Chapter

Perspective Chapter: Rethink CSR Strategies in the Era of COVID-19

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Abstract

A growing call for green initiatives made companies implement corporate social responsibility (CSR) into their business activities ethically or strategically to gain legitimacy and present an environmentally responsible public image. In this regard, the problem of greenwashing has emerged even during the pandemic: companies disclose positive communication to ensure business legitimacy even when they are applying irresponsible business practices. Their CSR strategy is responsive: businesses have implemented CSR activities to comply with environmental and social legislation and the stakeholders' pressure. In the other hand, other companies have undertaken more strategic CSR models to achieve long-term competitive advantages combining the ethical and business orientations. They consider CSR as a differentiation process. They reviewed their CSR strategies, as a core of the corporate strategy, to align social commitments and business objectives. For instance, the pandemic has driven many businesses to rethink the founder lines of their CSR strategies, in order to avoid social crisis and create strategic benefits. Within this framework, this chapter aims to shed light on the effect of strategic CSR on corporate performance and businesses practices during the pandemic. It assesses the key factors that can improve the implementation of socially and eco-friendly sustainable practices to be more resilient toward potential crisis.

Keywords: CSR, strategic CSR, strategization, financial performance, COVID-19, greenwashing, corporate reputation

1. Introduction

The unpredictable COVID-19 pandemic has highlighted several fragilities in the business environment and caused an instability among the global financial system. Many explanations could be provided such as the weakness of "the supply chains, labor markets, credit quality and liquidity" according to Chartered Financial Analyst Institute [1].

This pandemic has engendered a genuine global economic crisis [2] that is quite similar to post great depression of 1930s. In this regard, the global gross domestic product (GDP) was expected to decline by 3% in 2020 (the International Monetary Fund IMF, April 2020), and a drop of the world trade by between 13% and 32% [3].

In the same vein, Zhang et al. [4] analyzed the volatility of financial markets. They have demonstrated an instability and an increasing uncertainty, particularly in risky businesses after by the pandemic. They seem to have significant effects on investor psychology and their behavioral decision-making, which have caused a sharp stock price decline [4]. For instance, the Taiwan stock market's weighted stock price index plummeted by 4.19% with a drop among all the industries. Particularly, the travel industry marked a sharp decline in order of 11.30% in January 2020 [5].

However, despite its substantial impact on the financial markets, it was an opportunity to test the vulnerability and the resilience of the business models. It was also an opportunity to rethink the enterprises' behaviors, plans, and actions to face potential crises related to biodiversity loss and climate change [6]. For instance, GD Sharma et al. found an increasing interest in sustainable investment during the pandemic period and even in the post-pandemic era [7].

According to UBS Global (2020), sustainable investing strategies have shown better financial outcomes than conventional ones as many investors have preferred to undertake sustainable investments to cope with the post-pandemic consequences. Also, most people have become more concerned about the social and environmental consequences of their consumption decisions. Hence, Sayekti [8], Zhao [9], Sharma et al. [7] considered the sustainable investment a preferred form of investment and a clear winner during the pandemic. In response to the pandemic, the European Parliament recommitted to the European Green Deal, which is a set of policies introduced in December 2019 that aims to make Europe climate-neutral by 2050. It is also trying to build post-COVID-19 economic stimulus packages around the goals of the Green Deal. All these initiatives stress the urgent need to commit to a more sustainable corporate social responsibility (CSR) in a more integrated recovery process.

In this regard, Zhao [9] claimed that sustainability-oriented investments became a necessity to manage the corporate goals and revise the risk management of the companies for potential future crises in a way that decreases the inequality among the wider society. Hence, the responsible practices should surpass the philanthropic responsibility by setting practical factors; they are likely to guarantee an organizational readiness to promote an inclusive business model. It establishes the core to strategize the CSR practices and specially to respond to the critical challenges caused by the pandemic.

Khan et al. [10] have claimed that firms with strong ratings on material sustainability issues have better future performance than firms with inferior ratings on the same issues. In contrast, firms with strong ratings on immaterial issues do not outperform firms with poor ratings on these issues. Finally, firms with strong ratings on material issues and concurrently poor ratings on immaterial issues have the best future performance.

To integrate a strategic CSR and get financial outcomes from CSR practices, the strategic aspects of CSR must be involved into the core business activities [11]. Actually, the financial crisis of 2008–2009 has highlighted this important link between CSR investments and the financial performance. Specifically, the firms practicing intense CSR earned stock outcomes about four to seven percentage points higher than firms ignoring the CSR practices [12]. In general, the concept of CSR is no longer considered as exclusively a moral or social responsibility to respond to the stakeholders' needs. It evolves to an integrated strategic process adopted to increase the financial performance, the reputation, and customer relationships [13]. This concept has developed at the macro-level as well as the corporation level by involving the social and economic issues [14].

In contrast, the response to the crisis has revealed many irresponsible corporate behaviors such as the dismissal of employees; Disney, for instance, stopped paying 100,000 workers while the remuneration of its director was USD 65.6 million in 2018 and USD 47 million in 2019. In fact, the problem of greenwashing has emerged even during the pandemic in order to acquire social legitimacy, build better relationships with stakeholders, and create a green brand image.

