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INHERITED SCEPTICISM AND NEO-COMMUNIST CSR-WASHING: EVIDENCE FROM A POST-COMMUNIST SOCIETY

ABSTRACT

The sizeable theoretical and empirical literature on corporate social responsibility (CSR) and business ethics in Western, developed economies indicates that the topic has attracted significant interest from academics and practitioners. There is, however, less evidence of the practice of CSR and business ethics in non-Western, transition economies, as insufficient attention is paid to the contextual specifications and underlying processes that may lead to different versions of CSR. Therefore, this paper examines the practice and sense-making of CSR and business ethics from the perspective of the fertile and under researched post-communist context of Central and Eastern Europe (CEE), in order to join the growing academic debate about the impact of cultural and historical traditions on the practice and sense-making of CSR and business ethics in non-Western contexts. The study adopts a particular focus on the post-communist and under researched context of Bulgaria where CSR is still a relatively new phenomenon. By following an exploratory research design and by collecting qualitative data from 34 executives employed by public and private sector organisations in Bulgaria, the study finds that the local business environment is composed of a complex mix of various institutionalised pressures and challenges that predispose organisations to adopt a particular approach to CSR, ethical misconduct and CSR-washing. Apart from the significant contributions related to the practice, understanding and contextualisation of CSR in non-Western countries, the study also identifies challenges of business ethics in transition economies and adds depth to the emerging literature on CSR-washing by proposing a model for neo-communist CSR-washing. The study also offers contributions for practitioners and policy makers.

Key words: CSR, post-communist countries, CSR-washing, Grounded Theory

1. INTRODUCTION

Since the fall of communism, the post-communist societies of Central and Eastern Europe (CEE) have faced complex political, economic and social changes, including increased economic and political integration with the “West” and, for some of them, full membership of the European Union (EU) (Stoian and Zaharia 2012). New expectations emerged and local businesses were expected to adapt to a behaviour that could be considered socially responsible from the perspective of the Western countries (Koleva et al. 2010). Corporate social responsibility (CSR) was introduced into CEE by managers with international experience, or imported through multi-national corporations (MNCs) where the foreign enterprise would instil their own responsible practices in the local subsidiary (Stoian and Zaharia 2012). However, this ‘transposition’ of Western responsible practices did not take place in a vacuum (Stoian and Zaharia 2012) but in an environment with a gap between “formal adoption of structures and their actual daily use” (Pérezts and Picard 2015, p. 833). Moreover, problems of compliance in emerging and post-transition economies due to inadequate transparency standards and weak institutions with questionable legitimacy are not alien (Karhunen et al. 2018). This in turn could create conditions for misusing business ethics and CSR. Therefore, we argue that more understanding of the practice and perception of CSR from the viewpoint of transitioning economies is needed.

Over the last few decades CSR has come under heightened scrutiny (Avetisyan and Ferrary 2013; Koleva 2018). During this time, CSR has been progressing worldwide, but developing in a heterogeneous way, primarily caused by variations in the conceptual terms of CSR (Crane et al. 2019; Jamali and Hossary 2019), mode of emergence of the concept (Scherer and Palazzo 2007; Jamali et al. 2017b; Koleva 2020), paths of its development (Jamali and Mirshak 2007; Lin et al. 2009), the nature of stakeholder involvement (Turker 2009; Ramasamy et al. 2010; Jamali et al. 2017a), and by institutional aspects (Scott 2008; DiMaggio and Powell 1983). All

of this indicates that there is a need for a much more context-specific empirical engagement with the phenomenon, a call well presented in recent research (Farrington et al. 2017; Gavrila 2019). Therefore, we outline a study in order to address the identified voids in the extant literature presented above, as well as to provide a response to a recent call for further research (Soulsby et al. 2019) that is focused on business ethics in the post-communist societies of CEE. Accordingly, the study aims to investigate the phenomenon from a post-communist society perspective, and is guided by the following research questions: RQ1 - How is CSR practiced and understood by domestic organisations in a post-communist society? RQ2 - Is there any evidence of misuse of business ethics and CSR and, if such evidence exists, RQ3 – What are the underlying factors behind misusing business ethics and CSR in the examined context?

In the light of the value added by exploring the notion and practice of CSR in diverse contexts, the paper chooses the emergence of CSR practices in a transition economy, and more precisely Bulgaria, as an empirical context. Bulgaria, characterised by vastly different social, cultural, and political, formal and informal structures from the Western world, provides a valuable research context for broadening scholarly understanding and knowledge of the practice of CSR beyond the Western contexts. A few important aspects create the rationale for the study's empirical context – firstly, the case of Bulgaria seems to be of particular interest as the country is desirous of transforming its economy and business practices marked by the inheritance of communism in order to join the developed market democracies (Koleva et al. 2010). Western Europe represents the main point of reference for the country during its transition, not only from a political point of view – entry into the EU was the most fundamental issue at stake for most reforms until 2007 – but also because of the leading role of companies originating from Western Europe in foreign direct investments (FDIs). Second, the country is attracting significant attention from foreign investors due to its favourable tax policies (Iankova 2008) but also due to its unique geographical and political role as a bridge between Europe, the EU

Market and Asia. Third, CSR is still a new practice for the domestic market, and it is attracting significant attention from local public and private organisations. Fourth, while CSR in the post-communist societies of other CEE countries has been extensively examined (e.g. Jaffe and Tsimmerman 2005; Kooskora et al. 2005; Stoian and Zaharia 2012), research on CSR in Bulgaria is extremely limited. Finally, the scarcity of CSR understanding in the post-communist Bulgarian context is further supplemented by the absence of empirical studies that examine the practice and understanding of CSR solely from the perspective of domestic businesses, as previous studies have relied on data collected from foreign and domestic organisations and, hence, have achieved mixed results (e.g. Iankova 2008; Koleva et al. 2010). There is, therefore, a compelling need to provide more understanding of the CSR phenomenon from the perspective of Bulgarian, domestic organisations.

In order to address the identified research problem and to answer the research questions, the study relied on qualitative data collected from 34 organisations in Bulgaria and was guided by the following research objectives: Objective 1, to provide empirical evidence of the CSR practices and activities undertaken by domestic organisations in a post-communist society; Objective 2, to examine the underpinning factors that lead to the particular approach and behaviour concerning CSR in the examined organisations; Objective 3, to construct a model for sense-making of CSR in a post-communist context; and Objective 4, to develop an agenda for further research around CSR in post-communist societies.

The paper fills the void in previous literature and advances knowledge in this important area of research by 1) presenting fresh empirical insights from a post-communist perspective in relation to the impact of the macro context on the practice and sense-making of CSR at micro and meso levels of analysis, 2) providing an evidence-based framework for neo-communist

CSR-washing built from the perspective of those living and practising the phenomenon, and 3) offering suggestions for policy makers and practitioners.

The paper is structured as follows. First, the extant literature on CSR in post-communist societies in CEE is reviewed, in order to outline previous academic contributions in this area. Then the empirical context of the study is presented, followed by a discussion of studies related to CSR misuse and the methodological procedures applied in the research. The paper continues with presentation of the CSR practices identified, based on the collected qualitative data. Next, the framework constructed as a result of the empirical examination of the phenomenon is presented, followed by a discussion of the study's contributions to the CSR field and implications for business practitioners and policy makers. Finally, the article concludes by noting its limitations, and setting out proposals for further research.

2. CSR IN CENTRAL AND EASTERN EUROPE

The interest in researching CSR and business ethics in CEE and transition economies is relatively new (Jaffe and Tsimmerman 2005; Kooskora et al. 2005), and scholars have attempted to examine the relationship between business and society (e.g. Habisch et al. 2005; Steurer et al. 2008; Steurer and Konrad 2009; Blam et al. 2016; Bank 2017), or to compare Western CSR with CSR observable in CEE (e.g. Steurer and Konrad 2009; Koleva et al. 2010; Looser 2020) where significant divergences have been identified. While Western CSR is regarded as a voluntary practice that goes *beyond* the basic economic and legal responsibilities of the business (Carroll 1991), in CEE, CSR is regarded as a form of *minimum* legal compliance (Mazurkiewicz et al. 2005; Kooskora 2006; Lewicka-Strzalecka 2006; Magala 2018), where due to the communist heritage, social responsibilities are perceived as governmental responsibilities. Furthermore, environmental concerns and social equality are not considered to be business-related areas of interest (Steurer and Konrad 2009; Stoian and Zaharia 2012)

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contrary to Western CSR agenda. The literature also recognises divergences in terms of holding a business accountable, as companies do not see local civil societies as an important stakeholder (Steurer and Konrad 2009). The disadvantageous position of civil societies is catalysed by the significant financial dependence of local NGOs on local businesses, ultimately resulting in such NGOs abandoning their role as independent, critical activists and corrective of business activity (Mazurkiewicz et al. 2005; Lewicka-Strzalecka 2006; Demirbag et al 2017). Finally, local governments have limited or no role in the fostering and controlling of CSR in CEE (Steurer et al. 2008).

During communism, a form of 'paternalistic' relationship of state protectionism existed between the businesses, their employees, local communities and even local governments related to investing in social and employee welfare, generous social packages for employees and their family members, training and development (Iankova 2008; Magala 2018) which largely mirrored the CSR frame of logic (Koleva et al. 2010; Bank 2017). During the transition to democracy and a market economy, many enterprises had to eliminate their social and cultural programmes in order to ensure survival in an emerging competitive market environment (King 2001), leading to high levels of unemployment and 'flexibilisation' of the workforce (Rainnie et al. 2002), social marginalisation, poor access to health care and poor training of the new generation of business people (Koleva et al. 2010). At the same time, the global trend towards greater corporate social engagement and responsibility put increasing pressure on firms to become 'good corporate citizens' (Iankova 2008; Demirbag et al 2017). This resulted in a complex transformation of the paternalistic social mission of the state socialist firms post 1989 that involved restructuring and privatisation and required dealing with conflicting pressures regarding their basic goals, functions and role in society (Iankova 2008). Managers had to respond to the fast changes in their markets, the privatisation of former state-owned enterprises,

and the development of competition (Smallbone and Welter 2001; Bank 2017). Therefore, it is plausible to argue that, combined together, these factors could create a complex environment where the transformation from one market and political system to another, a striving for legitimisation of new and emerging forms of entrepreneurship and entrepreneurs, and a struggle for the financial survival of new and old economic entities and competition with arising phenomenon such as MNCs, could create a challenging environment for CSR practice in the former post-communist context of CEE.

As a result of exploring this argument through an empirical examination of the CSR activity in a post-communist country context, the study joins the growing academic debate about the impact of cultural and historical traditions on the practice and sense-making of CSR in non-Western contexts. The following section provides an overview of the Bulgarian CSR environment, so that an interpretation of the study findings within proper contextual parameters is enabled.

