Corporate Social Responsibility: A Conceptual Research

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A B S T R A C T

In recent years, it can be noticed that academics are still looking at the concept of CSR from a different perspective. This review focuses on the most relevant academic publications and historical events that have influenced the evolution of CSR as a conceptual paradigm. The literature review shows that the future of CSR must also consider recent technological advancements and their role as part of new business frameworks and strategies. The adoption and adaptation of new digitization processes and tools, as well as the incorporation of Artificial Intelligence into the business environment is a relevant challenge not only for the CSR debate, but for companies in general. The main contribution of this article is a structured historical review accompanied by the evolution of CSR and future research opportunities.

INTRODUCTION

Corporate Social Responsibility (CSR) has existed in the academic literature for more than fifty years without a standardized definition globally. Today, the belief that corporations have a responsibility to society is nothing new. In fact, corporate concern for society can be traced back centuries (Carroll 2008). However, it was not until the 1930s and 40s when the executive role and corporate social performance started to appear in the literature (Carroll 1999) and many writers began to discuss corporate-specific social responsibility. In the following decades, society's expectations of corporate behavior changed, as did the concept of Corporate Social Responsibility (CSR).

In hindsight, we can see a wide variety of companies being credited for their contributions to the larger society. Starbucks, as one of the world's largest corporations, has taken the initiative to include citizenship in its mission statement, by incorporating into their policies their commitment to the goal of minimizing their environmental footprint and promoting fair trade to farmers in various programs (Starbucks, 2007). After this what happened? Starbucks was observed to be notified on the Business Ethics list as one of the 100 best companies for the period for the seventh year in a row. Many organizations in the world continue to release reports relevant to corporate social responsibility in addition to the annual report, or sometimes even as separate reports (eg., Nestle, Unilever etc.). Corporateregister.com, for example, once offered nearly 15,000 non-financial reports on sustainability, corporate social responsibility (CSR), and environmental initiatives from nearly 4,000 companies.

In recent years, it can be noticed that academics are still looking at the concept of CSR from a different perspective. In 1970, when Milton Friedman decided to write a provoking article in which he debated corporate responsibility. Furthermore, academics began to look at the concept of CSR in more detail, and moved away from discussing the legitimacy of CSR towards other perspectives to further deepen their understanding of the concept of CSR. However, most of the research that has been conducted with regard to CSR mainly focuses on a macro perspective with much emphasis on the relationship between CSR initiatives and financial performance (Pava & Krausz, 1996; Greenley & Foxall, 1997; Waddock & Graves, 1997; Hilman & Keim, 2001; Ruf, Muralidhar, Brown, Janney, & Paul, 2001; Orlitzky, Schmidt & Rynes, 2003; Marom, 2 006).

This review focuses on the most relevant academic publications and historical events that have influenced the evolution of CSR as a conceptual paradigm. Given that the history of CSR is long and extensive, it is necessary to point out that this article focuses on publications that have provided an original perspective and understanding of the concept of CSR from some of the relevant literature with regard to the social evolution of corporate behavior expectations.

The main contribution of this article is a structured historical review accompanied by the evolution of CSR and future research opportunities. Therefore, this article contributes to the literature by exploring how society's expectations of company behavior in each period have influenced the understanding and construction of the definition of CSR. Furthermore, this

article contributes to the literature on CSR by providing an innovative overview of the evolution of the concept of its development in relation to the broader changes that have occurred in each period.

THEORETICAL REVIEW
The history of Corporate Social Responsibility

For Chaffee (2017), the origins of the social component in corporate behavior can be traced back to ancient Roman Law and can be seen in entities such as asylums, homes for the poor and old, hospitals and orphanages. The idea of the corporation as a social enterprise was carried on by English Law during the Middle Ages in academic, municipal and religious institutions. Then, it developed into the sixteenth and seventeenth centuries with the influence of the British Empire, which saw corporations as instruments of social development (Chaffee 2017). In the following centuries, with the expansion of the British Empire and the conquest of new lands, the British Empire exported its corporate law to the American colonies where corporations played a social function to some extent (Chaffee 2017).

