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Corporate Social Responsibility: Where did it Originate From, How has it Evolved and Why is it Important?

A literature review of the history and evolution of CSR

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Abstract

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The purpose of this essay is to trace the roots of CSR as a conceptual construct and explore its historical evolution through time to understand its importance. As the concept has seen a growing interest by academics, business leaders, governments, and international organizations throughout the years, the topic is more relevant than ever for an international business student to understand on a deeper level. The aim of this essay is to provide a comprehensive historical perspective on the evolution of CSR by reviewing the most relevant and original literature as well as the most significant events that have influenced the concept and its understanding. The findings show that CSR evolved from the understanding that the core responsibility of a corporation is to maximize shareholder profits to include a larger scope of stakeholders and that ultimately corporations should create shared value. Furthermore, it was found that the concept of CSR was heavily influenced by the social expectations and institutional pressures of each point in time. As such, CSR is here to stay and will continue to evolve alongside society's expectations. Finally, this essay suggests that future academic research on CSR should focus on how to specifically address core business activities and how CSR can be measured and reported.

Keywords: Corporate social responsibility, Corporate Social Performance, Sustainability, Business Ethics, Creating Shared Value

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Glossary

BSR	Business for Social Responsibility.
CPSC	Consumer Product Safety Commission.
CSP	Corporate Social Performance.
CSV	Creating Shared Value.
CSR	Corporate Social Responsibility.
EC	European Commission.
EEOC	Equal Employment Opportunity Commission.
EU	European Union.
EPA	Environmental Protection Agency.
MDG	Millennium Development Goals.
NGO	Non-Governmental Organisation.
OSHA	Occupational Safety and Health Administration.
SDG	Sustainable Development Goals.
TBL	Triple Bottom Line.
UNFCCC	United Nations Framework Convention on Climate Change.
UNGC	United Nations Global Compact.

1 Introduction

The responsibilities that modern corporations are expected to assume have never been as significant and large in scope in the past as they are today. Society is no longer content when corporations behave in good faith but is increasingly expecting them to bear the responsibilities that come with fixing some of the most complex societal and environmental issues of our time. Consequently, corporations are required to actively develop and implement processes and practices that aim to tackle and prevent such issues in order to stay competitive. However, this phenomenon is not something that appeared overnight in the world of business and as this essay will explore in greater detail, it is not new either. The concept that corporations have responsibilities beyond that of their core economic duties has a long and varied history of evolution and is most commonly known as Corporate Social Responsibility (CSR). As such, the aim of this essay is to trace the roots of CSR as a conceptual construct and explore its historical evolution through time by reviewing the most prominent academic literature on the topic to gain a greater understanding of the concept and its relevance in today's business. By doing so, the author hopes to gain a solid basis of understanding that will assist in more specific and practical research in the future.

This literature review focuses on what the author believes to be the most relevant and original academic literature as well as the most significant historical events that have influenced the concept of CSR and its understanding through time. The books and articles used in this essay are some of the most cited on the topic and thus considered highly influential. It is important to note that other prominent themes related to CSR emerged and were widely discussed during the periods outlined in this essay. These include but are not limited to corporate social performance, corporate social responsiveness, stakeholder theory, business ethics, corporate political action, issues management, corporate citizenship, sustainability, and creating shared value. Even though some of them are mentioned due to their relevance, this essay will not explore these themes in detail as the author believes them to be outside of the immediate scope with each theme having its own extensive literature. And as Carroll (2015: 87) stated, all these terms are interrelated and overlapping one another, he sees CSR as the benchmark concept and called it the “centerpiece of the socially conscious business movement”.

2 Literature review

To better interpret this essay, one must begin by understanding the concept of CSR by its historical roots and the way it has evolved throughout the years. In the following section of this essay, the author will attempt to trace the origins of the corporation, the early signs of CSR, and will continue to explore the term’s evolution through time to its latest understanding.

2.1 The origins of the corporate structure and early signs of CSR

Even though the concept of CSR did not formally exist in the literature until the 20th century, it is important to understand the historical origins of the corporate structure and the reasons why corporations were established in the past to better interpret the evolution of the concept through time.

According to Chaffee (2017), the origins of the corporate form can be traced all the way back to ancient Rome, where the state’s legislation recognised various groups as having a separate identity from the people that composed them. These groups, or corporations as we would refer to them today, had a strong social aspect to them and even included municipalities and the Roman state itself. They were often organised for social purposes, such as asylums, homes for the poor, homes for the aged, hospitals, orphanages, political clubs and more. In fact, the term “corporation” derives from the Latin term “corpus" which means “body of the people” (Chaffee 2017).

In the Middle Ages, this idea of the corporation as a social enterprise was extended into Anglo-American law where at first the Crown and later the parliament maintained exclusive power to issue corporate charters and create corporations. As in Ancient Rome, corporations during this time were not created for business or commerce, but for religious, charitable, and other social purposes (Chaffee 2017). After the American Revolutionary War, state governments started creating corporations through bills that were passed by state legislatures and ultimately signed by state governors, replacing the Crown. During this time, corporations served relatively social functions as legislatures commonly granted corporate charters to charities, churches, and universities (Chaffee 2017).

It is important to mention that before the 19th century, there was no real distinction between nonprofit, for-profit, cooperative, and government organisations (Schmidt 2011). It was not until the late 1790s and early 1800s that modern corporate law was beginning to solidify in the United States which drew a distinction between for-profit, nonprofit, and cooperative corporations for the first time. As a result, new questions started to arise as to the social responsibilities of for-profit corporate entities (Schmidt 2011; Chaffee 2017).

2.2 The roots of Corporate Social Responsibility

In examining the mid-to-late 1800s, Archie B. Carroll found traces of CSR activities and practices originating in the Industrial Revolution. To him, it was apparent that businesses at the time were especially concerned with employees and how to increase their overall productivity (Carroll 2008). Furthermore, according to management historian Daniel A. Wren, the emerging factory system in Great Britain and the United States faced a lot of criticism regarding the employment of women and children, as well as numerous other social problems such as labour unrest, poverty, and slums (Wren 2005). As a response to these problems, industrialists such as John H. Patterson of National Cash Register, set the course for the industrial welfare movement which sought to prevent labour problems by providing solutions such as hospitals, bath-houses, lunchrooms, profit sharing and recreational facilities to their employees (Wren 2005).

In addition to concerns for employee well-being, philanthropy started appearing in the late 1800s too (Wren 2005). However, corporations at the time did not engage in philanthropy that provided benefits to the general community but mostly to their immediate stakeholders. For example, employers would purchase land to be used for churches, libraries, and schools for their employees which benefited the company in the form of 'improved employee relations' (Wren 2005). Nevertheless, individual entrepreneurs and business owners used their own money to support social causes which can be categorised as socially responsible today (Wren 2005). According to Morrell Heald, more great examples that demonstrate the involvement of corporations in social causes in the late 1800s include (1) the case of R. H. Macy Company where the firm's records showed contributions to an orphan asylum and gifts to charities where expenses were listed under Miscellaneous Expenses in the company's books and (2) the case of Pullman Palace Car Company that created an advanced community town for its employees in 1893 with standards far more advanced than the times (Heald 1970).

