Abstract. This article presents a historical background of Corporate Social Responsibility (CSR) evolution since 1950s to the contemporary concept which represents CSR as a process to integrate social, environmental, ethical, human rights and consumer concerns into business operations and core strategy in close corporation with multi-stakeholders of enterprise. As we enlarged the scope of our research we found an extensive panorama of theories about corporate social responsibility, an abundance of approaches, and diverse descriptions of the models. Corporate social responsibility can be called corporate conscience, corporate citizenship, social performance, or sustainable responsible business. The first part of this research paper offers a historical overview of CSR, to facilitate the account from a thematic point of view which switching-over to the CSR evolution into different concepts.

Keywords: corporate social responsibility; ethics; sustainable development; sustainability, responsible behavior; stakeholders


JEL Classifications: L22, L24, L25

1. Introduction

Over the past two decades, the social and ethical behavior of enterprises more commonly known as Corporate Social Responsibility (CSR) have been the focus of social debate. During this time, the CSR has been progressing worldwide, but developing in a heterogeneous way. Variations exist in the conceptual terms of CSR, origins of the concept, paths of its development, the nature of stakeholder involvement, and in institutional aspects (regulation, and cultural-cognitive issues). This field has become the center of debate in which competing interests negotiate over issue interpretation (Hoffman, 1999). Corporate social responsibility (CSR) has experienced a journey that is almost unique in the pantheon of ideas in the management literature. Its phenomenal rise to prominence in the 1990s and 2000s suggests that it is a relatively new area of academic research (Crane, Matten, McWilliams, Moon & Siegel, 2009; Kunitsyna et al., 2018). The field of corporate social responsibility (CSR) presents a landscape of theories (Klonoski, 1991; Mele, 2008; Kubeš, Rančák, 2018), a proliferation of approaches (Garriga & Mele, 2004; Windsor, 2006), and different definitions of the concept (Carroll, 1979;
Fisher, 2004). According to Matten and Moon (2008), defining CSR is not easy. Firstly, because CSR having relatively open rules of application (Moon, Crane, & Matten, 2006). Secondly, CSR is an umbrella term overlapping with some, and being synonymous with other, conceptions of business-society relations (Matten & Crane, 2005). Thirdly, it has clearly been a dynamic phenomenon (Carroll, 1979; Matten & Moon, 2008). As we enlarged the scope of our research we found an extensive panorama of theories about corporate social responsibility (Klonoski, 1991; Mele, 2008; Martell, 2011), an abundance of approaches (Garriga and Mele, 2004; Windsor, 2006, Monni et al. 2017), and diverse descriptions of the models (Caroll, 1979; Fisher, 2004, Arbidane, Iveta Mietule, 2018). Corporate social responsibility can be called corporate conscience, corporate citizenship, social performance, or sustainable responsible business (Wood, 1991; Bilan, 2013; Vveinhardt and Andriukaitiene, 2017; Dobrovolskienė et al., 2018).

Some authors denounce a difference between the Canadian (Montreal school of CSR), the Continental European and the Anglo-Saxon approaches to CSR (Williams & Aiguilera, 2008). The field of empirical CSR research generally has been hampered by the lack of a consistent definition of the construct of CSR, as well as its operationalization and measurement, as recently pointed out by McWilliams and Siegel (2006) and Rodriguez, Siegel, Hillman and Eden (2006). They further explain the lack of universal definition about CSR and how it affects research. According to them there exist a few empirical studies which show cross-national differences in managerial attitudes towards CSR [...] this lack of consistent findings can be explained, in part, by the lack of a universal definition of CSR» (Williams & Aiguilera, 2008). In the first part of this article we offer a historical overview of CSR, to facilitate the account from a thematic point of view which switching-over to the CSR evolution.