During the late 1800s and early 1900s, the creation of welfare schemes using a paternalistic approach aimed at protecting and retaining employees and some companies even sought to improve their quality of life (Carroll 2008; Heald 1970). For Heald (1970), there are clear examples that reflect the social sensibilities of entrepreneurs, such as the case of Macy's in the US, which in 1875 donated funds to orphanages and in 1887 called their charitable contributions Miscellaneous.

During this period, there was an increasing level of urbanization and industrialization characterized by large-scale production. This brought new concerns to the labor market such as new challenges for farmers and small firms to keep up with the new interdependent economy, the formation of unions seeking better working conditions, and middle-class concerns over the loss of religion and family. society's new industrial values (Heald 1970). In response to these new challenges, and with the aim of finding harmony between the two industries and the workforce, several business leaders are creating organizations for the promotion of values and the improvement of working conditions. Such is the case with the Civic Federation of Chicago, an organization formed to promote better working conditions and in which religious values meld the economy of purpose with a sense of civic pride (Heald 1970).

In the 1920s and early 1930s, business managers began to assume responsibility for maximizing profits by creating and maintaining a balance with the demands of their clients, workforce, and society (Carroll 2008). Then, with the growth of business during World War II and the 1940s, corporations began to be seen as socially responsible (CSR) institutions and a wider discussion of these responsibilities began to take place (Heald 1970). Some early examples of the debate on corporate social responsibility can be found in The Executive Function by Barnard (1938) and Business Control by Clark (1939).

1950s and 1960s: The Early Days of the Modern Era of Social Responsibility

It was only in the early 1950s that the idea of specifically defining what responsibility was was first discussed in the literature and can be understood as the beginning of the construction of a modern definition of corporate CSR. In fact, during the 1950s and 1960s academic research and the concentrated focus of CSR on social-level analysis (Lee 2008) had practical implications.

The period after World War II and the 1950s can be considered a time of adaptation and changing attitudes towards discussing corporate social responsibility, but also a time when little corporate action went beyond philanthropy (Carroll 2008). Perhaps the most prominent example of changing attitudes toward corporate behavior comes from Bowen (1953), who believed that the large corporations of the time concentrated great power and that actions had a real impact on society. Thus, there is a need to change their decision-making to include impact considerations.

As a result of his beliefs, Bowen (1953) put forward the idea of defining a specific set of principles for companies to fulfill social responsibility. For him, the decisions and actions of entrepreneurs affecting their stakeholders, employees, and customers have a direct impact on the quality of life of society as a whole (Bowen 1953). With this in mind, Bowen defined the social responsibility of business executives as "the obligation on the part of employers to pursue those policies, to make those decisions, or to follow the course of action that is desirable in terms of the goals and values of our society" (Bowen 1953, p. 6). As Carroll (2008) explains, Bowen (1953) was ahead of his time for his new approach to management that aimed to improve the responsiveness of business to its social impact and through its contribution to the definition of corporate social responsibility.

Furthermore, the relevance of Bowen's approach hinges on the fact that this is the first academic work focused specifically on the doctrine of social responsibility, making Bowen the "Father of Corporate Social Responsibility" (Carroll 1999). After Bowen, other writers have looked at corporate behavior and its response to the social context of the time. For example, in the book Corporation Giving in a Free Society published in 1956, Eells (1956) argues that the large corporations of the time did not live up to their responsibilities in times of general inflation. In a similar way, with the book A Moral Philosophy for Management published in 1959, Selekman (1959) explored the evolution of corporate moral responsibility in response to the expectations of the then workforce.

Early exploration of CSR as a definitional construct, together with the social context of the time, paved the way for scholarly interest in defining what CSR is and what it means (Carroll 2008). It is understandable, of course, that the interest in CSR during the 1960s was influenced by the growing public awareness and social movements of the time. However, it is necessary to point out that the effects of this growing interest may be more pronounced in the United States, which is why some of the examples in the following section may appear to be centered on this particular country.