Even though evidence exists of socially responsible business behaviour at the time, this was not always the case. Based on Nicholas Eberstadt's (1973) observation, in the late 1800s, corporate charters were only granted to businesses that were socially useful, but this had changed by the end of the Civil War when charters were made available under nearly any business pretext. This led to large corporations dominating the economy with some of them having the power of governments, giving them almost limitless power to the point where they felt above the law and did as they pleased. Eberstadt (1973) further added that this could have continued if not for the collapse of the economic system that led to the Great Depression in 1929. The following decade, the global economy suffered from massive unemployment and business failure which forced change to take place (Eberstadt 1973; Carroll 2008).

Robert Hay and Ed Gray characterised the period up to this point as the phase of 'profit maximising management', where the core duty of management was the maximisation of shareholder wealth (Hay & Gray 1974; Carroll 2008). In a research report for The Conference Board, Sophia Muirhead called the period of the 1870s to 1930s the ‘pre legalisation period’ of corporate contributions. Prior to the 1900s, corporate contributions were mostly perceived as negative. They were seen as giving away shareholders’ assets without their approval (Muirhead 1999; Carroll 2008). Later, in the 1920s to 1930s business managers were viewed as ‘trustees” who took on the responsibility of maximising shareholder wealth while simultaneously creating and maintaining an equitable balance among the needs of other stakeholders such as their customers, employees, and the local community. They called this the ‘trusteeship management’ phase (Hay & Gray 1974; Carroll 2008).

2.3 Modern era of Corporate Social Responsibility

The following section will examine the modern era of CSR when the term ‘social responsibilities’ was formally introduced in the literature for the first time. It will examine the most notable contributions to the concept in regard to its definitional development and the discussion as to what precisely the responsibilities that corporations are expected to assume are. The literature will be organised and examined on a decade-to-decade chronological order starting in the 1950s.

2.3.1 The 1950s

Regarded by many experts to be the seminal book on CSR, even though at the time it was mostly called ‘social responsibility’, is Howard R. Bowen’s book ‘Social Responsibilities of the Businessman’, which is deemed "one of the first comprehensive discussions of business ethics and social responsibility” (Bowen 2013: viii). Originally published in 1953, the book created a foundation by which business executives and academics could consider the subjects as part of strategic planning and managerial decision-making. In the words of Archie B. Carroll (1999), Howard R. Bowen should be called the “Father of Corporate Social Responsibility”. Because of the book’s importance and influence in modern literature of CSR, the author decided that it is worth investigating in greater detail to better understand the basis of the concept.

In ‘Social Responsibilities of the Businessman’, Bowen (2013: 3) begins by pointing out the massive amount of influence and leadership that ‘businessmen’, referring to the managers and directors of the several hundred largest corporations at the time, have over society as we rely on them to make decisions such as: what goods and services will be produced, how said goods and services will be distributed, how to contribute to an economy’s development, how to distribute income to workers and owners, and to provide the economic basis for national defence. In Bowen’s words:

> “The decisions and actions of the businessman have a direct bearing on the quality of our lives and personalities. His decisions affect not only himself, his stockholders, his immediate workers, or his customers - they affect the lives and fortunes of us all” (Bowen 2013: 3).

Bowen emphasises that business leaders do not fully comprehend the influence that their private decisions have on public welfare as it is difficult for them to realise that both small and big businesses determine some of the most important social matters such as:

> “...the amount of employment and prosperity, the rate of economic progress, the distribution of income among various groups, and the organisation of industry and trade. And these decisions have a significant influence upon the morale of our labor force, the satisfactions obtained from work, the character of our consumption, our personal security, the rate of utilisation of our natural resources, and even our international relations” (Bowen 2013: 4).

According to Bowen (2013: 4), once the far-reaching scope and consequences that private business decisions have on society are recognised, it is only natural to ask questions such as: Are business leaders, because of their strategic position and considerable decision-making power, obligated to consider social consequences when making their private decisions? If so, do they have responsibilities beyond the obligations to shareholders? Most people would agree that the answers to both questions are yes. However, these questions are very general and do not specify precisely what those responsibilities would be. Thus, Bowen raised the following questions to dig a bit deeper into those responsibilities:

> "What constitutes good citizenship for a business enterprise? How does a moral enterprise behave? What kinds of business decisions promote the ends of modern society and what kinds detract? What are the criteria by which the decisions of businessmen should be judged? What kind of institutional or legal arrangements will best promote the assumption by businessmen of their social responsibilities? To what extent do the interests of business in the long run merge with the interests of society?" (Bowen 2013: 5).

An important point made by Bowen (2013: 5), is that these questions cannot be answered definitively. They are subjective, as the answers can vary between individuals, communities, cultures, and countries depending on their fundamental values and social objectives. However, for his readers to better interpret his thought process, Bowen defined the 'social responsibilities of businessmen' as:

> "...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" (Bowen 2013: 6).

Bowen (2013: 8-12) then suggests some values and objectives that most people at the time would accept in principle in what he called 'Tentative List of Goals". This list consists of: (1) High standard of living, (2) Economic progress, (3) Economic stability, (4) Personal security, (5) Order, (6) Justice, (7) Freedom, (8) Development of the individual person, (9) Community improvement, (10) National security, and finally (11) Personal integrity. "Even though the listed 'goals' are not necessarily controversial, the difficulty arises when we try to translate them into actions as some of the goals can be conflicting in the sense that to achieve one of them may be at the sacrifice of another" Bowen (2013: 12) stated. Nevertheless, these 'goals' should always be considered by business leaders when making important business decisions (Bowen 2013: 12).

In 'Social Responsibilities of the businessman', Bowen did not only point out the impact that business managers' private decisions have over society and the responsibility that comes with such influence, but he also proposed changes in business organisation and practice. Firstly, he proposed changes in the composition of boards of directors to include one or more directors who represent the points of view of workers, suppliers, consumers, the local community or even the general public. Secondly, he proposed greater representation of the social viewpoint in management similarly as with directors as mentioned previously because of management's greater impact in decision making over directors. Thirdly, he proposed the use of social audit which is to audit a business performance from the social point of view similarly as accounting audits are conducted by independent accounting firms. His fourth and fifth proposals were the economic and social education of managers and their participation in government to gain greater social understanding. The sixth proposal was greater publicity and transparency, and his seventh proposal was the development of business codes of conduct. Finally, Bowen's eighth proposal was further research in social sciences (Bowen 2013: 151-163).

William C. Frederick summarised the period of the 1950s with regards to CSR in three core ideas: (1) the idea that corporate managers act as public trustees, (2) the idea of balancing competing claims to corporate resources, and (3) the acceptance of philanthropy by businesses to support social causes (Frederick 2006, Carroll 2008).

According to Carroll (2008: 26), the decade of the 1950s can be mostly described as a time of discussion rather than action with respect to CSR as there is not much evidence that any of Bowen's proposals were implemented at the time. Nevertheless, the proposals were out there for further thought and reflection and are deemed a large contributor to the discussions that followed. Interestingly enough, most of Bowen's proposals can be observed in standard business practices in the 21st century in one form or another, demonstrating his influence and how he was ahead of his time.

