

# DIVERSIFICATION VERSUS SPECIALIZATION: A NEW AGENDA FOR CSR

## Introduction

In recent years, various standards and national action plans have been formulated to integrate, disseminate, and shape framework for corporate social responsibility (CSR) as well as environmental, social, and governance ESG criteria [European Union, 2022]. As a result, the imperative to adopt unique pro-social and pro-environmental practices has intensified, given their crucial role in achieving meaningful social and environmental impacts [e.g., Porter, Kramer, 2006; Harjoto, Jo, 2011]. Rather than simply conforming to institutional pressures and aligning with their competitors or market partners, organizations may achieve greater benefits by differentiating their operations through unique strategies and processes tailored to stakeholders needs [Luo, Bhattacharya, 2006; Porter, Kramer, 2011]. Consequently, the scope of CSR research has expanded significantly in the literature. Despite growing evidence of the benefits associated with enhancing corporate social performance, organizations still vary widely in their social and environmental activities [Brower, Mahajan, 2013].

Firms respond to social responsibility expectations through unique and multifaceted voluntary behaviors [Saridakis, Angelidou, Woodside, 2020]. This raises a crucial question: why and how do organizations engage in CSR? According to Deloitte's 2019 survey, the majority of CEOs (59%) allocate between 1% and 5% of their companies' revenues to CSR commitments [Deloitte, 2019]. At the same time, two-thirds of surveyed CEOs reported increasing their budgets for such activities in the two years preceding the survey. This leads to an important consideration: what strategies are companies adopting for CSR spending?

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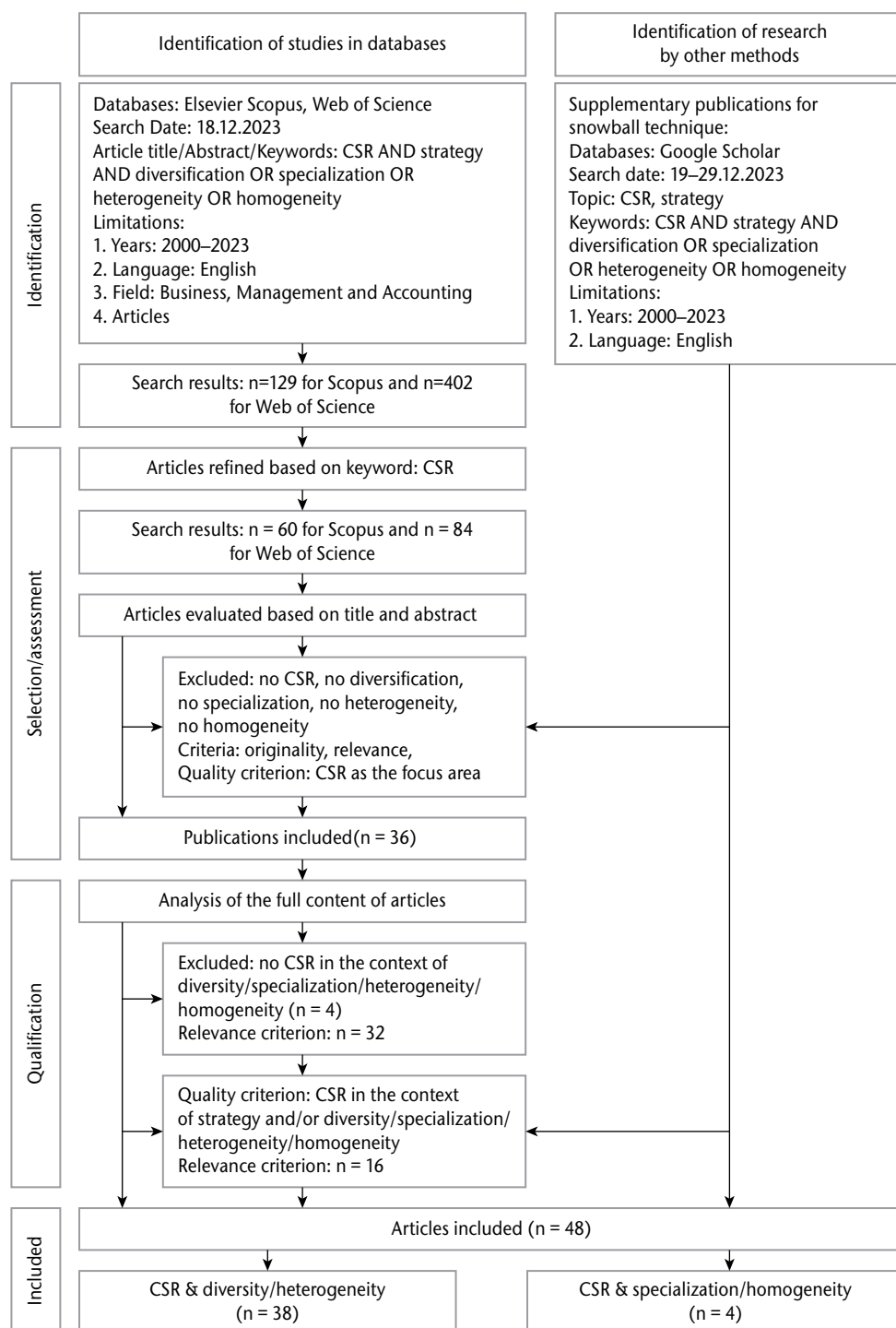
Until recently, CSR research mainly focused on the different scopes of CSR activities [Wang, Choi, 2013]. Relatively few studies incorporated the dual perspective of specialization or diversification – i.e., the heterogeneity or homogeneity in social and environmental strategies and activities [e.g., Tang, Hull, Rothenberg, 2012; Brower, Mahajan, 2013; Mazutis, 2013; Wang, Choi, 2013; Cavaco, Crifo, 2014; Fu et al., 2019]. However, over the last decade, this perspective has been shifting. Consequently, the links between CSR strategies and activities, as well as heterogeneity and homogeneity of organizational strategies and activities, have begun to be explored in greater depth [e.g., Taran, Betts, 2015; Singh, Mittal, 2019; Velte, 2023].