Some of the main societal concerns during this period revolved around rapid population growth, pollution, and resource depletion (Du Pisani 2006) and accompanied by social movements related to the environment and human and labor rights (Carroll 1999). At the same time, books such as The Silent Spring by Carson (1962) and The Population Bomb by Ehrlich (1968) began to raise questions regarding the limits of economic growth and the impact of society and corporations on the environment.

Fred Erick (1960) saw the first half of the 20th century as an intellectual and institutional transformation that changed economic and social thinking and brought increasing economic power to large-scale enterprises. To keep pace with the growing power of the entrepreneur, Frederick (1960) proposed a new theory of business responsibility based on five requirements: 1) to have a criterion of value (in this case economic production and distribution), 2) to be based on current concepts of management and administration, 3) to recognize the historical and cultural traditions that underlie the current social context, 4) to recognize that the behavior of an individual entrepreneur is a function of his role in society and his social context, and, 5) to recognize that responsible business behavior does not occur automatically but rather, it is the result of deliberate and conscious effort; then McGuire (1963), who reviewed the development of business institutions and observed changes in the scale and type of corporations, changes in public policy, and regulatory controls for business as well as changes in social and economic conditions at that time. In response to this change, McGuire (1963) argued that the responsibilities of the company go beyond its legal and economic obligations, and that the company should take into account the interests of politics, the social welfare of society, and the education and happiness of its employees; and Walton (1967), who explored taking place ideological change during the 1950s and 60s as reflected in public policy, some of which saw the corporation as a potential contributor to the improvement of social and economic conditions of the time (Walton 1967; Walton 1982). Therefore, he provides a definition of social responsibility which he acknowledges is of relevance to the relationship between companies and society.

2010s: CSR and shared value creations

The concept of creating shared value is further developed by Porter and Kramer (2011) who describe it as an important step in business evolution and define it as "policies and operating practices that increase the competitiveness of a company while advancing the economic and social conditions in the society in which it operates. Shared value creation focuses on identifying and expanding connections between social and economic progress" (Porter and Kramer 2011).

For Porter and Kramer (2011), the need for Creating Shared Value (CSV) is partly the result of narrow-minded conventional business strategies that usually do not take into account the broad factors that influence their long-term success. Notably, Porter and Kramer (2011) place CSR into this category seeing it as an outdated and limited concept that emerged as a way to enhance a

company's reputation, and as a consequence, they claim that CSV should replace CSR.

Porter and Kramer's (2011) most relevant contribution stems from the claim that "the purpose of the corporation must be redefined as creating shared value" and by demonstrating that the first step to doing so is the identification of societal needs and the benefits or harms that a business embodies through its products. Thus, Porter and Kramer (2011) define three ways to create shared value: by redefining products and markets, by redefining productivity in the value chain, and by creating supportive industry clusters in which firms operate.

Concept and Definition of Corporate Social Responsibility

Corporate social responsibility (CSR) can be defined as a company's voluntary contribution to sustainable development that goes beyond legal requirements (Bahman et al., 2014; Buttigieg et al., 2019). Under the current "profit-maximizing social responsibility perspective", companies must weigh social and environmental costs and benefits to maximize their value (Bowen 1953; Callens and Tyteca 1999; Drucker 1984; Gladwin et al. 1995; McWilliams and Siegel 2001).