2.3.2 The 1960s

In the 1960s, CSR was still a relatively new concept and thus was quite vague but there was growing awareness of the need for businesses to consider their impact on society. This was most likely driven by social movements at the time that mainly revolved around civil rights and anti-war protests (Latapí Agudelo *et al.* 2019). As a result, the 1960s was a period that accelerated the attempts by scholars to define and more precisely state what CSR meant (Carroll 2008).

According to Carroll (1999), one of the most prominent writers during that period to define CSR was Keith Davis who defined social responsibility in his 1960

California Management Review article 'Can Business Afford to Ignore Social Responsibilities?' as:

> "...businessmen's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest" (Davis 1960: 70).

Davis (1960: 70) initiated the article by explaining that the important social, economic, and political changes taking place at the time represented pressure for business leaders to re-examine their role in society and ultimately understand their social responsibility. According to Carroll (1999), Davis (1960: 70) asserted that socially responsible business decisions could be linked to economic gain for the firm which is a view that was later commonly accepted.

Interestingly, for Davis (1960: 70), social responsibility had two different faces. On one hand, he mentions that business leaders have an obligation to the community regarding economic developments affecting the public welfare such as employment, inflation and maintaining competition because of their influence in managing an economic entity in society. On the other hand, he mentions that business leaders also have an obligation to nurture and develop human values such as morale, cooperation, motivation, and self-realisation at work. Both of which seem to be in line with Bowen's 1953 book 'Social Responsibilities of the Businessman'.

Furthermore, Davis (1960: 71) importantly stated that "responsibility goes with power". He expanded on this by explaining that business leaders or any other group that has social power should have social responsibility equivalent to the amount of power and influence they have. Consequently, if business leaders do not wish to bear such responsibilities due to them being a burden to them, Davis (1960: 73) argues that naturally, their power and influence would be limited as third-party groups like the government will have to step in and take on those responsibilities.

According to Carroll (1999), apart from Davis, an influential contributor to the development of the early definition of CSR was William C. Frederick who wrote:

> "...when we invoke the phrase 'social responsibilities of the businessman' we 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. 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 used for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms" (Frederick 1960: 60).

Frederick's (1960: 59-61) proposal for a new basis of an adequate theory of business responsibility was based on five requirements: (1) having a criterion of value, (2) it should be based on the latest concepts of management and administration, (3) it should recognise the current social context and the history behind it, (4) it should recognise that the behaviour of individual business leaders is a function of the social role they play in business and society, and (5) there should also be a recognition that socially responsible business behaviour does not happen automatically but through deliberate and conscious efforts.

After Frederick, another major contributor to the definition of social responsibility was Joseph W. McGuire who stated:

> "The idea of social responsibilities supposes that the corporation has not only economic and legal obligations but also certain responsibilities to society which extend beyond these obligations" (McGuire 1963: 144).

As the definition did not exactly clarify what those obligations were, McGuire (1963: 144) further elaborated on it by saying that business leaders must take an interest in politics, social welfare, education, employee satisfaction, and the community around them and that corporations should act 'justly' as a proper citizen should. The latter statement was said to hint at the notions of business ethics and corporate citizenship (Carroll 1999).

According to Carroll (2008), the most noticeable manifestation of CSR in the 1960s continued to be philanthropy but Heald (1970: 276) wrote that towards the end of the decade, business practices that fell under the category of social responsibility also included improvements in employee welfare, customer relations, and shareholder relations. Waterhouse (2017) wrote that this was a time when the overall social context was formed mostly by strong pressure on corporations to behave according to social expectations which were expressed in the form of protests and environmental and anti-war campaigns. To McGuire (1963) however, there was still more talk than action at the time.

2.3.3 The 1970s

Fuelled by the overall social context of the late 1960s which saw declining confidence in business to fulfil the wants and needs of the public, the anti-war sentiment (Waterhouse 2017) and a major oil spill in the coast of Santa Barbara, California in 1969, massive protests took place across the USA that eventually resulted in the creation and celebration of the first Earth Day in 1970 (Earth Day 2018). By the end of the year, the first Earth Day led to the creation of the United States Environmental Protection Agency (EPA) and the passage of other first of their kind environmental laws, including the National Environmental Education Act, the Occupational Safety and Health Act, and the Clean Air Act. In the years to follow, congress passed the Clean Water Act, the Endangered Species Act, and Federal Insecticide, Fungicide, and Rodenticide Act (Earth Day 2018).

Furthermore, it is important to point out that the period of 1965–1982 was a recessionary period in the USA that was marked by high inflation and a long energy crisis. This period is now known as “The Great Inflation” (Meltzer 2005). As a response, apart from the environmental regulations mentioned earlier, the federal government of the USA made significant advances in social regulations too. Amongst others, these included the Consumer Product Safety Commission (CPSC), the Equal Employment Opportunity Commission (EEOC) and the Occupational Safety and Health Administration (OSHA), all of which formalised corporate social responsibilities to some extent (Carroll 2015). Overall, this new regulatory framework heavily influenced corporate behaviour and created additional responsibilities for corporations.

In a 1971 publication by the Committee for Economic Development (CED) called ‘Social Responsibilities of Business Corporations’, it was observed that:

> “...business functions by public consent and its basic purpose is to serve constructively the needs of society—to the satisfaction of society” (Committee for Economic Development 1971: 11).

Followed by:

> “Business is being asked to assume broader responsibilities to society than ever before and to serve a wider range of human values. Business enterprises,

> in effect, are being asked to contribute more to the quality of American life than just supplying quantities of goods and services. Inasmuch as business exists to serve society, its future will depend on the quality of management's response to the changing expectations of the public" (Committee for Economic Development 1971: 16).

Further to the above observations, the CED's publication introduced a three concentric circles notion of social responsibility which they broke down as follows: The inner circle comprises the immediate business responsibilities for the efficient execution of the economic function which include products, jobs, and economic growth. The intermediate circle refers to business responsibility to exercise this economic function with consideration of changing social values like environmental conservation, employee relations, expectations from customers, fair treatment, and protection from injury. Finally, the outer circle outlines newly emerging and perhaps not clearly defined responsibilities that businesses should assume to increase their positive impact on the social environment (Committee for Economic Development 1971: 15).

Clearly, the social responsibilities that businesses were expected to assume were growing in an unprecedented way in the 1970s but not everybody agreed with this notion of social responsibility. Famous for criticising these growing social responsibilities that were expected from business leaders at the time was economist Milton Friedman. In his 1970 article "The Social Responsibility of Business is to Increase its Profits" Friedman argues that businesses should focus solely on maximising profits because doing so creates value for society by creating jobs, generating wealth, and fostering innovation. He contends that businesses have no expertise in social or political issues, and that any attempt to address such issues would inevitably result in inefficiency, bureaucracy, and an undermining of the free market system. He suggests that social issues should be addressed by governments and non-profit organisations instead as any cost borne by a business to serve a social goal beyond profit-maximisation is a form of taxation that infringes upon the individual freedom of owners, managers, and employees. Friedman (1970) also argues that businesses have a legal and ethical responsibility to follow the law and operate with integrity, but that this responsibility is ultimately subordinate to the primary goal of generating profits. He maintains that businesses should only engage in philanthropy or social responsibility initiatives if they directly contribute to the bottom line or enhance the company's reputation (Friedman 1970).

