

Does CSR Enhance the Transfer of Environmental Practices to Overseas Subsidiaries ?

Kazuma Murakami¹ & Tatsuo Kimbara²

¹ School of Environmental Science, University of Shiga Prefecture, Shiga, Japan

² Faculty of Commercial Science, Hiroshima Shudo University, Hiroshima, Japan

Correspondence: Kazuma Murakami, School of Environmental Science, University of Shiga Prefecture, 2500, Hassaka, Hikone, Shiga, Japan. E-mail: murakami.k@ses.usp.ac.jp

Received: April 19, 2015

Accepted: May 7, 2015

Online Published: May 10, 2015

doi:10.5430/jbar.v4n2p1

URL: <http://dx.doi.org/10.5430/jbar.v4n2p1>

Abstract

Corporate social responsibility (CSR) requires firms to contribute to the reduction of environmental burden. In this paper, we analyze the relationship between the CSR assessment of firms and the international transfer of environmental management. The data used are obtained from two sources: CSR data from the Toyo Keizai “CSR Company Directory” and transfer data from a questionnaire survey we conducted in Vietnam. Our model adopts CSR as an explanatory variable and transfer as an explained variable. The ordinary least squares (OLS) method is used for analysis. From the analysis, it is revealed that CSR assessment is positively related to the transfer of environmental management. Social consciousness for sustainability encourages firm to take action.

Keywords: International transfer, Environmental management, Green procurement, Vietnam, Japanese firms

1. Introduction

Since the 1990s, the triple bottom line (Elkington, 1994), Global Compact and ISO26000 indicate that firms must achieve social responsibility of economic, social and environmental dimensions. In particular, environmental requirements have become important for the sustainability of Earth.

For sustainable development, Agenda21 indicated a myriad of efforts on the part of government, industry, and citizens. Multinational enterprises (MNEs) in the developed countries operating globally can in particular contribute to environmental preservation. They can play a critical role in the reduction of environmental impact through the transfer of advanced environmental practices and technologies. Various MNE practices could improve the environmental capacity and performance of the host economy when technologies and practices are transferred to the host country. This kind of contribution toward sustainable development is required as corporate social responsibility (CSR).

In this paper, we analyze the relation of CSR to the transfer of environmental management to overseas operations. We examine what practices firms transfer under what conditions and the driving forces of transfer in relation to CSR. In the literature review in the second section, we briefly consider the concept of CSR in existing studies to clarify the concept in relation to environmental issues. The third section explains the data and variables used in this paper, and the fourth section indicates the analytical model. The fifth section discusses the results of our analysis, and the sixth section summarizes the conclusions and implications of our study.

2. Literature review

CSR is defined as a concept whereby companies integrate social and environmental concerns in their business operations and interaction with their stakeholders on a voluntary base, going therefore beyond their legal obligations (European Commission, 2001). In contrast, the World Business Council for Sustainable Development (WBCSD) defines CSR as the involvement of firms in the contribution to the improvement of the quality of life for sustainable economic development, employment, community and society as a whole. CSR is the relationship between firms and society. CSR has obligations resulting from the social contract between business and society (Lantos, 2001). The essential function of CSR is to understand societal needs and recognize societal expectations (De Schutter, 2008). CSR changes when the role of the firm changes with the times.

Historically, we find the origins of CSR in socially responsible investment (SRI) in the early 20th century (Lantos, 2001). SRI began to avoid investments with firms in the alcohol, gambling, and tobacco industries from the perspective of Christian ethics. In the 1960s and 1970s, SRI began to exclude the military industry to show its disagreement with the Vietnam War. In these decades, environmental pollution and consumerism together fired criticism at big business. In 1976, OECD published the MNE code of conduct, "OECD MNEs guideline," and a revised version was published in June 2000. From the late 1980s to the 1990s, sustainability became a global concern. The environment is understood as an important CSR requirement.