Although there has been tremendous discussion in the academic literature about corporate socially responsible behavior, researchers find it quite challenging to define specific constructs of CSR (Ramanathan, 1976; Wiseman, 1982; Ilinitch et al., 1998; McWilliams et al., 2006; Barnett, 2007). Some researchers consider CSR as a function of corporate behavior towards different stakeholders. such as customers, suppliers, regulators, employees, investors, and society (Cooper, 2004; Campbell, 2007). Another research group defines CSR as a company's multidimensional discretionary activities, which include social, political, environmental, economic, and ethical actions (Carroll, 1999; Devinney, 2009). Carroll (1999) discusses the ambiguity and evolution of the definition of CSR, namely:

The term CSR is a brilliant term; it means something, but not always the same, for everyone. For some, it conveys the idea of legal responsibility or obligation; for others, it means socially responsible behavior in an ethical sense; to still others, the meaning that is transmitted is "responsible for", in a causal fashion; many equate it with a charitable contribution; some interpret it as socially conscious; many of those who embrace it earnestly see it as a mere synonym for "legitimacy," in the context of "belonging" or proper or valid; some see it as a kind of obligation to impose higher standards of behavior on employers than on the average citizen.

RESULTS AND DISCUSSION
Characteristics of Corporate Social Responsibility

Every company is responsible to its stakeholders. Depending on the size and scope of the company, its stakeholders can range from employees and consumers, to suppliers, investors, contractors, governments, non-governmental organizations and the media (Ali et al., 2017; Frynas & Yamahaki, 2016). First and foremost, a company is established to meet the financial needs

of these stakeholders. However, this fiduciary responsibility does not take into account what, 70 years ago, Merrick Dodd called the agreements that companies must provide when operating in any industry or society. Therefore, companies need a way to responsibly repay the profits they generate for their stakeholders by positively influencing and benefiting the communities in which they operate. CSR has many definitions, encompassing all concepts designed to facilitate corporate activities that go beyond mere fiduciary responsibility. In other words, CSR is ideally a framework within which a company can influence the society in which it operates, in order to build mutually beneficial relationships.

So what exactly is CSR? The multitude of definitions available makes it difficult to give an authoritative answer. Shalini Taneja and friends, citing Bowen's explanation of CSR in 1953, defined CSR as a company's obligation to pursue action "in relation to the goals and values of our society" (Vyakarnam, 1992). CSR has had various meanings, descriptions and manifestations since its inception. This becomes clear only by reviewing the titles of CSR reports issued by various companies, covering corporate philanthropy, sustainable development, citizenship, and sustainability, among others. Ideally, what is CSR like? Simply put, it should be a loose guideline for how a company can make a constructive and productive contribution to its community. It should not be a standard criterion that companies want to meet for the sake of an "admirable" reputation (Karaibrahimoglu, 2010).

Bowen (1953) set the scene in this field by suggesting that the concept of corporate social responsibility specifically emphasizes that:

1. Business exists by the will of society and that its behavior and methods of operation must comply with the guidelines set by society; and
2. Business acts as a moral agent in society. Wood (1991) expands on these ideas, summarizing them into three driving principles of social responsibility, namely:
   (1) Business is a social institution and therefore must use its power responsibly;
   (2) Businesses are accountable for results related to their area of engagement with society; and
   (3) Individual managers are moral agents who are obliged to use discretion in their decision making.

In general, a company's social responsibility seems to emerge from the intersection (and suitability) of political and cultural systems with economic systems (Jones, 1983). However, Friedman (1970) argues that the successful functioning of our society depends on the specialization of the role of its institutions (or systems). According to him corporations are economic institutions and therefore must specialize in the economic field; socially responsible behavior will be fixed by the market through profits. In the view of Friedman (1970) business has only one social responsibility and that is to maximize the profits of their owners (to protect their property rights). Organizations are seen purely as legal entities incapable of making value decisions. A manager who uses company resources for non-profit social

purposes is considered to be diverting economic efficiency and imposing an "illegal tax" on the organization. Opponents (Frederick et al., 1992) of this view, challenge the basis of Friedman's thesis – the economic model. They claim that the economic model and specialization of the role of institutions (or systems) do not work as suggested.