Sceptics of CSR, including Milton Friedman, often argued that the term was not clearly defined and allowed room for individuals to interpret the definition as they pleased which created uncertainty. According to Latapí Agudelo *et al.* (2019), this lasted until 1979 when Archie B. Carroll proposed what was arguably the first unified definition of CSR which he stated as follows:

> “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, 500).

According to Carroll (1979: 500), the definition was designed to include the points of view of those who argued against social responsibility by assuming it was somehow separate from economic responsibility. It is important to note that this definition was not meant to specify the exact responsibilities that businesses should assume but to help identify the reasons behind business actions as well as give attention to the ethical and discretionary responsibilities that were often forgotten by business leaders (Carroll 1979: 501).

Moreover, the 1970s saw an increase in writings suggesting the importance of a managerial approach to CSR which is one where business managers would apply traditional business functions like forecasting, planning, organising, assessing performance, and institutionalising policies and strategies regarding CSR (Carroll 2008).

Driven by social movements, growing interest by academics, and new legislation, the 1970s marked a period of increased awareness and action around CSR as businesses and governments recognized the need to consider both the social and environmental impacts of economic activity. This period laid the groundwork for the more expansive understanding of CSR that emerged in the following decades.

2.3.4 The 1980s

A major contributor to the theory of CSR in the 1980s was Thomas M. Jones who emphasised that CSR should not be seen as a set of outcomes but as a process. First, he defined CSR as follows:

> “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” (Jones, 1980: 59–60).

Jones (1980: 65) argued that because it is very difficult to reach consensus as to what constitutes socially responsible behaviour, CSR should not be judged by the final decisions of corporate managers but by the process that those decisions are reached. He explained that corporations need to analyse the social consequences of their decisions before they make them and take steps to minimise the social costs of these decisions when appropriate (Jones 1980: 65).

However, Jones raised two possible problems with his newly defined concept of CSR as a process. First, the possibility of changes to the decision-making process could become ends in themselves. For example, he saw a danger that companies could begin to take pride in having a more diverse management team while ignoring their input and decision-making capabilities and passing that responsibility to others just to be more inclusive (Jones 1980: 66). The point being that a diverse team of decision-makers should be desired for their diverse perspectives, not just to be diverse. Second, he mentioned that process changes will not necessarily result in changed corporate behaviour as the correct responsibilities are extremely difficult to define. As a result, Jones stated that until we have clearer definitions of CSR, we must not expect more from corporations than we do of other social and political institutions (Jones 1980: 66). Jones’s contribution to CSR as a process allowed for the creation of new frameworks, models, and methods that aimed to assess CSR from an operational perspective.

The first notable example of this came about in 1981 when a need-hierarchy framework was presented by Frank Tuzzolino and Barry Armandi (1981) through which a firm's socially responsible performance can be assessed based on profitability, organisational safety, affiliation and industry context, market position and competitiveness, and self-actualisation. Their framework did not redefine CSR, but they accepted Carrol's 1979 definition as appropriate for their purposes. They suggested that organisations, like individuals, had criteria that needed to be fulfilled as portrayed in the Maslow hierarchy which they presented as a 'conceptual tool whereby socially responsible organisational performance could be reasonably assessed' (Tuzzolino & Armandi 1981: 21-24).

Another important research topic became research on the relationship between CSR and firm profitability (Carroll 2008: 36). In a 1985 study called "An Empirical Examination of the Relationship Between Corporate Social Responsibility and Profitability", the authors argued that even though an enormous body of literature has emerged up to that point concerning CSR, empirical research designed to test definitions, concepts, and proposals were scarce. Moreover, they pointed out that the ones that existed were based on particular ideological and emotional interpretations, thus were subjective in nature (Aupperle,Carroll & Hatfield 1985).

Furthermore, due to widely reported ethical scandals that brought the public's attention to corporate wrongdoing in the 1980s, two very important alternative themes to CSR were developed: stakeholder theory and business ethics (Carroll 2008: 36). One of the most influential and widely cited definitions of stakeholder theory comes from R. Edward Freeman, a professor of business administration at the University of Virginia. In his 1984 book "Strategic Management: A Stakeholder Approach," Freeman defined stakeholders as:

> "…any group or individual who can affect or is affected by the achievement of an organization's objectives" (Freeman 1984: 46).

He argued that businesses have a moral and ethical obligation to consider the interests of all stakeholders, not just shareholders, in their decision-making and operations (Freeman 1984). This definition and approach to Stakeholder theory has been widely adopted and has had a significant impact on the field of business ethics and corporate social responsibility (Carroll 2008: 36).

However, as the concept of CSR was gaining momentum and the responsibilities that businesses were expected to assume were on the rise, a new line of thought was brought into politics by Ronald Reagan and Margaret Thatcher with a strong focus on reducing the pressure on corporations by deregulation (Feldstein 2013). Their deregulation policies were based on the belief that excessive government regulations were hindering economic growth and innovation and so they worked to reduce regulations in a wide range of industries, including transportation, energy, telecommunications, and finance. While they are credited with spurring innovation and competition in many industries, some critics argue that they also contributed to social and economic problems, particularly in terms of inequality and environmental degradation (Cannon 2017, Cannon 2020).

According to Carroll (2008: 36), the 1980s was a period of widely reported ethical scandals that further brought the public’s attention to managerial and corporate wrongdoing. Some of the most notable examples of these scandals during this period include: (1) Nestlé’s infant-formula controversy that spanned from the late 1970s to the mid-1980s, (2) the Union Carbide Bhopal explosion in India that took place in 1984, killing thousands of people, (3) the controversy over companies doing business in South Africa in support of apartheid which was a system of institutionalised racial segregation, and (4) the Ivan Boesky insider trading scandal of the mid-to-late 1980s. Carroll (2008: 36-37) characterised the 1980s as the decade of ‘greed’ which apparently was very evident at the time.

In summary, the focus in the 1980s regarding CSR revolved around environmental pollution, employment discrimination, consumer abuses, employee health and safety, quality of work life, deterioration of urban life, and other questionable practices of multinational corporations (Carroll 2008: 36).

2.3.5 The 1990s

In the 1990s, several significant international events led to an increased global focus on social responsibility and sustainable development. These events included the formation of the European Environment Agency in 1990 and the UN Summit on Environment and Development, which resulted in the Rio Declaration on Environment and Development, the adoption of Agenda 21, the United Nations Framework Convention on Climate Change (UNFCCC) in 1992, and the adoption of the Kyoto Protocol in 1997. The formation of these international organisations and the adoption of these international agreements represented a collective effort to establish higher standards in addressing climate-related issues and as a result, had an influence on corporate behaviour (Union of Concerned Scientist 2018).