Administratively, the US government established the Equal Employment Opportunity Commission in 1965, the Environmental Protection Agency in 1970, and the Consumer Product Safety Commission in 1972. Through these measures of institutional legitimacy, employees, consumers, and community are recognized as important stakeholders. In 1999, the Secretary General of the UN proposed a code of conduct, the UN Global Compact, for human rights, labor, environment, and anti-corruption. These moves resulted in the publication of ISO26000 in 2011. ISO26000, which defines the social responsibility of all kinds of organizations, lists seven core issues: governance of organization, human rights, labor practices, environment, fair business practice, consumer issue, and participation in community and its development. Thus, ISO26000 emphasizes social aspects as a common responsibility for all organizations.

Following GRI, the UN Global Compact and ISO26000 guidelines, MNEs came to recognize the necessity for adopting systematic supply chain management as the guidelines include child labor and human rights in developing countries. Supply chain management is required to implement effective preservation of the environment and establish fair practices of labor and employment. In addition to this, SCOPE 3, which was published in 2011, asked firms to calculate and disclose Green House Gas (GHG) data in the supply chain as a whole. Another requirement is often that the natural resources to be used are not disputed mineral. Thus, it became necessary for firms to prove their evidence in the whole supply chain.

Friedman (1970) presents one extreme view. He argues that when firms pursue their own profit, the economy as a whole gains maximum benefit. He believes that the corporate social responsibility of firms is to increase profits. Consequently, Friedman criticized CSR advocates because CSR is used as a tool for management to strengthen its own position.

Similar criticism was seen in the Porter Hypothesis in the 1990s, which indicates the compatibility of the economy and the environment (Walley and Whitehead, 1994). Research interest in the relationship between the economy and the environment shifted to studying the relationship between CSR and financial performance (Zhelyazkov, 2012). The question then becomes what the functions or components of CSR are. Even though CSR has become increasingly important, its concept is controversial (Wan-Jan, 2006). Elkington (1994) proposed a new concept with sociological, environmental, and economic dimensions, which he termed the triple bottom line. CSR increasingly attracts theoretical and practical interests. Similarly, Carroll (1991) points out the economic, legal, ethical, and altruistic dimensions in CSR. He depicts a CSR pyramid based on these four dimensions. Lantos (2001, 2002) then classified CSR into ethical CSR, altruistic CSR, and strategic CSR which takes into consideration the communication activity to achieve the business goal. Schwartz and Carroll (2003) modified Carroll's pyramid by classifying CSR into three fields: economic, legal, and ethical.

Economic theory has argued CSR from two contrasting approaches. One approach, which supports shareholder sovereignty, argues the maximization of shareholder value (Friedman, 1970). The other approach supports stakeholder sovereignty, which implies that firms depend on various stakeholders and need to satisfy the requirements of each stakeholder.

Similarly, in the field of corporate law, two dominant approaches explain CSR. The shareholder approach stresses the ownership right. This approach asserts that shareholders benefit and are negative to CSR. In contrast, the contractual approach regards CSR as a social contract with stakeholders. The contractual approach views a firm as a bundle of contractual obligations by various stakeholders. This approach emphasizes that all stakeholders commit to firms in a myriad of ways. The employee is involved in the firm in terms of intellectual capital, the customer in reliance on the firm, and the community in its support of education and the tax system. CSR, therefore, needs to consider the requirements of all stakeholders.

Porter, who contributed significantly to the development of competitive strategy theory, emphasized the strategic view of CSR (Porter, 2003). Porter and Kramer (2006) classified CSR into two types. First, CSR is the responsibility to respond to regulation. This understanding of CSR is passive compliance in following regulations such as those requirements for pollution control. Social criticism intensified against the anti-social activities on the

part of big businesses and led to the code of conduct for MNEs (OECD, 1976, 2000). Firms are inclined to respond passively to comply with the regulations introduced.

