

# EVOLUTION OF THE CONCEPT AND DEFINITION OF CORPORATE SOCIAL RESPONSIBILITY

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## ABSTRACT

*There is an impressive history associated with the evolution of the concept and definition of corporate social responsibility (CSR). In this article, the author traces the evolution of CSR beginning construction in 1950, which marks the modern era of CSR. Definitions expanded in the 1960s and spread in the 1970s. In 1980, there were fewer new definitions, more empirical research, and alternative themes began to mature. These alternative themes included corporate social performance (CSP), stakeholder theory, and the theory of business ethics. In the 1990s, CSR continues to serve as the basic design, but inferior or turns into alternative thematic framework.*

**KEYWORDS:** conceptual development, corporate social responsibility, history, organizational behavior, Society

## INTRODUCTIONS

*Article type:* Literature review. The concept of corporate social responsibility (CSR) has a long history associated with how this affects the behavior of organizations. In order to understand the impact of CSR on the organization of behavior, therefore, it is necessary to understand its development. Subsequently, the aim of this paper is to trace the evolution of concepts of CSR. Design / methodology / approach - paper review the literature and take a chronological structure organized by time basis. The results showed that CSR research constantly changed in the last 60 years. Findings - 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.

*Research limitations / implications:* The focus of this work on the study, which caused much of the original discourse on this issue, as it is difficult to cover all of the existing literature. In addition, the analysis of the conceptual evolution of CSR began with Bowen, although earlier references can be found. Originality / value - This paper provides information about conceptual evolution of CSR, as it moves to discuss the progress of CSR in the course of time, which attracted the attention of many researchers, and finally, it makes recommendations for further research.

## LITERATURE REVIEW

Starting from the 1950s in the world of scientific and business literature, especially the U.S., the problems of business and society is dedicated to many informative research materials, which offers concepts that can be associated with corporate social responsibility. Among them were the most popular ones that are tied to the definitions: the actual "corporate social responsibility", "Corporate Social Performance," "corporate social integrity." Consistently evolving, these concepts just replaced each other as accumulated the previous achievements. In the 1980s this series continued the concept of "business ethics", "corporate philanthropy", "corporate social policy", "and management of stakeholders." At the beginning of the XXI

century theories of "sustainable development", "corporate citizenship", "corporate sustainability", "corporate reputation" and "socially responsible investment", "Corporate Social Reporting", and others came along. [1] Obviously, the approach to such complex design by random selection of a concept fraught with not only theoretical fragmentation, but also making the most problems in the subject of political speculation imposed on business, separated from the process of its own development. Therefore approach of A. Kerolla - one of the world's leading experts in the field of business and society seems quite reasonable, because he combined a link to all above mentioned set of concepts to the development of the theory of corporate social responsibility as "core "main alternative concepts or transforming them.

[2] It appears that this approach allows to translate the issue of the common arguments about the role of business in social development to the analysis of a particular business enterprise, strictly speaking, is not necessarily related to the corporate sector. The first attempts to study of the issues of corporate social responsibility have taken place at the beginning of XX century. Hence, the beginning of a systematic scientific analysis was initiated in the first scientific paper by Bowen's "Social Responsibility of a businessman," published in 1953. [3] In this monograph were defined framework conditions and directions for further discussion on this topic. K. Davis first substantiated that the issue of social responsibility should be considered in the management context. He emphasized that this responsibility is related to the "business decisions and actions that are undertaken for reasons at least partly outside the scope of direct economic or technical interest companies", and "some socially responsible business decisions can be in the long-term, complex process of analysis are explained as a good time for the company long-term economic effect ". [4] In a paper published in 1975, C.

Davis and R. Blomström defined orientation of CSR as "the responsibility of decision-makers, to take actions that will not only meet their own interests, but also to the protection and enhancement of public wealth "[5]. Problem of the content was updated CSR J. McGuire, who pointed out that "the corporation has not only economic and legal obligations, but is also a certain social responsibility that goes beyond them" [6]. C. Networks, in turn, elaborated the content of CSR, stating that it "assumes elimination of corporate behavior to the level corresponding to the prevailing social norms, values and expectations" [7]. Based on the approaches J. McGuire and C. Network and trying to reconcile economic and social responsibility, A. Keroll proposed interpretation of CSR, means "the relevant economic, legal, ethical and discretionary expectations of the Society of the organization during this period". [8] That approach A. Kerolla, later embodied in the model of detailed, most prevalent, was largely determine the scope of current research in the field of CSR. CSR, in terms of A. Carroll, are public expectations for a particular organization in four different areas: economic, legal, ethical, philanthropic.