During this decade, CSR gained international appeal with many multinational corporations recognizing the potential of being socially responsible to balance the challenges and opportunities of the globalisation process that was taking place (Carroll 2015). Although global corporations enjoyed larger markets than ever before that opened the doors for new opportunities to them, globalisation also meant rising competition, an increased reputational risk due to global visibility, and conflicting pressures, demands, and expectations from the host countries (Carroll 2015). As a result, the institutionalisation of CSR became ever stronger.

According to Carroll (2008: 38), the most notable example of the institutionalisation of CSR was the formation of a non-profit organisation called Business for Social Responsibility (BSR) in 1992 that was formed to represent the initiatives and professionals that were responsible for CSR in their respective companies. BSR's mission is to work with business to create a just and sustainable world in which all people can thrive on a healthy planet through collaboration with peers and partners to address systemic and sector-specific challenges (Business for Social Responsibility 2023). This is accomplished by sharing their best practises to scale impact, by creating long term value with actionable advice that enables business resilience, innovation and solutions that deliver broader impact to society, by helping companies see the changing world more clearly by providing insights to environmental and social shifts, and finally, by providing opportunities for their members to network and share knowledge between them on pressing sustainability challenges (Business for Social Responsibility 2023).

BSR defines CSR rather broadly according to Carroll (2008: 38). Their definition includes topics such as business ethics, community investment, environment, governance and accountability, human rights, marketplace, and workplace. BSR also states that when addressing CSR, the following terms are often used interchangeably: business ethics, corporate citizenship, corporate accountability, and sustainability. On a more practical note, BSR views CSR 'as a comprehensive set of policies, practices and programs that are integrated into business operations, supply chains, and decision-making processes through the company' (Carroll 2008: 38).

In general, the 1990s saw very few unique contributions to the definition of CSR (Carroll 1999: 288). Nevertheless, there were three contributions to CSR theory that are worth mentioning. In her 1991 article 'Corporate Social Performance Revisited', Donna J. Wood offered a critical review of the existing literature on Corporate Social Performance (CSP) and proposed a new model that was primarily built on Carroll's (1979) three-dimensional CSR model and Wartick and Cochran's (1985) model. Wood (1991) defined three dimensions of CSP: (1) the principles of CSR, which include: legitimacy on an institutional level, public responsibility on an organisational level, and managerial discretion on an individual level, (2) the processes of CSP, which include: environmental assessment, stakeholder management, and issues management, and (3) she specified the outcomes of corporate behaviour as social impacts, social programs, and social policies. Carroll (1999: 289) summarised Wood's (1991) model as more comprehensive than Carroll's and Wartick and Cochran's earlier models by emphasising explicitly on the outcomes and performance of corporations, making it a meaningful contribution.

The second major contribution at the time came from Archie B. Carroll (1991) who revisited his four-part definition of CSR where at this time was referring to the discretionary component as philanthropic and suggested that it embraced "corporate citizenship". Moreover, he presented his 'Pyramid of Corporate Social Responsibility'. The concept suggests that four kinds of social responsibilities constitute total CSR: economic, legal, ethical, and philanthropic, which can also be illustrated as a pyramid. The pyramid of CSR acts as a framework for understanding the evolving nature of the firm's four kinds of social responsibilities in ways that can be useful to executives who wish to reconcile and balance their obligations between their shareholders and other stakeholders including the environment which were now officially recognised by all the newly formed governmental bodies and regulations. As mentioned earlier, these included the EPA, the EEOC, the OSHA and CPSC (see: Glossary).

The third notable contribution came from John Elkington who introduced the term 'Triple Bottom Line' (TBL) in 1994 as a sustainability framework that balances a company's social, environmental, and economic impact in a way that business managers focused on the economic bottom line would understand. Elkington reinforced the view that corporations were accountable for their social and environmental impact as much as their economic impact and stated that accountants have a substantial role in measuring, auditing, reporting, risk rating, and benchmarking that impact. Nevertheless, he acknowledged that these were underdeveloped and imprecise at the time (Henriques, A. & Richardson, J. 2004). Moreover, Elkington importantly stated the following:

> "With its dependence on seven closely linked revolutions, the sustainable capitalism transition will be one of the most complex our species has ever had to negotiate. As we move into the third millennium, we are embarking on a global cultural revolution. Business, much more than governments or non-governmental organizations (NGOs), will be in the driving seat. Paradoxically, this will not make the transition any easier for business people. For many it will prove gruelling, if not impossible" (Henriques, A. & Richardson, J. 2004: 3).

The seven revolutions mentioned by Elkington are the following: (1) Markets, (2) Values, (2) Transparency, (4) Life-cycle technology, (5) Partnerships, (6) Time, and (7) Corporate governance (Henriques, A. & Richardson, J. 2004: 3). He further elaborated by explaining how they all have had paradigm shifts requiring corporations to address each of them to remain competitive as seen in Figure 1. All of them have proven to be its own challenge to address, but necessary for long-term sustainable development.

	Old Paradigm	→	**New Paradigm**
1 Markets	Compliance	→	Competition
2 Values	Hard	→	Soft
3 Transparency	Closed	→	Open
4 Life-cycle technology	Product	→	Function
5 Partnerships	Subversion	→	Symbiosis
6 Time	Wider	→	Longer
7 Corporate governance	Exclusive	→	Inclusive

Figure 1. Elkington's seven sustainability revolutions (Henriques, A. & Richardson, J. 2004: 3).

Overall, the 1990s was a decade of increased globalisation and expansion of multinational corporations causing capitalism to spread rapidly throughout the world. As a result, corporations had to face growing competition, global visibility, and an expanded network of stakeholders making CSR more relevant than ever before (Carroll 2015). Nevertheless, many companies were able to develop excellent reputations for CSR practices such as The Body Shop, Ben & Jerry's, Patagonia, IBM, McDonald's, Coca-Cola, UPS, Nike, and Johnson & Johnson amongst others. Although some of these companies have gotten some scepticism questioning the sincerity or nature of their practices (Carroll 2008: 38-39).

2.3.6 The 2000s

All the theoretical contributions to the concept and meaning of CSR that took place prior to the year 2000, gave way to empirical research on the topic and further interest into related topics such as stakeholder theory, business ethics, sustainability, and corporate citizenship (Carroll 2008: 39). Furthermore, the interest and growth of CSR was most evident in the European Community at the time (Carroll 2008: 41), demonstrated by the institutional and public influence at the time. Nevertheless, the 2000s saw relevant contributions to the concept too.

In July of 2000, the United Nations Global Compact (UNGC) was launched, gathering forty-four global companies, six business associations, two labour organisations and twelve civil society organisations with the purpose of creating an instrument that would fill the gaps in governance of the time in terms of human rights and social and environmental issues (United Nations Global Compact 2020). The creation of the UNGC brought global attention to CSR even though it was never directly linked to the term, but its principles which focused on human rights, labour, environment, and anti-corruption, certainly embodied CSR (Latapí Agudelo *et al.* 2019).