The second is strategic CSR. Porter and Kramer (2006) argue that the responsibility of firms is to create activities providing value for society and firms. This view emphasizes that when firms intensify CSR involvement and enjoy high market evaluation, they improve their competitive advantage and their market performance (Porter and Kramer, 2006; Lantos, 2001).

So, it is emphasized that firms should invest into CSR as a part of corporate strategy to obtain competitive advantage in the market. It is because the success of firms depends on adequate infrastructure, appropriate and high quality education for future employees, collaboration with local suppliers, quality of institutions and the law. Investment in CSR means a differentiation strategy, which generates new demand and puts a premium price on the products or services provided (McWilliams and Siegel, 2001).

European Commission (2001) stresses that a firm's CSR practice leads to high societal evaluation and positively impacts economic performance. The green paper summarizes four reasons for the positive impact. First, CSR commitment improves labor conditions, enhances employee organizational loyalty, and motivates increased employee productivity. It can attract capable human resources. Second, responsible behavior to reduce resource consumption and pollution makes sure of efficient resource utilization. Third, when firms have close relationships with various external stakeholders, firms strengthen stable relationships with them. Fourth, when investors and consumers agree with the increased commitment of firms in CSR activities, it will be reflected in the investment in the capital market and consumer purchasing in the product or service market.

The concept of CSR and its theoretical model have changed as the times have changed. CSR is a required societal function that firms have. Each society has its own ethical norms, culture, and religious beliefs. Thus, CSR is fundamentally affected by the social conditions in which firms exist. Even though the CSR concept is disseminating in society and firms, the concept remains equivocal. Components of CSR are contingent upon the specific conditions in each society. However, as globalization of the economy and society proceeds, the concept of CSR becomes more standardized, particularly under the influence of GRI guidelines, the UN Global Compact, and ISO26000. Thus, the content of the CSR report by firms increasingly converges. Therefore, corporate management needs to appropriately respond to the claims on CSR. One of the main dimensions of CSR is environmental issues. Next, we analyze the environmental practices as a part of CSR and their transfer to different organizations.

We believe that this paper is the first to analyze the relationship between CSR assessment and the international transfer of environmental management. Even though there are studies about the international transfer of individual environmental practices such as innovation (Beise and Rennings, 2005; Rennings et al., 2006; Popp, 2006, 2011; Phene and Almeida, 2008), environmental management practices (Florida and Kelly, 1991; Szulanski, 1996), or knowledge (Gupta and Govindarajan, 2000; Pérez-Nordtvedt et al., 2008; Ockwell et al., 2010), we find no research on the relationship between CSR and the international transfer of environmental practices. It is significant to reveal the effect that CSR has on the international transfer of practices, and how to transfer and diffuse practices to the host country through foreign direct investment. We, therefore, analyze the international transfer of environmental management in relation to CSR.

3. Data and variables

3.1 Data

Data used in this paper has two sources. First, CSR data is obtained from CSR assessment by Toyo Keizai Shinpo Sha (2011) "CSR Company Directory 2010." This database is the largest CSR rating available in Japan in terms of the number of firms and items assessed. CSR assessment is similar to environmental rating in the sense that both include environmental assessment. Environmental rating, however, is different from CSR assessment since rating does not include social contribution, employment, human resource management, and corporate governance, which the assessment does include.

The CSR assessment published as in 2010 is done for 1104 firms in September 2009. The assessment has four fields: corporate governance, environmental protection, employment and human development management, and social contribution. The evaluation in each field is a grade of AAA, AA, A, B or C.

First, corporate governance has 21 items, which include the unit responsible for CSR, CSR director, CSR policy, ethical code of conduct, and manuals. Aggregate assessment is based on the evaluation of the 21 items. Second, environmental protection has 21 items, which include the existence of a responsible organizational unit for the environment, environmental policy, environmental accounting, ISO14001 rate in domestic and overseas operations,

green procurement system, and mid-term plan for CO2 emission reduction. Third, employment and human resource management has 24 items, which include the ratio of women employees to total employees, females who occupy a position on the board of directors, length of maternity leave, the employment ratio of individuals with a disability, and frequency of ratio of labor accidents. Lastly, social contribution has 19 items, which include the presence of an organizational unit taking care of the consumer, a safety of product and customer relation unit, collaboration with NPOs and NGOs, ISO19001 certification, and volunteer activity in society.

