareholders (Donaldson and Preston 1995: Freeman 1984). The conventional view of the firm depicts it as a “black box” that transforms inputs from suppliers, investors and employees into outputs for customers resulting in benefits to all providers of inputs, particularly to providers of scarce resources and skills who receive above

normal “rents.” Stakeholder theorists argue that the conventional input - output model fails to take into account the complex, two-way interactions between firms and “legitimate groups.” They see the business firm as a “constellation of cooperative and competitive interests possessing intrinsic value ... with no *prima facie* priority of one set of interests and benefits over another” (Donaldson and Preston 1995, p. 66).

Business interacts with society in a many diverse ways and a company’s relationships differ with various stakeholders. There are distinguished two different stakeholders groups:

1. market stakeholders, and
2. non-market stakeholders.

Market stakeholders are those that engage in economic transactions with company and carries out its primary purpose of providing society with goods and services (it is also called primary stakeholders). Non-market stakeholders, by contrast, are people and groups who - though they do not engage in direct economic exchange with the firm - are nonetheless affected by or affect its actions, including communities, various levels of governments, activist groups and NGOs, media, business support groups and the general public. The natural environment is generally not considered a stakeholder, because it is not a social group, but is represented in non-market stakeholders by activists, who include environmentalists.

In market stakeholders, each relationship is based on a unique transaction, or two - way exchange. Shareholders invest in the firm and in return receive the potential for dividends and capital gains. Creditors loan money and collect payments of interests. Employees contribute their skills and knowledge in exchange for wages, benefits and the opportunity for personal satisfaction and professional development. In return for payment, suppliers provide raw materials, energy, services, and other inputs and wholesalers, distributors and retailers engage in market transactions with firm as they move the product from plant to sales outlets to customers. All businesses need customers who are willing to buy their products or services. These are the fundamental market interactions every business has with society.

The stakeholder model of CSR was developed mainly by management scholars who were frustrated by the lack of practicality of the previous theoretical models. The stakeholder model solved the problem of measurement and testing by more narrowly identifying the actors and defining their positions and function in relation to one another. Tighter specification of the model has a clear advantage in terms of usefulness. From managers’ perspective, their responsibilities to employees, customers and government are much easier to envisage and manage than their responsibilities to society. Moreover, most companies, whether intentionally or unintentionally, have already been managing these relationships and keeping records of their transactions or interactions. Therefore, data gathering and analysis is much more tractable (Clarkson 1995).

Freeman (1984) argues that firms have relationships with many constituent groups and that these stakeholders both affect and are affected by the actions of the firm. Stakeholder theory, which has emerged as the dominant paradigm in CSR,

has evolved in several new and important ways. When business interacts so often and so closely with society, a shared interest and interdependence develops between a company and other social groups. When this occurs, corporate stakeholders are created. Stakeholders are all the groups affected by, or that can affect, an organization's decisions, policies, and operations. The concept of stakeholder personalizes social or societal responsibilities by delineating the specific groups or persons that business should consider in its CSR orientation. Management challenge is to decide which stakeholders merit and receive consideration in the decision-making process. A company's success can be affected negatively or positively by its stakeholders. In an era when business strategies are changing because of such forces as global competition, new political arrangements, shifting public values, and ecological concerns, managers are challenged to achieve good economic results while also considering the needs and requirements of their business's stakeholders (Post et al. 2001). Clarkson's long-term study of corporate behaviour (Clarkson 1995) indicates that companies deal with stakeholders, not society, and that CSR must distinguish between stakeholder needs and social issues; managers can address stakeholder requirements but not abstract social policy.

Jones's (1995) study is more instrumental in nature. His unique contribution is that he relates the stakeholder model of CSR to a number of economic theories such as principal—agent theory, team production theory and transaction cost economics. Jones's objective is to construct an "instrumental stakeholder theory" with strong predictive capacity. He relies heavily on economic theories to lay out basic behavioural assumptions of firms and actors, and presents a number of testable hypotheses.

His focus on relationship-based mid-range theories makes the link between actions and outcomes much clearer. Jones argues that the stakeholder model has a great potential to become the central paradigm for the field of CSR.

Since the publication of Clarkson and Jones's studies, stakeholder theory has gradually moved to the centre stage of research in business and society relations, and further developed through a number of innovative studies. For example, by linking stakeholder theory with social network studies, Rowley (1997) proposed a network-based model of CSR for predicting corporate responses to multiple stakeholder influences. An empirical study by Berman et al. (1999) articulates and compares two distinct perspectives in stakeholder theory: the strategic stakeholder model and the intrinsic stakeholder model. Their findings suggest that the strategic stakeholder model, which is based on business case logic of CSR, has more empirical support than the intrinsic stakeholder model, which emphasizes the moral aspect of CSR. Jones and Wicks (1999) study published in the same year proposed a convergent stakeholder theory that integrates strategic and intrinsic perspectives in one broader theoretical framework.

The attempt to adapt CSR to the stakeholder framework forced researchers to specify CSR more clearly according to the particular stakeholder relations that a corporation is engaged in. Ironically, specification of CSR for each stakeholder relation has resulted in broadening of the meaning and scope of CSR. Instead of one aggregate category of social responsibility, the stakeholder framework induced

creation of many new categories of CSR to reflect the wide range of stakeholder relations and interests. With the creation of more and more categories of CSR, such as environmental responsibility, diversity, affirmative action and transparent accounting practices, the meaning of CSR was expanded to account for the new categories as well as new stakeholder relations.

1.1.2.3 Triple Bottom Line Model of CSR

It has been recognized in recent decades by the companies that sustainable corporate profit does not result from the single-minded pursuit of financial gain, rather sustainable growth and shareholder value are best achieved by working through a broad framework of economic, social, environmental and ethical values and shared objectives that involve constant interaction between the company and its various stakeholders. This paradigm shift, which incorporates financial, social, and environmental factors into the company's commitment to growth and sustainable profitability, is often referred to as the "triple bottom line".

The notion of "Triple Bottom Line" (further - TBL) has been increasingly fashionable in management, consulting, investing and NGOs over the last few years when it was coined by John Elkington in the mid-1990s in his book "Cannibals with Forks: the Triple Bottom Line of 21st century Business." The late 1990s saw the term "triple bottom line" spread out and be recognized by the world and spotlights the growth trend over the 2 years from 1999 to 2001.

The idea behind TBL paradigm is that a corporation's ultimate success or health can and should be measured not only the traditional financial bottom line, but also by its social/ethical and environmental performance. TBL captures an expanded spectrum of values and criteria for measuring organizational (and societal) success: economic, environmental and social, it means expanding the traditional reporting framework to take into account environmental and social performance in addition to financial performance. It also captures the essence of sustainable development (sustainability) by measuring the impact of an organization's activities on the world.

A positive Triple Bottom Line reflects an increase in company's value, including both its profitability and shareholder value, and its social, human, and environmental capital. There exist interrelationships between economic, social and environment dimensions, and the truth that TBL is a new way to measure the bottom line - where profits go side-by-side with environmental and social performance - and an illuminating way to have a better understanding of the concept of sustainability. It is not possible to prove the priority of one dimension over another, or to put it the other way round, while it is possible to show that the economic is "nothing but" the social, it is also possible to reduce any one of the dimensions to either of the others, and it has even been argued that a constant focus on the monetary returns from environmental and social performance is the best route to sustainability. On the other hand, nothing in such analyses suggests that these three dimensions must exhaust the field of sustainability. And such confirmation is unlikely, given the ever-moving spirit of the concept of sustainability. Despite all of this, it is

possible to gain some confidence about the triple bottom line approach by relating the stakeholder approach to CSR to the three dimensions of the triple bottom line. TBL is an innovative way for executives and companies to find their way to a sustainable, profitable future in today's daunting era of environmental and social accountability.

Since the Brundtland Report (UNWCED 1987) defined sustainability as "development that meets the needs of the present world without compromising the ability of future generations to meet their own needs" (Glasson, 2008), TBL concept appears to have had some success in articulating a philosophy of sustainability in a language accessible to corporations and their shareholders. The links between sustainability, corporate activity and accounting is explained in a 1995 report of the United Nations Conference on Trade and Development (UNCTAD 1996). In brief, sustainability integrates achieving eco-efficiency (environmental) and eco-justice (inter- and intra- generational social equity) over the short and long term (UNCTAD 1996). A sustainable economic system is one that protects the world's critical and renewable natural capital and addresses inequities between nations (UNCTAD 1996). Sustainability seeks to change the measure of contemporary global activity that mostly values and accounts for economic capital at the expense of the world's natural and social capital. The world's natural and social capital is often considered free and therefore is often without economic value or a measure of its gain or loss (UNCTAD 1996). Innovative accounting systems can embrace a corporation's environmental and social values, as well as traditional economic values (UNCTAD 1996). Elkington (1997) clearly and eloquently placed TBL on the global agenda. Both the timing and the terming were perfect. Deregulation of markets, privatization, compulsory pension investing, the Bhopal and the Exxon Valdez disasters, and extraordinary corporate profits and booming stock markets that affected many people and corporations resulted in a heightened global awareness. The 1990s saw new technology, particularly the Internet; bring an explosion of information to environmental and social activists, corporations and investors alike. TBL provided a language that made sense of the sustainability concept to a population focused on the economic bottom line. It seems that the events of the 1990s legitimized the sustainability proposition, and the TBL concept articulated it. Elkington's book reinforced the view that corporations were accountable for their impact on sustainability through TBL and that accountants had substantial role in measuring, auditing, reporting, risk rating and benchmarking it (Elkington 1997). Historically, most accounting activities had related mainly to the corporation's financial activities. Elkington (1997) acknowledged at the time that sustainability accounting, reporting and auditing for TBL was underdeveloped and imprecise. Zadek has since challenged the "sustainable business" solution, suggesting that it "creates more confusion than good. Social, environmental and economic gains and losses arising from a particular business process cannot simply be added up" (Zadek 2001, p. 8). TBL has stimulated much corporate activity and has generated tools that can yield quantified expressions of triple bottom line performance cover the full ground of sustainability and corporate social responsibility (CSR).

The latest Freeman's et. al. study (2008)³ surprises a lot by proposing to replace "corporate social responsibility" with "company stakeholder responsibility" and this is not just semantics, but a new interpretation of the very purpose of CSR. "Company" signals that all forms of value creation and trade and all businesses, from start-ups to large publicly held corporations, need to be involved. "Stakeholder" suggests that the main goal of CSR is to create value for key stakeholders and fulfill our responsibilities to them. Hereby "responsibility" implies that we cannot separate business from ethics. Scholars argue that taking a stakeholder approach to business is ideally suited to integrate business, ethics, and societal considerations. Stakeholder theory is about value creation and trade - it is a managerial theory about how business works. It asks both business and ethics questions about each stakeholder relationship and there exist a possibility, that such quite new interpretation of CSR would find its stage in CSR research.

1.1.2.4 A conceptual framework for understanding CSR in Europe

European and American scientists had been taking a long debate on CSR issues since the second half of the 20th century a long debate on CSR has been taking place. Between CSR researchers Bowen's (1953) seminal book "Social Responsibilities of the Businessman" is broadly recognized as a shift in terminology from the social responsibility of business to CSR (Garriga and Mele, 2004).

As it can be seen from the above described analysis, during the past decades there was a vast and growing body of literature on the concept of CSR (e.g. Carroll, 1979, 1991, 1999) and related concepts (Clarkson, 1995; Swanson, 1995; Wartick & Cochran, 1985; Wood, 1991), still, defining CSR is not as easy as it might at first appear (Garriga & Melé, 2004) and there exist particular argumentation for it:

1. Garriga & Melé (2004) argued that CSR is an "essentially contested concept" because it is "appraisive", e.g. or is considered as valued; "internally complex"; in line, their rules of application are relatively "open" for the researcher to specify the particular meaning in his/her research (Moon, Crane, & Matten, 2004).

2. Crane and Matten (2004) observed that CSR overlaps with some and is synonymous with other conceptions of business-society relations and that makes it difficult to distinguish from other overlapping conceptions.

3. Defining CSR is problematic because of the issue which was drawn into attention by Garriga & Melé (2004) when they observed the place of the national business context in explaining different national CSR systems.

These appear to be the reasons, why there cannot and should not exist the only one generally accepted CSR definition, conception and the only model of CSR effective implementation and evaluation in any organization and culture.

Still, taking into account various approaches in lately performed CSR discussions, the essence of CSR was distinguished by Matten and Moon (2004) into two

³ Freeman, R. Edward and Velamuri, S. Ramakrishna, A New Approach to CSR: Company Stakeholder Responsibility (July 29, 2008). Available at SSRN: <http://ssrn.com/abstract=1186223>; <http://www.darden.virginia.edu/corporate-ethics/pdf/csr.pdf>

basic thoughts related to the reasons underpinned in the continental context, e.g. USA and Europe.

Matten and Moon (2004)⁴ agree with Friedman (1970), that at the core of the concept is the idea that it reflects both the social imperatives and the social consequences of business success, and that responsibility accordingly falls upon the corporation, but the precise manifestation and direction of the responsibility lies at the discretion of the corporation. CSR was thus differentiated from business activities to fulfill their core profit-making responsibility and from the social responsibilities of government. Researchers states, that this **conception** is grounded **on broader assumptions about business, society and government** which have been **widely** regarded as **distinguishing the USA from European**. The distinction is based under the results of several works (see figure 3).

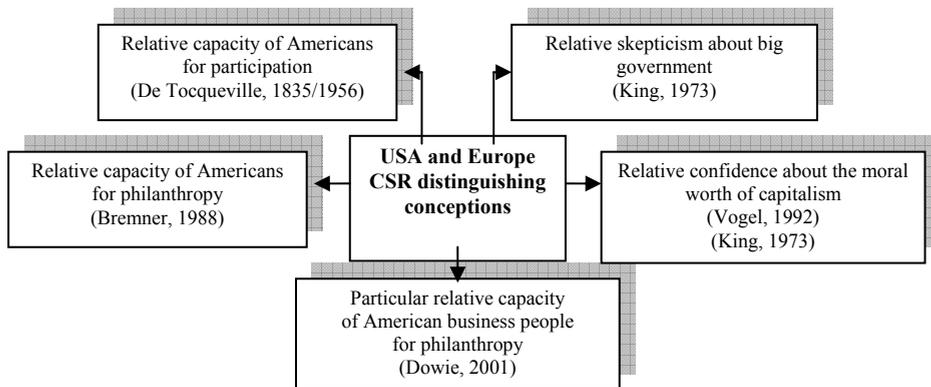


Figure 3. USA and Europe CSR distinguishing conceptions
Source: adapted by author according to Matten and Moon (2004)

Matten and Moon (2004) observed that these insights are addressed by such researchers as Hartz (1955) and Lipset (1990), and other. Furthermore, researchers state, that even within the USA, understandings of CSR have varied and developed over half a century. Even Friedman (1970) identified business responsibilities to obey laws and customary ethics as well as to pursue a prudential responsibility to invest in areas of corporate activity. As mentioned above, Carroll (1979; 1991) systematised these responsibilities distinguishing economic, legal, ethical and philanthropic responsibilities. Subsequently, concerns with corporate social performance, stakeholder relations, corporate citizenship, links with financial performance and developments in the field of ethics have extended CSR theories and practices

⁴ Matten, D. and Moon J. (2004), "Implicit' and 'Explicit' CSR A conceptual framework for understanding CSR in Europe", *ICCSR Research Paper Series*, No. 24, 46 p. ISSN 1479-5124

(Schwartz & Carroll, 2003) some of which reflect impacts of more European thinking (Garriga et al., 2004).

From the view of Matten and Moon (2004) the terminology of “explicit” and “implicit” CSR contribute to the CSR debate and to the more longstanding American discourse on the role of business in society. Scholars recognize, that their conceptualization of CSR lends itself in particular to the theoretical framework of institutional theory(ies), as Aguilera and Jackson (2003) have argued recently, institutional theory – as opposed to more agency theory focused approaches - is particularly useful in understanding cross-national differences in corporate governance. As identities and interests of stakeholders vary cross-nationally, much of the assumption of agency oriented inquiry in corporate governance works with too simplistic notions. In CSR in particular the motives of managers, shareholders and other key stakeholders shape the way corporations are governed. Researchers argue that a dual view of CSR as consisting of implicit and explicit elements does not only offer a better descriptive model of CSR but that this approach also opens the way to a more theorized research agenda in CSR.

Matten and Moon (2004) come to a conclusion which is close to Freeman’s (1985): “the social responsibilities of business are both a function of national business systems and of the changing significance of social issues for individual corporations operating therein”. This echoes the conclusion that **national public policy styles are insufficient to explain cross-national differences in government responsibility** as there are also noteworthy differences in the policy style between sectors within a nation.

By summarizing Matten and Moon’s (2004) research related to USA and Europe CSR distinguishing conceptions, it should be stated, that authors conceptualized the notion of CSR beyond the economic, social and political context of its American origins by investigating the changing manifestations of the social responsibility of business in Europe. By Europe they refer only to the democratic and capitalist systems, initially of Western Europe and Scandinavia, more recently of Southern Europe and only latterly of Eastern Europe. As Western Europe and Scandinavian countries share the most basic political and economic characteristics with the USA (i.e. democratic capitalism), scholars state that there is clearly an explanatory puzzle for their differing historic profiles of CSR.

Coming with such concluding statement, Matten and Moon (2004) elucidate the existing problem as follows: it becomes clear enough, that any of the above discussed understanding of CSR system appear to be ineffective in transitional economies, e.g. CSR in new EU member states with post soviet heritage could not be applied without just after recommendations of EC communication without any modification. Therefore, it is essential to solve CSR implementation effectiveness problems, at all public governance levels, because businesses are much more flexible against changing market environment and examine fewer difficulties by transforming into CSR implementation direction. Oppositely, public authorities with the soviet heritage in these countries are the main disincentives for successful CSR development.

1.2 Corporate social responsibility and governments

As the central theme of the dissertation is the roles that public sector plays in CSR development, therefore, it is necessary to discuss the role of public agencies which is played in providing an “enabling environment” for corporate social responsibility (CSR). The starting point is a broad definition of CSR that goes well beyond a more limited understanding of CSR as being about business activities that go “beyond compliance”. A broader definition that considers the overall potential commitment of business to sustainable development is better suited to understanding public sector roles in CSR.

1.2.1 Principal public sector roles in CSR

The World Bank (2002) suggests evaluating public sector roles in CSR development by classifying public sector engagement along two axes. Based on various sources (World Bank, 2002; Fox et al., 2002; Doh, Guay, 2006), first axis identifies four principal roles of the public sector which reflect the overall range of CSR initiatives:

- Mandating
- Facilitating
- Partnering
- Endorsing

In their “mandating” role, governments at different levels must define minimum standards for business performance, embedded within the legal framework. Examples include establishment of emission limit values for particular categories of industrial installations, or requirements for company directors to take particular factors into account in their decision-making. Even “mandating” activity can drive industrial innovation and best practice. For example, the familiar notions that enterprises should apply the best available techniques, best available technology, or the best practicable environmental options to manage industrial emissions allow for the fact that what is “best” will change over time with technological innovation and technology transfer.

In their “facilitating” role, public sector agencies enable companies to engage with the CSR agenda or to drive social and environmental improvements. The public sector can act in different ways, e.g. to take different kind of roles:

- catalytic,
- secondary, or
- supporting.

For example, in Great Britain an amendment to the 1995 Pensions Act requires pension funds to disclose whether they take social, environmental, and ethical issues into account, but stops short of requiring fund managers to adopt any particular policy. In their role as facilitators, public sector bodies can stimulate the engagement of key actors in the CSR agenda (for example, by providing funding for research or by leading campaigns, information collation and dissemination, training, or awareness raising). Public sector bodies can also develop or support appro-

appropriate CSR management tools and mechanisms, including voluntary product labeling schemes, awards, bench marks, and guidelines for company management systems or reporting. They can stimulate pro-CSR markets by creating fiscal incentives and by applying its public procurement and investment leverage.

The notion of “partnership” is central to the CSR agenda. Strategic partnerships can bring the complementary skills and inputs of the public sector, the private sector, and civil society in tackling complex social and environmental problems. Political support and public sector endorsement of the concept of CSR and in particular of CSR-related initiatives reflect the fourth role of the public sector in the typology.

Endorsement can take various forms, including through policy documents, the “demonstration” effect of public procurement or public sector management practices, or direct recognition of the efforts of individual enterprises through award schemes or “honourable mentions” in Ministerial speeches.

There are often no clear lines among these four roles. For example, there may be cases where government acts as a partner, but the incentive for partnership derives from the possibility (explicit or implied, Matten and Moon, 2004) that legislation may follow if a partnership is unsuccessful. Equally, the lines among “facilitating”, “partnering” and “endorsing” are not always clear. For example, the U.S. and U.K. Voluntary Principles on Security and Human Rights initiative have combined a partnership process of stakeholder engagement with a facilitating role and implicit government endorsement of the outcomes.

The second axis on the World Bank (2002) suggestions reflects public sector activities under 10 key themes of the CSR agenda:

- setting and ensuring compliance with minimum standards;
- public policy role of business;
- corporate governance;
- responsible investment;
- philanthropy and community development;
- stakeholder engagement and representation;
- pro-CSR production and consumption;
- pro-CSR certification, “beyond compliance” standards, and management systems;
- pro-CSR reporting and transparency;
- multilateral processes, guidelines, and conventions.

Additional key themes might be developed as the CSR agenda matures, and this classification does not attempt to predict these.

The core challenge for public sector bodies is to identify the priorities and incentives that are meaningful in the local and national context and to build on existing initiatives and capacities. There is a significant opportunity for public sector bodies in transition economy countries to harness the current enthusiasm for CSR delivery against public policy goals and priorities. First of all public bodies need to be propagators of CSR benefits to business, community and all society and to show on their own experience these benefits and encourage other companies to follow good case examples.

However, the current situation in private public partnership in Lithuania was not very successful. There were several concession agreements between municipalities and private companies established in the energy sector; however, some concessions were unsuccessful because of the weak legislation, bad opinion of society on public and private partnership and lack of experience. The analysis of CSR in the public sector of Lithuania can provide useful information on the main barriers and weak points of CSR development in this sector.

Intergovernmental processes have begun to drive some promising initiatives, although much remains to be done for intergovernmental initiatives to realize their full potential as drivers of pro-CSR public sector activities in developing countries. The World Bank even in 2002 recognized five key themes emerge for future work to strengthen the CSR-related roles of public sector agencies in developing countries:

- Work to build awareness of the contemporary CSR agenda within developing country agencies, including building understanding on the overall drivers, key players, and effective pressure points, as well as country-specific impact assessments of the CSR agenda for trade and investment promotion. Any work in this area will need to be sensitive to the particular importance of support for small, medium, and micro enterprises in many developing countries.

- Initiatives that enable public sector bodies in developing countries to become effective players in setting the terms of the CSR debate and its associated standards. The CSR agenda to date has been largely shaped by multinational corporations, consumers, investors, and governments based in developed countries.

- Work to build a stable and transparent environment for pro-CSR investment, including efforts to strengthen basic norms of social, environmental, and economic governance and their enforcement.

- Initiatives to engage the private sector more directly in public policy processes associated with delivery of public goods (for example, national sustainable development or poverty reduction strategies).

- Support for public sector bodies to develop frameworks within which to assess local or national priorities in relation to CSR.

The current capacity constraints for public sector agencies in developing countries to engage in the CSR agenda should not be underestimated (World Bank, 2002). Nevertheless, the opportunities are quite significant.

1.2.2 CSR public policies, relational analytical framework and local government

Over the last decade governments have become CSR drivers adopting public policies to promote and encourage businesses to behave in a responsible and sustainable manner (Aaronson and Reeves, 2002a, b; Moon and Sochaki, 1996; Zappal, 2003). In this sense, governments have been involved in a new type of political relationship with businesses and civil society stakeholders to promote responsible and sustainable business practices (Aaronson and Reeves, 2002a, b; Albareda et al., 2006; Fox et al., 2002; Moon, 2004).

1.2.2.1 CSR public policies

Albareda et al. (2007) states, in the literature focused on governments and CSR over the last decade, CSR has been defined as a concept whereby companies decide voluntarily to contribute to a better society and cleaner environment (EC, 2001). This is a new voluntary framework in which **CSR is defined as a reflection of how governments' capacities to regulate the actions of businesses have been transformed in relation to social and environmental issues.**

This voluntary approach to CSR changes governments' roles in relation to the promotion of business, social and environmental practices (Midttun, 2005; Matten and Moon, 2005; Moon, 2004; Roome, 2005). Related to this, most of the research conducted on governments and CSR suggests the emergence of new roles adopted by governments in CSR issues (Fox et al., 2002; Lepoutre et al., 2004; Nidasio, 2004). Fox et al. (World Bank, 2002) put forward new public sector roles adopted by governments to enable an environment for CSR:

- mandatory (legislative);
- facilitating (guidelines on content);
- partnering (engagement with multi-stakeholder processes);
- endorsing tools (publicity).

In parallel, Lepoutre et al. (2004) review the strategic roles to be played by governments managing institutional uncertainty (activate, orchestrate, and modulate) and present common tools for public action managing strategic uncertainty (public information campaigns, organizational reporting, labeling, contracts, agreements, and incentives). This analysis of the role of governments promoting CSR, as a new approach has also been analyzed by other authors under the new forms of public-private partnership linked to CSR (Gribben et al., 2001; Nelson and Zadek, 2000) in order to resolve social problems, to promote coordination with companies, social organizations, and *local governments* and also to analyze the role of CSR in public-private partnerships as models of governance (Guarini and Nidasio, 2003).

Another approach to the understanding of CSR public policies is the soft policy approach introduced by Joseph (2003), in which the role of government is viewed as collaborative and facilitating through the use of soft tools and means – always in collaboration with the private sector.

There is a common perception that **CSR is a process through which companies manage their social and environmental impacts taking into account their relationship with stakeholders** (EC, 2001). Most business ethics scholars have made important attempts to link CSR practices with stakeholder management (Carroll, 1989, 1991; Clarkson, 1998; Donaldson and Dunfee, 1999; Freeman, 1998) and the stakeholder approach has been integrated as part of the concept of corporate citizenship (Waddock, 2002).

Therefore, some studies point to the development of CSR in relation to the development of multi-stakeholder dialogues as an aspect of relationship building and organizational change (Kapstein and Von Tulder, 2003; Payne and Calton, 2002, 2004). There is a common perception that new challenges created by corporate

practices all over the world have to be solved through a multistakeholder approach (EC, 2001). In recent years, the appearance of multi-stakeholder dialogue proposals is observed. Among others, these have included the UN Global Compact, the Global Reporting Initiative, and the European Multi-Stakeholder Forum on CSR, which propose dialogue among the different agents involved as a working methodology aimed at making headway in multilateral consensus proposals.

Other elements suggest that CSR is not a new and isolated topic among the new challenges facing governments in a globalized context (Crane and Matten, 2004; Moon, 2002). Responsible and sustainable business practices form part of the current debate on the role of companies within society in a globalized world (Frederick, 2006; Scholte, 2001). This enables to understand why governments have adopted measures to promote CSR in their relationship with the new social governance challenges.

The first documents to introduce the debate on governments' CSR role date from the last decade of the 20th century (Moon and Sochaki, 1996). Most of these texts put forward the **need for governments to actively promote CSR as a response to the social and environmental problems** caused by corporate action within a globalized economic context (Moon, 2004). Midttun (2005) views the development of CSR within the context of changes in the welfare state, basing his work on a comparative analysis of three governance models. He points out that a new emerging model of CSR-oriented societal governance could be analyzed as an exchange theoretical perspective to examine the distinctive characteristic of the relationship between civil society, business, and government. Relevant documents incorporating a new government vision, with particular emphasis placed on Europe, include the official documents on CSR published by the European Commission: the Green Paper "Promoting a European Framework for Corporate Social Responsibility" (2001), the Communication "Corporate Social Responsibility: A Business Contribution to Sustainable Development" (EC, 2002) and the Communication "Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on Corporate Social Responsibility" (2006).

Other studies include research based on geographical comparative analysis of government behavior and CSR culture in European and North American administrations. The work of Aaronson and Reeves (2002a, b) and the comparative report of CBSR (2001) shed some light on the relevance of cultural differences and elements in the development of national CSR models. Aaronson and Reeves (2002a) analyze how, in the last decade, European policymakers have taken a wide range of public initiatives to promote CSR, in contrast with a lack of policies in the U.S. They analyze European-based companies' acceptance of these CSR public policies compared with the less accepting attitude of U.S. based companies. The authors argue that the difference is based on the countries' respective business cultures. This research reveals that European-based companies "are more comfortable working with governments to improve social conditions, and they are more comfortable in a regulated environment." Accordingly, "businesses expect government to ask more of them and government does ask more of businesses. It seems that European

business leaders believe that CSR policies can help them find their way in the chaotic, ever-changing global economy” (Aaronson and Reeves, 2002b).

These studies lead to the presumption that analysis of the different CSR approaches should take into consideration a series of different elements:

- political and institutional structure;
- political style and processes;
- social structure;
- emphasis on a voluntary approach or acceptance of state guidelines and control;
- local and national views of the role of companies;
- the role and posture of NGOs and civil associations in society;
- the kind of educational system and the values it transmits;
- what is expected of their leaders;
- historical traditions.

Implemented comparative analysis enables to relate these cultural differences with the above detailed research by Matten and Moon (2004) on the comparison between the European CSR model and the U.S. model. For them, CSR as a voluntary corporate policy is a fairly recent and as yet scattered phenomenon within European context. The reason is derived from historically different models of trust and authority relationships in contrast with the more liberal model in the U.S. As a consequence, the authors defend the view that in the U.S. there is an “explicit CSR” as opposed to a more European “implicit CSR”. Explicit CSR refers to corporate policies that lead companies to assume responsibility answering concrete needs of society. In the U.S., this normally involves voluntary and self-interest-driven corporate policies, programs, and strategies as part of CSR. In contrast in Europe, implicit CSR refers to a country’s formal and informal institutions through which business responsibility for collective society’s needs are agreed and assigned to companies in relation to the social role of business. This normally consist of values, norms and rules which, in the course of the last century, have resulted in mostly mandatory requirements for corporations to address issues of social, political, and economic interest. Nevertheless, the authors argue that over the last years explicit CSR has been gaining ground in Europe, changing the approach to a more explicit CSR under the influence of a voluntary approach to CSR.

1.2.2.2 CSR relational analytical framework

Taking into account the following three elements which emerge from the analysis of CSR and government Albareda et al. (2007, 2008) propose an analytical framework to analyze CSR public policies:

- The voluntary nature of the company’s initiative;
- The emerging new roles and soft tools;
- Multi-stakeholder dialogue and new governance challenges.

The development of the analytical framework came from two preliminary research initiatives developed by Albareda et al. (2004) and Midttun (2004). Both

research projects tried to analyze **the new role of governments in the CSR arena focusing on the new relationships: companies with governments and society**. The objective of Albareda's (2007) research was to analyze CSR public policies in 15 European Union countries. In order to be able to analyze and classify CSR public policies they have built an analytical framework which serves as a methodology (see Appendix 1). The design of this analytical framework is based on a relational approach focused on the interrelation, collaboration, and partnership between the different actors: governments, businesses, and civil society stakeholders.

It has been suggested that, in a globalized world, public policies cannot simply be analyzed in the light of self-sufficient governments, but that an added value lies in exploring the intersections between public and private sectors (including the for-profit and non-profit sectors) and in broadening the areas surrounding the boundaries between these three sectors (Mendoza, 1996). Researchers used this relational methodology to analyze the new governmental approach to enabling an environment for CSR in 15 European Union governments⁵. These are arguably the European countries with the most advanced democracies, where the development of social and environmental regulatory frameworks for corporate action and public CSR policies is strongest.

Researchers started out from the previous study conducted by Fox et al. (2002), which analyzed the new public sector roles enabling an environment for CSR, mostly in developing countries, based on non explicit CSR public policies. In this research, in order to be able to conduct empirical analysis, and unlike Fox et al. (2002), authors have analyzed the explicit CSR public policies of the 15 European governments. They compiled all the data: **CSR public policies, programs, and instruments** that governments have explicitly adopted to promote CSR. This involved researching each country and building a database on the policies and instruments applied by each government. The data was compiled via sources published by the governments or from official documents, reports, and governmental web pages. They also focused on an analysis of the **contexts and political structures** to find out how CSR policy was being assimilated into government structures and compiled the following elements for each government (see table 2):

- National public policy on CSR: vision, mission and objectives;
- Government departments assuming responsibilities for CSR policies;
- Institutional and relational support from existing international agreements. United Nations Global Compact: participation in international bodies on CSR issues;
- Regulation in its diverse forms;
- Organizational structure for CSR policies: centralized/decentralized; transversal/sectorial; multi-stakeholder; creation of new agencies;
- Actors in the process ;
- Socioeconomic, political and cultural context, and administrative tradition.

⁵ Austria, Belgium, Denmark, France, Finland, Germany, Greece, Italy, Ireland, the Netherlands, Luxembourg, Portugal, Spain, Sweden and the United Kingdom.

Table 2. Government corporate social responsibility policy framework

TOPIC	APPLICATION
<i>Government CSR policy</i>	Vision
	Objectives, strategies and priorities
<i>Internal government CSR structure</i>	Position of political figure
	Organizational structure
	Centralized or decentralized
<i>CSR responsibilities at different levels of government</i>	Cross-cutting policies
	Regional/ decentralized government
	Local government
<i>Scope of CSR policy</i>	Domestic vs. international
<i>CSR role of other organizations</i>	Government agencies
	Intermediary organizations
	Multi-stakeholder organizations
	International organizations

Source: Albareda et al. (2008), adapted from Albareda et al. (2004).

This data was then used to draw up a report for each government. After compiling the data, researchers focused on the classification of CSR public policies taking strategic and relational aspects into account. They introduced a relational and multi-stakeholder approach based on a **triangulation approach** taking into account the relationship among governments, businesses, and civil society stakeholders. Such framework made it possible to observe the three social agents of governments, businesses, and civil society stakeholders not as poles or opposites which repel each other, but as agents collaborating in an interrelated area. Different areas of bilateral collaboration were observed:

- the first between governments and companies;
- the second between governments and civil society;
- the third framework of multilateral collaboration: governments; businesses; and civil society stakeholders.

Researchers applied this analytical framework to map the government CSR public policies compiled previously and classified all public policies taking directionality into consideration: the actors to whom government policies are addressed (see Figure 4):

1. **CSR in governments:** CSR public policies developed by governments to improve their own social responsibility, leading by example;
2. **CSR in government-business relationships:** CSR public policies designed to improve business CSR practices;
3. **CSR in government-society relationships:** CSR public policies designed to improve civil society stakeholders' awareness, and finally;
4. **Relational CSR:** CSR public policies designed to improve collaboration between governments, businesses and civil society stakeholders.

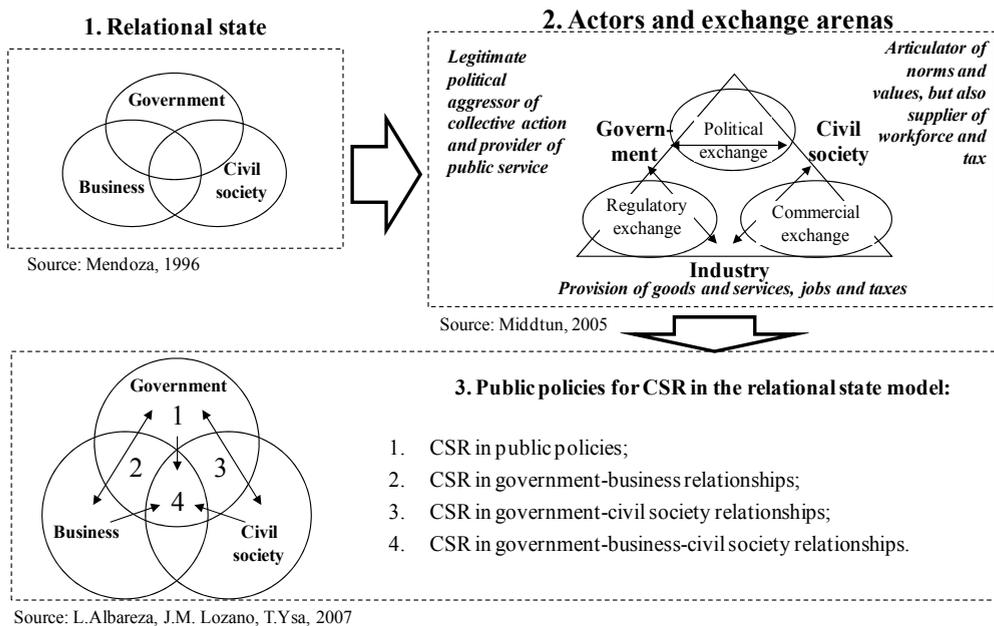


Figure 4. The development of government role in CSR research: the relational state model

This allowed researchers to gain a complete overview of the directionality of CSR public policies. This information was grouped by country and incorporated into specific reports drafted for each country analyzed. The realized development of the relational state model for public sector roles in CSR is summarized in figure 4.

With earlier studies by Albareda et al. (2004), Lozano et al. (2005) and Middtun (2005) developed an analytical framework to map and analyze the existing CSR policy and programs developed by governments. Afterwards they went on to classify the government CSR policies and programs by using the CSR public policy-relational analytical framework (Albareda et al., 2008). The governments' CSR public policies were analyzed using the following two dimensions:

- a preliminary analysis of governmental policy framework, and
- a secondary analysis of governmental policy implementation.

Albareda et al. (2008) adapted a systematic treatment of the data collection process with the support of the topical tables (see Table 3).

Researchers observed that at the international level there is a common discourse on CSR, shared by the European Commission, various international organizations and the international CSR network (Buckland, Albareda and Lozano, 2006). Consequently, it was found out that the application of this discourse into specific policies and programmes varies across countries. Therefore certain trends have formed in the way governments promote CSR within groups of countries. Under the observed circumstances, four-ideal typology model for European govern-

mental action on CSR in the development of public policies promoting CSR have been identified across the EU-15 countries: Partnership, Business in the community, Sustainability and citizenship and Agora (see table 2).

Table 3. Models of government action in the development of CSR-endorsing public policies in 15 EU counties

Model	Characteristics	Countries
Partnership	Partnership as strategy shared between sectors for meeting socio-employment challenges	Denmark, Finland, the Netherlands, Sweden
Business in the community	Soft intervention policies to encourage company involvement in governance challenges affecting the community (entrepreneurship and voluntary service)	Ireland, the United Kingdom
Sustainability and citizenship	Updated version of the existing social agreement and emphasis on a strategy of sustainable development. Regulatory	Germany, Austria, Belgium, Luxembourg France
Agora	Creation of discussion groups for the different social actors to achieve public consensus on CSR	Italy, Spain, Greece, Portugal

Source: Albareda, Ysa and Lozano (2005); Buckland, Albareda and Lozano (2006) Albareda, Lozano and Ysa (2007)

The partnership model, encompassed in Denmark, Finland, the Netherlands, and Sweden throughout the 20th century developed an extensive and comprehensive welfare state. Albareda et al. (2007) observed that since the 1950s, social policies in these countries have been directed towards improving social provision and services; and during the final decade of the 20th century, these governments began to acknowledge the importance of economic actors in addressing and resolving social problems. Therefore, it is stated, that for governments identifying with this model the movement towards CSR mainly involves a change in attitude by social actors (i.e., companies, trades unions, and social organizations) assuming co-responsibility in the building of a more inclusive society and a dynamic and integrated employment market. Albareda et al. (2007) states: “For these governments, all actors are jointly committed to building new CSR policies and actions that will promote the growth of a fairer society” (p.400).

The business in the community concept, addressed to the United Kingdom and Ireland, according to Albareda et al. (2007), refers to how governments and companies interpret the role of business in society, particularly as regards social challenges and its role in community development. As the British government is recognized as one of the most innovative in the development of a political CSR framework, it links CSR to the main challenges in societal governance faced by devel-

oped countries. In both the United Kingdom and Ireland, government action is conceived as developing, facilitating, and providing incentives for CSR, as well as encouraging public-private partnerships. Government actions on CSR focus on providing support to the private sector, facilitating economic and sustainable development and economic regeneration, with the support and collaboration of the private sector. These countries deal with social problems such as unemployment and social exclusion through CSR policies involving companies responding to a crisis of governance and creating the conditions for corporate action. Finally, Albareda et al. (2007) states, that government under this model base their application of CSR measures on “soft regulation”.

The sustainability and citizenship model focuses CSR from companies as “good citizens” perspective. Albareda et al. (2007) highlight Frederick’s (2006) scholarly conclusions which classifies “public/social policy”, where the corporation is analyzed as a political actor, and where these newer citizenship concepts of business rest on a firm theoretical foundation of political science in which corporations take their place as citizens in civil society. Under this model Australian, Belgium, France, Germany and Luxemburg governments recognize the concept of “corporate citizenship” by which companies must not only be good citizens through the transparency of their activities and compliance with tax obligations, but that they should go beyond it. One of the main characteristics of this model is the value it allocates to companies’ socially responsible behavior, which contributes to social change. Albareda et al. (2007) states, that the key notion behind this concept is for companies to function as genuine social agents, with corporate citizenship as the strategy adopted to support their actions in this sphere. In this model, government action mainly promotes CSR and creates incentives to help companies assume their social responsibility through support for business organizations and through specific political initiatives on promotion and awareness.

The Agora model, was composed and so called by Albareda et al. (2007) accordingly to the Greek word meaning a public gathering place or forum aiming to refer to the model used to implement and enforce CSR public policies in Mediterranean countries (i.e. Greece, Italy, Portugal, and Spain). Scholars state, that some of these countries are still at an early CSR stage, however others, such as Italy, have already begun to consolidate their CSR governmental project. Scholars explain, that the model was named “Agora” because political CSR applications in Mediterranean countries arose from a series of discussion processes in which governments sought to involve companies and society stakeholders, debating in groups along with political representatives. These CSR relational initiatives work by seeking a consensus that includes all social voices and viewpoints on government action. Albareda et al. (2007) highlights that these are countries whose governmental CSR approach is under construction, as these governments (except Italy), have not been extremely innovative or proactive in the development of CSR public policies. In this model governmental actions are characterized with the need to construct a social consensus and engagement in dialogue with all social agents before the decision taking. Therefore, this dialogue produces the CSR public policies defined by these governments. In these countries, governmental action has been supported by

the drafting of reports and studies on CSR, analyzing the development of CSR in more proactive European governments and the CSR public policies undertaken. Albareda et al. (2007) summarizes, that the Agora model allows space for discussion with a certain public dimension. Herein, the most important remark is, that unlike the EC's European Multi-Stakeholder Forum on CSR, these working groups or commissions are created by governments during the initial stages of government action, even before frameworks for action have been defined. The countries in this model generally have less-developed welfare states than those in northern Europe, particularly in terms of social services. However, like other European countries, these countries have also suffered the consequences of economic crises, increased unemployment and social exclusion.

Summarizing the described relational analytical framework towards CSR government public policies evaluation, several important remarks are pointed out.

Firstly, the analysis of different CSR public policies, i.e. normative discourse, adopted by European governments in order to promote responsible and sustainable business practices sets out from the initial hypothesis of establishing, how the design and implementation of public policies promoting CSR reveals changes in governments' capacity for action and impact in social and environmental issues in their relationship with businesses and society. The proposed relational analytical framework highlights the essence of effective government-business-civil society relations in creating favourable CSR development environment.

Secondly, the new emerging model of CSR-oriented societal governance could be analyzed as an exchange theoretical perspective to examine the distinctive characteristic of the relationship between civil society, business, and government.

Finally, from the normative discourse, the qualitative analysis of CSR government policies, internal government CSR structure, CSR responsibilities at different levels of government (including local governments), scope of CSR policy and CSR role of other organizations may serve as CSR development effectiveness evaluation construct both from the horizontal comparative perspective between countries or from in-depth vertical CSR evaluation perspective in particular country.

1.2.2.3 CSR responsibilities at different levels of governance: local governments in public administration system

Analytical framework, developed by Albareda et al. (2004), Lozano et al. (2005) and Midttun (2005) to map and analyze the existing CSR policy and programs developed by governments, stresses CSR responsibilities at different levels of government, i.e. cross-cutting policies, regional/decentralized government and local government, but does not provide any deeper insight. As the main purpose of the dissertation is to compose CSR development effectiveness improvement model through local government involvement, there should be introduction to the role played by local governments in overall public governance system. Focusing on the object of this research, only most relevant concepts for this research are explained,

i.e. regional/decentralized government and local government, as deeper analysis of public governance systems is not object of this research.

From a broad perspective, public institutions are formed in order to save resources, improve the quality of public services, improve public policy making and implementation, which is the essence of modern public administration. In public sector research of decentralization tends to be treated as an over-arching term of which devolution is a sub-group (Dubois & Fattore, 2009). Nevertheless, in public and private human resource management literature, devolution and decentralization are generally seen as mutually exclusive concepts (e.g., Hall & Torrington, 1998; Lonti, 2005), and in federalism literature (e.g., Keman, 2000), decentralization (the right to act) tends to be distinguished from federalism (the right to decide).

Over the past two decades decentralization has become one of the broadest movements, and most debated policy issues, in the world of development. A key argument used by its proponents (e.g. Shah, 1998; Wallis and Oates, 1988; World Bank, 1994) is that decentralization makes government more responsive to local needs by „tailoring levels of consumption to the preferences of smaller, more homogeneous groups“. Opponents (e.g. Crook and Sverrisson, 2001; Smith, 1985) counter that local government’s lack of human, financial and technical resources will prevent it from providing appropriate public services under decentralization, and thus power should remain in the hands of central governments that are relatively resource rich.

The term “decentralization” embraces a variety of concepts which must be carefully analyzed in any particular country before determining if projects or programs should support reorganization of financial, administrative, or service delivery systems (Dubois & Fattore, 2009). From the wide perspective, decentralization is the transfer of authority and responsibility for public functions from the central government to subordinate quasi-independent government organizations and/or the private sector. It is a complex multifaceted concept. Different types of decentralization are distinguished because they have different characteristics, policy implications, and conditions for success.

Types of decentralization include political, administrative, fiscal, and market decentralization (Dubois & Fattore, 2009). Drawing distinctions between these various concepts is useful for highlighting the many dimensions to successful decentralization and the need for coordination among them. Nevertheless, there is clearly overlap in defining any of these terms and the precise definitions are not as important as the need for a comprehensive approach from decentralization perspective towards CSR. Political, administrative, fiscal and market decentralization can also appear in different forms and combinations across countries, within countries and even within sectors. However, this research has particular attitude towards political and fiscal decentralization, aiming to elucidate the ability of citizens incorporate their CSR values into local government’s programs and strategic plans and this way get feedback in a concrete public welfare form of, e.g., renewed and socialized public recreational areas.

Political decentralization aims to give citizens or their elected representatives more power in public decision-making. It is often associated with pluralistic poli-

tics and representative government, but it can also support democratization by giving citizens, or their representatives, more influence in the formulation and implementation of policies. Advocates of political decentralization assume that decisions made with greater participation will be better informed and more relevant to diverse interests in society than those made only by national political authorities. The concept implies that the selection of representatives from local electoral jurisdictions allows citizens to know better their political representatives and allows elected officials to know better the needs and desires of their constituents. Political decentralization often requires constitutional or statutory reforms, the development of pluralistic political parties, the strengthening of legislatures, creation of local political units, and the encouragement of effective public interest groups. However, politically decentralized government from CSR perspective enable local community give feedback to local government authorities under implemented CSR activities through council members' elections.

Administrative decentralization seeks to redistribute authority, responsibility and financial resources for providing public services among different levels of government. It is the transfer of responsibility for the planning, financing and management of certain public functions from the central government and its agencies to field units of government agencies, subordinate units or levels of government, semi-autonomous public authorities or corporations, or area-wide, regional or functional authorities. The most important twentieth century the first half-step modernization of public administration and achievements possible to distinguish the classic function of public administration - planning, organizing, instruction, direction, coordination, communication, budget management refinement, strategic planning and program management and software the emergence of budget (Arimaviciute, 2011).

Fiscal decentralization and local governance play an increasingly important role in assuring sound public policy and democratic governance. Fiscal decentralization reforms are being pursued in countries around the world in order to enhance the efficiency with which government services are provided. By yielding greater fiscal responsibilities to regional and local governments, the public sector can be more flexible in response to variations in regional and local needs and demands for public services. In addition, by giving local governments real responsibility for the delivery of local government services and raising own source revenues, local communities are able to hold their local governments accountable for the services that they deliver. As a result, decentralization of the public sector also increases citizen participation in the governance process. Therefore in the context of CSR fiscal decentralization help provide financial resources for and reach greater accountability of incorporated community CSR values into local government's programs.