Therefore, the primary aim of this study is to contribute to this discussion in two ways. Firstly, it explores the intricate connections between organizational strategies – whether diverse and specialized and corporate social responsibility. Secondly, it examines the impact of diverse and specialized CSR strategies and activities on organizations. To address these objectives the following research questions have been formulated: What are the specific diversification and specialization strategies and activities adopted by organizations, and how do they impact their CSR? What types of heterogeneous and homogeneous CSR strategies and activities are prevalent, and how do they affect organizations? Looking ahead, what are the potential areas for future research regarding diverse and specialized CSR strategies and their implementation?

These questions aim to deepen our understanding of the dynamic interplay between organizational strategies and CSR practices. To answer them, a systematic literature review is conducted, involving a comprehensive analysis of 48 unique scholarly articles. This study provides three significant contributions to the existing literature. First, a thorough synthesis and critical review of the existing literature is provided, focusing on the intricate relationships between diverse or specialized organizational strategies and CSR. Second, the strategic interplay between specialization and diversification within the CSR domain is explored, uncovering nuanced insights into how these strategies align or diverge in practice. Finally, a future research agenda is developed to guide and inspire subsequent studies. These contributions advance theoretical understanding while offering practical insights for organizations seeking to align their strategies with CSR objectives.

The article is structured as follows: Section one outlines the methodology used in the systematic literature review. Section two presents the findings, focusing on the interplay between heterogeneity and homogeneity in organizational strategies and activities in relation to CSR. Section three discusses the implications of these results. Finally, the article concludes with a summary of findings, limitations, and directions for future research.

Figure 1. Publication selection scheme based on PRISMA methodology



Source: own study.

## 1. Research Methods

To address the research objectives and questions, a systematic literature review (SLR) was conducted, following the methodology proposed by Paul and Criado [2020] and aligned with the PRISMA guidelines [Page et al., 2021]. In addition, the snowball sampling technique, as recommended by Wohlin [2014], was used to comprehensively gather key research themes from highly cited publications. The study also integrates comparative analysis with descriptive techniques, enabling a thorough and nuanced exploration of corporate social responsibility and its diverse strategies, activities, and programs.

The systematic literature review process involved several consecutive steps, which are graphically depicted in Figure 1. To identify relevant scientific publications, two databases were used: Web of Science and Elsevier Scopus. The following search terms were used in both databases: “CSR” AND “strategy” AND “diversification” OR “specialization” OR “heterogeneity” OR “homogeneity”, covering publications from 2000 to 2023. This initial search yielded 129 results in Scopus and 402 in Web of Science within the field of Business, Management, and Accounting. To refine these results, we applied a keyword filter, “CSR” for greater precision. This process resulted in identifying 60 relevant articles in Scopus and 84 in Web of Science.