Thus, CSR assessment for each field provides a score AAA, AA, A, B, or C. We use these 5 grades converted into a 5-point scale 5, 4, 3, 2, and 1, respectively. As there are 4 fields, the maximum CSR score for a firm is 20 points.

The second data source is the questionnaire survey we conducted in January and February of 2011. From the survey we collected data on the international transfer of environmental management. We worked with Vietnamese researchers in the translation of the questionnaire from Japanese into Vietnamese. We purposely and carefully translated the questionnaire from Japanese to Vietnamese and discussed the method for data collection. We then hired Vietnamese research assistants to conduct face-to-face interviews with company managers using the structured questionnaire. We obtained 96 effective responses. They are linked with the CSR database to obtain 30 samples. In this paper, we use these limited samples for analysis.

3.2 Variables

The main variables in this paper are external factors, parent firm, strategy of foreign subsidiary, and environmental practice and system in the subsidiary (Table 1, Table 2). This framework includes significant dimensions in the analysis of strategic management and organization theory.

External factors have three indicators: GOV means the host government environmental regulation is strict; COM means the community has strong demands on the environment; and CUS means the customer requirements in the market are strong. Next, the indicators of the parent firm are CSR assessment and ownership ratio of Japanese parent firms (JOWN). Of the 30 sample firms, 29 parent firms (96.7%) have obtained ISO14001 certificate. Hence, the rate of adoption of ISO14001 in the parent firms is considerably high.

The indicators of strategic factors of the subsidiary are measured in the leadership (LDS) and goal of environmental management (GOL). The organizational practices are measured using three indicators: ISO14001 (ISO), environmental report (REP), and green procurement (GREN). The items are measured in a Likert type 5-point scale, except ISO and REP which are measured in 3 points. ISO and REP are combined as MANA and the scores were summed up. JOWN was measured by the ownership ratio of Japanese parent firms.

Table 1. Descriptive statistics

Variable			Mean	SD
External factor	GOV	Government environmental regulations and mandates are strict	3.800	(0.847)
	COM	Community's demand in Vietnam for environmental performance is strong	3.000	(1.203)
	CUS	Customer's demand in Vietnam market for environmental performance is strong	3.867	(0.937)
Organization of parent firm	CSR	Parent company's CSR assessment score	16.067	(2.959)
	JOWN	The ownership ratio of Japanese parent firms	94.433	(13.640)
Environmental strategy	LDS	Leadership on environmental issues by top management is strong	4.143	(0.591)
	GOAL	Your company has specific goals for reducing environmental burdens	4.167	(0.699)
Management system	ISO	Your company has obtained ISO14001 certification	2.690	(0.604)
	REP	Your company's emission data is reflected to parent company's environmental report	2.933	(0.365)
	GREN	The green procurement level of your company is equal to those of companies in Japan	3.148	(0.949)

Note: The items are measured in a Likert type 5 point scale, except for ISO and REP, which are measured at 3 points.

Note: The CSR score for one firm is from 4 to 20 points.

Table 2. Correlation among variables

	1	2	3	4	5	6	7	8	9
1 GOV	1.00								
2 COM	0.71 **	1.00							
3 CUS	0.10	0.21	1.00						
4 CSR	0.14	0.09	-0.11	1.00					
5 JOWN	-0.42 *	-0.14	0.28	-0.24	1.00				
6 LDS	0.28	0.11	-0.02	0.28	-0.44 *	1.00			
7 GOAL	0.52 **	0.20	0.04	0.19	-0.34	0.46 *	1.00		
8 MANA	0.30	0.23	-0.03	0.13	-0.24	0.21	0.59 **	1.00	
9 GREN	-0.05	0.24	0.20	0.47 *	0.28	0.25	0.02	-0.20	1.00

Note: ISO and REP are combined and summed up as MANA.

