

Evaluation of Definitions: Ten Dimensions of Corporate Social Responsibility

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Many definitions for Corporate Social Responsibility (CSR) were developed by the scholars in the past based on the social, economical, political and environmental context of those periods. There is no unique definition for CSR; rather different definitions during different segments of time represent different dimensions of CSR. This paper explores the dimensions of CSR throughout its history. This study makes a content analysis to get a conclusion and identify different dimensions.

Keywords: Corporate Social Responsibility (CSR); evaluation of definitions; dimensions.

1. Introduction

Many CSR definitions were developed by the scholars in the past based on the social, economical, political and environmental context of that period since 1950s. No unique definition emerged in last few decades in the history of CSR that can be used for all purposes. However, various definitions of CSR cover various dimensions including economic development, ethical practices, environmental protection, stakeholders' involvement, transparency, accountability, responsible behaviour, moral obligation, corporate responsiveness and corporate social responsibility.

The core question addressed by the study was: What are the different dimensions of CSR exhibited through its definitions over last six decades? The paper is structured as follows: the first section discusses the methodology of this study; the second sections provides a literature review to ascertain what is known about the CSR definitions since 1950s; the third section contextualizes the study presented in this paper through a brief presentation and analysis of the dimensions of CSR.

2. Methodology

It consists of two steps. Firstly, the study of the CSR definitions starting from 50s up to the 21st century that has given a perspective of Corporate Social Responsibility in last six decades, were classified over different periods. Secondly, dimensions of CSR were identified through a content analysis of those definitions.

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3. Evaluation of CSR Definitions and Relevant Literature Review:

The Corporate Social Responsibility (CSR) has a long history, which evolved with the development of businesses and that has been meeting the emerging needs of the society. It has been in practice mainly in the western countries in one form or another. The modern concept and form of CSR has appeared through a transition that started during the early twentieth century. During that period, calls for CSR came from outside the corporate in the form of unions (Kuhn and Shriver 1991).

3.1 Beginning of Modern Era of Social Responsibilities: The 1950s

Howard R. Bowen (1953), one of the early contributors to the corporate social responsibility in the academic literature, raises a question, "What responsibilities to society may businessmen reasonably be expected to assume?" Bowen (1953) makes an initial definition of the social responsibilities of businessmen:

It refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society (p. 6).

According to Heald (1957), another CSR expert of the contemporary period gave a definition of CSR as:

CSR is recognition on the part of management of an obligation to the society it serves not only for maximum economic performance but for humane and constructive social policies as well.

It is now clearly understood that the 1950s was a period of the beginning of Modern era of CSR. Corporate managers and board directors started feeling that they exist as society exist and they have some obligation towards the society. Literature during this period discussed about the obligations of the businesses towards to achieving the desired objectives, values and policies for the society (Bowen 1953; Heald 1957).

3.2 CSR Literature Broadens: The 1960s

One of most prominent writers during this period to define CSR was Keith Davis who defined 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). Another scholar during this period, William C. Frederick was also an influential contributor to the early definitions of social responsibility and according to him:

[Social responsibilities] mean that businessmen should oversee the operation of an economic system that fulfils the expectations of the public. And this means in turn that the economy's means of production should be employed in such a way that production and distribution should enhance total socio-economic welfare (Frederick, 1960).

Rahman

A foremost thinker on this subject, Clarence Walton (1967), addresses many facets of CSR in modern society. He presents a number of different varieties, or models, of social responsibility, including his fundamental definition of social responsibility:

In short, 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 (Walton, 1967, p. 18).

Beginning in the 1960s moral issues in business were raised on a record level. During this time, many businesses were selling unsafe products harmful for the environment, society was not succeeding in helping economically deprived citizens, bribery was common and morality suffered to money and power (Lantos, 2001). The 1960s broadened the area of literature on CSR.