3. CSR DEVELOPMENT IN BULGARIA

The first indications of social and philanthropic activities in Bulgaria are related to the development of the so-called *chitalishta* – community charity centres aiming to foster the education and welfare of Bulgarian society during the 19th century (Simeonov and Stefanova 2015). However, the first steps towards state involvement in philanthropic activities in the country occurred after the Socialist Revolution on the 9th of September 1944 when all existing charities were either closed or nationalised (Stoyanova 2011). The emergence of new political, economic and social phenomena as well as the absence of private business made the government the only shareholder, manager and stakeholder of companies, and therefore the only body to influence their policies and societal impacts (Matev et al. 2009; Simeonov and Stefanova 2015).

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The Bulgarian economy was centrally regulated from 1944 to 1989, and matters relating to employment, production and price levels were strictly controlled by the government (Iankova 2008) as competition was virtually absent in a closed economy system (Kornai 1992). On the other hand, state policies of paternalism and guaranteed life-long employment resulted in low productivity, inefficiency and negative balance sheets (Iankova 2008). However, the paternalistic role of the state extended to business as well. Unlike capitalist corporate paternalism, under state socialism firms did not need to maximize profit. Businesses were incentivised to achieve the well-being of their employees and the local community (i.e. to give priority to their social role over productivity) since they faced only a 'soft budget constraint' (Koleva et al. 2010). The fall of communism resulted in significant challenges for Bulgarian companies and society in adjusting to the principles of a market-based economy and free competition, as well as becoming independent from state support (Mazurkiewicz and Crown 2005).

CSR as a concept was formally introduced through the Bulgarian Business Leaders Forum (BBLF) in 1998 as the Bulgarian branch of the Prince of Wales International Business Leaders Forum (IBLF) (Iankova 2008), and further developed after the launch of a Bulgarian office of the United Nations Global Compact (UNGC) in 2003. In 2009, the so-called National Strategy for CSR was developed (Simeonov and Stefanova 2015) and, with that, Bulgaria became one of the first five countries in the EU to produce a CSR strategy, along with Belgium, Denmark, Germany and the Netherlands (Martinuzzi et al. 2012). However, only a handful of specific actions have been implemented; the main reason for inaction is considered to be a lack of state funding (Simeonov and Stefanova 2015).

4. ORGANISATIONAL MISUSE OF CSR

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Scepticism concerning the effectiveness of CSR and organisational misuse of CSR have been well recognised in the literature (e.g. McWilliams and Siegel 2000; Orlitzky et al. 2003; Margolis et al. 2007; Margolis and Elfenbein 2008; Devinney 2009). The term “CSR-washing” was introduced in order to indicate the common belief shared by many consumers, activists, and academics that a multitude of companies are profiting from insincere claims of CSR (Mattis 2008). Companies may employ CSR-washing to improve their corporate image (Hooghiemstra 2000), attract talented employees (Bhattacharya et al. 2008), forestall strict government regulation (McWilliams and Siegel 2001), gain access to capital from socially responsible investors (Clark and Hebb 2005), increase employee job satisfaction (Valentine and Fleischman 2007), raise the stature of corporate executives in the eyes of the community (Kinderman 2011), or offer a concession to activist demands after a corporate scandal (Minor and Morgan 2011).

As a result of the scepticism triggered by CSR-washing claims, consumers have been dissuaded from supporting certain companies which in turn discouraged companies from participating in the CSR movement (Wagner et al. 2009; Parguel et al. 2011). Various dramatic reforms to international CSR initiatives such as the Global Compact and Fair Labour Code have therefore been introduced (Clark and Hebb 2005; Kell 2012). CSR-washing claims have compelled governments to respond with new guidelines on CSR advertising (e.g., DEFRA 2011), and dozens of websites, magazines, and pamphlets have been produced with the aim of educating consumers and preventing them from being misled by false CSR advertisements (Gallicano 2011).

However, while the literature on CSR-washing in Western, developed countries is quite abundant and scholars have examined various aspects of CSR-washing such as falsity of CSR claims (Boiral 2007; Vos 2009), motivations (Bansal and Hunter 2003; Delmas and Toffel

2004), and outcomes (Margolis and Walsh 2003), the literature remains fragmented. A recent attempt at a conceptualisation of CSR-washing was provided by Pope and Wæraas (2016) who have proposed a framework for the occurrence of CSR-washing by identifying a few conditions based on firm and consumer factors that enable or indicate CSR-washing. However, to date, there is no empirical evidence supporting or rejecting their framework, which is surprising considering the increased role of CSR in global business practices (Wright and Bennett 2011) but also increasing CSR scepticism (Plewa et al. 2015).

Moreover, the existing literature on CSR-washing does not provide adequate evidence for the presence/absence and nature of CSR-washing in non-Western countries. Research examining CSR in developing countries (e.g. Jamali 2014), the inadequacy of Western CSR (Dobers and Halme 2009; Idemudia 2011) or unethical CSR behaviour (e.g. Azmat and Samararatunge 2009) from a non-Western perspective is established. However, more research in the organisational context of non-Western countries with respect to misusing CSR is needed, and if indeed such activities exist, to investigate the underlying processes, micro-foundations, and motivations for such practices. The exploratory nature of this research problem requires the adoption of methodological procedures that allow for an in-depth examination within the study's contextual parameters. The paper continues with a presentation of the methodological approaches employed in the study.

5. METHODOLOGY

In order to examine concepts with blurred boundaries such as CSR (Lantos 2001) that hold divergent meanings for different actors (Votaw 1972), and are in “a *continuing state of emergence*” (Lockett et al. 2006, p. 133, original italics), it is necessary for the researcher to investigate the factors that may influence the practice and understanding of those concepts. Accordingly, the study employed an exploratory research design (De Vaus 2001), as well as a

Grounded Theory (GT) approach and abductive reasoning (Peirce 1935) in order to conduct an in-depth examination of the viewpoints of key stakeholders involved in the construction, contextualisation and implementation of the CSR phenomenon within the organisation (Charmaz 1995; Corley 2015; Peattie and Samuel 2018) but also their perceptions and beliefs associated with CSR (Koleva and Ocler 2018). The GT theory building approach is also consistent with the call for qualitative methodologies in the insufficiently explored field of CSR in non-Western contexts (Lockett et al. 2006) - particularly with the absence of an in-depth examination of the phenomenon in Bulgaria. As a result of applying GT (Charmaz 2014), the study offers findings with analytic generalisability (Yin 2009) that can be considered relevant to the examined organisational context. The proposed substantive theory (presented in the Discussion) is transferable to the emerging field of CSR in contexts where similar conditions and micro-foundations as presented in the findings exist, not to the whole CEE population (Becker 1990).

-----Insert Figure 1 Here-----

The study was initiated with a general curiosity about the practice and perception of CSR in Bulgaria (Figure 1), followed by assessment of the extant literature concerning the phenomenon which resulted in the formulation of an initial research question. A homogeneous purposive sampling approach supported the identification of the most informative cases at this stage of the study (specific sampling criteria are shown in Table 1). Organisations listed on UNGlobalcompact.bg were assessed, and 21 of them were recognised as domestic, Bulgarian firms with no foreign participation who invest in CSR. The study is focused on domestic organisations only, since foreign companies tend to implement CSR that has been developed based on their domestic markets (Katsioloudes and Brodtkourb 2007). All 21 organisations

were approached, and 5 of them (1 bank, 1 logistics company, 2 marketing and PR companies and 1 consultancy business) agreed to take part in the study. They were interviewed over Skype at this initial stage of the data collection.

-----Insert Table 1 Here-----

The data analysis of the initial 5 interviews suggested some analytic indications related to the practice of CSR; however, more information was needed. Various codes and themes related to unethical treatment of CSR and misuse of CSR emerged in the data analysis, and that unexpected and “surprising fact” caused a “genuine shock” (Reichertz 2010, p. 219) in the research direction resulting in amendments to the original interview protocol (see Appendix) and original research question (Sbaraini et al. 2011). The study was initiated with the broad idea to examine the practice and perception of CSR in the Bulgarian context, but the emergence of codes and themes related to misusing CSR suggested that the study’s aims would not be fulfilled if the unethical treatment of the phenomenon was not taken into consideration. This not only resulted in amendments to the original research question and objectives, but also initiated theoretical sampling in order to identify new informative cases that would add analytic sharpness to the emerging themes (Charmaz 2006). New informative cases were approached through the first author’s personal contacts or through the participants in this study, and data were collected from additional 22 domestic businesses, 4 non-governmental organisations (NGOs) and 3 CSR consultants. Collecting data from the domestic business sector allowed the study to investigate how domestic companies practice and perceive CSR. NGOs were included due to their heavy reliance on support from the business sector, but also due to the need for information relating to CSR outcomes. CSR consultants were approached due to their in-depth knowledge and understanding of the phenomenon’s development in Bulgaria but also due to their pioneering role in introducing CSR locally, popularising and helping businesses to adopt

CSR. Collecting data from these three groups helped the study to provide a rich picture of the phenomenon from the perspective of different stakeholders that are directly responsible for the introduction, practice and development of CSR in Bulgaria. The final study sample (Table 2) consists of 13 CEOs/founders and 21 CSR or marketing directors of 34 organisations, all Bulgarian nationals. The majority of respondents are based in Sofia, the capital of Bulgaria. Their leadership and decision-making roles with respect to CSR policy development and implementation makes them the most appropriate sample for the study's purposes (Avolio et al. 2009).

---Insert Table 2 Here---

a) Data Collection

The study relied on intensive interviewing for data collection that allowed the preservation of the participants' voice, as well as flexibility when interviewing participants with different personalities, communication styles and interest towards the phenomenon (Charmaz 2014b). All interviews were conducted in Bulgarian and translated into English by the first author who is also a native speaker. Once the interviews were transcribed, they were checked by the first author against the interview recordings and verified by another academic fluent in both languages. Given the nature of the issues investigated in this study, the participants were guaranteed anonymity which ensured openness and trustworthy information. The initial interview protocol (available in the Appendix) was developed based on the original research question, and arranged in a manner that allowed the authors to explore the spectrum of perceptions and practices in the organisations. However, when codes related to unethical treatment of CSR emerged in the data analysis, the interview protocol was amended in order to reflect the analytic needs of the emerging analytic categories (available in the Appendix) and to collect information that would shed more light on those practices. Nevertheless, the

interview protocols served as a guiding mechanism, not to be followed rigidly (Charmaz and Belgrave 2012; Urquhart 2012) as for the authors it was more important to grasp the participants' understanding and to explore the emerging themes in the study than to cover the interview guide (Charmaz 2014a).

Secondary data in the form of 2 CSR reports, information related to CSR activities, and CSR media messages communicated on the organisations' websites for the last two years were also collected and content-analysed. They served not only to identify the extent of CSR activity in the organisations but also to compare the respondents' answers with the CSR data their organisations disclose. However, CSR reporting is still limited in Bulgaria, and only one of the domestic organisations that took part in this study published details on their CSR practices. This approach to data comparison and triangulation helped the study to avoid weaknesses and potential discrepancies associated not only with organisational documents (Duriau et al. 2007) but also with interview data (Locke 2001). Data collection was conducted from August to October, 2019 and was suspended after the 34th interview analysis when all study categories were theoretically saturated (Charmaz 2006).

a) Data Analysis and Theorisation

The interview data analysis, performed by the authors, employed standard GT tools and relied on initial, in vivo, focused and theoretical coding, memoing (initial, theoretical and sorting), sorting of memos/categories and diagramming; all facilitated by constant comparison, abductive reasoning and theoretical sampling. Memoing served as a "self-monitoring tool" (Miles and Huberman 1984, p. 432) that significantly facilitated the analysis and contributed to the overall reflexivity in the study. Constant comparison served for identification and verification of what matters in the research (Dey 2007).