After a thorough review of titles and abstracts using Zotero, 36 articles were chosen for full text review. Overlapping publications between Scopus and Web of Science were excluded to ensure uniqueness and relevance. Following the full-text review, 4 articles were excluded, leaving 32 articles for inclusion. To expand this pool of relevant articles, the snowball search technique was employed using the Google Scholar data base. This approach effectively identified highly cited articles and key contributions from leading scientific journals. This method brought in an additional 16 articles, culminating in a total of 48 scientific papers subjected to full content analysis.

## 2. Results

The systematic literature review on organizational strategies – whether diverse or specialized – and corporate social responsibility provides nuanced insights into the effects and implementation of CSR across varied organizational practices, highlighting their multifaceted nature. The findings span a wide range of topics, categorized into two primary approaches: diversification or heterogeneity and specialization or homogeneity, with a clear predominance of the former.

Within diversity-oriented approach, the review results identify the following groups of factors:

- Stakeholder management: studies demonstrate the varied levels of influence and impact of CSR activities, suggesting that tailored approaches to different stakeholder groups can reflect unique opportunities and mitigate risks [Fu et al., 2019; Singh, Mittal, 2019].
- Boards and top management teams gender diversity: gender diversity within boards and top management teams (TMTs) positively affects CSR. However, the relationship is complex and influenced by multiple factors, such as geographical location and executive roles [Toumi, Khemiri, Makni, 2022; Wu, Furuoka, Lau, 2021].
- Ownership structure: the type of institutional ownership (IO) affects CSR spending preferences, with long-term, sustainable, and foreign IO being associated with better CSR outcomes [Manogna, 2021; Velte, 2023].
- CSR strategy and design: various CSR strategies have been identified, with some focusing on integrating CSR into core business strategies and others adopting a more specialized approach [Pérez, del Bosque, 2012; Crotty, Holt, 2021].
- International business: the degree of internationalization and the role of international diversification in CSR have been scrutinized, revealing both positive and negative associations [Cho, Chun, Choi, 2015; Ma et al., 2016].
- Value Creation: research indicates that diversified CSR structures and CSR differentiation can positively influence firm value and market performance [e.g., Handriani, Wahyudi, Muharam, 2016; Zhang, Wang, Zhou, 2020].

Regarding specialization and homogeneity in CSR strategies and activities, the review highlights several key factors that influence the effectiveness of their implementation:

- Selective CSR strategies: specialized CSR strategies within an industry may yield more effective resource acquisition from stakeholders [Nardi et al., 2020].
- CSR involvement: the specific mix of CSR characteristics and the context of CSR initiatives can determine the impact of CSR involvement [Saridakis et al., 2020].
- Non-financial reporting: consistency in reporting standards, such as the Global Reporting Initiative (GRI), enhances non-financial reporting credibility [García-Sánchez et al., 2022].

Across both approaches – diversification or heterogeneity and specialization (homogeneity) – research findings argue for a nuanced approach to CSR. They suggest that neither heterogeneity nor homogeneity in organizational strategies and practices within the context of CSR should be seen as universally applicable or beneficial. Instead, the effectiveness of CSR strategies is contingent upon the specific context of the organization, including its industry, ownership structure, and stakeholder expectations. The summary of the SLR's findings is encapsulated in Figure 2, which summarizes the continuum between these two approaches and presents advantages and challenges associated with each approach in the context of corporate social responsibility.

Figure 2. Strategies and CSR: Diversification and heterogeneity vs. specialization and homogeneity