1.2.3. The role of international organizations in CSR development

The above implemented literature review highlighted the role of other organizations regarding CSR development effectiveness, including international organizations. Therefore, this section examines international organizations' (i.e. European Commission (EC), European Multi-Stakeholder Forum on CSR, UNDP initiatives, Global Compact Office, International Standardisation Organisation) contribution towards CSR effective development.

Since the early 1990s, the European Commission (EC) has taken an active interest in CSR. In 1993, the then president of the EC, Jacques Delors, called on Europe's business community to take a more active stance against social exclusion. More recently, in March 2000, the Council of Ministers, meeting in Lisbon, made a renewed appeal for businesses to adopt a more sustainable approach, in every sense of the word. In 2001, this interest manifested itself in the form of A Green Paper on CSR (or consultation document) entitled „Promoting a European framework for corporate social responsibility“. Following the debate in EU Parliament, launch out with A Green Paper on CSR (2001), the Commission published its Communication on Corporate Social Responsibility in July 2002, composing broadly known recommendations for CSR endorsement in EU.

The setting up of a European Multi-Stakeholder Forum on CSR (CSR Forum) in 2003 marked important steps in this process. Günter Verheugen, Vice-President of the European Commission responsible for Enterprise and Industry, during the CSR Forum in Brussels 10th February 2009, stated that: “Multi stakeholder dialogue has been a central pillar of the Commission's approach to CSR ever since then, and <...> it should continue; <...> an open dialogue is essential in a democracy”.

UN initiative for mainstreaming the understanding of CSR is the Global Compact promoting ten principles of good corporate behaviour. The Global Compact's operational phase was launched at UN Headquarters in New York on 26 July 2000. Today, many hundreds of companies from all regions of the world, international labour and civil society organizations are engaged in the Global Compact, working to advance ten universal principles in the areas of human rights, labour, the environment and anti-corruption. Through the power of collective action, the Global Compact seeks to promote responsible corporate citizenship so that business can be part of the solution to the challenges of globalisation. In this way, the private sector – in partnership with other social actors – can help realize the Secretary-General's vision: a more sustainable and inclusive global economy. The Global Compact is a purely voluntary initiative with two objectives: to mainstream the ten principles in business activities around the world and catalyse actions in support of UN goals. To achieve these objectives, the Global Compact offers facilitation and engagement through several mechanisms: Policy Dialogues, Learning, Country/Regional Networks, and Projects (Doh, Guay, 2006).

The Global Compact is not a regulatory instrument – it does not “police”, enforce or measure the behaviour or actions of companies. Rather, the Global Com-

compact relies on public accountability, transparency and the enlightened self-interest of companies, labour and civil society to initiate and share substantive action in pursuing the principles upon which the Global Compact is based. The Global Compact is a network. At its core are the Global Compact Office and six UN agencies: Office of the High Commissioner for Human Rights; United Nations Environment Programme; International Labour Organization; United Nations Development Programme; United Nations Industrial Development Organization and United Nations Office on Drugs and Crime (Štreimikienė, Kovaliov, 2007a).

The Global Compact involves all the relevant social actors: governments, who defined the principles on which the initiative is based; companies, whose actions it seeks to influence; labour, in whose hands the concrete process of global production takes place; civil society organizations, representing the wider community of stakeholders; and the United Nations. There are numerous benefits to participating in the Global Compact. These include: demonstrating leadership by advancing responsible corporate citizenship; producing practical solutions to contemporary problems related to globalization, sustainable development and corporate responsibility in a multi-stakeholder context; managing risks by taking a proactive stance on critical issues; convening power with governments, business, civil society and other stakeholders; sharing good practices and learnings; accessing the UN's broad knowledge in development issues and improving corporate/brand management, employees' morale and productivity, and operational efficiencies (Drūteikienė, 2003; Ruževičius, 2003).

It is recognized that the new international standard developed by the International Standardisation Organisation (ISO) on social responsibility (ISO 26000) could have a profound impact on the way CSR develops globally. Already, the standard has given a powerful support to the voluntary character of CSR by the ISO membership making it clear that the standard will be purely voluntary in character, so voluntary that it will not be a certifiable standard, and the list of good practice cases that will be included in the new standard could drive CSR globally in preferred directions (Cho, Pucik, 2005).

Lithuania joined European Union on the 1st May 2004 and in parallel initiatives of CSR ideas gained a new phase with creation of the National Network of Socially Responsible enterprises. The Network as a voluntary initiative was officially launched in April 2005 by the Group of Initiative which was formed during the first international conference on the United Nations Global Compact and the Corporate Social Responsibility concept in November 2004 with a purpose to exchange knowledge, experience and innovations, organize joint learning forums, thereby improving business strategies and implementing joint projects for the benefit of society. Starting with some 11 enterprises in 2004, for now the National Network of Responsible Business as well as the United Nations Development Programme in Lithuania (further - UNDP Lithuania) comprises 60 enterprises, members of the UN Global Compact Initiative (Local Network Annual Activity Report Lithuania, 2009).

However, the number of Socially Responsible Network member-enterprises does not reach even 0.1 percent of total operating companies in Lithuania: accord-

ing to the Lithuanian Statistics Database of Indicators, over 63 thousand operating companies there were at the beginning of 2010 and only 60 companies were the members of Socially Responsible Network. Ab initio, the most active companies in the field of CSR are big enterprises which are mainly based on foreign capital, oppositely small and medium enterprises are not active in this field.

Recognizing the crucial role of international organizations such as EU and UNDP in CSR endorsement in Lithuania, parallel important promoting and hindering factors are closely related to Lithuanian public sector roles, NGOs and private businesses. Thus the discussion of CSR development problems in terms of promoting and hindering factors are opportune.

In general, it can be stated that implementation of CSR principles allows to increase competitiveness of any organization through increasing its reputation and the public acceptance (Štreimikienė, Vasiljevienė, 2004). CSR guarantees an active participation of a company in ensuring social development in the region, improving the social cohesion and sustainable development of the region. Implementation of CSR allows maintain successful business and parallel make a valuable input into the social development of a community and creating favourable conditions for successful business development in particular region (Juščius, 2007). Involvement of socially responsible companies in financing the infrastructure projects of local communities is an example of successful CSR implementation results (Ulrich, Mak, 2000). However, social aims should be achieved without any harm made to economic targets. Harmonization of capital and labour relationships is the main precondition of successful CRS practices (Rinkevičius, 2000).

1.2.4. CSR development and local governments in transitional economies

The above implemented literature review highlighted different attitudes towards CSR between less-developed welfare states and those in Northern Europe. Consequently, CSR development processes in transitional economies come with delay. Therefore the particular analysis should be implemented focusing CSR development issues in new EU member states, i.e. Estonia, Latvia, Lithuania, Hungary, Poland and Slovakia.

1.2.4.1 CSR development issues in transitional economies

The very first empirical investigation of business' attitudes towards CSR in transition economies was composed of two parts: "What Does Business Think about Corporate Social Responsibility? Part I: Attitudes and Practices in Estonia, Latvia and Lithuania" and "Part II: A Comparison of Attitudes and Practices in Hungary, Poland and Slovakia" (Mazurkiewicz, Crown & Bartelli, 2005) and was performed in 2004-2005 in six new EU member states. The reports were prepared

within the “Enabling a better environment for Corporate Social Responsibility - Diagnostics” project, supported financially by the European Commission, DG Employment, Social Affairs, and Equal Opportunities. The initiator was The World Bank, but the views expressed are those of the authors and not necessarily of the World Bank. It surveyed business leaders in Baltic States (Estonia, Latvia, Lithuania) in line with Hungary, Poland and Slovakia, purposing to identify private sector’s views of CSR and the ways in which these views are put into practice.

The reports provide comparative data of business leaders’ views on CSR in above mentioned transition economy countries. Still, the open problem for discussion is the validity problem of the survey as its methodology is quite shortly described. There is mentioned that companies in Baltic States were selected from the 300 companies in each country with the highest annual turnover, and/or highest number of employees; 80 companies were interviewed in Estonia, 83 in Latvia, and 80 in Lithuania from different economic sectors, ownership structures and sizes. In Hungary, Poland and Slovakia companies were selected on the same criteria, but from the 500 companies in each country; 150 companies were interviewed in Hungary, 154 in Poland, and 150 in Slovakia. There is not proposed any further explanatory statistics with validity description in the reports. The survey in all mentioned transitional counties included 36 questions asked during face-to-face interviews with chief executive officers or other senior managers. The interviews took place during the fourth quarter of 2004 and the first quarter of 2005. Questions were predominantly close-ended, but space for written comments was provided where appropriate.

Nevertheless, the reports provide some general understanding of CSR development circumstances in transitional economies. In order to find out Lithuania’s comparative perspective on understanding CSR and its promoting and hindering factors in the context of transitional economies, the results, explored in the reports, were rated into two categories by selecting top 3 most frequent answers and last 3 least frequent answers in every country (see Tables 3-4).

Firstly, in order to define understanding of socially responsible activities, top executives in Estonia, Latvia, Lithuania, Hungary, Poland and Slovakia were asked to mark activities, which they think have from strongest to weakest relation to socially responsible activities from 8 available answers (see Table 4).

Table 4. Comparison of understanding socially responsible activities

<i>Country/Answers</i>	<i>Estonia</i>	<i>Latvia</i>	<i>Lithuania</i>	<i>Hungary</i>	<i>Poland</i>	<i>Slovakia</i>	<i>Shared views</i>
Top 3: strongest links to SRA	1. <u>Ethical conduct</u> 2. Environmental protection 3. Addressing stakeholders concerns	1. Addressing stakeholders concerns 2. Environmental protection 3. <u>Ethical conduct</u>	1. <u>Ethical conduct</u> 2. Transparency in operations 3. Addressing stakeholders concerns/ Compliance with regulations	1. Compliance with regulations 2. Addressing stakeholders concerns 3. <u>Ethical conduct</u>	1. <u>Ethical conduct</u> 2. Transparency in operations 3. Compliance with regulations	1. Addressing stakeholders concerns 2. <u>Ethical conduct</u> 3. Transparency in operations/ Compliance with regulations	1
Last 3: weakest links to SRA	6. <u>Social inequalities correction</u> 7. Stakeholder partnerships 8. <u>Public Relations</u>	6. Stakeholder partnerships 7. <u>Public Relations</u> 8. <u>Social inequalities correction</u>	6. <u>Public Relations</u> 7. <u>Social inequalities correction</u> 8. Stakeholder partnerships	6. Transparency in operations 7. <u>Public Relations</u> 8. <u>Social inequalities correction</u>	6. Addressing stakeholders concerns 7. <u>Public Relations</u> 8. <u>Social inequalities correction</u>	6. Stakeholder partnerships 7. <u>Public Relations</u> 8. <u>Social inequalities correction</u>	2
<p>Note: Available answers (total 8): Addressing stakeholders concerns; Compliance with regulations; Environmental protection; Ethical conduct; Public Relations; Social inequalities correction; Stakeholder partnerships; Transparency in operations. <i>Source:</i> prepared by author according to P. Mazurkiewicz, R. Crown & V. Bartelli (2005). <i>What Does Business Think about Corporate Social Responsibility? Part I (p.xviii) and Part II (p.19).</i></p>							

Top executives in all countries generally perceive CSR as ethical conduct, also in Lithuania. In line environmental protection, addressing stakeholders concerns, transparency in operations and compliance with regulations were activities with strongest relation to CSR. Hereby, the results show that interviewees least CSR associate to social inequalities correction and public relations in all countries. Between the weakest association to CSR stakeholder partnerships were mentioned in Baltic States and Slovakia, whereas transparency in operations (Hungary) and addressing stakeholders concerns (Poland) were mentioned as having weak association with CSR.

Aggregated data shows that Baltic States largely share views on the basic meaning of CSR. Estonian and Lithuanian interviewees link these activities principally to ethical conduct, whereas Latvians believe addressing stakeholders' concerns and protecting the environment are more closely linked to socially responsible activities. The understanding of socially responsible activities varies in Poland, Hungary and Slovakia: Poland links these activities principally to ethical conduct, Slovakia links them to addressing stakeholders concerns almost similar to Hungary, but Hungary mostly links socially responsible activities to complying with regulations.

Secondly, the aggregated research results can help to emphasize the top executives' understanding of CSR promoting and hindering factors. Trying to define the most important CSR promoting factors, top executives' were asked to select the factors, which are stimulating to adopt CSR (see Table 5).

Table 5. Comparison of understanding CSR promoting factors

Country/ Answers	<i>Estonia</i>	<i>Latvia</i>	<i>Lithuania</i>	<i>Hungary</i>	<i>Poland</i>	<i>Slovakia</i>	Shared views
Top 3: most promoting factors	1. Tax incentives 2. Local government empowerment 3. Recognition /Guidelines on EIA	1. Tax incentives 2. Local government empowerment 3. Recognition	1. Tax incentives 2. Local government empowerment 3. Labor law reforms	1. Tax incentives 2. Recognition 3. Local government empowerment	1. Tax incentives 2. Recognition 3. Local government empowerment	1. Tax incentives 2. Local government empowerment 3. Recognition	2
Last 3: least promoting factors	8. <u>Government intervention</u> 9. Subsidized interest rates 10. Dialogue with government	8. Guidelines on EIA 9. Dialogue with CSOs 10. <u>Government intervention</u>	8. Dialogue with CSOs 9. Dialogue with government 10. <u>Government intervention</u>	8. Dialogue with CSOs 9. <u>Government intervention</u> 10. Dialogue with government	8. Dialogue with government/ Guidelines on EIA 9. Subsidized interest rates 10. <u>Government intervention</u>	8. <u>Government intervention</u> 9. Labor law reforms 10. Reporting regulations	1
<p><i>Note:</i> Available answers (total 10): Dialogue with Civil Society Organizations (CSOs); Dialogue with government; Government intervention; Guidelines on Environmental impact assessments (EIA); Labor law reforms; Local government empowerment; Recognition; Reporting regulations; Subsidized interest rates; Tax incentives. Source: prepared by author according to P. Mazurkiewicz, R. Crown & V. Bartelli (2005). <i>What Does Business Think about Corporate Social Responsibility? Part I (p.xxv) and Part II (p.25).</i></p>							

Top executives in all countries put the tax incentives as the most important CSR promoting factor. Hereby, local government empowerment is also seen among top 3 positions. Hereby such factor as recognition was mentioned as very important in all countries except Lithuania, where labor law reforms are seen more necessary in order to promote CSR among business leaders, while Slovakian respondents put it among least promoting factors. An interesting fact could be observed between the most and least CSR promoting factors in terms of government roles. Despite the recognition, that **local government empowerment is essential for CSR development**, general government intervention by business' top executives is mentioned among least CSR promoting factors in all countries. Such position allows making a presumption that local government is seen as more close to socially responsible business roles. The main problem persists in understanding about dialogue with such stakeholders as government and CSOs (while dialogue with stakeholders is core for CSR development), as transitional economies dialogue with government and CSOs sees among least CSR promoting factors. Other least promoting factors in all countries vary: subsidized interest rates (Estonia and Poland), guidelines on EIA (Latvia and Poland), labor law reforms and reporting regulations (Slovakia).

Defining the CSR hindering factors in transitional economies, respondents' opinion vary in terms of most hindering factors (no shared views for all countries), but the least hindering factors mach by two positions (see Table 6).

Table 6. Comparison of understanding CSR hindering factors

<i>Country/Answers</i>	<i>Estonia</i>	<i>Latvia</i>	<i>Lithuania</i>	<i>Hungary</i>	<i>Poland</i>	<i>Slovakia</i>	<i>Shared views</i>
Top 3: most hindering factors	1. <u>Overall cost</u> 2. No link to financial success 3. Focus on short term gains/ No visible results	1. <u>Overall cost</u> 2. No government involvement 3. No appropriate regulation	1. No appropriate regulation 2. <u>Overall cost</u> 3. No link to financial success	1. No appropriate regulation 2. Focus on short term gains/ No visible results/ No appropriate institutions 3. <u>Overall cost</u> / No link to financial success	1. No appropriate regulation 2. <u>Overall cost</u> 3. No link to financial success	1. No appropriate regulation/ <u>Overall cost</u> 2. No link to financial success 3. No government involvement/ No visible results	1
Last 3: least hindering factors	11. <u>Cultural differences</u> / Management resistance 12. Other 13. <u>Employees resistance</u>	11. Management resistance/ Other 12. <u>Employees resistance</u> 13. <u>Cultural differences</u>	11. Management resistance 12. <u>Employees resistance</u> 13. <u>Cultural differences</u>	11. <u>Cultural differences</u> 12. Other 13. <u>Employees resistance</u>	11. <u>Cultural differences</u> 12. Management resistance 13. <u>Employees resistance</u>	11. <u>Employees resistance</u> 12. <u>Cultural differences</u> 13. Other	2
<p>Note: Available answers (total 13): Changeable government policy; Cultural differences; Current government policy; Employees resistance; Focus on short term gains; Management resistance; No appropriate institutions; No appropriate regulation; No government involvement; No link to financial success; No visible results; Overall cost; Other.</p> <p><i>Source: prepared by author according to P. Mazurkiewicz, R. Crown & V. Bartelli (2005). What Does Business Think about Corporate Social Responsibility? Part I (p.xx xxiii) and Part II (p.23).</i></p>							

Top executives relate the main hindering factor to adopt CSR to perceived overall cost. CSR as having no link to financial success (except Latvia) and absent of appropriate regulation (except Estonia) are also among 3 most important barriers to adopt CSR. Other less significant factors include focus on short term gains, absent of visible results, appropriate institutions and government involvement, while cultural differences and the resistance of managers and employees to behaving in a more socially responsible manner are considered as least significant hindering factors in all countries. Management resistance barrier is also among the least CSR hindering factors.

Taken together, the results of the survey and an understanding of the socio-economic context surrounding the respondents create an image of a corporate sector that sees itself as market-oriented and open to competition. It sees its logical role as one that is economic and rational, not essentially social or altruistic. It believes that it is pre-disposed to act in a socially responsible manner, and may already be doing so, but lacking economic incentives to go further, especially clarity and transparency from the Government.

The Baseline study on CSR practices in Lithuania (2007) was the very first so called baseline analysis, focused on general situation of CSR in Lithuania, still, the study was also a part of the regional CSR baseline study in 8 countries: Poland, Hungary, Lithuania, Slovakia, Croatia, Macedonia, Bulgaria and Turkey under the Project “Accelerating CSR practices in the new EU member states and candidate

countries as a vehicle for harmonization, competitiveness, and social cohesion in the EU” implemented by the UNDP Office in Lithuania. The main aim of the study was to assess the level of CSR practices among the companies operating in Lithuania. The report, arranged together by UNDP Lithuania, was conducted in order to:

1. identify the actors and assess their engagement in promoting CSR;
2. identify the level of business engagement in CSR;
3. collect examples of good practices, tools and recommendations for CSR in the region;
4. promote national and local capacity building for implementing CSR.

The research was carried out in February-May 2007 by analysts of Public Policy and Management Institute, Lithuania. The methodology of the research was developed by international expert team of Mr. Mark Line from the United Kingdom and Mr. Robert Braun from Hungary responsible for regional CSR baseline study. The study was unique in the context of Lithuania, as it was a first comprehensive CSR study aimed at providing on not only facts but also deeper analysis. The study examines the level of implementation of CSR practices and provides with the in-depth analysis of factors shaping CSR practices.

The baseline analysis observed that the direct involvement of Governments in promoting CSR across the new EU member states and candidate countries was diverse (Baseline Study on CSR Practices in the New EU Member States and Candidate Countries, 2007). **Different ministries at different governmental levels deal with questions related to CSR, although none is really yet taking a lead CSR role.** In most of the researched countries systematic government incentives and initiatives for social and environmental performance are generally missing.

1.2.4.2 The role of local government in CSR development in Lithuania

There exist several fragmentary empirical studies on CSR development issues in Lithuania (Mazurkiewicz, Crown & Bartelli, 2005; Baseline study on CSR practices in Lithuania, 2007; Gudoniene & Leipuviene, 2007), but most of them cover the Lithuanian CSR development issues superficially, and most of them are in the context of other countries without any particular deeper insight. Besides, these CSR studies examined business sector’s attitudes towards CSR, nevertheless there also exist one empirical study of Lithuanian public sector roles in CSR (Stremikiene and Pusinaite, 2009) which was particularly implemented by questioning respondents from Lithuanian public sector. These empirical investigations bring up some kind of broader understanding about basic CSR development problems in new EU member states as in transitional economies; however there is a lack of deep insight particularly in Lithuanian CSR promotion and implementation problems and possible ways of solving them in order to create a favourable environment for accelerating CSR practices. Depending on the socialist heritage, there is a general perception that social responsibility and welfare is the primary role of government, however, both in the business community and the public at large.

In 2007 one more study called “Analysis of business social initiatives: benefit, costs and impact to business and society” was delivered as an applied scientific study with the key task to overview corporate CSR as a subject and to compare Lithuanian and other countries situation in this field. The researchers confirmed by other authors the earlier discussed fact, that due to the cultural traditions Europe has a favourable atmosphere for CSR subject (Gudoniene & Leipuviene, 2007). Latvia is putted in line with UK as a case of developed tax reliefs for charity and donations; Greece is recognized for strong NGO’s specialising in CSR and exporting worldwide. Authors pay attention to the fact, that UK is a specific country where a Minister on CSR was nominated since the year 2000. The research recognized that initiators of CSR activities in the new EU member states as a rule are foreign investors and foreign capital corporations. While the government’s position towards CSR issues in Lithuania is left for a responsibility of separate department of the Ministry of Social Security and Labour by pointing out CSR development measures in the country and also taking part and reporting to at the EU level. According to the research, about 80 percent of SME’s in Lithuania (almost similarly to Estonia) understand a social role of business in the society, about 50 percent are aware about CSR and nearly 30 percent has implemented any of CSR activity. The authors identified the major hindering factors for further CSR development in Lithuania as the lack of resources, poor information about CSR and how business might benefit from it.

The very first empirical investigation of public sector role in CSR development in Lithuania had been performed in 2007 by Lithuanian scholars D. Streimikiene and R. Pusinaite and their master programme students of Kaunas University of technology. Resources of the EU Structural Funds under project No. 2004/2.5.0-K01-021/SUT-167 were used for this purpose. The research questionnaire was prepared under the main assumptions of The World Bank (2002) baseline study, including the public sector role in promoting CSR and revealing the mandating, facilitating, partnering, and endorsing role of local governments in CSR development in Lithuania, incorporating questions related to the main barriers of CSR development and measures to overcome these barriers (Streimikiene & Pusinaite, 2009). As the research results are very important for the description and further analysis of basic CSR development problems in Lithuania in terms of promoting and hindering factors, further will be explored the meta-analysis of the above mentioned research.

The main aim of the survey conducted in the Lithuanian public sector was to reveal the understanding and awareness of CSR in local public bodies and evaluate their understanding of CSR benefits to business and community, and also to define their opinion about the main hindering factors of CSR development in Lithuania and the possible measures to overcome these barriers (Streimikiene & Pusinaite, 2009).

Researchers had selected the number of respondents according to Panniott’s formula (Kardelis, 1997). As explored in Directory of Lithuanian Enterprises (2007), the total number of local administration bodies in Lithuania was $N = 639$. Therefore, the number of surveyed local administration bodies $n = 91$. The re-

searchers had sent 91 questionnaires in electronic form using the main addresses of municipalities and 64 questionnaires (70.3 percent) were returned with answers. The uncertainty Δ was evaluated based on the same Panniott's formula, replacing n with 64; authors evaluated uncertainty $\Delta = 0.12$ which they detected as sufficient for their survey (Kardelis, 1997).

There were five groups of questions in the questionnaire. The questions were selected to reveal the opinion of respondents on CSR, the benefits of CSR to society, business and to local sustainable development. Respondents were also asked to reveal the role of local government as a mandatory, facilitating, partner and endorsing body in CSR development.

Aiming to elucidate the awareness of CSR ideas by local public bodies, researchers selected the questions so as to reveal the extent of implementation of certain CSR principles in public administration structure. More than 60 percent of respondents were aware of CSR principles and were even able to define the main fields of CSR and to evaluate to which extent these fields of CSR are covered in their workplace. 70 percent of respondents have indicated that improvement of working conditions and safe working environment are the main fields in which the ideas of CSR are reflected in their workplace. Active involvement in community life was mentioned just by 25 percent of respondents. Environmental protection as the main field of CSR at their workplace was identified by almost 30 percent of respondents.

Local bodies play the most active role in partnering with the private sector in Lithuania. However, the experience of public private partnership in Lithuania cannot be treated as successful. The role of public bodies in endorsing, mandating and facilitating of CSR is minor in Lithuania. Quite a large part of respondents didn't have any opinion on this issue, and the rest were convinced that their institution plays a minor role, if any, in this field.

Trying to clarify the opinion of CSR benefits to business and society, results had shown that some of respondents (30 percent) didn't have any information about CSR and were unable to answer. 58 percent of respondents that had information about CSR were convinced that CSR has a positive effect on the competitiveness of a company and provides benefits to all society members. Only a few (12 percent) respondents were convinced that CSR has no positive effect on business competitiveness. 10 percent of respondents were not sure about the positive effect of CSR on all society members and on sustainable development and 20 percent were convinced that CSR has a positive effect on the competitiveness of enterprises under certain specific conditions which include (Streimikiene & Pusinaite, 2009):

- the costs of implementing CSR,
- the income level of the population,
- the public opinion of the population about CSR,
- the quality of products and services provided by socially responsible enterprises,
- the reputation of responsible firm which is related with other issues,
- the ratio of quality of products and prices, etc.

The main barriers of CSR development in the country and the possible means to overcome them were diverse. 60 percent of respondents were convinced that the main barrier for CSR in the country is the lack of information and knowledge, 34 percent believed the main barrier to be the lack of financial resources, and only 6 percent were convinced that the lack of benefits from CSR is the main barrier for CSR development in Lithuania.

The main measures to overcome barriers for CSR development in Lithuania, indicated by respondents, distributed into four categories. 60 percent of respondents were convinced that education, tutorial materials, workshops, etc. are able to help to overcome barriers of CSR development in Lithuania. 30 percent of respondents were convinced that the best measures to enhance CSR development in Lithuania is dissemination of information about CSR benefits. Only 5 percent of respondents believed that detailed recommendations are the best measures, and 5 percent didn't indicate any measures able to help enhancing CSR in Lithuania.

Still, the performed research elucidates the understanding and awareness of CSR in local public bodies in Lithuania. However, there is lack of thorough empirical investigations in state public bodies, in order to have an overall picture of current public sector role in CSR promotion in Lithuania.

Much promising progress of CSR empirical investigation and practical recommendations for overall CSR development in Lithuania will be positively affected with the starting implementation of a regional project "Enhancing Transparency and Credibility of CSR Practices through Establishment of CSR Performance Assessment and Monitoring Systems in New EU Member States", coordinated by UNDP Lithuania. The project will parallel assist Bulgaria, Hungary, Poland, Slovak Republic and Lithuania take better advantage of the private sector by socially responsible business initiatives (UNDP Lithuania, 2010). The project aims help establish more socially responsible businesses, and help countries make strides toward the business environment in old EU member states. The main objective is to develop evidence-based measurement tools that would enable both national Governments and also companies themselves to assess the tangible and intangible benefits of CSR, or investment in an enabling CSR environment at the country level. Thus the project will provide needed tools for socially responsible business practices in the region, as at the moment new EU member states are in a great need of CSR progress measurement and monitoring systems and strategy to validate cases of good CSR practices that are capacitate for competitive business advantages.

International experts were invited with a purpose to develop a country-level CSR performance measurement system for assessing and monitoring CSR excellence. This will include elaboration of a set of performance indicators and training of country representatives on practical implementation of CSR measurement tool. Second focus comes with strengthening the ability of companies to assess their own CSR performance through development of a practical methodology, self-assessment tool and training of staff.

1.3 Corporate social responsibility, strategic management and local governments

Greater expectations of all levels of government, with increased accountability to stakeholders and requirements for increased efficiency and effectiveness in government operations, have also increased the focus on performance measurement (Hood, 1995). Indeed, performance measurement and programme evaluation have been central drivers for a more efficient, effective and accountable public sector (Guthrie and English, 1997).

Therefore, Galan in his review essay „Corporate social responsibility and strategic management“ (2006) CSR names as one of today’s core issues in management. Four recent books are collectively reviewed that address CSR and how it interrelates with, and poses important challenges to the field of strategic management. The books have been written by leading experts in the field, are already making a significant publishing impact and will likely exert considerable influence on both the scientific community and business practitioners.

The strategic management approach towards CSR is an integral element in the organization’s overall strategic management (Mele and Guillen, 2006). This insight becomes highly evident when organization adopts a balanced scorecard (further – BS) approach to their overall strategic management methodology. The other benefit of a strategic management approach to CSR is that, in order for the organization to undertake this approach, it must become better informed on community needs, much in the same manner as it undertakes to be fully informed on the market and competitive conditions for its goods or services. Taking a strategic management approach to CSR requires excellence in the organization’s internal reviews and external environmental scanning to assess all the dimensions of the organization’s social and environmental impact in the community.

As there does not and cannot exist one commonly agreed definition of CSR, the formation of a performance measurement framework for its evaluation and the communication of the results to the stakeholders of any organization become very difficult. Whilst **organizations have generally recognized a responsibility to society** (Boatright 2003), **the implementation of this at a strategic level is much more problematic.**

1.3.1 Profit motive of business and effectiveness in public sector

The profit motive of business is widely recognized as accelerator of CSR implementation. Porter and Kramer (2006) advise strongly that the most effective CSR models start by only considering social issues that are directly relevant to the firm’s business. Further, they seek to find ways to reinforce corporate strategy by advancing social conditions. As a result, what is essential to a strategic approach, is finding a link between business activities and the society in which it operates.

From the view of Guthrie and English (1997) in the private sector objectives are measured essentially in terms of profit, market share and return on equity and

assets, and are mostly reported in financial terms. They constitute the benchmark against which a business is measured. In the public sector, financial reports are also prepared. However, given that the objectives for government programmes frequently are stated in non-financial terms and the nature and complex array of government activities, conventional financial reporting mechanisms may not easily capture performance measurement. Since effectiveness information is crucial for managing these activities, other forms of measurement and reporting are needed.

Without such effectiveness information, programme managers and tax-payers cannot know whether programmes achieve what was intended and what, if anything, has been changed as a result of implementing the programme (Guthrie and English, 1997). Programme evaluation is a means by which information and analysis can be provided to address these issues. Programme evaluation is distinguished from monitoring and the continuous collection of performance information in the sense that it is a periodic examination of programmes.

Government institutions' effective performance could serve as a substitute accelerator for CSR implementation. However another aspect is equally important, as the "value for money" has become an emerging aspect of local government management in times of global financial and economic crisis. The "value of money" is one of the factors that have stimulated the spread of performance measurement systems in local governments (Palmer, 1993). Local government has traditionally been concerned with measuring the delivery of primary objectives, or results, at the expense of secondary objectives, or the determinants of organizational performance.

Multi-dimensional performance measurement systems are particularly relevant to public sector organizations mainly because performance of these organizations cannot be adequately measured using conventional measures of performance (Guthrie and English, 1997; Pallot, 2001; Walker, 2002). While measures of economy and efficiency present no particular conceptual difficulty, and can be measured in financial terms such as costs and productivity (Kloot, 1999), effectiveness can be assessed only in relation to the specific objectives of organizations (Ghobadian and Ashworth, 1994). For example, local councils typically perform a wide range of community, cultural and recreational services and, to ensure achievement of objectives in these areas, systems that incorporate multidimensional performance indicators such as cost, quality, customer and employee satisfaction and innovative practices seem necessary (Perera et al., 2007). Therefore, only multidimensional systems can effectively measure performance of service oriented organizations, such as local councils, as they perform many functions including the provision of community services and facilities, public health services, cultural, educational, information services, etc.

Current strategic management literature suggests that there should be a strong linkage between strategic plans and performance measures. Kaplan and Norton's (1992) BS and Fitzgerald et al.'s (1991) results and determinants framework can provide this linkage. The BS methodology is founded on the ground of open line of communication among management and stakeholders.

It has been argued that a more sophisticated approach is required by managers of local governments in Australia to deal with the dual pressures of escalating demands on resources and diminishing financial capacity in their organizations (Byrnes and Dollery, 2002). Within this environment, where multiple objectives with varying attributes, such as financial and non-financial, long-term and short-term, and internal and external focus, are emphasized, the use of the BS (BSC) as a potential performance measurement system for local councils is seen as an effort at reform to overcome the deficiencies often attributed to more traditional performance measurement systems that are largely financial based.

1.3.2 CSR, GRI and Balanced Scorecard: an integrated approach

Panayiotou et al. (2009, p.130) propose a simple definition: **corporate social responsibility is the necessity and the duty of an entity to behave responsibly, ethically and sustainably and to be transparently accountable to its stakeholders.** As many times stated through literature review, the most important obligation of CSR is that all types of **organizations are committed to fulfilling expectations and moral obligations at the society.** It means that right conduct takes into account the welfare of the larger society (Papasolomou-Doukakis et al. 2005); therefore, any the particular entity could not be seen and evaluated on its own performance.

Executives are increasingly aware that they are expected to offer some sort of benefit to the wider world (Panayiotou et al., 2009). However, for many companies, core business and CSR are an awkward pairing. If their product base or services do not overlap with any pressing environmental or societal concerns, they feel that **CSR is an “extra-curricular” activity that has to be taken part in merely to appease public relations (PR).** CSR thus becomes costly and, as Fojt (2008) observes, distracting and furthermore offers little real benefit to the company.

There exists evidence that the management of companies believe that CSR can be connected with the achievement of improved financial results (Aravossis et al. 2006). A global chief executive officer (CEO) survey undertaken by Pricewaterhouse Coopers⁶ /World Economic Forum found that 70% of chief executives globally agree CSR being vital to profitability. In Western Europe, 58% of large companies⁷ report that a mix of both financial and non-financial performance measures (such as these related to social and environmental factors) are of high interest, compared with 60% in the USA (PriceWaterhouseCoopers Management Barometer, 2002). It is understandable that corporate social responsibility will be really adopted by a company as far as this is in line with its business.

⁶ Lithuanian Responsible Business Award Winner Company

1.3.2.1 Balanced Scorecard systems

In an attempt to complement financial measures with non-financial ones, some firms have introduced BS systems (Kaplan and Norton 1992). The BS methodology suggested by Kaplan and Norton is a management tool helping an organization define its strategic objectives and set specific targets for them. It was developed in order to cover the inability of the financial indicators to describe the strategic priorities of an organization. BS translates the vision, mission and strategy of the organization into specific objectives classified into four important views: financial, customer, process and growth. The impact of the BS approach in the organizations is proved by surveys such as that of Business Intelligence in the USA (Business Intelligence Survey 1998) reporting that 54% of a sample of 221 organizations uses it as its main strategic management tool.

The omission of a society view as well as the loose cause and effect connection between performance measures seem to be some limitations of the BS approach as far as corporate social responsibility is concerned. It is a fact that **social aspects are often seen by practitioners as ‘soft’, therefore being difficult to quantify** (Epstein and Wisner 2001).

However, it is also true that **BS already displays a number of social intangible assets**, which are demonstrated in numerous case studies that directly contribute to the financial bottom line. Inclusion of value drivers such as the customer perspective, learning and growth, internal business processes and even financial performance (satisfaction of shareholders and management), already suggest a social agenda and imply why the BS was named ‘Balanced’ in the first place. These socially related dimensions were already assigned an important role before any discussions of sustainability made it on the agenda. In an attempt to highlight the social view of the BS, Epstein (1999) and Epstein and Wisner (2001) suggest the addition of more social indicators into the existing structure of the BS. However, they do not articulate a framework on how and why these are allocated nor what types of firms should account for the different social indicators. Even Kaplan and Norton (1996) encourage companies to add other perspectives, such as social perspective, if this proves relevant and important to them. However, no substantive criteria are given to indicate that an organization should follow in the case that managers are supposed to increase the number of perspectives.

The development of the various quality and excellence frameworks has resulted in the inclusion of measures relating to corporate and social responsibility alongside their more traditional measures relating to organizational practice and performance. For example, corporate social responsibility and environmental responsibility appear as core values and concepts in Baldrige (NIST 2002) or as a fundamental concept in European Foundation for Quality Management (EFQM 1999). These issues are assessed as results criteria under the context of “stakeholders and society” and are driven from the models’ enabling Total Quality Management drivers in common with other operating and key performance criteria. Within the European Quality Award, there is a section looking at “Impact on society”, which considers two aspects of this process, a community’s perception at how

the organization meets its expectations and how the organization impacts upon the society in which it is located (EFQM 1999). This impact on society is measured from the perspective of performance, not the role of any explicit or implicit enablers that support this process.

Atkinson et al. (1997) emphasize the importance of linking performance measures to the objectives of organizations and argue that such linkage enables greater accountability by public sector organizations to stakeholders. Despite these positive attributes of the BSC, it has been criticized for its practical difficulties. According to some critics, non-financial measures of the BSC are difficult to establish and it takes a great amount of time and resources to keep the BSC updated and effective (Gautreau and Kleiner, 2001). Epstein and Manzoni (1997) also express their concern about the level of capability of organizations to construct a BS and the difficulty of maintaining such a system.

1.3.2.2 Global Reporting Initiative

The Global Reporting Initiative (further – GRI) is a relatively new voluntary quality-driven initiative, multi-stakeholder in structure, emphasizing on corporate social responsibility issues. Started in 1997, the GRI was a project of Coalition for Environmental Responsible Economics and the United Nations Environment Programme (UNEP). The GRI became independent in 2002, is an official collaborating centre of UNEP, and works in cooperation with UN Secretary-General Kofi Annan's Global Compact. It is a 'practical expression' of the Global Compact, and those businesses that wish to report on their CSR performance can use the GRI Guidelines as a template. The reporting framework covers Vision and Strategy, Profile, and Governance Structure and Management Systems, plus the 'three pillars' of sustainability: Economic, Environmental and Social. The GRI recognizes that not all its indicators are relevant to all businesses - and also that businesses embracing CSR have begun a journey. Incremental reporting against the Guidelines is the expected progression.

The growth in support for the objectives of the GRI has been wide-ranging. Apart from around 500 organizations across 45 countries which currently use the GRI in whole or in part as a basis for developing their own corporate sustainability reports, the **GRI has received a widespread support as a tool that has the potential to provide the transparency and accountability increasingly being demanded of multinational companies by their stakeholders at governmental and institutional levels** (Brown 2005). The second, expanded version of the GRI reporting guidelines (GRI 2002) represents an important step forward sustainability reporting, containing an improved set of environmental indicators alongside much-expanded sets of social and economic performance indicators; however, it does not provide solutions on how CSR can be incorporated in the organizational strategy.

1.3.3 Integrated CSR and performance measurement framework

Drawing on the research conducted, while both **researchers and organizations have generally recognized the need for responsibility to society, the implementation of this at a strategic level is still problematic**. However, experts from GreenBiz.com have observed: “One of the fundamental opportunities for the CSR movement is how to effectively align consumer and employee values with strategy to generate long-term benefits - a better understanding of precisely with whom, what, when, where, how and why an enterprise makes a profit or surplus. CSR requires more holistic strategic thinking and a wider stakeholder perspective. Because the Balanced Scorecard is a recognized and established management tool, it is well positioned to support a knowledge-building effort to help organizations make their CSR values and visions a reality. The Balanced Scorecard enables individuals to make daily decisions based upon values and metrics that can be designed to support these long-term cognizant benefits.” (Crawford and Scaletta, 2005).

Panayiotou et al. (2009, p.130) suggests a framework for incorporating CSR strategy through the combined use of BS and GRI performance indicators.

The methodological framework proposed by Panayiotou et al. (2009) is based on the combined use of the BS Method and the GRI performance indicators repository in order to **incorporate social responsibility into organizational strategy, define CSR measures of strategic importance and measure and control the results**.

There are many reasons justifying the adoption of BS (represented in Appendix 2) in the definition of an organization’s strategy, connected with environmental and social issues. The most important of them are the following (Panayiotou et al., 2009):

- CSR has no meaning of existence if it has not been integrated with the corporate strategy. The BS is one of the most acceptable strategic frameworks by companies and governments worldwide.
- The BS approach places weight on the existence of qualitative performance measures such as those measures connected with environmental and social issues, as far as these are perceived to be of strategic importance.
- By putting pressure on the management of the organization for a commonly acceptable definition of organizational strategy, there is the opportunity for CSR to communicate and explain the importance of CSR to everyone.

Although the BS approach is capable of including performance indicators concerning society, it does not provide a suggested repository, leaving this task to the companies themselves. It is a fact that at the moment, GRI is the most frequently used framework by companies for the description and measurement of their corporate social responsibility initiatives, something that is proved by CSR reports published by companies all over the world⁷. Existing directives and guidelines of GRI

⁷ see, for example, the cases of Greece (Panayiotou et al. 2008) and the Netherlands (Castka et al. 2004)

offer a plethora of performance indicators⁸. Although GRI offers a good repository of performance indicators concerning social responsibility, it does not connect these indicators with strategy, nor does it explain how social responsibility behaviour can be connected with the increase of the value of an organization. The incorporation of the GRI indicators in the BS method combines the advantages of both approaches.

An important issue in the proposed approach concerns the architecture of the BS system incorporating CSR. The most popular approaches available are presented in a structured way in a paper of Figge et al. (2001):

- The first alternative is the addition of a non-market perspective where issues that are not easy to include in the traditional perspectives are gathered. This approach is relevant with the proposition of some authors for the addition of other stakeholders' perspectives (Radcliffe 1999; Johnson 1998).
- A second alternative is an **Environmental/Social BS that would manage the coordination of all these issues throughout the organization.**
- The third alternative is the inclusion of social issues in the four existing views of the corporate BS.

Taking into account that CSR issues concern the organization as a whole and cannot be separated from other strategic issues, the second alternative was dismissed. In order to decide on the most appropriate architecture suggested by the two remaining alternatives, a test was carried out. All the proposed performance indicators by GRI were classified using the existing BS views. In case this classification was possible, then the formulation of a new BS view would not be necessary. Otherwise, the definition of a new view should be seriously taken into account, and the appropriate classification of the CSR performance measures that would be common with performance indicators of existing views should be managed.

Table 7. Incorporation of GRI performance measures in the BSC Views

		<i>BSC Financial View</i>	<i>BSC Customers & External Stakeholders View</i>	<i>BSC Internal Process View</i>	<i>BSC Learning & Growth View</i>
GRI Financial Performance		✓			
GRI Environmental Performance		✓	✓	✓	
GRI Social Performance	<i>Work Practices</i>	✓		✓	✓
	<i>Human Rights</i>	✓	✓		✓
	<i>Society</i>	✓	✓		✓

Source: Panayiotou et al., 2009, p.134

⁸ for example, the GRI reporting guidelines issued in 2002 (GRI 2002), grouped in the three categories of financial performance, environment and society

The process of classification of the GRI performance indicators using the BS view was successful in all indicators. The matrix of Table 5 depicts the correlation of performance indicators of the three pillars of the GRI (represented as rows) to the four views of the BS (represented as columns).

The successful incorporation of the CSR performance indicators provided by the GRI in the BS views, concluded in a revised version of BS for the public sector, is depicted in Appendix 2.

Based on the strategic orientation of the organization, a balanced mix of selected CSR performance indicators is selected in the same way that strategic performance indicators are selected in the four views of the BS. The concept of cause and effect relationship of the BS, although abstract, facilitates corporate social and environmental action.

The strategy formulation with the help of the BS approach including CSR performance measures consists of three distinct stages (see Figure 5): CSR Analysis, Execution and Performance Evaluation.

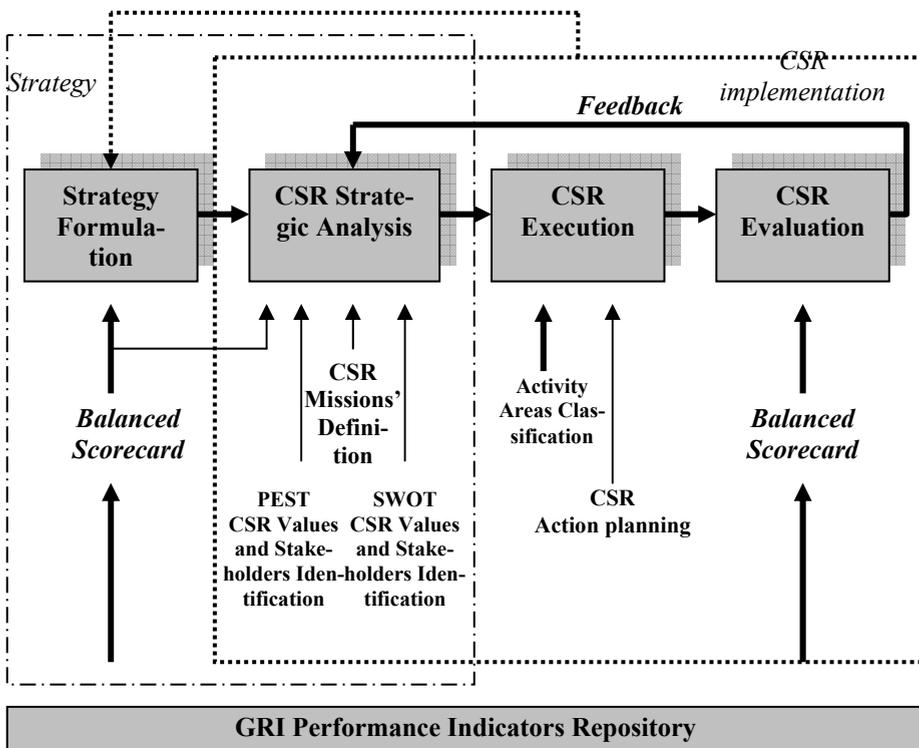


Figure 5. Proposed CSR methodological framework according to Panayiotou et al.
Source: adapted by author according to Panayiotou et al., 2009, p.134-135

The suggested framework permits the development of corporate CSR programmes adapted to the unique characteristics of each sector and company, emphasizing on different stages according to organizational activities, missions and the resources that can be utilized.

The analysis and definition of the factors that affect the strategic orientation of the organization concerning CSR is in fact an inseparable part of the formation of the corporate strategy. The analysis must assess the external and internal environments of the organization via the appropriate management methodologies. Political, Economical, Social and Technological (PEST) analysis examines factors that can affect the organization directly or indirectly. The environmental assessment enables a consequent Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis, which combines the external assessment with an internal one. The organization analyses the internal strengths and weaknesses it possesses, and taking into account the external environment, it defines the opportunities and threats which it can recognize. The aim of the organization must be to transform strengths into opportunities and neutralize weaknesses in order to avoid future threats. Taking into account both the internal and external strategic analysis, **the organization must define specific CSR targets and related performance measures** in the four views of the BS. The incorporated GRI repository can assist the process of performance measures selection. The targets must be formulated in such a way that they can be measured, but they can be either quantitative (e.g. a specific level of energy consumption) or qualitative (e.g. a specific level of customer satisfaction). The targets must be coherent with the existing organizational culture and the predefined corporate vision and must be the result of contribution of different organizational departments. **The cooperation of the top management with the employees encourages CSR initiatives and creativity.**

After the assessment of corporate practices, new specific action plans must be defined. The selection of alternative courses of actions depends on the strategic priorities and the particular characteristics of the market in which the organization operates. It is a usual case that an organization must adopt different CSR approaches in different target communities.

The implementation stage includes the social actions that have been decided to be undertaken by the organization. This stage executes specific CSR plans in order to fulfill the targets set in the first stage of the proposed methodology.

Specific CSR plans and practices are formulated and executed for different CSR areas. From the organizational point of view, a CSR Committee should be set up that would be responsible for coordinating of CSR actions of the corporation's different organizational units. Detailed instructions can be provided to the involved employees through specific action plans.

The third stage concerns the evaluation of corporate social responsibility issues based on the combined BS and GRI approach. This evaluation aims at the measurement of the objectives achievement and the investigation of suitability of the policies deployed. The evaluation process is very difficult by nature because it is mostly based on qualitative attributes, which can difficultly be translated in measurable results.

The feedback provided by the evaluation process will permit the adjustment of the CSR strategy and any type organization's strategy in general.

