Looking Back: The History of Corporate Social Responsibility

Ethics in Action: A Conference on Corporate Social Responsibility
Reflecting on the Past and Inventing the Future

Archie B. Carroll
University of Georgia
19 April 2013
Corporate Responsibility: The American Experience
Cambridge University Press, 2012

To whom and for what

is the modern corporation responsible?

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CR History - The Double Helix Framework

Thinkers

Doers
Corp Responsibility Pioneers

Thinkers
- Locke
- Marx
- Darwin
- Smith
- de Tocqueville

Doers
- Gladstone
- Carnegie
- Frick
- Mellon
- Rockefeller
- Vanderbilt
- Rockefeller

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PART I – THE SEEDS OF CORPORATE RESPONSIBILITY
- Foundations of Capitalism and Birth of the Corporation (1776-1880)
- Turbulent Rise of the Corporation (1880-1900)
- Progressive Era and a New Business-Government Relationship (1900-1918)
- The Corporation’s Case for Social Responsibility (1918-1929)
- The Corporation and National Crisis (1929-1945)

PART II – CORPORATE RESPONSIBILITY COMES OF AGE
- Corporate Legitimacy Affirmed (1945-1963)
- A Revolution of Rising Expectations (1963-1973)

PART III – TAKING ACCOUNT OF CORPORATE RESPONSIBILITY
- Stakeholders and Stockholders (1981-1989)
- Corporate Responsibility Institutionalizes/Globalizes (1989-2001)

CONCLUSION: PATTERNS AND PROSPECTS

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Historical Path of CSR - 1950s-1960s

- 1953- Howard Bowen, *Social Responsibilities of the Businessman*

- 1960’s “Social Movements”
  - Civil rights, Women’s, Consumer’s, Environment
  - “Revolution of Rising Expectations”

Corporate Social Responsibility

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Social Movements 1960s: *Drivers of Modern CSR*

Consumers

Civil Rights

Environment

Women

Smog

Earth Day - 1970

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Early Definitions of CSR

The idea of social responsibility supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society which extend beyond these obligations.
–McGuire, 1963

The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations placed on organizations by society at a given point in time.
–Carroll, 1979
Framing the Infrastructure – Four Part Definition of Corporate Social Responsibility (CSR)

TOTAL CSR

- ECONOMIC Responsibilities
- LEGAL Responsibilities
- ETHICAL Responsibilities
- DISCRETIONARY Responsibilities

Source: Carroll, 1979, Academy of Management Review, p. 499
1960s → Obligation; accountability

Early 1970s → Action; activity

Mid-1970s → Results; outcomes
Carroll’s Corporate Social Performance Model

Source: Carroll, 1979, Academy of Management Review
Pyramid of CSR

Philanthropic Responsibilities
*Be a good corporate citizen.*

Ethical Responsibilities
*Be ethical.*

Legal Responsibilities
*Obey the law.*

Economic Responsibilities
*Be profitable.*

Pyramid of CSR

- **Philanthropic Responsibilities**: Be a good corporate citizen.
- **Ethical Responsibilities**: Be ethical.
- **Legal Responsibilities**: Obey the law.
- **Economic Responsibilities**: Be profitable.

The CSR Equation

Economic Responsibilities

+ Legal Responsibilities

+ Ethical Responsibilities

+ Philanthropic Responsibilities

= Total CSR
**CSR - Ethics, Economics, and Law**

Area 1 — Profitable, legal, ethical: Go for it!

Area 2a — Profitable and legal. Proceed cautiously.

Area 2b — Profitable and ethical. Probably legal, too. Proceed cautiously.

Area 3 — Legal and ethical but not profitable. Find ways to seek profitability.

Competing and Complementary Frameworks

- **CSR** (...1950s, 1960s, 1970s)
- **Business Ethics** (early 1980s)
- **Stakeholder Management** (mid-1980s)
- **Corporate Citizenship** (early 1990s)
- **Sustainability** (early-mid 1990s)
Creating Sustainable Value

Achieving Appropriate Balance

Demonstrating Sufficient Accountability

Proper Role of Business

- CSR
- Business Ethics
- Stakeholder Mgmt.
- Corporate Citizenship
- Sustainability

Why has CSR been sustainable?

- **Business Acceptance has been strong...**
  - Mainstream adopters (of CSR)
  - Social *entre*preneurship
  - Social *intra*preneurship

- **Global Growth and Emerging Economies**

- **Academic Legitimacy/Proliferation**
Companies have had flexibility in their CSR IMPLEMENTATION POSTURES

<table>
<thead>
<tr>
<th>CSR “Lite”</th>
<th>CSR Compliant</th>
<th>CSR Strategic</th>
<th>CSR Integrated</th>
<th>Deep CSR</th>
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Companies opt for different DEGREEs OF COMMITMENT TO CSR

Source: Adapted from Coro Strandberg, *The Future of CSR*, Vancouver, B.C.

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60 Year Trajectory of CSR

1960’s “Social Movements”
Civil rights, Women's rights, Consumers, Environmentalism

CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIVENESS

CORPORATE SOCIAL PERFORMANCE

BUSINESS ETHICS

CORPORATE CITIZENSHIP

SUSTAINABILITY

STAKEHOLDER MGMT

FUTURE of CSR

CSR/CSP Research

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Comments? Questions?

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