Approach	Category	Theme	Overview	Studies
Diversification/Heterogeneity	Stakeholders	Stakeholder management	Different levels of influence and impact over organizations	Singh & Mittal (2019)
			Linking CSR activities and directions with heterogeneous stakeholder groups	Taran & Betts (2015)
			Distinct CSP profiles reflect different opportunities and risks in stakeholder management	Fu et al. (2019)
			Characteristics of the stakeholders influence a firm's CSP	Brower & Mahajan (2013)
			Heterogeneity on boards leads to more ESG and environmental, and less social and governance disclosure	Toumi et al. (2022)
			Geographical location of boards matters. Female status as an indicator moderating the BGD–CSR relationship	Wu et al. (2022)
		Gender Boards Diversity (GBD) and Top Managements Teams (TMTs) diversity	Gender diversity has a positive effect on CSR	Padungsaksawasdi & Treepongkaruna (2023)
			Negative relationship between the heterogeneity of top management team (TMT) and firm performance	Lee, Liu and Yu (2021)
			Positive effect of diversity in the boards and TMTs on CSR	Prudêncio, Forte & Crisóstomo (2021)
			Gender diversity on boards is multifaceted, with varying female directors' impact on CSR disclosure	Ramon-Llorens et al. (2021)
			Proportion of female executives in the executive teams influence CSR performance	Lu et al. (2019)
			Significant positive relationship between BGD and CSR performance	Wu, Furuoka & Lau (2022)
	Ownership	Employees' perceptions	Presence of women in bodies responsible for business strategy	Amorelli & García-Sánchez (2020)
		Institutional ownership (IO)	Employee perceptions of corporate citizenship underlie corporate citizenship behavior	Pacheco et al. (2018)
		Ownership structure	Different categories of institutional investors have different preferences for CSR spending	Manogna (2021)
			Long-term, sustainable, and foreign IO leads to better ESG/CSR outputs	Velte (2023)
			Being a group-affiliated firm does not motivate to invest in CSR to improve financial performance	Lee (2018)

Approach	Category	Theme	Overview	Studies
Diversification/Heterogeneity		CSR strategy	Diagnosis of eight different strategic approaches to CSR	Crotty & Holt (2021)
			Reframing strategic corporate responsibility with a contender perspective	Heikkurinen (2018)
			Disengaged Corporate Social Strategy (CSS) is negatively related to Corporate Financial Performance (CFP)	Mazutis (2010)
	Strategy	Philanthropy strategy	Philanthropic actions incorporated into the core business through corporate philanthropy strategy	Arco-Castro et al. (2020)
		Business strategies	Integration of CSR into business strategies	Pérez & del Bosque (2012)
		Strategy design	Designing a strategy that address social issues and also provides business benefits	Sekhar Bhattacharyya et al. (2008)
	International business	International diversification	Degree of internationalization (DOI) is positively related to firms' CSR scores	Ma et al. (2016)
			International diversification (ID) is negatively associated with CSR	Cho, Chun & Choi (2015)
			Driving role of international diversification on CSR capability	Sun & Xu (2023)
		Peers and focal firms	Influence of peers' CSR on focal firms' CSR	Long & Zhang (2021)
		Market value	Customer satisfaction partially mediates the relationship between CSR and firm market value	Luo and Bhattacharya (2006)
		Value creation	Social Responsibility Diversification positively influenced the company value	Handriani, Wahyudi and Muharam (2016)
	Value	Creating Shared Value (CSV)	Multiple external and internal factors influence a firm's ability to pursue a CSV strategy effectively	Menghwar & Daood (2021)
		Value creation	Diversified CSR structures positively affect a firm's value	Bouslah et al. (2023)
		Market value	Differentiation in CSR leads to more-favorable analyst recommendations and higher market value	Zhang, Wang & Zhou (2020)
		Financial performance	Dimensions of CSR mediate the relationship between CSR and financial performance	Cavaco & Crifo (2014)
		Shared value	Simultaneous economic and social value creation for the benefit of the economy and society	Porter and Kramer (2011)

cont. Figure 2

Approach	Category	Theme	Overview	Studies
Diversification/Heterogeneity	CSR activities and spending	Corporate Philanthropy	Philanthropic donations offer insurance-like benefits	Luo, Kaul & Seo (2021)
		CSR activities	CSR involvement positively influences activity diversification and thus mitigates risk-taking	Shao et al. (2023)
		Heterogeneity in CSR investments	Positive impact of heterogeneity in CSR investments on accounting reporting	Song & Rimmel (2021)
		CSR spending	Diversity of corporate CSR spending based on type of ownership share of institutional investors	Manogna & Mishra (2021)
		Brand diversification	CSR involvement reduces idiosyncratic risk when firms operate a portfolio of brands	Ozdemir, Erkmen & Kim (2020)
Diversification/Heterogeneity	Other	Consumers' response	The structure of a CSR activity leads to consumers' different attributions	Gao (2009)
		Business Case	Retrospective analysis of diverse concepts of CSR to develop the business case for CSR	Carroll & Shabana (2010)
		Knowledge leakage	Threat of knowledge leakage increases strategic engagement in CSR	Flammer & Kacperczyk (2019)
		Social capital	Firms with high social capital have higher stock returns in times of financial crisis	Lins, Servaes and Tamayo (2017)
		R&D	Influence of CSR on R&D strategy diversification	Tian, Wang & Li (2021)
Specialization/Homogeneity	CSR strategy	Production structure	CSR focused firms are more productive and thus balance spendings on CSR with better production performance	Becchetti & Trovato (2011)
		Selective CSR strategies	Unique CSR strategies are more effective in accessing valuable resources provided by stakeholders	Nardi et al. (2020)
		CSR strategy	Organizations tend to specialize in CSR within the industry	Bouslah et al. (2023)
		CSR involvement	Impact on CSR involvement depends on the specific mix of CSR characteristics and the unique CSR situation	Saridakis, Angelidou & Woodside (2020)
		Non-financial reporting/disclosure	Homogeneity in one reporting standard (GRI) leads to better reporting credibility	García-Sánchez et al. (2022)