1.3.4 Balanced approach to CSR integrated strategic performance management in local governments

The BS from its launch was promoted as a concept that addresses the performance measurement and later on strategic management needs of the private organizations. However, few years later, the BS concept started to be adopted on a largely bases also by different organizational and governmental bodies in the public sector (Kaplan and Norton, 2001). And for today local government bodies, organizations that serve the interests on governmental authorities and federal authorities, successfully adopt the BS⁹.

The need for BS adoption in the public sector has arrived from both theoretical and practical implications. The push for performance information can be traced back to the Royal Commission on Australian Government Administration (also known as the Coombs review) inquiry and report (RCAGA, 1976) which called for government administration to adapt significantly "to deal responsibly, effectively and efficiently with the tasks that confront it". Issues of efficiency, effectiveness and performance of public administration were once again raised in the 1983 Reid Review of Commonwealth Administration and confirmed to be of critical importance to the Australian public by the 1983-84 study of Australian Public Service Board and Finance, which resulted in the 1984 introduction of the Financial Management Improvement Programme.

According to Kloot and Martin (2000), the drive for reform in the public sector has traditionally focused attention solely on the measurement of performance. However, the research performed on several local governmental bodies in the state of Victoria, Australia shows several inconsistencies between the traditional approaches to performance, adopted by the public bodies, versus a desired strategic oriented performance approach that resembles that of a BS methodology.

Kloot and Martin (2000) argue that the traditional approach to performance in the public sector does not offer a strong linkage between strategic objectives and performance measurement (see table 8). Additionally, researchers found that the local governments pay much less attention on the means for achieving long term improvement in relation with internal operations, innovations and learning activities. A similar view was outlined also by Kaplan and Norton (2001) who argue that traditionally, public organizations encountered difficulties when defining clearly their strategy. Accordingly, most of the times, **public organizations strategic plans consists of a list of programs and initiatives articulated on the organizational mission and vision, but no outcome that the organizations are trying to achieve, are defined.**

⁹ Among the most renowned adopters of the BSC is the City of Charlotte, North Carolina, US; the City of Brisbane, Australia, US Department of Defense, US Department of Transportation or Centrelink Australia (Gueorguiev et al, 2005; Kaplan and Norton, 2001)

Table 8. Comparison of Traditional Strategic-oriented and Performance-oriented approaches

Traditional Approach	Performance – Oriented Approach
Top-down State Government and councilor imposed, control oriented performance measurement	Strategic collaborative development of a performance management system involving all stakeholders
Imposition of universal, industry-wide measures with less validity for specific councils	In-house development of valid, council specific measures to be used for organizational improvement and benchmarking with like councils
Periodic reporting for the purpose of meeting control requirements of senior management, councilors and State Government	Real-time, up-to-date performance information for all stakeholders to monitor progress, demonstrate accountability and manage outcomes
Piecemeal, myopic approach with a focus on the measurement process	Integrated performance management system across the organization focused on value for money service delivery and organizational improvement.
Focus on financial measures only	Focus on financial and non financial measures: a results and determinants approach

Source: composed by author according to Kloot and Martin (2000)

Rohm (2001) in one of the presentations for the U.S Foundation for Performance Measurement outlines several reasons for which the BS should be adopted in the public sector. Some of the ideas resemble and strengthen the previously exposed arguments. Accordingly, in the view of Rohm (2001), BS should be introduced in the public sector in order to:

- provide alignment between mission, strategy, processes and personal performance;
- align local government priorities to the state and federal priorities;
- demonstrate the value of programs to citizens;
- develop meaningful performance measure in order to determine the outcomes of the programs;
 - link mission and vision to budget request;
 - determine resources allocated and contract cost for each initiative;
 - increase interagency coordination in order to eliminate waste and duplication.

BS framework for public sector relates to the specific of their activity, as many public organizations had difficulties with the original architecture of the BS which places the financial perspectives at the forefront, followed by the Customer, Internal Process and Innovation & Learning dimensions (Kaplan and Norton, 2001). This is due to the fact that achieving financial success is not the primary objective for these organizations. Instead, the **citizens or contributors perspective is much more important and represent the primary focus**. This being the case, the

scorecard perspectives can be adapted, in a structure that best fits the strategic interests of public organizations and stakeholders' CSR values.

Therefore, the BS framework for the public sector switches between the Financial and Customer Dimensions positions. Additionally, Kaplan and Norton (2001), proposes the identification of several primary strategic themes that drives the organizations' actions which can be placed at the very fore front of the scorecard.

While public expectations of local government services continue to rise, the drive for efficiency savings and value for money becomes a major focus and public satisfaction remains low in many areas, authorities are keen to review and improve the way they manage and deliver public services (Išoraite, 2007). The range of services provided by local authorities is large and as diverse as education services to removing abandoned cars, monitoring air quality and the provision of cemeteries. Management and improvement of performance across this range of services requires a structured and strategic approach. Before selecting a particular performance management model, improvement tool or approach, authorities need to be certain about what they are trying to achieve and why. This involves asking a series of questions, including:

- What are you aiming to change and improve?
- What outcome are you looking for?
- Does the improvement need to be holistic covering all the organisations activities or designed for a specific task, service or area of activity?
- What is the key driver for change i. e. inspection or review, change of staff etc?
- What is the timescale for the change?
- What resources are available?
- To what extent do you want to involve staff in the changes?

Kaplan and Norton (2001) noticed that financial measures being used to gauge performance in many organisations were not necessarily related to achieving strategic objectives. The scorecard sought to remedy this by providing a more balanced suite of performance measures across a number of key perspectives. Typically these look at customers, finances, internal processes and organisational learning. However, they can be adapted depending on what factors are considered important for the success of the particular organisation.

Program budgeting is a part of the overall strategic planning process that focuses on all the costs and benefits (Finkler and McHugh, 2008). Through the program budgeting and strategic planning process, each organization is required to assess its current goals and services by developing information that addresses almost similar questions as BS. Therefore, through program budgeting, BS and strategic planning the creation of budget process fulfill the following core requirements:

- increases transparency;
- ensures accountability;
- promotes proactive management;
- focuses on performance.

Accordingly, CSR integrated BS serve to implement CSR oriented strategic planning. Thus government leaders, elected officials, and citizens can more easily understand organization's goals and strategies, measure program results, evaluate past resource decisions, and make well-informed resource decisions for the future.

Usually local government performance plans reflect community focus with the strategic imperative being related to satisfying community needs, what is the core value of CSR. Community and customer relations are areas which are generally handled by local government - a common trend could be found across public sector services (Ballantine et al., 1998). Community satisfaction is another area over which the Administration of Local Government (ALG) can mandate performance measurement. The above mentioned research performed by Kloot and Martin (2000) in State of Victoria (Australia) local government highlights the effectiveness of Community Satisfaction Measurement Program. This program surveys community perceptions of overall leadership, image, customer service and service delivery performance by each council, therefore reinforcing accountability to the state government.

Kloot and Martin (2000) states that Councils need to manage how communities perceive their performance in two ways:

1. First, they need to manage how the *general community* views their performance.
2. Second, they need to manage how those who use specific council services as *customers* view the council's performance.

Formal performance measurement is evident as councils undertake extensive market research to gauge community perceptions of their performance across both these dimensions. Surveys and focus groups are conducted by independent market research organizations on an annual basis. Other market research may be conducted by in-house groups much more frequently, for example monthly client surveys to judge the quality of services provision.

To integrate performance outcomes with strategy and ensure secondary objective outcomes are consistent with primary objectives (Atkinson et al., 1997). The extensive community consultation and collaboration exists in all councils, still, it could be implemented more effectively. Consultation is directed at fulfilling community needs to achieve effectiveness of outcomes (Palmer, 1993).

To incorporate community views in developing broad policies and strategies councils are increasing the direct participation of the public in the design, delivery and assessment of public services. Participation develops a commitment to the long-term improvement of council services (Pollitt, 1993).

Foreign examples are found in developing strategic and corporate plans, transport policies, economic development plans, health plans and environment plans (Kloot and Martin, 2000). Consultation can take the form of public meetings, public membership of advisory committees, community workshops, special-purpose forums and public questioning and comments during specified attendance times at council meetings.

Kloot and Martin (2000) observe that strong efforts are made by councils to educate and inform their communities. Managers believe that community knowl-

edge leads to more accountability (Atkinson and McCrindell, 1997), and it also leads to a community whose perceptions are closer to the reality of services driven by limited resources. Heavy emphasis is placed on preparing press releases (up to 8 per week), articles and a regular page or column for local newspapers, quarterly newsletters to all households and businesses and annual community directories. Pamphlets and information bulletins on specific areas and services are available from councils. Councils may advertise on local radio stations. In recognition of technology changes most of the councils are developing a home page on the internet. In inner-city councils, disseminating information to those of non-English speaking background is problematic, when over 70 languages may be spoken in the local community. Despite these efforts managers and councilors believe that many in the community are ill-informed “if we are doing good things we have to struggle to inform the community of what we are doing”.

The second focus of performance measurement is satisfaction of those customers who use council services (Kloot and Martin, 2000). Business units undertake customer satisfaction surveys on a regular basis, often monthly, as they are part of service quality specifications under Compulsory Competitive Tendering (CCT)¹⁰. Both external contractors and internal providers were very supportive of the need to ensure they maintain good customer relations at all times. For example, a road building contractor (external) explained how he letterboxed all residents a week before disruption began in their streets. He detailed the work, the time it would take, and gave a phone numbers for queries. During construction, he visited a number of residents to gauge their reactions to the work.

In the State of Victoria local government Councils are developing or have developed customer service charters to specify what ratepayers can expect of their day-to-day performance across a wide range of dimensions, for example how quickly the phone is answered or how long it takes to respond to a building permit application. These charters provide standards against which providers' performance is measured. It is also suggested that charters should be designed to allow for consistent improvement in service delivery (Kloot and Martin, 2000). Customer perceptions are a key input into the service charters.

1.4 Corporate social responsibility and entrepreneurship

Intersection between business and society is coming under closer scrutiny given the increasingly sophisticated understanding of ethical issues and changing values and norms of customers and other stakeholders. This has led to greater expectations of businesses to demonstrate higher ethical standards and make significant contributions to a sustainable future (Ratten & Babiak, 2010). However organizations engage in a delicate balancing act with respect to CSR.

A decade has already passed since the Lisbon Council made its appeal to companies' sense of social responsibility in March 2000 and much progress has been

¹⁰ In the State of Victoria local government (Australia) 50percent of all local government costs (including depreciation) must be subjected to open tender (Kloot and Martin, 2000).

made on CSR endorsement in old EU member states. However inculcation of CSR means and values into the new EU member states is a more complicated, but not impracticable process. That is that not only businesses in new EU member states should meet the CSR challenges, but also other stakeholders, including government and society should realize its inevitability. Thus governments appear as a critical driver of relevant initiatives: they may act in several ways and opt for or combine different tools in order to promote corporate social responsibility. But in order to make some positive change in creating friendly environment for CSR encouragement and socially responsible entrepreneurship development, at first government authorities in all governance levels should be aware of and should perceive the core CSR issues. These is the circumstances were the *civic entrepreneurship* emerge. Accepting that a legitimate case for CSR can be made, the question becomes what the domain and scope of CSR is and how it relates entrepreneurship.

Most of entrepreneurship researchers agree that corporate entrepreneurship research development are most likely to be related to observed weaknesses of the traditional methods of corporate management that lead companies onto a bureaucratic or administrative pathway, often ignoring the need for change and smouldering innovative initiatives. That is why traditional corporate management methods, such as strict hierarchy, short term focus, premeditation with cost minimization and cutting slack, narrowly defined jobs, etc., tend to be destructive as disappointed entrepreneurial-minded employees and executives tend to leave a company managed by strict bureaucratic rules and regulations (Baran & Velickaite, 2008).

Accepting that a legitimate case for CSR can be made, the question becomes how CSR relates corporate social entrepreneurship (CSE) and then what is the difference between CSE and socially responsible entrepreneurship (SRE) and civic entrepreneurship.

Entrepreneurship research has been paid by great attention during the past decades, concerning ownership of firms (Cuevas 1994), management of small businesses (Scott and Rosa, 1997), innovativeness (Hitt et al., 2002), networking (Larson and Starr 1993), organizing (Johannisson 1988), making the ideas work even though the needed resources are not under control (Stevenson and Jarillo 1990), all new businesses (Acs & Audretsch, 2003), etc. Lately entrepreneurship research seems to focus on two basic dimensions: individual or trait approach and process or behavioural approach, mostly concluding on the outcome – new value creation that fuels economic growth (Maes, 2003; Baran & Velickaite, 2008).

Organisational entrepreneurship can be divided into corporate and civic entrepreneurship (Kirby, 2003). Top management teams are a focus for corporate entrepreneurship (Floyd and Woolridge, 1999). However, this level of analysis is under-researched, in organisational entrepreneurship and, in particular, civic entrepreneurship. ***Civic entrepreneurship has been identified as the means by which public administration is recognised for being entrepreneurial and innovative*** (Drucker, 1985; Kirby, 2003). Its emergence in Australian local government top management teams was a key objective of the 1993 nationwide legislation.

Ratten and Babiak (2010) describe ***social entrepreneurs*** as enterprising individuals who apply business practices to solve societal problems by increasing us-

age of entrepreneurial principles to organize, create, and manage a venture in order to make social change. Thus the primary objective of social entrepreneurship is focused to make beneficial social and environmental impacts. Authors argues that social responsibility, philanthropy and entrepreneurship offer direction to business leaders who want to increase their companies' social and economic performance. To this extent Ratten and Babiak (2010) in their attitude towards CSE highlight two of Carroll's CSR parts, e.g. discretionary (e.g. philanthropy) and economic responsibilities (e.g. economic performance), being in relation towards social entrepreneurship.

To explore and compare interaction between entrepreneurial organization and the environment with ordinary one, entrepreneurial organization and ordinary organization are explored in parallel with its components (see Figure 6). This way relation between entrepreneurship, values and the outcomes with perceived social rewards becomes evident.

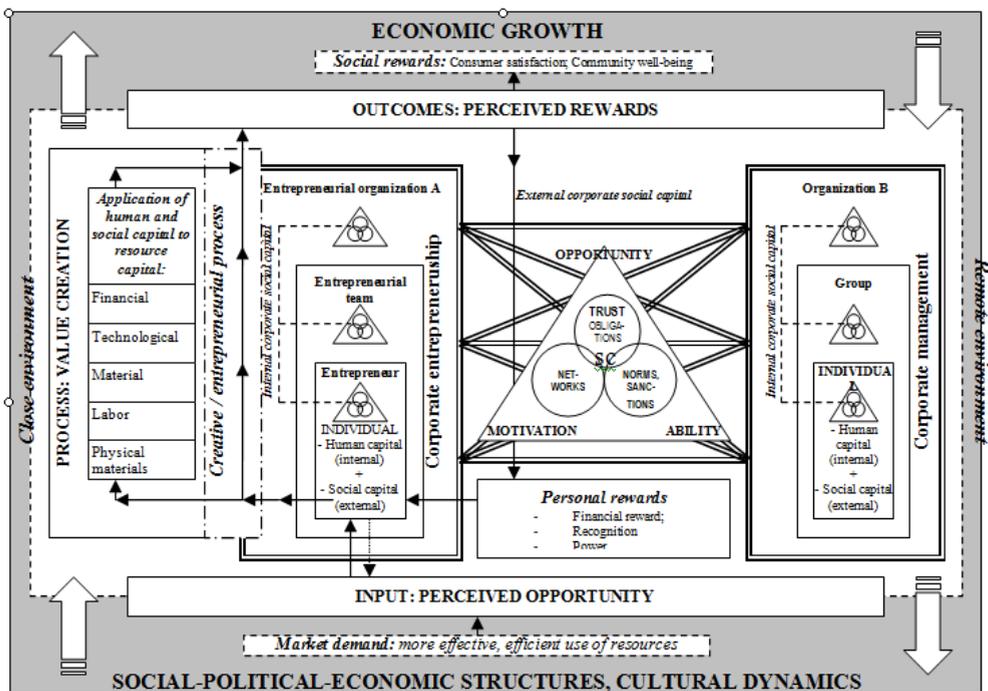


Figure 6. The relation between entrepreneurship and social rewards
Source: created by author

Accordingly, proposed theoretical entrepreneurship framework basically focuses on six components:

- entrepreneur (individual);
- entrepreneurial team (group);

- organization;
- creative/entrepreneurial process (value creation);
- close environment;
- remote environment.

Some authors states (e.g., Wolcott & Lippitz, 2007), that the connection between CSR, philanthropy and entrepreneurship has tremendous potential for exploration. Increasingly social entrepreneurs (e.g. enterprising individuals who apply business practices to solving societal problems) are using their entrepreneurial principles to organize, create, and manage a venture to make social change. The primary objective of social entrepreneurship is to make beneficial social and environmental impacts. Authors argues that social responsibility, philanthropy and entrepreneurship offer direction to business leaders who want to increase their companies' social and economic performance.

The above mentioned Milton Friedman's famous understanding of CSR in 1970s sounded as there is the only social responsibility of firms (and entrepreneurs) to maximize profits and stay in market as long as you follow the rules and fair competition. While David P. Baron (2007) argues that this argument for the economic environment envisioned by Friedman in which citizens can personally give to social causes and can invest in profit-maximizing firms and firms that give a portion of their profits to social causes. Citizens obtain social satisfaction from corporate social giving, but corporate giving may not be a perfect substitute for personal giving. He presents a theory of CSR showing that CSR is costly when it is an imperfect substitute. David P. Baron argues that when investors anticipate the CSR, shareholders do not bear its cost. Instead, the entrepreneurs who form the CSR firms bear the cost, while shareholders bear the cost of CSR only when it is a surprise, and it is to such surprises that Friedman objects. That is that a social entrepreneur is willing to form a CSR firm at a financial loss because either doing so expands the opportunity sets of citizens in consumption-social giving space or there is an entrepreneurial warm glow from forming the firm. Firms can also undertake strategic CSR activities that increase profits, and a social entrepreneur carries strategic CSR beyond profit maximization and market value maximization.

Hereby the other intersection between CSR and corporate social entrepreneurship could be observed as corporate governance involves compliance with regulation and ethical norms, and forms a basic condition for CSR activities, including friendly environment for social entrepreneurship. At the other extreme, global corporate citizenships is what companies do to solve global problems. That is why one of the most important strategic goals of the European Union is to deliver stronger, lasting growth with more and better jobs, fulfilling at the same time broader social and environmental ambitions that lead to sustainable development. These goals overwhelm the new partnership for growth and jobs and stress the importance of promoting a more entrepreneurial and socially responsible culture by creating a supportive environment for all organizations and citizens.

Considering the broad field of corporate engagement within society in a more holistic way, Schwab (2008), the executive chair of the World Economic Forum states, that nevertheless CSR incorporates a host of concepts and practices, includ-

ing the necessity for adequate corporate governance structures, the implementation of workplace safety standards, the adoption of environmentally sustainable procedures, philanthropy, etc., it is conditionally possible to distinguish CSR from corporate philanthropy or corporate social entrepreneurship, which are independent and free standing activities, in the sense that they can be pursued without any substantive change in existing business strategies or business models (see Figure 7).

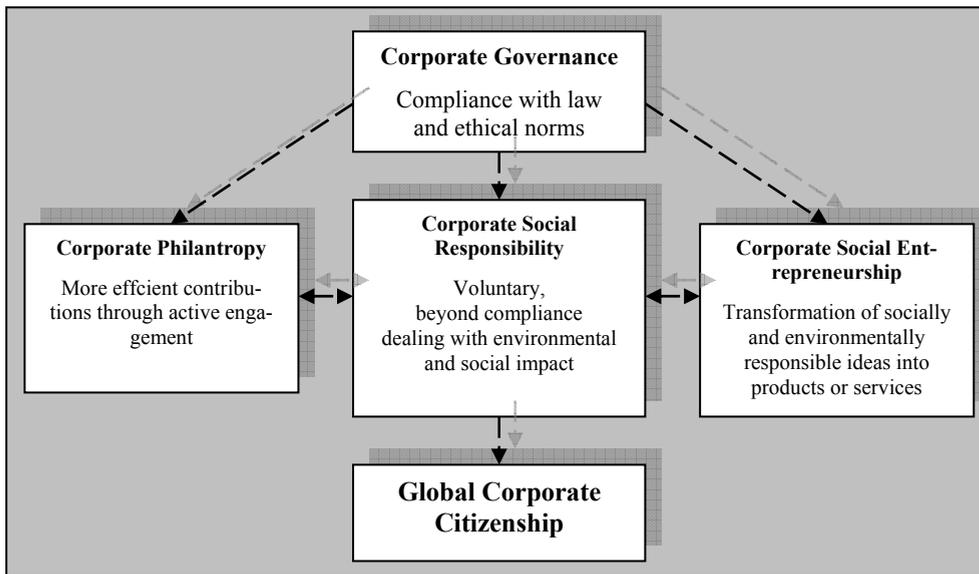


Figure 7. The model of basic concepts of corporate engagement in society
Source: adapted by author according to Schwab (2008).

K.Schwab states, that there exists five core concepts, e.g. corporate governance, corporate philanthropy, corporate social responsibility, corporate social entrepreneurship, global corporate citizenship, - and these concepts define the different types of business engagement. He comes to a similar discussion as scholars do, that corporate governance is more than the way in which a company is run, as it also overwhelms company's compliance with local and international laws, transparency and accountability requirements, ethical norms, environmental and social codes of conduct.

Consequently everything starts from compliance with laws and ethical *corporate governance*. In past, *corporate philanthropy* was the preferred way for corporations to give back to society, but today, companies can make more efficient contributions through active engagement. And that is why K.Schwab defines *corporate social entrepreneurship* as the transformation of socially and environmentally responsible ideas into products or services. Every of these issues go through the *corporate social responsibility*, and the outcome is *global corporate citizenship* which must be recognized in expressing the conviction as companies not only must be

engaged with their stakeholders but are themselves stakeholders alongside governments and civil society.

Schwab (2008) observes that the last decade has seen many individuals come up with innovative ideas to address the specific social and environmental needs of the communities in which they are living. He gives an example of the role model of these social entrepreneurs, e.g. Muhammad Yunus, the inventor of microcredit, who received the Nobel Peace Prize in 2006. Today most of pioneering enterprises integrate social entrepreneurship into their core activities by actively channelling their research-and-development capabilities in the direction of socially innovative products and services, still, the limits of political power are increasingly evident. Schwab (2008) states for the lack of global leadership as it “is glaring, not least because the existing global governance institutions are hampered by archaic conventions and procedures devised, in some instances, at the end of World War II. Sovereign power still rests with national governments, but authentic and effective global leadership has yet to emerge. Meanwhile, public governance at the local, national, regional, and international levels has weakened. Even the best leaders cannot operate successfully in a failed system” (2008, p.108-109).

The whole seminal work “Civic Entrepreneurship” (UK) by Leadbeader and Goss (1998) is devoted to highlight the importance of entrepreneurship in local government institutions. Scholars analyze five cases, which evidently explore how entrepreneurship revitalised local public administration. Scholars state, that “There is no blueprint for entrepreneurship in public sector. It cannot be set down in a manual. The development of these five organizations has been heavily influenced by their particular history and culture, the local political setting and even the personalities of those involved. Drawing out the common themes needs to be done with care.” (p.56).

Scholars exclude several crucial elements of civic entrepreneurship (p. 56-67):

1. Focus on outcomes not outputs. Organizations should be inspired by sense of mission, which focuses on producing better outcomes rather than merely producing more output. Organizations are guided by a goal of becoming more effective, not merely more efficient. The process of revitalization begins with a joint effort by political leaders, managers, staff and users to rethink the organization’s goals and purpose.

2. The quality of senior management. Senior managers play a critical role in promoting entrepreneurship. Without entrepreneurial senior managers it is difficult to innovate, even if it is given a great deal of support and encouragement by national, regional and local politicians.

3. Risk management. Entrepreneurship involves taking risk that a new approach might fail. Entrepreneurship adds an extra dimension to risk management in the public sector. Therefore civic entrepreneurs have to be very good at managing the risks perceived to be associated with a new policy or service. Four main techniques are provided manage risks, i.e. forming partnerships, showing the costs of failures publicly, learning from mistakes, risk management through political process.

4. Building legitimacy. Civic entrepreneurs create a licence to innovate. They are able to renegotiate their mandate in a way that allows them to do a more effective job.

5. Delivering on the ground. Civic entrepreneurship is a way of acting to re-configure resources and people in public services to generate greater social value. Entrepreneurship means moving from strategic rethinking into action to make change tangible.

6. Working across boundaries. Civic entrepreneurship invariably means working across boundaries, both within and outside the organization. Departmental specialization is one of the great strengths and one of the great weaknesses of public sector. Cross-functional team working often help to generate a clearer understanding of a problem and help to unlock the resources needed to tackle it.

7. Building capacity to create social capital. Civic entrepreneurs cannot succeed alone. Senior managers can succeed only by bringing together people with complementary skills. In most organizations entrepreneurship depend on team, working entrepreneurially together.

8. Seeing changes as an opportunity. Changes often are driven from outside, in the form of a change in government policy. Civic entrepreneurs are visionary opportunists: they have a clear sense of direction but are flexible enough to exploit opportunities they occur. Civic entrepreneurship crucially involves making a public organization aware of how it can respond creatively and positively to change.

9. Embedding entrepreneurship. Civic entrepreneurship depends on collaboration. It also requires great tenacity and patience. In the public sector entrepreneurship requires dogged determination as well as charisma and flair; therefore it requires organizational and cultural change.

However specifically, there are few studies that empirically test managerial attitude that is an internal factor for organisational entrepreneurship (Hornsby et al., 2002). There are even less studies that examine managerial attitude from the perspective of a top management team. Damanpour (1991) observed that managerial attitude is one of several factors that appear to be consistently related to civic entrepreneurship activities.

Hereby, under the big pressure of globalized market economy through the multinational pioneering enterprises these ideas are also coming to the transitional economies in new EU member states. Herein these ideas meet great challenges, probably related mainly to the inheritance from prior Soviet Union culture, especially in public authorities and governance institutions. Still, hopefully progress is being made after the entering the European Union.

1.5 Conclusions and discussion

Concluding the described CSR models, it should be stated, that the analysis of CSR definitions reveals the environmental dimension received a significantly lower dimension ratio than the other dimensions. The socio-economic model of CSR emphasizes two dimensions: be profit (economic, effective and efficient) and

be socially responsible (legal, ethical and philanthropic), environmental dimension was neglected. However, philanthropic responsibilities are argued to be responsibilities itself, often they are perceived from ethical motives, and most commonly analyzed under other responsibilities without particular exclusion.

After the stakeholder model evolved, environment was regarded as one of non-market stakeholders (including in activist groups). Because a fully developed approach towards stakeholders involves a mapping of the range of issues with which they are concerned in their role as stakeholders. Taking all of the issues identified by all stakeholders together, they can be analyzed as to the content of concern. At this level stakeholder issues can be grouped as internal and external according to their relation to particular organization.

The model of triple bottom line demands that organization's responsibility be to "stakeholders" rather than shareholders. Triple bottom line provides sense of the sustainability concept to a population focused on the economic bottom line. However, triple bottom line has stimulated much corporate activity and has generated tools that can yield quantified expressions of triple bottom line performance cover the full ground of sustainability and CSR.

Concluding the analyzed government attitudes towards CSR, it was observed, that governments are described as enablers and drivers of CSR. The literature review allows concluding that there exist particular conditions to develop CSR effectively in any country, i.e. government CSR policy, internal government CSR structure, CSR responsibilities at different levels of government, including particular focus on local government, and representation structures of CSR values from civil society and business stakeholders.

There has been increasing recognition of the role of other actors such as civil organizations within social responsibility framework. This has called for a new set of relationships between government, business and civil society. The new relational state model was developed with emerging deeper understanding of the role of government in promoting CSR. The relational state model purely explores the relationships between government, business and civil society. Still, it does not supply any concrete tool despite public policies and processes to be employed in CSR development effectiveness improvement. However the relational state model encompasses the emerging relationships, thus serving to identify the least researched relations. The review of literature and research in transitional countries show, that business-government relations and business-civil society relations seems to be paid with great attention by scholars. Therefore government-civil society relations are poorly analyzed from CSR perspective.

Another important observation is that local government empowerment by business executives is recognized between three CSR top promoting factors in transitional countries. Oppositely scientific literature slightly provides any discussion or research related to CSR and local governments; research and discussions concerning CSR and governments are generalized into "government" as an umbrella construct in CSR development. Consequently observed gap in the CSR research in terms of local governments, which are the closest intermediaries between government and citizens, determine to come to a conclusion that the role of local

governments in CSR development neither scientifically nor empirically is unexplored.

This conclusion has accelerated to widen epistemological insights with strategic management literature review, as primary practical experience supposes that usually local governments' strategic performance plans reflect community's values and needs. Lately printed seminal work on a new methodology approach for measuring corporate social responsibility performance provided supplementary knowledge of CSR incorporation through widely recognized tool in business and public sector strategic management - BS. With support of program budgeting process, the suggested framework permits the development of CSR programmes adapted to the unique characteristics of any sector, emphasizing on different stages according to organisational values, activities, missions and the resources that can be utilised. BS approach, integrated with a compatible GRI CSR repository, support CSR orientation of organizations in the future, establishing it as a strategic horizontal process "running" across the supply chain processes. Theoretically, the main finding of the proposed methodological framework is that CSR has no real meaning for any organization if it is not an important constituent of its strategy; accordingly – to national CSR strategy.

Concluding on the relationship between CSR and entrepreneurship, it should be stated, that most commonly it is agreed on core principle of CSR being responsibilities beyond profit maximization, through examining the traditional sets of factors, which are meeting criticism by some authors. Quite new discussion on the connection between CSR, philanthropy and entrepreneurship looks like having a tremendous potential for exploration as increasingly entrepreneurs are using their entrepreneurial principles to organize, create, and manage organization aiming to make social change. As the primary objective of social entrepreneurship is to make beneficial social and environmental impacts, it is argued that social responsibility, philanthropy and entrepreneurship offer direction to business leaders who want to increase their companies' social and economic performance; parallel several studies show, that entrepreneurship in public institutions can serve as a supplement to make change in effectiveness improvement.

The discussions leads to a broad conclusion that despite the set of various factors, interconnectivity issues between them and definitional problems, the emerging discussion on CSR and entrepreneurship is a result of observed weaknesses of the traditional methods of corporate management. Subsequently, changes and innovative initiatives are needed trying to create a better, more sustainable organizations and environment for future. Therefore civic entrepreneurship is a means by which governments are changing along with a greater range of responsibilities and fiscal restraints. Civic entrepreneurship requires greater innovation and leadership in public administration that are salient during non-routine events that occur both in start-ups and with existing organisations undergoing renewal team climate in civic entrepreneurship.

Under the research, implemented in chapter 1, the theoretical model of local government involvement in CSR development targets was developed (see Appendix 3).

2. RESEARCH DESIGN AND METHODOLOGY

This chapter describes and justifies the research design used in addressing the research questions. The philosophical and theoretical considerations that influence research design are overviewed in the first section of this chapter. It is relevant, because such decisions are influenced by the world view of the researcher and by the direction set under research proposition and related questions. Purposes of research and appropriate approaches to research are presented in the second section. Section three explores the possible research techniques. Data collection methods are discussed in the fourth section.

Research design of this dissertation is developed and described in the fifth section and addresses the developed research hypothesis.

2.1. Philosophical foundations of research

Discussions about the way that knowledge is gained through alternative views of social reality are defined as research paradigms in this dissertation. Coghlan and Brannick (2005) states, that possible research approaches could be discussed and selected from:

- the purpose of the research - exploratory, descriptive, explanatory;
- the time dimension - cross-sectional, longitudinal;
- the methodological strategy - inductive or deductive;
- methods of recording and analysis - qualitative, quantitative, or a combination of the two;
- data collection strategies;
- the role of the researcher - participant or observer, or observing participant.

Researcher's views of reality and consequent preferences for its explanation are philosophically and socially grounded (Easterby-Smith, Thorpe and Lowe, 2002, Saunders, Lewis and Thornhill, 2003). This applies to assumptions about, and perceptions of, reality, and methods appropriate to address these assumptions within the research itself.

Ontology, the theory of being, refers to assumptions connected with a particular approach to social enquiry, and answers the question - What is the nature of the reality to be investigated?

Epistemology, the theory of knowing, is the way knowledge can be gained in this reality and assumptions about what can be called knowledge rather than belief. Epistemology answers the question - How can knowledge of this reality be obtained? (Blaikie, 2000).

Methodology is defined as the way the knowledge is gained, how theories are generated and tested, and the relationship between theoretical perspectives and research problems (Blaikie, 2003). The methodological framework is the structure

of the research process which is necessary to enable the researcher to form conclusions and recommendations.

Based on different “world views”, and different philosophical assumptions, researchers will have different positions on the nature of research philosophy (Easterby-Smith, et al., 2002). The most common positions - research paradigms - are positivism, interpretivism, and critical theory (Klein and Myers, 1999). A paradigm, or philosophical position (Saunders, et al., 2003), is a way of defining reality that has agreement within a defined group of people, such as scientists or psychologists, at a specific time, and implies assumptions about the nature of this reality (Babbie, 2004); it defines a whole system of thought, logic and assumptions (Neuman, 2003).

A research paradigm defines appropriate methods of inquiry; it defines how researchers conduct their research and what they are trying to achieve, and the way knowledge is gained. Paradigms link abstract issues to research techniques, with unique assumption sets and frameworks to support the efforts of researchers to acquire knowledge about social phenomena. Each paradigm is a different way of understanding the world - a “social reality” constructed through observation and measurement (Neuman, 2003).

Table 9. Paradigms of methodological frameworks

<i>Paradigm</i>	<i>Ontology</i>	<i>Epistemology</i>
Positivism	Ordered universe consist of discrete, observable events, ordered by universal propositions. Only the empirical- experienced by the senses - can be regarded as real	Knowledge is derived from sensory experience through experimental or comparative analysis. Empirical regularities become scientific laws, attempting to predictive and explanatory knowledge of the external world by constructing theories - general statements that express these regular relationships
Interpretivism	Social reality is regarded as the product of processes by which social actors together negotiate the meanings for actions and situations. Social reality is these interpretations, becoming networks of socially constructed meanings	Knowledge is seen to be derived from everyday concepts and meanings
Critical Theory	Reality is interpreted by social actors as individuals or within social groups.	Assumptions held by the researcher determine the procedures used to discover and justify knowledge. Causal laws are not regarded as universal truths, but a basis for action. Truth is not based on evidence but on consensus

Source: adapted by author according to Blaikie, 2000.

Summarized major research paradigms within their ontological and epistemological frameworks are explored in table 9. These paradigms viewed within an ontological and epistemological framework, help researchers select the appropriate design - epistemology, and plan their research, design questions and analyze evidence - ontology (Easterby-Smith, et al, 2002).

From the ontological perspective, this research relate to critical theory, as reality is interpreted by social actors as individuals, acting within particular social group – local government. Therefore, this research tries to identify particular cultural reality, under which researched individuals act. Research that aspires to be critical seeks, as its purpose of inquiry, to confront injustices in society, as critical researchers aim to understand the relationship between societal structures and ideological patterns of thought that constrain the human imagination and thus limit opportunities for confronting and changing unjust social systems. Clark (2011) states, that “critical theorists are committed to understanding the complexity of such relations, however, and thus distance themselves from what they see as reductionist Marxist approaches”; critical theorists hold that these earlier approaches offered no ability to explain social change. Accordingly, in contrast to what they believe was an overemphasis on the determinative nature of economic and political structures, critical theorists are interested in social change as it occurs in relation to social struggle.

As critical researchers assume that the knowledge developed in their research may serve as a first step toward addressing such injustices, this research focus similar position. As an approach with a definite normative dimension, the research aims for a transformative outcome, consequently, in this research there is no interest on “knowledge for knowledge’s sake”. However, some critical researchers (e.g., Ferguson and Golding, 1997), argue that such a “neutral” stance toward research can too easily play into the conservative agendas of those who would rather preserve than challenge the status quo.

Because critical theory brings a specific standpoint and theoretical orientation to its research questions, it cannot be said to be humanistic in the sense that usually defines qualitative research. While qualitative, interpretive research foregrounds the meanings research participants ascribe to their own actions, critical researchers seek analytically to place such actions in a wider context that is limited by economic, political, and ideological forces, forces that might otherwise remain unacknowledged.

From a critical tradition emerged qualitative research often encounters from its audience less perceived need to argue for a study’s validity using terms imposed from logical positivism (Clark, 2011). Moreover, critical researchers believe that in their attention to the role of power in social reality, their analyses are at the metatheoretical level. They thus may encompass and draw upon research from other paradigms, offering an explanation of the workings of power that are often unexamined in logical positivist approaches (with their focus on causal relations between variables) and in humanistic approaches (with their focus on human explanations of actions or meanings).

From a normative perspective, critical theorists make no claims that their analyses are “objective” in the sense usually meant by logical positivists. In fact, critical theorists argue that the subjective/objective dualism masks the ways in which both positions are limited by the social forces that inform all human action and analysis. Therefore, critical qualitative research acknowledges subjectivism in the sense that learnings and interpretations cannot be based on logic and scientific analysis only. While it affirms that knowledge can never be separated completely from the researcher’s own experience, it rejects the notion that all analyses are relative. It asserts that rational analysis is fundamental to human emancipation, from the view of Morrow (1994) called critical realism.

2.2 Research Approaches

This section examines research approaches aiming to define proper research approach for this dissertation including research purposes, time dimension, methodological analysis and recording.

Research Purposes. Research can be exploratory, descriptive, or explanatory. Exploratory research attempts to clarify and explore an idea, event, or poorly understood phenomenon, or to develop propositions for further enquiry. It is focused on “what” questions, using observation, open-ended questions in interviews, and/or focus groups (Sekaran, 2000). Descriptive research supports the development of precise measurements and reporting of characteristics of some population of phenomena (Neuman, 2003). Descriptive research is often used as the next step to exploratory research (Saunders, et al, 2003), constructing paradigms that offer a more complete theoretical picture through either qualitative or quantitative data (Sekaran, 2000). Explanatory research usually seeks the discovery and reporting of relationships among different aspects of the phenomena under study (Saunders, et al., 2003) and is focused on explanations of phenomena that have been explored and described (Neuman, 2003). Table 10 provides more information about these research purposes.

Table 10. Purposes of research

<i>Exploratory</i>	<i>Descriptive</i>	<i>Explanatory</i>
Become familiar with the basic facts, setting and concerns	Provide a detailed highly accurate picture	Test a theory’s predictions of principle
Create a general mental picture of conditions	Locate new data that contradicts past data	Elaborate and enrich a theory's explanation
Formulate and focus questions for future research	Create a set of categories or classify types	Extend a theory to new issues or topics
Generate new ideas, conjectures or hypotheses	Clarify a sequence of steps or stages	Support or refute an explanations or prediction
Determine the feasibility of conducting research	Document a causal process or mechanism	Link issues or topics with a general principle
Develop techniques for measuring and locating future data	Report on the background or context of a situation	Determine which of several explanations is best

Source: Neuman, 2003

The purpose of this research tends to explanatory study, as seeks to discover and report relationships among different aspects of CSR phenomena, from governance, strategic management and entrepreneurship approaches and extend a theory to new issues and topics.

Time dimension of research. The time dimension of research is either cross-sectional or longitudinal. A cross-sectional approach studies phenomena at one point in time, and produces a “snapshot” of data. A longitudinal approach examines phenomena over an extended period of time; it produces a “diary perspective” (Saunders, et al., 2003). Cross-sectional studies often employ a survey strategy, or interviews conducted over a short period of time. Exploratory and descriptive studies are often cross-sectional, while explanatory studies can be cross-sectional, but are more often longitudinal (Saunders, et al., 2003). From the time dimension perspective, this research is described as cross-sectional research, as it studies the phenomena at one point in time, employing interviews implemented over a short period of time, i.e. several months.

Methodological Strategy. Theory and research are linked through methodological strategies of deductive and inductive reasoning (Babbie, 2004). Deductive reasoning involves generalizing from observation to a theory using logical processes (Sekaran, 2000) and testing ideas about “how the world works” using “hard data” (Neuman, 2003). Deductive reasoning is essential for working within the positivist and critical theory paradigms. Inductive reasoning begins with detailed observations of the world and moves toward more abstract generalizations, ideas, and relationships (Sekaran, 2000); developing theory from observable facts (Neuman, 2003). Inductive reasoning is used within the interpretivist and critical theory paradigms. Both approaches can be used in combination in a research project, if the research question directs such an approach (Saunders, et al., 2003). As the aim of the research is to generalize observed issues and provide model of CSR effectiveness improvement, herein inductive reasoning help arriving to conclusions on the basis of principle facts which guide towards the conclusions.

Methods of Analysis and Recording. Quantitative research is concerned with numerical measurement, statistics, and mathematical models to test hypotheses, and supports the view of the positivist paradigm that there is an objective reality that can be accessed and measured (Saunders, et al, 2003). Qualitative research is more concerned with investigating social processes and experiences of those involved in them, generally through inductive reasoning, dealing with non-numeric data that is generally in the form of words or images. Qualitative analysis is based on interpretation and requires reflection and iteration (Babbie, 2004). These methods of analysis determine methods of data collection. Aiming to investigate social processes and experiences in this research through inductive reasoning qualitative research will serve best to reach the perceived aim.

2.3 Research Techniques

This section describes research techniques addressed the issues raised by the research questions in the context of the philosophical drivers and theoretical

choices. Aiming to define the appropriate research technique for the dissertation, quantitative designs of experimental research, survey research, and qualitative designs of field research/ethnography, action research, hermeneutics and phenomenology, and case study research with its extension, grounded theory are discussed.

Experimental research is more closely allied to the principles of a positivist approach than other research techniques (Neuman, 2003). However, the above identified critical theory paradigm for this dissertation does not support experimental research. Therefore it will not be discussed more detail.

Survey research, recognized as one of the most widely used data-gathering techniques for social research (Neuman, 2003), was developed within the positivist approach to social science and produces numerical results about the beliefs, opinions, characteristics, and past or present behavior, expectations, and knowledge of respondents. This technique is able to test several hypotheses in a single survey and can be conducted through the mail, or electronically, using a self-administered questionnaire, by telephone or in person. The advantages of the mail or e-mail administered survey are its low cost, ease of administration by a single researcher, provision of respondent anonymity, and avoidance of interviewer bias. However, there is often a low response rate and little opportunity to know or control the conditions of response. Telephone interviews are flexible and have a much lower cost than face-to-face interviews; interviewers control the sequence of questions, but compared to email-based questionnaires they are high-cost, and the researcher can only conduct one interview at a time rather than the broadcast effect of mail outs. Face-to-face surveys have the highest response rate and permit longest questionnaires, but also have the highest cost (Neuman, 2003).

Field research is also called participant-observation research. "It is qualitative style research where the researcher directly observes and participates in small-scale social settings in the present time and in the researcher's home culture" (Neuman, 2003, p.364). It is appropriate when the research question involves learning about, understanding, or describing a group of interacting people (Neuman, 2003). Field researchers may use many methods of data collection - questionnaire, interview, observation, and secondary data; it is ideal for events in the present time (Neuman, 2003). Field research can be descriptive, exploratory or explanatory. Case studies using detailed accounts of organizational practices, management practices, inductively generate theory from field data. Analysis from field research includes the search for hidden meanings, patterns, and relationships, development of concepts and theory from the data (Parker, 2004).

Hermeneutics is essentially a methodology for interpreting text. It is closely associated with phenomenology, which is about uncovering the central meaning individuals derive from their experience of a particular phenomenon. Like participant-observation, phenomenology is concerned with how people make sense of their everyday activities and how they develop meanings from their interpretation of these activities (Parker, 2004). Hermeneutics is not limited to the experience of reading written text, but applies equally to the verbal texts of conversation and interviews. The individual constructs text to represent experiences and the researcher

interprets and develops understanding and meanings from this text, often developing findings of the research in the form of text as narrative.

Phenomenology is based on the idea that understanding is a product of human experience and that this experience is a product of human interaction. Research employing this approach focuses on individuals, with descriptions and interpretations of their experiences in relationship to a particular phenomenon that the researcher is investigating: how they experience it and how they perceive that experience. Data are gathered through extended interviews with individuals who give their personal account of their experience of the phenomenon being studied. These accounts are analyzed inductively to try to develop the meaning implied by these statements (Parker, 2004).

Action research is neither pure research, focussing on the theoretical nor applied research, focussing on the practical (Easterby-Smith, et al., 2002). Action research is research through action, and usually involves research being part of a learning process, a change process, or the solving of a problem. Action research is research concurrent with action (Coghlan and Brannick, 2005); it generates practical theory (McNiff and Whitehead, 2000), but most important of all, those who have participated will have increased their knowledge through their participation (Coghlan and Brannick, 2005) and the organisation will benefit from both the outcome and the process of the research itself. Action research facilitates the movement of knowledge from the „high ground“ of the professions and abstract ideas to the „swampy lowlands“ of the everyday work of the practitioner, and in the other direction, and across the „theory-practice gap“ (McNiff and Whitehead, 2000).

The process of action research consists of defining the initial concept, designing the research strategy based on the goals and objectives arising from the research objectives, planning and implementing the defined action, and then monitoring and evaluating the results, learning and effects of this implementation. Upon revision of the plan, after reflection and evaluation, the cycle of plan, act, observe and reflect is repeated (Saunders, et al., 2003).

Case study is the preferred technique when „how?“ and „why?“ questions are considered, when the investigator has little control over events, and when the focus is on a contemporary phenomenon in a real-life context. Case studies are increasingly being used as a research tool, and involve either single or multiple cases, and numerous levels of analysis (Eisenhardt, 1989). Using a combination of data collection methods such as archives, interviews, questionnaires and observation, case studies can be used to provide descriptions, test theory, or generate theory (Sekaran, 2000). Case study is employed to identify a specific form of enquiry - contrasting with social experiment and the social survey. Summarizing the differences between the case study techniques, it is characterized as follows:

- Questionnaire - shallow but wide;
- Case study - deep but narrow;
- Interview - moderately deep and narrow.

The case study can be flexible in form; in depth as small number of cases or breadth across a larger number of cases. The aim of case study research should be

to capture cases in their uniqueness, rather than use them as a basis for wider generalization or for theoretical inference.

2.4 Data Collection

Data collection methods are selected on a range of criteria and are related to the research approach to be used; whether it is qualitative or quantitative. *Quantitative* data are collected through experiments, surveys, existing statistics or other secondary data such as organization business plans or project documentation; it can be expressed numerically or statistically. *Qualitative* data collection uses primarily field research, with interview, observation, participation and document examination (Neuman, 2003). Data collection methods include surveys/questionnaires that are personally administered, through the mail or electronically; interviews – structured, semi-structured or unstructured and conducted face-to-face, by telephone, or computer-assisted; observation of individuals or groups. The engagement of the researcher will vary, the options are: participant, a participant/observer, an observing participant (Coghlan and Brannick, 2005) or just as an observer. Analysis of documents is another method of data collection that requires no researcher engagement (Sekaran, 1992; Saunders, et al., 2003).

Crowther and Lancaster (2008, p.146) states, that interviews are a major category of techniques for collecting data through questioning and are acknowledged as being some of the most effective ways of collecting data in the social sciences. From the view of Brewerton and Millward (2001, p.69), interviews can be used at any stage of the research process: during initial phases to identify areas for more detailed exploration and/or to generate hypotheses; as part of the piloting or validation of other instruments; as the main mechanism for data collection; and as a ‘sanity check’ by referring back to original members of a sample to ensure that interpretations made from the data are representative and accurate. Interviews can also be readily combined with other approaches in a multi-method design which may incorporate, for example, questionnaire measures or observation. Interviewing, as with all research methods, is also open to a number of biases and shortcomings, the most critical of which is the difficulty of achieving reliable and valid results. Quantification and objectification of interview-derived data are the most powerful ways to remedy this, and highlight the importance of the researcher maintaining an objective stance throughout the research process.

Interviews can take a variety of forms depending on the type of data required to inform the research question being asked, as well as on the availability of resources. Brewerton and Millward (2001, p.69) explain, that structured interviews involve a prescribed set of questions which the researcher asks in a fixed order, and which generally require the interviewee to respond by selection of one or more fixed options. Consequently, this method ensures rapid data coding and analysis, easy quantification of data and consequent comparability of responses and guaranteed coverage of the area of interest to the research. However, the approach effectively acts as administered questionnaire, with the added advantage of the inter-

viewer being available to answer questions if the interviewee is confused. In line, the approach constrains interviewees and does not allow for exploration or probing into further areas of interest.