2. An overview of Corporate Social Responsibility definition

In 1950, the main focus was on the responsibility of business to society, and to do good for society. In the 1960s, key events, people and ideas have played an important role in characterizing the social changes ushered in during this decade. In the 1970s, business leaders on traditional management functions in matters of corporate social responsibility, while in 1980, the business and social interests of the company came closer and become more responsive to their members. In the 1990s, the idea of CSR has become almost universally accepted, CSR also has been associated with the strategy literature, and finally, in the 2000s, CSR has finally become an important strategic issue (Madrakhimova, 2013; Boyko and Derun, 2016; Ushakov et al., 2017; Kliestik et al., 2017; Muniz et al., 2018; Orlova et al., 2018; Vegeera et al., 2018; Akhmetova et al., 2018; Mishenin et al., 2018; Bogdanović et al., 2018; Radwan, 2018). The beginning of a systematic analysis was initiated in the first research paper by Bowen’s ”Social Responsibility of a Businessman” published in 1953 (Bowen, 1953). Later, Carroll described CSR through a model that comprehensively describes essential aspects of corporate social performance. The three aspects of the model dressed major questions of concern to academic and managers like: What is included in Corporate Social Responsibility? What are social issues the organization must address? What is the organization’s philosophy or mode of social responsiveness? (Carroll, 1979). The fundamentals of the nature of Corporate Social Responsibility and CSR definition were elaborated in 1980s. This period elaborated the concept of “Business Ethics”, “Corporate Philanthropy“, “Corporate Social Policy”, and “Management of Stakeholders”. The principle research actors of that period were, Jones, Drucker, Patrick and Cochran, and Epstein. This research movement brought about the original definitions of CSR to be further developed and results in the subsequent research on CSR and alternative thematic frameworks. Corporate Social Responsibility (CSR) has experienced a journey that is almost unique in the pantheon of ideas in the management literature. It’s phenomenal rise in the rise to prominence in the 1990s and 2000s suggests that it is a relatively new area of academic research.

It is difficult to pinpoint exactly when the concept of social responsibility began to develop. Some date it to the beginning of the 1920s, with the creation of the concept of venture philanthropy that related to acts of an individual nature attributable to the owners rather than to internal policies of the company. However, previously in 1889, the industrialist, entrepreneur and philanthropist Andrew Carnegie, a US citizen of Scottish origin, published The Gospel of Wealth where he held that the life of an affluent businessman should comprise two parts, the first devoted to gathering and accumulating wealth and the second to the subsequent distribution of that
wealth for noble causes. Philanthropy was the way to make life worthwhile (Carnegie, 1889). In the 1930s, Edward Bernays and Harwood Childs, public relations specialists, forecasted that the issue of social responsibility would become increasingly significant in the future development of corporations. Bernays assured that a public relations advisor should be well informed of social changes and capable of proposing pertinent adjustments to organizational policies. Childs, on his part, stressed the analysis of the relations between a corporation and its environment (cited in Palavecino, 2007). Years later, in 1953, in book Social Responsibilities of the Businessman, Howard R. Bowen asked: What responsibility to society may businessmen reasonably be expected to assume? Most scholars agree that Bowen at that time marked the beginning of the modern era of social responsibility (SR) (e.g., Carroll, 1979; Butler, 1987; Wood and Cochran, 1984; Windsor, 2001; Spencer and; Tencati, Perinni, 2006; Secchi, 2007; Maak, 2008). There is no easy way to summarize how the concept of social responsibility was growing, however, if there was limited evidence of CSR thought in the 1950s and before, the decade of the 1960s marked a momentous growth in attempts to formalize or more precisely state what CSR meant. The term “corporate social responsibility” became popular and has remained a term used indiscriminately by many to cover legal and moral responsibility more narrowly construed (Richard T. De George, 2011).