CSR model initially seemed to them like a pyramid, the base of which is economic responsibility. Economic responsibility for Carroll is a basic duty of the organization to carry out its functions in the market for the provision of services / products to society and profit. Legal responsibility is the need for the organization to exist in law and the legal field. Ethical responsibility implies the need to correlate the actions of firms with moral norms specific to a particular cultural environment. Philanthropic responsibility, per Carol is the highest point of the pyramid and the need to participate in social programs. [9]. Of course, the interpretation of CSR as a "pyramid" by itself does not eliminate all the issues related to social responsibility, but also allows them to organize. Subsequently, with the support of Pyramid, Carroll M. Schwartz transformed into three model of CSR. Where as the major types of responsibility were identified economic, legal and ethical. Ideally, any organization must combine all three areas, and the real level of CSR is a particular firm depends on variations of these combinations [10].

A more complete analysis of the formation and development of similar concepts, as well as attempts to systematize them are in the works of Carroll, J. M. van Marreviyka Windsor, R. Steuer, etc. In particular, A. Carroll, aware of the complexity and inconsistency of the genesis of the concept of social responsibility, set out to trace only the basic terminology changes over decades. So, 50 years of the last

century, they have been identified as the beginning of the modern era of social responsibility, the 60th - a period of deepening meaningful definitions of CSR, the 70th - the spread of a variety of definitions of CSR; 80 years have been a period characterized by decreasing the number of definitions, the growth of research and development of alternative existing. In this context interesting was the concept of corporate social responsibility, proposed by K. Davis. Analyzing works of many corporations, K. Davis and other researchers have found that social responsibility contributes to the development and increase the value of companies and, conversely, avoiding social responsibility reduces economic opportunities enterprises.

This will confirm that in the long run, those who do not use the available power in a direction that society considers responsible, has steadily lost this power. Early 90-ies of the last century has demonstrated the preservation of the concept of corporate social responsibility as "core" to the gradual transformation into alternative thematic framework. The above interpretation, reflecting the general logic of the concept of CSR, of course, do not exhaust the variety of approaches to the content of corporate social responsibility, considered in the management of world literature. All existing approaches X Johnson presented a continuum levels. [11] At one extreme are authors who say that the purpose of business is to increase profits or increase value for its shareholders, and the task of improving the public welfare as a whole should be addressed primarily by the government, non-profit and religious institutions.

The position of the school is most clearly represented in the classic article of Nobel laureate Milton Friedman, "Social responsibility of business is to increase its profits". [12] Milton Friedman, in particular, stresses that the company should focus on maximizing profits for shareholders, and managers who practice "social responsibility", in fact "stolen money from the owners" and invade the area, which lies outside their professional competence, at the other extreme - the authors who believe that the business has numerous social, civic and moral obligation towards the growth of the general welfare in a broad social contract. Thus representatives of each of the areas of use are equally normative argumentation (business, based on its nature, must, or, conversely, should not bear the "broad" social responsibility), instrumental reasoning ("narrow" or, alternatively, a "wide" social responsibility for the benefit of business) or a mixture of the argument. D. Windsor, generally agreeing with the theoretical definition of the "core", citing "economic concept of responsibility", "global corporate citizenship" and "stakeholder management" as the alternative. [13] M. van Marreviyk, Kotler, L. Nancy drew attention to the need for harmonization of corporate social responsibility "corporate sustainability". [14] R. Steuer, M. Langer, A. Conrad and A. Martinuzzi proposed a model that links the theoretical "core" of the concepts of "sustainable development", "corporate sustainability", "management of relationships with stakeholders". [15] According to the logic of the actors, the study of the genesis of the basic concept is possible in a broader context that includes alternative approaches, and thus allows us to consider it as a kind of "umbrella" concept (see Table 1).

It is important to note that the main promoter of the ideas of corporate social responsibility is the United Nations. Quite natural in this context is of course the draft agreement to comply with the World leading international corporations social responsibility. The project was hailed by UN Secretary General Kofi Annan at the World Economic Forum in Davos, December 31, 1999 It includes the following principles of corporate social responsibility.