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The process of category and substantive theory construction is presented in Figure 2 and explained in detail below. The categories were labelled with numbers so that they are easier to refer to in the study (i.e. Category 1, Category 2, etc.) and are part of the overarching Core Category which is composed of the contextual grounding behind the operational implications of CSR in the examined sample.

-----Insert Figure 2 Here-----

The process of theory construction started after the first interview was recorded. An initial memo was created after every interview (Figure 2), which proved to be an effective analytic instrument. Upon transcription, interview data were immediately line-by-line coded by the first author (by hand) as this process helped identify actions, perceptions and outcomes by asking “What is happening here?” (Charmaz 2006). The step resulted in approximately 12,000 initial codes from the 34 interview transcripts, as GT suggests that the researcher should undertake coding of each line of data. This was followed by focused coding to condense and understand the data by constantly comparing experiences, actions and interpretations across all datasets to identify themes and relationships (Charmaz 2014a). This resulted in approximately 1,200 focused codes. Coding was supplemented by constant comparison and memoing to capture thoughts, facilitate contrasts and identify connections across the data. In vivo coding was applied when the participants used specific everyday terminology to discuss the phenomenon (Charmaz 2005). Theoretical coding helped to theorise the data and focused codes, and was journaled in the theoretical memos that served to indicate possible relationships between different theoretical codes and tentative categories. The data coding was checked and verified by the second author. Examples from the data analysis are presented in the Appendix.

An extensive reflective process of comparison of all memos and tentative categories followed after the 34th, final interview was analysed. Processes D to G (Figure 2) were performed

simultaneously and helped the authors to begin to see links and relationships between the tentative categories. The sorting process was journaled in sorting memos, diagrammed and presented in a graphical manner and resulted in the construction of six categories and an overarching core category, which were then compared with relevant literature and raised to a substantive theory. These categories, as well as the core category, are presented in the next section with reference to the interview data.

6. FINDINGS

The findings answer the study's research questions and suggest the presence of embryonic stages of CSR development in Bulgaria, practiced in a manner divergent from CSR in Western countries. The findings illuminate the micro-foundations triggering that divergence, and highlight the macro-environment as a catalyst for the peculiar forms of CSR. The macro-environment is interwoven with context-specific factors that provide a fruitful environment for ethical misconduct and treatment of CSR. The identified contextual factors (presented in detail below) have a significant importance for the understanding of CSR activity in the country, starting from the initial stage of motivating leaders to engage in CSR, through CSR design, implementation and outcome.

The study findings (Table 3) present three levels of analysis – Categories 1, 2 and 3 outline the macro context, establishing the foundational grounding upon which CSR is practiced. The macro context influences the micro level (Category 4) - organisational leaders, and their perceptions and approach to CSR. The leaders' decision-making responsibilities dictate the organisational CSR agenda and influence the meso context (Category 5). Combined together, these factors lead to specific outcomes and consequences that predispose Bulgarian businesses to widespread community CSR scepticism (Category 6).

-----Insert Table 3 Here-----

Category 1 - Historically Institutionalised Coercive Macro Environment for CSR Acceptance

When asked about the current status of CSR in Bulgaria, the participants suggested a number of factors that were indicated as particularly important and instrumental in the development of CSR. They encompass the folk psychology, history, traditions and political past of the country; these factors have an institutionalised nature, and transcend any historical boundaries. This context-specific set of factors creates environmental conditions that give CSR in Bulgaria a particular nature. They were grouped on the basis of their similarity and raised to properties (*italicised and bold* text below) of Category 1, and presented here with reference to the interview data.

Balkanism: the majority of respondents discussed the Balkan mentality as one of the prerequisites for the current CSR status in Bulgaria. The Balkan mentality could be described as a complex paradigm, based on a number of elements, that has been created as a result of the historical turbulences and cultural specifications of the region. One of those components was called *self-centrism* in the study: “CSR has been around for a few years but for me personally, the main reason why CSR is not well accepted by the business is the lack of strong society and care for the other. We are much more comfortable and predisposed to care about ourselves only.” (P7). ***Inconsistency*** is another one: “If you take our history, Bulgaria has been destroyed many times. That destroys your national mentality and a national sense of identity. In England, you can trace back your relatives from 1066 to now. In Bulgaria, every ruler rewrites the history as it suits their needs and political interest.” (P32). ***Victimhood:*** The idea of suffering was also suggested as important to CSR development: “We simply love misery and to feel victims. It is very rare to find people who have a positive outlook on life. Most of them complain and

complain. So how can you mobilise such people and talk to them about social change, about CSR?" (P7). Victimhood is supplemented by a strong sense of *nihilism* associated with extreme pessimism and a radical scepticism towards CSR. Participants suggested that the extreme negativism of the Bulgarian community is one of the main reasons why CSR is not well established and embraced by domestic firms: "And then no matter how much you explain that he has done something positive, no matter that it has a public value, it's sustainable, it's measurable at the start and at the end, and there is clear evidence that it is good, they say 'Yeah but that is greenwashing. We all know all those businessmen, they are all *maskari*'" (P9). CSR is not really considered as a genuine practice - the general public, customers and other businesses perceive CSR as a practice undertaken when organisations attempt to cover up unethical practices.

However, organisations are also concerned that investing in CSR may trigger significant further demands for financial sponsorship:

"Here if you go out [and share CSR information], a small group, that knows exactly how much effort it takes, will probably applaud you. The rest will not be interested or they will say 'He's got his needs covered. This is the reason why he is giving', or 'He has to give money because he is stealing money from us' and this is all the time, or 'If he has given money to those people we will ask him as well'. These are the basic models of behaviour in the Bulgarian market which doesn't encourage companies to do anything in this [CSR] regard." (P25)

Another element informing the property Balkanism is the *lack of community presence and civic organisations* that supplement the sense of self-centrism and suggests a poor culture of care

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for others. The lack of strong community presence and civic organisations is associated with the slow socio-economic progress that marks the last 30 years of transition:

“There is no strong community presence. If the citizens were realising the need to have civic organisations they would have had that controlling and monitoring function. It works daily to protect the rights of the citizen and is a moderator of the government and the power you exercise for a specific period of time. Bulgarian people still haven’t realised their collective power, and we are still trying to save each other in isolation, which means that we don’t really maintain our community.” (P7).

Lack of responsibility also supplements the sense of self-centrism: “I think for me as a Director, the most difficult part was to explain to our employees why they have to participate in social activities. Their usual answer would be that this is not their responsibility but the state’s.” (P21).

Communism: Communism as a political system was suggested by the participants as a factor with a dualistic nature with regard to CSR in Bulgaria. On one hand, communism created the ideological foundation upon which certain social initiatives were implemented by the state enterprises, and their execution continued to varying degrees after the political reforms in 1989. On the other hand, however, communism was suggested as a primary factor for meeting CSR with scepticism and distrust by employees and the general public: “social responsibility was absolutely non-voluntary and, as with anything that is not in accordance with your will, you hate it and you don’t want to do it, but you do it because you have to do it. And right now, we are in a process where that escalates again.” (P4).

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Due to the fact that employees, students and the general public were coerced to participate in social initiatives in the past, CSR now brings negative associations as it reminds them of the suppressive and mandatory nature of the communist social initiatives. This feeling was suggested by the participants as evident at both a community and a corporate level: “Now CEOs and employees have to overcome that feeling and perception that CSR has to be done as an obligation and to do it because they believe in it.” (P14) and: “when all those changes happened [in 1989] ... people felt betrayed and now every new form of corporate social responsibility, regardless whether it’s authentic or non-authentic, brings back memories that they have been betrayed. And they’re always sceptical.” (P7).

The impact of communism and negative associations with the communist social initiatives prevents the development of a strong social community interested in participating in social initiatives “because this is a responsibility of the government” (P13), it is regarded as “a job” (P5) and people are “sceptical and suspicious” (P10).

Paternalism: The state socialist ideology proclaimed full, guaranteed employment and social welfare which predetermined a cradle-to-grave paternalistic protection for the individual and their extended family. Paternalism was generally characterised by an interference with individuals’ liberties, compliant with the restriction of free will expressed under the property *communism*, justified by a claim of alleged better protection of their interests. The social initiatives of the state and state enterprises at that time were creating high levels of security in terms of life-long, guaranteed employment, free education, and generous social benefits. Those forms of extreme social security created significant levels of dependence on the state and state enterprises: “There was so much security! When you graduate, you know that there will be a job for you and you will probably retire at that job. You decide to get married – the state will

help, you want to start a family – the state will give you a house, a car. You could have a good life with minimum effort and virtually no stress” (P24). However, the same level of security was evident in the corporate world where businesses were heavily supported and regulated by the state and “it was practically impossible for a business to go into bankruptcy” (P21). As a result, the paternalism had a strong psychological impact and created the illusive feeling “that someone else has to take care of you” (P7).

Role of the state: another property related to the present political landscape of the country, *role of the state*, was also identified as important for the current status of CSR in Bulgaria. While communism was creating a sense of complete security in the past, nowadays businesses and communities live in a radically different political and economic environment of complete instability and insecurity. The participants suggested that the Bulgarian society and businesses are facing complete ignorance and lack of interest from the state. At a personal level, the participants suggested that people are less predisposed to support social initiatives due to significant uncertainty about their financial future and survival – a feeling completely different from the guaranteed security in the communist past: “When you have an economically stable country and people have covered their basic needs in relation to a place to sleep, food to eat, etc., then what they have in excess will be given to other people and their acts of giving will be doing meaningful things for the community. In this way, a strong and thriving community will be created. We are not there yet.” (P2), and “bankruptcy at a personal level doesn’t exist in Bulgaria and [if you declare bankruptcy] you’re left without any income, the state will not do much for you. You have to find yourself what to do.” (P6). Similarly, businesses are not willing to support social initiatives due to lack of financial security: “However, the fact that there is almost no support for business in Bulgaria makes volunteerism and social initiatives virtually impossible to sustain.” (P10).

Furthermore, “There are no tax policies, regulations to support donations and volunteerism in Bulgaria” (P22) which could obstruct CSR or create opportunities for misuse. When asked about the role of the state in CSR, P4 answered: “Their role is not to hinder”, suggesting that the absence of interest in CSR-related matters is better than active involvement because the state will probably cause more harm to CSR than good.

The macro environment presented through the factors outlined above established coercive isomorphism that forced organisations and employees to participate in social initiatives during communism. The negative associations with that experience still echo and reflect on the CSR reality observable in the country today. Combined with the folk psychology and current status of political and social inadequacy of the state, Category 1 outlines an environment with impact on all other categories discussed below.

