

# The role of CSR in foreign entry mode choice: Are local and global pressures important?

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## **Abstract**

This study examines the relationship between the foreign entry mode of a company and its global and the host country local corporate social responsibility (CSR). We hypothesize that, owing to transaction cost theory and according to institutional environment effect, the foreign entry mode chosen by a firm is related to both local CSR of the host country and its firm global CSR. A logistic regression model estimated with 489 foreign direct investments of 24 Spanish firms in 72 countries between 2002 and 2008 reveals firm patterns of behaviour regarding foreign entry mode and the two types of CSR. Thus, the probability of entry with a shared-control is greater and only significant in countries with “very high” local CSR. Likewise, the greater the global firm CSR, the more likely to choose a wholly-owned mode of entry. We conclude with a finding discussion, research limitations, and some avenues for further research.

**Keywords:** *Corporate Social Responsibility; Mode of entry; Institutional theory*

**Track:** Social Responsibility & Ethics