Note: **p < 0.01, * p < 0.05

3.3 Hypothesis and methodology

The CSR assessment we adopted evaluates 85 items on the degree of CSR activities and provides an aggregate evaluation for each firm. This assessment is based on the evaluation of various points about the environment and social aspects as mentioned above. Viewing CSR pressure and competitive advantage, a firm needs to transfer physical resources and organizational capabilities to the whole organization to efficiently and effectively implement operations. However, various practices in the subsidiary are not necessarily the same as in the parent company.

We assume that high scoring CSR firms tend to be proactively involved in environmental management since such firms take positive action considering the environmental and social aspects of business. With the perception of this background, firms adapt to regulations such as the Restrictions of Hazardous Chemicals (RoHS) in electrical and electronic equipment and the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH).

Hypothesis: High scoring CSR firms tend to transfer their environmental management to overseas operations.

We test this hypothesis in this paper. In our model, CSR is an explanatory variable and the transfer of environmental management is an explained variable. An explained variable uses 2 indicators: environmental management (MANA) and green procurement (GREN). In addition, the control variables are government regulation (GOV), customer requirement (CUS) and community requirement (COM) as external factor, GOAL and LDS as strategic factor, and the ownership ratio of Japanese parent firms.

We use 2009 CSR data, which was published in 2010, and dependent variables as in 2010. Whether we use t period or t-1 period for CSR data is not critical since the transfer is not completed at a specific point in time. Rather, CSR assessment reflects the overall measures and accumulated results of past efforts and is the result of past practices and organizational capabilities. Therefore, we use data about transfer from the survey as in 2010, comparing to CSR data in 2009.

Our model, which examines the effect of CSR assessment on the transfer of EM, adopted factors such as government regulation, strategy of subsidiary, and CSR assessment of parent firms, depending on preceding studies on the transfer of knowledge and capabilities (Cohen and Levinthal, 1990; Gupta and Govindarajan, 2000; Porter and Kramer, 2006).

In relation to the determinants of international transfer of management, the importance of absorptive capacity is often emphasized. However, our model does not directly include absorptive capacity. The focus of our study is foreign subsidiaries under the control of MNEs, not the transfer of knowledge and skill from one society to another. Absorptive capacity is an equivocal concept used in knowledge transfer or learning in the dimension of individual, organization, and society (Lane et al., 2006). At the present time, the common indicators of absorptive capacity are not available. Our target of analysis is the overseas operation of MNEs, which is an internalized organization of MNEs. We intend to examine the practices of MNEs and the system or procedure indirectly reflecting absorptive capacity.

The analytical model is shown below. Model 1 uses MANA and Model 2 uses GREN as the explained variable. There is high correlation between GOAL and LDS of strategic factor ($r = 0.458$, $p < 0.05$). Accordingly, we estimate patterns using 2 indicators separately. The dummy variables mean that when the number of employees is less than 300, it is 0. When the number is greater than 300, it is 1.

$$\text{Model 1: MANA} = \beta_{m1}\text{GOV} + \beta_{m2}\text{COM} + \beta_{m3}\text{CUS} + \beta_{m4}\text{CSR} + \beta_{m5}\text{JOWN} + \beta_{m6}\text{LDS(GOAL)} + \beta_{m7}\text{D_scale} \quad (1)$$

$$\text{Model 2: GREN} = \beta_{g1}\text{GOV} + \beta_{g2}\text{COM} + \beta_{g3}\text{CUS} + \beta_{g4}\text{CSR} + \beta_{g5}\text{JOWN} + \beta_{g6}\text{LDS(GOAL)} + \beta_{g7}\text{D_scale} \quad (2)$$

4. Results

Based on the model, we analyzed the data using OLS. The results are shown in Table 3. The results show the following important points.