Corporate Social Responsibility Conceptual Framework

There is no definite agreement on the most appropriate theoretical classification in CSR research. Previous reviews of theoretical perspectives on CSR offer different criteria, such as the role of the firm, managerial autonomy, and level of analysis (Klonoski 1991, Secchi 2007, Frynas & Stephens 2015).

While the previous analysis has provided a starting point for compiling a review of the CSR literature and can no doubt yield important insights (Aguinis & Glavas 2012, Frynas & Stephens 2015), a major drawback of such an approach is that popular theories in CSR research such as institutional theory or stakeholder theory can cater to multiple levels. In line with the recent development of the literature to shift to multi-level CSR research (Starik & Rands 1995, Aguilera et al. 2007, Aguinis & Glavas 2012), theoretical perspectives in CSR research need to be able to explain phenomena across levels. Based on the extant multi-level literature (Bies et al. 2007, Hitt et al. 2007), there are three different levels of analysis: micro level (involving psychological basis among individuals), medium level (involving relational issues between organizations), and macro level (involving broader political, economic and social dynamics) (Nguyen et al., 2018).

Explicitly, several studies adopted a new integrative conceptual framework from Mellahi et al. (2016), which offers a new category of predictors, moderators, mediators, and outcomes of nonmarket factors as both external and internal. Therefore, some researchers categorize the theory as either related to explaining the external drivers of CSR or related to the internal drivers of CSR (see Figure 1). Mellahi et al. (2016) emphasize the complementarity between theoretical perspectives and maintain that a multi-theoretical lens for a multi-level literature on non-market issues – political, social or environmental – must apply at least one theory related to external drivers and one related to internal drivers.

Figure 1. CSR conceptual framework by Mellahi et al. (2016)

Source: adapted from Mellahi *et al.* (2016).
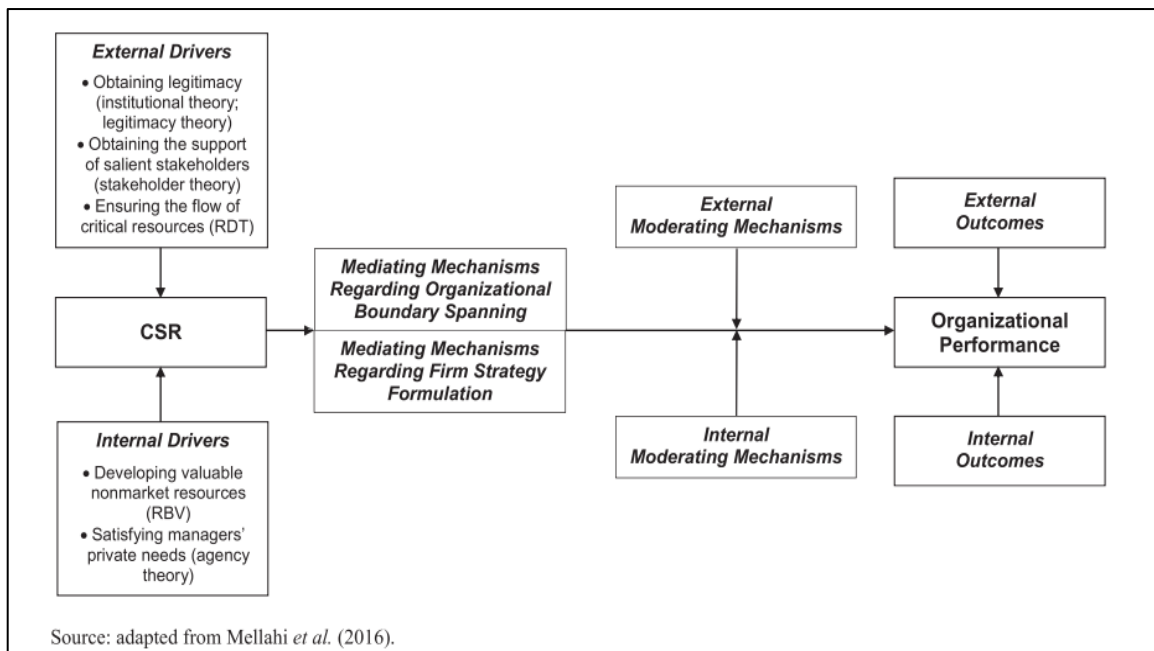
The conceptual framework by Mellahi and colleagues sits well with previous categorizations of theory in CSR research (Garriga & Mel e 2004, Secchi 2007, Frynas & Stephens 2015). Theories from external drivers cover a variety of perspectives defined as relational, political, or integrative, including the stakeholder theory, institutional theory, and resource dependency theory discussed in this review, which focus on analyzing the nature of the relationship between firms and the environment. They are well suited for informing external drivers, mediators, moderators and predictors of CSR.