3.3 Further Growth of CSR Definitions: The 1970s

In the very beginning of this decade, Morrell Heald (1970), a CSR scholar, described the social responsibility of business and expressed the relationship between company and community, from his point of view. However, the most notable scholar, during this period, Noble Prize economist, Milton Friedman, expressed CSR from a different angle:

There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud (Friedman 1970).

Another scholar of this period, Harold Johnson (1971) presented a number of definitions of CSR and then criticized and analysed them. Johnson presented four views of CSR as narrated below:

1. A socially responsible firm is one whose managerial staff balances 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 (p. 50).
2. Social responsibility states that businesses carry out social programs to add profits to their organization (p. 54).
3. A socially responsible entrepreneur or manager is one who has a utility function of the second type, such that he is interested not only in his own well-being but also in that of the other members of the enterprise and that of his fellow citizens. (p. 68)
4. The goals of the enterprise, like those of the consumer, are ranked in order of importance and that targets are assessed for each goal. These target levels are shaped by a variety of factors, but the most important are the firm's past experience with these goals and the past performance of similar business enterprises; individuals and organizations generally want to do at least as well as others in similar circumstances (p. 73).

Eilbert and Parket (1973), who emphasizes CSR be moved to its implementation and practice, define CSR as:

Rahman

Perhaps the best way to understand social responsibility is to think of it as 'good neighbourliness.' The concept involves two phases. On one hand, it means not doing things that spoil the neighbourhood. On the other, it may be expressed as the voluntary assumption of the obligation to help solve neighbourhood problems. Those who find neighbourliness an awkward or coy concept may substitute the idea that social responsibility means the commitment of a business or Business, in general, to an active role in the solution of broad social problems, such as racial discrimination, pollution, transportation, or urban decay (Eilbert & Parket, 1973, p. 7).

Sethi (1975), in a classic article, discusses "dimensions of corporate social performance," and distinguished between corporate behaviour that might be called "social obligation," "social responsibility," and "social responsiveness." Preston and Post (1975) sought to draw attention away from the concept of CSR and toward a notion of public responsibility. They stated that in the principle of public responsibility, "the scope of managerial responsibility is not unlimited, as the popular conception of 'social responsibility' might suggest, but specifically defined in terms of primary and secondary involvement areas".

In 1979, Carroll, a great CSR think tank offered the following definition:

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, 1979).

CSR definitions grew well in the 1970s. Business people during that period were significantly engaged with corporate philanthropy and community relations. A few definitions appeared this time that stressed the inclusion of stakeholders, needed to match public expectation and utilization of CSR for long term benefits of the society. Four facets of social performance became well known during this period. These were social responsibility, social accounting, social indicators, and the social audit (Backman 1975).

3.4 Further Research on CSR: The 1980s

In 1980, Thomas M. Jones entered the CSR discussion with an interesting perspective. He defined CSR:

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; behaviour influenced by the coercive forces of law or union contract is not voluntary. Second, the obligation is a broad, extending beyond the traditional duty to shareholders to other societal groups such as customers, employees, suppliers, and neighbouring communities (Jones, 1980, pp. 59-60).

During this period, two scholars, Tuzzolino and Armandi (1981) sought to develop a better mechanism for CSR assessment through proposing a need-hierarchy framework after Maslow's (1954) need hierarchy theory. Their organizational need hierarchy suggest that organizations, like individuals, had criteria that needed to be fulfilled or met, just as people do, as portrayed in the Maslow hierarchy. Another scholar, Rich Strand (1983) presents a systems paradigm of organizational adaptations to the social environment that how social responsibility, social responsiveness, and social responses connected to

Rahman

an organization-environment model. Great CSR scholar Carroll (1983) provides another 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 . . . then 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. Thus, CSR is composed of four parts: economic, legal, ethical and voluntary or philanthropic.

