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Corporate social responsibility, theories and models

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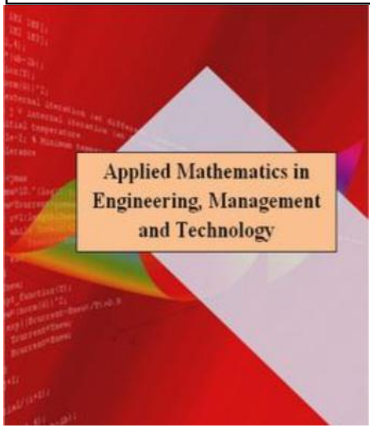

Abstract

Generally, the organizations are created based on social needs; and as powerful phenomena they impose negative and positive impacts on the society and its activities. Hence, awareness of corporate social responsibility and using it seem necessary to business managers.
The company's commitment to social responsibility results in the sustainable and comprehensive development. Therefore, the quality of life of the people and subsequently the community will improve. Improvement by the company's commitment to social responsibility will ensure improvement in the employees' performance, increase competitiveness, ensure the organizations' long-term success, result in growth and development, and will finally make a balance in the social, economic, and environmental sections.
Thus, this study was conducted with the aim of describing the corporate social responsibility in business, and investigating some concepts, models, and theories. In so doing, the researcher studied and analyzed the relevant articles through surfing the scientific sites and available books. Literature review showed that the main factor for organizations' success is to meet the social expectations.

Keywords: corporate social responsibility, social responsibility concepts, theories and models

1 . Introduction

Today, economic activity and trade is not possible without considering the social responsibility it has started. Because during the time of on the knowledge of the users (customers products and services) increased and finally they (customers) products that the company chooses to social responsibility and legal, economic, ethical and environmental committed and the implementation and lead the expansion. Engaging in socially responsible activities not only improves stakeholder satisfaction, but also has a positive effect on corporate reputation (Ester Gras-Gil et al, 2016). The case against the concept of CSR is often begins with the classical economic argument articulated forcefully by the late Milton Friedman (1962). Friedman believed that management has one responsibility and that is to maximize the profits of its owners or shareholders. Friedman argued that social issues are not the concern of business people and that these problems should be resolved by the unfettered workings of the free market system. In addition, this view holds that, if the free market cannot solve the social problems, it falls not upon business, but upon government and legislation to do the job. A second objection to CSR has been that business is not equipped to handle social activities. This position believed that managers are oriented towards finance and operations and do not have the necessary expertise (social skills), to make socially oriented decisions (Davis 1973; Archie et al,2010). The notion of corporate social responsibility (CSR) is not new in our society. It was born when corporations were born and societies to accommodate them. social responsibility is what the French philosopher Rousseau understood to be 'the social contract' between business and society. About sixty-five years ago, in May 1951, Frank Adams published an article on "Management's responsibility in Complex World" in the Harvard Business Review. in which he encouraged his fellow businessmen to see themselves as having a sense of duty to the public in general much as they do to the shareholders, employees and customers (Maak 2008). In 1953, a study commissioned by the Federal Council of churches of Christ in America, entitled "the Social Responsibilities of the Businessman" was authored by Howard Bowen. Bowen focused on the specific social responsibilities of businessmen. Both studies, Frank's and Howard's, addressed the responsibilities of individuals inside the corporation (Maak, 2008:354).

From the 1950's to the present the concept of CSR has gained considerable acceptance and the meaning has been broadened.
Corporate social responsibility has received growing interest from business scholars over the past couple of decades. The linkage between CSR and firm performance, however, has been a controversial issue among scholars as there has not been a consensus regarding the impact that CSR would have on firm performance (Alshammari 2015). In the past few years, corporate social responsibility (CSR) as a concept has attracted the attention of most researchers in management, with the study of corporate citizenship, ethical and social Responsibility is appearing with more frequency. CSR as a term is often rather than in this study with concepts such as corporate responsibility, corporate citizenship, social enterprise, sustainability, sustainable development, corporate ethics, and in some cases, use of corporate governance (Bassen, Hölz and Schlange 2006). In recent years, customers, employees, suppliers, community groups, governments, and some shareholders have encouraged firms to undertake additional investments in corporate social responsibility (CSR). Some firms have responded to these concerns by devoting more resources to CSR. Other companies' managers have resisted, arguing that additional investment in CSR is inconsistent with their efforts to maximize profits (McWilliams and Siegel 2000,603).
today, Many firms are publishing an annual corporate social responsibility report and making it available online so that all stakeholders can see exactly what the firm is doing in order to conduct its business in a socially and environmentally responsible manner. This is one way to send a message to all stakeholders that social responsibility is as important as profits and must therefore be measured. When it comes to spreading information, nothing beats the information and communication technology. The IT area has many tools at its disposal to ensure that everyone is aware of what is important to an organization.
Information technology (IT) is an effective enabler for all sorts of business strategies, so it comes as no surprise that IT is useful for implementing a firm's corporate social responsibility (CSR) initiative as well (Salb et al. 2011).
the fact that much of the research and extant literature on CSR have been focused on the developed world, where institutions are effective and efficient, whilst limited research attention on the subject has been observed in developing countries and regions (Arli and Lasmono 2010).

