



Evolution of Corporate Social Responsibility on a Global Scale

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ABSTRACT

CSR is the inclusion of public attention in company's decision that is a part of company's business and honouring the three-fold bottom line that encompasses individuals, the earth and earning profit, wherever the organization does business and includes responsibility for current and past actions as well as future impacts. CSR is frequently considered as applicable to companies operating both in domestic as well as in an international economy. No longer can firms continue to act as independent entities regardless of the interest of the general public. In the light of this background, the objective of this paper is to analyze the concept of CSR and changes in approaches to CSR with the passage of time.

[Key Words: Corporate, Expectations, International level, Responsibility]

1. Introduction

CSR is the inclusion of public attention in company's decision that is a part of company's business and honouring the three-fold bottom line that encompasses individuals, the earth and earning profit (Pratik & Bora, 2011). The word responsibility elucidates moral obligations of the business for the society. It infers that companies are not different from the society, they are part and parcel of the society and their performance is observed by the social standards (Dhond, 2011). The globalisation process of the economy and emergence of a boundary-less surroundings, build development even further dramatically. Corporations are scrutinized to reduce force by shoppers connotations and dogmatic lobbies (Ramesh & Goel, 2012). CSR motives to outline an agreement to maximise the well-being of the involved parties. Welfare maximization is ought to be considered in future, so as to fulfill gift expectations and desires while not putting the prospects in danger and assets of the approaching groups (Ramesh & Goel, 2012). The interested parties are one amongst the constituencies of stakeholders who ought to contribute in implementing CSR programs, whereas the companies are ought to continue their contribution by paying dividends and increasing share price of shares (Ramesh & Goel, 2012). This approach enhances the concept of CSR as a scientific interactive and cooperative method between corporations and communities.

2. Review of Literature

Schwartz & Carroll (2003) analysed an enlarging from four segment procedure of corporate social obligation given by Carroll in 1979 and an alternative approach on pyramid of CSR in 1991 to conceptualize CSR. In three domain approach on three cores legal, economic and ethical responsibilities were represented in a Venn model framework. It was recommended that the new model all the more absolutely and precisely portray the relationship between the three focal CSR areas: financial, lawful, and moral. The three-space demonstrate likewise helped to reduce the basic supposition of a progressive relationship among the areas which some refreshing in Carroll's pyramid portrayal of CSR. The extension of space clarification is accessible to all more completely by which is fitting the order corporate exercises.

Tomar & Gupta (2008) inspected the ways, explanations and the extent to which CSR was executed in the foremost family operated businesses in India. Study developed a framework to integrate the intention and anxiety of a company regarding CSR and the level of operation of these activities. Study had undertaken two main challenges of social responsibility management i.e. to measure corporate social performance and the competency of companies to be socially accountable. The study found the viewpoint of Tata's family on CSR strategies and practices of TISCO. Tata Steel is providing the business-public relationship advanced by the private sector in India in the present scenario. Summary of Tata group initiatives revealed that the firm was functioning for the improvement of before and after-profit practices. These practices were undertaken voluntarily by the company which exhibited that the organization had a very high concern for the society.

Jedrzej & Frynas (2009) research has analysed the potential of CSR and restrictions for donations in broader societal challenges. The study has undertaken the significant range of CSR strategies of oil companies are projected to earn positive contribution, development of environmental, growth and governance. The study was based on research in oil and gas sector for more than 10 years. The study is based on 100 discussions with oil consultants, company staff, government officials, civil society advocates, development specialists, journalists and local people on this matter. The study had

undertaken staff members and insiders of oil companies to examine environmental and social reports of 20 companies. The findings of the study proposed that CSR has potential in taking the challenges of environment. Corporate reporting made by some companies has shown improvement in environment issues, development of environmental friendly technology and tangible improvements.

Dhond (2011) examined the thought of CSR and their significance to business houses. The study has analysed the CSR activities performed by Indian companies. The study found that corporate social responsibility had flourished as an idea in the past ten years, not as a coherent practical programme.

3.1 Historical Background of CSR at International Level

The historical backdrop of CSR at International level is as deep-rooted as the historical backdrop of business himself, even when the thought of CSR was not officially developed. A review of extant literature incontestable study the evolving concept of CSR and no fixed agreement on the concept of CSR is developed. This part of the study divided the historical background of CSR into several phases of 50 years as shown below.