Recently, Yin and Jamali [15] examined within the framework of strategic CSR whether Multinational Companies Subsidiaries (MNCs) in the emerging market of China are generating profits while satisfying the local stakeholders' needs and acknowledging the obligations of the parent company. Their findings provide evidence that MNCs in China are creating a social and economic value simultaneously [15]. On the other hand, Yu and Liang [16] tried to explore the determinants of strategic CSR; they concluded that product market competition does not contribute to the implementation of CSR strategically, while corporate reputation and customer awareness impact the engagement in strategic CSR positively [16]. Similarly, Vishwanathan et al. have determined four attributes that intervene in the positive association between CSR and corporate financial performance (CFP) and thus, identify the strategic CSR [17]. Besides, several Governance dimensions such as board gender diversity, the presence of foreign directors, age diversity lead to more socially responsible initiatives [18].

Moreover, Yousfi and Loukil [19] debate the aspects of CSR strategies, which are divided into strategic CSR and passive CSR, the former can be explained as the socially responsible activities that go beyond the usual CSR principles and common practices. The latter includes defensive, charitable, and promotional CSR strategies that aim to satisfy the stakeholders' basic needs [19]. Besides, Maury [20] determined the main business strategies (prospector and growth strategies) through which CSR can generate a better corporate performance. The prospector strategy focuses on the innovation, which explains the importance of this process to attain a strategic CSR [20]. Within the framework of COVID-19, Bae et al. [21] have examined the stock market returns of CSR companies and its resilience toward this pandemic in the American market. They have concluded a positive association during the crisis in a condition of consistent and genuine CSR [21].

Hence, there is a need to better overcome the narrow view on CSR and better understand what is exactly essential to simultaneously realize profits and guarantee a social legitimacy, otherwise, gain a social and economic value [22], by determining the factors through which CSR can be qualified as strategic [23].

Thus, the strategic CSR is an important trend worthy of being investigated to be able to differentiate between strategic behavior and greenwashing.

This chapter aims to distinguish between sustainable CSR strategies and those that seek compliance and purpose-washing. It assesses the factors able to promote the conceptualization and strategization of CSR that are likely to drive a win-win behavior.

The remainder of this chapter is organized as follows: section 2 presents the relevant theories of strategic CSR to determine the key elements that distinguish the strategic CSR from other practices. We define the greenwashing to better encounter this issue and define the classification of greenwashing and the elements that can deter this issue, in the section 3. Finally, last section makes conclusion.

2. The determinants of strategic CSR

2.1 Definition of strategic CSR

The concept of CSR was defined as a structure of pertinent standards, programs, and strategies associated with economic, legal, ethical, and organizational aspects in compliance with communities' expectations to generate a social good [24]. It can combine more key areas such as: ethics, governance, transparency, business relationships, financial outcomes, community collaboration, product quality, employment rights, better workplace, conservation of natural resources, and respect of environment [25].

Several motivations encourage companies to engage in socially responsible activities, five fundamental ones were mentioned by Weber [26]: CSR has a positive impact on the corporate reputation and on the level of employee commitment. It could boost the sales, increase market share, and attenuate the systematic risks [26]. Besides, according to Polonsky and Jevons , the possible reasons to adopt CSR practices involve: boosting the financial performance, contributing to market value, guaranteeing a more general positive impact on societal stakeholders, keeping good relationship with customers, and improving product quality [27].

However, this concept still ambiguous and presents different types of implementations among the companies such as strategic and responsive CSR.

In this regard, Nijhof and Jeurissen [28] claimed that combining economic dimension with social aspects is essential in order to implement the CSR pillars and especially the ethical principles in the decision-making. It encourages the managers to intervene in social standards in the business model and make this model sustainable and grounded on a real social engagement [28]. In fact, this process is likely to enhance the CSR strategization and the implementation of strategic CSR [29].

Actually, to take dynamic social decisions while generating financial outcomes, recently, Yin and Jamali [15], Vishwanathan et al. [30], Yu and Liang [16] tried to explore the determinants of the strategic CSR, seek how to create positive profitability from the resources and capacities available in the firm, and emphasize the strategic relationship between the CSR and the value creation. In this regard, Lee and Lu [5] compared the impact of the COVID-19 on the "CSR companies' stock price and non-CSR companies' stock price." Their findings demonstrate the resistance of the sustainable companies toward the pandemic, which were less affected by the pandemic and more able to recover faster from the crisis' outcomes. However, the industry category intervenes in the link between CSR and stock price and makes the COVID-19 affect the stock market differently [5].

For instance, the banking and insurance and aviation industries illustrate better financial performance in the context of non-CSR companies.

Besides, Yin and Jamali [15] studied the design of CSR implemented in China by Multinational Companies Subsidiaries. They aim to assess whether they take into consideration the strategic CSR, apply responsible practices in the host emerging countries, respond to the local stakeholders' needs, and guarantee a resident legitimacy or just acknowledge the obligations of the parent company and ignore the socially responsible activities in the host countries. By using a semistructured interview method between June 2012 and July 2014 and categorizing the data into thematically relevant categories based on NRBV, Burke et Logsdon, porter et Kramer, stakeholder theory [15].