The current conditions of CSR ideas being quite new in Lithuania reveal to select the method for empirical research under particular circumstances. Firstly, the data collection method should provide the possibility to explain particular specific concepts which are used while interview more detail. Secondly, as the particular concrete targets of the research are defined, the interviewee respond by selecting of one from several fixed options and should be able to add their opinion, if possible options are insufficient. Finally, the selected data collection method should enable to check the homogeneity between different groups of interviewees, as these groups are formed under specific criteria following the research questions. Therefore, the above defined circumstances determine to select qualitative data collection method through interviewing targeted individuals within particular CSR itegrated strategy development process.

Criteria of Research Quality. Considerations of data quality should be incorporated in the research design and consequent data collection methods (De Vaus, 2003). For positivist research, the quality of the data collection methods and the data collected can be tested through reference to concepts of trustworthiness, credibility, conformability, and data dependability (Yin, 1994), or reliability and validity. Interpretivist research should be confirmed or verified for plausibility of the researcher's interpretations. It is often argued that reliability and validity are central issues in all research, whether qualitative or quantitative (Blaikie, 2000). *Reliability* means dependability or consistency (Babbie, 2004). *Validity* means truthfulness and is a measure of "how well the idea fits with actual reality" (Neuman, 2003, p.179). Validity and reliability are "ideals all researchers strive for" to establish truthfulness, credibility or believability of measurements and findings (Neuman, 2003, p.178).

Kvale (2008, p.43) states, that in qualitative interview studies, the number of subjects tends to be either too small or too large. If the number of subjects is too small, it is difficult to generalize and not possible to test hypotheses of differences among groups or to make statistical generalizations. If the number of subjects is too large, there will hardly be time to make penetrating analyses of the interviews. Therefore, the number of subjects necessary depends on the purpose of a study.

From the view of Hickman and Longman (1994, p.52), the interview method is relatively informative: general facts are recognized after 5-8 interviews, while 7-10 interviews with higher hierarchical level representatives are sufficient to compose strategic conclusions. They state, that the increased amount of interviews usually echoes those 7-10 implemented before, consequently becoming ineffective both to new data and interviewers' time expenses (see figure 8).

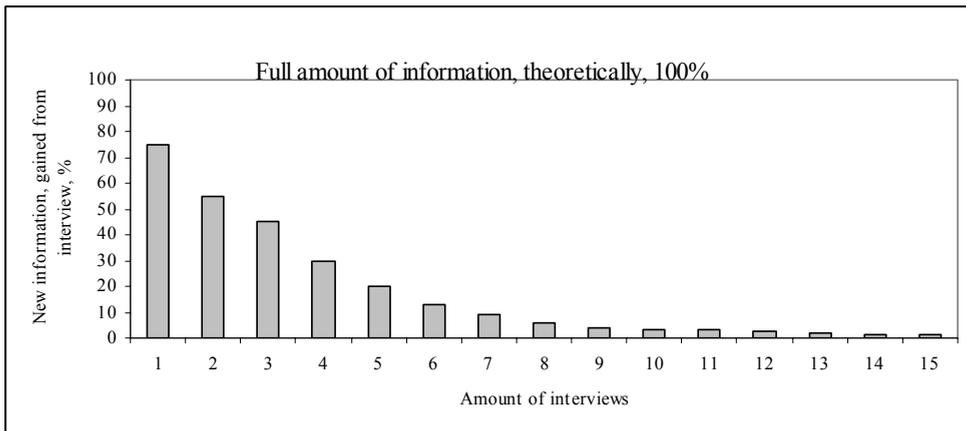


Figure 8. Relation between amount of interviews and new gained information
Source: according to Hickman and Longman (1994, p.52)

However, Kvale (2008, p.43) suggests, that in common interview studies, the amount of interviews tends to be around 15 plus-minus 10, and this number may be due to a combination of time and resources available for the investigation and a law of diminishing returns. Depending on the distribution of the findings, a Fisher test of significant differences between two groups of three can be made at probability level of $p < 0.05$. Herein, from the view of Kvale (2008), a general impression from current interview studies is that many would have profited from having fewer interviews in the study, and by taking more time to prepare the interviews and to analyze them. As a defensive overreaction Kvale puts the issue in opposite perspective, observing, that some qualitative interview studies appear to be designed on a quantitative presupposition – the more interviews, the more scientific (Kvale, 2008, p.44). Therefore, the interviews taken in this research will focus on the quality of information, gained from interview, therefore recognizing if it is sufficient to draw the conclusions.

2.5 The Research Design

The design and structure selected for this research is a mixture of exploration and description, with a cross-sectional time dimension and inductive reasoning. The primary method of analysis and recording is qualitative, arranged under normative discourse, using data collection methods from analysis of documents, structured interviews, observation, formal and informal meetings.

2.5.1 Research problems, hypotheses and instrumentarium

The main objective of the research under basic research tasks are described in introduction. However, the basic observed problems from previously implemented CSR insights in Lithuania, leads to the formulation of following empirical research problems:

- Non-existence of national institutional structure of CSR (current situation, problems, suggestions for improvement);
- Ineffectiveness of National CSR development programme 2009-2013 and Action plan 2009-2011, approved at state-level (regarded to top-bottom approach);
- Local public authorities' poor awareness of three-domain CSR concepts;
- Local public authorities' poor recognition of stakeholders.

Recognizing the essence of CSR to be incorporated in local government strategy through BS, the theoretical model was developed (see Appendix 3). There were identified several conditions under which CSR development effectiveness could be improved through local government involvement:

- local government acquainteness with approved National CSR programme;
- local government awareness of three-domain CSR;
- correctly identified local government stakeholders, which values would be reflected through BS in strategic performance planning;
- CSR ideas development and implementation through accepted forms.

Further analysis helped to build up a detailed local government involvement in CSR development effectiveness improvement model through strategic planning (see Appendix 4) and lead to the conclusions that core critical processes of CSR values incorporation into local government strategy is the BS preparation (administrative function) and appovement (political function).

Therefore the above identified conditions should be tested through empirical research, aiming to prove or reject developed major hypotesis:

H: Corporate social responsibility implementation effectiveness in Lithuania could be improved through local government involvement.

Supplementary hypothesis, which will guide empirical research, are formulated as follows:

h1: Current government CSR policy framework in Lithuania is insufficient to ensure effective CSR development (data source – document analysis and interview);

h2: CSR accountability can be reached through voluntary reporting (data source – interview);

h3: Local governments are poorly aware agains three-domain CSR (data source – interview);

h4: Local governments recognize their relevant stakeholders (data source – interview);

h5: All forms of CSR ideas development and implementation are accepted equally (data source – interview).

Research instrumentarium was composed under the developed hypotheses, as described sections 2.5.1.1-2.5.1.4.

2.5.1.1 CSR policy framework and local government representativeness' measurement

First of all, it is necessary to implement qualitative analysis of existing CSR development legal documents, to identify institutions involved in CSR implementation process in Lithuania and to find out local government representativeness in it. Accordingly the supplementary hypotheses were developed:

h1: Current government CSR policy framework in Lithuania is insufficient to ensure effective CSR development.

h2: CSR accountability cannot be reached through voluntary reporting

Afterwards it is essential to measure local government representatives' acquainteness with approved CSR Programme. It was implemented, by interviewing targeted local government representatives.

Firstly they were asked to answer "yes" or "no" about how they have learned about CSR Programme. Afterwards they were asked if their municipality was invited (about April-May, 2009) to adjust the draft National CSR Development Programme 2009-2013 and its draft Action plan 2009-2011, by answering questions, if they have provided any suggestions for corrections (Questions 8-11). Those interviewees, who answered the above described questions negatively, were shortly introduced to National CSR Development programme 2009-2013 and its Action plan 2009-2011.

Therefore interviewees were asked to answer questions if they are going to implement the National CSR Development Programme's target activities (Question 12) under the Government recommendation.

Lastly interviewees were asked to provide their reaction against the approved programme (Question 13) based on 5-point Likert scale from "Fully agree" till "Fully disagree". The last question, related to local government acquaintance, was to find out the opinion, to whom and how, they think, National CSR program is relevant in their municipality territory. 5-point Likert scale was provided next to possible stakeholder categories from "Very important" till "Not important at all" (Question 14). Thus questions 8-14 help measure Local government acquainteness with approved National CSR programme.

2.5.1.2 Local government awareness of three-domain CSR measurement

For this dissertation the starting point to measure local government representatives' awareness of CSR was the three-domain CSR, which served as a framework for further empirical analysis and discussions. It was decided to employ modified four-dimensional CSR (i.e. economic, legal, ethical and philanthropic) to three-domain CSR (economic, legal and ethical), as one of the central questions, relevant to this research, is by what substitute private philanthropy could be understood from government perspective, i.e. taken in relation to other types of, e.g. humanitarian aid, most relevantly provided by government. At the theoretical levels the ethical principle of utilitarianism can be used to justify many philanthropic activi-

ties, including all of the examples by Carroll (1993, p. 33) refers to¹¹. For example, Shaw and Post (1993, p.746) argue that rule utilitarianism supports corporate philanthropy as a means of complying with a „rule“ which maximizes the public welfare. In this vein, it could be argued that philanthropic activities are simply an example of an ethically motivated activity.

Herein, governments hold a responsibility to their citizens to provide and/or oversee access to basic life necessities such as clean water, public safety, health care, passable roads, public schooling, etc. These would be closer regarded to social welfare creation, rather than philanthropy of government. Yet history has shown the divide between what groups in power should do and what they can. Even the world's wealthiest, most socially-minded countries still have populations of homeless, unemployed and poor people, albeit a small minority proportion. The circumstances are far worse in countries with impoverished central governments and a lack of social infrastructure.

Accordingly, philanthropic responsibilities from government perspective could be hardly distinguished from social welfare creation process, extremely enlarging the object of research. Therefore, philanthropy as one of government CSR constructs will not be covered under this research separately, as having it in sense of ethical motivation. The analysis will focus on three CSR domains, i.e. economic, legal and ethical. However, three-domain model of CSR was developed for business CSR, and modification is needed.

Thus the modified three-domain CSR was converted into statements and adapted to local governments, as explored in Appendix 6. The modified three-dimensional CSR was used to evaluate local government awareness of key CSR issues (economic, legal and ethical) under developed hypothesis:

h3: Local governments are poorly aware against three-domain CSR.

The modified models' statements were moved into the structured interview questions. (Questions 1-3; see appendix 7). Purposing to measure the extent of local government representatives' awareness of every statement, 5-point Likert scale was applied ranging answers from "Very important" till "Not important at all" (Question 14).

2.5.1.3 Local government stakeholders' identification measurement

The BS preparation process success and, parallel - CSR reflection in it critically depends on several local administrative and political processes (see Appendix 5). Collection of applications for BS from external stakeholders' process is first critical local administrative process, which is usually implemented by the department responsible for strategic planning. Therefore, draft BS articulation with internal stakeholders stands for second critical local administrative process. Third critical process is political, as BS defence, performed by the head of strategic planning

¹¹ E.g. giving to charity, adopting a school, providing a day-care center for working mothers, conducting in-house programs for drug abusers (Carroll, 1993, p.33).

department, in municipality's council (elective representative institution) is subject to municipality's elected politicians, who should be CSR aware aiming to confirm CSR integrated BS. Thus it becomes vital during the application collection procedure for BS correctly identify internal and external stakeholders. Accordingly, the hypothesis was developed:

h3: Local governments recognize their relevant stakeholders

The Stakeholder theory helps identify urgent local government internal and external stakeholders:

1. Municipality's politicians
2. Director of Municipal Administration
3. Heads of municipal departments
4. Municipality's professionals
5. Municipality's Elders
6. Local community
7. NGOs
8. Local businessmen
9. Education / training/other public institutions
10. Central government representatives

The identified local government stakeholders were moved into the structured interview questions to test local government representatives' stakeholder identification correctness. 5-point Likert scale was applied ranging answers from "Very important" till "Not important at all" (Question 5; see appendix 7).

2.5.1.4 CSR ideas development and implementation acceptance measurement in local governments

Last part of empirical research was covering the forms and ways, how CSR ideas could be spread and what forms are accepted as fostering CSR implementation in the municipality. Therefore it is vitally important to find out, what forms and to what degree are accepted by local governments. Thus forms of CSR ideas development were supplied for interviewees, by asking to what degree every form would help develop CSR ideas of and promote its implementation in municipality. Hypothesis was developed as follows:

h5: All forms of CSR ideas development and implementation are accepted equally

5-point Likert scale was applied ranging answers from "Helps very much" till "Does not help at all" (Question 15).

2.5.2 Sample, response rate and data collection procedure

The above implemented analysis of scientific literature reveals that the target interviewees should be selected under several important criteria:

1. The interviewee hold at least three-year work experience in municipality;

2. The interviewees' responsibility area directly relate strategic planning and program budgeting process;

3. The interviewee hold one of the following positions in the municipality: municipality's politician/councillor; head of municipal administration/deputy; head of municipal department; municipality's professional.

The criteria to select respondents were composed according to their work responsibility area in the municipality under the Lithuanian Law of Local Self-Government. CSR related issues (corresponding CSR Programme 2009-2013 and leading documents) are basically covered by the departments of Strategic planning.

The research was performed within four months (April-July, 2010) in Lithuanian local government administration bodies, personally collecting data from local government representatives, using telephone, direct conversations and interviewing during the local government issues related forum (Sub-project "Local council members' capacity building"; Forum "Regional development - what's new? ", 2010-04-23).

The questions were addressed prior to the politicians of municipalities/councillors, heads of local administrations' and their deputies, heads of departments and local government professionals. In total there were performed 97 interviews, all of them were deemed usable for analysis which was acceptable given the sensitive nature of CSR issues. Therefore it could be stated, that research results fulfil validity and reliability requirements. All statistical analyses were performed using SPSS.

The structure of interview questions is described in section 2.6.1. Last group of questions focused on demographics. In particular, data was collected on control variables for work responsibility area, work experience in local government and staff level in municipality. The respondents' general characteristics are explored in tables 11-13.

Table 11. Work responsibility area in the municipality

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strategic planning and investments	43	44,3	44,3	44,3
Economy and Finance	26	26,8	26,8	71,1
Social security	15	15,5	15,5	86,6
Environment	12	12,4	12,4	99,0
Other	1	1,0	1,0	100,0
Total	97	100,0	100,0	

According to the above explored data, major share of interviewees are responsible for strategic planning and investments (43.3 percent); Economy and Finance – 26,8 percent; 15,5 percent - Social security, Environmental issues – 12,4 percent.

Table 12. Work experience in local government

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 3- 5 years	35	36,1	36,1	36,1
5-10 years	15	15,5	15,5	51,5
11-15 years	21	21,6	21,6	73,2
16 years and above	26	26,8	26,8	100,0
Total	97	100,0	100,0	

Work experience in local government is distributed as follows (see table 12). The major share of respondents (36.1 percent) has 3 to 5 years experience in local government; from 5 to 10 years experience in local government hold 15.5 percent; from 11 to 15 years have 21.6 percent; 26.8 percent of respondents have 16 years and above experience.

Table 13. Staff level in municipal administration

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Municipality's politician/counsellor	20	20,6	20,6	20,6
Head of Municipal Administration/Deputy	11	11,3	11,3	32,0
Head of municipal department	30	30,9	30,9	62,9
Municipality's professional	36	37,1	37,1	100,0
Total	97	100,0	100,0	

Depending on staff level in municipality, 20.6 percent of interviewees are politicians; 11.3 percent hold head of municipal administration or deputy positions; 30.9 percent are heads of municipal departments and 37.1 percent – municipality's professionals.

3. EMPIRICAL FINDINGS AND DISCUSSION

This chapter of the dissertation describes implemented empirical research, which will serve for building and justifying the model of local government involvement in CSR development effectiveness improvement. As National CSR targets were composed into institutional agenda through strategic planning process, first of all strategic planning system in Lithuania is introduced. Therefore, the original documents of National CSR Development Programme 2009-2013 and its Action plan 2009-2011 are analyzed from strategic planning perspective, trying to identify the composition process of National CSR targets and its supportive implementation activities' contribution to local governments, as local governments are recommended to implement CSR Programme 2009-2013 and its Action Plan 2009-2011 (approved by Resolution No.53 of the Government of the Republic of Lithuania 12 January 2010, section 2). Accordingly, local governments should be acquainted with the National CSR Programme and its implementation activities, as they are recommended to implement it under their capacities. Therefore the interviews of local government representatives were performed, trying to clarify their acquaintance with National CSR Programme, reactions against it, current capacities and relevance.

The aim of empirical research is to perform qualitative analysis of CSR development issues and strategic planning system in Lithuania and under identified conditions develop and justify model of CSR development effectiveness improvement through local government involvement. Major hypothesis is composed as follows:

H: Corporate social responsibility implementation effectiveness in Lithuania could be improved through local government involvement.

3.1 Analysis of National CSR Programme and its contribution to Lithuanian strategic planning system

Over the past decade Lithuanian public administration systems has adopted, employed and discarded a number of administration systems, believing that the reforms will foster more efficient and effective governance (Nefas, Rauleckas, 2007). Recently strategic planning has become both a necessity and fancy of a modern public institution in Lithuania, while the principle of program budgeting is propagated as one of more idyllic provision that will generate greater economic effect and even enhance financial flows. As far as program budgeting is being implemented in Lithuanian public institutions in line with strategic planning, there is an assumption that CSR integrated advanced BS system would serve to improve CSR development effectiveness through program budgeting. However, such assumption should be proved through thorough analysis of current conditions to implement it in Lithuania.

3.1.1 Lithuanian strategic planning system at state and local government levels and CSR allocation

Strategic planning system in Lithuania was introduced in 1999 (Government of the Republic of Lithuania). The government of the Republic of Lithuania on its official cite states, that public expenditure management process follows the principles of strategic planning and program budgeting across all public institutions. Financial resources are allocated according to priorities (government and ministry level). Each year ministries and Government agencies prepare the strategic action plans where they state the mission; strategic goals; major new reforms; programme goals; results to be achieved and financial resources needed. The strategic plans are approved by Government and published to the society. Institutions report on the progress achieved against planned targets. Figure 9 explores strategic planning system in Lithuania and National CSR Programme contribution towards it.

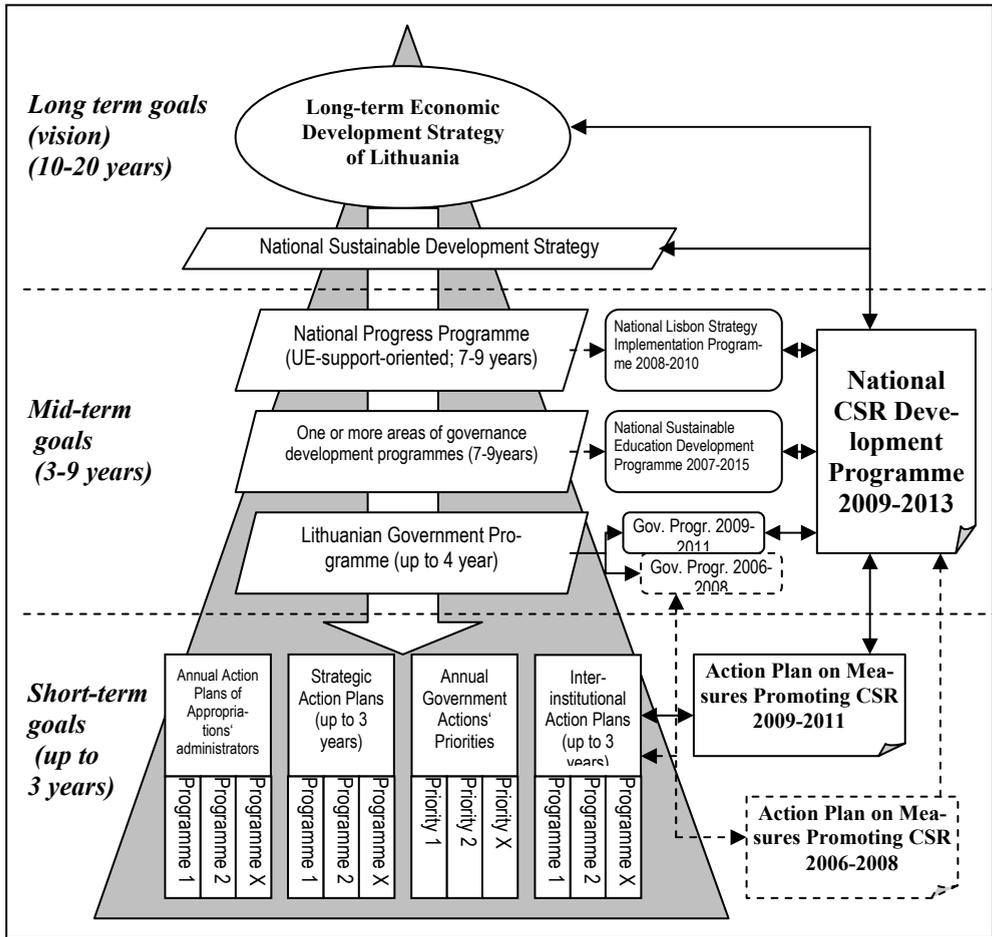


Figure 9. National CSR Programme and its contribution to Lithuanian strategic planning system
Source: created by author

Strategic planning as a planning and management tool in Lithuania is institutionalised in the following documents: Law on Government of the Republic of Lithuania, Law on the Budget Structure of the Republic of Lithuania, Procedures for the preparation and implementation of state and local government budgets of the Republic of Lithuania, Annual budget formation calendar of the Republic of Lithuania, Strategic planning manual of the Republic of Lithuania, Cabinet Strategic Planning Committee of the Republic of Lithuania. Main accomplishments are referenced in Strategic planning manual approved in 2000 (revised in 2002, 2004, 2007, 2010), obligatory for all appropriation managers and recommended to municipalities; Ministry and Government Agency strategic activity plans approved by the Government, published (on the Internet) and available to society; Reporting requirements approved in 2002 (institutions report on the progress achieved against planned targets) and Budget accounts report submitted together with performance measures and allowed to compare planned and achieved results.

Under the implemented overview, it becomes evident that the whole National strategic planning system in Lithuania is based under national budget composition normative basis. Therefore, trying to examine the National CSR Development programme contribution towards national and local strategic planning levels, the budget structure should be shortly overviewed.

The structure of the budget of Lithuania is governed by the provisions of the Law on the Budget Structure of the Republic of Lithuania (2011). The objective of the Law on the Budget Structure is to ensure rational use of monetary resources in the process of formation and implementation of the State budget and municipal budgets, with a view to attaining long-lasting overall economic and social welfare for citizens of the Republic of Lithuania.

The national budget of the Republic of Lithuania is comprised of the State budget and municipal budgets:

- *The State budget* is the budget revenue and appropriation plan of the State for a budget year approved by the Seimas (Parliament).
- *The Municipal budget* is the municipality revenue and appropriation plan for a budget year approved by the Council of the Municipality. Each Municipality have its own independent budget.
- *The national budget* revenues are comprised of tax revenue and non-tax revenue. Such revenues include the accumulated funds of the State and Municipal budget from taxes (VAT, profit tax, personal income tax, excise duties, etc.), property and revenue of budgetary institutions, etc.
- *National budget appropriations* are the budgetary funds allocated to cover the expenditures of budgetary institutions and other entities performing functions of public administration including the acquisition of current assets. The National budget appropriations are used for performing the functions of the State and the municipalities (education, social security, health care, defence, etc.), discharging of obligations, extending of grants, etc. Appropriations are categorised according to functional and economic classifications.

The legal basis for the formation of the budget are the Constitution of the Republic of Lithuania, the Law on the Budget Structure, the Statute of the Seimas, the

Law on the Methodology of Determination of Municipal Budgetary Revenues, the Law on the Approval of the Financial Indicators of the State Budget and Municipal budgets of an appropriate year, the Rules on the formation and execution of the State and the municipal budgets approved by the Government, and the Strategic Planning Methodology and other legal acts governing the collection of budgetary revenues and funding of programs. The Constitution of Lithuania and the Law on the Budget Structure establish that the budget is drafted for a period of three years and is approved for one calendar year.

The draft State budget is drafted on the basis of the Program of the Government of the Republic of Lithuania and its strategic objectives (priorities) - the National long-term development strategy, strategic planning principles, the Law on the Budget Structure of the Republic of Lithuania and other laws and regulations, the macroeconomic forecasts of the development of the national economy, strategic documents for the support of the European Union, the projected indicators of the national budget approved by the Government of the Republic of Lithuania, and the strategic operating plans of the managers of the State budget appropriations, programs and draft program estimates.

The procedures for the planning, execution and approval of the State budget and municipal budgets are specified in the Rules on the formation and execution of the State budget and municipal budgets approved by Resolution No. 543 of 14 May 2001 of the Government of the Republic of Lithuania, and the Strategic Planning Methodology approved by Resolution No. 827 of 6 June 2002.

At the beginning of each year the Government, by its Resolution, approves the plan for drafting the financial indicators of the State budget and municipal budgets, i.e., the calendar. The calendar covers three principal working groups related to drafting of the budget:

- execution and revision of the macroeconomic and fiscal prognosis;
- revision of the strategic priorities of the Government for the purpose of execution of the State budget for three years, and the drafting of the strategic operating plans of the institutions;
- execution of the draft of the financial indicators of the State and municipal budgets.

The annual budget planning process starts with the establishment of the Government priorities, i.e., where necessary, the Government revises and specifies its priorities. The public authorities and institutions - within established time limits - submit to the Ministry of Finance the information necessary for the production of the macroeconomic and fiscal prognoses. The macroeconomic prognosis for the appropriate period is developed to form the basis for the formation of the national fiscal plan.

Also, the Government approves the principal indicators for the three year period National budget, the preliminary reference amounts of the public investment, the general principles for fixing the maximum investment and the investment of the public funds into a specific area, and the preliminary data on the amount of European Union financial support.

The maximum appropriations for each institution established on the basis of the fiscal plan constitute a basis for the draft strategic operating plans and the draft estimates of the State budget programs. The planning indicators of each institution are revised and specified on the basis of the draft strategic operating plans and the draft estimates of the State budget programs, and the conclusions obtained are referred to for the purpose of the drafting of the Law on the Approval of Financial Indicators of the State Budget and the Municipal Budgets of the appropriate year. The Law on the Approval of the Financial Indicators of the State Budget and the Municipal Budgets of the appropriate year (hereinafter - the draft Law on Budget) is drafted in the context of extensive coordination involving budgetary institutions and organisations, the Ministry of Finance and other Ministries, the Strategic Committee of the Government and the Government itself.

The Ministry of Finance submits the draft Law on Budget to the Government which, subject to its examination, submits it to the Seimas no later than 75 days before the end of the budgetary year. The draft Law on Budget is then examined by the Seimas. The Committees of the Seimas and the Members of the Seimas submit proposals concerning the draft budget law. After the Government adopts the appropriate decisions concerning such proposals, the draft budget law is again considered and approved by the Seimas. The Seimas is obligated to approve the Law on the Budget not later than 14 days from the beginning of the budget year. At the same time, the Seimas approves the Resolution concerning the projected three year indicators of the National budget.

The implementation of the budget means the execution of financial indicators approved for a specific budget year. Appropriations means the amount of resources allocated for the expenses and the acquisition of the current tangible and intangible assets, as well as the strategic stocks of the budget agencies and other entities funded from the budget which performs the functions of public administration, and to which the appropriation manager shall be entitled from the funds accumulated in the budget, following the submission of payment requests to the institution managing the State Treasury, or to the administration of municipalities, for financing the approved programs.

However, the research of original documents, related to strategic planning and program budgeting, does not provide any concrete references to local governments' strategic planning and program budgeting, except the Law on Budget Structure. The Law on Budget structure regulate, that "appropriations of municipal budgets shall be used for implementation of the Law on Local Self-government and other laws in carrying out the programmes approved by administrators of municipal budget appropriations". Though, these "other laws" are not referered elswere in the Law.

3.1.2. Analysis of Government CSR policy: vision, objectives, strategies and priorities

A bigger role of Lithuania in the international community places a high focus on efforts to foster sustainable and equitable development by the government and

equally calls for enhanced role of the private sector. Many social economic processes, which are ordinary to most Western countries, were at the beginning in Lithuania a few years ago, after entering the European Union in 2004. Therefore, through private business, a free market and features of modern enterprises, many global initiatives and advanced social innovations were rather late in arriving here. Successful participation in the EU market had been closely linked and required high standards of the CSR. Still, the idea of CSR is quite new paradigm in Lithuania (Vasiljeviene & Vasiljev, 2005; 2006).

CSR appeared on the agenda of state institutions only since the request from EU head-quarters for the report on CSR promotion in Lithuania. Several companies implement CSR principles, consequently it is just the very beginning of understanding the importance of CSR. However, National CSR Development Programme 2009-2013 (further – CSR Programme) was approved in January 2010, with primary purpose to develop essential conditions towards CSR development and this way accelerate business companies implement CSR principles in their daily practice.

With CSR Programme Government of the Republic of Lithuania recognize that socially responsible business correspond with societys' welfare expectations and stands for a base of societys' social and economic development. Still problems in consolidated efforts on country level remain till now. Therefore government CSR policy framework is analyzed more detail, aiming to identify institutionalization and effective CSR development problems in Lithuania, firstly, from the normative discourse.

To implement analysis of Government CSR policy the supportive hypothesis was formulated, aiming to investigate if CSR vision, strategy and objectives encompass all CSR relevant stakeholders:

h1: Current government CSR policy framework in Lithuania is insufficient to ensure effective CSR development.

3.1.2.1 Action Plan on Measures Promoting CSR in Lithuania 2006-2008

Stating with the important public sector roles in promoting CSR in Lithuania, in 2005 The Ministry of Social Security and Labour of the Republic of Lithuania approved an Action Plan on Measures Promoting Corporate Social Responsibility (CSR) in Lithuania for 2006-2008 (further – Action Plan 1). These measures included mainly information dissemination campaigns, workshops, good practice case studies, monitoring activities, audits, publication of tutorials, training activities, establishment of Awards etc. Among the mentioned measures to be introduced under this Action Plan was the establishment of a CSR acknowledgement system by the Ministry of Social Security and Labour of the Republic of Lithuania in the form of an Annual CSR Award.

The **vision of CSR development in Lithuania** in the Action Plan 1 encompassed:

- competitive companies that change according conditions in global economies;
- the safe, clean environment;
- strong social cohesion;
- transparent and ethical business practices.

The **priority of the country in CSR** set by the Action Plan 1 was to encourage the development of corporate social responsibility while cooperating with economic, social and international partners. The main goals compose basic CSR promoting targets:

- to stimulate better understanding of CSR and social consciousness in business;
- to spread the methodology of CSR in business;
- to organize consultations on CSR implementation and share good case practices;
- to organize events that encourage the implementation of CSR;
- to improve the capabilities of companies and specialists to implement CSR principles in business;
- to prepare educational programs for getting knowledge on CSR;
- to organize research on CSR;
- to increase the transparency, trust and effectiveness of CSR practices, methods and means, and improve its legal base;
- to prepare means that encourage observation of CSR practices, methods and means;
- to improve the legal environment for the development of CSR principles.

By implementing the Action Plan 2006-2008, The Ministry of Social Security and Labour of the Republic of Lithuania and the UNDP initiative had undertaken analysis of the current CSR situation in Lithuania and CSR promoting and interfering legal factors, concluding with CSR development recommendations. A baseline analysis of CSR conducted in 2007 observed that the direct involvement of Governments in promoting CSR across the new EU member states and candidate countries was diverse. The report, put together by UNDP in Lithuania, was conducted in order to identify:

- 1) actors and assess their engagement in promoting CSR;
- 2) the level of business engagement in CSR;
- 3) collect examples of good practices, tools and recommendations for CSR in the region;
- 4) to promote national and local capacity building for implementing CSR.

These studies had shown that CSR promotion vehicles are often developed and implemented in isolation one from another in Lithuania. Also the lack of inter-institutional cooperation and coordination, inadequate institutional capacity and lack of a Management Framework for CSR implementation and coordination was observed. In other words, the concluding results had shown the lack of coordination and communication among the institutions and highlighted the non-existence of CSR departments; none of CSR united administration has been created.

CSR acknowledgement system's contribution towards effective CSR development. One of the important measures to be introduced under the Action Plan I was the establishment of a CSR acknowledgement system by the Ministry in the form of an Annual CSR Award (Dubee & Rugiero, 2007). Annual CSR Award in Lithuania is a form of measures, established with CSR acknowledgement system, i.e. a form of CSR development effectiveness evaluation. It is a result of gradually developing recognition of the important public sector roles in promoting CSR as Lithuanian Government, guided by The Ministry of Social Security and Labor (Ministry) and United Nations Development Program in Lithuania (UNDP Lithuania), had approved Measures Promoting CSR in Lithuania (2005).

During the past decade CSR both in Europe and globally is recognized as a necessary and natural counterpart to the drive for more sustainable and competitive world. As responsible business behavior is crucial for building trust towards the market economy, trade openness and globalization, various initiatives, programs and award campaigns by separate organizations and national governments were launched to promote business for CSR activities and to reward companies for achievements and progress in implementing CSR. Lithuanian **National Responsible Business Award** (CSR Award) ceremony, organized in the beginning of 2008, **was the very first ever acknowledged system of responsible businesses in Lithuania, supported by the state.** As CSR Awards in Lithuania are organized annually since 2008, some relevant issues could be observed and discussed more detail.

Before the establishment of CSR Award, bespoke "Overview of CSR Award systems in Europe and advice on establishment of Government Award system in Lithuania" was prepared by experts Kaarina Dubee and Jean-Dominique Rugiero (Daxam Sustainability Services, 2007). This was the major document that provided an overview of CSR Awards in European Union Member States as well as some examples from other regions with supporting documentation where available. In addition, it contained a set of practical recommendations and a methodology enabling the Ministry and UNDP to establish an effective CSR Award system in Lithuania. More specifically it include overview of criteria and operational systems of various CSR awards in the EU Member States and development of a set of concrete and practical recommendations and methodology for establishment of company selection criteria and operational mechanism of the CSR Award in Lithuania, taking into account the overview of other countries' experience, but also specific context of CSR development and needs in Lithuania, as described in the Baseline study on CSR practices in Lithuania (2007) and additionally defined through consultations with UNDP Lithuania. These recommendations cover a few options with advice on positive and negative aspects of the model, based on the criteria for measuring company performance/advancement in CSR.

Model of Lithuanian CSR Award. National Responsible Business Awards is initiated and governed by the UNDP Lithuania, Ministry of Social Security and Labor. Partners of the initiative are Ministries of Economy and Environment of the Republic of Lithuania and also this initiative is supported by the National Network of Responsible Business. Award format frequency could be described as Annual

award, as it is performed every year. The length of process is 9 months, encompassing all applicants' evaluation procedures.

The purpose of the Lithuanian CSR Award is to encourage improvements in CSR performance in Lithuania by performing dual actions: generating awareness about, and interest in CSR practice and rewarding, sharing and encouraging good CSR practice.

The CSR Award categories proposed by the experts in 2007 were focusing three CSR social and labor issues:

- Being an Employer of Choice;
- Valuing and Utilization of Diversity;
- Adding-value to Local & Global Community.

Due to date, National Responsible Business Awards recognize business enterprises within three modified nominations and one major nomination:

- Employer of the Year,
- Partnership enterprise of the Year, and
- Environment protection enterprise of the Year.
- Socially Responsible Enterprise of the Year.

The companies could be nominated in the award if they are mostly contributing to the development and strengthening of social wellness, putting the most efforts to minimize the effect of their operation onto the environment; are mostly committed to operate transparently and fair with the employees, community and society are awarded under the National Responsible Business Awards.

Evaluation criteria. The evaluation criteria within each category aim to evaluate the level of CSR integration into the business, from strategy into operations, aiming for effective and meaningful improvements, aligned to the needs of the business and its stakeholders.

The five criteria areas follow the five steps in the CSR Implementation and Improvement Process evaluation in particular business company (see appendix 9).

In order to rank the submissions from participants according to the above mentioned five evaluation criteria, a simple scoring system is used. In every CSR Award category each of five criteria scores maximum 10 points. With this system it is tried to come as close as possible to a quantitative analysis to address the need to rank among different submission material. Still, some triviality could be observed in the 5th criteria "Reporting & gathering of feedback", as methodology stresses the reporting locality: "Reporting can be internal, shared restrictively with selected stakeholders or public". Seeking for transparency in business CSR, reports should be provided publicly, as the essence of CSR is explicit. Internal reporting of restrictively shared reporting with selected stakeholders supposes to be questionable in term of transparency and gathered feedback.

Evaluation process and the Judging panel. National Responsible Business Awards are performed at the beginning of the year. The competition is open to companies of all sizes both indigenous and multi-national. Firstly, the applicant should fill in the National CSR Award Application Form before the due date (usually at the beginning of the year, from January to February). This form is structured and usually hinted with the announced open call for National CSR Award in the

UNDP and Ministry of Social Security and Labour websites. The application form should be signed and taken to the Judging panel office (usually – UNDP office) in written and electronic form.

The selection process of suitable applicants consists of the following steps. Firstly, the validity and accuracy of the provided data in Application form is verified. Submissions are structured and should be reviewed against the supporting evidence provided, company reports plus other information available in the public domain and obtain additional information or clarification from the company if needed. This occurs either via email or a company visit. Secondly, the quality of the submissions against the above mentioned five criteria and their evaluation questions with assign points are assessed. Afterwards the selection process of winning entries is performed, based under the highest score of collected points. And finally, written feedback from the Judging panel should be sent both to awarded companies (with enclosed invitation to CSR Award ceremony), as well as to those that were not selected for the award. This way, e.g. by informing also those companies that did not get well through evaluation procedure, there is opportunity for learning and development, as the feedback reports can be used to guide the company's improvement efforts, etc.

Judging panel is constituted every year and varies within its consistence, but there are core characteristics, that should be fulfilled. The Judging panel should preferably consist of broad stakeholder representation covering all 3 categories of the award. Usually, it include representatives of the Ministry, the Lithuanian Chamber of Commerce, UNDP Lithuania, the Lithuanian Global Compact Network and other leading non-governmental organizations, institutions, associations and national agencies. The core representatives are distinguished business experts and distinguished individuals working in the field of CSR are included to complete the expertise and representability of the panel. The most important obligatory principal that Judges should follow is to be fully independent, non-remunerated and therefore provide the process with rigor and robustness.

Lithuanian CSR Award winners in times of crisis. National Responsible Business Award is annually performed since the year 2008. The winners of the Award are explored in table 18. Responsible business activities have led to new challenges during the year of difficult economic recession. Therefore assessing achievements were focused with special attention, which businesses should have passed through the responsibility of operating principles. Despite the deep crisis during 2009 in Lithuania, on the 7th of April, 2010 for the third time enterprises, working in Lithuania, were rewarded for their activities developing and strengthening social wellness, putting the most efforts to minimize the effect of their operation onto the environment.

In 2010 five UN Global Compact members received CSR Award in two categories:

1. Employer of the Year 2009: JSC “PricewaterhouseCoopers” (in sub-category of Foreign-owned corporation) and JSC “PakMarkas” (in sub-category SME's); and

2. Socially Responsible Enterprise 2009: SC “Teo LT” (in sub-category Large national companies); JSC “Omnitel” (in sub-category Foreign-owned corporation) and JSC Renerga (in sub-category SME’s).

Table 14. National Responsible Business Awards’ winners in 2007-2009

Nomination category <i>Sub-category/ Year</i>	Employer of the Year	Partnership enterprise of the Year	Environment protection enterprise of the Year of	Socially Responsible Enterprise of the Year
2009				
Large national corporation 2009’	JSC stevedoring company „Bega“	Alma Littera company group	JSC „Fermentas“	SC “Teo LT”
Foreign-owned corporation 2009’	JSC “Pricewaterhouse Coopers”	JSC “Mars Lietuva“	JSC „Coca-Cola HBC Lietuva“	JSC „Omnitel“
SME’s 2009’	JSC “PakMarkas”	A. Astrauskas individual enterprise “Pirmas žingsnis”	JSC „ATEA“	JSC „Renerga“
2008				
Large national corporation 2008’	JSC „Omnitel“	SC “Teo LT”	SC „Achema“	JSC „Omnitel“
Foreign-owned corporation 2008’	JSC „Danisco Sugar/Nordic Sugar“	JSC “Pricewaterhouse Coopers”	JSC „TNT“	SC bank „Swedbank“
SME’s 2008’	JSC „ERP“	JSC „HNIT-Baltic“	JSC „ERP“	JSC „HNIT-Baltic“
2007				
Large national corporation 2007’	SC „Lietuvos draudimas“	JSC „Omnitel“	n.a.	SC bank „Hansabankas“
Foreign-owned corporation 2007’	JSC “Pricewaterhouse Coopers”	SC „Kraft Foods Lietuva“	n.a.	JSLLIC „Aviva Lietuva“
SME’s 2007’	JSC „Litexpo“	JSC „Microsoft Lietuva“	n.a.	JSC „Traidenis“
Note: SC- Stoc company; JSC – Joint stock company; JSLLIC - Joint stock limited life insurance and pension company; n.a. – not appropriate.				

Source: created by author, according to information, provided by the Ministry of Social Security and Labor, 2011.

In total, twelve companies were awarded annually within three above mentioned categories of the Award, e.g. Employer of the Year, Partnership enterprise of the Year and Environment protection Enterprise of the Year, and the main category - Socially Responsible Enterprise of the Year. Each of these categories have

three sub-categories rewarding SMEs, large national, and foreign-owned companies separately.

All the winners of the main category “Socially Responsible Enterprise of the Year” are the UN Global Compact members. Awarded companies usually are welcomed by Speaker of the Seimas of the Republic of Lithuania, Minister of Social Security and Labor, Minister of Environment and representative from the Ministry of Economy.

During the 2009, Lithuanian business' situation was very complicated, flexible solutions were required in order to remain competitive in the market. It is pleased that during this difficult period many companies have not left CSR for the future. Especially that social responsibility is not just a single one-year project, but habitual, long-term performance strategy.

Despite the high level of bankruptcy, companies have started their operations under recession deployment, by focusing on socially responsible business principles on their future desired direction. How far the mobilization of these principles echoed the reality in times of economic crisis and how responsible actions have added value to the same business, society and the economy, explored the National CSR Award 2009.

The fact is that within past three years none of the companies have been nominated twice in the same category, could mean that every year new applicants are coming into the CSR Award competition and it could be some kind of sign that CSR promotion in the form of National CSR Award is a most effective CSR accelerating tool in Lithuanian business sector for now.

The other important activity, implemented under Action Plan 1, was the establishment of the **National Responsible Business Network**. Qualitative analysis of the Network activity is implemented with the purpose to investigate its contribution to effective CSR development.

The very first initiatives were mooted during the international conference on the United Nations Global Compact (further – UNGC) and the Corporate Social Responsibility (CSR) concept in November 2004 and resulted with the official launch of the local network called National Network of Responsible Business in Lithuania (further – Network) in April 2005.

National Network of socially responsible business enterprises has emerged in Lithuania from the Group of Initiative on responsible business, established at the conference „Responsible Business in Society“ in Lithuania in autumn 2004. The founding members of the National Network in Lithuania were the United Nations Development Programme (UNDP) in Lithuania, the Association „Investors' Forum, Association „NETA“, enterprises „Constructus“, „Berlin-Chemie Menarini Baltic“, „Commercial Union Lietuva Gyvybes Draudimas“, „Danisco Sugar“, „Ernst & Young“, „Lideika, Petrauskas, Valiunas ir partneriai LAWIN“, „Libra Holding“, „Lietuva Statoil“, and „Mazeikiu Nafta“. At present only 4 business units from almost 57 thousand of total operating businesses in Lithuania had adopted the SA8000 standard and were certified. Nevertheless, almost a hundred of business companies joined the National Network of Responsible Business in Lithuania and the UN Global Compact Initiative.

The Network of Socially Responsible Business was officially launched in April 2005 by a Group of Initiative, which was formed during the first international conference on the United Nations Global Compact and the Corporate Social Responsibility (CSR) concept in November 2004. At its launching date the Network comprised some 11 companies and business associations, as well as the United Nations Development Programme in Lithuania. The purpose of the National Network is to exchange knowledge, experience and innovations, organize joint learning forums, thereby improving business strategies and implementing joint projects for the benefit of society. The Network operates as an entirely voluntary initiative.

Mission of the Network. The Network realize its mission to promote the development of responsible business as a condition for sustainable development in Lithuania, purposing to exchange knowledge, experience and innovations, organize joint learning forums, thereby improving business strategies and implementing joint projects for the benefit of society. Companies and organizations that believe in sustainable development and responsible business, respect human and labor rights of employees, protect the environment, disagree with corruption, take interest in the development of sustainable business strategies and civil society may become members of the Network after officially joining the UN Global Compact Initiative. Micro companies (with less than 5 employees) that are not listed at global website of the Initiative are also accepted as members of the Network. The National Network is part of a global network of responsible businesses - the Global Compact Network. Thus it is relevant to discuss the contribution of the Network toward CSR development in Lithuania.

Structure of the Network governance and participation dynamics. The Network operates as an entirely voluntary initiative. The Network was initially facilitated by UNDP but such situation caused some complications as sometimes it was difficult to separate UNDP initiated activities from the activities of the Network as such, to which UNDP is also a member. While in the beginning the UNDP was convening the meetings of the Network during 2005 and 2006, the companies of the Network undertook this task on rotational basis and by the end of 2007 had decided that the network is chaired for 6 months' period by one company – member that will be also responsible for organization of meetings and information sharing (Report 2007). This enhanced the national ownership of the Network, which is essential in order to sustain the Network in a long run. Gradually the role of UNDP was passed to the purely consultative as it is for today.

The Network convenes regularly once per month, about 10 meetings are taking place during the year. No formal structures exist (e.g. Steering Committee), as the Network sees its main strength in informality. There are no membership fees and no formal Secretariat as functions of Secretariat are performed by the company-champion leading the Network for 6 months. Decisions within the Network are taken by consensus of the participating members.

Initially started as a Network of 11 members (including two associations and UNDP) in April 2005, the Network during 2006 increased by some 11 percent and expanded to 45 member-companies and organizations (Reports 2005, 2006). In 2007 the Network comprised 51 companies and organizations and as of 31 Decem-

ber 2009 it was comprised of 61 companies and organizations, members of the UN Global Compact Initiative. The comparison of network members according to the type of institution is available since 2007 (see table 15).

In 2007-2010 the Network was composed of business companies (both national and multinational) from financial, insurance, telecommunications, textile, chemical and other industries, consultations and other sectors, business and professional associations, trade unions, academic institutions, NGOs and international organizations (Reports 2007-2010). Since the launch of the Network, business representatives constitute the majority, nearly 80 percent of total members. Approximately half of business companies were SMEs since the beginning till the end of 2010.

Table 15. Structure of National Network of Responsible Business members in Lithuania in 2007-2010

Membership year Type of institution	2007		2008		2009		2010	
	Number of member-institutions	Share in total members, %	Number of member-institutions	Share in total members, %	Number of member-institutions	Share in total members, %	Number of member-institutions	Share in total members, %
Business representatives	42	82,4	48	84,2	50	82,0	54	80,6
Civil society and business organizations	7	13,7	6	10,5	8	13,1	9	13,4
Academic institutions	2	3,9	2	3,5	2	3,3	3	4,5
Trade unions	-	0,0	1	1,8	1	1,6	1	1,5
Total number of Network members	51	100,0	57	100,0	61	100,0	67	100,0

Source: author's calculations according to the Local network annual activity reports Lithuania 2007-2010.

It is very important to state, that since the launch till today there are no Government participants in the network, neither is any formal relationship with the

Government. However, occasionally the Network shares important documents with the Government (e.g. conclusions of the annual conference) and one of the Ministries, the Ministry of Social Security and Labor of the Republic of Lithuania, mentions the list of GC members on its website acknowledging them as responsible companies (<http://www.socmin.lt/index.php?1677521490>). However, **the information is not updated regularly on Ministry's website**. Such kind of position taken by the Government generates the debate whether CSR ideas are the Government's policy of drift; CSR development in Lithuania looks more likely the business of business. On the other hand, the project of the National Corporate Social Responsibility Development Program for 2009-2013 was approved by the Government, but with rather minimal reaction on its ideology from public authorities. Mainly responses from Ministries to the Program for the requested critique were related to financing problems, or, much worse, replayed with such phrase as "we approve the project without any remarks". It looks like the Governments' position refers to some kind of modification of classical view on CSR, provided by Friedman (1968; 1970; 1989) where CSR is understood as costs, which reduces benefits.