3.2 CSR before 1900

In order to grasp the means of updating CSR, it is helpful to go back in period whereas CSR in recent terms, concerned by companies beliefs and social magnitudes contains a lengthy history. The trade and business is as old as history of social and environmental considerations. It was discovered that laws to shield forest and business work operations backed 5,000 years. King Hammurabi of Ancient Mesopotamia started a code in 1700 BC according to which manufacturers, owners or agriculturists were set to death if their carelessness has resulted into the deaths or troublesomeness to native people. Most of the research studies on CSR had studied the past of CSR since 1776 AD and considers the beginning of modern conception of CSR in 1950s (Babu, 2017). Business practices supported ethical principles and controlled the greed by advocating the pre-Christian western intellectuals like Cicero in the 1st century BC and Kautilya in the 4th century BC, whereas Islam and medieval Christian church publically sentenced bound the business practices, notably usury (Jedrzejj and Frynas, 2009).

CSR conception may be a part of the business history of individuals in African continent. In Southern Cameroons hunters of the continent were seemed to bring a part of their catch to their ruler. In Nigeria farmers carried their 1st produce of crop for the celebration of festival New Yam. The Craftsmen were the custodians of history and their art works was retained in the palaces of the chiefs and were not purchased.

The Ancient Roman senators contributed ample taxes to fund their military campaigns just in case of failure of companies. The shareholders of the Dutch East India Company circulated pamphlets of complaints concerning management mystery and self-enhancement in 1622 (Brass Centre, 2007).

In African continent important professionals like doctors were not permitted to charge hefty fees for his or her service to the needy. Their charges were typically nominal that every one was able to pay. These facts recommended that in African society business was 1st seen and assistances for the total society and therefore the single businessman originated at another place. European nation witnessed the primary giant scale boycott by consumer in 1790 over the difficulty of sugar harvested by slave that forced business persons to own free sourcing of labour. The emergence of enormous companies throughout the late 1800's played a serious part in fast effort far away from the classical economic. As society developed from the financial structure of tiny, incapable companies ruled fundamentally by the open market to giant companies within which control was additional focused on responsibility of business to surfaced society (Spring, 2007).

In Bible a parallel view of business is mentioned where charging interest on debts is condemned. Jesus in a number of his stories like the reckless son and good Samaritan represents the wealth sharing. The blessedness fosters the logic of public and CSR is perceived as a reality in Christian conception. Several of the societal lessons of the Catholic Church supported the CSR. The poor and deprived people were given priority on the part of Catholic Church had continued to the twentieth and twenty first centuries. Popes journal of business and public policy had examined the historical backdrop of CSR Benedict XVI, John Paul II and is recognized to be the followers of company philanthropic.

3.3 1900 to 1950

The staff in the 19th century was exposed to organized exploitation i.e. low wages, discipline on the work, pitiless working conditions and frequent unemployment. The employers until the first 1920's anxious mitigated the exploitation, social depression trodden up the great works like private colleges, churches, stitching rooms, sports club with the attitude of eliminating child labour in Europe. In Belgium, France, Great Britain, employers and chambers of commerce perpetually opposed guidelines like time period, regular inspections, mandatory presence in school which resulted in unfair competition. The parents organised a leisure time during this situation in the workshops for the working children and stitching places for the mothers of child workers. In numerous cases the wives of the employers had led to these actions (Gerard fonteneau).

In the pre independence era of India, businesses that pioneered industrial enterprise in struggling for individuality had followed the thought. They had place the thought into action by fixing charitable foundations, academic, health care establishments and trusts for community development (Smith, 2011).

Boycotts of foodstuffs in the nineteenth century was occurred as the food stuffs were produced by slave workers, the moral dream of corporate pioneers like Cadbury and Salt that empowered the wellbeing of their staff and the Nuremberg war crime hearings after World War II has seen the administrators of the German company IG Farben was found guilty of carnage and slavery (Jedrzejj & Frynas, 2009). In 1929, the Dean of Harvard Business School, Wallace B. Donham, observed in an statement conveyed at North Western University as business was underway lengthy centuries before the beginning

of history, however presently trade as all know is new in the expansion and social importance. Business has not understood the ways to hold these changes and not recognize the greatness of its duties regarding the long running of civilization.