Their findings reported that Multinational Companies Subsidiaries in China adopt the CSR engagement strategically to develop social credibility, avoid the green skepticism, and create an economic value for the companies. Nevertheless, these findings are inconsistent and inconclusive. Jamali [29], for instance, demonstrated that Multinational Companies Subsidiaries in Lebanon are neglecting the needs of local stakeholders and the CSR approaches are generally oriented to respond to home stakeholders' needs and disconnected from the local requirements. Besides, incorporating organizational structure, leadership dynamics, firm size, and contextual factors may impact the MNC subsidiaries' CSR approaches and intervene in promoting a dual outcome financially and socially [31].

Hence, strategic CSR corresponds to the highest level of commitment and implies a more global implementation of CSR within a company, whereas (2) reactive CSR is mainly governed by external constraints.

Strategic CSR is a relevant and promising research area [32]. Furthermore, the scarcity of studies concerning the channels that lead to strategic CSR [33] drive us to identify these determinants and to explore why organizations reveal different levels in terms of CSR strategies.

Integrating CSR activities into the core business operations and balancing between the needs of shareholders and other stakeholders drive to economic and social value and enhance the competitiveness; this approach is called strategic CSR. On the other hand, Hlioui and Yousfi [34] and Yousfi and Loukil [19] have shown that strategic CSR drives more pioneering socially responsible initiatives than responsive CSR and leads to more sustainable financial performance as well as more socially and environmentally responsible innovation. They define the strategic CSR as an active and dynamic strategy not just limited to the basic stakeholders' needs and reporting standards, it encourages the company to innovate socially, organizationally and to create new processes and products. They claimed that a scare number of studies have focused on differentiating between responsive and strategic CSR [19].

Thus, in order to go beyond the narrow view on CSR, generally associated with ethical practices, more studies should be conducted to review the design of sustainability among companies and to identify the channels that are likely to drive it.

2.2 Relevant studies related to the strategic CSR

To understand better the strategic CSR, we tried to gather all the relevant studies and theories related to this concept to shift from "explicitly normative and ethics-oriented studies to implicitly normative, strategic- and performance-oriented research" [35]. These theoretical frameworks can be complementary according to Yin and Jamali [15].

We start by the first theoretical model, the stakeholder theory published by Freeman [36], which emphasizes the importance of taking into consideration the stakeholders' expectations while undertaking practices that create wealth for shareholders, simultaneously. In this regard, Garriga and Melé [37] claimed that CSR is a strategic instrument permitting to involve the companies' responsibilities toward the communities into business activities to generate economic profits, acquire social compliance, and promote a greater legitimacy [37]. Moreover, Donaldson and Preston distinguished between the concept of stakeholders, the stakeholder model, stakeholder management, and stakeholder theory [38]. In the conventional approach, companies must satisfy the interests of stakeholders equally. However, recent research explores the importance of addressing the interests of powerful stakeholders before those of regular stakeholders. For instance, Yunus et al. provide evidence on the role of government, media, and creditors in the adoption of carbon management strategies in Australia [39]. On the other hand, Haddock-Fraser and Tourelle studied the positive impact of customers on the disclosure of environmental information particularly related to climate change [40].

Actually, the stakeholders who are more considered powerful are institutional investors and customers [41], because they have a strong ability to direct the orientation of companies toward the socially responsible activities and the Sustainable Development Goals (SDGs). Hence, the presence of these actors can be considered as a key factor to promote the implementation of CSR practices.

The second model is the natural resource-based view (NRBV) introduced by Hart [42] to analyze the link between the natural resources and corporate innovation, specifically how it could deal with the environmental issues and increase competitive advantages. According to Hart [42], the resource-based theory did not take into consideration the interconnection between corporation and its external environment. Hence, he identified three strategic factors to implement the NRBV: pollution prevention, product stewardship, and sustainable development. Each of these is likely to drive different environmental actions. Pollution prevention aims to eliminate the pollutants from the chain supply and decrease the hazardous waste to generate lower costs and better efficiency. Product stewardship seeks to integrate the environmental issue into the product life cycle by using convenient materials and setting environmental management principles. On the other hand, the sustainable development strategy is not limited to the environmental dimension and includes economic and social issues [42]. Despite the involvement of these external elements, Hart [42]'s NRBV model is limited and focuses only on the environmental factors. Hence, it is substantial to consider a study that implements the CSR broadly involving different stakeholders' needs.