Collective activities implemented by the Network. One of the core activities, performed by the Network are related to Global Compact promotion, engagement of participants in dialogue with stakeholders and participation in local learning events. As it was mentioned above, the initial purpose of the Network is to serve as a platform for exchange of knowledge and information on GC and CSR, to engage in joint trainings and joint initiatives.

During the 2009, the Network cooperated with other actors in implementation of training initiatives, which aimed at strengthening the capacities of the members to implement CSR/GC principles in business activities. In order to support and facilitate the preparation of "Communications on Progress" (COPs) the Network cooperated with the Ministry of Social Security and Labor and UNDP Lithuania in developing a local database of Lithuanian COPs. The online database and COP format were launched in April and are available at Network website since the beginning of 2009 (<http://www.globalcompact.lt/undp/login.php>). By the end of the year, 13 COPs were published in the database.

With a view of developing self-assessment capacities of companies to evaluate and plan accordingly their CSR activities, an initiative "Self-Assessment of CSR practices" was carried out in beginning of 2009. Among the training and capacity building events where Network members took part in the training for companies on Gender Equality in the private sector "Gender Equality Index: how to reduce tension in the workplace and create conditions for employee productivity without additional costs". As part of the Gender Equality initiative, several members of the Network participated in the assessment of status of gender equality within their own companies, as well as participated in developing an online tool for gender equality.

The Network made an attempt to promote CSR/GC principles outside the capital by organizing a thematic event in one of 10 Lithuanian regions, called „Social and environmental responsibility of companies in Alytus region: added value for town and business“.

First sectoral event on CSR implementation in the banking/finance sector was organized in spring 2009 in cooperation with Association of Lithuanian Banks and Association “Investors’ Forum”, in which several members of the Network took part. Overall, the training, funded by ESF, called “Non-traditional financial sector crises: environmental and social risks” attracted only over 20 participants from business sector.

In November 2009 Annual Conference of the Network was organized. The conference “Value of Volunteering for Business and Society during the Economic Crisis” was devoted to the topic of volunteering in the business sector, because it is believed that more solidarity between the business and society is needed in times of economic recession, as well as the role that volunteers play in society to mitigate the consequences of economic crisis (Report 2009). On the same day of the Annual Network Conference, a Strategy Meeting of General Managers was organized. The main objective of the meeting was to discuss and provide guidance for network priorities/activities for 2010 and enhance the commitment in GC of highest management of corporate members of the Network. The meeting resulted in two priority actions for the year 2010, on which the Network will focus:

- development of user-friendly support mechanism for SMEs during economic recession;
- bringing CSR requirements to the public sector.

By implementing the priority action, related to CSR in public sector, eventually the enhancing role of Lithuanian Government in CSR promotion will be paid with great attention. At least, CSR development as business of business should be gradually shared with all stakeholder groups, e.g. Government also.

CSR enhancement through partnership projects. The network also develops CSR ideas by implementing partnership projects. The Network members perform various specific projects. However, till 2007 there were no joint projects where all members’ involve. However, some of the companies of the Network cooperate with NGOs and UNDP in implementing joint projects, as well as joining the Millennium Development Goals campaign “Time to Help Others”. In 2008, the Network developed a so called “Bulb Initiative: for responsible energy consumption”. The initiative focused on responsible and efficient energy consumption with a view of raising awareness of companies through small but meaningful actions.

Second initiative organized by the Network in autumn 2009 was the “Auction of Volunteers”. The Network working group for the Annual Conference selected 8 project ideas of NGOs that were offered to business companies for their contribution through volunteers. During the Auction, 165 volunteers were offered by companies to participate in the implementation of selected NGO projects during a period of one year. The project that attracted the biggest number - 59 volunteers, was Lithuanian Red Cross project “Help me to help others”, while the company that offered biggest number - 43 volunteers was SEB bank (Report 2009).

In 2009, one of the Network’s main activities were related to volunteering promotion, thus the joint trip to “Spengla” provided the Network’s members the opportunity to feel for themselves what it means to be a volunteer and to share one’s time, kindness and attention with those who miss these things. Network or-

ganized a visit for its' members to Child Care Home "Spengla". More than 50 children competed with the Network's representatives in lively games, sang songs and treated themselves to the pies, cakes and other treats brought by the guests. The Network representatives brought more than 100 children's books, collected from the employees of companies belonging to the Network, and that made a pleasant gift for children. The event culminated in the awards of the festival's participants (Report 2009).

Also, some of the companies of the Network cooperate with NGOs and UNDP in implementing joint projects. For instance, several members of the network have been participating in the initiative "White Wave" launched in 2007. Social Initiative „White Wave" promotes transparent and socially responsible business in Lithuania and encourages stopping paying salaries in „envelopes". The certificates confirming the right of companies to use the trademark „White Wave" are being given to the companies that declare the values of this social responsibility initiative. The companies are allowed to use the trademark in the communication, labeling its products and services. Thus the project aims to attract as many businesses to use the label of transparency in labor relations.

The Network Communications Working Group, established in 2007, has been actively engaged in external communication for the Network, including participation in radio broadcastings and giving interviews to the national and regional media on GC issues and disseminating information on GC to partners and suppliers. It also prepared several thematic topics for the business media to reflect on good practices of companies. These topics were presented during the year to the Editor-in-Chief of Lithuanian business daily "Business News" however no concrete cooperation project has been developed with this newspaper yet.

Members of the Network participate in National Responsible Business Award (CSR Award, for more details see the following section), launched by the Ministry of Social Security and Labor ceremonies.

Several Network members actively contribute to collection of good practices implementing GC/CSR principles, which are annually published by middle of the year, still publications are available in Lithuanian only.

Summarizing an overview of National Network of Responsible Business in Lithuania, it should be stated that since its launch in 2005 the Network had performed many significant achievements related to CSR effective development in Lithuania. Among the key achievements in Network organization, the shift from ad hoc approach to strategic approach to Network activities and transfer from UNDP leadership to company leadership in the network by enhancing local ownership should be mentioned.

Coordinated communication activities resulted with more companies engaged in joint external actions by development of good practice examples and joint organization of media events. Successful organization and carrying out for the first time joint Network initiatives are important starting point in joint activity organization.

Regularization of experience share by members and production of first methodological tools that are already used in companies' practice with progressive

competencies' in CSR implementation enhancement in future and collection of good practices are very significant CSR endorsement achievements in Lithuania, performed by the Network.

Progressively the Network's voice in contributing to development of public policies on CSR is recognized that could make significant implications on CSR development in Lithuania, as the Network is the main organized CSR accelerator in Lithuania for today.

Still, many problems, mainly related to the **lack of dialogue between the Network and the Government, better attraction of local companies from regions** to participate in Network activities and preparation of COPs by non-active Network members should be solved in future. However, the attention paid by governmental authorities for business enterprises in the CSR Award process hopefully will build up a closer dialogue between government, business and civil society in CSR development and promotion processes. Nevertheless, under implemented analysis it becomes evident, that local government does not appear in any context of CSR in Lithuania during the initial CSR period.

3.1.2.2 National Corporate Social Responsibility Development Programme 2009-2013

Following above discussed circumstances, five-year National Corporate Social Responsibility Development Programme 2009-2013 (further – CSR Program) was prepared and parallel the Action Plan on Measures Promoting Corporate Social Responsibility 2009-2011 (further – Action Plan 2) was approved on 12 January 2010. Hence, the CSR Programme was approved on 12 January 2010, including the year 2009, which was left empty in Action plan 2.

The CSR Programme was developed under prior important documents (see figure 9):

- Long-Term Economic Development Strategy of Lithuania until 2015 (approved by Resolution No. 853 of the Government of the Republic of Lithuania 12 June 2002),
- National Lisbon Strategy Implementation Programme 2008-2010 (approved by Resolution No.1047 of the Government of the Republic of Lithuania 1 October 2008),
- National Sustainable Development Strategy (approved by Resolution No.1160 of the Government of the Republic of Lithuania 11 September 2003 and Res. No.1247, 16 September 2009),
- National Sustainable Education Development Programme 2007-2011 (approved by Resolution No.1062 of the Government of the Republic of Lithuania 2 October 2007; invalid from 1 January 2011) and
- Action Plan on Measures Promoting CSR in Lithuania 2006-2008 (approved by Order No. A1-337 of The Minister of Social Security and Labour of the Republic of Lithuania 22 December 2005).

The Preface of CSR Programme described relevant CSR concepts:

Responsible investment – kind of investment, when investor takes into account not only the financial aspects of investment, but also the environmental and social impact.

Responsible manufacturing - the production, which is not only economic efficiency but also, minimizing the negative impact of the production process and raw materials used in environmental.

Responsible consumption - the consumption, when the consumer chooses a product or service, considering not only the price, but also environmental impact of the social conditions of production, resource-efficient use of goods or services.

Corporate social responsibility - corporate policies and practices when they are in accordance with the laws and international agreements and the agreed rules of conduct in their business processes, internal and external relationships with voluntarily integrated social, environmental and transparent business principles. Companies with the public and public sector partners are looking for innovative systemic social, environmental and economic well-being of the wider problems.

Therefore, CSR Programme outlined the main provisions of the state policy related to the coherent, focused and integrated approach from the State towards CSR. Accordingly, it is declared, that implementation of this CSR Programme will help companies to integrate CSR activities, contributing to sustainable development and ensure the Lisbon strategy (2000) goal - to create a competitive and dynamic knowledge-based economy based on sustainable economic development and harmonious relations between business, government and civil society.

These declarative objectives could be recognized as relational CSR approach due to the implemented theoretical analysis in the first chapter of the dissertation. However, the relational CSR encompass government in terms of internal government CSR structure and CSR responsibilities at different levels of government. Therefore, more detail it will be examined in the following sections of this chapter.

The CSR Programme overhells the internal and external factors and processes that determine the CSR conditions in Lithuania (Part II), CSR objectives and targets (Part III), intended results and its evaluation criteria (Part IV), implementation, evaluation and monitoring processes (Part V) and funding (Part VI).

The external factors, forcing to CSR to Lithuanian institutional agenda are recognized in CSR Programme as CSR being object of important global and EU debate under globalization, competitiveness and sustainable development. In EU CSR is associated with the Lisbon Strategy (2000) for economic, social and environmental objectives because it is assumed that the company with CSR contribute better job creation and improvement of working conditions, labor rights protection, scientific innovation and technological development. EU Council in “Integrated Guidelines for Growth and Jobs” (2005-2008 years) recommended Member States “to encourage companies to develop their social responsibility”. EC Communication on “Implementing the Partnership for growth and jobs: making Europe a pole of excellence on corporate social responsibility” (22 March 2006) states that the Commission will focus on CSR, especially in those Member States where the concept of CSR is less known. The European Parliament is convinced that encouragement of corporate social and environmental responsibilities is at the heart of Euro-

pean social model, Europe's sustainable development strategy and in response to social challenges of economic globalization is (the Report on corporate social responsibility: a new partnership, 2006). In 28 July 2009 the EC in Communication "Sustainable Development Mainstreaming in EU policies" is acknowledged that the "European companies incurring higher corporate social responsibility commitments, will increase the capacity for sustainable development". These are acknowledged primary external conditions for CSR Programme.

Internal conditions relate to the Vision of the State in Long-Term Economic Development Strategy of Lithuania until 2015 (2002): "Knowledge-based economy is becoming a priority target of Lithuania. The EU is determined to create a knowledge-based society during the coming decade: in 2015 Lithuania expects to reach a similar level in this sphere. However, a knowledge-based society is a challenging objective for Lithuania which may be difficult to deliver unless a high degree of consensus between the widest circles of society can be achieved and unless there is a strong intellectual political will".

CSR encouragement in National Sustainable Development Strategy (2003) is attributed to global economic challenges of sustainable development. Implementing the principal of business companies' and social partners' participation developed in National Sustainable Development Strategy, CSR Programme strengthens social dialogue, corporate social responsibility, public private partnership to ensure the sustainable consumption and production.

In 14th Lithuanian Government Programme for 2006-2008 (approved by Resolution No. X-767 of the Seimas of the Republic of Lithuania 18 July 2006), the Lithuanian Government is committed to increasing CSR and stated that one of the primary jobs - to carry out economic reforms to promote efficient production and expansion of services, the implementation of socially oriented market economy model. The promotion of CSR initiatives was declared in the 15th Lithuanian Government Development Programme (approved by Resolution No. XI-52 of the Seimas of the Republic of Lithuania 9 December 2008).

The other factors that encourage companies to introduce more sophisticated and responsible social and environmental policies are recognized climate change, depletion of natural resources, global financial and economic crisis, rise of prices of energy resources, corporate reputation crisis, the needs of society change and increasing pressure of civil society. Consequently, the CSR development hindering factors are acknowledged as a number of systemic and difficult to overcome obstacles, as people lack civic engagement, lack of strong trade unions and other non-governmental organizations. CSR is perceived fragmentary, not sufficiently integrated into corporate strategies. Business environment, particularly SMEs, hold general perception that CSR is an expensive process, without giving a real advantage. Lithuanian companies usually competes on price and sometimes quality, but little on reputation and social responsibility.

Under these conditions, the **strategic goal of the CSR Programme** is set as to create friendly environment for CSR development in Lithuania and to encourage companies implement CSR principles into their activities through achieving the three main goals (see Table 16):

1. It is proposed to create a favorable legal and institutional framework for corporate social responsibility development by drafting legislative CSR promotion changes, creating the administrative structure of state institutions to ensure the development of CSR and increase affectivity of public institutions cooperation in CSR promotion.

2. A better understanding of CSR and social and environmental awareness promotion was elucidated. The state is supposed to better recognition of business' CSR activity, increase of CSR initiatives in transparency and credibility, encouragement of civil society organizations to work in the field of CSR, and promotion of responsible consumption.

3. The increase of business and other interest groups in the competence field of CSR is emphasized, including the development of CSR principles and application of methodological tools in order to ensure their dissemination and exchange of best practices. It also targeted to promote formal, non-formal education and informal learning, and also the scientific research on CSR.

Table 16. Main goals, tasks and target activities of National CSR Development Programme 2009-2013

The goal	Main tasks	Target activities
1. Creation of a prosperous juridical and institutional environment for the development of CSR	<ul style="list-style-type: none"> • To prepare modifications of laws that would encourage the development of CSR; • To create the administration of governmental institutions that would secure the development of CSR and effective communication among institutions in encouraging CSR. 	<ul style="list-style-type: none"> • Development and improvements of laws on public purchasing, financial accountability and investment; • Establishing the requirements of implementing and reporting on CSR principles for state-governed companies, CSR coordinative departments; • Increasing the competence of staff appointed to deal with CSR issues.
2. Encouragement of a better understanding of CSR as well as its social and environmental perception	<ul style="list-style-type: none"> • Recognizing companies that are active in CSR on the national level; • Increasing the transparency and reliability of CSR activities; • Encouraging civil society organizations to work in the field of CSR; • Encouraging responsible consumption. 	<ul style="list-style-type: none"> • To improve the system of national awards for responsible business; • To create a framework for CSR observation and voluntary evaluation of the influence of integrated CSR tools; • To encourage the accountability of governmental institutions on responsible practices; • Support of NGOs that represent interests of consumers, carry out informative campaigns.
3. Increase of companies' competence and other interested parties in the field of CSR	<ul style="list-style-type: none"> • To prepare methodical tools concerning implementation of CSR principles; • To ensure their spreading as well as sharing good case practices; • To encourage formal and informal education and research as well as self- 	<ul style="list-style-type: none"> • Development and support for the National Network of Responsible Business; • Publishing of good case practices in CSR, spreading information in the Internet; • Organizing seminars and conferences; • CSR consultants' training,

The goal	Main tasks	Target activities
	education on CSR.	<ul style="list-style-type: none"> • Support for scientific activities in CSR; • Preparation and implementation of CSR study programme, etc.

Source: created by author, according to the “National CSR Development Programme in Lithuania 2009-2013” and “Action Plan on Measures Promoting CSR in 2009-2011”, The Ministry of Social Security and Labour of the Republic of Lithuania, 2009.

By approving the CSR Programme the Government of the Republic of Lithuania legally admits that socially responsible business meets the welfare expectations of society and is beneficial for the social and economic development. It is expected that by 2013 the above discussed main goals set in the CSR Programme will be achieved. However, there is no emphasis on concrete public sector roles in promoting CSR ideas among society in the final CSR Program amendment.

Concluding the above implemented analysis of vision, strategy and objectives of government CSR policy, it is observed, that CSR vision attribute to National Sustainable Development Strategy, State in Long-Term Economic Development Strategy and Government Programme, facing to global economic challenges and sustainable development. CSR Programme outline the main provisions of the state policy to be related to the coherent, focused and integrated approach from the State towards CSR, addressing to abstract overall sense that companies will integrate CSR, this way contributing to sustainable development and Lisbon strategy implementation. However, there is no particular concrete insight, what role will be taken by government in CSR encouragement, despite modifications of laws that would encourage the development of CSR (i.e. public purchasing, financial accountability and investment) and accelerate companies to perform social dialogue and public private partnerships to ensure sustainable consumption and production.

Focusing the internal government and institutional structure for CSR, the most relevant observed problem is the balance between activities taken by institutions involved in National CSR Programmes’ Action plan 2009-2011 implementation process (see Appendix 4). Major share of activities (i.e. 25 activities) are addressed to the Ministry of Social Security and Labour and UNDP Lithuania (i.e. 22 activities), role of other institutions is minor. Thus CSR responsibilities are concentrated within two institutions in Lithuania; however none of them hold employees directly responsible for CSR. And, of course, there is no any intention to local government level representativeness in national CSR structure, despite the recommendation to implement CSR activities.

It was also observed during the research period, that paradoxically, draft CSR Programme preparation documentation spread is limited. The documents are open for discussions only for 3 days. The experiment, related to National CSR Program’s leading documents’ approval was implemented. The Law projects’ database of Seimas of the Republic of Lithuania was spectated in the period from the National CSR Programme approval within four months (January-April, 2010), as projects of leading documents according to the law should be put into stakeholders’ and society’s suggestions. The document appeared in the database on

the 30th of March, 2010 and was closed on 1th of April. As being top interested person, time limits are unadequate.

Therefore, CSR effective development in Lithuania could be increased with better exploitation of mass media about performing topical processes. The focus in disseminating information and rising awareness should also be the public actors' responsibility in Lithuania, as successful CSR implementation cases in other countries explore a very important role of publics in solving CSR development problems (Albareda, Lozano & Ysa, 2007).

Thus it became relevant to get opinion from local governments about National CSR programme approval process and local government representatives' intention to intervene National CSR targets. For this purpose several research questions were addressed to the interviewees.

3.2. Analysis of local government involvement in CSR development

An important remark with contribution to National CSR programme and the Law on Local Self-government should be made according to the relations of local authorities with State institutions and international organisations (Article 24). There is regulated that relations between the councils and executive institutions of local authorities and State institutions shall be based on the Constitution and laws of the Republic of Lithuania and shall not be subordinate by the State institutions. Therefore, in the cases when higher State institutions consider matters related to interests of a local authority, the former must inform the local authority about this and the council submit proposals which must be considered by higher State institutions.

3.2.1 Local government acquaintance with approved National CSR Programme

Herein, The Government of the Republic of Lithuania approved five-year National Corporate Social Responsibility Development Program in 2009-2013 and parallel - the Action Plan on Measures Promoting Corporate Social Responsibility in 2009-2011 (State News, 2010, Nr. 8-368, come into force January 22, 2010), in its preface recommending local governments, the associated business entities, social partners, NGOs and international organizations in accordance with the financial capacity carry out the resolution adopted by the National Corporate Social Responsibility Development 2009-2013 year program for 2009-2011 plan. As the resolution concerns local governments, they should have informed them as higher State institutions consider matters related to interests of a local authority.

The first question, addressed to find out local government's representatives' acquaintance with National CSR programme was the question, if he/she had learned about National CSR Development Programme 2009-2013 from this inter-

view. Aggregated results show, that 82.5 percent of interviewees have learned about National CSR programme from the implemeted research and only 17.5 percent have been acquainted before. It allows concluding, that there exist communication failures between central and local governments towards National CSR issues.

The next question was composed to investigate, if the municipality was invited (about April-May, 2009) to adjust the draft National CSR Development Programme 2009-2013.

Table 17. Invitations to adjust draft CSR Programme 2009-2013

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	17	17,5	17,5	17,5
	No	57	58,8	58,8	76,3
	I don't know	23	23,7	23,7	100,0
	Total	97	100,0	100,0	

As it is seen from aggregated results, only 17,5 percent of responses were positive, while the major share of answers were negative (58.8percent) or answered by “I don’t know”. Therefore those who answered positively were asked to respond, if they have submitted any suggestions for National CSR programme corrections. From those 17, who have received the draft National CSR Development Programme 2009-2013, suggestions were provided by five (see table 18).

Table 18. Provided suggestions/corrections for the draft CSR Programme 2009-2013

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	5	5,2	33,3	33,3
	No	9	9,3	60,0	93,3
	I don't know	1	1,0	6,7	100,0
	Total	15	15,5	100,0	
Missing	0	82	84,5		
	Total	97	100,0		

As aggregated data shows, even from those 17.5 percent, who received the draft National CSR Development Programme 2009-2013, only one third provided suggestions for corrections.

In line interviewees were asked to provide answers, related to draft National CSR Development Programme’s 2009-2011 Action plan (see table 19).

Table 19. Invitation to adjust the CSR Programme’s draft Action plan 2009-2011

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	15	15,5	15,8	15,8
	No	52	53,6	54,7	70,5
	I don't know	28	28,9	29,5	100,0
	Total	95	97,9	100,0	
Missing	0	2	2,1		
	Total	97	100,0		

Aggregated results show, that only 15.5 percent answered positively, hereby answers “no” and “I don’t know” compose the major share of responses. Two interviewees didn’t answer the question.

Therefore those, who answered positively, were asked if they have provided any suggestions. The major share, i.e. 73.7 percent of responses, were negative (see table 20).

Table 20. Provided suggestions/corrections for the CSR Programme’s draft Action plan 2009-2011

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	5	5,2	26,3	26,3
	No	14	14,4	73,7	100,0
	Total	19	19,6	100,0	
Missing	0	78	80,4		
	Total	97	100,0		

One more important observation arises from the research results and Law on Local Self-government, precisely, Article 25, related to the representation of Local Authorities of the Republic of Lithuania. There is regulated under the Law, that The Association of Local Authorities of Lithuania represents local authorities of the Republic of Lithuania in the Seimas, in the relations with the President, in the Government and international organisations. The observed paradox is that draft National CSR Programme was also addressed to The Association of Local Authorities of Lithuania, which should pass the draft further to every municipality. The research results show, that 5 municipalities had passed the suggestions for corrections, however The Association of Local Authorities of Lithuania had responded to the request by having none remarks or suggestions for corrections. Therefore, the

unanswered question is how local authorities can be represented at State level by The Association, as suggestions do not reach the target State institution.

3.2.2 Local government reaction towards National CSR Programme

According to the approved National CSR Development Programme 2009-2013, local governments, associated business entities, social partners, NGOs and international organizations in accordance with their capacities, were recommended to carry out the resolution. Therefore, aiming to investigate local governments' attitudes towards this recommendation, local governments' representatives were asked, if they are going to implement the National CSR Development Programme's target activities.

Aggregated research results show (see appendix 7), that the 39.4 percent of interviewees highlighted the response "We haven't discussed this program in our municipality". That means that National CSR programme activities are poorly recognized as important to respond, or to discuss. Another important observation is, that almost the same amount (33.0 percent) of interviewees would implement the programme as far as the mandatory law enforce. Consequently, despite CSR being a voluntary initiative, its mandatory empowerment is recognized as a condition under which the National CSR programme would come into action.

Another important observation is, that 8.5 percent, i.e. 8 interviewees have highlighted, that they are going to include main provisions in the municipal action plan. Therefore, it seems to be the beginning of CSR operationalization, as activities, included in local governments' action plans are provided with resources, managed and reported. However, the total amount of responses does not provide the information under which staff level these answers are generated. Crosstabulation with staff level and provided answers help recognize, what is the real determination to include National CSR programme's activities into action plan. As results show, the National CSR provisions are recognized as applicable to include in municipal action plan by 2 of municipalities' politicians and 3 heads of municipal administrations, 1 head of municipal department and 2 municipalities professionals. Therefore those municipalities' professionals have quite low intension in municipalities action plan preparation, consequently it could be recognized, that municipalities politicians and heads of municipal administration have better conditions to make pressure under CSR activities involvement in local governments' action plan.

There was provided possibility to fulfill the answers with open category. In total 11 interviewees answers can be analyzed qualitatively. All these answers were fulfilled with „I don't know“ or „I do not have any information“. These answers fulfill the above developed conclusions, that local government representatives are poorly acquainted with National CSR Programme.

The following question „How would You describe Your reaction against the National CSR Development Programme?“ was composed to find out local government representatives' reaction against National CSR Development programme.

The prepared options were checked for scale reliability using *Cronbach's $\alpha = 0.723$* which helped recognize it as reliable and suitable to measure information. The level of concord of the interviewees answers ($N = 88$) was evaluated upon the Kendall's concordation coefficient $W = 0.64$ (*p-level 0.000*). Therefore, concordance is significant and the degree of agreement among answers is medium.

The aggregated results show, that interviewees reaction was diverse (see Figure 9). The aggregated data shows, that there are several critical observations. The two top-agreed statements were „The plan will be carried out in relation to mandatory enforcement“ (53 responses) and „The objectives of the Program cover society's problems“ (49 responses). The major part of disagreed answers were „Corporate social responsibility issues are not relevant to me“ (32 interviewees and „Programme and Action plan have no relation to local governments' responsibilities“. These results are much promising for further CSR development in Lithuania, as firstly, 35.16 percent (32 responses) of local governments' representatives recognize CSR issues as relevant and by 31.82 (28 responses) percent disagree with the statement, that Programme and Action plan have no relation to local governments' responsibilities.

Therefore, it is necessary to implement deeper analysis, incorporating staff level as dependant variable, to find out, if there are meaningful differences between responses. The statement that „Corporate social responsibility issues are not relevant to me“ (see appendix 9) according to staff level, was fully agreed by 1 head of municipal department and 3 municipalities' professionals. Crosstabulation highlight several important observations. Firstly, CSR issues as not relevant were agreed, neutral and disagreed equally by municipality's politicians. Still, 3 politicians stated, that they fully disagree CSR issues being not relevant to them.

Therefore major share of responses „agree“ (35.7 percent) were provided by heads of municipal departments and municipalities' professionals. Oppositely, 14 responses from municipalities' professionals were „disagree“. In total the category „disagree“ was stated by major share, i.e. 32 responses, and „agree“ by 28 interviewees. The statement was fully disagreed with only 4 interviewees.

The other statement was developed to measure the clarity of the National CSR programme, if there are confusing measures, which should be implemented by the municipality.

Fully agreed with the statement 3 municipality's politicians, 7 heads of municipal departments and 5 municipality's professionals. Therefore, the confusing measures were agreed with the major share of responses, i.e. by 13 municipality's professionals. In total, the major share of interviewees, i.e. 30 highlighted „neutral“ position, and 26 agreed.

The answer „I do not recognize certain outcome of this plan's benefits“ was minorly agreed, as the major share of interviewees marked „neutral“ position. Therefore, heads of municipal departments agreed with the statement by 40.7 percent. In total the recognition of National CSR programmes outcomes was mainly evaluated with neutral (31 answers), agreed (27 answers) and disagreed (21 answers) responses.

Concluding the data on National CSR programme's outcomes, it is observed, that Local government representatives hardly define the outcomes of National CSR programme. Therefore, it is extremely relevant to improve CSR local governments capacities towards CSR issues.

3.2.3. National CSR Programme relevance at local government level

The following question „What do you think, to whom and how relevant the National CSR Development Programme's 2009-2013 in your municipality / municipal area is“ was composed to find out the recognition of National CSR stakeholders. Summarized research results are explored in Figure 10.

The prepared options were checked for scale reliability using *Cronbach's alpha* = 0.753 which helped recognize it as reliable and suitable to measure information. The level of concord of the interviewees answers (N = 97) was evaluated upon the Kendall's concordation coefficient $W = 0.54$ (*p-level* 0.000). Therefore, concordance is significant and the degree of agreement among answers is medium.

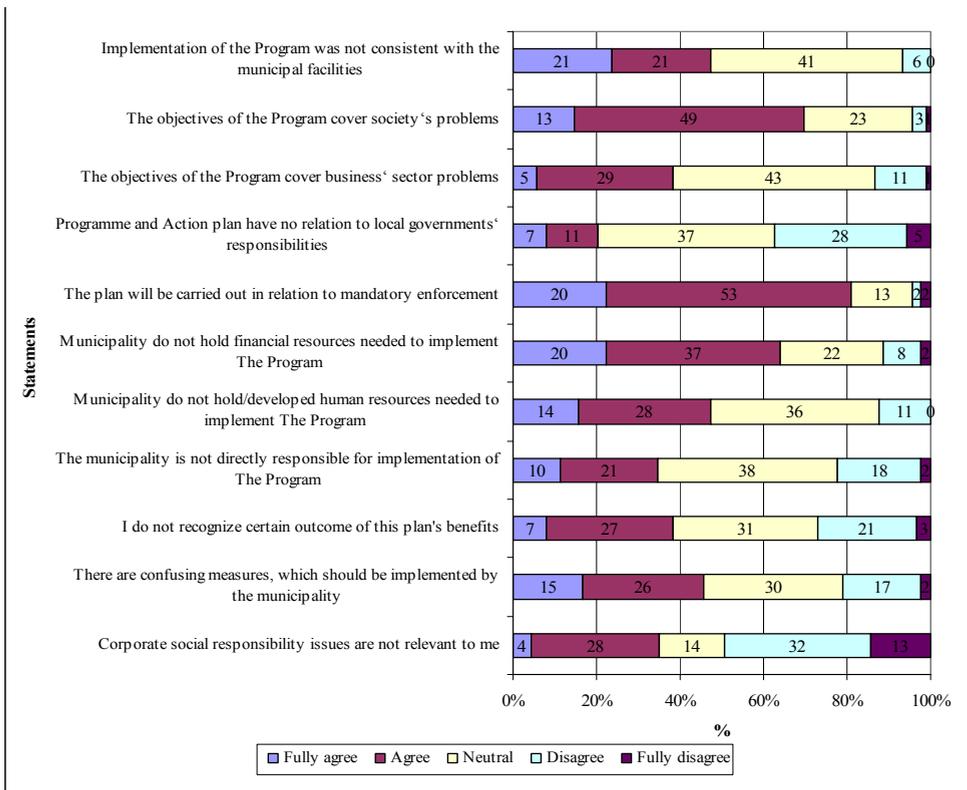


Figure 10. Reaction on National CSR programme

Aggregated data shows (figure 11), that local government representatives almost agree on the relevance of National CSR program to the core stakeholder in the municipalities. Surprisingly, between answers „not important at all“, local government representatives majorly mentioned municipalities' politicians and municipalities Elders.

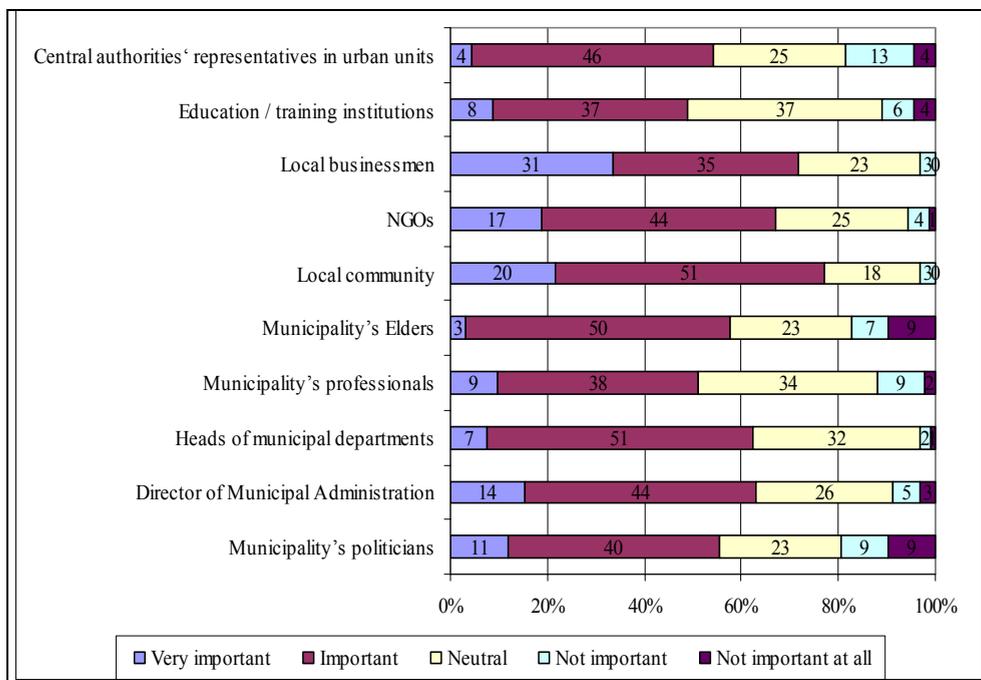


Figure 11. National CSR Development Programme's takeholders

3.2.4 Voluntary approach towards social and environmental reporting

Last two questions were composed to find out the voluntariness attitudes towards social and environmental reporting, as CSR is widely recognized as voluntary initiative.

h2: CSR accountability could be reached through voluntary reporting

Very first question was composed to find out if municipality would prepare and provide publicly social and ethical performance reports. Aggregated data explores (see table 15), that the major share of interviewees (67.4 percent) would provide social and ethical reports if it is obliged. And only 10.5 percent of interviewees would provide social and ethical reports, if it is voluntary, i.e. not obliged. 14.7 percent of interviewees answers demonstrante, that they would not provide any reports if it is not obliged. One of the responses was that they prepare such kind of

reports, but do not provide them publicly. The rest 6,2 percent answered that they prepare social and ethical reports and provide them publicly.

Table 21. Public provision of social and ethical performance reports

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes, if it is not obliged	10	10,3	10,5	10,5
	Yes, if it is obliged	64	66,0	67,4	77,9
	No, if it is not obliged	14	14,4	14,7	92,6
	We prepare such reports, but do not provide them publicly	1	1,0	1,1	93,7
	We prepare such reports and provide them publicly	6	6,2	6,3	100,0
	Total	95	97,9	100,0	
Missing	0	2	2,1		
Total		97	100,0		

Another question was composed to find out if municipality would prepare and provide publicly environmental performance reports.

Aggregated data explores, that almost half of the interviewees prepare environmental performance reports and provide them publicly. Therefore 30.9 percent would prepare such reports, if it is not obliged, i.e. on a voluntary basis

Table 22. Public provision of environmental performance reports

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes, if it is not obliged	30	30,9	31,9	31,9
	Yes, if it is obliged	7	7,2	7,4	39,4
	No, if it is not obliged	9	9,3	9,6	48,9
	We prepare such reports, but do not provide them publicly	9	9,3	9,6	58,5
	We prepare such reports and provide them publicly	39	40,2	41,5	100,0
	Total	94	96,9	100,0	
Missing	0	3	3,1		
Total		97	100,0		

Concluding the research, implemented with the purpose to investigate local government acquaintance to National CSR programme, it can be observed, that 85.5 percent of interviewees have learned about National CSR programme from the implemented survey. 58.8 percent of interviewees answered, that they were not invited to adjust the National CSR programme and its action plan. Therefore only 5 from those 17, who were invited, had any suggestions for National Programme 2009-2011 corrections. Only 15 responded positively if they were invited to provide suggestions for National CSR Programme Action Plan improvements, and consequently, only 5 of them provided corrections. The investigated situation explores, that top national strategic importance CSR related issues perform disruptions in central-local government communication.

Another important observation was made through testing the reaction against approved national CSR programme. The results highlighted the two basic issues: firstly, the voluntarity approach, i.e. municipalities will implement the plan in relation to mandatory enforcement; and they recognized, that the National CSR program cover society's problems.

Local governments' attitudes towards National CSR programme stakeholders' identification encompasses, that almost all relevant stakeholders are more or less recognized as important. Thus National CSR programme stakeholder identification by local government representatives is sufficient.

Comparison of local government representatives' attitudes towards social and ethical, and environmental reporting, research results show, that environmental reporting is closer to the voluntary basis than social and ethical reporting. Thus it is seen that social and ethical issues are more sensitive to report than the environmental ones.

3.3 Justification of local government involvement model in CSR development effectiveness improvement in Lithuania

Model of local government involvement in CSR development improvement process is based under the implemented theoretical and empirical research. This section provides justification of the proposed model, focusing on major observed problems, interpretation and discussion.

The starting point of model composition was the seminal recommendation issued in the preface of CSR Programme, i.e. local governments, which were between those other interested parties, namely, associated business structures, social partners, NGOs and international organizations, recommended under their financial (!) abilities to implement the CSR programme's Action plan. While performing the detailed qualitative analysis of CSR programme and its implementation related documents it was recognized, that there does not exist any reference towards local governments in CSR Programme, while other mentioned interested parties are involved in CSR implementation activities.

However review of scientific literature had resulted with proposed local government roles in CSR development under government CSR responsibilities at dif-

ferent levels, depending on the decentralization between other measures. As far as government is decentralized in Lithuania, there is a presumption to analyze government CSR responsibilities at different levels, i.e. central and local governance, as even CSR Programme hints it.

As CSR Programme is part of state strategic planning system, it was urgent to overview Lithuanian strategic planning system and to locate CSR Programme and its implementation leading documents in it. Implemented research results show, that strategic planning system at State level both functional and spatial is developed and being implemented with detailed manual and is based on national program budget composition normative basis. That both strategic planning and program budgeting methods are currently observed in municipalities (i.e. local government level), however the process of planning is not regulated by any law, but the program budget formulation under the Law on Budget Structure. Consequently, local governments implement strategic planning and program budgeting under their own approved rules, usually developed under strategic planning methodology of the Republic of Lithuania.

However mostly self-developed strategic planning and program budgeting rules, used for strategic action plans and program budget preparation in Lithuanian governments, describe the processes. Generalized processes are: the application collection from external stakeholders; aggregation collected data into action plan and budget programs; articulation draft municipal strategic plan and program budget with internal stakeholders; defence and approval of local governments' strategic action plan and program budget in municipal council (see figure 12).

Due to the identified processes of program budgeting and strategic planning, there were developed model for community CSR values incorporation into municipality's program budget and strategic plans without composing any additional structure for CSR development effectiveness improvement. As far as it was recognized, that major critical process for community CSR values incorporation into BS based strategic plan and program budget, this process is justified in detail, while other processes are quite normal in Lithuanian governments and are not paid with particular attention in this research.

As strategic planning and program budgeting is being implemented in Lithuanian municipalities, its processes are recognized and examined by local government representatives. Therefore, the advanced, comparing with program budgeting, BS methodology could be incorporated through particular trainings.

The BS preparation process begins with the same as program budget application form collection process from external local government stakeholders. Aiming to incorporate community CSR values into municipal strategy oriented BS the critical role is played by those representatives, who organize implement application form collection process. Therefore first of all those representatives should recognize CSR economic, legal and ethical responsibilities.

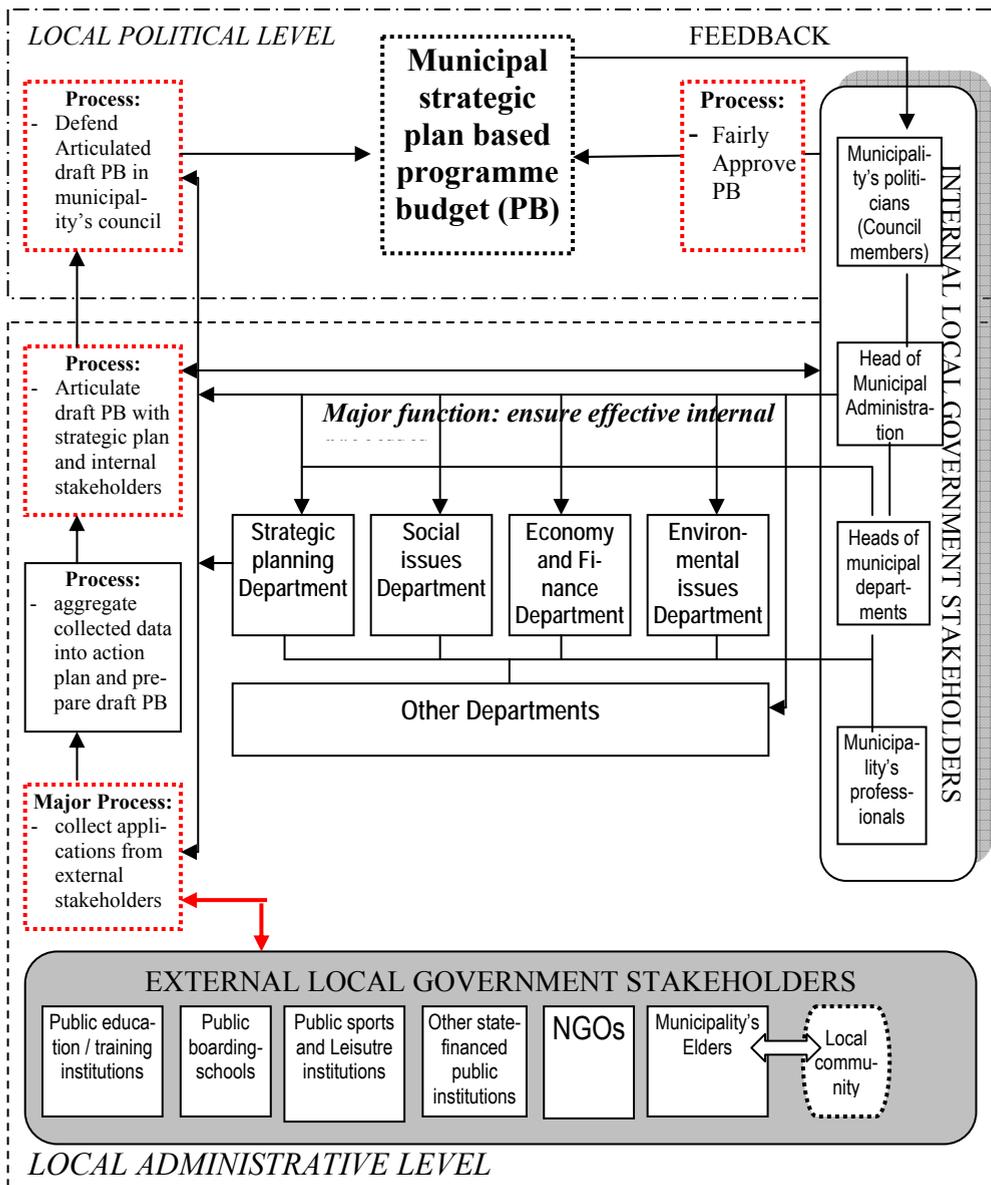


Figure 12. Strategic action planning and program budget process in municipality
Source: created by author

Aiming to investigate local government representatives' awareness of three-domain CSR, the interview method was applied. The research was composed of three main parts: evaluation of economic responsibilities, legal responsibilities and ethical responsibilities. The developed hypothesis to test is:

h3: Local governments are poorly aware against three-domain CSR

Hypothesis will be rejected, if summative responses to every category will be responded with “fully agree” and ”agree” by less that 80 percent of answers.

Evaluation of local government awareness of economic responsibilities consisted of five main statements:

- Responsibility of local governments is to maximize efficiency of public financial resource allocation to satisfy local community expectations;
- Local governments should be committed to being as economy as possible;
- Local governments responsibility is to maintain a strong leading position in the region;
- Local government should maintain high level of operating efficiency;
- Successful local government is defined as one that is consistently effective.

Scale reliability was tested using *Cronbach’s* $\alpha = 0.893$ which helped recognize it as reliable and suitable to measure information. The level of concord of the interviewees answers (N = 97) was evaluated upon the Kendall’s concordation coefficient $W = 0.63$ (*p-level 0.000*). Therefore, concordance is medium-significance and the degree of agreement among answers is medium.

Interviewees were asked to answer to what degree they agree or disagree with every statement, arranged by 5-point Likert scale.

Local government awareness of economic responsibilities is explored in figure 13.

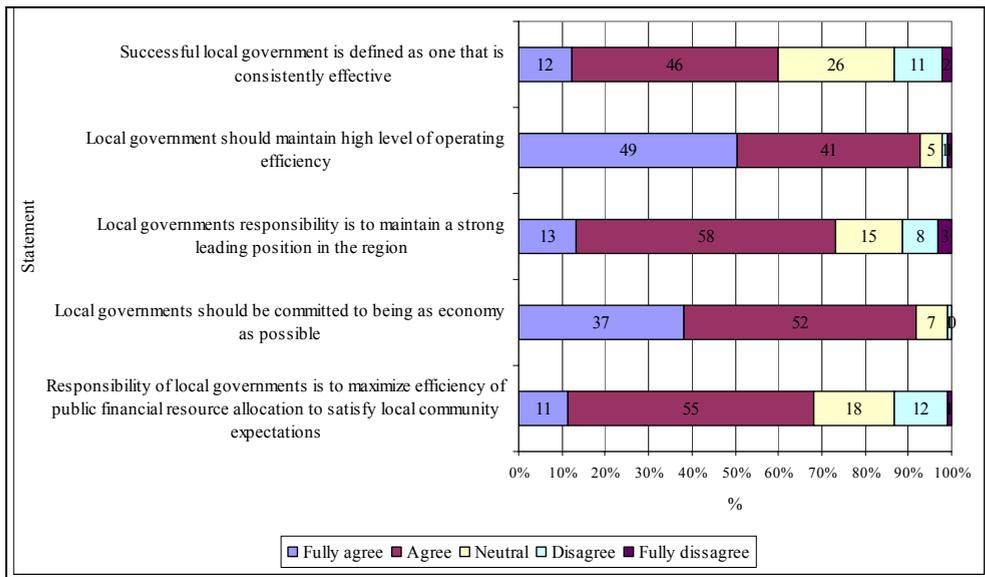


Figure 13. Local government awareness of economic responsibilities

Aggregated data show, that every statement was fully agreed or agreed by most interviewees. The best aware issue is the statement, related to the local government’s high level of operating efficiency: it was fully agreed by 49 answers and agreed by 41 answers. Therefore almost similar position hold “Local governments

should be committed to being as economy as possible”: it was fully agreed by 37 interviewees and agreed by 52 interviewees. It should be stated, that other responses seems to be insignificant.

Evaluation of local government awareness of legal responsibilities consisted of five main statements:

- Local governments should perform in a manner consistent with expectations of government and law;
- Local governments should comply with state and local regulations;
- Public servants should be a law-abiding citizens;
- Successful local government should be defined as one that fulfils its legal obligations;
- Local governments should provide public services that meet quality requirements.

Scale reliability was tested using *Cronbach's* $\alpha = 0.736$ which helped recognize it as reliable and suitable to measure information. The level of concord of the interviewees answers (N = 97) was evaluated upon the Kendall's concordation coefficient $W = 0.89$ (*p-level* 0.000). Therefore, concordance is significant and the degree of agreement among answers is high.

Local government awareness of legal responsibilities is explored in figure 14.

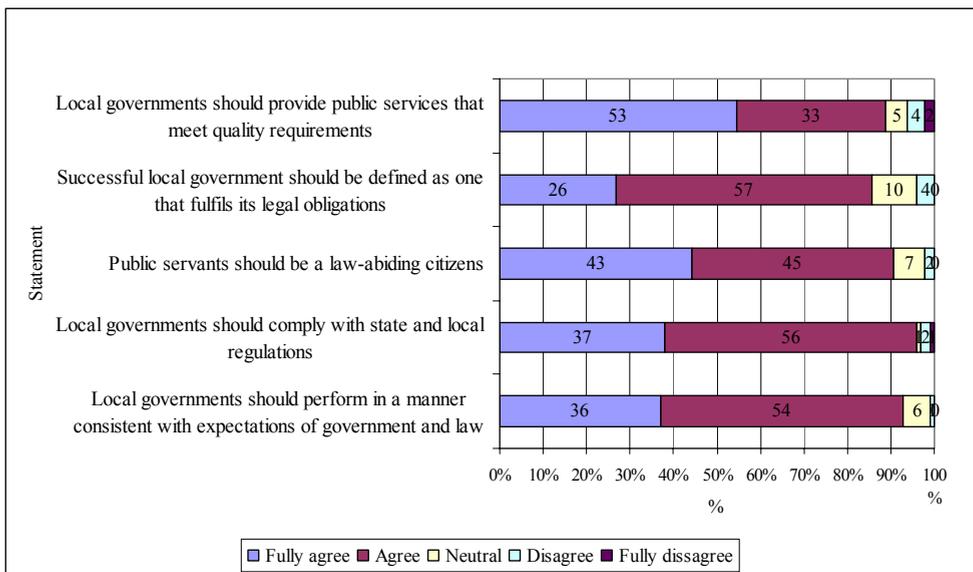


Figure 14. Local government awareness of economic responsibilities

Aggregated results show, that all statements were fully agreed or agreed by over 85 percent of responses. It leads to the conclusion, that legal responsibilities are purely approved.