Throughout the Second world war, responsibilities beneath the reach of the management enclosed problems regarding a company's workers, customers moreover the general public and not solely the profit. Prior to 1950's educational literature was based on the growth of profits and therefore the management of the trustees after 1950's.

3.4 1950-2000

Managers role as a public trustee had supported the causes which were sensible within the type of company philanthropic and addressing the resources of company were the three main ideas which were present in the 1950s. The last decade was ceased by not supporting the notion of CSR and was harmful to business (Kaur & Agrawal, 2011). CSR found attention in 1951 when Frank Abrams, chairman of the board for traditional Oil of New Jersey, printed an article in *Harvard Business Review* and declared that it remained absolutely the companies responsibility to perform the matter of a company to keep an equitable and executable equilibrium in the dues of the varied concerned teams, a pleasant equilibrium amongst the stockholders, employees, customers and public at giant (Smith, 2011)

In 1953, *Social Responsibilities of businessman* was the book by Howard R. Brown which shaped the essence and discussion on CSR. (Kaur & Agrawal, 2011). In 1953, New Jersey State Supreme Court has removed the legal constraints on Standard Oil donation of money to Princeton university. The court favoured Standard Oil by the argument which has donated to Princeton's Engineering Department and was meant to benefit Standard Oil by serving the education of future possible workers. This led the different companies of U.S. to have similar interaction activities benefiting individuals and organizations at giant (Jedrzej & Frynas, 2009). Milton Friedman presented liberal model which indicated the companies responsibility to primarily concentrate on aims of owners and stakeholders responsiveness that recognized the direct and indirect stakeholders interests (Jedrzej & Frynas, 2009)

CSR has gained importance in the 1960s as a result in the social movements of time and varied academics required to establish additionally that CSR might bring around the business. Most of the actions were started in the US and enclosed the environmental movement, consumer rights, women rights moreover as the civil rights movement. As a results of these varied movements CSR get existence, as activists exerted progressively larger amount of burden on firms to start executing creativities to handle the attitudes, practices and policies in relevance to their social responsibility (Kaur & Agrawal, 2011). Business ought to be cautious of the risks of social responsibility. Firms should not blame for the problems regarding the society as it is ought to be the responsibility of government. If an organization starts specializing in social problems, it would result in reducing specializing in profit maximization which was crucial for business to realize the success (Kaur & Agrawal, 2011).

In Latin America the Catholic Church developed Liberation Theology during 1960's to handle the social desires of the people of different countries. These things saw struggle with authorities of Church in Rome as a result of the practice in Marxist theories, it lay emphasis on the element which christ had a discriminatory possibility for the poor. The Catholic Church supported the justifiable development that was closely connected with CSR. With fast industrialisation, the effect of business on society and surroundings edged as a replacement aspect. The corporate paternalists of the nineteen's and early twenty centuries utilized their wealth for the help of altruistic endeavors (BRASS Centre, 2007).

The link between financial performance and social responsibility was negligent in the 1960s indicated that companies were not expecting any yields for socially accountable (Kaur & Agrawal, 2011). According to Fabig and Boele debates directed at the connection of improvement, surroundings, human rights and worldwide in the outlook than earlier in the century (Jedrzej & Frynas, 2009). The most important issue throughout this point of time was the importance of CSR to society and businesses.

Businessman selection and actions are taken for reasons of direct economic or technical interest of the firm. Business resources ought to be used for wide social goals, argued that the lawful and monetary responsibilities of an organization are not sufficient which a business ought to undertake responsibilities regarding the society in an endeavor to be socially accountable. The period from 1960 to 1970 was mindfulness and subject era of CSR. This was mostly as a result of the shift which was going down in the realm of social awareness, endeavoured to know the responsibilities towards society involvement in the community, reducing discrimination, taking phases to reduce pollution and specializing in the philanthropic nature of business. The phases of 1960s to 1970s in relevance to the evolution of CSR was characterised as a period of corporate social responsiveness (Kaur & Agrawal, 2011). In this period CSR, responsiveness and performance turn out to be the focus of discussions. These CSR alternatives encompassed company public policy, business ethics and management of stakeholders moreover as improvement in corporate social performance (CSP) that attained on the part in the 1970s. Businesses were attracting deep attention in social problems and commenced responding to those instead of forward responsibility. The corporate social responsibility was differentiated from corporate social responsiveness, which outlined these two differently. The CSR had its specialization in the very fact which the business was undertaking responsibility, corporate social responsiveness had its stress on the particular act of completing the perspective towards society which was accountable. CSP tried to assemble CSR and Corporate social responsiveness and highlighted the importance as accentuation the outcome of the results of initiatives that were socially accountable (Kaur & Agrawal, 2011).

