Abstract

Matten and Moon (2009) theorize that societal expectations for corporate social responsibility (CSR) are implicit in Europe while those in the US are explicit. They argue that differences in CSR practices between Europe and the US reflect their respective societal expectations that vary along an Implicit-Explicit continuum. Implicit CSR is intrinsically woven into societal expectations while explicit CSR is conscious and calculated. However, likely due to the difficulty in empirically capturing societal expectations, their model remains to be validated. To address this gap, we develop a Societal Expectations Index (SEI) using a business system approach (Whitley, 2002) to empirically capture societal expectations. Our SEI identifies two factors upon which national societal expectations for CSR is based: 1) Stakeholder orientation that captures the extent to which society protects the rights of diverse stakeholder groups; and, 2) Culture which captures a society’s orientation for the role of the collective state versus that of the individual. Using this measure, we compare the implicit-explicit variation in the association between SEI and CSR practices. Our results provide empirical support for the implicit-explicit framework that explains the differences between European and US CSR practices and provides insight into differences in CSR practices within Europe. Implications for theory and practice are discussed.

Keywords Corporate social responsibility, societal expectations, implicit-explicit