The third model that can explain the strategic CSR is proposed by Burke and Logsdon [43], who presented five strategic dimensions as a core of the business activities: centrality (the adequacy of social activities with the firm's mission and objectives), proactivity (the ability to be visionary and "anticipate emerging economic, technological, social or political trends in the absence of crisis," voluntarism (making decisions in the absence of external requirements), visibility (practicing CSR activities in compliance with the stakeholders' needs), and specificity (the ability to derive economic benefit from CSR activities). Voluntarism, centrality, and proactivity are based on the CSR planning and positioning. The remaining dimensions are focusing on the economic benefits of the CSR commitment [43]. This model was widely discussed: for instance, Husted and Allen [44] tested the Burke et Logsdon's model [43] drawn on a sample of 110 large Spanish companies. They showed that visibility, appropriation, and voluntarism, unlike centrality and proactivity, have the most influential effects on corporate innovation [44].

The fourth theoretical framework provided by Porter and Kramer [45–47] differentiates between strategic CSR and responsive CSR. It considers citizenship practices as a key factor to generate value creation and improve the strategies and capacities [45]. They have claimed that the combination of strategic CSR and the core business competencies leads to a competitive advantage, which is called "the shared value." It is a requirement to increase the firm success [46]. Porter and Kramer [47] believe CSR strategies should be rethought considering both economic and social value. Creating shared value is therefore an opportunity to increase business income.

In fact, moving beyond tensions and trade-offs, Porter and Kramer [47] argue that shared value can be created by reviewing products and services through the value chain (e.g., cost reduction) and through cluster development [47]. By taking a strategic approach, companies can select the activities they have in the value chain, the necessary resources to devote to being socially responsible as well as choose those activities that will strengthen their competitive advantage [46]. For instance, in Nestlé, CSR programs are central to the core business of the company. In order to ensure the highest-quality ingredients for the company's chocolate, Nestlé works with all members of its global supply chain to spread best agricultural practices and technology, especially in underdeveloped countries. These practices result in sustainable development, supplier loyalty, and high-quality chocolate [46].

The fifth theoretical framework is suggested by Vishwanathan et al. [30], who studied strategic CSR by defining pillars to integrate it into the core of business strategies and therefore contribute to financial performance. Based on the causal approach of Goertz, which defines the most relevant attributes moderating the interaction between two concepts [48]. They have determined the most relevant causal attributes controlling the relationship between strategic CSR and financial performance. Hence, four mechanisms have been defined: reputation enhancement, risk mitigation, innovation capacity, and stakeholder reciprocity, in order to qualify CSR activities as strategic and guarantee a financial performance [17].

1. Improving reputation: Zerbini indicated that reputation is considered a strategic factor that could be enhanced through the application of strategic CSR [49]. Moreover, Axjonow et al. claimed that CSR permits a good reputation, which promotes competitiveness and guarantees business legitimacy [50].

Firm reputation and brand value can also complement a differentiation strategy. If the advantages created through CSR investments resist competition, a CSR strategy may create sustainable competitive advantages that can generate sustained abnormal future profitability.

2. Stakeholder reciprocity: According to Liang and Renneboog, companies no longer seeking value maximization and increased profits as their sole objective [51]. Tantalo and Priem argue that strategic CSR activities should create shared value for different stakeholder groups [52].

3. Risk mitigation: to decrease corporate risks, Cui et al. demonstrated that ESG disclosure decreases the information asymmetry [53].

4. Improving innovation capacity: Cegarra-Navarro et al. showed that promoting innovation is included in the CSR mechanisms and generates a financial performance [54]. Besides, the implementation of strategic CSR standards builds a sense of belonging in the workplace: it encourages employee creativity and productivity [55]. Therefore, it motivates employees to work and innovate through individual initiatives [56]. Similarly, Ioannou and Hawn considered that undertaking sustainable CSR initiatives is "building a sustainable competitive advantage in the long term through synergistic link of financial principle as well as environmental and social principles" [57].

The sixth model is set up by Yu and Liang [16], who assessed the level of strategic CSR through three new dimensions that are pace, relatedness, and consistency by referring to Tang et al. [33]. The pace detects whether the CSR is involved into the business activities conveniently and rapidly [58, 59]. Based on the path dependency theory, which is "a central construct in organizational research, used to describe a mechanism that connects the past and the future in an abstract way," consistency in the implementation of CSR will help firms accumulate and absorb CSR knowledge, develop complementary resources in a regular manner. According to Vermeulen and Barkema [60], consistency in CSR engagement indicates that a firm involves itself with CSR activities in a systematic and regular manner. Finally, the relatedness of a CSR engagement strategy refers to the similarities in the resources, skills, and knowledge required by the different CSR dimensions in which a firm engages. Hence, relatedness is used "to measure the degree of relatedness among different aspects of CSR" and whether companies can generate social performance and financial performance from additional activities [61] and to examine whether the companies are maintaining positive stakeholders' relationships they have used the aspect called consistency.

This model has highlighted the importance of the stakeholder's implicit demands, which are not explicitly claimed in any contract such as the promises of favorable work conditions, to implement a strategic CSR. Besides, they have illustrated the crucial role of customers in the strategic orientation of CSR, the conscious consumerism or customer awareness enforces the companies to adopt strategic CSR into their business practices to keep a positive relationship with the customers. Moreover, building a solid corporate reputation is a key element to maintain a strategic position and apply sustainable practices.

Hence, this study sheds light on the aspects that impact firm's corporate visibility, for instance, customer awareness and stakeholder's implicit demands and which promote the strategic CSR orientation.