First, CSR assessment has significant positive relation with the transfer of green procurement. When we use leadership (LDS) as a strategic variable, green procurement has significant positive relation to ownership of parent firms (JOWN) and Community (COM) as well as CSR assessment (CSR). That is, CSR, ownership ratio by parent firms and community demand affect green procurement together. Firms with high CSR assessment are likely to implement the transfer of environmental practices. On this point, our hypothesis is supported.

Second, the regulation of the host government is not significant with green procurement (GREN) and environmental management (MANA). In fact, it is evident that MNEs are required to submit environmental reports such as air, water, and chemicals to the supervisory office of the host government. Regulation by the host government does not seem to be a driving force of the transfer. This depends on whether regulation by the host government works as minimum criteria or a strict goal to be achieved.

The actual influence of the host country is not simple since community (COM) has a positive relation to the transfer. We suppose that direct regulation by the host government has a relatively weak influence on green procurement practice, but the local community has an explicitly positive effect. The inhabitants of the region where firms locate often have direct claims against environmental problems, but the subsidiary in the industrial zone may have fewer claims by residents because of locational reasons.

Third, we integrate ISO14001 and the environmental report into environmental management system (MANA). The environmental goal (GOAL) has significant positive relation to environmental management system (MANA). This result indicates that the environmental management system is strongly related to what degree the management goal of the subsidiary is embedded in the management philosophy. When we compare MANA and GREN, green procurement must be implemented since it is a mandatory governmental requirement and should be implemented as CSR.

Fourth, size of firms plays a certain role for establishing environmental management system. It is generally understood that large firms receive more external pressures to act in socially responsible ways. Then, large firms are likely to develop environmental management system than smaller firms since they have more resources to adapt to such pressures. So, larger the firm size is, the stronger the relationship between environmental management system and CSR exists. The results in the Table 3 indicate that firm size is positively related with MANA.

However, CSR does not show significant relation with MANA. In the subsidiary level, we find CSR is not significantly related with MANA. There may be 2 reasons for it. First, the environmental management system is not well established in overseas subsidiary, compared with parent firm, because of development stage or firm size. Second, this difference suggests the gap of capabilities between parent firms and subsidiary. Subsidiary in Vietnam in our sample is established in 2001 in average. So, the accumulated level of experience and capabilities in environmental management practices seem to be lower in subsidiary than parent firm. We believe that environmental management system of subsidiary is under the process of formation. With these reasons, different relationship can be found between parent firm and subsidiary firm with regard to CSR and MANA.

Fifth, CSR assessment means external assessment. Firm behavior is not solely determined by external factors. The driving force of the international transfer of environmental management should include internal factors of the firm. Therefore, an environmental management system lead by corporate policy and green procurement are inevitable for the implementation of practices. As we find in the study of technology transfer and knowledge transfer, external factors and strategy are both regarded as the main determinants (Gupta and Govindarajan, 2000; Jeppesen and Hansen, 2004). This holds for the international transfer of environmental practices.

Table 3. Results of analysis

	Model 1 (MANA)				Model 2 (GREN)			
	Coefficient	tvalue	Coefficient	tvalue	Coefficient	tvalue	Coefficient	tvalue
GOV	0.229	0.699	-0.276	-0.991	-0.408	-1.650	-0.441	-1.474
COM	-0.055	-0.190	0.219	0.944	0.533	2.278 *	0.542	2.129 *
CUS	-0.154	-0.749	-0.159	-1.002	0.100	0.606	0.133	0.766
CSR	-0.059	-0.289	-0.113	-0.742	0.510	3.200 **	0.557	3.328 **
JOWN	-0.091	-0.379	-0.071	-0.400	0.434	2.361 *	0.326	1.768
LDS	0.020	0.084			0.309	1.853		
GOAL			0.623	3.360 **			0.070	0.347
D_scale	0.510	2.515 *	0.454	2.899 **	-0.038	-0.232	-0.035	-0.196
Constant	5.402	2.714 *	4.406	3.239 **	-4.145	-1.897	-2.003	-1.009
Adj R ²		0.097		0.433		0.446		0.352
F value		1.400		4.060 **		3.872 **		3.018 *
DW		1.898		2.365		2.304		2.275