Category 2 – Neo-Communist CSR

The coercive environment presented through Category 1 created conditions during communism under which organisations were predisposed to invest in specific social initiatives concerning community well-being and employee welfare (including their extended families). These practices were not part of the state enterprises’ business models or operations. The respondents suggest that those initiatives have transcended the political turbulences of the transitioning period and have been replicated in the present, although their scope has been negatively influenced by the unstable economic context of the country and differs from the extreme paternalistic nature of the social practices observable in the past. Until 1989, the state and state enterprises invested in: guaranteed employment, social security, free healthcare and education, food and clothing vouchers; and free nurseries, free canteens, holidays, training and

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education provided by the employer. Employee volunteering and charity practices were also an important part of the range of activities supported.

The findings suggest that the examined organisations currently invest in similar initiatives related to charitable practices, sponsorships, scholarships, and volunteerism. Some of them provide nurseries, housing and cars for their employees. However, similar to the communist social practices, those initiatives are not part of the strategic operations of the organisations and are primarily focused on tackling specific social issues or providing social packages for employees. Therefore, the CSR activities identified in the study are interpreted as neo-communist CSR, as they represent the product of the communist social practices observable in the past refracted through the prism of the current Bulgarian reality.

Category 3 – Mimetic Isomorphism for CSR Acceptance

The environmental context presented through Category 1 leads to the emergence of another factor – mimetic isomorphism for CSR acceptance. The respondents suggest that organisations invest in social practices as a response to external pressures, but their investments are not necessarily genuine or aiming to address specific social issues. CSR is done by force, as a mimetic response to CSR conducted by other businesses, usually with no sign of strategic thought or planning:

“The corporate culture per se is still at a very early stage where CSR is done by force. Meaning, because it has to be done, because others do it and I have to do it too, etc., and like any other thing that is done by force, you don’t invest too much and you don’t do what needs to be done, instead you focus on what others do and it gets quite messy.” (P5)

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Organisations mimic CSR conducted by others without considering the strategic or operational relevance of the copied CSR agenda to their own business, areas of expertise and capabilities: “You see that someone is doing something charitable, ok then I will do something charitable as well, but is there any logic, any sense, anything to support that – it doesn’t matter” (P16). As a result, CSR driven by mimetic pressures is normally short-term, sporadic, not institutionalised in the organisation and achieves minimal or no social impact (see Category 5).

Category 4 – Organisational Management Level

Category 1 establishes a specific leadership paradigm that leads to a peculiar approach and understanding of CSR communicated through Category 4. That paradigm predisposes businesses towards specific forms of CSR conduct, tantamount to unethical use of CSR. All 34 participants felt comfortable giving examples of unethical use of CSR, not only from their own experience but also from the wider business context of Bulgaria.

An unethical approach to CSR is commonplace in the Bulgarian business context, as very often CSR is used to minimise any corporate damage and protect corporate image. This often becomes a primary motivation for “engagement” with CSR: “Businesses in Bulgaria invest in CSR not because they care, but because they want to clean their corporate consciousness” (P10). This “cynical approach to CSR” (P4) is widespread, a view supported by the majority of participants. The respondents shared rich and various examples, e.g. from the telecommunications sector:

“[Company X] are quite active in greenwashing. They do a lot of stupid things all the time. For example, there was a crash in the IT systems at [company X] a few years ago and their clients received higher bills, or they lost data showing that some of the bills

were actually paid. And somehow, the very same year, they decided to donate more than 2 million leva to various causes and organisations - protection of animals, orphans, etc. They cannot fix their own business but they pour money into various PR initiatives, concerts, and so on. This is classic greenwashing. From a PR perspective, they appear to be quite successful and this happens quite often.” (P8)

A second example comes from the power generation sector, where P9 had a managerial position before resigning:

“We have the example of [company Y]. We have 1 mine and 4 power plants. The mine is state-owned, one of the power plants is state-owned, the second one is owned by [the owner], two owned by US companies. There have been significant negative comments on the US power plants, regardless of the fact that [company Y] had to be closed in 2012. The only thing it does for the local community is to cool off its own chimney in the form of free heating. It was given to a state-owned company to exploit that power plant during communism, regardless of the severe pollution caused. And [the owner] will continue doing the same thing, regardless of the amount of fines he gets from the European Commission which essentially we need to pay as taxpayers. If it was another power plant, it would have been stopped by now because it is the most ineffective, the one with the maximum energy consumption, maximum pollution and almost no technological changes, with the worst looked-after employees, with less investment in their well-being. However, because the power plant belongs to [the owner], it is still working and we, the taxpayers are paying his fines from the European Commission.” (P9)

A further example is provided by the brewing industry:

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“In Bulgaria, the beer market is 65% in plastic bottles, in big sizes. [Company Z] made an announcement that the upper label of their plastic bottles will be removed, and in this way they will save 2000 trees a year. As a result, the bottle now has one label only, on the lower part of the bottle, instead of two labels. This is super cynical, considering that ultimately you are selling plastic bottles that [pollute] starting with the manner used for extraction of petrol, petrol processing, the limited level of recyclability of the bottles, etc., and then you start talking about how you are working in favour of the environment. No, that’s not just cynical, that’s beyond cynical! There’s no way you can say that you are saving 2000 trees when with your main activity you are practically causing enormous damage to the environment.” (P4)

The tourism and hospitality sector was discussed by P26 – a strategic partner of the business owners in question:

“There are still many businesses where we have poor working conditions. Basic regulations are not followed, people are not getting paid, and at the same time [the business owners] donate money to organisations, events, because they are public figures and explain how much they help and support, but they harass their own employees. There are plenty of businesses like this.” (P26)

Therefore, the unethical CSR conduct is driven by 1) a lack of knowledge and understanding of CSR; 2) communication-related misuse and/or 3) conscious decisions to cover unethical practices where “The words say a lot but the actions demonstrate something much less significant“ (P31). One of the CSR consultants that took part in the study said: “My last 10 companies that I have worked with are from businesses that are trying to polish their image

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and get sold, or to find investors, or to get listed on the stock market, but not because of the essence of CSR” (P1), which suggests instrumental reasoning for CSR engagement, misuse and “investment in polished CSR with questionable impact” (P29).

However, the factors presented through Category 1 also create a sense of impunity and establish a feeling of being ‘unpunishable’ among members of business and political circles. Their direct link to the communist party during communism, and their relationships with past or present political governments or parties, or to certain family and social circles, create a feeling of being above the law. When involved in business ventures, individuals with such a mentality create an infrastructure that allows exploitation and misuse of CSR: “Let’s take Mr X, Mr W, Mr Z², right, all of these are people that if we were one normal, law-governed country, they would’ve been put in prison, but they are not. They don’t pay any tax, Europol tells us what criminals they are, but they don’t care, they are part of the political power base.” (P9) and:

“Here, unfortunately, the transition in Bulgaria demonstrated not so good examples, such as scandals where politicians were involved with non-profit organisations, or organisations who have declared wonderful CSR missions but who were actually money-laundering the money of someone. Unfortunately, this non-benevolence somehow damages the image of CSR and soils the pure idea. People know that it is very important for such organisations to exist but unfortunately some people use them with unethical motivation.” (P2)

The sense of feeling ‘unpunishable’ and ‘above the law’ only stimulates unethical behaviour: “There is a wide acceptance and popularity of certain companies that are connected somehow with political power, and somehow they always ‘win’ public offerings.” (P28). This feeling is

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supplemented by wide-spread corruption: “When there is corruption, it solves everything. Is he in prison? No! Then everything is ok.” Corruption is so well-integrated into society that it has become a norm: “Well, we don’t have corruption in Bulgaria – we have accepted it, so we don’t have any problem with it. What can we do with it? It got stuck on everybody! You cannot even run away – even if the person in front of you is ethical, someone around him or above him is not, and you cannot get rid of it!” (P11). The seriousness of this issue is reflected in the absence of anti-bribery and anti-corruption CSR practices : “If you look closely, you would notice that not even a single company in Bulgaria is working on the topic of anti-corruption, because it is a *causa perdata*.” (P18). The acceptance of corruption as a social and business norm is supplemented by the lack of a politically independent justice system: “I am sharing quite openly so you can understand the approach to business modelling in Bulgaria. Corruption is everywhere, which is the result of the occupation of the justice system in Bulgaria by the political power.” (P23).

The effects of the historical legacy of corruption, misconduct and unethical behaviour by managers and owners of companies is further fostered by the lack of strong entrepreneurial traditions and history in Bulgaria. Entrepreneurism was virtually a non-existent practice during communism due to the state ownership of all businesses. Before that period, the country was involved in a turbulent political history, two world wars and 500 years of Ottoman slavery. The consequence of lacking a strong entrepreneurial culture is expressed in the presence of managers who are obstructed from realising the real value of CSR:

“If a person has a look at the processes and transitions we’ve been through, quite often we have had interruptions to entrepreneurship and entrepreneurism in Bulgaria due to the different political regimes that we have followed. Try to picture brands who write in

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their stories “in 1568 my great-great-great-grand father started the business that I am leading today”. And that business and their social responsibility is being passed through all those centuries without any interruptions, without any discrepancies and distortions, and is saved with all of its traditions.” (P2)

Organisational leaders, especially those working in NGOs, could become ‘victims’ of the conditions presented in Category 1, particularly the role of the state. The state is not particularly involved in supporting businesses, CSR or social initiatives and that could predispose managers to accepting unethical offers:

“the fact that there is almost no support for volunteerism in Bulgaria from the public sector, the government and the state, organisations who get involved in volunteerism sometimes find themselves forced to accept the offers of those unethical companies so they can continue working on their social causes. As a result, NGOs are forced to break their ethical framework.” (P13)

Therefore, the process of unethical business conduct observable in Bulgaria is two-fold - it is largely motivated by PR, promotion necessity and corporate protection, but also by the need of organisations, especially NGOs, to survive in the absence of adequate institutional and government support:

“There are no tax policies, regulations to support donating and volunteerism in Bulgaria, so when companies like X come and say “We’ll give you 3000 leva and you will publicise our name and promote how much X believes in that cause” that has nothing to do with them, and yes, they accept because they have to pay three salaries next month

and survive. No-one really cares that 100 children may start smoking next month as a result of that campaign” (P18).

Category 5 – Bulgarian Domestic Organisations' Approach to CSR

The categories presented so far, and the factors communicated through them, establish a particular approach to CSR in the Bulgarian organisational context. A set of *dimensions, characteristics and instances* (properties in Category 5) demonstrating that specific CSR approach are presented in Table 4.

-----Insert Table 4 Here-----

The majority of examined organisations approach CSR from a charitable angle with a focus on a specific problem of social interest. The aim is usually instrumental – to enhance corporate image, increase sales or to cover certain unethical practices. As one of the participants, responsible for the CSR of a leading logistics company in the country, said: “CSR is not practised in Bulgaria. What is being practised here is marketing with a social cause. People use their [social] initiatives to promote their business.” (P6). The business sector is lacking a CSR culture and the ability to create a CSR programme with long-term strategic CSR goals and objectives that respond to specific areas of strategic organisational interests and competences. For that reason, “every year, every month, every season everything looks different” (P6), it is very much done by copying others and for that reason the level of “CSR in Bulgaria starts below zero” (P4).