One of the first, and most prominent scholars in thus period to define CSR was Keith Davis, who later extensively wrote about the topic in his business and society textbooks, later revisions, and articles. Davis poses forth his definition of social responsibility by arguing that it refers to: «Businessmen’s decisions and actions taken for reasons at least partially beyond the firm’s direct economic or technical interest» (Davis, 1960). Davis argued that the social responsibility was novelize idea but should be seen in a managerial context. He asserted that some socially responsible business decisions can be justified by a long, complicated process of reasoning as having a good chance of bringing long-run economic gain to the firm, this paying it back for its socially responsible viewpoint (Davis, 1960). Davis was one of the cutting edge with thus insights, inasmuch as this view became commonly accepted by the late 1970s and 1980s. Davis contributions to early definitions of CSR were so important that he should be considered as the runner-up to Howard Bowen for the «Father of CSR» designation ((The Oxford Handbook of Corporate Social Responsibility, 2009).

In the 1960s, there was a shift in terminology from the Social Responsibility of business to CSR. The notion that powerful organizations have to be accountable to society or else lose asserted ethical values became more frequent after the issue of business ethics started in the late 1970s, and some outstanding scholars, such as William C. Frederick (1960, 1986), expressed their concern over business responsibility and advocated a normative ethical foundation of CSR. One of his views is following: “Social responsibility in the final analysis implies a public posture toward society’s economic and human resources and a willingness to see that those resources are utilized for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms” (William C. Frederick, 1960) Clarence C. Walton, an important thinker on business and society, in a book Corporate Social Responsibilities (1967), addressed many facets of CSR addressing the role of the business firm and the business person in modern society. In this significant book, he presents a number of different varieties, or models, of social responsibility. His fundamental definition of social responsibility presented in a following quote: «... the new concept of social responsibility recognizes the intimacy of the relationships between the corporation and society and realizes that such relationships must be kept in mind by top managers as the corporation and the related groups pursue their respective goals...» (Clarence C. Walton, 1967).

Walton goes on to emphasize that the essential ingredients of the corporation’s social responsibilities include a degree of voluntarism, as opposed to coercion, an indirect linkage of certain other voluntary organizations to the corporation, and the acceptance that costs are involved for which it may not be possible to gauge any direct measurable economic returns (Clarence C. Walton, 1967). Despite a vast and growing body of the literature on CSR and on related concepts, defining CSR was not easy. At the core of CSR is the idea that it reflects the social imperatives and the social consequences of business success. Thus, CSR empirically consist of clearly articulated and communicated policies and practices of corporations that reflects business responsibility for some of the wider societal good. CSR is therefore differentiated from business fulfillment of core profit-making responsibility and from social responsibilities of government (Friedman, 1970).
Harold Johnson’s Business in Contemporary Society: Framework and Issues (1971), one of the first books of the decade to address CSR, presents a variety of definitions or views of CSR. Johnson proceeds to critique and analyse them. He first presents what he terms «conventional wisdom». Following is a definition that describes this conventional wisdom: «A socially responsible firm is one whose managerial staff balance a multiplicity of interests. Instead of striving only for larger profits for its stockholders, a responsible enterprise also takes into account employees, suppliers, dealers, local communities, and the nation» (Johnson, 1971).

It is worth noting that Johnson is alluding to a precursor of the stakeholder approach as he references a «multiplicity of interests» and actually names several of these specific interests-groups. It is clear that the interests of employees and philanthropy-recipients are no longer exclusive with respect to company’s CSR initiatives (The Oxford Handbook of Corporate Social Responsibility, 2009). A ground-braking contribution to the concept of CSR came from the Committee for Economic Development (CED) in its 1971 publication, Social Responsibilities of Business Corporations. The CED introduced this topic by observing that «business functions by public consent and it’s basic purpose is to serve constructively the needs of society – to the satisfaction of society (CED, 1971). The CED articulated a three circles notion of social responsibility. The inner circle includes the clear-cut basic responsibilities for the efficient execution of the economic function – products, jobs and economic growth. The intermediate circle encompasses responsibility to exercise this economic function with a sensitive awareness of changing social values and priorities: for example, with respect to environmental conservation; hiring and relations with employees; and more rigorous expectations of customers for information, fair treatment, and protection from injury. The outer circle outlines newly emerging and still amorphous responsibilities that business should assume to become more broadly involved in actively improving the social environment (ex. poverty and urban blight) (CED, 1971). It is important to note that the CED’s influential views of CSR was that the CED was composed of business people and educators and thus reflected an important practitioner view of the changing social contract between business and society and businesses’ newly emerging social responsibilities. Another significant writer on corporate social responsibility in the 1970s was George Steiner. In his textbook, Business and Society (1971), Steiner deferred to Davis’s and Frederick’s definitions of CSR but he did state his opinion on the subject as follows: «Business is and must remain fundamentally an economic institution, but... it does have responsibilities to help society achieve its basic goals and does, therefore, have social responsibilities. The larger a company becomes, the greater are these responsibilities, but all companies can assume some share of them at no cost and often a short-run as well as a long-run profit» (Steiner, 1971).