Note: **p <0.01, * p <0.05

5. Conclusion

In this paper, we analyzed the relationship between CSR assessment and the international transfer of environmental management by Japanese firms. In preceding studies, some analyses were done on the relationship between CSR and economic performance. Their focus was the relationship between CSR and economic performance, but these studies did not analyze the transfer of environmental practices to overseas operations. We examined this point based on a survey of Japanese related firms in Vietnam. The results of the analysis reveal that CSR assessment of parent firms promotes the transfer of practices to overseas operations.

To conclude, it is understood that the environmental policy and strategy of the parent firms are the driving force of international transfer. Therefore, for sustainability in the global sense, the environmental strategy and management system in the MNEs are important and effective in transfer to developing countries. Social consciousness for sustainability promotes firm behavior.

However, there are limitations in our study. Our study was implemented in one country, and the number of samples was limited. It is necessary to verify in another area or country with a larger sample. In spite of these limitations, our research suggests useful findings and contributes to the development of new research issues. To manage GHG emission, more proactive strategy is necessary. For that purpose, strong social philosophy helps improve the practices of the firm globally. For MNEs it is important to promote the transfer of environmental management practices and at the same time, to implement CSR.

References

- Beise, M. & Rennings, K. (2005). Lead markets and regulation: A framework for analyzing the international diffusion of environmental innovations. *Ecological Economics*, 52, 5-17. <http://dx.doi.org/10.1016/j.ecolecon.2004.06.007>
- Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, 34(4), 39-48. [http://dx.doi.org/10.1016/0007-6813\(91\)90005-G](http://dx.doi.org/10.1016/0007-6813(91)90005-G)
- Cohen, W. M. & Levinthal, D. A. (1990). Absorptive capacity: A new perspective on learning and innovation. *Administrative Science Quarterly*, 35, 128-152. <http://dx.doi.org/10.2307/2393553>
- De Schutter, O. (2008). Corporate social responsibility: European style. *European Law Journal*, 14(2), 203-236. <http://dx.doi.org/10.1111/j.1468-0386.2007.00411.x>
- Elkington, J. (1994). Towards the sustainable corporation: Win-win-win business strategies for sustainable development. *California Management Review*, 36(2), 90-100. <http://dx.doi.org/10.2307/41165746>
- European Commission. (2001). *Green paper: Promoting a European framework for corporate social responsibility*. COM (2001) 366 final.
- Florida, R. & Kenny, M. (1991). Transplanted organizations: The transfer of Japanese industrial organization to the U.S.. *American Sociological Review*, 56, 381-398. <http://dx.doi.org/10.2307/2096111>
- Friedman, M. (1970). Social responsibility of business is to increase its profit. *New York Times Magazine*, 13,

September, 211-214.