2. Literature Review

A literature review in this section focus on a few core concept in this Research: Concepts of CSR, The evolution CSR, Conceptual models of CSR and CSR theories and approaches.

2.1. Concepts and definitions of CSR

There are many definitions for the term Corporate Social Responsibility (CSR), but it can broadly be understood as a commitment that an organization must have towards society, expressed through actions and attitudes that affect it positively (Anholon et al.2016). Corporate social responsibility (CSR) refers to strategies corporations or firms conduct their business in a way that is ethical, society friendly and beneficial to community in terms of development. According to the World Business Council for Sustainable Development, "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" (Holmes and Watts, 1999; Chand 2006, p. 240).
The present-day CSR (also called corporate responsibility, corporate citizenship, responsible business and corporate social opportunity) is a concept whereby business organizations consider the interest of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders as well as their environment. This obligation shows that the organizations have to comply with legislation and voluntarily take initiatives to improve the well-being of their employees and their families as well as for the local community and society at large (Ismsil 2009,199). Corporate social responsibility (CSR) refers to companies taking responsibility for their impact on society. The European Commission believes that CSR is important for the sustainability, competitiveness, and innovation of EU enterprises and the EU economy. It brings benefits for risk management, cost savings, access to capital, customer relationships, and human resource management (http://ec.europa.eu/growth/industry/corporate-social-responsibility_en). "Social responsibility (is the) responsibility of an organisation for the impacts of its

decisions and activities on society and the environment through transparent and ethical behaviour that is consistent with sustainable development and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behaviour; and is integrated throughout the organisation." (Hohnen 2007, 4).

McWilliams and Siegel (2000) define CSR as an emerging social action beyond company interests. CSR was a company's strategy and actions with cost consequences. CSR may affect company's financial performance. In addition, CSR undertaken by company can also reduce social risks and can benefit company in long run. CSR may have an advantage or disadvantage for company. It depends on CSR implementation effectiveness by company (McWilliams and Siegel 2000,603).

Campbell (2007) argued that firms engage in socially responsible activities because they respond to several actors in the environment. He grounded his argument on institutional theory prescriptions. Furthermore, he indicated that when firms are engaged in dialogues with their environs, they are best advised to respond positively to their stakeholders, the non-governmental organizations, and to the norms emerging in their environments (Campbell 2007).

The results of study (Mehralian et al.) showed that organizations perceive CSR as a valuable resource that leads to a sustainable competitive advantage by promoting and supporting TQM implementation. Two complementary aspects linking CSR and performance were identified: first, CSR promotes a firm's image and reputation, which will ultimately attract more qualified and loyal employees, consumers, and other stakeholders, leading to social license renewal; thus, helping the organizations to achieve a sustainable quality advantage. In other words, improving 'moral capital' as a result of implementing practices associated with CSR, promotes and supports practices such as employee involvement as well as employee participation, consumer and other stakeholders' approval of the operations. Second, TQM mediates the relationship between CSR and organizational performance. Increased awareness of CSR issues in the pharmaceutical industry is helpful in implementing managerial practices that lead to improved image about the company's operation. Increased awareness of these social issues can be achieved by being attached to relevant stakeholders, society at large, employees and managerial involvements in setting the social and environmental goals. The results for the mediation effect provide contribution to the earlier scientific body of knowledge that has found inconsistent results on the direct association between social responsibility and organizational performance. The results showed that this association is indirect and demonstrates that quality management mediates the relationship between social responsibility and organizational performance (Mehralian et al. 2016). Corporate Social Responsibility (CSR) has the potential to play a positive role in the development of society and business.

Why are we interested in reputations related to corporate social responsibility and their effects on MBA's job choices? Zenisek (1979) argued that societal expectations of private enterprises change over time, placing increasing responsibility for social welfare on firms. He defined corporate social responsibility as "that set of demands and expectations, regarding the production of goods and services of both a physical and social nature, which society places on private enterprise (Montgomery and Ramus, 2003,4). CSR is an essential element in building and maintaining a favorable corporate reputation which is regarded as an important strategic resource factoring into a company's competitive advantage (Keh and Xie, 2009).