Steiner did not dwell on definitions, but he extended the meaning and circumstances under which CSR might be interpreted and applied. He discussed specific spheres in which CSR might be applied and presented (Steiner, 1971), he also presented criteria for determining the social responsibilities of business. Keith Davis opened the discussion of CSR in his landmark article presenting the case for and against business assumption of social responsibilities (Davis, 1973). He quotes two well-known economists and their diverse views on the subject. First, he quotes Milton Friedman whose famous objection is familiar to most. Friedman contended that «few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible (Friedman, 1962). Elbing (1970) describes the social responsibility framework (businessman has a responsibility more important than profit maximization), opposed to the economic framework (businessman has one singular responsibility to maximize profits of its owners). Yet, Davis counters this view with a quote by Paul Samuelson, another distinguished economist, who argued that «a large corporation these days not only may engage in social responsibility, it had damn well better try to do» (Samuelson, 1971). Above these observations, Davis in 1973 proposed to define CSR as follows: «For purpose of this discussion it (CSR) refers to the firm’s consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm».

The period of 1970s also gives reference on discussions about corporate social responsiveness (Ackerman 1973; Ackerman and Bauer, 1976), corporate social performance (CSP), as well as corporate social responsibility. The major writer who made this distinction was S. Prakash Sethi. In his research (1975), Sethi discussed ‘dimensions of corporate social performance’ and in the process distinguished between corporate behaviors that might be called «social obligation», «social responsibility», and «social responsiveness». Sethi presented
schema, where social obligation is corporate behavior «in response to market forces or legal constraints. The criteria here are economic and legal only. Social responsibility, by contrast, goes beyond social obligation. Sethi states: «Thus, social responsibility implies bringing corporate behavior up to a level where it is congruent with the prevailing social norms, values, and expectations of performance».

Sethi goes on to say that while social obligation is prescriptive in nature, social responsibility is perspective in nature. The third stage in Sethi’s model is social responsiveness. He regards this as the adaptation of corporate behavior to social needs. This stage is anticipatory and preventive (The Oxford Handbook of Corporate Social Responsibility, 2009). Dow Votaw’s (1972) articulated the concern that many writers in this period had with CSR. He stated: The term (social responsibility) is a brilliant one; it means something, but not always the same thing, to everybody. To some it conveys the idea of legal responsibility of liability; to others, it means socially responsible behavior in an ethical sense; to still others, the meaning transmitted is that of responsible for, in a causal mode; many simply equate it with a charitable contribution; some take it to mean socially conscious; many of those who embrace it most fervently see it as a mere synonym for ‘legitimacy’, in the context of ‘belonging’ or being proper or valid; a few see it as a sort of fiduciary duty imposing higher standards of behavior on business than on citizens at large. Preston and Post (1975), following the Votaw’s thinking, stated the following about social responsibility: «In the face of the large number of different, and not always consistent, usages, we restrict our own use of the term social responsibility to refer only to a vague and highly generalized sense of social concern that appears to underlie a wide variety of ad hoc managerial policies and practices. Most of these attitudes and activities are well-intentioned and even beneficent; few are patently harmful».