Source: own study.



### 3. Discussion: Diversification, specialization, and CSR – current perspectives

The approach to corporate social responsibility within organizations exhibits considerable variability. Crotty and Holt [2021] develop a framework identifying diverse strategic approaches and emphasizing the varied ways organizations can engage in CSR. Simultaneously, a need for reframing the connection between responsibility and strategy to propose a more holistic approach is being formulated [Heikkurinen, 2018]. Pérez and del Bosque [2012] highlight that while CSR is increasingly being integrated into business strategies, challenges remain, especially in aspects of communication and measuring results. Mazutis [2010] introduced the concept of corporate social strategy (CSS), revealing that the absence of CSR programs is a strategic choice and that organizations not engaging in CSS experience lower financial performance (CFP). At the same time, CSR conformity increases the attractiveness of a company's stock portfolio offering, while CSR differentiation leads to more favorable analyst recommendations and higher market value [Zhang, Wang, Zhou, 2020]. This suggests that companies can simultaneously align with a favorable range of CSR activities and vary their emphasis on them to achieve optimal differentiation. Consequently, a CSR initiatives framework that not only addresses environmental and social issues but also provide business benefits by emphasizing strategic alignment is needed [Sekhar Bhattacharyya et al., 2008].

The ability to engage in several areas of social responsibility at various levels gives organizations a range of options for positioning themselves, and diversification in CSR seems to broaden the scope of CSR initiatives. This impacts not only an organization's social and environmental footprint, but also its performance. Research findings by Shao et al. [2023] and Song and Rimmel [2021] provide insightful perspectives on diversification in CSR activities and spending, particularly in the banking sector. Banks actively engaging in CSR activities significantly increase the diversification of their banking operations [Shao et al., 2023]. Consequently, CSR is not just a peripheral activity for banks but is integrated into their core business strategies. On the other hand, Song and Rimmel [2021] examine the heterogeneity of CSR investments and their impact on earnings quality. By classifying firms as underinvesting or overinvesting in CSR activities, they uncover that underinvestment in CSR is positively associated with accrual-based and real earnings management, negatively affecting earnings quality. Interestingly, for firms overinvesting in CSR, the relationship between CSR overinvestment and earnings management is not significant, suggesting a more complex dynamic.

The relationship between diverse CSR activities, value creation, and firm performance has been explored through various lenses, revealing complex and multifaceted

connections. Seo, Luo, and Kaul [2021] delve into the diversity of corporate donations, uncovering a positive link between such diversity and corporate profitability. Similarly, Nardi et al. [2020] find a positive correlation between the breadth of CSR activities undertaken by organizations and their market value. However, they note that this relationship might weaken when companies spread themselves too thin across multiple intensive CSR areas, suggesting a need for strategic focus in CSR engagement. In an earlier study, Cavaco and Crifo [2014], demonstrate the potential for heterogeneity in CSR activities. They investigate whether there is complementarity and/or substitutability between different dimensions of CSR that lead to higher financial performance. They discover that while human resources and business behavior toward customers and suppliers are complementary in enhancing financial performance, environmental aspects and business behavior toward customers and suppliers can substitute for each other. Similarly, Handriani, Wahyudi, and Muharam [2016] focus on the implementing Social Responsibility Diversification (SRD) as a means of creating firm value. Their study concludes that SRD positively influences company value, underscoring the effectiveness of diversifying CSR efforts to enhance a company's worth.