Evaluation of local government awareness of ethical responsibilities consisted of five main statements:

- Socially responsible local government perform in a manner consistent with expectations of societal mores and ethical norms;
- Responsible local governments recognize and respect new or evolving ethical/moral norms adopted by society;
- Local governments should prevent ethical norms from being compromised in order to achieve political goals;
- Good corporate citizenship is defined as doing what is expected morally or ethically;
- Ethical behaviour go beyond mere compliance with laws and regulations.

Scale reliability was tested using *Cronbach's* $\alpha = 0.788$ which helped recognize it as reliable and suitable to measure information. The level of concord of the interviewees answers (N = 97) was evaluated upon the Kendall's concordation coefficient $W = 0.86$ (*p-level* 0.000). Therefore, concordance is significant and the degree of agreement among answers is high.

Local government awareness of ethical responsibilities is explored in figure 15. Aggregated research result show, that four statements, related to local government ethical responsibilities, were fully agreed or agreed by nearly 90 percent of responses. More confusion is regarded to the statement „Good corporate citizenship is defined as doing what is expected morally or ethically”, as comparing with other answers, neutral position is highlighted.

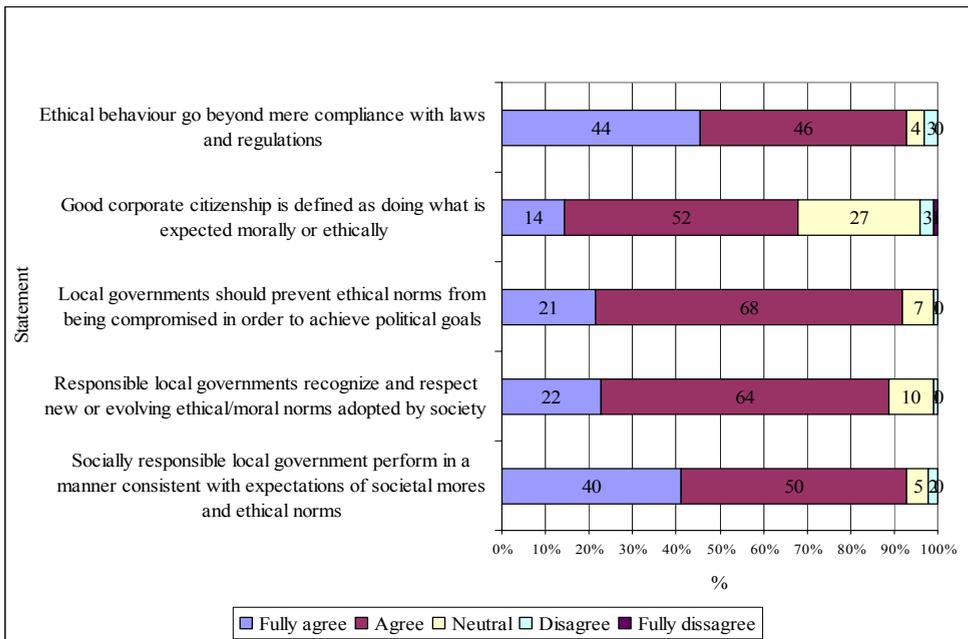


Figure 15. Local government awareness of ethical responsibilities

To confirm the hypothesis, summative results, according to every agreement category were calculated. Interviewed local government representatives fully dis-

agreed with all statements by 0.76 percent, disagreed by 3.85 percent, were neutral by 10.52 percent. However all statements were agreed by 53.40 percent and fully agreed by 31.48 percent of interviewees. Accordingly, the hypothesis H:3 should be rejected, as empirical findings help conclude that local governments fully agree and agree on three-domain CSR by major share, i.e. 84.88 percent.

Research results also helped identify, whether CSR orientation is economic, legal or ethical in Lithuanian local governments. Aggregated results show, that there could be hardly identified any of CSR responsibilities as being more significant against others, as economic responsibilities were fully agreed and agreed by 30.28 percent, legal – by 35.63 percent and ethical by 34.09 percent of interviewees.

Summarizing the research results, it should be stated, that Lithuanian local governments representatives, despite CSR being quite new issue in Lithuania, recognize the three-domain CSR under explored statements. However, this recognition does not supply any attitude towards effective CSR development, as the recognition stay unexploited. This is the reason to involve local government representatives in active CSR development process in Lithuania, as their CSR recognition can be effectively exploited through all strategic planning and program budgeting process.

However, successful application collection process depends on correctly identified stakeholders. As the proposed model incorporate local community CSR values, it is vital to organize application collection process proactively, by involving all relevant stakeholders. Therefore there was developed the purpose to investigate local government representatives, involved in strategic planning and program budgeting process capacities to identify their relevant stakeholders. As municipalities already implement strategic planning and program budgeting, hypothesis was developed as follows:

h4: Local governments recognize their relevant stakeholders

Hypothesis will be rejected, if summative responses to every category will be responded with “very interested” and ”interested” by less that 80 percent of answers.

The prepared list was checked for scale reliability using *Cronbach's $\alpha = 0.853$* which helped recognize it as reliable and suitable to measure information. The level of concord of the interviewees answers (N = 97) was evaluated upon the Kendall's concordation coefficient *$W = 0.809$ (p-level 0.000)*. Therefore, concordance is significant and the degree of agreement among answers is high.

Interviewees were asked to answer the question with arranged categories “Who do you think have an interest in socially responsible activities of your municipality?” by exploring their opinion next to every stakeholder group. Aggregated research results are summarized in figure 16.

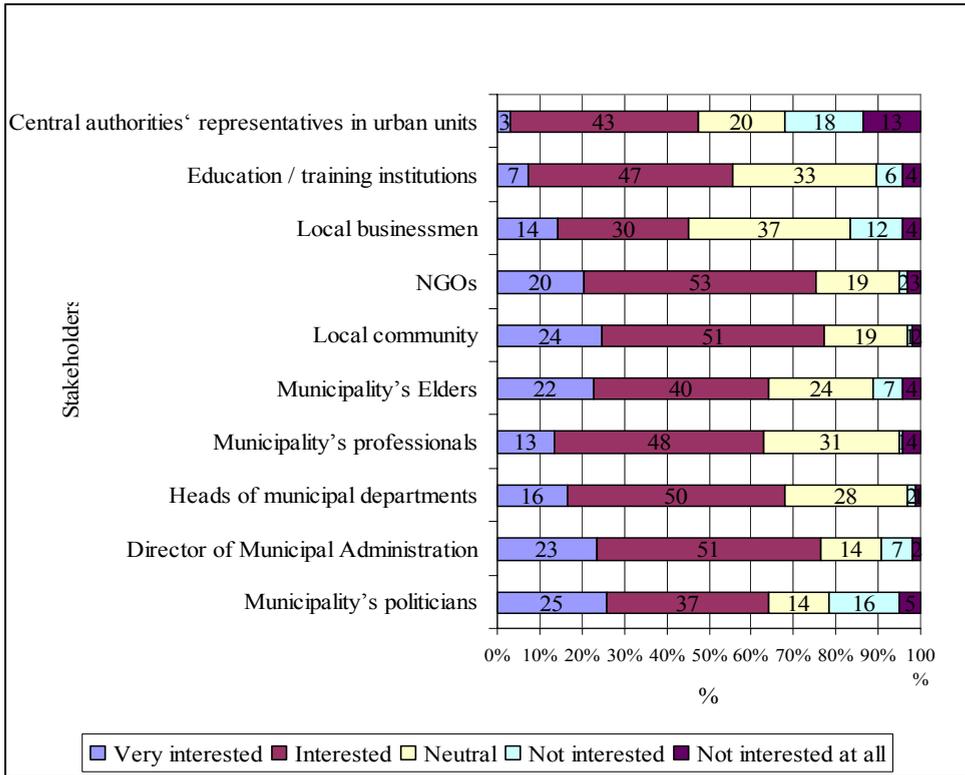


Figure 16. Local government recognition of its stakeholders

Aggregated results show, that local government representatives recognize their stakeholders by major share of answers. Some important remarks should be made in accordance to several stakeholder category identification. Least interested in responsible government performance stakeholders are local businessmen, and central government authorities' representatives in urban units. Aggregated data shows that these two categories were marked as "very interested" and "interested" by less than half of interviewees. Therefore head of municipal administration, local community and NGOs are identified as "very interested" and "interested" in socially responsible local government performance.

Concluding the research results it should be stated, that hypothesis "Local governments recognize correctly their external stakeholders" is rejected, as there are significant stakeholders poorly recognized. Therefore, it may seem that those relevant external stakeholder groups, i.e. local businessman, and even educational and training institutions with their CSR values can hardly appear in strategic plans and program budget. Consequently, their CSR issues cannot be represented. Therefore particular attention in municipalities should be paid to proactive stakeholder engagement techniques in proposed CSR values incorporated BS based strategic planning and program budgeting process. Proposed proactive stakeholder engagement techniques first of all should start from clarifying the application form

and adapting it to stakeholder capacities, trying to make them significant actors in local government strategic planning process. Both external and internal stakeholders should be provided with targeted consultations how to fill in the application forms. The extensive community consultation should be performed in municipal administrative units with help of municipality's Elders, who are the closest intermediaries between distanced municipal units and local government. These suggestions are based also on two-year practical experience in local municipality as strategic planning and program budgeting processes were authors' top responsibility. Several community-values based programmes were arranged while preparing the program budget which was brand new issue for those local community stakeholders, as never before they were asked to suggest most relevant problems under their opinion, which should be solved. Proactive stakeholder engagement techniques helped organize meetings with local governments and with provided consultations application forms were prepared for public areas clear-out, recreation infrastructure composition and local tourism information centre's infrastructure improvement programme.

Internal stakeholder recognition is crucial for further critical processes, i.e. articulation of draft BS based strategic plan and program budget, as all aggregated data should be compiled with all internal local government stakeholders. As far as there exists rules how to implement it in municipalities, it will be only stated here, that those community CSR values should be carefully defended by responsible employees, otherwise they will be excluded from BS. However the successful CSR values incorporation in BS highly depend on those called civic entrepreneurial abilities. As foreign practice show, success examples help accelerate new ideas in public institutions, however these new ideas are accelerated by senior managers. Therefore it become vital to spread the entrepreneurial spirit in Lithuanian local governments, which would provide better BS quality and greater forms of communication between stakeholders.

Summarising the implemented research, it should be stated, that better CSR values recognition and endorsement by local government representatives should be improved, the question is only in what form. As far as CSR ideas are quite new in Lithuania, local governments should not be excluded from CSR oriented training activities as target group, as far as local government representatives feel the lack of information.

As far as one of the obligations of Government under the Law on Local Self-government is to support local authorities in training, improving and retraining municipal employees, local government representatives should be informed and consulted at the State institutions on all issues concerning local authorities.

Therefore, there is a contribution in National CSR Programmes' Action Plan 2009-2011 to implement training for business enterprises and other stakeholders (activity 3.1.3 and 3.1.5), though local governments are not even mentioned under these activities. Nevertheless, while preparing draft National CSR Programme, The Ministry of the Interior Affairs of the Republic of Lithuania had identified relevance of civil servants' training program arrangement, related to CSR trainings (Response 2009-06-05, No.1D-4258 (31) to the requested suggestions for draft

National CSR Programme 2009-05-21 No. (13.1-51) SD-4272). However, these corrections were purely ignored, without any argumentation. Moreover, any civil servants' trainings are not even reflected in the National CSR programme.

Accordingly, it becomes important to find out if there is no any interest from local governments towards CSR training issues. Therefore aiming to investigate CSR ideas' development and implementation acceptance by local government representatives, hypothesis was developed:

h5: All forms of CSR ideas development and implementation are accepted equally by local governments.

The hypothesis will be approved, if all forms of CSR ideas development and implementation will be identified without significant difference. Local governments authorities were asked to define the importance of every of following information related to CSR issues:

- seminars, discussions and training on CSR issues and benefits;
- teaching about the essence CSR and implementation process;
- general organized collective training on CSR for local businessmen and civil society;
- direct training and recommendations on CSR implementation process in local municipality;
- communication with CSR experts on concerning CSR issues;
- regular information on general CSR issues;
- regular information about good CSR practise in other Lithuanian municipalities;
- information about good CSR practise in other countries;
- active participation of society and NGOs on basic local development decision-making process;
- active participation of businessmen on basic local business development decision-making and implementation process.

The prepared options were checked for scale reliability using *Cronbach's $\alpha = 0.787$* which helped recognize it as reliable and suitable to measure information. The level of concord of the interviewees answers ($N = 90$) was evaluated upon the Kendall's concordation coefficient $W = 0.62$ (*p-level 0.000*). Therefore, concordance is significant and the degree of agreement among answers is medium.

Aggregated results show that all forms of CSR ideas development and promotion are accepted by nearly 60 percent of interviewees. Consequently, both active and passive forms of CSR ideas development and promotion are accepted almost similarly, despite regular information on general CSR issues. Therefore hypothesis is rejected.

Therefore it leads to the conclusion, that lack of information related to CSR implementation is observed. Municipalities accept all forms of CSR development and implementation and this way demonstrate that they are ready to meet CSR challenges.

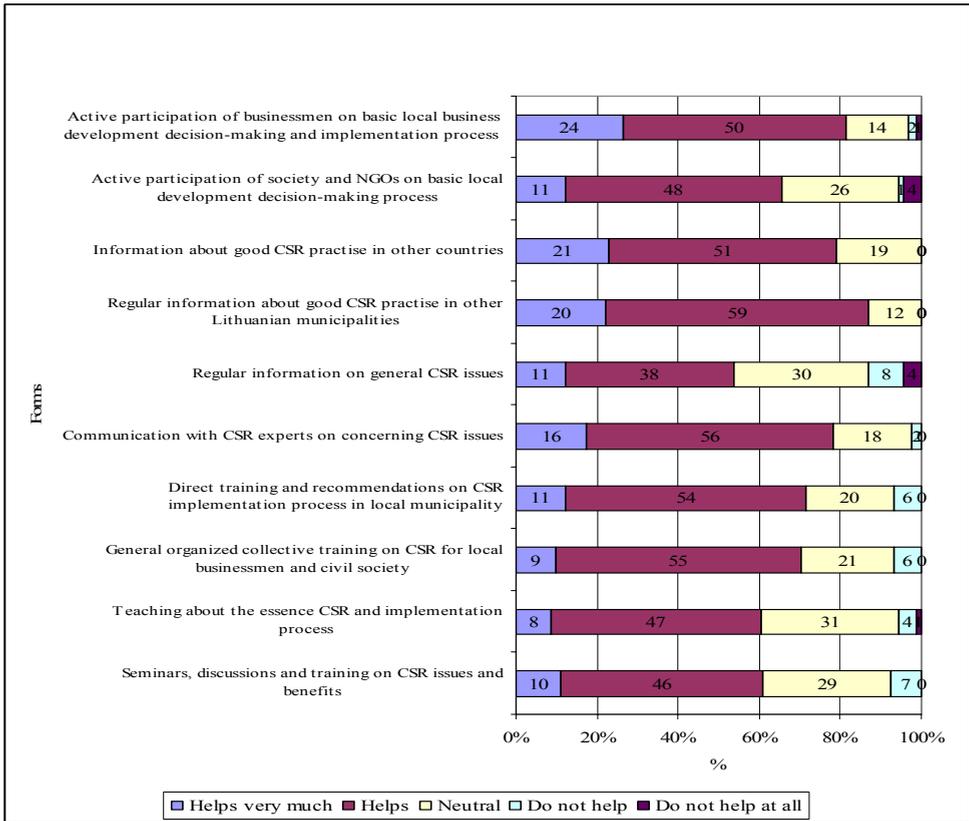


Figure 14. Local government acceptance CSR ideas's development and implementation forms

However the most accepted form is regular information about good CSR practice in other Lithuanian municipalities. As such kind of practice is not developed yet, there is a huge arena to work for practitioners and scientists.

CONCLUSIONS AND RECOMMENDATIONS

Under the implemented research, theoretical and practical conclusions and recommendations are developed. Theoretical conclusions and recommendations:

1. As CSR is a very wide-ranging concept, it causes problems with measuring its uptake and impact. That is why complex of methodological problems arise as over the past half century and many different definitions and models have been set out of what CSR really means and how to understand it. Many authors argue, but at the end slightly agree that motives arise from corporate governance. Therefore the concepts of corporate engagement into society go through CSR. Consequently classical CSR conception stands vitally till nowadays, as the combination of economic, legal, ethical and philanthropic domains of responsibilities are quite easily understandable and permanent. However, philanthropic responsibilities are provided with with critique as being responsibilities itself; they are often incorporated in CSR under the rest three domains. The analysis of CSR definitions reveals that the environmental dimension received a significantly lower dimension ratio than the other dimensions. Therefore it is suggested to use modified three-domain classical CSR approach to diagnose CSR awareness in transitional economies, were CSR issues emerge with some delay comparing with western world. After stakeholder model evolvement, environment was regarded as one of non-market stakeholders, because a fully developed approach towards stakeholders involves mapping range of issues with which they are concerned in their role as stakeholders. Taking all issues identified by all stakeholders together, they can be analyzed as the content of concern. At this level stakeholders can be grouped as internal and external according to their relation to particular organization. Thus the correct identification of stakeholders play critical role in effective organizational management. Therefore it is suggested to use stakeholder theory as part of CSR strategy development.

2. Governments are widely recognized as enablers and drivers of CSR. The literature review allows concluding that there exist particular conditions to develop CSR effectively in any country, i.e. government CSR policy, internal government CSR structure, CSR responsibilities at different government levels, including local governments and representation structures of CSR values from civil society and business stakeholders. Government role in CSR is often examined from normative discourse. However, there has been increasing recognition of the role of other actors such as civil organizations within CSR framework. This has called for a new set of relationships between government, business and civil society. The new relational state CSR model was developed with emerging deeper understanding of the role of government in promoting CSR. The relational state CSR model explores the relationships between government, business and civil society; still, it does not supply any concrete tool despite public policies and processes to be employed in CSR development effectiveness improvement. However the relational state CSR model encompasses the emerging relationships, thus serving to identify the least researched relations. The review of literature and research in transitional countries show, that business-government relations and business-civil society relations seems

to be paid with great attention by scholars. Therefore government-civil society relations are minor researched from CSR perspective.

3. Local government empowerment by business executives is recognized between three CSR top promoting factors in transitional countries. Oppositely scientific literature slightly provides any deep discussion or research related to CSR and local governments; research and discussions concerning CSR and governments are generalized into “government” as an umbrella construct in CSR development. Consequently observed gap in the CSR research in terms of local governments, which under the seminal practice in several counties act as the closest intermediaries between state (central) government and citizens, determine to come to a conclusion that the role of local governments in CSR development neither scientifically nor empirically is unexplored. However, under relational state CSR framework within CSR responsibilities at different levels of government, local governments are excluded as one stage of CSR application. Still, local government is not yet recognized as object in CSR research and this way the new direction is elucidated with currently implemented research.

4. Following the previous conclusions, the supplementary strategic management literature review helped deepen CSR development effectiveness improvement research with strategic management tools. Local governments were recognized as potential intermediaries between government and civil society with this research, as usually local governments’ strategic and performance plans reflect community’s values and needs. A new methodology approach for measuring corporate social responsibility performance provided supplementary knowledge of CSR values incorporation through widely recognized tool in business and public sector strategic management – balanced scorecard. The suggested framework permits the development of CSR programmes adapted to the unique characteristics of any sector, emphasizing on different stages according to organisational values, activities, missions, resources that can be utilised and stakeholders’ values. BS approach, integrated with a compatible GRI CSR repository, support CSR orientation of organizations in the future, establishing it as a strategic horizontal process “running” across the processes. The main finding of the proposed methodological framework was that CSR has no real meaning for any organization if it is not an important constituent of its strategy. Therefore, BS for public sector serve as an advanced program budgeting tool compiled with institutions’ strategy. Therefore, theoretically, community CSR values based and GRI incorporated BS may serve as a potential tool of local government involvement in CSR development effectiveness improvement, as this way CSR values become accountable, measurable, reported, and feedbacked.

5. Concluding on the relationship between CSR and entrepreneurship, it should be stated, that most commonly it is agreed on the core principle of CSR being responsibilities beyond profit maximization, through examining the traditional sets of factors, which are meeting criticism by some authors. Quite new discussion on the connection between CSR, philanthropy and entrepreneurship looks like having a tremendous potential for exploration as increasingly entrepreneurs are using their entrepreneurial principles to organize, create, and manage organization

aiming to make social change. As the primary objective of social entrepreneurship is to make beneficial social and environmental impacts, it is argued that social responsibility, philanthropy and entrepreneurship offer direction to organizations' leaders who want to increase social and economic performance; parallel several studies show, that seminal form of entrepreneurship, i.e. civic entrepreneurship in public institutions can serve as a critical supplement to make change in effectiveness improvement.

6. The discussions leads to a broad conclusion that despite the set of various factors, interconnectivity issues between them and definitional problems, the emerging discussion on CSR and entrepreneurship is a result of observed weaknesses of the traditional methods of corporate management. Subsequently, changes and innovative initiatives are needed trying to create better, more sustainable organizations and environment for future. Therefore civic entrepreneurship is a means by which governments are changing along with a greater range of responsibilities and fiscal restraints. Civic entrepreneurship requires greater innovation and leadership in public administration. CSR values accelerated by civic entrepreneurs through stakeholders' proactive engagement could be more effectively integrated into BS with provided financing and accountability, therefore - into performance plans and strategies, consequently – into national sustainability targets. Through this process CSR values become evident, measurable, accountable and sustainable.

Implemented empirical research leads to the following conclusions and recommendations:

1. National CSR targets were composed into institutional agenda since the request from EU headquarters through strategic planning process in Lithuania under mid-term goals, contributing to major long-term Economic Development Strategy vision, National Sustainable Development Strategy and short-term goals, i.e. action plans. The whole national strategic planning system in Lithuania is based under national budget composition. However, the research of related strategic planning and program budgeting original documents does not provide any concrete references to local governments' strategic planning and program budgeting, except the Law on Budget Structure. Government mid-term development programmes are usually adjusted with local governments for suggestions, corrections or even informative purposes; however it performed communication disruptions in particular case of CSR Programme arrangement. Therefore it is recommended national top-importance CSR issues provide by wider communication forms, as its stakeholders are widespread society, business and government at all governance levels.

2. Focusing the institutional CSR structure, the most relevant observed problem is the concentration of CSR responsibility and implementation activities at State level and the balance between activities taken by State institutions involved in CSR implementation process. CSR responsibilities and range of activities are majorly concentrated within two institutions in Lithuania: Ministry of Social Security and Labour and UNDP; however none of them hold employees directly responsible for CSR. Mapped stakeholders involved in CSR implementation process explore the close-ended representativeness in CSR from local government perspective. It is

evident that local governments are not involved in any CSR development activities up to date in any context; despite it they get top-down recommendations to implement CSR activities according to their financial capacities. Therefore it is recommended to involve local governments in the forthcoming short-term CSR development planning more actively, as local governments had been recognized as important CSR effective development accelerators.

3. Accordingly, empirical findings elucidate poor local government representatives' acquaintance with approved CSR Programme. Aggregated data shows, that major share of interviewees have learned about CSR Programme from the implemented interviews. Even those who have received the draft CSR Programme, poorly reacted to it, as CSR issues are quite new for them. Under detailed structured basis, local government representatives recognize three-domain CSR, while CSR Programme activities were poor recognized as important to respond, or to discuss during the CSR programme acquisition process. Accordingly, local governments recognize CSR programme stakeholders and also declare their self as its stakeholders. Thus it becomes evident, that local governments should be more actively involved in CSR ideas development processes.

4. Almost one third of interviewees would implement the CSR Programme as far as mandatory law enforcement. Nevertheless a few interviewees have highlighted, that they are going to include main provisions in the municipal strategic action plan and it seems to be the beginning of CSR operationalization, as activities, included in local governments' action plans are provided with resources, managed, reported and feedbacked. However, despite CSR being a voluntary initiative, its mandatory empowerment is recognized as a condition under which the CSR reporting activities would come into action at local government level. Therefore the proposed model for CSR implementation effectiveness improvement in Lithuania through local government involvement would accelerate CSR development in Lithuania. As far as local governments would report CSR activities under mandatory basis, there should be developed unified methodology for BS based strategic planning and program budgeting at local government level, which would guide through the process of strategic plan and program budget preparation with adapted BS methodology, focusing on the identified critical processes, i.e. application collection from external stakeholders; articulation draft CSR incorporated BS with municipal strategic plan, program budget and internal stakeholders; defence and improvement of local governments' BS based program budget with CSR incorporated strategic plan in municipal council.

5. The detailed description should be prepared focusing on those identified critical processes with complementary draft forms. As far as strategic planning and program budgeting are implemented by Lithuanian local governments for several years, these processes are more or less recognized and implemented, majority of municipalities had prepared their own internal manuals on strategic planning and program budgeting and only improvements are needed. However it is suggested that major focus should be paid to the first critical process, i.e. application form filling. This process could be based under proactive local government external stakeholder engagement techniques which empower CSR values to be integrated in

application form and up-wards the following process. This process should be developed under detail recommendations and also provided with guided training for local government representatives, namely responsible for the whole municipality governance, strategic planning and program budgeting. Unified CSR and GRI integrated development strategy should be prepared not by local governments alone, but based on local partnerships between local government and its external and internal stakeholders. This strategy may be primarily used for (re)establishing CSR goals and visions, afterwards - for arranging community CSR values integrated BS, and finally - for implementation, monitoring and feedback.

Concluding on theoretical and empirical findings solid arguments force to approve the major hypothesis of the dissertation, i.e. corporate social responsibility implementation effectiveness could be improved through local government involvement.

ORGANIZACIJŲ SOCIALINĖS ATSAKOMYBĖS DIEGIMO VEIKSMINGUMO DIDINIMAS LIETUVOJE: VIETOS SAVIVALDOS ĮTRAUKIMO MODELIS

Santrauka

Santrumpos:

ĮSA – įmonių socialinė atsakomybė

SRS – subalansuotų rodiklių sistema

ES – Europos Sąjunga

TYRIMO AKTUALUMAS IR MOKSLINĖ PROBLEMA

Tyrimo pagrindimas ir motyvacija. Ilgą laiką ryškėjo takoskyra tarp ekonominių ir socialinių įmonių tikslų, tačiau šiuolaikinio pasaulio socialinis konstruktas paneigė šių konceptų suvokimą ekonomine prasme. Išryškėjus socialinių, etinių ir aplinkosauginių dimensijų vertybėms, šie kokybiniai veiksniai tampa aktualūs tiek verslo, tiek viešajame sektoriuje, nevyriausybinėse organizacijose ir visuomenėje, formuodami aukštesnius standartus socialiai atsakingai veiklai.

Įmonių socialinės atsakomybės (angl. corporate social responsibility) problemos išsivysčiusiose pasaulio šalyse diskutuojamos jau daugiau nei pusę amžiaus. Šių problemų diskusijos apima plačius besikeičiančios verslo, visuomenės ir valstybės sąveikos aspektus, aplinkosaugos, socialinių ir etinių dimensijų, organizacijų valdymo, suinteresuotųjų, politinių sistemų ir vertybių problemas bei būdų, kuriais visų tipų organizacijos gebėtų reflektuoti besiformuojantiems naujiems socialiniams imperatyvams, paieškas. Priklausomai nuo šių diskusijų konteksto įmonių socialinės atsakomybės (ĮSA) sąvokos formuluotė varijuoja įvairiose pasaulio šalyse, verslo srityse ar socialinio gyvenimo fragmentuose (pavyzdžiui, korporatyvinis valdymas (angl. corporate governance); korporatyvinė socialinė veikla (angl. corporate social performance); organizacijų valdymas ir socialinė atsakomybė (angl. organizational governance and social responsibility); suinteresuotųjų vadyba (angl. stakeholder management); korporatyvinis pilietiškumas (angl. corporate citizenship); vertybių vadyba (angl. values management) ir pan.).

Užsienio moksliniuose tyrimuose nuo pat XX a. antrosios pusės ĮSA dažnai sieta su privataus verslo veiklos iššūkiais, sąlygojančiais siekti pelno paisant socialinės gerovės ir ilgalaikių darnaus vystymosi, augimo tikslų bei rinkoje besiformuojančių naujų socialinių poreikių (Bowen, 1953; Chamberlain 1973; Friedman 1968, 1970, 1989; Chrisman, Carroll 1984; Freeman 1984; Gaski 1985; Moser 1986; Ahratt, Sacks 1988; Buchholz 1990; Bhide, Stevenson 1990; Wood 1991; Samli 1992; Quazi 1993, 1994, 1997; Quazi, Cook 1996; Quazi, O'Brien 1996, 2000; Carroll 1979, 1991, 1999; Steiner, Steiner 1997; Elkington, 1997; Zadek 2001; Marrewijk 2003, 2004; Perrini 2005; Schwab 2008; Freeman et al., 2008; Crane, et al., 2008; Lee, 2008; Zu, 2009; Crowther 1999-2010; Crowther ir Aras, 2008, 2009, 2010; etc.). Palaipsniui ĮSA analizės metmenys transformavosi nuo plačių

makro-socialinių į organizacijos lygmenį; teorinė orientacija pasikeitė nuo etinės-normatyvinės iki vadybinės; eksplikitinė etinė ĮSA kryptis pasistūmėjo link implicitinių įžvalgų.

Nors viešojo sektoriaus vaidmens išryškinimas šiame kontekste gali atrodyti paradoksaliai, tačiau dar besikristalizuojančiuose ĮSA teorijose ryškėja reikšmingas viešojo sektoriaus vaidmuo. Pastarųjų metų tyrimai (Aaronson ir Reeves, 2002; Fox et al., 2002; Zappal, 2003; Joseph, 2003; Moon, 2004; Lepoutre et al., 2004; Nidasio, 2004; Midttun, 2005; Matten ir Moon, 2005; Roome, 2005; Albareda et al., 2006, 2007, etc.) ir pažangiose Europos valstybėse įgyvendinti gerosios praktikos pavyzdžiai įrodo, jog valstybės tinkamai suformuota, pritaikyta esamai situacijai, sistemiskai įgyvendinama, stebima bei reflektyviai tobulinama ĮSA skatinimo politika tampa veiksminga siekiant ilgalaikių visaapimančių darnios plėtros tikslų. Europos Sąjunga, 2006-aisiais metais priimtame Komunikate užsibrėžė tikslą paversti Europą įmonių socialinės atsakomybės pavyzdžiu ir taip parodė suinteresuotumą socialinės atsakomybės koncepcijos diegimu verslo organizacijose bei diegimą skatinančių priemonių kūrimu ir įgyvendinimu viešajame sektoriuje.

Dažniausiai vartojamas lietuviškasis sąvokos vertimas, t.y. įmonių socialinė atsakomybė (ĮSA), tiesiogiai nurodo įmonės, kaip verslo sektoriaus subjekto, kontekstą, kas ir sąlygoja dažnai itin supaprastintą šio fenomeno suvokimą Lietuvoje. Šio darbo pavadinime formuluojamas ĮSA sąvokos lietuviškasis atitikmuo – organizacijų socialinė atsakomybė - savo prasme geriau atspindi diskutuojamus socialinės atsakomybės metmenis, t.y. šiame darbe pagrindinis dėmesys skiriamas ne verslo, bet verslo, visuomenės ir viešojo sektoriaus organizacijų sąveikos tyrinėjimui, socialinę atsakomybę suvokiant kaip organizacijų [bet kurio sektoriaus] veikimo būdą, kuomet paisant ekonominių, teisinių ir etinių socialinės atsakomybės principų, visuomenės vertybės integruojamos į organizacijų veiklos planus ir tampa jų strategijos dalimi; tokiu būdu socialinės atsakomybės vertybės tampa apskaitomos, aprūpintos ištekliais ir procesais, o pačios organizacijos – strategiškai orientuotos į socialinę atsakomybę bei tiesiogiai atskaitingos vertybes formuojančiai visuomenei; tokiu būdu išreiškiamas holistinis požiūris į socialinę atsakomybę. Tačiau laikantis lituanistams priimtino vertimo, toliau santraukoje naudojamas ĮSA terminas.

Nors didėjantis dėmesys ĮSA problematikai, atsispindintis Lietuvos mokslininkų V. Pruskaus, 2003; D. Štreimikienės ir N. Vasiljevienės (2004), R. Pučėtaitės (2004-2009), S. Žirgutenės (2005), N. Vasiljevienės ir A. Vasiljevo (2005-2009), V. Juščiaus (2007, 2008, 2009), J. Ruževičiaus ir D. Serafino (2007), D. Štreimikienės ir R. Kovaliov (2007), J. Ruževičiaus ir O. Mėlynytės (2008); Ž. Simanavičienės ir D. Bernatonytės (2008), R. Ginevičiaus ir V. Petraškevičiaus (2008), V. Juščiaus ir V. Snieškos (2008), D. Bagdonienės ir E. Paulavičienės (2010) darbuose, kartu sąlygoja ir plėtęjančią ĮSA diskursą, tačiau viešojo sektoriaus vaidmenys plėtojant ĮSA Lietuvoje menkai tyrinėti: ĮSA iš viešojo administravimo ir verslo vadybos integracijos perspektyvų, pasitelkiant viešojo ir privataus sektorių sąveikos modelį analizavo A. Guogis ir D. Gudelis (2009); D. Štreimikienė ir R. Pušinitė (2009) analizavo viešojo sektoriaus vaidmenį plėtojant ĮSA Lietuvoje, pasitelkdamas Lietuvos savivaldybėse atlikto empirinio tyrimo rezultatus.

Nepaisant didėjančio mokslininkų dėmesio valstybės formuojamai ĮSA skatinimo politikai, žemiausiojo valstybės valdymo lygmens – vietos savivaldos institucijų, artimiausio tarpininko tarp centrinės valdžios ir piliečių - vaidmuo ĮSA diegimo skatinimo procese tiek užsienyje, tiek ir Lietuvoje išlieka neatskleistas. Tuo tarpu prieš keletą metų Pasaulio Banko iniciatyva atlikto tyrimo (2004-2005) šešiose pereinamosios ekonomikos šalyse (t.y. trijose Baltijos šalyse, Vengrijoje, Lenkijoje ir Slovakijoje) rezultatai rodo, jog vietos savivaldos institucijų įgalinimas pripažįstamas tarp trijų reikšmingiausių ĮSA skatinimo veiksnių.

Tyrimo problema. Socialinės atsakomybės problemos dažnai tapatinamos su verslo sektoriumi, tačiau reikšmingas vaidmuo šiame procese tenka valstybės institucijoms visuose viešojo valdymo lygmenyse; iki šiol vietos savivaldos institucijų, kaip tarpininko tarp centrinės valdžios ir visuomenės, potencialas ĮSA diegimo veiksmingumui didinti neatskleistas.

DARBO TIKSLAS IR UŽDAVINIAI, TYRIMO METODAI

Tyrimo tikslas yra išanalizuoti valstybės vaidmenį socialinės atsakomybės diegimo skatinimo procesuose ir sukurti ĮSA diegimo veiksmingumo didinimo Lietuvoje modelį, įtraukiant vietos savivaldą.

Tyrimo uždaviniai:

- Išanalizuoti ĮSA koncepciją, teorijas ir modelius, valstybės ir ĮSA santykį, atskleisti ir pagrįsti vietos savivaldos institucijų reikšmę socialinės atsakomybės plėtros veiksmingumui.
- Remiantis susistemintais ĮSA požiūriais, strateginio valdymo ir papildančiais įrankiais išanalizuoti ir pagrįsti socialinės atsakomybės diegimo veiksmingumo didinimo būdus ir priemones bei teorines jų taikymo galimybes vietos savivaldoje, suformuoti koncepcinį modelį.
- Ištirti ir apibūdinti socialinės atsakomybės institucionalizavimo būklę Lietuvoje, įvertinant santykį su strateginio planavimo sistema centriname ir vietos savivaldos lygmenyse ir nustatyti vietos savivaldos institucijų įtraukimo galimybes ir būdus į ĮSA diegimo veiksmingumo didinimo procesus.
- Remiantis teoriniais ir empiriniais rezultatais, suformuoti ir pagrįsti socialinės atsakomybės diegimo veiksmingumo didinimo Lietuvoje modelį įtraukiant vietos savivaldos institucijas į socialinės atsakomybės diegimo skatinimo procesus.

Tyrimo metodai:

- *Mokslinės literatūros analizė* - tiriant ĮSA koncepciją, teorijas ir požiūrius, ĮSA ir valstybės santykį, atskleidžiant ĮSA diegimo poreikio atsiradimo priežastis, paraleliai atskleidžiant strateginio valdymo ir antreprenerystės santykį su ĮSA diegimo veiksmingumu nacionaliniu ir vietos savivaldos lygmeniu;
- *Lyginamoji analizė* tiriant įvairių užsienio šalių ĮSA diegimo sistemas ir vertinant jų patirties taikymo galimybes Lietuvos sąlygomis;
- *Loginė analizė ir sintezė* siekiant susisteminti mokslinėje literatūroje nagrinėjamus ĮSA diegimo veiksmingumo tobulinimo veiksnius bei formuojant koncepcinį ĮSA diegimo veiksmingumo didinimo modelį;

- *Dokumentų analizė* siekiant įvertinti ĮSA būklę Lietuvoje, ĮSA santykį su strateginio planavimo ir programinio biudžeto sistema nacionaliniame ir vietos savivaldos lygmenyse bei identifikuoti kritinius ĮSA diegimo veiksmingumą sąlygojančius procesus bei jų tobulinimo galimybes;

- *Struktūrizuotas interviu* siekiant nustatyti ĮSA suvokimą, suinteresuotųjų identifikavimą vietos savivaldos institucijose, problemas, susijusias su Nacionalinės ĮSA plėtros programos diegimu bei formuojant rekomendacijos ĮSA diegimo veiksmingumui didinti Lietuvoje, įtraukiant vietos savivaldos institucijas.

- *Statistinė duomenų analizė* – empirinių tyrimų duomenims apdoroti, analizuoti ir įvertinti.

Tyrimo hipotezė: didesnio organizacijų socialinės atsakomybės diegimo veiksmingumo galima pasiekti į šiuos procesus įtraukiant vietos savivaldos institucijas.

MOKSLINIS NAUJUMAS IR REZULTATŲ PRAKTINĖ REIKŠMĖ

Mokslinis naujumas. Socialinės atsakomybės problemos mokslinėje literatūroje ir praktikoje dažnai priskiriamos verslo sektoriui, tačiau pastaruoju metu ryškėja reikšmingas viešojo sektoriaus vaidmuo ĮSA diegimo skatinimui, nors tokių tyrimų pasaulyje vis dar stokoja. Analizuojant teorinius socialinės atsakomybės konceptus, teorijas, jų sąsajas sukurtuose modeliuose, teoriškai išryškinamas valstybės ir ĮSA santykio reikšmingumas. Teoriškai apibendrinti valstybės vaidmenys socialinės atsakomybės diegimo skatinimo procesuose leidžia atskleisti socialinės atsakomybės politikos formavimo ir įgyvendinimo kritinius procesus ir identifikuoti socialinės atsakomybės funkcijų pasiskirstymo tarp valstybės valdymo lygmenų reikšmę veiksmingam socialinės atsakomybės diegimui. Šiame kontekste išryškėja nauja iki šiol netyrinėta mokslinė problema - žemiausiojo decentralizuotos valstybės valdymo lygmens, t.y. vietos savivaldos,- integravimo į nacionalinius socialinės atsakomybės plėtros procesus galimybes.

Pasitelkus R.Kaplan'o ir D.Norton'o (1992) verslo sektoriui sukurtą ir sėkmingai viešajam sektoriui adaptuotą vieną iš strateginio planavimo metodologijų, t.y. subalansuotų rodiklių (angl. Balanced Scorecard) sistemą, identifikuotos galimybės integruoti socialinės atsakomybės vertybes į savivaldybių strateginius bei veiklos planus, tokiu būdu jų veiklą nukreipiant socialinės atsakomybės vertybių įgyvendinimo kryptimi. Darbe pagrindžiama, kaip subalansuotų rodiklių metodologijos pagalba, pasitelkiant antrepreneriškumą, bendruomenės socialinės atsakomybės vertybės tampa apskaitomos, aprūpintos ištekliais ir procesais, stebimos ir reflektuojamos, o pačios savivaldos institucijos – strategiškai socialiai atsakingai orientuotos ir kartu tiesiogiai atskaitingos vertybes formuojančiai visuomenei. Vadovaujantis siūloma logika, socialinės atsakomybės vertybės tampa vietos savivaldos institucijų veiklos, o kartu ir valstybės strateginių prioritetų įgyvendinimo dalimi. Iš šios perspektyvos darbe suformuotas vietos savivaldos institucijų įtraukimo į nacionalinius ĮSA diegimo veiksmingumo didinimo procesus modelis. Paraleliai atskleidžiamos sąsajos tarp socialinės atsakomybės, organizacijų valdymo ir antreprenerystės papildoma kiekvienos šių sričių tyrinėjimus naujomis įžvalgomis, pasi-

telkiant mokslinėje literatūroje dar menkai tyrinėtą, tačiau kai kuriose pasaulio šalyse jau daugiau nei dešimtmetį praktikoje realizuojamą viešojo administravimo įstaigų antreprenerystę (angl. civic entrepreneurship).

Praktinis darbo rezultatų pritaikymas. Teoriškai pagrįsto ĮSA diegimo veiksmingumo didinimo modelio įtraukiant vietos savivaldą praktinis pritaikymas atskleidžiamas analizuojant jo integravimo galimybes į Lietuvoje veikiančią strateginio planavimo ir programinio biudžeto rengimo sistemą. Praktiniu požiūriu, darbe siūloma savivaldybių veiklos ir strateginių planų bei programinio biudžeto formavimo tobulinimo logika leidžia sutelkti dėmesį į kritinius ĮSA diegimo veiksmingumo procesus vietos savivaldos lygmenyje, todėl gali būti naudojama kaip pagalbinė priemonė tobulinant į ĮSA orientuotą strateginio planavimo ir programinio biudžeto sudarymo metodiką savivaldybėms ir organizuojant mokymus. Nacionalinės ĮSA plėtros programos 2009-2013 m. ir jos įgyvendinimo priemonių plano 2009-2011 m. analizė atskleidė trūkumų, kuriuos rekomenduojama šalinti rengiant šios programos ateinančių laikotarpių įgyvendinimo priemonių planus; darbe pateikiamos rekomendacijos. Suformuotas ir empiriškai patikrintas savivaldybių tyrimui pritaikytas instrumentarijus gali būti naudojamas kartotiniams socialinės atsakomybės ekonominių, teisinių ir etinių vertybių bei suinteresuotųjų vietos savivaldos institucijose diagnostiniams tyrimams.

DISERTACIJOS TURINIO APŽVALGA IR TYRIMŲ REZULTATAI

Disertaciją sudaro įvadas, trys dalys, suskirstytos į poskyrius ir skyrelius (mokslinės literatūros apžvalga, tyrimo metodologija, tyrimo rezultatai ir jų aptarimas), išvados ir rekomendacijos, literatūra (218 šaltinių, 28 teisės aktai ir juos lydintys dokumentai) ir 9 priedai. Sudarytos 22 lentelės ir 17 paveikslų.

Įgyvendinant pirmąjį uždavinį, t.y. išanalizuoti ĮSA koncepciją, teorijas ir modelius, valstybės vaidmenį socialinės atsakomybės plėtros procesuose bei teoriškai atskleisti vietos savivaldos reikšmę juose, panaudoti mokslinės literatūros analizės ir atliktų tyrimų apžvalgos metodai. Pirmoji raktinė sąvoka disertacijoje – ĮSA, todėl pirmajame darbo skyriuje pirmiausia analizuojami socialinės atsakomybės konceptai, teorijos ir požiūriai bei apžvelgiami socialinei atsakomybei tyrinėti sukurti modeliai. Apibendrinus išanalizuotas ĮSA teorijas nustatyta, jog tyrinėjant ĮSA verslo, visuomenės ir valstybės sąveikoje, talkina integratyvios ĮSA teorijos (angl. integrative theories), nes jos apima:

- vadybinius aspektus, išryškina korporatyvinio atsako į socialinius ir politinius aspektus reikšmę;
- viešąją atsakomybę kaip refleksiją į socialinę veiklą įstatymų ir viešosios politikos procesų aspektu;
- suinteresuotųjų vadybą, nukreiptą subalansuoti organizacijų suinteresuotųjų interesus;
- organizacijų socialinę veiklą, ieškant socialines problemas tenkinančio atsako legitimumo ir procesų.

Analizuojant mokslinę literatūrą pastebėta, jog pastaruoju metu ĮSA koncepcija, teorijos ir požiūriai sisteminami formuojant ĮSA modelius, todėl siekiant parink-

ti šiam tyrimui tinkamą modelį, o tokio neidentifikavus, sukurti tinkamą, analizuoti socio-ekonominiai, suinteresuotųjų (angl. stakeholder) ir trimatis (angl. tripple bottom line) modeliai bei koncepcinio ĮSA suvokimo Amerikoje ir Europoje metmenys, remiantis D.Matten'ū ir J.Moon'ū (2004). Santraukoje apibendrinami tik tie modeliai, kurie reikšmingi šiam tyrimui. Apibendrinant išanalizuotus modelius nustatyta, jog vienas iš socio-ekonominių modelių, sukurtas amerikiečių mokslininko A.B.Carroll (1979, 1983, 1991), apimantis keturias ĮSA dimensijas (hierarchinė struktūra: ekonominė, teisinė, etinė ir filantropinė; filantropinė dimensija moksliniuose tyrimuose dažnai neišskiriama, argumentuojant, jog jos motyvai dažnai integruoti etinėje ir/ar ekonominėje dimensijose), su tam tikromis modifikacijomis (persidengianti struktūra: Jones 1980, 1983; Schwartz, Carroll 2003; koncentrinė struktūra: Geva, 2008), atskleidžiančiomis santykį tarp ĮSA dimensijų, moksliniuose tyrimuose sėkmingai naudojamas jau apie trisdešimt metų. Lyginamoji modelio modifikacijų analizė atskleidžia tais pačiais konceptais apibūdinamų ĮSA dimensijų skirtingą prasmę ir požiūrius. Todėl tiriant požiūrį į ĮSA, keturių dimensijų (pastaruoju metu dažniau naudojama trijų dimensijų modelio modifikacija) modelis leidžia pakankamai aiškiai ir nesudėtingai įvertinti ĮSA suvokimą individo lygmeniu, todėl taikytinas tose šalyse, kuriose ĮSA idėjos pakankamai naujos.

Vadybos mokslo atstovų sukurtas ĮSA suinteresuotųjų modelis (pradininkas E.R.Freeman, 1984) sprendžia teorinių modelių praktinio pritaikymo ribotumus. Vėliau plėtotą suinteresuotųjų teoriją (Hill, Jones, 1992; Donaldson, Preston, 1995; Jones, 1995; Jones, Wicks, 1999, etc.) padėjo išspręsti ĮSA tyrimų abstraktumo problemas, nurodyma su analizuojamu objektu susijusių subjektų identifikavimo, jų pozicijų, įtakos, santykio bei sąveikos įvertinimo būdus, valdymo metodus ir instrumentus. Tai supponuoja galimybę taikyti suinteresuotųjų modelį bet kurio sektoriaus organizacijų (taip pat ir viešojo), suinteresuotųjų identifikavimui ir vadybai.

Siekiant nustatyti valstybės ir ĮSA santykį, antrajame darbo skyrelyje analizuoti ir sisteminti valstybės vaidmenys ĮSA plėtros procesuose. Atlikta analizė rodo, jog pastarojo dešimtmečio negausiuose ĮSA ir valstybės santykio moksliniuose tyrimuose išryškėjo keletas tendencijų:

- ĮSA plėtros procese valstybei priskiriamos pagrindinės funkcijos susijusios su teisinės sistemos, skatinančios atsakingą, socialiai orientuotą ir darnią verslo praktiką, kūrimu;
- valstybės ir verslo nuolatinis bendradarbiavimas įgalina sukurti lankstesnius įstatymus ir tokiu būdu skatinti ĮSA;
- aktyvus daugelio suinteresuotųjų bendradarbiavimas (angl. multi-stakeholder dialogue) sudaro prielaidas ryšių plėtotei ir organizacijų pokyčiams, sprendžiant aktualias nacionalines bei globalaus masto problemas.