They lack, however, any coherent relationship to the managerial unit’s internal activities or to its fundamental linkage with its host environment. An important attempt to bridge the gap between economics and other expectations was offered by Archie Carroll (1979). His efforts culminated in the following proposed definition of corporate social responsibility: «The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time».

Carroll’s four categories or domains of CSR have been utilized by numerous theorists (Wartick and Cochran, 1985; Wood 1991; Swanson, 1995, 1999) and empirical researchers (Aupperle, 1984; Aupperle, Carroll, and Hatfield, 1985; Burton and Hegarty, 1999; Clarkson, 1995; Ibrahim and Angelidis, 1993; Mallott, 1993; O’Neill, Saunders, and McCarthy, 1989; Pinkston and Carroll, 1996; Smith, Wokutch, Harrington and Dennis, 2004; Spencer and Butler, 1987; Strong and Meyer, 1992; Grabara et al., 2016; Paulik et al., 2015; Gherghina and Vintilă, 2016; Vegera et al., 2018, Mishenin et al., 2018). Several business and society and business ethics texts have incorporated Carroll’s CSR domains (Boatright, 1993; Weiss, 1994) or have depicted the CSR Pyramid (Carroll and Buchholtz, 2000, 2003; Trevino and Nelson, 1995). According to Wood and Jones (1996), Carroll’s four domains have «enjoyed wide popularity among SIM (Social Issues in Management) scholars». Such use suggests that Carroll’s CSR domains and pyramid framework remain a leading paradigm of CSR in the social issues in management field. Due to the acceptance and impact of Carroll’s CSR contributions, it may be appropriate to re-examine his model to determine whether it can be modified or improved or if there is a possible alternative approach to conceptualizing corporate social responsibility. During the two periods since 1980s and 1990s, the responsibilities attributed to businesses changed and became the concept of ‘power’. In the 1980s the focus on developing refined definitions of CSR gave way to research into alternatives concepts and them such as corporate social responsiveness, corporate social performance, public policy, business ethics and stakeholders theory/management, just to mention a few. Thomas M. Jones (1980) entered the CSR discussion with an interesting perspective. He defined CSR in a following: «Corporate Social Responsibility is the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract. Two facets of this definition are critical. First, the obligation must be voluntarily adopted; behavior influenced by the coercive forces of law or union contract is not voluntary. Second, the obligation is a broad one, extending beyond the traditional duty to shareholders to other societal groups such as customers, employees, suppliers, and neighboring communities». Thomas M. Jones (1980) entered the CSR discussion with two interesting perspectives. Firstly, he had defined CSR as corporate obligation
to constituent groups in society other than stockholders and beyond what is prescribed by law and union contract. Several aspects of this definition received some criticism. Different researchers argued that the obligation must be voluntarily adopted. The critics realized that behavior influenced by coercive forces of law or union contract are not voluntary. The obligation is a broad one, extending beyond the traditional duty to shareholders to other societal groups, such as customers, employees, suppliers, and neighboring communities (Ibid, 59-60).

One of Thomas M. Jones contributions was to put emphasis on Corporate Social Responsibility as a process. He argues that it is hard to reach consensus as to what constitutes Socially responsible behavior. He illustrated how a firm could engage in a process of CSR decision making that should constitute CSR behaviour (Ibid, 66). For successful application of CSR, businesses needed to be dealing with the same concept and to have the same understanding of (Okoye, 2009). Later in 1983 Archie B. Carroll further elaborated on his 1979 four-parted definition of CSR: «CSR involves the conduct of a business so that it is economically profitable, law abiding, ethical and socially supportive. To be socially responsible ... than means that profitability and obedience to the law are foremost conditions to discussing the firm’s ethics and the extent to which it supports the society in which it exists with contributions of money, time and talent. This, CSR is composed of four parts: economic, legal, ethical and voluntary or philanthropic» (Carroll, 1983).