Human rights. Commercial organizations should support and respect internationally recognized human rights, and not to be associated with human rights violations. Standards of work. Businesses must recognize the right of workers to form associations and bargain collectively, and to adhere to the following principles: the abolition of all forms of forced labor, the actual elimination of child labor, the abolition of all forms of discrimination in employment and vocational training. Ecology. The business community should be: to carry out preventive measures to avoid environmental problems, to carry out steps to a more responsible attitude to the environment, to promote the development and diffusion of technologies that reduce the negative impact on the environment.

Table 1: the Genesis of the Concept of Corporate Social Responsibility

The name of the concept	Authors	Basics
Corporate social responsibility	Bowen, 1953 Davis, 1960 Networks, 1975 Carroll, 1979	Ordered content of CSR, systematic level of normative Corporate social susceptibility
Corporate social responsiveness	Ackerman, 1973 Preston, Post, 1975 Frederick, 1978 Carroll, 1979	The capabilities of corporations to take social action
Corporate social performance	1975 Carroll, 1979 Vatika, Korhogo, 1985 Wood, 1991	A model of corporate social performance
Corporate social performance Management (concept) stakeholders	Freeman, 1984 Clarkson, 1985 Donaldson, Preston, 1995 Post, Preston and Sachs, 2002	Give a new definition of the corporation disclosed its relationship with stakeholders
Corporate Citizenship	Longsdon Wood, 2002	A model formed of corporations in relation to its stakeholders
Corporate Sustainability	Van Marreviyk, 2003 Steuer, 2005	The relation between social responsibility and corporate social problems of stability with agency problems

Anti-corruption. The business community should work against corruption in all existing forms, including bribery and extortion. Legal responsibilities. Legal responsibility should be aimed at improving the enforcement of the legal framework of the territory in which the company markets. Planetary (global) responsibility. Planetary responsibility implies voluntary compliance with international standards of social responsibility. Environmental Responsibility. Environmental responsibility is aimed at the formation of such social responsibility standards that combine harmonious relationship demands of consumers and society with the rational use of natural resources and competitive ways of business, effective management of the environment and public health from the production of environmentally friendly products, etc. Cultural and ethical responsibility. Cultural and ethical responsibilities of business requires not only compliance with the relevant territory the cultural and ethical traditions, but also the non-action that runs counter to existing norms of morality (the economic interests of corrupt lobbying practices, the use of double standards to employees or other stakeholders regardless of activity or the country, etc.). Philanthropic responsibility. Philanthropic responsibility should be directed to the support and development of the society and of the individual marginal groups through voluntary participation in social programs, including through social investment.

Even a cursory examination of foreign materials on CSR tends to suggest that now is an evolution and change of paradigm structure and development of business from shareholders - for a broad coalition of stakeholders. CSR is treated as a kind of self-regulation of business, integrated in the business model focus on the interests of stakeholders begins to adjust behaviors business. In this new paradigm can be seen a few blocks, we have just outlined. Bookmark ideology CSR architecture business model is manifested in the formation of a new understanding of "value" in the notions of "ethical production" and "ethical consumption", to participate in the business of CSR programs in the social networks of CSR, in constant collaboration with NGOs and other stakeholders, such as the licensing of the new parameters of the products and the business standards of CSR international NGOs, finally, there are strategic areas such as responsible investing. New parameters of corporate governance include new approaches to personnel management and human capital, stakeholder engagement, the emergence of concepts such as accountable governance, strategic cooperation in the management, along with the long-known organizational development appears organizational accountability, a new type of employees - managers of ethics (by the way already united internationally to his NGO - Association of Managers of the Ethics and Compliance), and finally, there are new areas: certification, verification of standards of CSR, and so on.

New options include marketing differentiation branding with new criteria and new interpretations of cost competitiveness in the field of climate impact (annually published a comparative analysis on the effect of

competition on the climate), the competitiveness of companies in the field compared to create "green" jobs, reduce hydrocarbon consumption and emissions CO in the atmosphere, "ethical consumerism" generates product certification and even certification companies that manufacture products for compliance with the principles and values of CSR. In corporate governance, the requirements for transparency and disclosure are new areas captured in new concepts and terms: social and environmental reporting, CSR reporting, an account of sustainability and so on.

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