Tokiu būdu kuriamos tarptautinės iniciatyvos (pvz., Visuotinio atsiskaitomumo iniciatyva, angl. Global Reporting Initiative, GRI; Pasaulinis susitarimas, angl. Global Compact) skatina plėtoti ne tik ĮSA idėjas, bet ir socialinį valdymą. Šiame kontekste išryškėja ir kultūrinių Europos ir Amerikos skirtumų sąlygotas atsakomybės suvokimas: aktyvios Amerikos interesų grupės formuoja savanorišką „iš apačios į viršų“ principu pagrįstą eksplicitinę ĮSA; tuo tarpu Europoje vyrauja implicitinė ĮSA, atspindinti principą „iš viršaus į apačią“, pasireiškiant ĮSA politikos

priemonių kūrimu aukščiausiam valdymo lygmenyje. Todėl valstybės pagrindiniu uždaviniu tampa prioritetai ir skatinimo priemonių, atitinkančių nacionalines ir vietines iniciatyvas ir gebėjimus, nustatymas. Tokiu būdu valstybė įtraukiama į naują politinių santykių su verslu ir visuomene tipą, kuriam analizuoti kuriami nauji metodologiniai instrumentai. Vienas jų – ĮSA sąveikos modelis (angl. relational CSR), pasiūlytas L. Albareda ir kt. (2006, 2007) atskleidžia keturis ĮSA analizės metmenis: valstybės ĮSA politika (ĮSA viešoji politika sukurta didinti valdžios socialinę atsakomybę rodant pavyzdį), ĮSA valstybės-verslo sąveikoje (ĮSA viešosios politikos priemonės verslo socialinei atsakomybei skatinti), ĮSA valstybės-visuomenės sąveikoje (valstybės ĮSA priemonės visuomenės suinteresuotųjų sąmoningumui skatinti) ir ĮSA verslo-visuomenės-valstybės sąveikoje (ĮSA viešosios politikos priemonės valstybės, verslo ir visuomenės bendradarbiavimo skatinimui). Remiantis šiuo modeliu nustatyta, jog valstybės-visuomenės sąveikos tyrimų stokojama, nors kaip tik šioje sąveikoje, analizuojant ĮSA viešąją politiką, atsiskleidžia valstybės ĮSA skatinimo programų ir instrumentų veiksmingumas skirtinguose valdymo lygmenyse: horizontalioji ĮSA politika ir strategija, regioninė/decentralizuotoji valdžia ir vietos savivalda.

Kadangi pagrindinis disertacijos tikslas yra sukurti organizacijų socialinės atsakomybės diegimo veiksmingumo didinimo modelį įtraukiant vietos savivaldą, aptarti pagrindiniai decentralizacijos ir vietos savivaldos aspektai. Politiškai decentralizuota valdžia ĮSA atžvilgiu įgalina vietos bendruomenę reflektuoti į ĮSA priemonių įgyvendinimą savivaldybių tarybų rinkimuose. Fiskalinė decentralizacija sąlygoja visuomenės ĮSA vertybių, integruotų į savivaldybių programas, finansinį aprūpinimą ir atskaitomybę. Todėl apibendrinant galima teigti, jog kokybinė valstybės ĮSA politikos analizė, vidinė vyriausybės ĮSA struktūra, ĮSA atsakomybių pasiskirstymas skirtinguose valdymo lygmenyse (taip pat ir vietos savivaldos), ĮSA politikos taikymo sritys ir kitų organizacijų ĮSA vaidmuo leidžia normatyviai įvertinti ĮSA plėtros veiksmingumą tiek horizontaliai lyginant šalis, tiek vertikalčiai - vertinant tam tikros šalies ĮSA situaciją. Kadangi pagrindinis disertacijos tikslas sukurti Lietuvos ĮSA diegimo veiksmingumo didinimo modelį įtraukiant vietos savivaldą, pasirinkta viena iš aukščiau nurodytų perspektyvų - ĮSA atsakomybių pasiskirstymas skirtinguose valdymo lygmenyse. Remiantis atlikta ĮSA konceptų, teorijų, modelių ir valstybės vaidmens socialinės atsakomybės plėtros procesuose teorine analize, pasirinkta kelių teorinių modelių kombinacija: trijų dimensijų ĮSA modelis pereinamosios ekonomikos šalyse ĮSA suvokimui vertinti; suinteresuotųjų modelis tam tikros organizacijos suinteresuotųjų identifikavimo vertinimui. Teorinių ĮSA dimensijų suvokimo ir ĮSA atsakomybių pasiskirstymo skirtinguose valdymo lygmenyse analizė padeda įvertinti esamą situaciją, tačiau nenurodo konkrečių instrumentų veiksmingumo didinimui. Tai sąlygoja papildomų taikytinų disciplinų ir įrankių paieškas.

Įgyvendinant antrąjį uždavinį, t.y. remiantis susistemintais požiūriais, strateginio valdymo ir papildančiais įrankiais identifikuoti ir pagrįsti socialinės atsakomybės diegimo veiksmingumo didinimo būdus ir priemones bei teorines jų taikymo galimybes vietos savivaldoje suformuojant koncepcinį modelį, taikyti mokslinės literatūros ir lyginamosios analizės, sintezės ir modeliavimo metodai. Didesni

lūkesčiai visuose valdymo lygmenyse su augančiais atskaitomybės suinteresuotiesiems ir valdžios veiklos efektyvumo ir veiksmingumo reikalavimais sąlygoja didėjančią dėmesį veiklos vertinimui. Veiklos planavimas ir programavimas pripažinti pagrindiniais efektyvaus, veiksmingo ir atskaitingo viešojo sektoriaus vertinimo veiksniais.

Atlikta analizė rodo, jog strateginiu požiūriu ĮSA yra integralus visos organizacijos strateginio valdymo elementas. Organizacijoms taikant vieną iš strateginio planavimo metodologijų, t.y. subalansuotą rodiklių sistemą (angl. Balanced Scorecard; toliau - SRS), ši įžvalga tampa akivaizdi. Kita strateginio požiūrio į ĮSA nauda pasireiškia tuo, jog taikydama šią metodologiją, organizacija tampa gerai informuota visuomenės poreikių atžvilgiu. Tačiau strateginio požiūrio į ĮSA įgyvendinimas reikalauja preciziško organizacijos vidinės ir išorinės aplinkos tyrimo, siekiant nustatyti organizacijos poveikio visuomenei metmenis. Šis vertinimas apima vidinių ir išorinių suinteresuotųjų ir jų ĮSA vertybių analizę, kurios pagrindu formuluojami daugiapakopiai tikslai, vėliau derinami su organizacijos strategija ir perkeltami į trumpalaikius veiklos planus, tokiu būdu suformuojant organizacijos veiklos vertinimo sistemą.

Daugiapakopės veiklos vertinimo sistemos ypač aktualios viešajame sektoriuje, kadangi šių organizacijų negalima tinkamai įvertinti naudojant įprastines rezultatų pasiekimo vertinimo priemones. Ekonomiško ir efektyvumo vertinimas paprastai susijęs su finansiniais rodikliais, tačiau veiksmingumas gali būti įvertintas tik atsižvelgiant į konkrečius organizacijos tikslus. Todėl SRS, apimanti daugialypius tikslus su įvairiais finansiniais ir nefinansiniais, ilgalaikiais ir trumpalaikiais, vidiniais ir išoriniais rodikliais, pabrėžia šios sistemos taikymo privalumus viešojo sektoriaus organizacijų veiklos vertinimui, lyginant su tradicinėmis dažniausiai finansiniais rodikliais pagrįstomis veiklos vertinimo sistemomis.

Šiame darbe identifikuota, jog Panayiotou ir kt. (2009) pasiūlyta integruota SRS ir visuotinės atsiskaitomumo iniciatyvos rodiklių sistema ĮSA vertybių integravimui į organizacijos strategiją leidžia identifikuoti strateginės reikšmės ĮSA tikslus, juos išmatuoti, vertinti ir kontroliuoti rezultatus. Vadovaujantis šios sistemos logika kuriamos organizacijų programos pritaikytinos bet kuriame sektoriuje ar veiklos srityje, priklausomai nuo organizacijos veiklos specifikos, misijos ir disponuojamų išteklių. Įvairių tipų organizacijose ir valstybės institucijose pradėjus taikyti SRS, tiek teoriniu, tiek praktiniu požiūriu išryškėjo šios sistemos taikymo privalumai viešajame sektoriuje. Todėl šiame darbe nuspręsta ĮSA diegimo veiksmingumo didinimo įtraukiant vietos savivaldą modelio kūrimui pasitelkti apžvelgtą SRS sistemos logiką. Mokslinėje literatūroje nepavyko aptikti ĮSA vertybių integravimo per SRS diskusijų. Tačiau geriausios SRS taikymo vietos savivaldos praktikoje pavyzdžiai (pvz. Viktorijos valstija, Australija) suponuoja galimybę formuoti bendruomenės ĮSA vertybėmis paremtą savivaldybės strategiją taikant SRS.

Pastebėta, jog egzistuoja tam tikras nesuderinamumas tarp tradicinio ir SRS metodologija pagrįsto viešųjų institucijų požiūrio į veiklą. Viešųjų institucijų strateginiai planai ir iniciatyvos išreikštos misijose ir vizijose, tačiau išdava dažnai neapibrėžta. Finansinės sėkmės siekimas nėra tiesioginis viešojo sektoriaus organizacijų tikslas, visuomenės interesų tenkinimo perspektyva daug svarbesnė, ji ir

atspindi pagrindinį veiklos tikslą. Todėl SRS sistemos taikymas leidžia suderinti organizacijos strateginius tikslus su suinteresuotųjų ĮSA vertybėmis.

Paprastai savivaldybių veiklos planai ir programos atspindi visuomenės poreikius laikantis strateginio imperatyvo tenkinti visuomenės interesus tik geriausios praktikos pavyzdžiuose, kurie įrodo, jog nuolatinis konsultavimasis ir bendradarbiavimas su vietos bendruomene padeda pasiekti veiksmingumą tiek vidinius, tiek išorinius suinteresuotuosius tenkinančių veiklos rezultatų. Šalia to, analizuojant mokslinę literatūrą pastebėta, jog pasiekti veiksmingesnio bendradarbiavimo tarp savivaldybių tarnautojų (vidinių suinteresuotųjų) ir vietos bendruomenės (išoriniai suinteresuotieji) įgalina išnaudojami papildomi gebėjimai. Tam tikra antreprenerystės rūšis, apibūdinama kaip viešojo administravimo įstaigų inovatyvumas ir antrepreneriškas (angl. civic entrepreneurship), pastebėta Australijos savivaldybių aukščiausio lygmens vadovų komandose ir 1993 m. formalizuota nacionaliniuose teisės aktuose. Leadbeader and Goss (1998) tyrinėjo šį reiškinį Jungtinės Karalystės vietos savivaldybių administracijose, įrodydami, kaip antrepreneriški gebėjimai padidino vietos savivaldos administracijų veiksmingumą.

Remiantis atlikta mokslinės literatūros analize disertacijoje suformuotas koncepcinis vietos savivaldos įtraukimo į nacionalinius ĮSA plėtros tikslus modelis. Jo taikymo galimybės Lietuvoje atliktas empirinis tyrimas.

Įgyvendinant trečiąjį uždavinį, t.y. ištirti ir apibūdinti socialinės atsakomybės institucionalizavimo padėtį Lietuvoje, įvertinant santykį su strateginio planavimo sistema centriniame ir vietos savivaldos lygmenyse ir įvertinti vietos savivaldos institucijų įtraukimo būdus ir galimybes taikyti dokumentų analizės ir struktūrizuoto interviu metodai. Empiriniam tyrimui suformuluota pagrindinė hipotezė: organizacijų socialinės atsakomybės diegimo veiksmingumo didinimo Lietuvoje galima pasiekti įtraukiant vietos savivaldos institucijas.

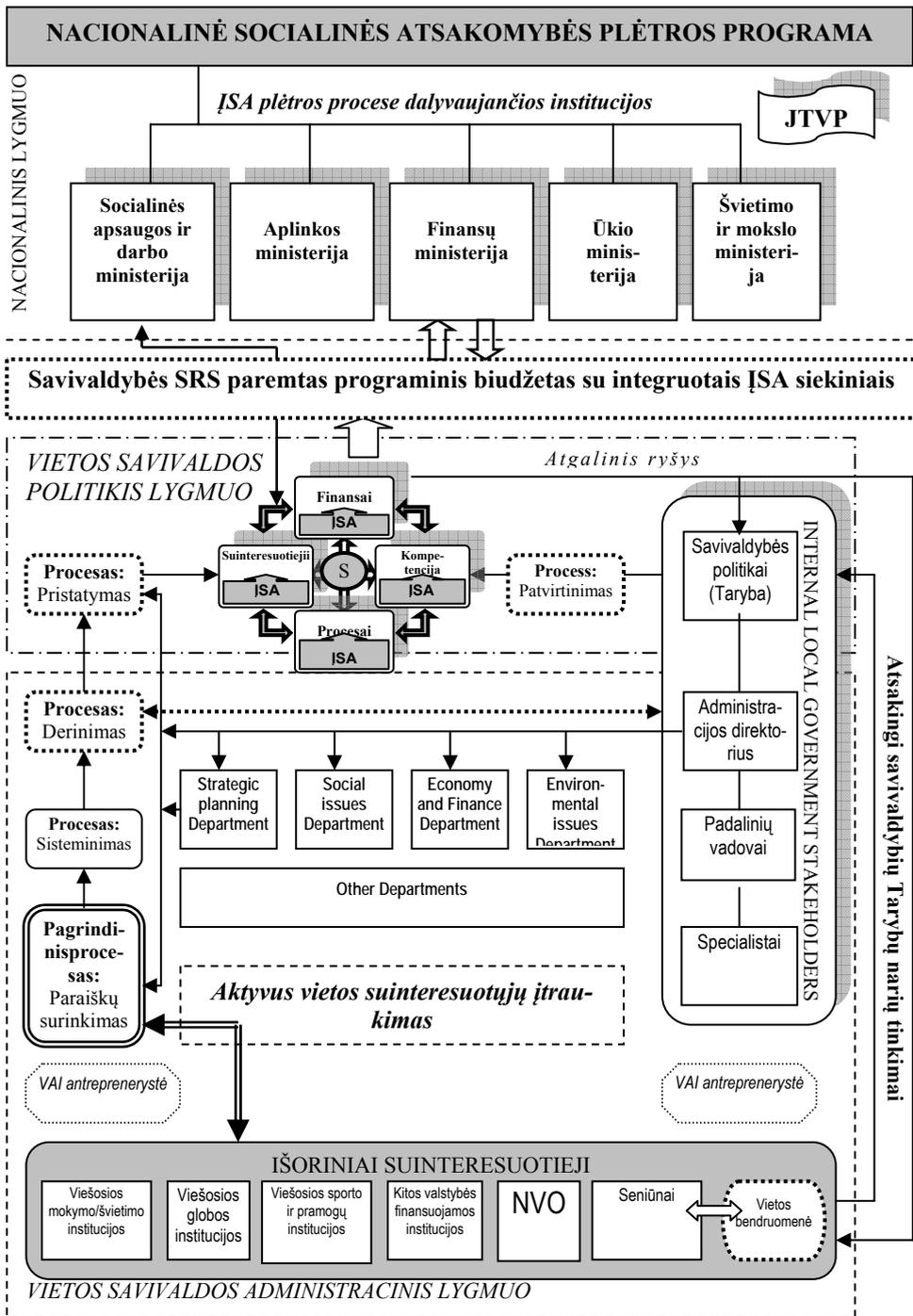
Antroje disertacijos dalyje apibūdina tyrimo etapus ir požiūrius grindžiant taikytiną tyrimo filosofiją, metodologiją, tyrimo metodus ir pasirinktą tyrimo struktūrą. Pasirinkta kritinė teorija, pripažįstanti daugelio duomenų šaltinių ir perspektyvų vertę, skatinanti trianguliaciją bei siekianti konsensuso tarp skirtingų požiūrių. Žvalgomųjų ir aprašomųjų metodų naudojimas atliekant vienmomentinį tyrimą (angl. cross-sectional time dimension study) pasitelkus indukcinę logiką atspindi trianguliaciją. Pirminis analizės metodas kokybinis, remiasi normatyviniu diskursu. Duomenys renkami pirminių dokumentų analizės, struktūrizuoto interviu, stebėjimo, formalių ir neformalių susitikimų metodais.

Nustačius galimybę ĮSA vertybes integruoti į savivaldybių strategiją ir programas pasitelkiant SRS ir remiantis suformuotu koncepciniu modeliu, nustatytos pirminės organizacijų socialinės atsakomybės diegimo veiksmingumo didinimo Lietuvoje sąlygos: pirma, savivaldybių žinios apie patvirtintą Nacionalinę įmonių socialinės atsakomybės plėtros 2009-2011 m. programą (toliau – Nacionalinė ĮSA Programa); antra, savivaldybių atstovų trijų dimensijų ĮSA supratimas; trečia, suinteresuotųjų, kurių vertybės integruotos strateginiame plane ir programose, identifikavimas; ketvirta, ĮSA idėjų plėtros ir įgyvendinimo skatinimo priimtinos formos.

Trečiojo skyriaus pirmame skyrelyje atlikta dokumentų analizė leido suformuoti detalų strateginio planavimo sistemos nacionaliniu ir vietos savivaldos lyg-

menu modelį ir nustatyti Nacionalinė ĮSA Programos padėtį šios sistemos atžvilgiu. Tyrimo metu nustatyta, jog Nacionalinė ĮSA Programa ir ją lydintys dokumentai yra vidutinės trukmės valstybės strateginio planavimo sistemos dokumentas, neturintis jokių sąsajų su savivaldybių strateginio planavimo sistema. Išanalizuotuose pirminiuose dokumentuose, susijusiuose su strateginiu planavimu ir programų (t.y. programinio biudžeto) rengimu nepavyko aptikti konkrečių nuorodų, adresuotų savivaldybėms, išskyrus Lietuvos Respublikos Biudžeto sandaros įstatymą (jame nurodoma, kad asignavimai naudojami pagal asignavimų valdytojų patvirtintas programas). Tačiau LR Vyriausybės nutarime dėl Nacionalinės ĮSA Programos 2009-2013 metų ir jos įgyvendinimo 2009-2011 metų priemonių plano nurodoma, jog savivaldybėms, šalia kitų suinteresuotųjų, rekomenduojama vykdyti šiuo nutarimu parvirtintos minėtos programos priemonių planą. Todėl būtina ištirti savivaldybių atstovų žinias, susijusias su minėtais dokumentais.

Tyrimui pasitelktas struktūrizuoto interviu metodas. Interviuojamieji atrinkti pagal nustatytus kriterijus: pirma, ne mažesnė kaip trejų metų darbo patirtis savivaldybėje; antra, atsakomybės sritys tiesiogiai susijusios su strateginiu planavimu ir programinio biudžeto rengimu; trečia, užimama viena iš šių pozicijų savivaldybėje: savivaldybės politikas (tarybos narys, meras), savivaldybės administracijos direktorius, pavaduotojas; departamento vadovas, specialistas. Svarbiausi tyrimo rezultatai rodo, jog apklaustieji savivaldybių atstovai menkai susipažinę su minėtais dokumentais, dauguma jų sužinojo apie Nacionalinę ĮSA programą ir jos įgyvendinimo priemonių planą interviu metu, todėl apie ją didžioji interviuojamųjų dalis nediskutavo savivaldybėse, ir tik aštuoni procentai identifikavo galimybę įtraukti programoje numatytų veiklų į savo planus. Todėl tampa akivaizdu, kad savivaldybės nėra įtrauktos į ĮSA plėtros procesus Lietuvoje ir negali prisidėti prie ĮSA plėtros veiksmingumo didinimo. Nepaisant to, savivaldybių atstovai identifikavo save kaip Nacionalinės ĮSA programos suinteresuotuosius. Tyrimo metu paaiškėjo, jog savivaldybės teiktų socialinės ir etinės veiklos ataskaitas tuo atveju, jei tai būtų reglamentuota teisės aktais. Remiantis atlikto tyrimo rezultatais, trečiosios dalies trečiajame skyrelyje suformuotas ir pagrįstas organizacijų socialinės atsakomybės diegimo veiksmingumo didinimo Lietuvoje modelis įtraukiant vietas savivaldą (žr. 1 pav.).



1 Pav. Organizacijų socialinės atsakomybės diegimo veiksmingumo didinimo įtraukiant vietos savivaldą modelis
Šaltinis: sudaryta autorės

Igyvendinant ketvirtąjį uždavinį, t.y. remiantis teoriniais ir empiriniais rezultatais, suformuoti ir pagrįsti socialinės atsakomybės diegimo veiksmingumo didinimo Lietuvoje modelį įtraukiant vietos savivaldos institucijas į socialinės atsakomybės diegimo procesus, pritaikyti analizės ir sintezės metodai.

Pirminė Organizacijų socialinės atsakomybės diegimo veiksmingumo didinimo modelio kūrimo idėja susijusi su minėta LR Vyriausybės rekomendacija savivaldybėms tarp kitų suinteresuotųjų, t.y. asocijuotų verslo struktūrų, socialinių partnerių, nevyriausybinų ir tarptautinių organizacijų, pagal finansines (!) galimybes vykdyti įgyvendinimo priemonių planą. Tyrimo metu nustatyta, jog savivaldybės strateginių veiklos planų ir programinio biudžeto rengimui pasitvirtinusios vidinę tvarką, dažniausiai adaptuotą pagal Strateginio planavimo metodiką, nepritaikytą savivaldybėms. Tačiau apibendrinti strateginio veiklos planavimo ir programinio biudžeto rengimo procesai savivaldybėse apima: paraiškų surinkimą iš išorinių suinteresuotųjų; surinktų duomenų sisteminimas strateginiuose veiklos planuose ir programiniame biudžete; parengtų strateginių veiklos planų ir programinio biudžeto derinimas su vidiniais suinteresuotaisiais; parengto strateginio veiklos plano ir programinio biudžeto pristatymas savivaldybės Taryboje ir tvirtinimas. Identifikuoti strateginio veiklos planavimo ir programinio biudžeto rengimo procesai Lietuvos savivaldybėse suponuoja galimybę integruoti vietos bendruomenės ĮSA vertybes į savivaldybių strateginius veiklos planus ir programinį biudžetą nekuriant papildomos ĮSA diegimo veiksmingumą didinančios institucijos. Identifikavus svarbiausią kritinį vietos bendruomenės ĮSA vertybių integravimo pasitelkiant SRS į strateginius veiklos planus ir programinį biudžetą procesą, jis detaliai išaiškintas ir pagrįstas; kiti procesai yra įprasti Lietuvos savivaldybių veikloje, todėl jiems ypatingas dėmesys neskirtas šiame tyrime.

Lietuvos savivaldybėse vykdomas strateginis veiklos planavimas ir rengiamas programinis biudžetas, todėl šie procesai savivaldybėse žinomi ir įgyvendinami. Lyginant su strateginiu veiklos planavimu ir programiniu biudžetu, pažangesnės SRS metodologijos taikymo praktikai pakanka specialių mokymų, kadangi SRS rengimo procesas taip prasideda nuo paraiškų, arba lūkesčių surinkimo iš išorinių suinteresuotųjų. Tačiau siekiant integruoti ĮSA vertybes į SRS paremtą savivaldybės strategiją, svarbiausias kritinis procesas priklauso nuo tarnautojų, atsakingų už paraiškų surinkimo procesą. Pirmiausiai šie tarnautojai turėtų identifikuoti trijų dimensijų, t.y. ekonomines, teises ir etines ĮSA vertybes. Todėl grindžiant modelio taikymo galimybes, atliktas atsakingų tarnautojų interviu. Apibendrinti tyrimo rezultatai leidžia teigti, jog nepaisant to, kad ĮSA idėjos pakankamai naujos Lietuvoje, trijų dimensijų ĮSA suvokimas savivaldybėse pakankamas; todėl savivaldybių potencialas ĮSA diegimo veiksmingumo didinimui Lietuvoje neišnaudotas. Tai sudaro prielaidas įtraukti vietos savivaldos institucijas į ĮSA plėtros procesus Lietuvoje, tikslingai nukreipiant jų gebėjimus strateginio veiklos planavimo ir programinio biudžeto rengimo metu.

Sėkmingas paraiškų surinkimo procesas priklauso nuo teisingai identifikuotų suinteresuotųjų, kurie savivaldybių praktikoje paprastai apima tik iš biudžeto finansuojamas institucijas. Tačiau suformuoto modelio pagrindu savivaldybių strateginiuose veiklos planuose ir programiniame biudžete integruojamos bendruomenės

ĮSA vertybės. Tai tampa įmanoma įtraukiant kuo platesnį ratą suinteresuotųjų savivaldybės atsakinga veikla. Todėl grindžiant modelio taikymo galimybes, atsakingų tarnautojų interviu metu prašyta nurodyti suinteresuotuosius atsakinga savivaldybės veikla. Apibendrinti tyrimo rezultatai rodo, jog dauguma interviuotųjų atpažįsta suinteresuotuosius, tačiau vietos verslininkai bei švietimo ir mokslo institucijos nebuvo identifikuoti kaip reikšmingi suinteresuotieji. Tai sudaro prielaidas manyti, jog šių suinteresuotųjų ĮSA vertybės vargiai ar bus atspindėtos savivaldybių strateginiuose veiklos planuose, jų interesų atstovavimas problematiškas. Todėl ypatingas dėmesys savivaldybėse turėtų būti skiriamas plėtoti aktyvius suinteresuotųjų įtraukimo metodus. Šiuo atveju pirmiausia reikalinga aiški paraiškų rinkimo forma pritaikyta suinteresuotųjų gebėjimams, ir antra, nuolatinės konsultacijos ir bendradarbiavimas, siekiant juos pripažinti reikšmingais savivaldybių strategijos rengimo dalyviais. Nutolusiuose savivaldybių regionuose seniūnai, kaip artimiausi tarpininkai tarp bendruomenės ir vietos valdžios, padėtų aktyvinti bendradarbiavimą.

Vidinių suinteresuotųjų identifikavimas susijęs su SRS metodologija pagrįsto strateginio veiklos plano ir programinio biudžeto projekto derinimu tarp savivaldybės padalinių. Identifikavus, jog šis procesas yra giminingas Lietuvos savivaldybių praktikoje įgyvendinamo veiklos plano ir programinio biudžeto projekto derinimo procesui, todėl disertacijoje nedetalizuojamas. Tačiau pabrėžiama, jog įtraukus savivaldybės išorinių suinteresuotųjų ĮSA vertybes į minėtus dokumentus, derinimo procesas tampa kritinis kitų procesų atžvilgiu, nes nuo atsakingų tarnautojų priklauso, ar šių vertybių pagrindu suformuoti veiklos tikslai liks tarp kitų strateginio veiklos plano ir programų tikslų; savivaldybių antrepreneriškumas identifiкуotas kaip šį procesą palaikantis veiksnys. Kaip rodo gerosios praktikos pavyzdžiai, viešojo administravimo įstaigų antreprenerystė skatina naujovių diegimą jose, tačiau tik egzistuojant aukščiausio lygmens vadovų palaikymui. Todėl antrepreneriškumas Lietuvos savivaldybėse sąlygotų aktyvenį bendradarbiavimą tarp vidinių ir išorinių suinteresuotųjų, rengiant ir įgyvendinant SRS metodologija pagrįstus strateginius veiklos planus ir programas, kartu užtikrintų veiksmingesnį ĮSA vertybių integravimą.

Apibendrinant tyrimo rezultatus, pabrėžtina, jog siekiant ĮSA plėtros veiksmingumo didinimo Lietuvoje, įtraukiant vietos savivaldą, būtina gerinti savivaldybių tarnautojų ĮSA suvokimą. Nors ĮSA idėjos ir pakankamai naujos Lietuvoje, savivaldybės neturėtų būti ignoruojamos ĮSA mokymuose, nes remiantis tyrimo rezultatais, stokoja informacijos ĮSA tematika. Vienas iš Lietuvos vietos savivaldos įstatymu nustatytų valstybės įsipareigojimų yra organizuoti ir remti savivaldybių tarnautojų mokymus, todėl savivaldybių tarnautojai, kaip ir kiti suinteresuotieji, turėtų būti informuojami ir konsultuojami valstybiniu mastu svarbiais klausimais. Tačiau Nacionalinės ĮSA programos įgyvendinimo priemonių plane 2009-2011 numatytuose mokymuose savivaldybių kaip vienos iš tikslinių grupių tarp verslo ir kitų suinteresuotųjų aptikti nepavyko. Tai sudarė prielaidas ištirti, ar savivaldybėms aktuali informacija ĮSA tematika ir kokios formos labiausiai priimtinos ĮSA idėjų sklaidai ir įgyvendinimo skatinimui. Ištyrus, jog savivaldybėms aktualios visos informavimo ĮSA plėtros tema formos, galima teigti, jog Lietuvos vietos savivalda pasirengusi ĮSA iššūkiams, tačiau reguliarius informavimas apie gerosios

praktikos pavyzdžius kitose Lietuvos savivaldybėse nurodytas kaip aktualiausia ĮSA idėjų sklaidos ir įgyvendinimo skatinimo forma. Kol tokia praktika dar nesusi-formavusi Lietuvoje, atsiveria naujos veiklos galimybės mokslininkų ir praktikų bendradarbiavimui, siekiant didinti organizacijų socialinės atsakomybės diegimo veiksmingumą Lietuvoje, įtraukiant vietos savivaldybes.

IŠVADOS IR SIŪLYMAI

Įvykdžius užsibrėžtus uždavinius ir pasiekus darbo tikslą, suformuluotos išva-dos ir rekomendacijos. Teorinės išvados ir rekomendacijos:

1. ĮSA koncepcija daugialypė, tai sąlygoja jos tyrinėjimų metodologinę pro-blematiką, diskutuojamą nuo praėjusio amžiaus vidurio. Siekiant suvokti ĮSA pra-smę ir reikšmę, kuriamos definicijos ir modeliai ĮSA tyrinėjimui. ĮSA tyrinėjimų metmenys keitėsi pastaraisiais dešimtmečiais, tačiau klasikinė ĮSA koncepcija, apimanti keturias ĮSA dimensijas, t.y. ekonominę, teisinę ir filantropinę, naudoja-ma tyrimuose iki šių dienų. Filantropinė dimensija kritikuojama dėl jos savarankiš-kumo, argumentuojant, jog jos motyvai susilieja su likusiomis dimensijomis. ĮSA definicijų analizė rodo, jog naujai išvystyta aplinkosauginė dimensija sulaukė ma-žesnio palaikymo nei prieš tai minėtos. Todėl šalyse, kuriose ĮSA suvokimas tik pradamas plėtoti, tiriant ĮSA suvokimą, siūloma vadovautis modifikuotu trijų dimensijų, t.y. ekonominiu, teisiniu ir etiniu, ĮSA požiūriu. Vėliau išvystytas suin-teresuotųjų ĮSA modelis pripažino aplinką kaip vieną ĮSA suinteresuotųjų, kadangi išplėtotas suinteresuotųjų požiūris apima daugybę spęstinių problemų, susijusių su suinteresuotųjų vaidmenimis. Apibendrinant suinteresuotųjų identifikuotas proble-mas, jos tampa analizuojamo objekto turiniu. Šiuo atveju suinteresuotieji priklausomai nuo jų ryšio su tam tikra organizacija grupuojami į vidinius ir išorinius; tei-singas suinteresuotųjų identifikavimas ir jų interesų derinimas yra veiksmingos organizacijų valdybos pagrindas. Todėl suinteresuotųjų teorija gali būti pasitelkiam-a kaip viena pagalbinių ĮSA strategijos formavimo priemonių.

2. Valstybei ĮSA diegimo skatinimo procesuose dažniausiai priskiriamas ĮSA politikos formavimo ir įgyvendinimo priemonių kūrėjos ir skatintojos vaidmuo. Mokslinėje literatūroje išskiriamos aplinkybės, sąlygojančios ĮSA diegimo veiks-mingumą bet kurioje šalyje: valstybės ĮSA politika, vidinė vyriausybės ĮSA struk-tūra, ĮSA atsakomybių pasiskirstymas skirtinguose valdymo lygmenyse (taip pat ir vietos savivaldos) ir visuomenės bei verslo suinteresuotųjų ĮSA vertybių atstova-vimas. Valstybės vaidmuo ĮSA plėtros procesuose dažniausiai analizuojamas nor-matyvinio diskurso pagrindu. Pripažįstamas didėjantis kitų suinteresuotųjų (visuo-menių organizacijų ir kt.) vaidmuo ĮSA sąlygojo naujų metodologinių instrumentų, įgalinančių tyrinėti valstybės verslo ir visuomenės sąveiką, kūrimą. ĮSA sąveikos modelis išplėtotas gilėjant suvokimui apie reikšmingą valstybės įtaką ĮSA skatini-mui. Nors ĮSA sąveikos modelis padeda identifikuoti ryšius tarp valstybės, verslo ir visuomenės, tačiau nenurodo kitų konkrečių instrumentų ĮSA diegimo veiksmin-gumo skatinimui, išskyrus ĮSA institucionalizaciją. Tačiau moksliniu požiūriu są-veikos modelis leidžia identifikuoti mažiausiai tyrinėtą sąveikas. Atliktų tyrimų

analizė leidžia teigti, jog valstybės-visuomenės sąveika mažiausiai tyrinėta ĮSA atžvilgiu.

3. Vietos savivaldos įgalinimas įmonių vadovų požiūriu įvertintas tarp trijų svarbiausių ĮSA skatinimo veiksnių pereinamosios ekonomikos šalyse. Tačiau mokslinėje literatūroje pasigendama gilesnių ĮSA ir vietos savivaldos santykio diskusijų; valstybės ir ĮSA santykio tyrimai apibendrinami „valstybės“ konstruktu. Stokojant ĮSA ir vietos savivaldos sąveikos mokslinių tyrimų, nors atskirų šalių pavyzdžiai įrodo šios sąveikos egzistavimą tarpininkavimo tarp piliečių ir centrinės valdžios institucijų aspektu, prieita išvados, jog vietos savivaldos institucijų reikšmė ĮSA plėtros procesuose moksliniu teoriniu ir empiriniu požiūriais neiširta. Tačiau ĮSA sąveikos modelio pagrindu analizuojant ĮSA atsakomybių pasiskirstymą skirtinguose valdymo lygmenyse išryškėja ĮSA taikymo vietos savivaldos institucijose kaip viename iš valdymo lygmenų, problematika. Tyrimo metu vietos savivaldos institucijų neidentifikavus kaip ĮSA tyrimų objekto, šiame darbe išryškinta nauja ĮSA tyrinėjimų sritis.

4. Remiantis šiomis išvadomis, papildoma strateginio valdymo literatūros analizė leido identifikuoti strateginio valdymo įrankius, taikytinus ĮSA diegimo veiksmingumo didinimui. Pripažįstant, jog savivaldybių strateginiai veiklos planai atspindi vietos bendruomenės poreikius, savivaldybės šiame tyrime traktuojamos kaip artimiausi tarpininkais tarp vietos bendruomenės ir centrinės valdžios. Naujas metodologinis požiūris į ĮSA veiklos vertinimą išplėtė ĮSA vertybių integravimo į organizacijų strategiją galimybes panaudojant subalansuotą rodiklių sistemą, plačiai taikomą verslo organizacijose ir plėtojamą viešajame sektoriuje. SRS pagrindu formuojamos ĮSA programos pritaikomos visuose sektoriuose kuriame sektoriuje ir veiklos srityse, modeliuojant jas pagal organizacijos veiklos specifiką, misiją ir disponuojamus išteklius. SRS metodologija suderinta su ĮSA vertybėmis ir visuotinės pasaulio atsiskaitomumo iniciatyvos rodikliais, orientuoja organizacijas ĮSA vertybių kryptimi. Tyrimai rodo, jog ĮSA netapusi organizacijos strategijos praranda savo prasmę. Todėl viešajame sektoriuje SRS laikytina pažangesne strateginio planavimo metodologija. Teoriškai darbe įrodyta, jog visuomenės ĮSA vertybių pagrindu suformuota SRS, suderinta su savivaldybių strategija, laikytina vietos savivaldos įtraukimo į organizacijų socialinės atsakomybės diegimo veiksmingumo didinimo priemone. Tokiu būdu integruotos visuomenės ĮSA vertybės tampa apskaitomos, pamatuojamos, už jas atsiskaitoma ir užtikrinamas atgalinis ryšys.

5. Apibendrinat ĮSA ir antreprenerystės ryšį, pabrėžtina, jog plačiausiai ĮSA suprantama kaip veikla peržengianti pelno siekimą. Paviinės diskusijos apie ĮSA, filantropiją ir antreprenerystę išsiskiria plačiu neatskleistų aspektų spektru, nes pastaruoju metu vis dažniau pastebima, jog antrepreneriai linkę nukreipti savo gebėjimus socialinių pokyčių linkme. Pirminis socialinės atsreprenerystės uždavinys – teigiamai įtakoti socialinius ir aplinkosaugos pokyčius, todėl diskutuojama, jog ĮSA, filantropija ir antreprenerystė nurodo šiuolaikinių organizacijų lyderiams veiklos kryptis, kartu tobulinant organizacijos veiklą socialine ir ekonomine prasme. Paraleliai pastebėta nauja antreprenerystės forma viešojo administravimo institucijose taip pat interpretuojama kaip galimybė veiksmingai įgyvendinti pokyčius.

6. Apibendrinant teorinės dalies išvadas galima teigti, jog nepaisant įvairių aspektų, jų ryšių su definicijų problemomis, kylančios ĮSA ir antreprenerystės diskusijos yra pastebėtų tradicinių organizacijų vadybos metodų trūkumų rezultatas. Neabejotinai pokyčiai ir inovacijos reikalingos siekiant kurti ir plėtoti tvarias organizacijas ir darnią aplinką ateičiai. Šiuo atžvilgiu viešojo administravimo institucijų antreprenerystė kaip tik atskleidžia būdus ir priemones šiems siekiniams įgyvendinti. Viešojo administravimo institucijų antreprenerių skatinamos ĮSA vertybės veiksmingiau integruojamos į organizacijų strategijas pasitelkiant SRS metodologiją, užtikrina jų įgyvendinimo finansavimą ir atskaitomybę, kartu prisideda prie nacionalinių organizacijų socialinės atsakomybės tikslų diegimo veiksmingumo. Tokiu būdu ĮSA vertybės tampa akivaizdžios, išmatuojamos, apskaitomos ir tvarios.

Atlikto empirinio tyrimo pagrindu formuluojamos tokios išvados ir rekomendacijos:

1. Nacionaliniai ĮSA tikslai Lietuvoj pradėti formuluoti remiantis ES nuostatomis dėl ĮSA skatinimo ir plėtojimo, atsižvelgiant į Valstybės ilgalaikės raidos strategiją, Nacionalinę Lisabonos strategijos įgyvendinimo programą ir Nacionalinę darnaus vystymosi strategiją. Nacionalinėje strateginio planavimo sistemoje ĮSA plėtros programa priskiriama prie vidutinės trukmės tikslų, o jos įgyvendinimo priemonių planai – trumpalaikių tikslų. Nacionalinė strateginio planavimo sistema tampriai siejasi su biudžeto formavimu. Tačiau pirminių strateginio planavimo ir programinio biudžeto sudarymo dokumentų analizė leidžia teigti, jog šie dokumentai nepritaikyti savivaldybių veiklos strateginiam planavimui ir programinio biudžeto rengimui, išskyrus Biudžeto sandaros įstatymą. Vyriausybės vidutinės trukmės programos parastai derinamos su savivaldybėmis, tikintis sulaukti koregavimo pasiūlymų arba informavimo tikslais. Tačiau Nacionalinės ĮSA plėtros programos rengimo metu nustatyti komunikacijos sutrikimai. ĮSA plėtros tikslai susiję su veslo, visuomenės ir valstybės visuose valdymo lygmenyse suinteresuotaisiais, todėl rekomenduojama rengiant ir svarstant nacionalinės ĮSA reikšmės dokumentus, išplėtoti komunikacijos formas.

2. Išanalizavus institucinę ĮSA struktūrą Lietuvoje, pagrindinė identifikuota problema yra už ĮSA įgyvendinimą atsakingų institucijų koncentracija centrinės valdžios lygmenyje ir ĮSA programos įgyvendinimo priemonių plane numatytų veiklų atsakingų vykdytojų funkcijų subalansavimas. ĮSA atsakomybės ir dauguma veiklų sukoncentruotos dviejose institucijose: Socialinės apsaugos ir darbo ministerijos ir Jungtinių Tautų vystymo programos Lietuvoje. Tuo tarpu nė vienoje iš jų nėra tiesiogiai pagal funkcijas už ĮSA plėtrą atsakingų darbuotojų. ĮSA programos įgyvendinimo suinteresuotųjų analizė atskleidžia visų suinteresuotųjų atstovavimo ribotumus vietos savivaldos aspektu, todėl tampa akivaizdu, jog savivaldybės nėra įtrauktos į ĮSA plėtros procesus, tačiau joms rekomenduojama pagal finansines galimybes įgyvendinti Nacionalinės ĮSA plėtros 2009-2013 metų programos įgyvendinimo 2009-2011 metų plane numatytas veiklas. Todėl rekomenduojama rengiant minėtos programos įgyvendinimo priemonių planą artimiausiam programavimo periodui aktyviau įtraukti savivaldybes. Remiantis atlikto tyrimo rezultatais,

savivaldybės gali prisidėti prie organizacijų socialinės atsakomybės diegimo veiksmingumo skatinimo Lietuvoje.

3. Empirinio tyrimo rezultatai atskleidžia menkas savivaldybių atstovų žinias apie patvirtintą nacionalinę ĮSA programą ir jos įgyvendinimo priemonių planą. Dauguma savivaldybių atstovų apie šią programą sužinojo interviu metu. Interviuojamieji, kurie teigė gavę ĮSA programos projektą derinimui, dažniausiai nepateikė jokių pastabų, argumentuodami, jog ĮSA problemos jiems visiškai naujos. Tačiau tyrimo metu detalizavus trijų dimensijų ĮSA suvokimą atskirais teiginiais, paaiškėjo, jog savivaldybių atstovai su jais sutinka, tačiau nacionalines ĮSA programos priemones vangiai identifikuoja kaip diskutuotinas strateginio veiklos plano ir programinio biudžeto rengimo metu. Tačiau savivaldybių atstovai identifikuoja save tarp kitų suinteresuotųjų ĮSA programa. Todėl tampa akivaizdu, jog savivaldybės būtina aktyviau įtraukti į ĮSA idėjų plėtros procesus.

4. Svarbus empirinio tyrimo rezultatai, susiję su normatyviniu ĮSA diskursu, atskleidžia, jog savivaldybių atstovai įgyvendintų ĮSA programos veiklas, jei tai reglamentuotų norminiai teisės aktai. Tačiau keletas interviuojamųjų teigė, jog jie ketina svarstyti ĮSA idėjas rengiant strateginius veiklos planus ir programinį biudžetą, o tai reikštų ĮSA operacionalizacijos pradžią Lietuvos savivaldybėse: į savivaldybių strateginius veiklos planus įtrauktos veiklos finansuojamos, įgyvendinamos, už jas atsiskaitoma ir užtikrinamas atgalinis ryšys. Tačiau nors ĮSA dažnai pripažįstama kaip savanoriška iniciatyva, dauguma savivaldybių atstovų patvirtino, jog norminiais teisės aktais nustatyti reikalavimai teikti socialinės ir etinės veiklos ataskaitas sąlygotų tokių ataskaitų rengimą savivaldybėse. Todėl galima teigti, jog siūlomas organizacijų socialinės atsakomybės diegimo veiksmingumo skatinimo modelis Lietuvoje įtraukiant vietos savivaldą paskatintų ĮSA plėtrą Lietuvoje. Savivaldybių atstovams pripažįstant, jog ĮSA atskaitomybė pasiektina norminių teisės aktų įpareigojimų atveju, rekomenduojama sukurti unifikuotą SRS metodologiją paremtą strateginio planavimo ir programinio biudžeto rengimo metodiką savivaldybėms. Rengiant metodiką reikėtų atkreipti dėmesį į kritinius procesus, t.y. paraiškų iš suinteresuotųjų surinkimą; ĮSA vertybėmis integruoto SRS metodologijos pagrindu parengto strateginio veiklos plano ir programinio biudžeto projekto derinimą su vidiniais suinteresuotais; parengto projekto pristatymas ir tvirtinimas savivaldybės taryboje.

5. Metodikoje būtini detalūs identifikuotų kritinių procesų aprašymai ir paraiškų rinkimo formų pavyzdžiai. Strateginis veiklos planavimo ir programinio biudžeto rengimo procesai įgyvendinami Lietuvos savivaldybėse jau keletą metų, todėl šie procesai nėra naujovė. Dauguma savivaldybių pasirengusios vidines strateginio veiklos plano ir programinio biudžeto rengimo tvarkas, todėl reikalingi tik tikslingi tobulinimai. Tačiau siūloma ypatingą dėmesį skirti pagrindiniam kritiniam procesui – paraiškų iš suinteresuotųjų surinkimui. Šio proceso veiksmingumui užtikrinti siūlomi aktyvūs išorinių suinteresuotųjų įtraukimo metodai, įgalinantys iškristalizuoti vietinės bendruomenės ĮSA vertybes, jas įtraukti į paraiškų formas ir tolesnius strateginio veiklos plano ir programinio biudžeto rengimo procesus. Šiam procesui reikalingos ne tik detalios rekomendacijos, tačiau moderuojami savivaldybių atstovų ypač tiesiogiai atsakingų už savivaldybės valdymo, administravimo,

strateginio planavimo ir programinio biudžeto rengimo ir įgyvendinimo funkcijas, mokymai. Unifikuota, paremta ĮSA vertybėmis ir visuotinės atsiskaitomumo iniciatyvos rodikliais, plėtros strategija turėtų būti pagrįsta partneryste tarp vidinių ir išorinių suinteresuotųjų. Tokia strategija padėtų (re)formuluoti į ĮSA įgyvendinimą orientuotus tikslus ir viziją, talkintų formuojant visuomenės ĮSA vertybėmis paremtą SRS, ir galiausiai užtikrintų nacionalinių ĮSA plėtros tikslų įgyvendinimą ir atgalinį ryšį.

Apibendrinant teorinio ir empirinio tyrimo rezultatus, išdėstyti argumentai leidžia patvirtinti pagrindinę darbe formuluotą hipotezę, t.y. organizacijų didesnio organizacijų socialinės atsakomybės diegimo veiksmingumo galima pasiekti į šiuos procesus įtraukiant vietos savivaldos institucijas.

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2. Bernatonytė, Dalia; **Vilkė, Rita**; Volochovič, Andžej. Regional peculiarities of development of Lithuanian SME // Economics and management = Ekonomika ir vadyba [elektroninis išteklius] / Kaunas university of technology. Kaunas : Technologija. ISSN 1822-6515. 2009, no. 14, p. 676-684.

3. Mačerinskienė, Irena; **Vilkė, Rita**. Entrepreneurship Research Dimensions // KSI Transactions on Knowledge Society / First international science conference "Knowledge society", II international science conference for young researchers "Technical science and industrial management". Sozopol, Bulgaria: Knowledge Society Institute. ISSN 1313-4787. Jan I, Vol. 3 (September), 2008, p. 163-167.

4. Vengrauskas, Vytautas; Mačerinskas, Jogaila; **Veličkaitė, Rita**. The role of small and medium-sized enterprises in the national economy // Trendy ekonomiky a managementu = Trends economics and management. Brno : Fakulta podnikatelská vysoké učení technické v Brně. ISSN 1802-8527. 2007, roč. 1, č. 01, p. 117-125.

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1. **Vilkė, Rita**. Corporate Social Responsibility initiatives' development in Lithuania // The Newsletter From the Social Responsibility Research Network. [electronic resource]. ISSN 1759-5886. 2010, No.1, p. 10-12.

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7. Mačerinskienė, Irena; **Veličkaitė, Rita**. New challenges for future start-ups : entrepreneur in the economy // *Материалы 6-й Международной научно-технической конференции "Наука - образованию, производству, экономике"*, 31 декабря-2 февраля 2008 г. [Минск] : [Белорусский национальный технический университет], 2008. ISBN 9789854798267. p. 156-163.