The era was referred to as the corporate/business ethics stage. Throughout this era connection amongst corporate financial performance and CSR was found to be a current feature (Kaur & Agrawal, 2011). The CSR concept raised to integrate the objectives of company through social responsibility by creating it accountable to take care of surroundings, workers and earn profits. In 1990s, Peter Drucker and other thinkers broadcasted CSR as a portion of company strategy. The attitude of CSR was modified from the agency theory to stakeholder theory. The stakeholder model had targeted the existence of company that throngs on the obligation concerning the shareholders, workers, governments and customers. CSR may be used in many terms like

business ethics, corporate citizenship, social environmental responsibility and corporate sustainability (Jedrzej & Frynas, 2009). In the U. S., CSR was enunciated more ways in terms of a philanthropic model. Firms build profits and unhampered apart from fulfilling the duty to pay taxes. They then provide a portion of their profits to the charitable trusts. In European definition, social responsibility had become an essential part in the wealth making method. It ought to improve the fight of business and exploit the worth of wealth formation to society. Assisted by similarly globalizing communication technologies, international attentiveness of the results of world economic liberalisation grew within the 1990's. Whereas the labour and environmental circumstances worsened and therefore the range of individuals existing in extreme impoverishment did not weaken and the inequality increased. The U.S. companies like Shell, Nike, Gap and levis Strauss have faced challenge to validate their activities and Wall Street incontestably increased the importance of the brand and company name shaped leading firms prone to the result dangerous promotional material had on profit. Number of UN summits and directives created as public call for larger regulation and supervision increased (Ghosh & Ghosh, P., 2011). Trying to succeed in world acceptance, CSR progressed in the decade of the 1990s and 2000s. This was widely referred to as the age of world corporate citizenship (Kaur & Agrawal, 2011)

3.5 2000- Till date

Malaysian companies were centered on charitable actions particularly confined to the Muslim and Chinese religious vacations, whereas firms in South Africa had given emphasis on black enablement schemes. Therefore, being accountable to society meant the various things to different individuals in several countries. The CSR in Argentina might partially recognized to Argentina's economic depression in 2001 (Jedrzej & Frynas, 2009). Despite of these scandals, efforts were made to legitimatise CSR among businesses the maximum amount as attainable is in progress. The idea of being socially accountable continued to stimulate development despite of the occasional hurdles like considerations over the ethics of business that have sometimes initiated the individuals to demand the thought of CSR. Still in continental Europe, United Kingdom attained growth with regard to the event of CSR. The additional improvement of CSR was the thought of sustainable development started displaying in educational literature and therefore the professional world in the early 2000s (Kaur & Agrawal, 2011)

4. Findings

Before the 1950s companies concentrated on the profits enlargement and were managed by the trust but after 1950s. CSR improvement was adopting diverse approaches and was known as an era of excellence of life management. The periods from 1960s to 1970s in relation to evolution of CSR was considered as a phase of corporate social responsiveness and the link between financial performance and social responsibility was negligent during the 1960s which indicated that businesses were not supposing any incomes for being responsible to society. During 1970s formal definitions had started taking shapes with a stress on corporate social performance and was the decade in which corporate social responsibility, responsiveness and performance became the center of discussions. The periods of the 1960s to 1970s were awareness and issue era of CSR.

5. Conclusion

To conclude, the International CSR landscape has witnessed a progressive shift, emphasizing business commitment to social and environmental responsibility. This journey reflects a growing recognition of the interconnectedness between business success and positive societal impact. Future research in CSR can focus on how technology influences corporate social responsibility, the effectiveness of new CSR strategies and the role of collaborations in addressing global challenges. Exploring changing stakeholder expectations and how businesses integrate sustainability into their models are also important areas to study.

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