Other studies discuss creating shared value (CSV) as proposed by Porter and Kramer [2011], and emphasize that there is no universal method for achieving it [Menghwar, Daood, 2021]. Multiple external and internal factors influence an organization's ability to pursue an effective CSV strategy, indicating the need for a nuanced approach that considers both strategic and ethical perspectives.

Research findings on stakeholder management underscore the differentiated influence and impact that various stakeholder groups exert on organizations. The complexity arising from stakeholder heterogeneity and resulting conflicts, especially in the context of ambiguity and uncertainty in CSR decision-making, presents challenges. Taran and Betts [2015] recommend reactive alignment and proactive advocacy strategies to help reconcile these conflicts and select CSR activities that best reflect the collective interests of stakeholders. Brower and Mahajan [2013] contribute to this discourse by examining how stakeholder characteristics influence the effectiveness of a company's corporate social performance (CSP). Their findings indicate that responsiveness to the diverse stakeholder expectations, particularly in the face of heightened scrutiny and potential risks, prompts companies to expand the breadth of their CSR activities. Moreover, a strategic focus on marketing and value creation is particularly effective in addressing diverse stakeholder demands, resulting in a broader spectrum of social and environmental initiatives.

Research on heterogeneity in boards of directors and top management teams (TMT) provides valuable insights into the relationship between diversity within these groups and corporate social responsibility. Gender diversity emerges as a critical factor positively influencing CSR performance [Prudêncio, Forte, Crisóstomo, 2021; Wu,

Furuoka, Lau, 2021; Padungsaksawasdi, Treepongkaruna, 2023]. Studies highlight the importance of geographical location and gender parity as moderating factors, suggesting that the relationship between BGD and CSR is stronger in North American firms and those located in countries with higher gender parity. At the same time, board regional diversity correlates with more environmental disclosures but fewer social and governance disclosures [Toumi, Khemiri, Makni, 2022]. Simultaneously, Ramon-Llorens, Garcia-Meca, and Pucheta-Martínez [2021], who also highlight the diverse impact of female directors on CSR disclosure, caution against viewing female directors as a homogeneous group. They argue for recognizing the nuances in their influence, which depend on factors such as experience, background, and ownership roles.

Contrary findings are observed withing top management teams by Lee, Liu, and Yu [2021] who explore the impact of TMT heterogeneity on firm performance, with the mediating role of environmental policy. Their findings indicate a complex interaction, where educational and tenure diversity within TMTs negatively impact organizational performance, although this effect can be moderated by organizational slack. Inconclusive research results in this respect are demonstrated by a U-shaped relationship between the proportion of female executives and CSR performance, in which CSR performance first decreases and then increases again [Lu et al., 2019]. The results indicate that female executives, especially those with international experience, are notably effective in enhancing CSR performance when operating within a supportive institutional environment.

The relationship between international diversification and CSR has been a focus of several studies, each exploring different aspects and dynamics of this interaction. Cho, Chun, and Choi [2015] find a negative association between international diversification and domestic CSR activities, particularly pronounced in conglomerate (chaebol) firms. This suggests that as organizations diversify internationally, particularly through exports and foreign affiliates, there may be a tendency to reduce CSR activities in their home markets. Conversely, other research findings indicate that the degree of internationalization (DOI) is positively related to firms' CSR scores [Ma et al., 2016]. However, this impact is nuanced: geographic diversification (GD) negatively moderates the relationship between DOI and CSR, while project diversification (PD) positively moderates it. Similarly, Sun and Xu [2023] examine how international diversification affects CSR capability, considering market dynamism and competition intensity. Their analysis demonstrates that international diversification significantly enhances CSR capability, with this relationship being stronger in more dynamic and competitive environments.

Diversification in ownership structures plays a significant role in influencing corporate social responsibility activities, as evidenced by research from various scholars. Manogna and Mishra [2021] and Manogna [2021] studied the impact of

different types of institutional investors on firms' CSR activities. Their findings reveal that lending institutions, foreign institutional investors (FIIs), and mutual funds (MFs) are supportive of CSR investments. Furthermore, long-term institutional investors moderate the positive relationship between corporate sustainability and future financial performance, further supporting the business case for corporate social responsibility [Velte, 2023].