Freeman (1984), placed his famous stakeholders theory and brought a new dimension in CSR literature. According to him, stakeholders include customers, competitors, trade associations, media, environmentalists, suppliers, government, consumer advocates, local communities and business community, who need active participation for successful CSR implementation. Another scholar during this period, Epstein (1987) provided a definition of

CSR in his pursuit to relate social responsibility, responsiveness, and business ethics. He pointed out that these three concepts dealt with intimately related, even overlapping, themes and concerns. He defined CSR as the 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.

The 1980s contributed further on CSR definitions and relevant literatures. During this period, Freeman presented this great Stakeholders Theory, which expresses the involvement and role of stakeholders' in promoting CSR (Freeman 1984). The definitions during this period also contributed in identifying the relation between CSR and profitability (Cochran and Wood 1984). It is a fact that CSR activities increase reputations of the corporations, which increase the confidence of the consumers on the products and services of those companies. As a result, the profitability increases too.

3.5 More CSR Definition Revealed: The 1990s

During 1990, a few more definition of CSR emerged. Hopkins (1998), defines CSR, where he emphasised on treating internal and external stakeholders ethically or responsibly, as below:

Corporate social responsibility is concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. Stakeholders exist both within a firm and outside. Consequently, behaving socially responsibly will increase the human development of stakeholders both within and outside the corporation.

Two prominent Scholars during this period Woodward-Clyde (1999) define CSR as a contract between business and society:

Rahman

A 'Contract' between society and business wherein a community grants a company a license to operate and in return the latter meets certain obligations and behaves in an acceptable manner.

On one hand stakeholders' involvement is one of the major components of Corporate Social Responsibility, on the other hand, employees as well as community support is also a very integral part of CSR as well. Khoury *et al.* (1999), promoters of stakeholders' roles, employees and community support, describe CSR as:

Corporate social responsibility is the overall relationship of the corporation with all of its stakeholders. These include customers, employees, communities, owners/investors, government, suppliers and competitors. Elements of social responsibility include investment in community outreach, employee relations, creation and maintenance of employment, environmental stewardship and financial performance.

Elkington (1997) introduced his famous concept *Triple Bottom Line* focuses on three issues, namely, social responsibility (people), environmental responsibility (Planet), and economic responsibility (profit). So, a socially responsible company can be considered as an institution for economic prosperity, social equity and environment protection. During this period, Carroll and Buchholtz (2000) defines CSR as:

The idea of social responsibility requires the individual to consider his (or her) acts in terms of a whole social system, and holds him (or her) responsible for the effects of his (or her) acts anywhere in that system.

In the 1990s, a few major definitions of CSR emerged that brought a new phenomenon in the definition of CSR. Hopkin's (1998) explanation regarding CSR stakeholders, who play both within and outside the organization, sounds appropriate. Woodward-Clyde (1999) defines CSR as a social contract that gives us an understanding of CSR definition in a very simple way. The concept of triple bottom-line was introduced in this decade by Elkington, which has been widely accepted in the corporate world. The business case for CSR has been gaining solid foundation, surrounding the idea of People, Planet and Profit, which means that what is good for the environment and what is good for the society is also good for the financial performance of the business. Finally, Carroll's contributions in the development of CSR history through his article 'Evolution of a Definitional Construct', has given a new height in the relevant literatures in this decade and can be really appreciated.

3.6 New Dimension of CSR: In the Beginning of 21st Century

Moir (2001), the prolific writer in the history, reviews a broad understanding of what is meant by corporate social responsibility and how and why business might accept such behaviour in the beginning of 21st century.

European Commission (2002) describes CSR as close relationships between companies and societies to tackle social and environmental concerns. They define CSR as:

Rahman

CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.

According to Lantos (2001), there are three kinds of CSR, ethical, altruistic and strategic. Ethical CSR is the demand for firms to be morally responsible to prevent injuries and harm that could be caused by their activities. Altruistic CSR is 'true voluntary caring, even at possible personal or organizational sacrifice'. Lantos (2002) states, strategic CSR is exhibited when a firm undertakes certain 'caring corporate community service activities that accomplish strategic business goals.'

de Bakker et al. (2005) presents that though CSR literature has been in existence for more than three decades and this issue has been in discussion from many angles, but no progress has been achieved in CSR literature due to three contradictory views. These views were, a) development occurred from conceptual vagueness; b) hardly any progress is to be expected because of the inherently normative character of the literature; c) progress in the literature on the social responsibilities of business is obscured or even hampered by the continuing introduction of new constructs.