According to Yu and Liang, the corporate reputation, the customer awareness, and the consideration of stakeholders' implicit have a significant impact on the level of strategic CSR [16].

Briefly, the anterior studies tried to define the key elements of strategic CSR; however, few researchers have determined the factors contributing to strategize CSR during crisis. Hence, based on the previous theoretical framework, we review the main features of strategic CSR that promote its implementation among business practices.

2.3 The characteristics of strategic CSR

Generally, the strategic CSR can be characterized as follows:

First, strategic CSR is a process reflecting the interactional link between the stakeholders' needs and the firms' objectives and practices. In fact, firms meeting stakeholders' requirements are setting objectives compliant with these requirements, which generates CSR practices and social advantages.

The relationship between corporations and stakeholders is based on the communication strategy that takes into consideration the influence of CSR on the stakeholders' well-being [62]. Lima and Greenwood have compared the benefits of two corporate communication strategies to reach CSR objectives [63]. For instance, communication strategies or "stakeholder responsiveness strategy" [64]. The most ordinary kind of CSR communication is to highlight the practices of companies for the public interest, mainly when the company causes damages so the CSR practices and its communication is considered as reactive answer to potential constraints, it can be called stakeholder information strategy [65].

On the other hand, the stakeholder engagement strategy [66] is based on the stakeholder perspective. Modern companies are setting more and more interactive relationship with stakeholders to achieve more than corporate self-interests [66]. Moreover, stakeholder involvement must be reported as a corporate sustainability standard to define the social responsibility level, which reflects the social value generated through the implementation of strategic CSR.

Besides, Lim and Greenwood [63] found that each kind of CSR communication strategies is contributing to reach financial objectives and social goals; however, the CSR communication grounded on stakeholder involvement has more pronounced effects on the fulfillment of CSR objectives [63].

Similarly, Park and Ghauri have explored powerful stakeholders' groups significantly impacting CSR initiatives in small and medium enterprises, in emerging countries [67]. They found that consumers are the most powerful actors as they are likely to drive companies to undertake more responsible activities. The managers and the local communities play an important role, too. These stakeholders can be considered as the most dominant and noteworthy actors influencing the engagement of companies in CSR initiatives. One explanation that has been tested by Du et al. is that consumers can change their products to find a green product associated to socially responsible company [68]. This is consistent with the fundamental influence of consumers' attitude toward the lack of CSR activities and its important effect on the corporate profitability and growth. On the other hand, many businesses can use CSR activities as a way to influence customers' behavior. Accordingly, the responsible engagement could influence the customers' behavior [69].

In fact, by using a specific CSR communication strategy to attract the consummation of green products, customers contribute actively to the growth and profitability of the firm. Simultaneously, these actors associate the products with the company ethics and practices of the company, which forces firms to adopt more strategic CSR practices [69].

Another important actor impacting CSR initiatives is the presence of institutional investors. It is highly argued that institutional investors have the ability to direct the orientation of companies toward the socially responsible activities and to respect the Sustainable Development Goals (SDGs).

After, the introduction of environmental and social legislation, socially responsible investment is no more a choice for investors, but it is mandatory in the United States, for instance. This kind of investment contributes to a low long-term risk on the investment and better corporate reputation, which guarantee the long-term prosperity of the firm. Similarly, in the United Kingdom, the institutional investors involve the socially responsible investments into their assets to respond to the legal and social constraints [70]. Hence, the presence of institutional investment could impact positively the implementation of sustainable practices.

Second, adopting strategic CSR should generate social and financial outcomes. Actually, to pursue a strategic orientation, the mechanisms of strategic CSR must be integrated into the core business activities in order to boost the internal value chain activities of companies and accelerate its external competitiveness [17].

Hence, the shift from an announced strategy to an operational strategy (strategy as practice and interactive model) is an important key element of the strategic CSR. In this case, CSR can be adopted to help companies realize their strategic, economic, and social objectives, this process is called strategization [71].

Moreover, Maury [20] found that combining the strategic CSR with the convenient business strategies, notably, growth and prospector strategies can contribute to enhance financial performance and competitive advantage. They have claimed that socially responsible investment (SRI) is linked to an economic profit under the condition that CSR initiatives are involved in the right business strategies [20].

Recently, Kong et al. [72], Maury [20] confirm that companies implementing prospector strategy are more engaged in the sustainability practices since, it makes the firm acquire more intangible resources than other business strategies [72]. In fact, the prospector companies seek to launch new products and explore new markets in the context of decentralized structure. They promote flexible technological and management innovations. Accordingly, the CSR itself can be considered as a feature of this innovation. Besides, strategic CSR promotes considerably this aspect. On the other hand, defensive CSR strategy focuses on economies of scales with limited efforts to explore new markets in a centralized structure that does not contribute to the promotion of CSR initiatives.