The concept of homogeneity in CSR activities and strategies reveals different facets across industries and organizations. While organizations often align their CSR activities with broad industry standards, they also strive to create distinctive strategies within these frameworks [Saridakis, Angelidou, Woodside, 2020]. Organizations adopting unique CSR strategies tend to have a lower market value compared to those implementing a broad spectrum of socially and environmentally responsible activities, as shown by Bouslah et al. [2023]. Their study examines the CSR activities of American listed companies, revealing a trend towards CSR specialization, with most companies focusing on a single CSR dimension. This specialization varies by industry, and the chosen CSR dimension differs even among similar industries. Bouslah et al. [2023] also find that companies with greater international operations, larger sizes, and more financial resources tend to diversify across multiple CSR dimensions. Importantly, their findings indicate that diversified CSR structures positively impact a company's value, particularly during financial market crises. At the same time, Nardi et al. [2020] emphasize the varying patterns of CSR investment observed within identical industries. They propose that distinct CSR strategies, marked by superior performance in specific CSR categories, may be more successful in securing valuable resources from particular stakeholders. Their research reveals a positive correlation between the distinctiveness of a company's CSR performance and its market value.

## Conclusion

The management of social responsibility activities embodies a holistic management philosophy rather than a standardized set of operations. It presents an opportunity for organizations aspiring to integrate their activities across various facets and dimensions of CSR [Aguilera et al., 2004]. This integration enables organizations to achieve a unique position of optimal distinctiveness, standing out in one area while concurrently differentiating their CSR activities in another [Bouslah et al., 2023]. Consistency in CSR activities is a crucial and valued factor in the market, attracting loyal customers and business partners alike. Therefore, integrating CSR as a core component of management strategy is essential [Cronqvist, Yu, 2017], particularly during times of crisis [Lins, Servaes, Tamayo, 2017]. Considering the diverse range of possible activities and varying levels of their implementation,

organizations have an extensive array of combinations at their disposal to shape their CSR commitment. Consequently, there is no definitive answer to whether specializing or diversifying CSR activities is more advantageous for organizations. However, much of the research in the field of CSR concerning heterogeneous and homogeneous strategies predominantly focuses on stakeholder analysis and management. These aspects are integral to understanding CSR strategies [e.g., Tang, Hull, Rothenberg, 2012; Flammer, Kacperczyk, 2019] and their competitive dynamics [e.g., Cao, Liang, Zhan, 2019; Ioannou, Serafeim, 2019; Zhang, Wang, Zhou, 2020]. Therefore, it can be confidently stated that contemporary CSR is fundamentally grounded in stakeholder theory, as outlined by Freeman [1984]. Moreover, effective CSR strategies balance the integration of social and environmental goals with stakeholder engagement, business goals, operational effectiveness, and strategic alignment, thereby achieving both social and financial benefits. CSR strategies are not one-size-fits-all but require a multifaceted approach tailored to each organization's unique characteristics and strategic objectives.

These findings provide an in-depth perspective on the intricate relationship between corporate social responsibility and various elements of business operations, strategies, and market performance. Nevertheless, acknowledging the inherent limitations of this study is essential. One limitation is the reliance on manual searches for the systematic literature review, which may have led to the omission of relevant studies, thereby impacting the breadth and depth of the findings. Moreover, crucial research outside the selected criteria – such as unpublished studies, books, or papers not indexed in the chosen databases – may have been excluded, potentially resulting in publication bias. Furthermore, despite the aim for objectivity, the process of selecting and interpreting studies inherently carries a risk of subjectivity. The decision-making process regarding which studies to include and how to interpret their results can be influenced by the reviewers' perspectives.

The future research agenda in the field of CSR, as well as diversification and specialization strategies, is rich with potential, building upon key themes identified in this study. There is a need for more in-depth research on the effects and impacts of diversification and specialization strategies in CSR, particularly how they influence CSR and firm performance, as suggested by Song and Rimmel [2021]. This includes exploring the implementation of social responsibility diversification (SRD) as a means of firm value creation [Handriani, Wahyudi, Muharam, 2016] and shared value creation [Menghwar, Daood, 2021].

Additionally, investigating U-shaped relationships presents a promising direction, such as the link between CSR and R&D [Tian, Wang, Li, 2021], CSR and environmental performance [Long, Zhang, 2021], and female executives and CSR performance [Lu et al., 2019]. Further research could also explore the effects of standards in non-financial reporting [García-Sánchez et al., 2022], and the responses of peer firms

to the CSR practices of focal firms [Lee, 2018; Long, Zhang, 2021]. The relationship between stakeholder group heterogeneity and the ambiguity and uncertainty of CSR decision-making [Taran, Betts, 2015], the role of CSR in risk mitigation [Ozdemir, Erkmen, Kim, 2020], the impact of top management team and board diversity on CSR performance [Lee, Liu, Yu, 2021, and the effect of international diversification on CSR performance [Sun, Xu, 2023] are all areas for further exploration. Each of these themes offers a pathway to deepen our understanding of CSR's multifaceted role in contemporary organizational strategies and practices.