Corporate social responsibility (CSR) has generated significant debate in academic and corporate circles in recent times. According to Jamali and Miurshak (2007), this debate acknowledges the importance of CSR in the first-world, but raises questions regarding the extent to which corporations operating in developing countries have CSR obligations. They added, due to lack of knowledge and experience in the CSR field, many corporations in the developing countries may not feel any obligation to the society.

World Business Council for Sustainable Development has introduced its CSR definition, which is:

the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" (World Business Council for Sustainable Development, 2008).

The 21st Century is the era of emerging CSR industry. Large corporations are having full fledged CSR departments and hiring CSR Managers and CSR consultants, nowadays. Law and accounting firms are emerging to tackle CSR issues in their relevant fields. Universities are holding CSR conferences and researcher are contributing to the new literature in the CSR field with a great momentum; there are publishers, who are printing CSR related books and journals; there are journalists, who are reporting on CSR issues in the newspapers. These notions, perceptions and observations are supported by McBarnet et al. (2009).

The public is watchful now more than ever before on what firms are saying about their corporate social responsibility and what they are doing in practice.

Rahman

The collapse of Enron in 2001 has shaken the stakeholders' world wide to pressure the corporations to become more transparent and exhibit better accountability, which is reflected in the literature of Mardjono (2005). Having this context, CSR reporting is getting mandatory in many countries and organizations are putting their CSR reports on their own websites to give access to the target audience so that stakeholders can learn what corporations are doing for the society. During this period, a few scholars analysed and redefined what CSR is for the 21st century business world, which broadened the area and responsibility of CSR unprecedentedly. For example, The UN Global Compact (which is a strategic policy initiative for businesses committed to ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption), though emerged in 2000, but has been fully bloomed throughout this decade.

4. Results/ Analysis

After careful examination of the CSR definitions throughout its history during last few decades, several dimensions of CSR appeared. These dimensions during different decades starting from 1950s have been given below:

50s Dimension: Obligation to the society;

60s Dimension: Relationship between corporation and society;

70s Dimensions: Stakeholders' involvement, well beings of citizens, a philosophy that looks at the social interest, help solve neighbourhood problems; improve the quality of life; economic responsibility, legal responsibility, ethical responsibility, and discretionary responsibility;

80s dimensions: voluntariness; economically profitable, law abiding, ethical and socially supportive; economic, legal, ethical and voluntary or philanthropic;

90s dimensions: stakeholders' involvement; obligation to society; environmental stewardship; people, planet, profit;

21st Century dimensions: integration of social and environmental concern; voluntariness; ethical behaviour; economic development; improving the quality of life of the citizens; human rights; labour rights; protection of environment; fight against corruption; transparency and accountability;

The summary of the above findings have been summarized in 10 major dimensions as below:

- i. Obligation to the society
- ii. Stakeholders' involvement
- iii. Improving the quality of life
- iv. Economic development
- v. Ethical business practice

- vi. Law abiding
- vii. Voluntariness
- viii. Human rights
- xi. Protection of Environment
- x. Transparency & accountability

5. Conclusion

The above discussions have led us to land into the perceptions, knowledge and evaluation of CSR definitions and their ten dimensions. All the CSR definitions, in last six decades, more or less covered one or more of the above “Ten” dimensions. This has created an opportunity in the CSR literature to get all the dimensions of CSR at a glance.

While it was not feasible in this limited space to include all the definitions of CSR that appeared in last six decades, most of the major definitions have been included for the purpose of this study.

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Rahman

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Rahman

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