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The information communicated through the property *instances* (Table 4) presents examples of CSR corresponding to the classic understanding of greenwashing where CSR is used with unethical intentions, normally to protect the corporate image and avoid legal sanctions.

Category 6 – CSR Scepticism

The categories presented above lead to the establishment of a strong scepticism in Bulgarian society with regard to the intentions and actions behind CSR:

“People don’t trust, and that reflects on donating time and giving money, and it [CSR] became poisoned as a result of our historical past and culture. Those cases of manipulation, stealing, reflected a lot and we can still see their reflection. People don’t believe that we are sincere, they think that our examples of good social causes are insincere – ‘get away, these are lies, those are Sorosoidi³, they only take money’” (P17).

Misuse of CSR by domestic organisations only further fosters the negative perceptions of CSR:

“We shouldn’t forget that in Bulgaria, the idea of donations is polluted and it is trying to overcome that viciousness because of the stories in the 90’s with the people with folders who were stopping people and asking for donations for sick children and the investigations proved that those kids didn’t exist. So, one story like that is enough to pollute thousands of good examples of donations.” (P23)

In other words, Category 6 suggests that the political and social reality observable in Bulgaria is obstructing the formation of a strong community with citizens taking care of each other. Such actions also prevent businesses from realizing the full potential of CSR.

Core Category Neo-Communist CSR-Washing in a Post-Communist Society – Relationship between Categories

The categories inform the core category in the following manner: a set of historically institutionalised traditions and political practices establish a coercive isomorphic environment for CSR acceptance (Category 1) that leads to the development and implementation of specific CSR practices (Category 2) but is also reflected in the establishment of mimetic isomorphism for CSR acceptance (Category 3) and a specific mind-set in organisational leaders (Category 4) that results in peculiar CSR activity (Category 5) and community CSR scepticism (Category 6).

7. DISCUSSION AND CONTRIBUTIONS

The study's aim was to investigate the practice and perception of CSR in a post-communist society by relying on empirical evidence collected from the organisational context of Bulgaria. The research employed a GT strategy which helped the study achieve its intended objectives: Objective 1, to provide empirical evidence of the CSR practices and activities undertaken by domestic organisations in a post-communist society; and Objective 2, to examine the underpinning factors that lead to the particular approach and behaviour concerning CSR in the examined organisations, have been achieved by applying a GT approach to sampling, data collection, analysis and theorisation. GT as a theory-building approach was also applied in order to construct a substantive theory based on the empirical data (Objective 3) which could serve for further investigations into the phenomenon (Objective 4) – discussed in more detail in the final section of the paper.

Taken together, the study's findings provide a snapshot of the understanding, principles, processes and outcomes of CSR in the context of a post-communist society. A number of interesting issues arise from a summary of the findings, deserving further discussion. Their

comparison with relevant literature, led to the construction of the study's substantive theory (Figure 3). The substantive theory was built only after all categories, including the core category, were compared with relevant theoretical literature. This comparison is reflected in the following section, the outcome of which is the framework presented in Figure 3.

-----Insert Figure 3 Here-----

The findings suggest that the contextual specifications of the transitioning political, social and economic contexts of Bulgaria provide a historically framed legacy for social tolerance and acceptance of unethical behaviour, corruption and misuse of CSR in the public and private domains, which results in community CSR scepticism. That scepticism is partly inherited from the communist past due to the compulsory nature of the societal activities evident at that time, and partially escalated as a result of observing organisational attempts to use CSR in order to “clean their corporate consciousness” (P10), coupled with the unethical behaviour and misconduct of political and business leaders. Therefore, the study makes several important contributions, as follows. Our first contribution is to the emerging literature on CSR in transition economies (e.g. Mazurkiewicz and Crown 2005; Iankova 2008; Koleva et al. 2010) by identifying the challenges that CSR practice and business ethics face within the transforming, post-communist society of Bulgaria. Our second contribution is to the literature on CSR-washing, by identifying the specific contextual dynamics, underlying processes, micro-foundations, motivations and actual practice of CSR-washing (e.g. Jahdi and Acikdilli 2009; Pope and Wæraas 2016; Boiral et al. 2017). Our third contribution is to the scarce literature on misusing CSR in a non-Western context (e.g. Azmat and Samaratunge 2009), by identifying the specific contextual factors of a transition, non-Western economy that predispose organisations to engage in unethical behaviour. Our fourth contribution is to the literature on CSR in a non-Western context (e.g. Lindgreen et al. 2010; Jamali 2014; Jamali and Karam

2018) by providing empirical evidence that the historical past, politics, traditions and folk psychology may lead to divergent perceptions and understandings of CSR compared with Western CSR (e.g. Carroll 1991; Basu and Palazzo 2008; Bondy et al. 2012; Crane et al. 2013, 2019). Our final contribution is related to the extremely scarce literature on CSR in Bulgaria (e.g. Stoyanova 2011; Simeonov and Stefanova 2015), by being the first empirically based study to examine the practice and perceptions of CSR from the perspective of domestic organisations only, and by providing fresh data that evidence the practices and sense-making of CSR of organisational leaders. The section continues with comparison of the constructed categories with relevant literature.

The findings highlight a set of challenges faced by domestic organisations in the transitioning, post-communist society of Bulgaria. While the literature on CSR in Bulgaria is not examining the peculiarities of the transitioning Bulgarian society and challenges faced by the local business community, the findings of this study suggest that the public and private sectors, as well as Bulgarian society, co-exist with a set of historically institutionalised and integrated factors that exert additional pressure on the transforming social and business contexts. Those factors, presented through Category 1, are well integrated into Bulgarian society, and predispose citizens/managers to the development of social legitimisation and tolerance of corruption and unethical behaviour. Under those conditions, corruption and unethical behaviour are widely spread and inculcated in the public, private, political and social spheres. Corruption is discussed extensively by the participants, and is presented as a social phenomenon which - although it is recognised as an unethical practice - is so well absorbed into the local *modus operandi* that it cannot be separated from the Bulgarian business, political and social contexts. This, however, affects how CSR is approached by the local businesses, as well as how CSR is viewed by the community.

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Another complementary reason for the legitimisation of unethical business conduct and corruption, apart from the transitioning challenges discussed above and associated with the shift from one political and market order to another, is the absence of entrepreneurial activity and entrepreneurship before 1989. Unlike some communist countries in CEE (e.g. Poland and Hungary) where private enterprises existed in a centrally planned economic system during the communist regime and local governments were providing an institutional framework that was enabling entrepreneurship (Smallbone et al. 2010), in Bulgaria all enterprises were state owned and as such entrepreneurship per se was virtually non-existent and prohibited by law. However, that only contributed for the development of an illegal economy as a necessary response to the constant shortage of materials where quasi-criminal activities within state enterprises (e.g. bribes, theft of resources) and also criminal private activities (Smallbone and Welter 2001) catalysed the social legitimisation and tolerance of unethical behaviour discussed above. Moreover, the first emerging entrepreneurs in Bulgaria after the political changes in 1989 were part of the former communist political elite or members of selected families and social circles that took over some of the privatised state enterprises but did not invest in the development of new business ventures, unlike some CEE post-communist countries such as Poland and Hungary where ‘the new entrepreneurs’, even if they were part of the *nomenclatura* (political regime), did invest in the development of new business enterprises (Smallbone and Welter 2001; Williams et al. 2017). As a result of these factors, the study reports an inadequately established entrepreneurial culture and traditions in Bulgaria that predispose business owners to engage in miscellaneous unethical business practices.

The development of CSR activities presented through Category 2 can be seen as the result of a path dependent – path shaping process (Nielsen et al. 1995; Jessop 2001; Alas and Tafel 2008) in which neo-communist CSR has emerged as a combination of social initiatives resulting from

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the communist social practices and refracted through the current social, economic and political contexts of Bulgaria. This finding contradicts previous research on this topic (e.g. Koleva et al. 2010) where CSR development in Bulgaria is presented as a mix between old (internal endogenous CSR) communist practices and new (external exogenous CSR) approaches adapted from the West. While this mix of endogenous and exogenous CSR practices may exist in CEE organisations with foreign participation and MNCs with exposure to Western CSR, the present study relied on data collected exclusively from Bulgarian organisations, where CSR was portrayed primarily as a form of social engagement focused on specific public needs, i.e. a minimised reflection of the communist social initiatives observable in the past.

The study paints a rich picture composed of some taken-for-granted institutional rules, myths, and beliefs presented as a shared social reality in Bulgaria (Category 1) that shapes the processes by which organisations tend to become instilled with value and social meaning as a result of the institutionalisation of those factors. The examined organisations offer various strategic responses as an attempt to comply with the institutional context, which in turn shapes how organisations approach CSR. Their responses range from passive conformity to proactive manipulation (Oliver 1991). While the study identifies the presence of an environment associated with coercive isomorphism (DiMaggio and Powell 1983) where CSR is adopted by the organisations as an attempt to respond to and comply with the institutional processes, political influence and problems of legitimacy (Category 1), mimetic isomorphism (Category 3) where organisations adopt CSR driven by a desire to comply with taken-for-granted assumptions or to copy CSR practices adopted by rivals is also evident. In other words, CSR in the examined context is applied as: 1) a “compliance tactic” or conscious obedience via the incorporation of values, norms, or institutional requirements; 2) an “imitate tactic” presenting either conscious or unconscious mimicry of institutional models; and 3) an attempt to apply

“manipulative tactics”, to influence and control institutional constituents and processes (Oliver 1991).

This statement is compliant with the instrumental reasoning identified in organisational leadership for CSR adoption (Category 4) where the organisations have extrinsic reasons related to preserving corporate reputation, generating customer loyalty, and pre-empting legal sanctions for investment in CSR (Basu and Palazzo 2008). However, contrary to the classic instrumental reasoning (e.g. Basu and Palazzo 2008; Maon et al. 2008, 2010), CSR here is only used to protect the organisation, business owners and their public image in order to avoid legal sanctions. The study did not identify evidence for CSR involvement motivated by stakeholder demands and/or performance driven investment in CSR where the organisations pursue effectiveness in terms of CSR engagement. CSR in the examined context is not constrained within the boundaries of corporate performance and is not aligned with any specific corporate objectives. These factors are considered to be an incremental part of the economic responsibilities of the organisation according to Western CSR (e.g. Carroll 1991, 2008, 2015, 2016; Jensen 2002; Margolis and Walsh 2003; Basu and Palazzo 2008), where the economic domain serves as the basis upon which the legal, ethical and discretionary responsibilities rest. Hence, the economic responsibility is regarded as the primary CSR dimension in Western countries while the discretionary has the least importance (Burton and Goldsby 2009). Therefore, it is hard to accept that the emphasis placed on social CSR practices in the examined sample is a natural evolution through Carroll’s (1991) CSR pyramid or other CSR models (e.g. Clarkson 1999; Geva 2008; Gholami 2011), since the study does not find any evidence of legal compliance, alignment with corporate objectives or attempts to consider ethical responsibilities as defined by the dominant CSR logic (Carroll 1991; Basu and Palazzo 2008; Bondy et al. 2012; Crane et al. 2013, 2019). One plausible explanation, apart from the coercive environment

and lack of entrepreneurial traditions discussed above, could be the absence of ideas such as “stakeholder activism” (Rowley and Moldoveanu 2003; Butterfield et al. 2004), “stakeholder mobilisation” (Hoffman 2001), “stakeholder institutionalisation” (Rowley 1997; Frooman 1999) and “stakeholder interest” (Freeman and Velamuri 2006) in the Bulgarian business context. Normally used to control and exert normative pressure over organisational practices and widely embraced within the Western CSR approach (Freeman and Velamuri 2006), their absence in the Bulgarian organisational context reflects on the overall CSR experience of domestic businesses and local community. The lack of clear recognition of stakeholders and stakeholder power (Mitchell et al. 1997) excludes their expectations and demands as possible factors for CSR acceptance, planning and priorities setting. This statement supports the lack of strong social community and inclination towards self-centrism identified in Category 1, but also sheds light on the contextual circumstances that lead or do not lead to CSR (Farrington et al. 2017, Gavrilă 2019).