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## DIVERSIFICATION VERSUS SPECIALIZATION: A NEW AGENDA FOR CSR

### Abstract

The purpose of this study is twofold. Firstly, it seeks to explore the intricate connections between organizational strategies that are either diverse or specialized and corporate social responsibility (CSR). Secondly, it aims to investigate how diverse and specialized CSR strategies and activities impact organizations. A systematic literature review, complemented by a snowball search method, forms the basis of this research involving a comprehensive analysis of 48 unique scholarly articles. Furthermore, the study integrates comparative analysis with descriptive techniques. The research results elucidate key connections between organizational strategies, whether diverse or specialized, and corporate social responsibility (CSR) strategies and actions, encompassing both heterogeneous and homogenous approaches. It offers detailed insights into how CSR is affected and implemented across various organizational practices, highlighting their complex nature. The findings span a broad spectrum of topics, falling under two primary categories: diversification (or heterogeneity) and specialization (or homogeneity), with a notable emphasis on the former. Regarding the limitations of the research, the methodology of the systematic literature review included a manual search, which may have overlooked certain pertinent publications. Although there was an intention to maintain objectivity, the selection and interpretation of studies intrinsically involve a potential for subjectivity. Nonetheless, the paper organizes and systematizes knowledge regarding the key links between diverse and specialized strategies and corporate social responsibility (CSR). To the best of the authors' knowledge, this is the first study of its kind in this domain.

**KEYWORDS:** CSR, STRATEGY, DIVERSIFICATION, SPECIALIZATION

**JEL CLASSIFICATION CODE:** M14

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## DYWERSYFIKACJA A SPECJALIZACJA: NOWA AGENDA DLA CSR

### Streszczenie

Cel niniejszego opracowania jest dwojaki. Po pierwsze, jego zadaniem jest zbadanie wielowymiarowych powiązań między strategiami dywersyfikacji i specjalizacji organizacji a ich społeczną odpowiedzialnością (CSR). Po drugie, jego celem jest prześledzenie, w jaki sposób zróżnicowane i wyspecjalizowane strategie działania CSR wpływają na organizacje. Systematyczny przegląd literatury, uzupełniony wyszukiwaniem publikacji metodą „śnieżnej kuli”, stanowi podstawę badań obejmujących kompleksową analizę 48 unikalnych artykułów naukowych. Ponadto badania uwzględniają również analizę porównawczą i metody opisowe. Ich wyniki rzucają światło na kluczowe powiązania między strategiami organizacyjnymi, zarówno dywersyfikacji, jak i specjalizacji, a strategiami i działaniami CSR, obejmującymi zarówno podejście heterogeniczne, jak i homogeniczne. Wyniki badań przedstawiają wpływ wdrażania społecznej odpowiedzialności w praktykach organizacyjnych, podkreślając ich złożony charakter. Wyniki obejmują szerokie spektrum zagadnień, należących do dwóch głównych kategorii: dywersyfikacji (lub heterogeniczności) i specjalizacji (lub homogeniczności), z wyraźną przewagą tego pierwszego. W zakresie ograniczeń badania należy podkreślić, że dla celów systematycznego przeglądu literatury zastosowano wyszukiwanie ręczne, co mogło spowodować pominięcie niektórych istotnych publikacji. Pomimo dążenia do obiektywizmu, proces selekcji i interpretacji badań z natury niesie ze sobą ryzyko subiektywizmu. Niemniej jednak niniejszy artykuł porządkuje i systematyzuje wiedzę dotyczącą kluczowych powiązań pomiędzy strategiami dywersyfikacji i specjalizacji a społeczną odpowiedzialnością biznesu. Zgodnie z najlepszą wiedzą autorów, jest to pierwsze tego rodzaju opracowanie w tym obszarze.

**SŁOWA KLUCZOWE:** CSR, STRATEGIA, DYWERSYFIKACJA, SPECJALIZACJA

**KODY KLASYFIKACJI JEL:** M14