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10. Mačerinskienė, Irena; **Veličkaitė, Rita**. Entrepreneurship education features in Lithuanian universities // *Moderné prístupy k manažmentu podniku = Modern approaches to corporate management* [electronic resource]: 6-7 September, 2007, Bratislava, Slovak Republic: proceedings of the 17th International Scientific Conference. Bratislava : Slovenská technická univerzita v Bratislave, 2007. ISBN 9788022727501. p. 407-416.

11. Mačerinskienė, Irena; **Veličkaitė, Rita**. Entrepreneurship education substantiality in developing economy : previous experience and future approaches // *Festive scientific conference on the occasion of 15th anniversary of the establishment of faculty of business and management of Brno university of technology* :conference proceedings, 12-14 september 2007, Brno, Czech Republic [electronic resource]. Brno : Brno university of technology, 2007. ISBN 9788021434820. p. 1-10.

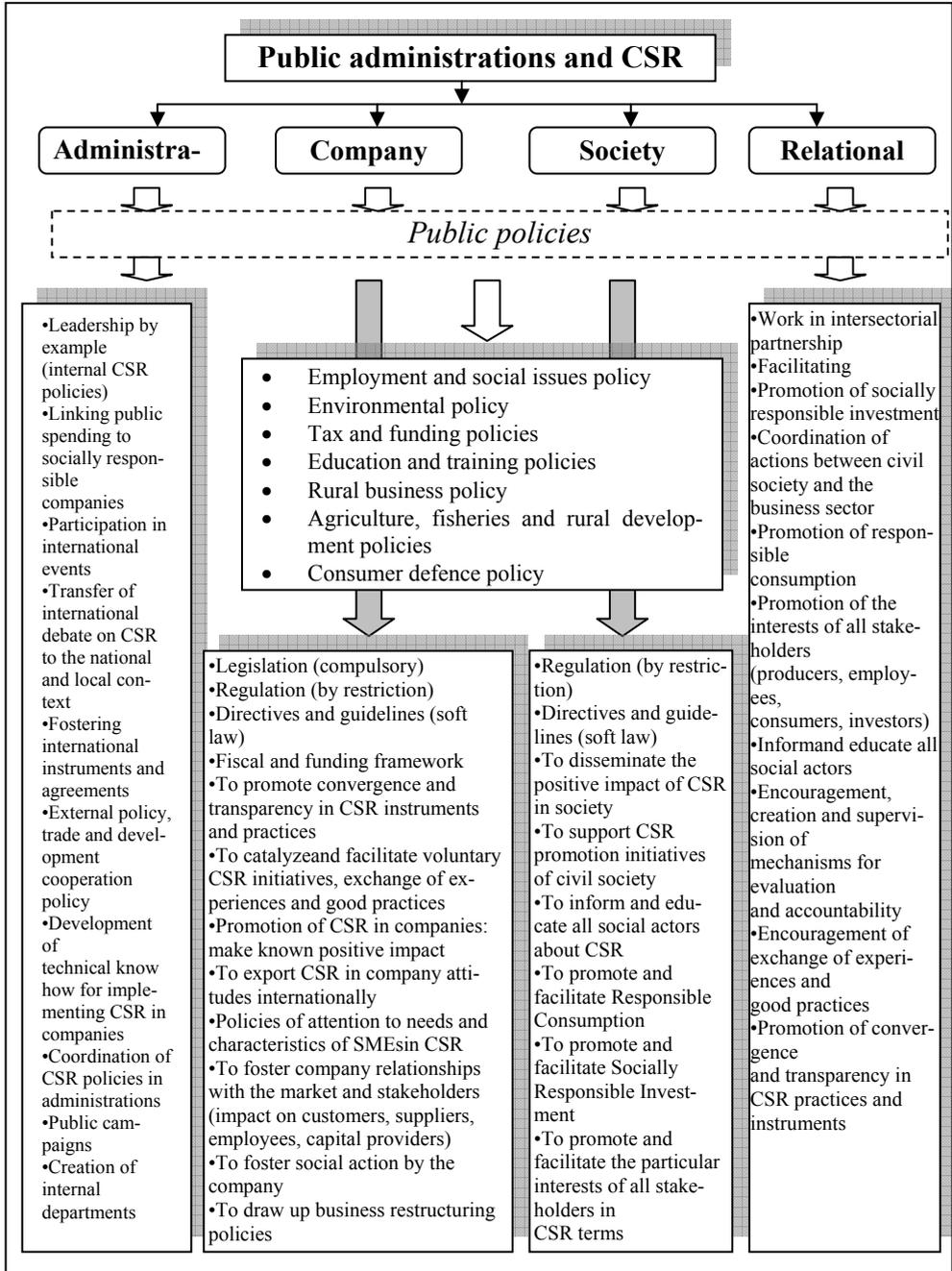
12. Vengrauskas, Vytatautas; Mačerinskas, Jogaila; **Veličkaitė, Rita**. The role of small and medium-sized enterprises in the national economy // *Moderné prístupy k manažmentu podniku = Modern approaches to corporate management* [electronic resource]: 6-7 September, 2007, Bratislava, Slovak Republic: proceedings of the 17th International Scientific Conference. Bratislava : Slovenská technická univerzita v Bratislave, 2007. ISBN 9788022727501. p. 654-664.

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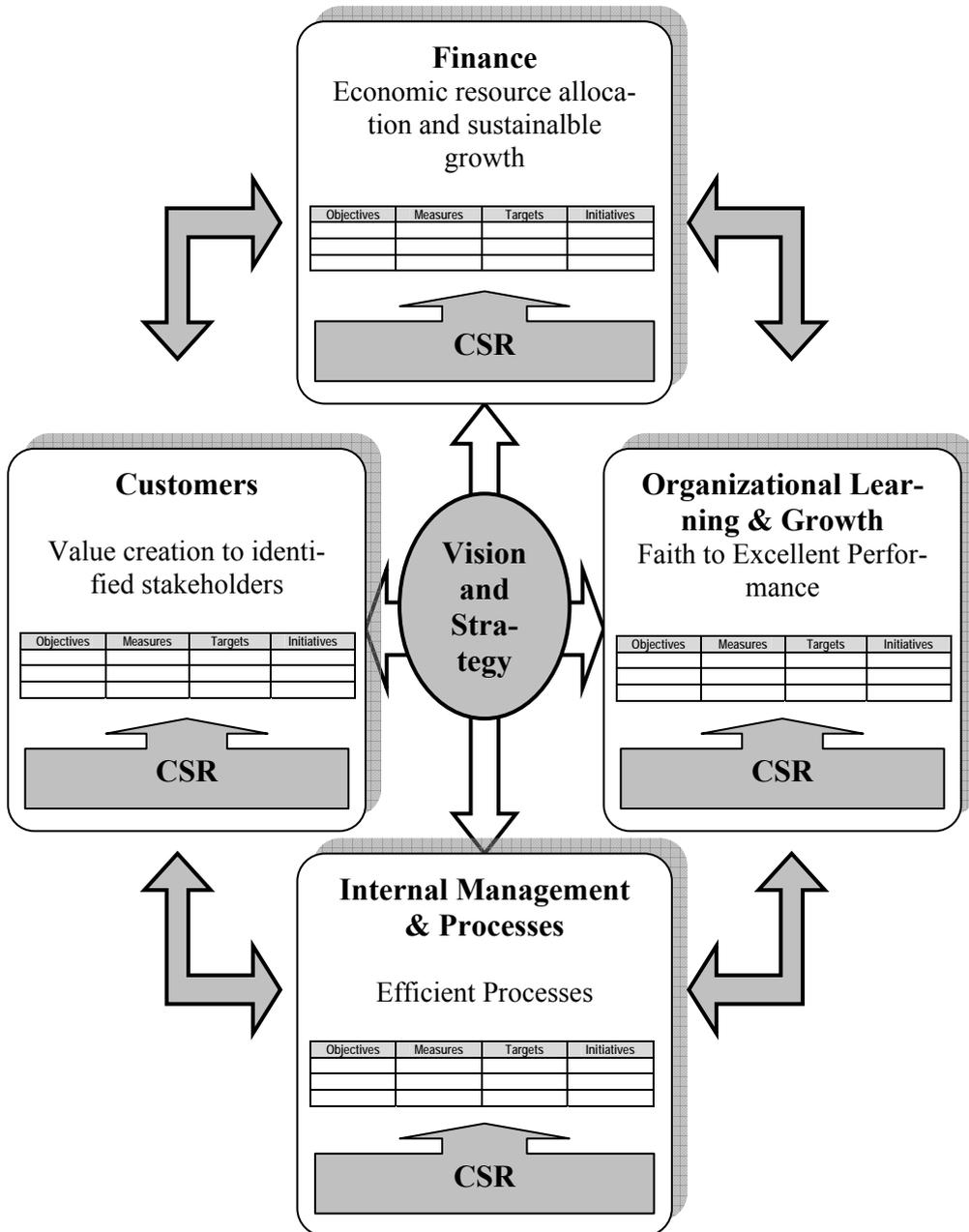
1. Local Government's Attitudes Towards Socially Responsible Entrepreneurship in Lithuania / International scientific conference BMRA2010 „Innovation driven entrepreneurship“ (2010 10 14-16). Vilnius: ISM University of Management and Economics, Lithuania.
2. Social Responsibility Institutionalization in Lithuania: Modern Attitudes Towards Social Cohesion or Modern Political Slogans? / International Conference of Young Scientists “Comparative Aspects of Recent Legal Research in Eastern and Central Europe” (2010 05 26). Mykolas Romeris University and Vroclav University (Poland), Vilnius, Lithuania.
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7. Entrepreneurship Education Features in Lithuanian Universities / „17th International Scientific Conference “Modern approaches to corporate management” (2007 09 06). Bratislava, Slovakia.

EU-15 Implemented public policies, programs and actions promoting CSR



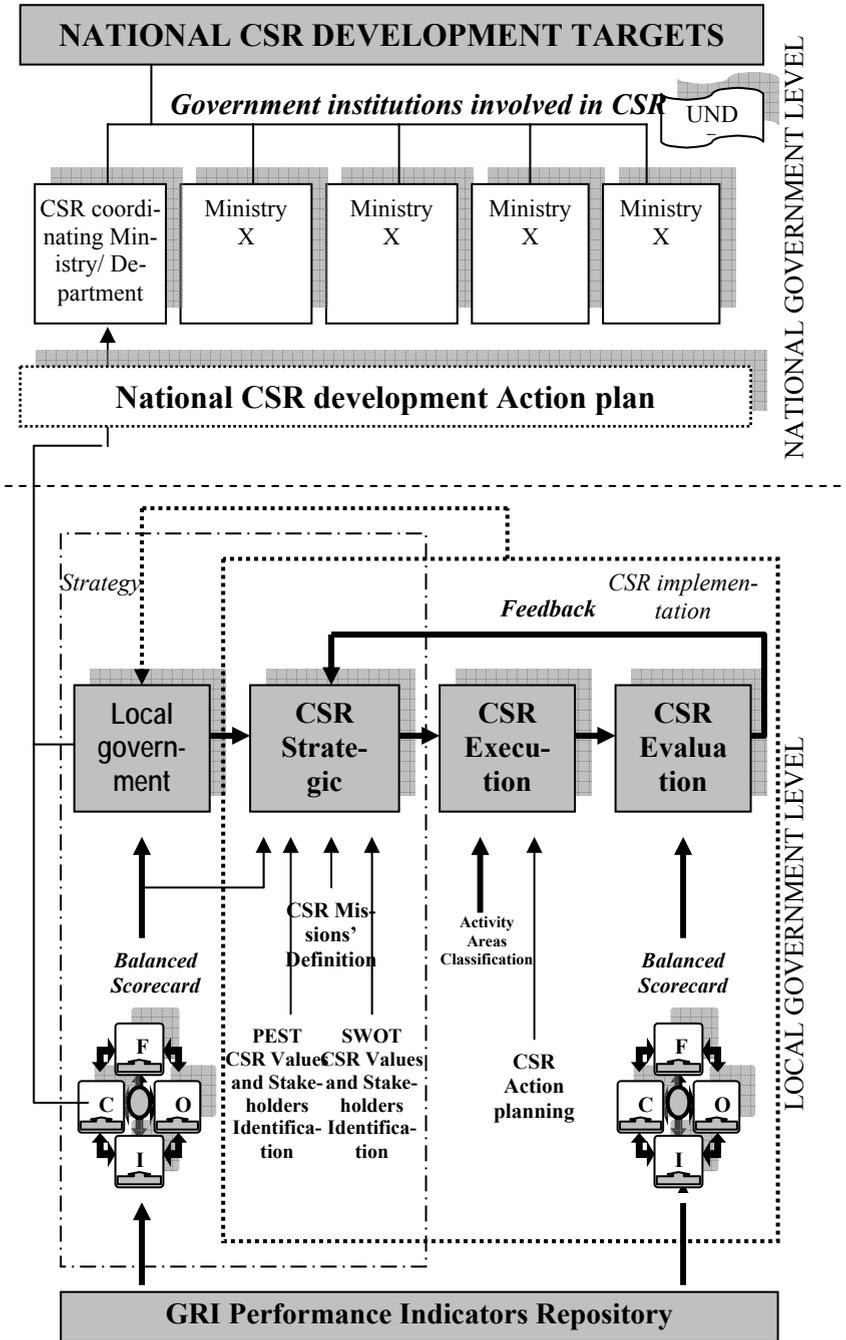
Source: Albareda et al., 2007, p.396

Typical perspectives on a Balanced scorecard for the public sector with CSR performance measures



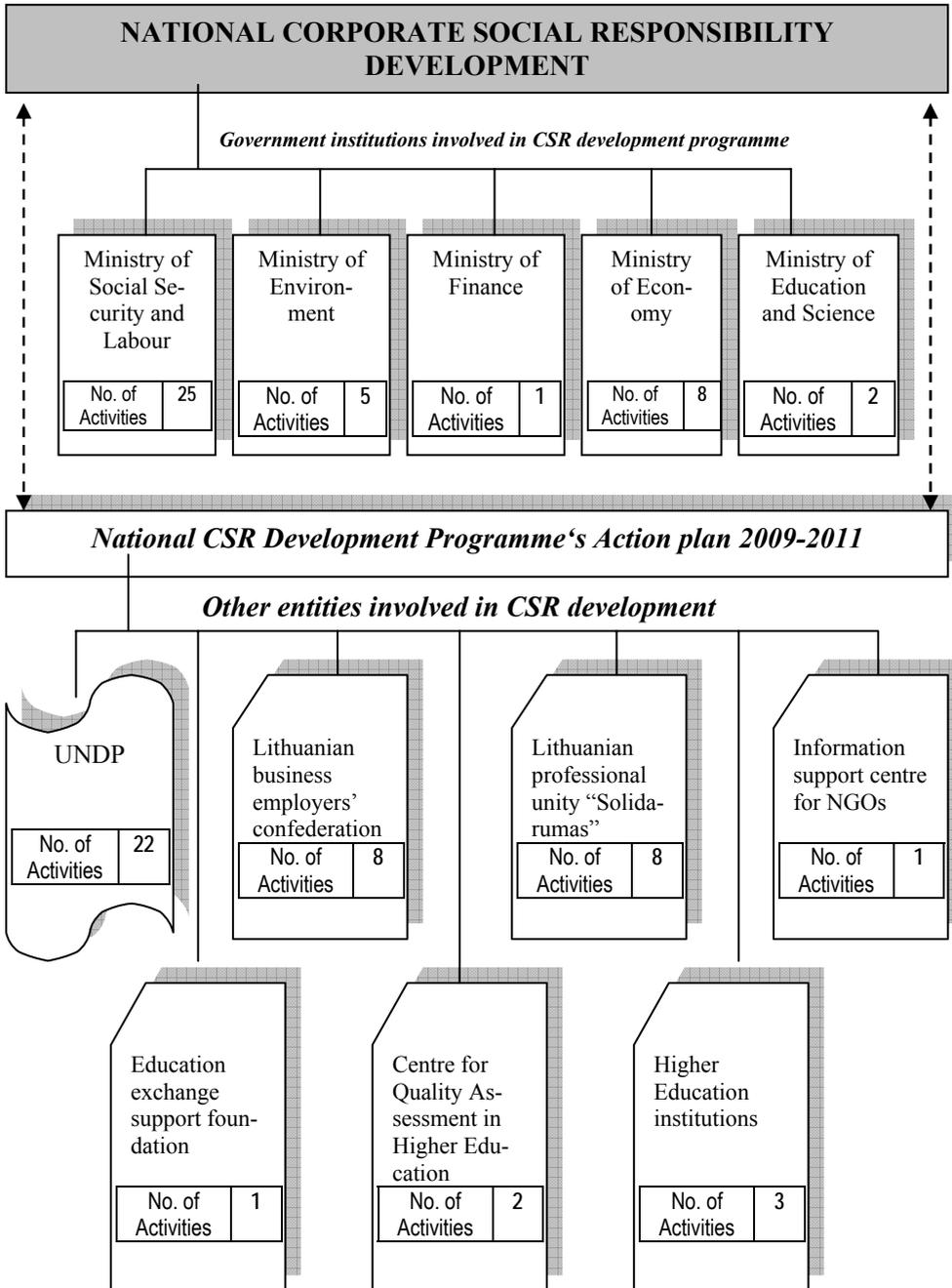
Source: adapted by author, according to Panayiotou et al. (2009, p.134) and Aslani (2009, p.4)

The theoretical model of local government involvement in CSR development targets



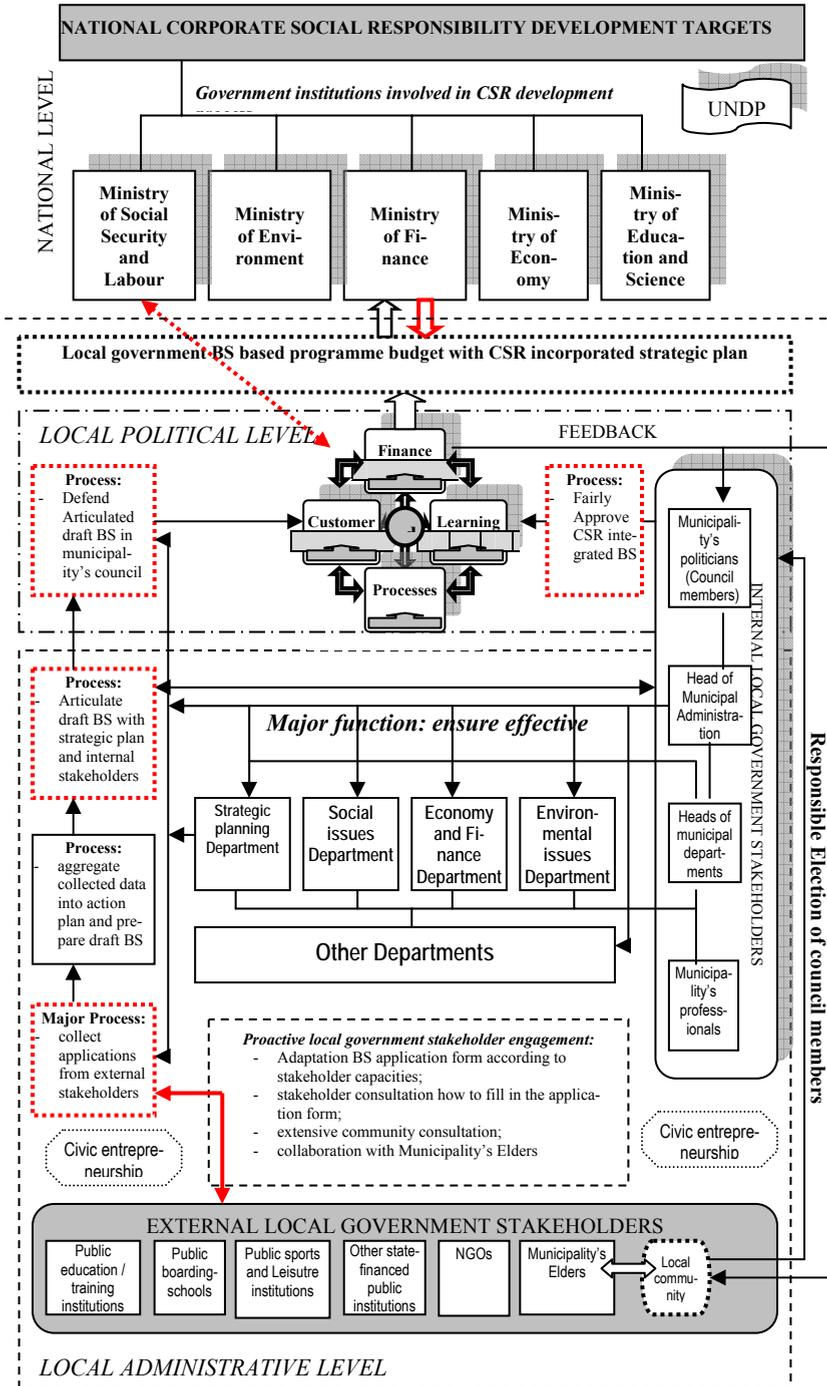
Source: created by author

Government institutions involved in National CSR development programme



Source: created by author

The critical processes of local community's CSR values incorporation in National CSR targets



Source: created by author

Application of three-domain CSR from business to local governments' attitudes evaluation

Economic Responsibilities		Legal Responsibilities		Ethical Responsibilities	
Business	Local government	Business	Local government	Business	Local government
It is important to perform in a manner consistent with maximizing earnings per share	Responsibility of local governments is to maximize efficiency of public financial resource allocation to satisfy local community expectations	It is important to perform in a manner consistent with expectations of government and law	Local governments should perform in a manner consistent with expectations of government and law	It is important to perform in a manner consistent with expectations of societal mores and ethical norms	Socially responsible local government perform in a manner consistent with expectations of societal mores and ethical norms
It is important to be committed to being as profitable as possible	Local governments should be committed to being as economy as possible	It is important to comply with federal, state and local regulations	Local governments should comply with state and local regulations	It is important to recognize and respect new or evolving ethical/moral norms adopted by society	Responsible local governments recognize and respect new or evolving ethical/moral norms adopted by society
It is important to maintain a strong competitive position	Local governments responsibility is to maintain a strong leading position in the region	It is important to be a law-abiding corporate citizen	Public servants should be a law-abiding citizens	It is important to prevent ethical norms from being compromised in order to achieve corporate goals	Local governments should prevent ethical norms from being compromised in order to achieve political goals
It is important to maintain high level of operating effi-	Local government should maintain high level of operating effi-	It is important that successful firm should be defined as one that	Successful local government should be defined as one that	It is important that good corporate citizenship is defined as	Good corporate citizenship is defined as doing what is expected

Economic Responsibilities		Legal Responsibilities		Ethical Responsibilities	
ciency	ciency	fulfils its legal obligations	fulfils its legal obligations	doing what is expected morally or ethically	morally or ethically
It is important that a successful firm is defined as one that is consistently profitable.	Successful local government is defined as one that is consistently effective	It is important to provide goods and services that at least meet minimal legal requirements	Local governments should provide public services that meet quality requirements	It is important to recognize that corporate integrity and ethical behaviour go beyond mere compliance with laws and regulations	Ethical behaviour go beyond mere compliance with laws and regulations

Interview information collection form

DEAR LITHUANIAN LOCAL GOVERNMENT'S REPRESENTATIVE,

Your opinion is very important to support and spread **Your responsible approach to each community member.**

Ongoing interview **aims** to examine Lithuanian local government representatives' attitudes towards corporate social responsibility and evaluate the spread of information on the state strategic planning documentation arrangement related to corporate social responsibility issues.

We will spend about than 15-20 minutes of Your precious time, to answer the questions, but **Your answers are very important.**

1. Please provide Your opinion about every statement

<i>Possible statements</i>	Fully agree	Agree	Neutral	Disagree	Fully disagree
Responsibility of local governments is to maximize efficiency of public financial resource allocation to satisfy local community expectations					
Local governments should be committed to being as economy as possible					
Local governments responsibility is to maintain a strong leading position in the region					
Local government should maintain high level of operating efficiency					
Successful local government is defined as one that is consistently effective					

2. Please provide Your opinion about every statement

<i>Possible statements</i>	Fully agree	Agree	Neutral	Disagree	Fully disagree
Local governments should perform in a manner consistent with expectations of government and law					
Local governments should comply with state and local regulations					
Public servants should be a law-abiding citizens					

Successful local government should be defined as one that fulfils its legal obligations					
Local governments should provide public services that meet quality requirements					

3. Please provide Your opinion about every statement:

<i>Possible statements</i>	Fully agree	Agree	Neutral	Disagree	Fully disagree
Socially responsible local government perform in a manner consistent with expectations of societal mores and ethical norms					
Responsible local governments recognize and respect new or evolving ethical/moral norms adopted by society					
Local governments should prevent ethical norms from being compromised in order to achieve political goals					
Good corporate citizenship is defined as doing what is expected morally or ethically					
Ethical behaviour go beyond mere compliance with laws and regulations					

Who do You think have an interest in socially responsible activities of your

4. municipality?

	Very interested	Interested	Neutral	Not interested	Not interested at all
1. Municipality's politicians					
2. Director of Municipal Administration					
3. Heads of municipal departments					
4. Municipality's professionals					
5. Municipality's Elders					

6. Local community					
7. NGOs					
8. Local businessmen					
9. Education / training/other public institutions					
10. Central government representatives					

5. Would your municipality prepare and provide publicly social and ethical performance reports?

- | | |
|--------------------------|--|
| <input type="checkbox"/> | 1. Yes, if it is not obliged |
| <input type="checkbox"/> | 2. Yes, if it is obliged |
| <input type="checkbox"/> | 3. No, if it is not obliged |
| <input type="checkbox"/> | 4. We prepare such reports, but do not provide them publicly |
| <input type="checkbox"/> | 5. We prepare such reports and provide them publicly |

6. Would your municipality prepare and provide publicly environmental performance reports?

- | | |
|--------------------------|--|
| <input type="checkbox"/> | 1. Yes, if it is not obliged |
| <input type="checkbox"/> | 2. Yes, if it is obliged |
| <input type="checkbox"/> | 3. No, if it is not obliged |
| <input type="checkbox"/> | 4. We prepare such reports, but do not provide them publicly |
| <input type="checkbox"/> | 5. We prepare such reports and provide them publicly |

The Government of the Republic of Lithuania on January 12, 2010 approved **The five-year National Corporate Social Responsibility Development Program in 2009-2013** and parallel - the Action Plan on Measures Promoting Corporate Social Responsibility in 2009-2011 (State News, 2010, Nr. [8-368](#), come into force January 22, 2010),

recommending that **local governments**, the associated business entities, social partners, NGOs and international organizations in accordance with the financial capacity should carry out the resolution adopted by the National Corporate Social Responsibility Development 2009-2013 year program for 2009-2011 plan.

7 Have You learned about National CSR Development Programme 2009-2013 from this interview?

- | | |
|--------------------------|-----|
| <input type="checkbox"/> | Yes |
| <input type="checkbox"/> | No |

8. Was your municipality invited (about April-May, 2009) to adjust the draft National CSR Development Programme 2009-2013?

- | | |
|--------------------------|--|
| <input type="checkbox"/> | Yes |
| <input type="checkbox"/> | No (please, go to the question No. 10th) |
| <input type="checkbox"/> | I don't know (please, go to the question No. 10th) |

9. Has your municipality provided any suggestions/corrections to the National CSR Development Programme's 2009-2013 corrections?

Yes

No

10. Was your municipality invited (about April-May, 2009) to adjust the draft National CSR Development Programme's 2009-2011 draft Action plan?

Yes

No (please, go to the question No. 12th)

I don't know (please, go to the question No. 12th)

11. Has your municipality provided any suggestions/corrections to the draft National CSR Development Programme's 2009-2011 draft Action plan

Yes

No

12. Are you going to implement the National CSR Development Programme's target activities?

Yes, we will include the main provisions in the municipal action plan

Yes, as far as the mandatory law enforcement

We haven't discussed this program in our municipality

No, the municipality is not directly responsible for implementation of The Program

No, the Programme and Action plan have no relation to local governments' responsibilities

Other:

13. How would You describe Your reaction on the National CSR Development Programme?

	Fully agree	Agree	Neutral	Dis-agree	Fully dis-agree
Corporate social responsibility issues are not relevant to me					
There are confusing measures, which should be implemented by the municipality					
I do not recognize certain outcome of this plan's benefits					
The municipality is not directly responsible for implementation of The Program					
Municipality do not hold/developed human resources needed to implement					

The Program					
Municipality do not hold financial resources needed to implement The Program					
The plan will be carried out in relation to mandatory enforcement					
Programme and Action plan have no relation to local governments' responsibilities					
The objectives of the Program cover business' sector problems					
The objectives of the Program cover society's problems					
Implementation of the Program was not consistent with the municipal facilities					

14. What do you think, to whom and how relevant the National CSR Development Programme's 2009-2013 in your municipality / municipal area is?

	Very important	Important	Neutral	Not important	Not important at all
1. Municipality's politicians					
2. Director of Municipal Administration					
3. Heads of municipal departments					
4. Municipality's professionals					
5. Municipality's Elders					
6. Local community					
7. NGOs					
8. Local businessmen					
9. Education / training/other public institutions					
10. Central authorities' representatives in urban units					

15. What do you think would help develop the ideas of corporate social responsibility and promote its implementation in your municipality and in what degree?

	Helps very much	Helps	Neutral	Do not help	Do not help at all
Seminars, discussions and training on CSR issues and benefits					

Teaching about the essence of CSR and implementation process					
General organized collective training on CSR for local businessmen and civil society					
Direct training and recommendations on CSR implementation process in local municipality					
Communication with CSR experts on concerning CSR issues					
Regular information on general CSR issues					
Regular information about good CSR practise in other Lithuanian municipalities					
Information about good CSR practise in other countries					
Active participation of society and NGOs on basic local development decision-making process					
Active participation of businessmen on basic local business development decision-making and implementation process					

16. Please tick the best corresponding area of your work responsibility in the municipality?

<input type="checkbox"/>	Strategic planning and investments
<input type="checkbox"/>	Economy and Finance areas
<input type="checkbox"/>	Social security
<input type="checkbox"/>	Environmental issues
<input type="checkbox"/>	Other:

17. What is the length of Your experience in local government?

Please, tick one of the answers

<input type="checkbox"/>	Less than 3 years
<input type="checkbox"/>	3 - 5 years
<input type="checkbox"/>	5-10 years
<input type="checkbox"/>	11 - 15 years
<input type="checkbox"/>	16 years and above

18. For a staff level of the municipal administration hierarchy You would be:

<input type="checkbox"/>	Municipality's politician/ counsellor
<input type="checkbox"/>	Head of Municipal Administration/ deputy
<input type="checkbox"/>	Head of municipal department
<input type="checkbox"/>	Municipality's professional

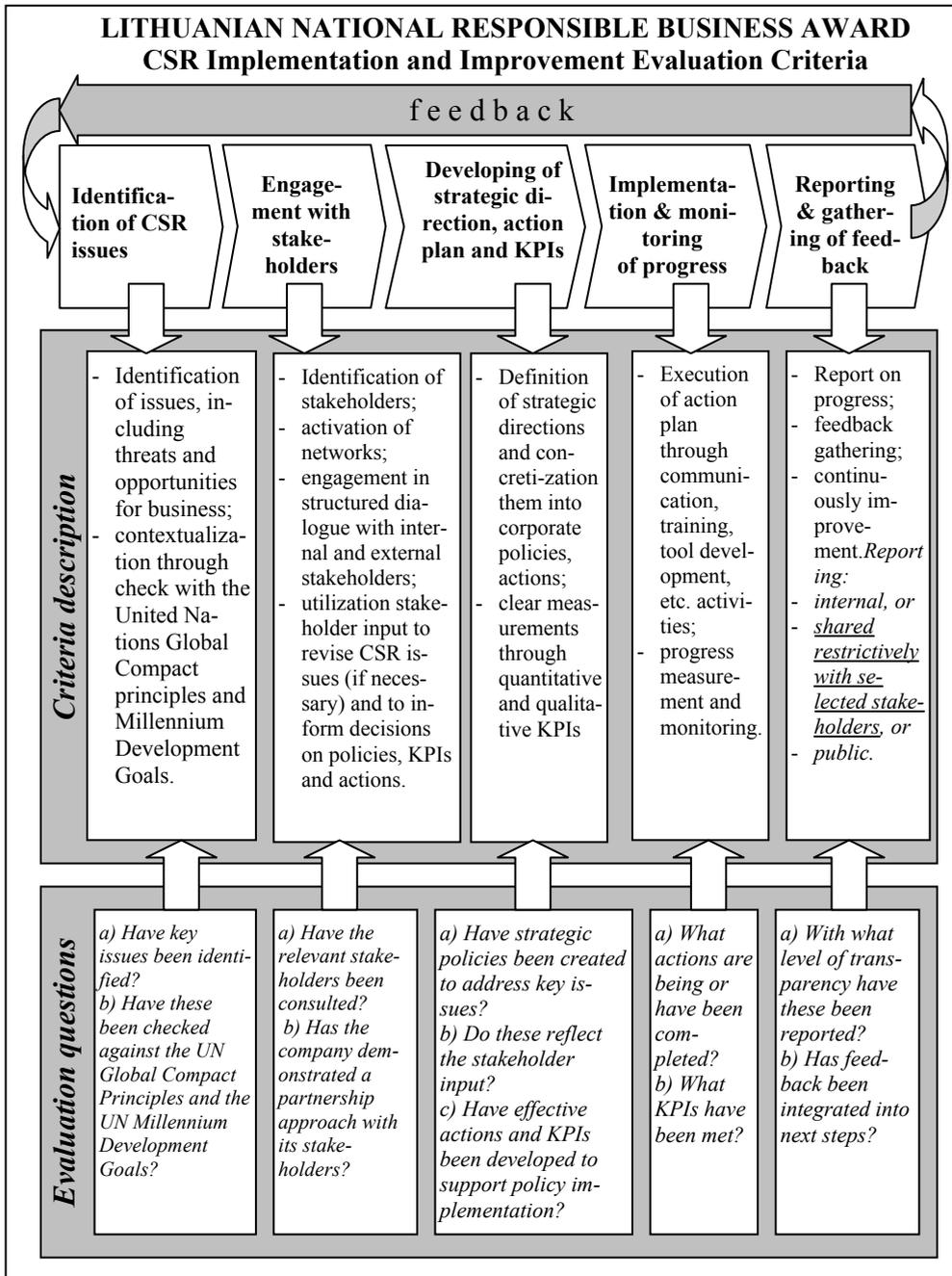
Other: _____

19. Would You like to express Your opinion or just share Your experiences on important issues which were not mentioned here, but important to You?

20. Would You like to get acquainted to the results of this research?

- Yes
 No

National Responsible Business Award Criteria and Evaluation Questions



Source: adapted by author, according to Dubee K. & J. D. Rugiero, 2007, p. 7-8.

Appendix 9
Crosstabulation between staff level in municipal administration and intention of National CSR Programme implementation

Staff level in municipal administration * Are you going to implement the National CSR Development Programme's target activities?
Crosstabulation

Staff level in municipal administration	Are you going to implement the National CSR Development Programme's target activities?					Total	
	Yes, we will include the main provisions in the municipal action plan	Yes, as far as the mandatory law enforcement	We haven't discussed this program in our municipality	No, the municipality is not directly responsible for implementation of The Program	No, the Programme and Action plan have no relation to local governments' responsibilities		Other
Municipality's politician/ councillor	Count 2 25,0%	7 22,6%	6 16,2%	1 25,0%	0 0,0%	3 27,3%	19 20,2%
Director of Municipal Administration/Deputy	Count 3 37,5%	6 19,4%	2 5,4%	0 0,0%	0 0,0%	0 0,0%	11 11,7%
Head of municipal department	Count 1 12,5%	11 35,5%	11 29,7%	1 25,0%	1 33,3%	4 36,4%	29 30,9%
Municipality's professional	Count 2 25,0%	7 22,6%	18 48,6%	2 50,0%	2 66,7%	4 36,4%	35 37,2%
Total	Count 8 100,0%	31 100,0%	37 100,0%	4 100,0%	3 100,0%	11 100,0%	94 100,0%
% within Are you going to implement the National CSR Development Programme's target activities?*							

**Continued appendix 9
Case Processing Summary: How would You describe Your reaction on the National CSR Development Programme?**

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Staff level in municipal administration * Corporate social responsibility issues are not relevant to me	91	93,8%	6	6,2%	97	100,0%
Staff level in municipal administration * There are confusing measures, which should be implemented by the municipality	90	92,8%	7	7,2%	97	100,0%
Staff level in municipal administration * I do not recognize certain outcome of this plan's benefits	89	91,8%	8	8,2%	97	100,0%
Staff level in municipal administration * The municipality is not directly responsible for implementation of The Program	89	91,8%	8	8,2%	97	100,0%
Staff level in municipal administration * Municipality do not hold/developed human resources needed to implement The Program	89	91,8%	8	8,2%	97	100,0%
Staff level in municipal administration * Municipality do not hold financial resources needed to implement The Program	89	91,8%	8	8,2%	97	100,0%
Staff level in municipal administration * The plan will be carried out in relation to mandatory enforcement	90	92,8%	7	7,2%	97	100,0%
Staff level in municipal administration * Programme and Action plan have no relation to local governments' responsibilities	88	90,7%	9	9,3%	97	100,0%
Staff level in municipal administration * The objectives of the Program cover business' sector problems	89	91,8%	8	8,2%	97	100,0%
Staff level in municipal administration * The objectives of the Program cover society's problems	89	91,8%	8	8,2%	97	100,0%
Staff level in municipal administration * Implementation of the Program was not consistent with the municipal facilities	89	91,8%	8	8,2%	97	100,0%

Continued appendix 9

Staff level in municipal administration * Corporate social responsibility issues are not relevant to me Crosstabulation

	Corporate social responsibility issues are not relevant to me					Total
	Fully agree	Agree	Neutral	Disagree	Fully disagree	
Municipality's politician/ counsellor	0 0%	5 17,9%	5 35,7%	5 15,6%	3 23,1%	18 19,8%
Director of Municipal Administration/Deputy	0 0%	3 10,7%	1 7,1%	4 12,5%	3 23,1%	11 12,1%
Head of municipal department	1 25,0%	10 35,7%	5 35,7%	9 28,1%	4 30,8%	29 31,9%
Municipality's professional	3 75,0%	10 35,7%	3 21,4%	14 43,8%	3 23,1%	33 36,3%
Total	4 100,0%	28 100,0%	14 100,0%	32 100,0%	13 100,0%	91 100,0%
Count % within 13_1 Corporate social responsibility issues are not relevant to me						

Continued appendix 9

Staff level in municipal administration * There are confusing measures, which should be implemented by the municipality
Crosstabulation

		There are confusing measures, which should be implemented by the municipality					Total
		Fully agree	Agree	Neutral	Disagree	Fully disagree	
Staff level in municipal administration	Municipality's politician/ councillor	Count 3 20,0%	Count 4 15,4%	Count 8 26,7%	Count 1 5,9%	Count 0 ,0%	Count 16 17,8%
	Director of Municipal Administration/Deputy	Count 0 ,0%	Count 2 7,7%	Count 3 10,0%	Count 6 35,3%	Count 0 ,0%	Count 11 12,2%
	Head of municipal department	Count 7 46,7%	Count 7 26,9%	Count 7 23,3%	Count 7 41,2%	Count 1 50,0%	Count 29 32,2%
	Municipality's professional	Count 5 33,3%	Count 13 50,0%	Count 12 40,0%	Count 3 17,6%	Count 1 50,0%	Count 34 37,8%
Total	Count 15 100,0%	Count 26 100,0%	Count 30 100,0%	Count 17 100,0%	Count 2 100,0%	Count 90 100,0%	

Continued appendix 9

Staff level in municipal administration * I do not recognize certain outcome of this plan's benefits Crosstabulation

	I do not recognize certain outcome of this plan's benefits					Total
	Fully agree	Agree	Neutral	Disagree	Fully disagree	
Municipality's politician/ counsellor	1 14,3%	4 14,8%	7 22,6%	4 19,0%	0 0,0%	16 18,0%
Director of Municipal Administration/Deputy	0 0,0%	3 11,1%	4 12,9%	4 19,0%	0 0,0%	11 12,4%
Head of municipal department	2 28,6%	11 40,7%	7 22,6%	7 33,3%	2 66,7%	29 32,6%
Municipality's professional	4 57,1%	9 33,3%	13 41,9%	6 28,6%	1 33,3%	33 37,1%
Total	7 100,0%	27 100,0%	31 100,0%	21 100,0%	3 100,0%	89 100,0%

Continued appendix 9

Staff level in municipal administration * The municipality is not directly responsible for implementation of The Program
Crosstabulation

		The municipality is not directly responsible for implementation of The Program					Total
		Fully agree	Agree	Neutral	Disagree	Fully disagree	
Staff level in municipal administration	Municipality's politician/ counsellor	2 20,0%	2 9,5%	10 26,3%	2 11,1%	0 0%	16 18,0%
	Director of Municipal Administration/Deputy	1 10,0%	2 9,5%	7 18,4%	1 5,6%	0 0%	11 12,4%
	Head of municipal department	4 40,0%	5 23,8%	11 28,9%	9 50,0%	0 0%	29 32,6%
	Municipality's professional	3 30,0%	12 57,1%	10 26,3%	6 33,3%	2 100,0%	33 37,1%
	Total	10 100,0%	21 100,0%	38 100,0%	18 100,0%	2 100,0%	89 100,0%

Continued appendix 9

Staff level in municipal administration * Municipality do not hold/developed human resources needed to implement The Program
Crosstabulation

	Municipality do not hold/developed human resources needed to implement The Program					Total
	Fully agree	Agree	Neutral	Disagree		
Staff level in municipal administration	3	4	8	1	16	
Municipality's politician/ counsellor	21,4%	14,3%	22,2%	9,1%	18,0%	
Director of Municipal Administration/Deputy	1	3	4	3	11	
	7,1%	10,7%	11,1%	27,3%	12,4%	
Head of municipal department	5	7	14	3	29	
	35,7%	25,0%	38,9%	27,3%	32,6%	
Municipality's professional	5	14	10	4	33	
	35,7%	50,0%	27,8%	36,4%	37,1%	
Total	14	28	36	11	89	
	100,0%	100,0%	100,0%	100,0%	100,0%	

Continued appendix 9

Staff level in municipal administration * Municipality do not hold financial resources needed to implement The Program
Crosstabulation

	Municipality do not hold financial resources needed to implement The Program					Total
	Fully agree	Agree	Neutral	Disagree	Fully disagree	
Staff level in municipal administration						
Municipality's politician/ counsellor	Count 4 20,0%	Count 7 18,9%	Count 5 22,7%	Count 0 ,0%	Count 0 ,0%	Count 16 18,0%
Director of Municipal Administration/Deputy	Count 1 5,0%	Count 4 10,8%	Count 3 13,6%	Count 3 37,5%	Count 0 ,0%	Count 11 12,4%
Head of municipal department	Count 8 40,0%	Count 9 24,3%	Count 8 36,4%	Count 3 37,5%	Count 1 50,0%	Count 29 32,6%
Municipality's professional	Count 7 35,0%	Count 17 45,9%	Count 6 27,3%	Count 2 25,0%	Count 1 50,0%	Count 33 37,1%
Total	Count 20 100,0%	Count 37 100,0%	Count 22 100,0%	Count 8 100,0%	Count 2 100,0%	Count 89 100,0%

Continued appendix 9

Staff level in municipal administration * The plan will be carried out in relation to mandatory enforcement Crosstabulation

	The plan will be carried out in relation to mandatory enforcement					Total
	Fully agree	Agree	Neutral	Disagree	Fully disagree	
Staff level in municipal administration						
Municipality's politician/ counsellor	Count 3 15,0%	Count 12 22,6%	Count 2 15,4%	Count 0 0,0%	Count 0 0,0%	Count 17 18,9%
Director of Municipal Administration/Deputy	Count 3 15,0%	Count 7 13,2%	Count 1 7,7%	Count 0 0,0%	Count 0 0,0%	Count 11 12,2%
Head of municipal department	Count 8 40,0%	Count 17 32,1%	Count 3 23,1%	Count 1 50,0%	Count 0 0,0%	Count 29 32,2%
Municipality's professional	Count 6 30,0%	Count 17 32,1%	Count 7 53,8%	Count 1 50,0%	Count 2 100,0%	Count 33 36,7%
Total	Count 20 100,0%	Count 53 100,0%	Count 13 100,0%	Count 2 100,0%	Count 2 100,0%	Count 90 100,0%

Continued appendix 9

Staff level in municipal administration * Programme and Action plan have no relation to local governments' responsibilities
Crosstabulation

	Programme and Action plan have no relation to local governments' responsibilities					Total
	Fully agree	Agree	Neutral	Disagree	Fully disagree	
Staff level in municipal administration						
Municipality's politician/ councillor	Count 1 14,3%	Count 0 ,0%	Count 10 27,0%	Count 4 14,3%	Count 1 20,0%	Count 16 18,2%
Director of Municipal Administration/Deputy	Count 0 ,0%	Count 2 18,2%	Count 3 8,1%	Count 4 14,3%	Count 1 20,0%	Count 10 11,4%
Head of municipal department	Count 3 42,9%	Count 3 27,3%	Count 9 24,3%	Count 12 42,9%	Count 2 40,0%	Count 29 33,0%
Municipality's professional	Count 3 42,9%	Count 6 54,5%	Count 15 40,5%	Count 8 28,6%	Count 1 20,0%	Count 33 37,5%
Total	Count 7 100,0%	Count 11 100,0%	Count 37 100,0%	Count 28 100,0%	Count 5 100,0%	Count 88 100,0%

Continued appendix 9

Staff level in municipal administration * Implementation of the Program was not consistent with the municipal facilities
Crosstabulation

	Implementation of the Program was not consistent with the municipal facilities				Total
	Fully agree	Agree	Neutral	Disagree	
Staff level in municipal administration	4 19,0%	3 14,3%	8 19,5%	1 16,7%	16 18,0%
Municipality's politician/ counsellor					
Director of Municipal Administration/Deputy	1 4,8%	3 14,3%	6 14,6%	1 16,7%	11 12,4%
Head of municipal department	8 38,1%	8 38,1%	11 26,8%	2 33,3%	29 32,6%
Municipality's professional	8 38,1%	7 33,3%	16 39,0%	2 33,3%	33 37,1%
Total	21 100,0%	21 100,0%	41 100,0%	6 100,0%	89 100,0%

Vilkė, Rita

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Organizacijų socialinės atsakomybės problemos išsivysčiusiose pasaulio šalyse diskutuojamos jau daugiau nei pusę amžiaus, apimant plačias besikeičiančios verslo, visuomenės ir valstybės sąveikos bei kitas problemas bei būdų, kuriais visų tipų organizacijos gebėtų reflektuoti besiformuojantiems naujiems socialiniams imperatyvams, paieškas. Dar besikristalizuojančiose socialinės atsakomybės teorijose ryškėja reikšmingas viešojo sektoriaus vaidmuo, nors tokių tyrimų pasaulyje ir Lietuvoje vis dar stokojama.

Disertacijoje teoriškai apibendrinti valstybės vaidmenys socialinės atsakomybės diegimo skatinimo procesuose atskleidžia socialinės atsakomybės politikos formavimo ir įgyvendinimo kritinius procesus ir funkcijų pasiskirstymo tarp valstybės valdymo lygmenų reikšmę veiksmingam socialinės atsakomybės diegimui. Šiame kontekste išryškėja nauja mokslinė problema - žemiausiojo decentralizuotos valstybės valdymo lygmens, t.y. vietos savivaldos,- integravimo į nacionalinius socialinės atsakomybės plėtros procesus galimybės.

Pasitelkus vieną strateginio planavimo metodologijų, identifikuotos galimybės integruoti bendruomenės socialinės atsakomybės vertybes į savivaldybių strateginius veiklos planus, tokiu būdu jų veiklą nukreipiant socialinės atsakomybės vertybių įgyvendinimo kryptimi. Darbe pagrindžiama, kaip subalansuotų rodiklių metodologijos pagalba, pasitelkiant antrepnieriškumą, bendruomenės socialinės atsakomybės vertybės tampa apskaitomos, aprūpintos ištekliais ir procesais, stebimos ir reflektuojamos, o pačios savivaldos institucijos – strategiškai socialiai atsakingai orientuotos ir kartu tiesiogiai atskaitingos vertybes formuojančiai visuomenei.

Rita Vilké

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Daktaro disertacija

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