In the same year, the United Nations adopted the Millenium Declaration which consisted of eight Millennium Development Goals (MDGs) and set the international agenda for the following 15 years (Latapí Agudelo *et al.* 2019). The eight MDGs consisted of the following: (1) Eradicate extreme poverty and hunger, (2) Achieve universal primary education, (3) Promote gender equality and empower women, (4) Reduce child mortality, (5) Improve mental health, (6) Combat HIV/AIDS, malaria and other diseases, (7) Ensure environmental sustainability, and (8) Global partnership for development (United Nations 2023a).

In 2001, the European Commission (EC) presented a Green Paper called “Promoting a European framework for Corporate Social Responsibility” as a response to a variety of social, environmental, and economic pressures of the time. Its aim was to launch a wide debate on how the EU could promote CSR at both the European and international level by suggesting an approach based on greater transparency and deepening of partnerships in which all actors have an active role to play (European Commission 2001). The Green paper introduced CSR as:

> "...a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. This responsibility is expressed towards employees and more generally towards all the stakeholders affected by business and which in turn can influence its success" (European Commission 2001).

As a result of the adoption of the eight MDGs and the EC's Green paper, CSR was promoted as a prominent European strategy going forward (Latapí Agudelo *et al*. 2019).

In addition to the institutionalisation of CSR on a more global scale, the 2000s also saw relevant contributions to the theory in the form of books and academic research. According to Carroll (2008), a special issue of Business & Society published in December of 2000 titled 'Revisiting Corporate Social Performance', set forth multiple different perspectives and definitions of both CSR and CSP. Rowley and Berman (2000) argued that CSP must be reduced to operational measures instead of being built on an overall concept of CSP. Griffin (2000) argued that existing research in related disciplines such as marketing and human relations can accelerate the understanding of CSP.

In the two following years, Carroll (2008: 40) points out that CSR and CSP were mostly linked with other relevant variables through empirical research rather than the development of new concepts. Some notable studies included: (1) how a firm's public recognition for exemplary social performance can serve as a positive signal of its business performance to shareholders, (2) the extent to which diversity characteristics and stakeholder roles influenced manager's views regarding their responsibilities to society and the role of ethics and CSR in business, (3) the impact of accidents on a firm's reputation for social performance, and (4) the relationship between CSP and employer attractiveness (Carroll 2008: 40).

In 2003, Schwartz and Carroll presented a three-domain approach to CSR that took Carroll's (1979, 1991) four original categories of CSR: economic, legal, ethical, and discretionary (later philanthropic) and reduced them to three: economic, legal, and ethical. The reduction in categories was a result of merging the philanthropic category with the ethical one. The three categories were then presented as a Venn diagram where each section represented a set of organisational characteristics that could be useful when analysing firms in a visual manner (Schwartz & Carroll 2003).

Another major contributor to the theory at the time was Marrewijk (2003) who presented an overview of the concepts of CSR and Corporate Sustainability and notably explained their emergence as a strategic response to the new corporate challenges that firms must respond to by accordingly adopting different levels of CSR integration into their structure. CSR as a strategic response was further explored in 2005 by Werther and Chandler in their book "Strategic corporate social responsibility as global brand insurance" who advocated for the implementation of strategic CSR as part of brand management by stating the following:

> "By integrating a stakeholder perspective, management is best placed to optimise stockholder returns over the long term' (Werther & Chandler 2005).

Moreover, they emphasised that CSR was transforming from being a minimal commitment to becoming a strategic necessity (Werther & Chandler 2005).

In 2005, a major book was published by Philip Kotler and Nancy Lee (2005) called "Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause" that catalogued a series of CSR best practices intended for the business community. It demonstrated how the CSR approach was a new way of doing business that was able to combine the economic success and the creation of value of a business in a respectful and proactive attitude towards its stakeholders. In an attempt to assist companies with their CSR programs, the authors presented a total of twenty-five best practices that were broken down into six major types of social initiatives: (1) cause promotion (increasing awareness and concern for social causes), (2) cause-related marketing (contributing to causes based on sales), (3) corporate social marketing (behaviour change initiatives), (4) corporate philanthropy (contributing directly to causes), (5) community volunteering (employees donating time and talents in the community), and (6) socially responsible business practises (discretionary practices and investment to support causes) (Kotler & Lee 2005, Perrini 2005, Carroll 2008).

In summary, the 2000s saw CSR expanding on a global scale through the institutionalisation of the concept as well as contributions to its theory and practice. By the end of the decade, CSR was understood as having the potential to generate shared value and address social concerns, thus seen as a strategic necessity for business.

2.3.7 The 2010s

Similarly to the 2000s, the 2010s saw a growing interest in the concept of CSR by academics, governments, institutions, and by consequence both the public and private business sectors.

In January of 2010, Carroll and Shabana (2010) published an updated review of CSR concepts, research, and practices, and tried making the business case for the implementation of CSR. The authors concluded that firms which engage in CSR activities will be rewarded by the market in economic and financial terms and would allow them to benefit from CSR ‘opportunities’. They rationalised the business case for CSR in four arguments: (1) reducing cost and risk, (2) strengthening legitimacy and reputation, (3) building competitive advantage, and (4) creating win-win situations through synergistic value creation. However, they stated that for the business case to hold, firms must understand the circumstances of the various CSR activities and pursue those that demonstrate a convergence between the firm’s economic objectives and the social objectives of society (Carroll & Shabana 2010: 101-102).

On the contrary, Porter and Kramer (2011) advocated for a more recent concept called Creating Shared Value (CSV) which they explained as a necessary step in the evolution of business and defined it as:

> “policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. Shared value creation focuses on identifying and expanding the connections between societal and economic progress” (Porter & Kramer 2011: 2).

Notably, they saw CSR as an outdated and limited concept that has emerged as a way for improving companies' reputations and that it does not take into account the broad factors that influence the long-term success of companies. Therefore, claimed that CSV should replace CSR (Porter & Kramer 2011: 16), and summarised their differences in a table as seen in Figure 2.

	Corporate Social Responsibility (CSR)	→	Creating Shared Value (CSV)
1	Value: doing good	→	Value: economic and societal benefits relative to cost
2	Citizenship, philanthropy, sustainability	→	Joint company and community value creation
3	Discretionary or in response to external pressure	→	Integral to competing
4	Separate from profit maximisation	→	Integral to profit maximisation
5	Agenda is determined by external reporting and personal preferences	→	Agenda is company specific and internally generated
6	Impact limited by corporate footprint and CSR budget	→	Realigns the entire company budget

Figure 2. How Shared Value differs from Corporate Social Responsibility (Porter & Kramer 2011: 16).

According to Latapí Agudelo *et al.* (2019), perhaps the most relevant contribution from Porter and Kramer comes from the claim that:

> "The purpose of the corporation must be redefined as creating shared value, not just profit per se" (Porter & Kramer 2011: 2).

Porter and Kramer (2011: 5) suggested three key ways that companies can create shared value opportunities: (1) By reconceiving products and markets, (2) By redefining productivity in the value chain, and (3) By enabling local cluster development. They pointed out that the starting point for a company to Create Shared Value is the identification of the societal needs, benefits, and harms that are or could be embodied in its products. They added that this can be accomplished by concentrating on what are arguably the greatest unmet needs in the global economy (health, housing, nutrition, help for the ageing, financial security, and clean environment), companies are able to capitalise while creating shared value (Porter & Kramer 2011: 7-8).