However, acting irresponsibly and neglecting CSR standards is a serious problem for the companies because it can reduce the financial outcomes and impact the corporate performance negatively. Thus, as claimed by Garriga and Mele , CSR can be considered a fundamental aspect to reach economic objectives and guarantee the survival and growth of firms [73]. Besides, associating business activities to CSR practices may change firms' values [74]. In fact, behaving in a socially responsible way contributes to decreasing the operating expenses and enhances, therefore, the financial performance [75]. Ensuring sustainable corporate growth can be achieved by responding to the stakeholders' needs and implementing CSR actions [76]. The adoption of CSR is a signal of the presence of firms' value and the consideration of stakeholders' expectations.

Third, engaging in CSR practices strategically aims to enhance image quality to gain legitimacy the stakeholders' eyes. Consumers concerned about CSR could buy more products from socially responsible companies, which improves their financial performance [77, 78]. Besides, CSR practices increase employees' involvement and loyalty, which improves employees' work conditions. This virtuous circle enhances the financial performance progressively [79].

In this context, several studies have highlighted the crucial role of corporate reputation to make CSR practices enhancing the financial performance. For instance, in the context of Twain companies, Lai et al. emphasized the mediation role of reputation between CSR and brand performance [80]. As well as for Australian firms, Galbreath and Shum found that reputation is enhancing the benefits generated from CSR initiatives [81]. Similarly, Saeidi et al. confirmed that CSR initiatives could boost the financial outcomes through specific channels such as the reputation and customer satisfaction [82]. Hence, the reputation can be strongly associated with the company's level performance [83].

Lately, Singh and Misra argued that corporate reputation can be explained with the social identity theory [84], as Turban and Greening claimed: CSR initiatives enhance the corporate reputation, which makes stakeholders identify themselves with the company and make the employees more attracted [85]. In fact, firm reputation is described as a set of conceptual features collected from its past actions and drive stakeholders to draw a forecast on its future profitability and differentiate the company from their rivals [86]. It is recognized as an important intangible asset that can be maintained or destroyed CSR benefits [87]. This asset makes the company attracting more customers and investors, which reflects the capacity of the firm to consider the stakeholders' interests. Furthermore, similarly to the impact of the quality product on the corporate reputation, the CSR engagement has a valuable impact on the notoriety of the business activity among the resident community [88]. Hence, several prior studies have revealed the positive effect of the CSR on the corporate reputation by highlighting its link to the customers' behaviors [80] or by illustrating its influence on the employee commitment.

Accordingly, Nguyen et al. [89] stated that as a result of the CSR engagement, corporate reputation can progressively increase and improve, therefore, the business revenue, build a competitive advantage, and generate an enhanced corporate performance. They studied the impact of CSR on corporate reputation and the mediating role of the latter concept on the relationship between ethical leadership and firm performance. They found a positive connection between the four concepts. They identified a positive impact of CSR on the corporate reputation. In fact, the orientation toward strategic CSR can improve the corporate reputation among the employees and the local community, which could increase the business revenues [89].

Hence, the connection between CSR and corporate performance is pertinent in order to avoid negative social and economic externalities that can occur if the company does not respect the legal and regulatory requirements [90].

Besides, a positive link between corporate reputation and firm performance was identified. Moreover, the firms implementing CSR approaches into their business strategies make the firm gain a good reputation and thus, generate performance financially and socially notably by retaining customers and building a competitive advantage [91].

Singh and Misra [84] have studied the moderating effect of corporate reputation on the association between CSR and organizational performance, they have found a positive impact of CSR on organizational performance, and this relationship is moderated by the corporate reputation. In fact, the firms with a better reputation are more pressed to adopt CSR strategy. In fact, stakeholders' perception of corporate reputation and the efforts undertaken by the business, especially among the local community and customers, defines reputation-CSR-organizational performance association. They conclude that managers have to consider the customers, employees, and community requirements, when defining CSR strategies and the organization objectives. In fact, CSR could be a perfect instrument to direct the company toward the organizational performance in the context of European multinational firms located in India and corporate reputation moderates the link between CSR toward customers, employees, and community, which strength this association [84]. Hence, the CSR engagement builds a better image based on authentic principles oriented toward stakeholders.

Companies must come across all these interconnected aspects when designing their CSR strategy to be able to achieve a better financial performance. Briefly, three basic characteristics have been recurrent in the above discussion: the involvement of stakeholders' expectations into the core of business activities, the enhancement of corporate reputation and financial performance. We notice, however, that they have been examined separately. It would be interesting to construct a general proxy for strategic CSR based on theoretical frameworks mentioned in order to promote the strategization of CSR.

2.4 Strategization of CSR

The CSR strategy must be well studied theoretically to overcome the philanthropic and simplistic views of CSR. It is a differentiation that can be a business objective or a strategic planning implemented into the corporate strategy [89].

To strategically incorporate CSR activities into the core practices of businesses, we rely the Jarazabkowski's model [92]. It defines the strategization as a process by which a strategy is integrated into the organizational behavior and the culture of the company. In fact, Jarazabkowski [92] set strict circumstances to qualify an activity as strategic, such as these activities must be goal-oriented, firstly.

