Introduction

Businesses worldwide are increasingly worried about the impact of their business activities on society. They also recognize that the world they live in presents a growing array of demands, pressures and risks that are not signaled through markets or the traditional political processes on which they have relied for a very long time. Thus, many have implemented into their operation the so-called corporate social responsibility (hereinafter also CSR) that aim to balance their operations with the concerns of internal and external stakeholders such as employees, customers, suppliers and business partners, labour unions, local communities, non-governmental organizations (hereinafter also NGOs) and governments. By its very nature CSR is a complex, multiform phenomenon emerging as the interface between enterprises and society. Social and environmental consequences have started to being weighed against economic gains and short-term profit against long-term prosperity by the businesses in order to maintain long-term sustainable growth and development (Polasek, 2010).

Corporate Social Responsibility Concept

Defining Corporate Social Responsibility (hereinafter also CSR) has not been and will not be an easy task as there the most likely will not be a generally agreed definition. In some cases the definition has been distorted by researchers so much that the concept becomes morally vacuous, conceptually meaningless, and utterly unrecognizable or CSR may be regarded as the panacea, which will solve the global poverty gap, social exclusion and environmental degradation (Adkins, 1999)

One of the key challenges in studying and implementing responsible business practices has been the lack of commonly agreed definition of CSR. The term CSR is often used interchangeably with others, including corporate responsibility, corporate citizenship, business in society, social enterprise, sustainability, sustainable development, triple bottom line, societal value-added, strategic philanthropy, corporate ethics, and in some cases also corporate governance. There are also clear links between these terms and those relating to socially responsible investments, community investing, social capital, and collaborative governance. In the business community, CSR is alternatively referred to as corporate citizenship, which essentially means that a company should be a “good neighbour” within its host community. The experts in each of these areas can
offer sound reasons, why their term is different from the others. However, it is not within the scope of this dissertation to review all these different definitions and their mutual connections, but to provide a summarized opinion on CSR’s definition and its “synonyms”.

**Corporate Social Responsibility from Broader Perspective**

Closely related to corporate social responsibility and often quoted as its final objective is the idea of sustainable development. The principle of sustainable development isn’t too old. In 1987 the Brundtland Commission (Corsano 2008), offered its initial definition of “Sustainable Development”, which is: "Development that meets the needs of the present, without compromising the ability of future generations to meet their needs." (Corsano 2008), In general terms, sustainable development refers to large global problems, like population control, global climate change, pollution of the environment, water shortage, and human rights issues. Essentially, it's about systems and limits. Sustainability in the corporate context refers to what corporations can contribute to solving these global problems. And one of the most important means that a company can utilize in fighting global issues and directing company to sustainable development is CSR concept.

**Current Development in Corporate Social Responsibility**

Recent theories of CSR assert that firms engage in “profit-maximizing” CSR (Corsano 2008). That is, companies are assumed to be socially responsible because they anticipate a benefit from these actions. Examples of such benefits might include reputation enhancement, the ability to charge a premium price for its output, or the use of CSR to recruit and retain high quality workers. These benefits are presumed to offset the higher costs associated with CSR, since resources must be allocated to allow the company to achieve adequate CSR status, i.e. adequate level of CSR.