An example for opportunity (1) is: instead of food companies concentrating on better taste and larger quantities to drive more consumption, they should be focusing on providing better nutrition which in turn would open up new avenues for innovation (Porter & Kramer 2011: 7). For (2): by strategically reducing their packaging or cutting miles from their delivery routes, companies can lower emissions while saving costs (Porter & Kramer 2011: 9). Likewise, by investing in employee wellness programs they can improve employee health while saving money on healthcare costs and increasing productivity (Porter & Kramer 2011: 11). Finally, for (3): by enabling “clusters” or geographic concentrations of firms, related businesses, suppliers, service providers, logistical infrastructure, as well as institutions such as academic programs, trade associations, and standards organisations, businesses can benefit greatly from the efficient cooperation that such an ecosystem can yield (Porter & Kramer 2011: 12).

In 2013, Chandler and Werther revisited their idea of CSR as a strategic response, but this time acknowledged the relevance of CSV which was highlighted on their book’s third edition by amending the subtitle from “Stakeholders in a Global Environment” to “Stakeholders, Globalisation, and Sustainable Value Creation” (Latapí Agudelo *et al. 2019)*. In fact, they claimed that strategic CSR has the potential for generating sustainable value and that this can be done by identifying the social problems for which a company can create a market-based solution in an efficient and socially responsible way (Chandler & Werther 2013; Latapí Agudelo *et al.* 2019). In the third edition of their book, the authors defined strategic CSR as:

> “The incorporation of a holistic CSR perspective within a firm’s strategic planning and core operations so that the firm is managed in the interests of a broad set of stakeholders to achieve maximum economic and social value over the medium to long term” (Chandler & Werther 2013: 65).

Later, in the fourth edition of the book called “Strategic corporate social responsibility: sustainable value creation”, Chandler (2016) reflects on the evolution of CSR and how it has been mostly accepted as central to the strategic decision-making and day-to-day operations of companies. He stated "value creation cannot be avoided…[instead] it must be embraced" (Chandler 2016: xxvii), and that "CSR is not something that firms choose to do - all firms do it - it is just that some firms do it better than others" (Chandler 2016). Furthermore, he concluded that "the firm creates the most value when it focuses on what it does best, which is defined by its core operations" (Chandler 2016: 250). Chandler presented his slightly modified definition of strategic CSR on the fourth edition of the book as:

> "The incorporation of a holistic CSR perspective within a firm's strategic planning and core operations so that the firm is managed in the interests of a broad set of stakeholders to optimize value [emphasis added] over the medium to long term" (Chandler 2016: 248).

According to Latapí Agudelo et al. (2019), the most valuable contribution from Chandler and Werther's series of books comes from their perspective of the implementation of CSR as a strategy based on five major components: (1) the incorporation of CSR into companies' strategic planning processes and their corporate cultures, (2) the understanding that all company actions are directly related to their company operations, (3) the belief that the incorporation of a stakeholder perspective is a strategic necessity, (4) the change from a short term perspective to a mid-to-long term planning and management process of company resources which is inclusive of all its key stakeholders, and (5) the aim to optimise the value created (Chandler 2016, Chandler and Werther 2013).

In 2015, Archie B. Carroll continued his work on CSR with his article "Corporate Social Responsibility: The centrepiece of competing and complementary frameworks" in which he wrote an updated overview of the concept. In this article, Carroll (2015) looked at other related competing and complementary concepts such as business ethics, corporate citizenship, stakeholder management, sustainability and acknowledged the concept of Creating Shared Value. He stated that all of these terms are interrelated and overlapping one another but saw CSR as the benchmark concept and called it the "centerpiece of the socially conscious business movement" (Carroll 2015: 87).

Importantly, the year 2015 can be considered one of the most influential of the decade as far as the institutionalisation of CSR with both The Sustainable Development Agenda being adopted in September and The Paris Agreement being adopted in December of 2015 (United Nations 2023a). The Sustainable Development Agenda builds on the success of the MDGs by specifying 17 Sustainable Development Goals (SDGs) that aim to end all forms of poverty by calling for action by all countries to promote prosperity while protecting the planet. They do so by recognising the fact that ending poverty must go together with strategies that build economic growth while addressing a range of social needs like education, health, social protection, job opportunities, and tackling climate change and environmental protection (United Nations 2023b). The Paris Agreement on the other hand, is more focused on tackling climate change which it classifies as a global emergency and aims to substantially reduce global greenhouse emissions to limit the global temperature increase in this century to two degrees Celsius while pursuing efforts to limit it even further by reviewing countries’ commitments every five years and providing financing to developing countries to enhance their abilities to keep up with the developed ones (United Nations 2023c).

In a statement released in 2019 by the Business Roundtable, an association of CEOs of major US corporations, the purpose of the corporation was redefined to promote “an economy that serves all Americans”. In what they called “a modern standard for corporate responsibility”, they stated that while each individual company serves its own corporate purpose, they share a fundamental commitment to all their stakeholders (Business Roundtable 2019). The mentioned commitments were broken down to: (1) Delivering value to customers by meeting or exceeding customer expectations, (2) Investing in their employees by providing fair compensation, important benefits, training and education, as well as fostering diversity, inclusion, dignity, and respect, (3) Dealing fairly and ethically with suppliers by serving as good partners, (4) Supporting local communities and respecting the people and the environment by embracing sustainable practises, and finally (5) Generating long-term value for shareholders by committing to transparency and effective engagement with them. The Business Roundtable acknowledged that each of these stakeholders are essential and that they must deliver value to all of them (Business Roundtable 2019).

In summary, the 2010s was a major decade for the concept of CSR as global institutions and governments adopted both the Sustainable Development Agenda and the Paris Agreement which marked a major shift in the focus of the global economy for the following decades. Finally, strategic CSR and the concept of CSV were also accepted as important contributions to the concept.

2.3.8 The 2020s

Even though the 2020s are only three years in at the time the author is writing this, a lot has happened during this time that has significantly influenced the concept of CSR. From social justice and diversity, equity, and inclusion (DEI) protests, climate change protests, a global pandemic, and multiple wars, the concept of CSR has become increasingly important and has gained more attention globally than ever before.

Perhaps one of the most influential contributions to the overall concept of CSR during the early 2020s came from Klaus Schwab, founder, and executive chairman of the World Economic Forum (WEF), when he published his book “Stakeholder Capitalism: A Global Economy that Works for Progress, People and Planet” in January of 2021. In his book, Schwab (2021) takes CSR one step further by advocating for stakeholder capitalism, a sustainable global economic system which he believes overcomes much of the shortcomings of shareholder capitalism and state capitalism.

Stakeholder capitalism optimises for “a broader objective than profits: the health and wealth of societies overall, as well as that of the planet and of future generations” (Schwab 2021). This is accomplished with a new stakeholder model that Schwab (2021) introduced where people (all human individuals) and planet (the natural environment we all share) are at the centre and whose well-being is optimised by four key stakeholders: (1) Governments (of countries, states, and local communities), (2) Civil Society (consisting of unions, NGOs, schools, universities, religious organisations and others), (3) Companies, and

(4) The International Community (consisting of international organisations such as the UN, the World Trade Organisation, and the EU). Schwab (2021) also stated that even though these key stakeholders have their own primary objectives, they are all interconnected, thus, one cannot succeed if others fail. Finally, Schwab (2021) points out that his stakeholder model ensures that each stakeholder's primary objectives are met, while ensuring a more harmonious outcome over time.