Besides, Jarzabkowski's model of strategization revolves around the triangular interplay and reciprocal influence between management and the organizational community and strategy, the following features are all verified for the case of CSR practices because, strategic CSR aims to generate social and economic value by intervening all the stakeholders' expectations into the CSR initiatives in a studied way, which prove its capacity to be strategized [93].

Also, the theoretical framework of Vishwanathan et al. [17] is more integrative and includes common aspects with the other previous models such as the reputation. Hence, the factors that can determine the strategic orientation of CSR are customers' awareness, the presence of powerful stakeholders, the enhancement reputation, the empowerment of innovation, and the risk mitigation [17]. However, to the best of our knowledge, they have set up the theoretical framework of what should be a sustainable CSR strategy without being tested empirically, yet.

Hereafter, we define the greenwashing, determine its types and the main factors that can reduce this problem.

3. Understanding and reducing the greenwashing behavior

3.1 Definition

To distinguish between the sustainable companies and the "greenwashers," we delimit the concept of greenwashing. In fact, the Coronavirus pandemic has had an enormous impact on employees and companies around the world. Despite the relevance of some responsible business practices, many companies manifested irresponsible behaviors during the crisis. For instance, Amazon signed in September 2019 a climate pledge fund and hired 175,000 new workers in the United States, to overcome the absence of many workers, during the pandemic without doing much to decrease the risks related to the COVID exposure. This example of bad employment conditions and practices of Amazon during the pandemic emphasized the irresponsible business practices of some companies that diffuse a positive communication and good corporate image to the stakeholders. In fact, in order to acquire social legitimacy, build better relationship with stakeholders, and create a green brand image, the problem of greenwashing has significantly emerged even during the pandemic.

The Concise Oxford English Dictionary (2018) defines greenwashing as: "Disinformation disseminated by an organization so as to present an environmentally responsible public image; a public image of environmental responsibility promulgated by or for an organization, etc., but perceived as being unfounded or intentionally misleading." Besides, Yu et al. consider the "greenwashers" as companies that reveal a transparent public image and disclose a big quantity of ESG information; however, it has a poor ESG performance [94].

3.2 Types of greenwashing

According to Siano et al., the greenwashing can be classified into two classes: decoupling or "symbolic management" [95]. The decoupling or "sin of fibbing" is determined by TerraChoice as the false disclosure of the companies regarding their sustainable actions. The symbolic management is based on an attention deflection: it refers to obscuring irresponsible business practices or selecting the data disclosed or diffusing an ambiguous communication [96].

Yu et al. identified three types of greenwashing [94]:

- The first type of greenwashing consists of manipulating disclosure to promote the company and overestimate its real environmental performance [97]. Indeed, companies adopting "greenwashing" try to hide their poor environmental performance by disclosing large amounts of environmental data to mislead their stakeholders. According to Radu and Francoeur, environmental performance is positively associated with its environmental disclosure [98]. On the other hand, by studying US electricity distribution companies, Kim and Lyon found that companies can choose to less communication about their environmental achievements, which is called a strategy of "brownwashing" [99].

- The second type of greenwashing is selective disclosure aimed at misleading investors. Some researchers define greenwashing as companies selectively declaring positive environmental information but hiding negative information [97].

- The third type of greenwashing simply focuses on product-level greenwashing rather than firm-level greenwashing [100]. For instance, Testa et al. assert that strategies focusing on product quality positively influence the adoption of certifiable environmental management systems (EMS) such as in ISO 14001 and EMAS, which have become common practices for greening businesses in many industries [101].

Generally, the greening strategies can be classified into substantive strategies and symbolic strategies; the former is explained as the implementation of the sustainable practices, the latter refers to discrepancy between the positive communication and the application of responsible actions [102]. The substantial greening strategies have a positive impact on the environmental and economic performance of new firms and reflect the attempt of new firms to acquire sustainable business models to establish positive stakeholders' relationships. The symbolic strategies can destroy the companies' reputation and harm its profitability [102].

Hence, to reduce the greenwashing behavior, Yu and Chen [94] studied the key elements that can eliminate this concern. Their findings demonstrate the importance of the responsible ownership (intuitional investors) to avoid the problem of greenwashing among corporations. In fact, ownership structure influences CSR issues and responsible investment globally [94]. Hence, studying it from different angles such as the diversity in the ownership structure can lead to a better CSR disclosure by identifying the owners' categories who are concerned about CSR. Also, whenever the number of owners increases, the controlling actions are more valuable and contribute to the corporate performance. This could explain the positive effect of the total ownership concentration on the firm performance.

Previous studies show that investors are more and more aware of their important impact on the social community, nowadays. However, it depends on the investor category: governmental investors are more concerned about the stakeholders' interest and act in the favor of the reputation of the company, generally.

Besides, the institutional investors notably, the hedge funds and the private equity, always owning a major part on the firm's capital make them prudent in the decision-making and attentive about the corporate responsibility issues. For example, Brickley et al. [103] argue that institutional stockholders having large power and asymmetric information advantages tend to be more actively involved in firms' decisions than other stockholders. By exercising substantial voting power, institutional investors have the ability to influence a firm's operational decisions [104]. In fact, empirical research also provides evidence that institutional ownership may be positively related to voluntary disclosure of CSR. For example, El-Gazzar [105] argues that firms with high level of institutional ownership are related to a high level of voluntary disclosure. Boone and White [106] find that a higher proportion of institutional ownership helps to increase the firm's information disclosure and enhance the transparency of the firm.