Instrumental economic and managerial perspectives, including the RBV and agency theories discussed in this review, as well as ethical theory focus on the analysis of internal drivers. They are well suited for analyzing the internal dynamics of addressing social and environmental concerns, as they concentrate on understanding corporate management and individual social values within organizations.

Opportunities for Research on Corporate Social Responsibility in the Future

The number of recent publications around CSR is overwhelming and it seems likely that the future CSR scenario presented by Archie B. Carroll in 2015 still holds true. In this scenario Carroll (2015) predicts an increase in stakeholder engagement and the power of ethically sensitive consumers, the level of sophistication of non-governmental organizations (NGOs), employees as drivers of CSR, together with an increase in CSR activity up, down, and across global supply chains. With respect to the concept itself, Carroll (2015) expects CSR to continue its transactional path having limited transformational evolution. Although this scenario seems plausible and highly probable, it may be worth adding that even as CSR is still relevant and its implementation is growing, at least in the literature, there are competing frameworks and new

concepts that might slow down the global expansion and implementation of CSR and even shift the public interest to new areas (Dinh et al., 2022; ElAlfy et al., 2020). Some of these concepts are Corporate Sustainability, Corporate Social Performance, Creation of Shared Value, Corporate Citizenship, Social and Environmental Responsibility and Governance Criteria. However, it is relevant to highlight Archie B. Carroll's (2015) work on competition and the complementarity of CSR frameworks where he concludes that everything is interrelated and overlap and shows that all these concepts have been incorporated into CSR, an aspect that is sometimes overlooked. Only time will tell whether the institutionalization of CSR continues to grow or shifts to other concepts (Ali et al., 2017; Velte, 2022).

The future of CSR must also consider recent technological advancements and their role as part of new business frameworks and strategies (Pisani et al., 2017). The adoption and adaptation of new digitization processes and tools, as well as the incorporation of Artificial Intelligence into the business environment is a relevant challenge not only for the CSR debate, but for companies in general (Taneja et al., 2011). In this sense, business frameworks must adapt and evolve to embrace the latest tools, but they need to do so through a thorough and holistic framework grounded in social responsibility principles in a way that incorporates the ideas of sustainability, shared value creation, and the belief that companies can redefine their goals to do what is best for the world.

CONCLUSIONS AND RECOMMENDATIONS

The theoretical contribution of this article to the literature on CSR begins by providing a different historical overview of the evolution of academic understanding of the concept of forming social expectations. related to corporate behavior (Malik, 2015). As a literature review, this article is limited to academic publications that refer directly to CSR as well as to information about events that have influenced to some extent social expectations of corporate behavior. From this review it can be seen that the literature on CSR seems to lack specific research related to how to deal with core business activities through CSR and seems to show reasons why CSR can be implemented only partially and may even raise questions. In addition, this research also has a practical contribution that can be used as a basis for exploring how CSR can address the latest social expectations of shared value generation as a key business goal, which can be translated into practical implications if CSR is implemented with the aim of creating shared value, a topic. which only a few authors have discussed.

FURTHER STUDY

The findings indicate that there is a relationship between social expectations of corporate behavior and the way CSR is understood and implemented and opens up space for future research.

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