Moreover, the shift from a centrally planned market system that was essentially devoid of competition to an open market system where new phenomena such as rivalry, MNCs and private enterprises emerged, has resulted in significant levels of uncertainty for the new business leaders. That uncertainty was supplemented by the withdrawal of the state protectionist policies over the business sector, and business leaders found that they had to embrace full responsibility for their organisation’s survival (Smallbone et al. 2010). As evidenced in the paper, these previously unknown threats, coupled with the lack of entrepreneurial culture, predispose businesses towards unethical practices and misconduct in transitioning economies. This finding adds to the study of Brouthers et al. (2007) who found that managers who experienced formal communist moral ideological indoctrination are less likely to be competitively irrational compared with post-communist managers.

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The approach to CSR identified in this study (Category 5) is instrumentally driven and, to a certain extent, resonates with the business case for CSR (Husted and Allen 2007; Zadek 2006, 2007). However, due to the Bulgarian institutional environment and neo-communist nature of CSR practices presented above, there are also significant discrepancies. The business case for CSR is focused on a consideration of social and environmental concerns, the addressing of which could contribute to the financial position of the business (Porter and Kramer 2006) where the ultimate goal is to create value as defined by the dominant market and financial logic. Nevertheless, the organisations examined in this study are more concerned with protecting the corporation, reducing costs and risk, building strong reputation and image – also aspects of the business case for CSR (Jo and Harjoto 2011; Bondy et al. 2012). However, the sporadic, short-term nature of their CSR practices and their misalignment with strategic competences, goals and objectives prevents the organisations from achieving lasting, meaningful impact and shared value (Porter and Kramer 2006).

The ultimate result of the factors discussed here is significant levels of inherited community CSR scepticism (Connors et al. 2017; Leonidou and Skarmeas 2017; Gosselt et al. 2019) where organisational motives for CSR investment are seriously questioned, undermining community desire to participate in CSR initiatives (Category 6). The respondents suggest that community CSR scepticism prompts consumers to engage in negative word-of-mouth to friends and acquaintances, and forestalls purchase intentions. That scepticism is generally driven by witnessing organisations behave in a manner that is inconsistent with their CSR mantra as in the examples presented above.

According to the literature, CSR-washing can occur when a set of conditions where consumers have a leading role are present (Pope and Wæraas 2016), or when the organisation is facing

significant stakeholder pressures to behave in a certain manner (Jahdi and Acikdilli 2009; Boiral et al. 2017; Seele and Gatti 2017). Whilst previous research examining the reasons for occurrence of CSR-washing in Western countries has predominantly focused on stakeholder pressures (Jahdi and Acikdilli 2009; Pope and Wæraas 2016; Boiral et al. 2017; Seele and Gatti 2017) and no attention has been paid to the contextual specifications and their potential role, the present study demonstrates that CSR-washing is very much context driven and can occur even if stakeholder-related conditions are not evident. As discussed above, stakeholder activism is virtually an unknown practice in Bulgaria and organisations conduct CSR-washing in order to protect their corporate image and pre-empt legal sanctions, not because of concerns for stakeholders, community or consumer activism. In other words, CSR-washing occurs in Bulgaria not because of consumers, or stakeholders more generally, but despite them. As suggested by P9: “it is not necessary for [CSR-washing] to happen in Bulgaria. It may happen in the United States where we have an extremely well-developed consumer consciousness. People go on riots, people go on the streets, people boycott, make videos. That totally shows consumer power. In Bulgaria, the power is not with the consumer.” Therefore, the study provides an empirical response to the conceptual framework of Pope and Wæraas (2016) and the studies of Jahdi and Acikdilli (2009), Boiral et al. (2017), by arguing that the macro, meso and micro factors communicated through the study’s substantive theory (Figure 3) related to institutionalised isomorphism and contextual challenges associated with transition economies are prerequisites for the occurrence of CSR-washing, not stakeholders. In other words, the substantive theory offered in this study states that in the absence of stakeholder activism in transition economies, the macro contextual dynamics are much more impactful in driving the occurrence and development of CSR-washing, and can in fact predispose organisations towards adopting such practices. Therefore, divergent from the Western models of CSR-washing where

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stakeholders have a central role, the study proposes a neo-communist CSR-washing model which is predominantly context driven, and lacks any form of stakeholder importance.

Apart from the substantive contributions to academic research, the study has important implications for practitioners as well. For CSR practitioners, the study suggests that managers have to take into consideration organisational priorities and strategic objectives as well as competences when designing CSR practices. The existence of stakeholders should be acknowledged, as well as their concerns, priorities and needs. Moreover, CSR should be integrated into the business model and organisational culture, and properly institutionalised in the organisation, i.e. separate from the PR and marketing departments. Reporting, accounting, and following international standards such as GRI, UN Global Compact and Sustainability Goals could contribute to the transparency of organisational CSR activities, and lead to positive recognition of organisational efforts from the community. Last but not least, CSR should be a pro-active practice that follows an inside-out strategic approach, the ultimate purpose of which should be to achieve shared value for the organisation and its stakeholders.

For Bulgarian policy-makers, the study suggests that proper institutional steps in the development of supportive tax policies and regulations to facilitate and control organisational social, environmental and civic initiatives is needed. Moreover, the government and governmental organisations need to facilitate CSR development in Bulgaria and to be active participants in sharing best practices. An effective and independent legal and institutional environment, with laws and regulations that have clear vision and concrete implementation, is also needed. For EU regulators, the study suggests that more attention should be paid to the macro-contextual specifications of the transition economies and their impact on the economic and business landscape of the Union. The European Commission can serve as an enforcement

mechanism for the development and successful implementation of appropriate tax policies and legal actions. Considering that Bulgaria is the border between the European Union, the European Market and Asia, the study argues that more attention should be paid by the European authorities to the Bulgarian macro contextual dynamics, if the region wants to sustain its FDI inflow.

8. CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS FOR FURTHER RESEARCH

The study's aim was to provide an understanding of the practice and sense-making of CSR from the perspective of a post-communist society. The viewpoint of 34 participants directly involved in the phenomenon's practice and development in Bulgaria were taken into consideration. The findings suggest that CSR exists in a complex macro-institutional environment that predisposes businesses to adopt a peculiar approach to CSR that is tantamount to ethical misconduct and CSR-washing.

Despite its valuable contributions, this study is not without limitations. The study's findings and substantive theory have analytic generalisation (Yin 2009) and are generalisable to the CSR and CSR-washing literature streams, as well as to contexts with similar conditions and micro-foundations (Becker 1990; Schofield 2002). The proposed substantive theory could be combined with other substantive theories and tested in order to offer a formal theory (Glaser 1978) on neo-communist CSR-washing. Further research could also examine whether the study's findings and proposed neo-communist CSR-washing model have the same structure in other post-communist societies. The study is limited to domestic organisations only; future research could compare domestic and foreign organisations in Bulgaria and their positions with respect to the phenomenon, with the aim of identifying possible areas of divergence and

convergence. Moreover, the paper is focused on the views of executives only; it would also be informative to examine consumer views on the factors discussed in this paper, such as CSR, unethical business behaviour and CSR-washing.

ENDNOTES:

[1] Maskari (Bulg.) – hypocrites.

[2] Politicians, part of the present government, well known for their corrupt practices and money laundering. One owns hotels and restaurants, another owns most of the media press in the country, and the last one is in the energy and power business.

[3] George Soros.

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TABLES

Table 1: Homogenous Sampling Criteria

Criteria	Rationale	Result
Is listed on UNGlobalcompact.bg	This is the official website of the UN Global Compact for Bulgaria and lists organisations that invest in CSR	31
Is local, domestic organisation with no foreign participation	This study is focused on domestic companies only since foreign companies implement the CSR agenda developed for their domestic markets	21
Availability of CSR data	CSR is the study's primary focus	21
	Selected	21

Table 2: List with Participants – Chronological Order

Initial	Industry	Sector	Role	Location
P1	Consultancy	Private	CEO	Sofia
P2	Logistics	Private	CSR Director	Sofia
P3	Banking	Private	CSR Director	Sofia
P4	Marketing and PR	Private	CEO	Sofia
P5	Marketing and PR	Private	CEO	Sofia
P6	Logistics	Private	CSR Director	Rousse
P7	Non-governmental	Public	CEO	Sofia
P8	Consultancy	Private	CEO	Sofia
P9	Consultancy	Private	CEO	Sofia
P10	Consultancy	Private	CEO	Sofia
P11	Banking	Private	CSR Director	Sofia
P12	Pharmaceutical	Private	Marketing Director	Sofia
P13	Manufacturing	Private	Marketing Director	Sofia
P14	Tourism	Private	Marketing Director	Sofia
P15	Hospitality	Private	Marketing Director	Sofia
P16	Pharmaceutical	Private	Marketing Director	Sofia
P17	Non-governmental	Public	CEO	Sofia
P18	Banking	Private	CSR Director	Sofia
P19	Banking	Private	CSR Director	Sofia
P20	Media and television	Private	Marketing Director	Sofia
P21	Banking	Private	CSR Director	Sofia
P22	Media and television	Private	Marketing Director	Sofia
P23	Hospitality	Private	CEO	Sofia
P24	Gas and petroleum	Private	Marketing Director	Sofia
P25	Gas and petroleum	Private	Marketing Director	Sofia
P26	Recycling	Private	CEO	Sofia
P27	Power generation	Private	Marketing Director	Plovdiv
P28	Chemical	Private	Marketing Director	Sofia
P29	IT	Private	Marketing Director	Sofia
P30	Non-governmental	Public	CEO	Sofia
P31	Hospitality	Private	Marketing Director	Varna
P32	Transportation	Private	CEO	Sofia
P33	Non-governmental	Private	CEO	Sofia
P34	Hospitality	Private	Marketing Director	Varna

Table 3: Categories Constructed in the Data

Macro context	<p>Category 1 – Historically Institutionalised Coercive Macro Environment for CSR Acceptance</p> <p>Category 2 – Neo-Communist CSR</p> <p>Category 3 – Mimetic Isomorphism for CSR Acceptance</p>
Micro context	Category 4 – Organisational Management Level
Meso context	Category 5 – Bulgarian Domestic Organisations' Approach to CSR
Outcome	Category 6 – Community CSR Scepticism