Their prior objective is to obtain better profits by decreasing the financial risk. Moreover, the presence of the foreign investors among the ownership structure can be a reason for adopting new approaches that take into consideration the long-term advantages, which explains the approval of the CSR approaches. Besides, Abrahamson and Park reveal that companies supervised by their investors and boards are disclosing more extra-financial data [107]. Furthermore, the Ben-Amar et al.

drawn on Canadian companies show that the board effectiveness has a positive impact on the carbon disclosure quality [108]. More recently, Nofsinger et al. have shown that the presence of institutional investors' holdings promotes the two potential drivers of investment decisions, which can be considered complementary: the social standards and the economic motivations [109].

3.3 CSR disclosure and firm performance

The CSR disclosure is the communication of the firm's practices about the consequences of their activities on their workforce, community, and the environment [110]. Besides, according to Bowman [111], Laskar and Maji [112], Platonova et al. [113], Pham and Hiền [114], it reflects the firm behavior regarding CSR, firms can act proactively by exceeding the mandatory requirements and the stakeholders' predictions concerning the CSR disclosure or just acting reactively by complying with the stakeholders' demands [115]. They have illustrated the link between CSR disclosure and firm performance by considering the moderation effect of corporate reputation and "CEO integrity." As the CSR disclosure can reveal approximately the level of CSR initiatives adopted, the authors have founded a positive association between these two variables, explained by two theoretical bases, stakeholder theory and legitimacy theory [115]. Besides, prior studies show that firms with good performance are more likely to engage in more CSR activities and disclose their CSR activities to avoid regulation [116].

Generally, taking into consideration the stakeholder theory makes the company avoid making decisions damaging the stakeholders' well-being and directing the company toward the main corporate goals. Besides from the legitimacy perspective, behaving ethically makes the company gain its legitimacy in the eyes of local communities, the investors, and the other stakeholders.

First, based on previous studies, corporate reputation is an immaterial asset that creates competitive advantage and financial outcomes, this concept is guaranteed by adopting CSR practices and ESG disclosure, which, in turn, affect the firm performance positively. Hence, the corporate reputation can contribute to reduce the greenwashing.

Besides, the companies that are cross-listed are less submitted to greenwashing, cross-listed firms are scrutinized more closely when their shares are listed on external stock exchanges. As cross-listing means that a company has its shares listed on at least one international stock exchange in addition to its home country. Cross-listed firms may have less incentive to greenwash in ESG issues and try to avoid irritating external stakeholders. The presence of independent directors, for example, Cuadrado-Ballesteros et al. claimed that a higher percentage of independent directors impact the level of CSR positively [117]. However, Chintrakarn et al. [118] showed that higher percentage of independent directors induce a significant reduction in CSR investment. Moreover, during the pandemic, the CSR engagements has decreased due to the presence of the independent directors [118].

The convenient environment with less corruption and more civil and political rights more scrutiny and pressure from the public can also lead to more reliable corporate disclosure in ESG issues. All these aspects can have an impact on the level of corporate social responsibility (CSR) information disclosure [94].

Hence, previous studies confirm that stakeholder theory makes company disclose more CSR information to provide positive signal on their CSR performance. We believe that corporate reputation can contribute positively to CSR performance. However, the presence of independent directors may impact the CSR disclosure negatively especially during crises.

Despite the amount of studies on greenwashing channels and effects even during sudden events, very few studies have focused on the elements decreasing the misleading disclosure holistically. More studies should be conducted to analyze these issues and to identify the appropriate policies to handle them.

4. Conclusion

The COVID-19 health crisis obliges the companies to maintain a level of social commitment that aligns CSR involvement with the core business objectives.

The adaptation of CSR to the pandemic is therefore essential by thinking of the changes in responsible approaches, a great challenge to avoid a social crisis requires the integration of CSR at the heart of the company's overall strategy. After analyzing different theoretical approaches of the strategic CSR and greenwashing, we believe that an integrative view can lead us to distinguish between sustainable companies and the "greenwashers" through the extraction of common key aspects on the different models. We believe that the model of the Viswanathan model, customer awareness, scrutiny from institutional investors can differentiate between firms adopting sustainable models and those applying the greenwashing concept especially in the most drastic crisis periods, the examples of good practices during the COVID-19 pandemic should encourage national governments to make the necessary decisions regarding the development of CSR and the implementation of the Sustainable Development Goals.

Finally, we think that the characteristics mentioned in this study to review the design of CSR and the factors that can impact the adoption of CSR especially in the wake of crisis are studied in the context of France; hence, future research can study broadly this concept in other contexts for a broad sample. Another avenue for further research would be to examine the impact of strategic CSR on the stock market returns during the COVID-19 and in the post-crash period to examine whether this strategy drives a better resilience.

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