Actions in such a way as to better meet the legitimate, economic, environmental, and social demands of society. In response, modern corporations not only accept corporate social responsibility (CSR) but also use CSR initiatives as important management tools (Bielak et al. 2007). For a corporation to make proper strategic resource-allocation decisions for various CSR initiatives, it is necessary to envisage the effect of each CSR initiative on its reputation as well as the ways in which different facets of consumer trust may be influenced by different CSR initiatives and how they consequently affect the corporate reputation (Park et al. 2013).

Key potential benefits for firms implementing CSR include:

1- Better anticipation and management of an ever-expanding spectrum of risk. 2- Improved reputation management. 3- Enhanced ability to recruit, develop and retain staff. 4- Improved innovation, competitiveness and market positioning. 5- Enhanced operational efficiencies and cost savings. 6- Improved ability to attract and build effective and efficient supply chain relationships. 7- Enhanced ability to address change. 8- More robust "social licence" to operate in the community. 9- Access to capital. 10- Improved relations with regulators. 11- catalyst for responsible consumption (Hohnen 2007).

2.2. The evolution of social responsibility

According to Visser (2011) Evolution responsibility for business units into five periods (evening) overlapping economic divided. the Ages of Greed, Philanthropy, Marketing, Management and Responsibility.
each of which typically manifests a different stage of CSR, namely: Defensive, Charitable, Promotional, Strategic and Transformative CSR.
Step 1: The Age of Greed is characterised by Defensive CSR in which all corporate sustainability and responsibility practices which are typically limited – are undertaken only if and when it can be shown that shareholder value will be protected as a result. Hence, employee volunteer programmes (which show evidence of improved staff motivation, commitment and productivity) are not uncommon, nor are expenditures (for example in pollution controls) which are seen to fend off regulation or avoid fines and penalties.
Step 2: Charitable CSR in the Age of Philanthropy is where a company supports various social and environmental causes through donations and sponsorships, typically administered through a Foundation, Trust or Chairman's Fund and aimed at empowering community groups or civil society organisations.
Step 3: Promotional CSR in the Age of Marketing is what happens when corporate sustainability and responsibility is seen mainly as a public relations opportunity to enhance the brand, image and reputation of the company. Promotional CSR may draw on the practices of Charitable and Strategic CSR and turn them into PR spin, which is often characterised as 'greenwash'.
Step 4: Strategic CSR, emerging from the Age of Management, means relating CSR activities to the company's core business (e.g. Coca-Cola and water management), often through adherence to CSR codes and implementation of social and environmental management systems, which typically involve cycles of CSR policy development, goal and target setting, programme implementation, auditing and reporting.
Step 5: Transformative CSR in the Age of Responsibility focuses its activities on identifying and tackling the root causes of our present unsustainability and irresponsibility, typically through innovating business models, revolutionising their processes, products and services and lobbying for progressive national and international policies.
Hence, while Strategic CSR is focused at the micro level – supporting social or environmental issues that happen to align with its strategy (but without necessarily changing that strategy) – Transformative CSR focuses on understanding the interconnections of the macro level system – society and ecosystems – and changing its strategy to optimise the outcomes for this larger human and ecological system (Visser 2010).

Table1:The Ages and Stages of CSR (Visser 2010).

Business Age	Stage of CSR	Modus Operandi	Key Enabler	Stakeholder Target
Greed	Defensive	Ad hoc interventions	Investments	Shareholders,government & employees
Philanthropy	Charitable	Community programmes	Projects	Communities
Marketing	Promotional	Public relations	Media	General public
Management	Strategic	Management systems	Codes	Shareholders & NGOs/CSOs
Responsibility	Transformative	Business models	Products	Regulators & customers

2.3. Conceptual models of social responsibility

Three Basic Models of CSR: Relationships between Domains of Responsibility
The Pyramid of CSR
A leading model of CSR is Carroll's four-part pyramid. The CSR pyramid was framed to embrace the entire spectrum of society's expectations of business responsibilities and define them in terms of categories.

According to the model (Figure 1a), four kinds of social responsibilities constitute total CSR: economic (“make profit”), legal (“obey the law”), ethical (“be ethical”), and philanthropic (“be a good corporate citizen").
According to Carroll, the use of a pyramid to depict the conceptual model of CSR is intended “to portray that the total CSR of business comprises distinct components that, taken together, constitute the whole.
The most fundamental is economic responsibility, “all other business responsibilities are predicated upon the economic responsibility of the firm, because without it the others become moot considerations. Businesses are expected to operate within the framework of law, thus legal responsibility is depicted as the next layer of the pyramid. Following is ethical responsibility defined.
Last in importance, at the top of the pyramid, is philanthropic responsibility, which is discretionary in nature.
In the main, the pyramid purports to describe a necessary and sufficient set of obligations that socially responsible businesses should simultaneously fulfill, taking into consideration their decreasing importance.(Geva, 2008,5)
Nature of CSR Taking a managerial approach, the four-part pyramid defines CSR in terms of social expectations that responsible corporations should strive to meet.
Prevailing social norms and expectations provide external criteria against which corporate performance can be measured; thus, the notion of responsibility in the pyramid model is reduced to normative restraints of responsiveness.
In other words, CSR in the pyramid formulation is basically accommodative. Suggesting that businesses should treat CSR not as a goal to be maximized but as a constraint, the pyramid does in effect promote satisficing behavior rather than striving for excellence.