Table 4: Bulgarian Domestic Organisations' Approach to CSR

Dimensions	Characteristics	Instances
Social and charity initiatives	Short-term Sporadic	Clean corporate consciousness
Protection of local environment	Instrumentally oriented Starting below the zero	Doing CSR without any sense
Employee related practices (training, development, nursery, canteens, housing)	Having CSR done 'by rote' Lacking CSR vision corresponds to CSR misinterpretation	Exaggerative CSR claims Covering environmentally polluting practices behind CSR claims
Volunteerism	Doing CSR to satisfy public expectations Working with disintegrated CSR	Investing in 'polished' CSR with questionable impact Having cynical approach to CSR Misusing CSR intentionally Decoupling between CSR actions and CSR claims

FIGURES

Figure 1: Research Design

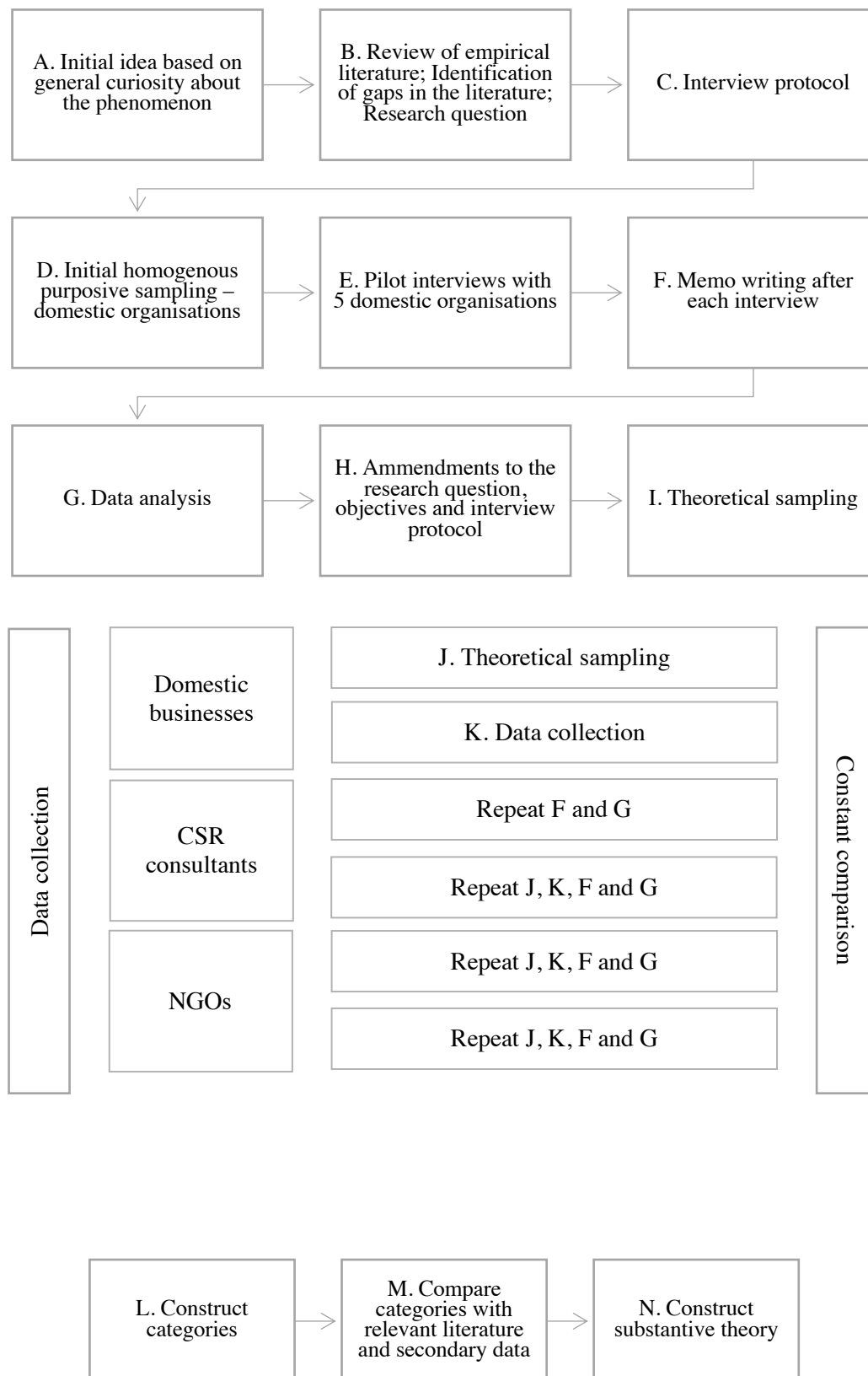


Figure 2: Data Analysis and Theorising Applied in the Study

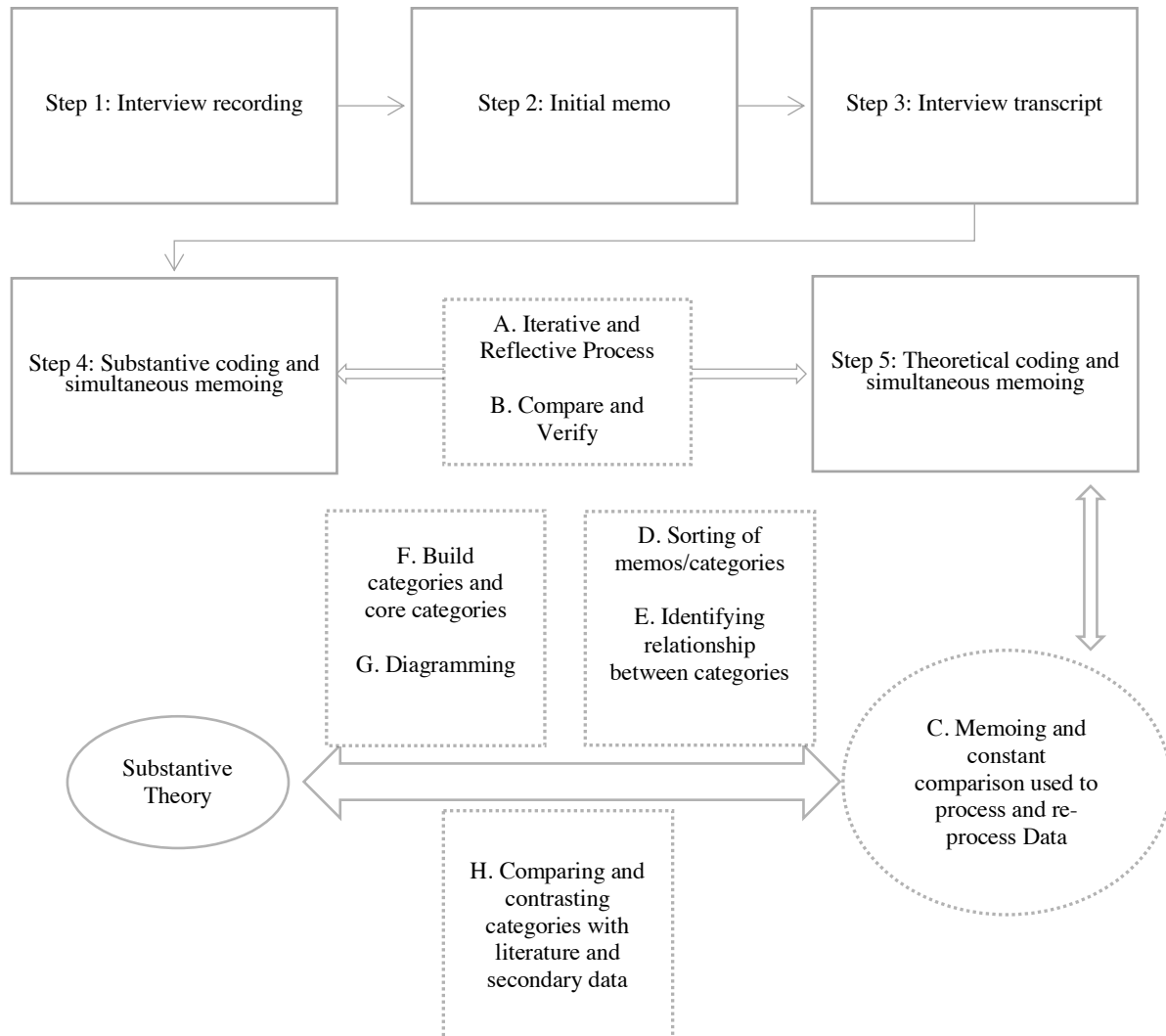
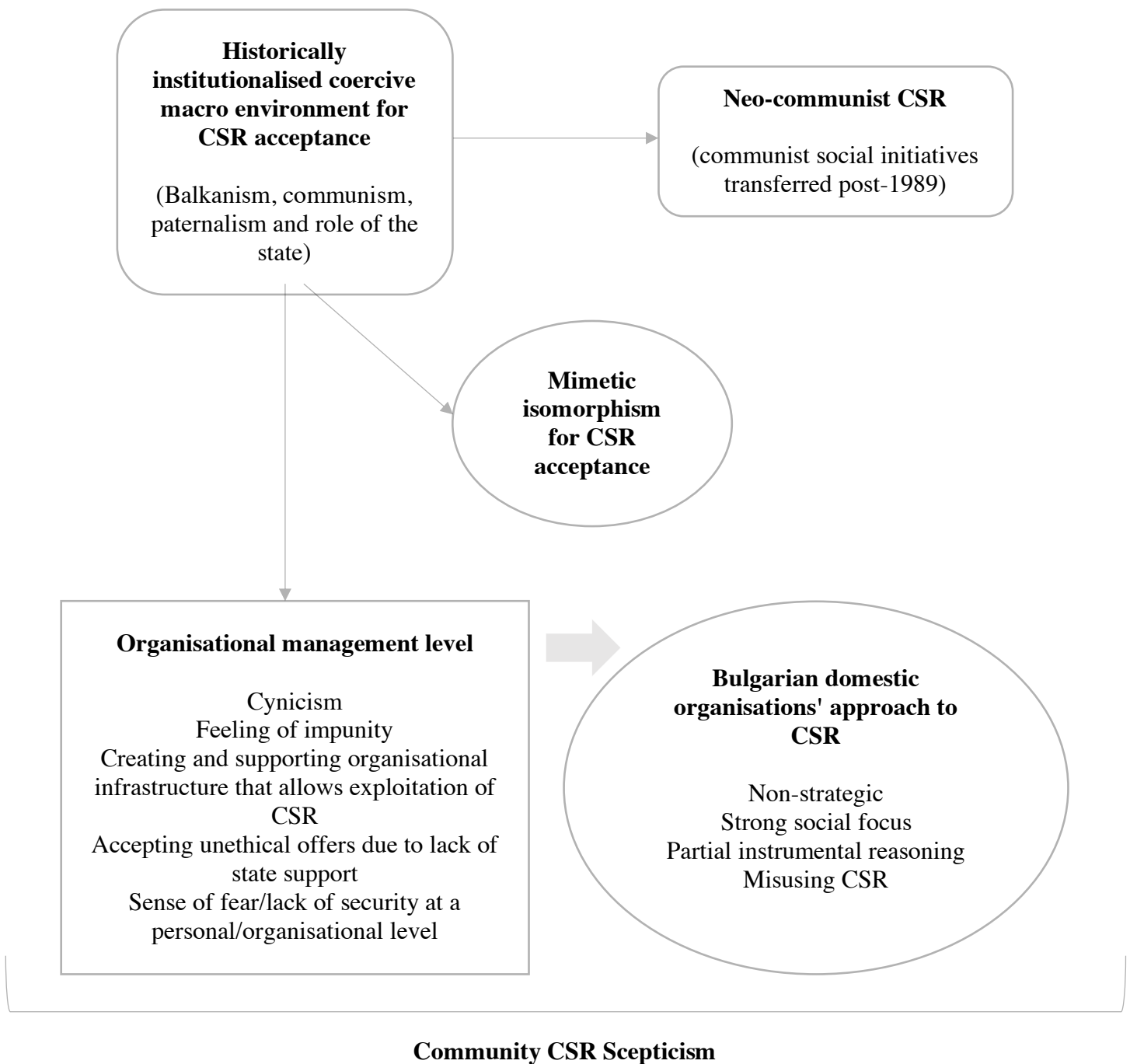