In 1987, professor Edwin M. Epstein from Haas School of Business University of California Berkeley, proposed a definition of CSR in connection to social responsibility, responsiveness and business ethics, and then brought them together into» Corporate Social Policy Process». In 1987, Edwin M. Epstein provided a definition of CSR in his quest to relate social responsibility, responsiveness, and business ethics. He pointed out that these three concepts dealt with closely related, even overlapping, themes and concerns (Epstein, 1987). He defined CSR as a following: «Corporate Social responsibility relates primarily to achieving outcomes from organizational decisions concerning specific issues or problems which (by some normative standard) have beneficial rather than adverse effects on pertinent corporate stakeholders. The normative correctness of the products of corporate action have been the main focus of corporate social responsibility».

In addition to defying CSR, Epstein (1987) proposed definition to corporate social responsiveness and business ethics and then brought them together into what he called the «corporate social policy process». He added: «The nub of the corporate social policy prices is the institutionalization within business organizations of the following three element ... business ethics, corporate social responsibility and corporate social responsiveness».

In the 1990s, the CSR concept was transformed significantly in alternative theories, such as Stakeholder theory, Business Ethics theory, Corporate Social Performance, and Corporate Citizenship. This period did not create new definitions, but enriched the body of CSR literature. The 1990s onwards saw an influx of authors attempting to create such opportunities by combining business and society, which, according to American professor Donna J. Wood are «interwoven rather than distinct entities» (1991). According to Donna J. Wood (1991), Corporate Social Responsibility (also called corporate conscience, corporate citizenship or sustainable responsible business) as a form of corporate self-regulation is integrated into business model. CSR policy functions as a self-regulatory mechanism whereby a business monitors and ensures its active compliance with the law, ethical standards and international norms (McWilliams, Siegel, 2001). Wood expanded and set forth a Corporate Social Performance model that captured CSR concerns. She presented her model primarily builds on Carroll’s three-dimensional CSR model (Carroll, 1979) and the Warwick and Cochran (1985) model. Later, the CSR were recognized by Cannon (1992) who stated that business contributes to society and communities in «efficient, profitable and socially responsible» ways. The opportunity to maintain a competitive advantage from individualized CSR efforts, therefore, still prevails (Holcomb, Upchurch and Okumus, 2007). According to Reder (1994) individualizing the CSR can be defined by highlighting two processes: «... all-encompassing notion ‘corporate social responsibility’ refers to both the way a company conducts its internal operations, including the way it treats its workforce, and its impact on the world around it». This definition sparked the beginning of a number of comprehensive descriptions of CSR, where business was encouraged to focus on what is important to them individually, whilst reinforcing the claim that some areas of CSR are dependent on time and place (Reder, 1994; Blindheim and Langhelle, 2010). The understanding of social responsibility continues its transformations reflecting to contemporary issues in all spheres of life.
Conclusions

Corporate social responsibility (CSR) has experienced a journey that is almost unique in the pantheon of ideas in the management literature. After the long-term evolution, Corporate Social Responsibility became an ethical and responsible route for business, thus CSR is a way of creating sustainable way of living whilst preserving the profitability of business space, for people within and outside of its. CSR is not a traditional management tool, thus it can be viewed as a moral duty of enterprises, as a sustainable way of business conduct, which is reinforcing the need for clear guidance and a deeper understanding of responsibility that corporations and all of different stakeholders caring in front of society. With the expansion of globalization, intensification of competition and increased ecological footprint of Trance National Corporations, in particular in developing countries, the activities of businesses which focus on both social and environmental impacts have increased as an integral part of core business operations and management. A different guidance could be a framework that breaks CSR down into manageable chunks and processes. CSR could be defined to contain a number of minimum requirements and to entail a system of corporate accountability through regulatory intervention and enforcement of obligations. Such enforcement could be manifested through the system of standardization. One of the brightest examples is The GRI Sustainability Reporting Standard.

References


Radwan, A. 2018 Science and innovation policies in North African Countries: Exploring challenges and opportunities, *Entrepreneur-