The Concentric circle model of CSR

The concentric-circle (CON) model (Figure 1c) is similar to the pyramid in that it views the economic role of business as its core social responsibility, and similar to the IC model in that it emphasizes the interrelationships among the different corporate social responsibilities. But underlying these similarities are essential differences in the very definitions of the corporate responsibilities. Thus, the pyramid defines the corporate economic role in terms of narrow self-interest (“be profitable”), whereas the CON model defines this same role in terms of CSR, namely, enhancing the good of society (“be constructively profitable”). In contrast to the pyramid, which scales down the importance of the noneconomic social responsibilities (i.e., legal, ethical and philanthropic), and in contrast to the IC model which, along with interrelationships, also allows for no relations among the different domains of responsibility, the CON model outlines the noneconomic social responsibilities as embracing and permeating the core economic responsibilities.

For the sake of comparison, Figure 1b includes all four domains of responsibility. This prototype model represents the general idea of intersecting circles, rather than trying to depict every one of the resultant categories.

2.4. CSR theories and approaches

CSR theories and related approaches in four groups:
(1) instrumental theories, in which the corporation is seen as only an instrument for wealth creation, and its social activities are only a means to achieve economic results; (2) political theories, which concern themselves with the power of corporations in society and a responsible use of this power in the political arena; (3) integrative theories, in which the corporation is focused on the satisfaction of social demands; and (4) ethical theories, based on ethical responsibilities of corporations to society (Hohnen 2007,12).
This hypothesis permits us to classify these theories in four groups:
1. A first group in which it is assumed that the corporation is an instrument for wealth creation and that this is its sole social responsibility. Only the economic aspect of the interactions between business and society is considered. So any supposed social activity is accepted if, and only if, it is consistent with wealth creation. This group of theories could be call instrumental theories because they understand CSR as a mere means to the end of profits.

2. A second group in which the social power of corporation is emphasized, specifically in its relationship with society and its responsibility in the political arena associated with this power. This leads the corporation to accept social duties and rights or participate in certain social cooperation.

3. A third group includes theories which consider that business ought to integrate social demands. They usually argue that business depends on society for its continuity and growth and even for the existence of business itself.

4. A fourth group of theories understands that the relationship between business and society is embedded with ethical values. This leads to a vision of CSR from an ethical perspective and as a consequence, firms ought to accept social responsibilities as an ethical obligation above any other consideration (Garriga 2004,52).

Despite the well-accepted belief that CSR enables organizations to meet their stakeholder obligations, several unresolved issues remain.

3. conclusion

The main goal of the organizations is to increase the efficiency and productivity of the business and to maximize the shareholders' profit. To do so and achieve sustainable success, the companies should integrate social, economic, ethical, and environmental expectations with economic goals of the organization; hence, the success will last. In addition to complying with the standards and legal and organizational rules, organizations need a set of ethical guidelines to perform tasks with maximum efficiency and effectiveness, and thereby to achieve the goals and missions; so that these guidelines assist them in their way and facilitate their movement towards the desired condition by creating coordination and consistency.
Corporate social responsibility is beyond the legal requirements and includes continuous commitment of companies to the measures that improve the welfare of the country in addition to meeting their interests. Corporate social responsibility beyond the legal requirements and In addition to their own interests, improve the welfare of the community will follow.
Since people's quick and easy access to information has been facilitated using social networks, people's awareness of their rights, and information on the social and environmental issues have increased their expectations from the companies. So far, most of the companies have prepared ethical charter in line with their organizations' goals and missions to declare to their applicants, employees and the community working there in general that the organization has included the provisions related to its social responsibility in its principles and that they are in line with the main objectives of the organization. However, if a company does not respect social responsibility, it will face decline and destruction in the long term period.
The company's commitment to social responsibility results in the sustainable and comprehensive development. Therefore, the quality of life of the people and subsequently the community will improve. Improvement by the company's commitment to social responsibility will ensure improvement in the employees' performance, increase competitiveness, ensure the organizations' long-term success, result in growth and development, and will finally make a balance in the social, economic, and environmental sections.

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