- Gupta, A. K. & Govindarajan, V. (2000). Knowledge flows within multinational corporations. *Strategic Management Journal*, 21, 473-496. [http://dx.doi.org/10.1002/\(SICI\)1097-0266\(200004\)21:4<473::AID-SMJ84>3.0.CO;2-I](http://dx.doi.org/10.1002/(SICI)1097-0266(200004)21:4<473::AID-SMJ84>3.0.CO;2-I)
- Jeppesen, S. & Hansen, M. W. (2004). Environmental upgrading of third world enterprises through linkages to transnational corporations: Theoretical perspectives and preliminary evidence. *Business Strategy and Environment*, 12, 261-274. <http://dx.doi.org/10.1002/bse.410>
- Lane, P. J., Koka, B. & Pathak, S. (2006). The reification of absorptive capacity: A critical review and rejuvenation of the construct. *Academy of Management Review*, 31(4), 833-863. <http://dx.doi.org/10.5465/AMR.2006.22527456>
- Lantos, G. P. (2001). The boundaries of strategic corporate social responsibility. *Journal of Consumer Marketing*, 18(7), 595-630. <http://dx.doi.org/10.1108/07363760110410281>
- Lantos, G. P. (2002). The ethicality of altruistic corporate social responsibility. *Journal of Consumer Marketing*, 19(3), 205-230. <http://dx.doi.org/10.1108/07363760210426049>
- McWilliams, A. & Siegel, D. (2001). Corporate social responsibility: A theory of the firm perspective. *Academy of Management Journal*, 36(1), 117-127. <http://dx.doi.org/10.5465/AMR.2001.4011987>
- Ockwell, D., Watson, J., Mallett, A., Haum, R., Mackerron, R. G. & Verbeken, V. (2010). Enhancing developing country access to eco-innovation: The case of technology transfer and climate change in a post-2012 policy framework. *OECD Environmental Working Papers*, No.12, OECD.
- OECD. (1976). *OECD Guidelines for Multinational Enterprises*. OECD.
- OECD. (2000). *OECD MNEs Guideline*. OECD.
- Pérez-Nordtvedt, L., Kedia, B. L., Datta, D. K. & Rasheed, A. A. (2008). Effectiveness and efficiency of cross-border knowledge transfer: An empirical examination. *Journal of Management*, 45(4), 714-744. <http://dx.doi.org/10.1111/j.1467-6486.2008.00767.x>
- Phene, A. & Almeida, P. (2008). Innovation in multinational subsidiaries: The role of knowledge assimilation and subsidiary capabilities. *Journal of International Business Studies*, 9(5), 901-919. <http://dx.doi.org/10.1057/palgrave.jibs.8400383>
- Popp, D. (2006). International innovation and diffusion of air pollution control technologies: The effects of NO_x and SO₂ regulation in the US, Japan, and Germany. *Journal of Environmental Economics and Management*, 51(1), 46-71. <http://dx.doi.org/10.1016/j.jeem.2005.04.006>
- Popp, D. (2011). International technology transfer, climate change, and the clean development mechanism. *Review of Environmental Economics and Policy*, 5(1), 131-152. <http://dx.doi.org/10.1093/reep/req018>
- Porter, M. E. (2003). CSR: A religion with too many priests?. *European Business Forum*, 15, Autumn.
- Porter, M. E. & Krammer, M. R. (2006). Strategy and society: The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 4(12), 78-92.
- Rennings, K., Ziegler, K., Ankele, K. & Hoffman, E. (2006). The influence of different characteristics of the EU environmental management auditing scheme on technical environmental innovations and economic performance. *Ecological Economics*, 57(1), 45-59. <http://dx.doi.org/10.1016/j.ecolecon.2005.03.013>
- Schwartz, M. & Carroll, A. B. (2003). Corporate social responsibility: A three domain approach. *Business Ethics Quarterly*, 3(4), 503-530. <http://dx.doi.org/10.5840/beq200313435>
- Szulanski, G. (1996). Exploring internal stickiness: Impediments to the transfer of best practice within the firm. *Strategic Management Journal*, 17, Special Issue, 27-43. <http://dx.doi.org/10.1002/smj.4250171105>
- Toyo Keizai Shinpo Sha. (2011). *CSR company directory 2010*. Tokyo: Toyo Keizai Shinpo Sha.
- Wally, N. & Whitehead, B. (1994). It's not easy being green. *Harvard Business Review*, 72(3), 46-52.
- Wan-Jan, W. S. (2006). Defining corporate social responsibility. *Journal of Public Affairs*, 6, 176-184. <http://dx.doi.org/10.1002/pa.227>
- Zhelyazkov, G. (2012). Challenges and impact of CSR on business performance in Bulgaria. *Trakia Journal of Sciences*, 10(4), 36-41.