As Schwab's book has entered the global discussion, it seems that the 2020s will be a time of growing interest and contributions to the concept of CSR. Only time will tell how the concept will evolve from here but it is clear that the interest is there giving CSR a bright future.

3 Methodology

The aim of this essay was to trace the roots of CSR as a conceptual construct and explore its historical evolution through time by reviewing the most prominent academic literature on the topic to gain a greater understanding of the concept and its relevance in today's business.

3.1 Research method

The methodology used to conduct this research was a literature review which is an analysis of scholarly sources on a specific topic, in this case the concept of Corporate Social Responsibility. A literature review provides an overview of current knowledge on the topic which allows one to identify relevant theories, methods, and gaps in the existing body of research (Scribbr 2023). A literature review typically consists of five key steps: (1) The search for relevant literature, (2) The evaluation of the respective sources, (3) The identification of themes, debates, and gaps in the literature, (4) Outlining the structure of the literature, and finally (5) Writing the literature review (Scribbr 2023). Furthermore, a good literature review does not just summarise various sources, it analyses, synthesises, and critically evaluates to give a clear picture of the state of knowledge on the subject (Scribbr 2023).

The literature review conducted in this essay was extensive and varied in the types of literature that was reviewed. The literature included books, academic articles from various relevant journals, newspapers, and magazines, as well as online content of different forms such as blog posts and official websites of both local and international organisations. All the literature was carefully read, analysed, and chronologically structured in a way that the author deemed would be best interpreted by the readers.

3.2 Limitations

It must be stated that this literature review naturally has its limitations. Firstly, due to time constraints, the literature had to be carefully selected based on its significance and impact on the concept of CSR which arguably left out many details from the story. Moreover, due to the extensive amount of literature that exists on the topic, it was impossible for the author to read and consider them all. This can be seen from gaps in time between the dates that the mentioned literature was published throughout the essay and lack of additional perspectives. Secondly, due to the essay being written in the English language, it fails to acknowledge relevant contributions that were made during the outlined periods in other languages. This means that the literature is based on contributions and authors from the English-speaking world and most dominantly from the USA. As a result, other key contributions and theories may have been excluded completely that could have had a large impact on the overall discussion and outcomes of this essay. Nevertheless, during the review of more recent time periods, some contributions that came from Europe are mentioned too. Thirdly, it is important to note that the essay is limited to publications that refer directly to CSR and does not take into account or refer to all the concepts that are arguably relevant or have a different name but, in their essence, have the same underlying values.

4 Discussion

As the review shows, the evolution of the concept of CSR is long and varied. It can be traced all the way back to the mid-to-late 1800s when businesses at the time were concerned with their employees and how to increase productivity. During the Industrial Revolution business owners provided solutions such as hospitals, lunchrooms, recreational facilities and even started sharing their profits with their employees. In the late 1800s philanthropy started appearing too but mostly toward their immediate stakeholders.

In the early 1900s we saw business managers taking more responsibility as they began considering the needs of stakeholders other than shareholders including customers, employees, and local communities. However, the term CSR was not officially introduced in the literature until 1953 when Bowen published his book “Social Responsibilities of the Businessman” which created a foundation by which the concept was considered as part of strategic planning and managerial decision making.

From the 1950s to the end of the 1960s we saw an increase in relevant literature but not many practical contributions were made. This changed by the 1970s when pressure from society in the forms of protests and anti-war campaigns started taking place which resulted in various governmental agencies and regulations to be established. By the 1980s it was understood that businesses must consider their social and environmental impacts and thus more practical publications started showing up in the following years.

The 1990s were marked by increased globalisation and awareness of CSRs. International institutions started entering the discussion, most notably the UN, and started forming international organisations that aimed to tackle social and environmental issues by reinforcing rules and regulations on a global scale. This trend continued well into the 2000s where global organisations established concrete goals that set the international agenda for the following decades. From the 2010s to today, the responsibilities of businesses are mostly understood and agreed upon, but new contributions continue coming along. The most recent ones being the concepts of strategic CSR, CSV, and Stakeholder Capitalism.

Throughout the essay, it can be observed that there is a link between the social expectations of corporate behaviour and the way CSR is referred to and implemented. It is evident that most contributions to the literature in regard to business practices and how to address CSR issues in practical ways were a direct response to societal pressures and the creation of governmental bodies or regulations that were introduced at the time. This can be clearly seen with all the societal concerns expressed in the form of protests and campaigns that lead to the establishment of the EPA, the CPSC, the EEOC and the OSHA in the US. Moreover, the MDGs and later the Sustainable Development Agenda further formalised CSR on a global scale because of concerns over climate change.

It seems that this trend will continue in the future as CSR has proven to be a moving target driven by stakeholder engagement, ethically sensitive consumers and employees, technological advances, an increasing number of NGOs and international bodies dedicated to CSR, and growing government intervention in business activities. Consequently, the responsibilities that businesses are expected to assume will presumably increase as time goes on, meaning that CSR as a concept has a bright future.

5 Conclusion

Ultimately, this essay comprises a neatly structured historical perspective on the evolution of the concept of CSR presented as a decade-to-decade overview of the major definitional and practical contributions to CSR, the related and supplementary concepts that rose from them, the social expectations that influenced and reflected the way it was understood, and the institutional pressures that followed as a consequence at each point in time.

It is clear that CSR is here to stay as its importance has consistently been growing decade after decade for at least the last 70 years since Bowen’s book

“Social Responsibilities of the Businessman” was released. The concept of CSR has evolved time after time to what we know it to be today, and its trajectory seems to continue moving towards being the prominent theme in business discussions. As such, it is important for business leaders, scholars, and students to spend the necessary time to gain an understanding of CSR and contribute to the discussion.

The world we live in is a complex place to say the least. It is extremely difficult for any individual, let alone a corporation composed of many individuals, to always do the right thing and consider every single consequence that can arise from their actions or decisions. Hence, the author believes that the discussion around CSR will not end anytime soon. As the world changes, so will businesses and their responsibilities. Nevertheless, with the massive amount of leadership and influence that the largest corporations have on people’s lives and the natural environment, it is only right to question the responsibilities that come with that power.

From this essay, it is possible to see that the literature on CSR seems to lack research on how to specifically address core business activities which perhaps allows for subjective interpretation and application of the concept. As such, it can be concluded that CSR can be implemented only partially, thus further research should be conducted on how to specifically address core business activities for businesses to reach their desired CSR objectives. Furthermore, it is clear that measuring and reporting CSR can be challenging. A study on the effectiveness of different CSR reporting frameworks and their impact on corporate behaviour could also be valuable. Besides that, this essay can serve as a starting point for anyone that is interested in understanding the basis of the concept and its historical evolution.

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Appendix 1