Figure 3: Neo-Communist CSR-Washing



APPENDIX

INITIAL INTERVIEW PROTOCOL

1. How do you understand CSR?
2. How is CSR practiced in your organisation?
3. Which one is the most important stakeholder group as organisational CSR?
4. Do you report, advertise, publish your CSR practices in any form?
5. What is the primary focus of CSR?
6. Why do you work with CSR?
7. Are there any obstacles of working with CSR in Bulgaria? If yes, how do you overcome them?
8. How do you see the future of CSR in Bulgaria? Is there anything you would change if you could?
9. Is there any impact of the macro environment on CSR? Is it positive or negative? Would you change anything?

AMMENDED INTERVIEW PROTOCOL

1. How CSR is perceived and practiced in your organisation? (evidence/examples)
2. Do you advertise your CSR practices? If yes, how? Is it local, limited and internal or more extensive? (examples)
3. Is there a degree of decoupling between the evidence provided by organisations of their CSR engagement, and their reported CSR performance (reported online, and/or through corporate reports)? (evidence/examples)
4. Could the evidence provided as CSR engagement by domestic organisations in Bulgaria be accepted as an indicator of CSR performance? Why, why not?
5. Are you aware of organisations or managers who might misuse CSR or business ethics? (evidence/examples)
6. What might drive managers to invest in unethical behaviour? Why?
7. Is there any impact on historical legacy/cultural environment on societal tolerance of unethical behaviour/corruption? How does the history/culture impact on the behaviour of managers in your firm?
8. How is the absence/presence of education and training of managers in business ethics contributing/not contributing for the development of professional ethical standards? Are there any actions that should be taken in this area?
9. What is the influence of the national government institutions on managers and their approach to CSR/business ethics? Are there any additional actions that external institutions should be taking on this topic (if so, how/why)?
10. What is the role of the board of directors and/or corporate governance on CSR/business ethics? How do they prevent/encourage unethical practices? How do you see the role of the board in relation to CSR and ethical management practices? What more should they be doing?

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11. What is the influence, if any, of privatisation/M&A on management behaviour and ethics?
12. Does any of the above differ by industry sector (e.g. any sectors particularly 'good' or 'bad'?)
13. Do you think that any of the above is changing over time? If so how and why (evidence/examples)?

Initial Memo: Example

X suggested that the reason why CSR is at a non-institutionalised stage of development is the lack of awareness and lack of education of local managers. She also made a very interesting link (like the interview with X) between CSR (negative associations with CSR) and the post-communist past of the country. Just like him, X suggested that the enforcement mechanisms around the social initiatives during the communist administration of Bulgaria are the reasons why we currently observe negative trends with CSR. People were getting part in them because they were forced to, not because they wanted to, and that now brings negative associations in their mind when CSR is mentioned. However, that refers to older generations only, as X said, not young people. Young people are more open, more willing to accept and work with CSR than older generations.

Corruption was a big theme in the interview with her. She said that corruption is another reason why CSR is considered as a hypocritical practice in Bulgaria. People just don't believe that organisations would invest in CSR and would give something back without trying to hide something. She said: "You see all those negative messages on the media about businessmen or politicians who are corrupted and yet, they never get sentences, they walk freely on the streets regardless the fact that everyone knows how 'dirty' their practices are. Then how do you expect people to embrace CSR and to believe that whatever you do is 'clean', 'pure' and wants to give something back? That will never happen! People believe that CSR is just another way to distract them from the brutal reality in Bulgaria."

On my question about the nature of the CSR practices, based on her experience, and if they could be considered as CSR-washing, she said "CSR washing cannot work in Bulgaria. You need to have a strong society for that, you need to have people like in the States who would go on the streets and would break windows and set up fires because they want to boycott your exploitation of natural resources. This cannot happen in Bulgaria because we don't have people who would boycott anything and because of that, the business here doesn't need to cover or hide anything. Everybody knows everything, it's a public secret that the politicians are corrupted, that foreign businesses like Company X exploit our gold because they have paid the right people, that Company X pollutes one of the biggest rivers in the country and they get fines all the time but they never pay them and they don't even care. That politicians kill people on the streets but they get released... People see that and they understand how doomed the reality in Bulgaria is. Then, how do you expect them to boycott some products or go on the streets, and even more, how do you expect local companies to care enough and be afraid enough to invest in CSR-washing? That will never happen."

Coding Applied in the Data Analysis: Example

(Note: the original coding sheet of this interview contains 17 pages; only 3 are included here for illustrative purposes)

Theoretical	Substantive			Interview Data
	Focused	In vivo	Initial	
CSR dimensions	Instrumentally related		Being authentic Being brand-related Instrumentally related Having commercial purposes Making money	<p>How do you understand CSR?</p> <p>For me this is related to the authenticity and identity of a company and its brand. A form of practice that is used by the people, the infrastructure in general everything for a commercial/instrumental purpose, to make money. Therefore, I believe that at some point instead of only receiving and getting benefits from the society, you should start giving back to the society so it could progress, prosper and thus you have a direct benefit in this regard because by developing the society you will be able to develop your own business. So, CSR could be described as the company knowing its (CSR) authentic identity and role in the community, gives back to the community under the form of resources, support or in an area where the company has its authentic identity – could be education, could be sport, whatever they do. On the one hand,</p>
CSR instances	Creating an infrastructure that creates exploitation of CSR		Creating an infrastructure that creates exploitation of CSR Using resources from the community Allowing development of the society Getting benefits from the society Start giving back Allowing business to prosper through CSR Getting benefit from CSR Developing business and society	
CSR instances				

<p>Institutionalised coercive macro environment</p> <p>Isomorphic mimic pressures</p> <p>CSR instances</p>	<p>Developing society and getting benefits</p> <p>Investing in CSR by force</p> <p>Investing in CSR due to coercive pressures</p> <p>Investing in CSR due to mimic pressures</p> <p>Copying others CSR</p> <p>Not investing much sense in CSR</p>		<p>Developing society and getting benefits</p> <p>Having an identity allows CSR</p> <p>Giving resources as a result of having identity</p> <p>Investing in CSR of authenticity for the company</p> <p>Working with a basic corporate culture</p> <p>Investing in CSR by force</p> <p>Investing in CSR due to coercive pressures</p> <p>Investing in CSR due to mimic pressures</p> <p>Copying others' CSR</p> <p>Not investing in CSR done by force</p> <p>Copying others' CSR</p> <p>Not investing much sense in CSR</p> <p>Copying others CSR</p> <p>Not investing much sense in CSR</p> <p>Doing CSR without rationale</p> <p>Doing CSR mechanistically</p>	<p>that is important for the community and on the other it has to be in accordance with the identity and values of the company.</p> <p>How did you develop this vision?</p> <p>As I told you before, the corporate culture per se (in Bulgaria) is still at very early stages where, I can say, it might sound somehow dramatic, but it's done (CSR) by force. Meaning, because it has to be done, because others do it and I have to do it too, etc. and like any other thing that is done by force, you don't invest too much from what needs to be done but you focus on what others do and it gets quite messy. You see that someone is doing something charitable, ok then I will do something charitable as well but is there any logic, any sense, anything to support that – it doesn't matter because it's done to clean your 'corporate consciousness'. But in the same time, I believe that this is an absolutely normal and natural process. We mentioned before that in the times of the communist administration, what was considered as social responsibility (SR) was in</p>
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<p>CSR Instances</p> <p>Communist CSR</p>	<p>Doing CSR without any sense</p> <p>Linking CSR to communism</p> <p>Observing community-focused CSR during the communism</p> <p>Having organisations obliged to invest in CSR during communism</p> <p>Having obligatory CSR dictated by communism/ the party</p> <p>Hating CSR during communism</p>	<p>Doing CSR without any sense</p> <p>Cleaning your corporate consciousness</p> <p>Vselenski saboti</p>	<p>Doing CSR without any sense</p> <p>Cleaning your corporate consciousness</p> <p>Going through natural processes of development</p> <p>Linking CSR to communism</p> <p>Observing community-focused CSR during the communism</p> <p>Having organisations obliged to invest in CSR during communism</p> <p>Having obligatory CSR dictated by communism/ the party</p> <p>Hating CSR during communism</p>	<p>favour of the community and respectively the organisations as a form of driver of SR that were more like let's organise "Вселенски саботи"(Vselenski saboti) so it absolutely non-voluntary and as anything that is not in accordance with your will you hate it and you don't want to do it but you do it because you have to do it. And right now, we are in a process where that escalates. Meaning, let's don't forget that those people who are heads of companies now, their education, worldview are somehow affected by the communism, directly or through their parents, depends, I am talking about people who are 35, 40 and above. 35-40 and it goes up to 60. And now they have to overcome that feeling and perception that CSR has to be done by force.</p>
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Theoretical Memo: Example

Here CSR is described as a forward-looking strategy that is perfectly embedded in the business model, organisational culture and all day-to-day activities of X. CSR is part of everything X does and they don't consider CSR as another business option/strategy but as a reflection of what their business is all about.

The lack of strong entrepreneurship history in Bulgaria emerges as one of the reasons for misusing CSR and for using it in a different manner compared with the Western countries. This is one more respondent with the position that countries where business with centuries old history exist, people have strong entrepreneurial traditions and have realised the idea/value of CSR long time ago, while businesses in transitioning economies are still young and don't have that history and traditions.

This is compliant with:

- 1) Historical differences between communist countries and Bulgaria where entrepreneurship existed in all other communist countries but not in Bulgaria;
- 2) The idea that entrepreneurism was build/born as a result of the collapse of the communism in Bulgaria in 1989 where former members of the Party became the first entrepreneurs in Bulgaria (this is exactly how long entrepreneurship has existed in Bulgaria) and businesses are starting to deal now with ideas that Western business have dealt with centuries ago.

Keeping high level of ignorance intentionally – emerges as an interesting theme that needs to be examined more;

