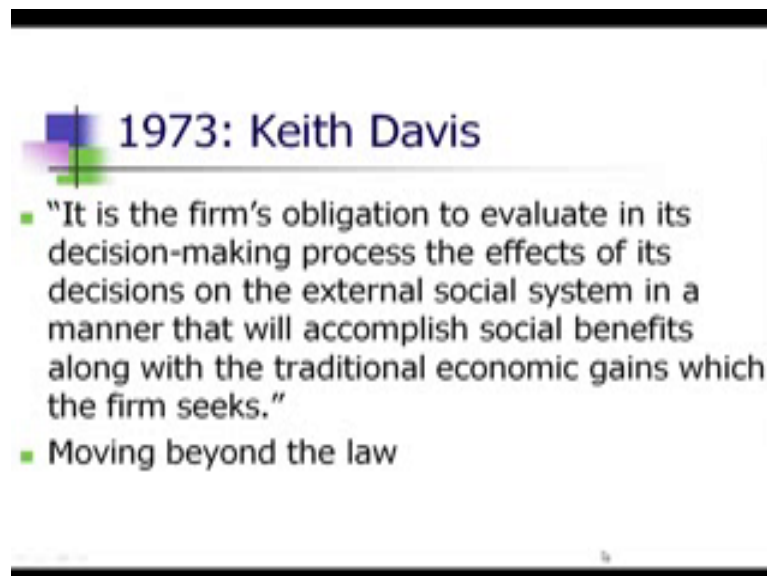


Corporate Social Responsibility
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Lecture - 08
Evolution of CSR (Contd.)

Welcome back to the MOOC course on corporate social responsibility my name is Aradhna Malik and I am helping you with this course and in the previous lecture we were discussing the evolution of CSR. Now in this lecture, we will continue with that discussion. So, in the previous lecture we had stopped at a point where we were discussing how the concept of social corporate social performance came into being. So, from an ideological philosophy called corporate social responsibility everybody is talking about giving back to the society people actually started talking about giving back to the society and people talked in terms of performance.

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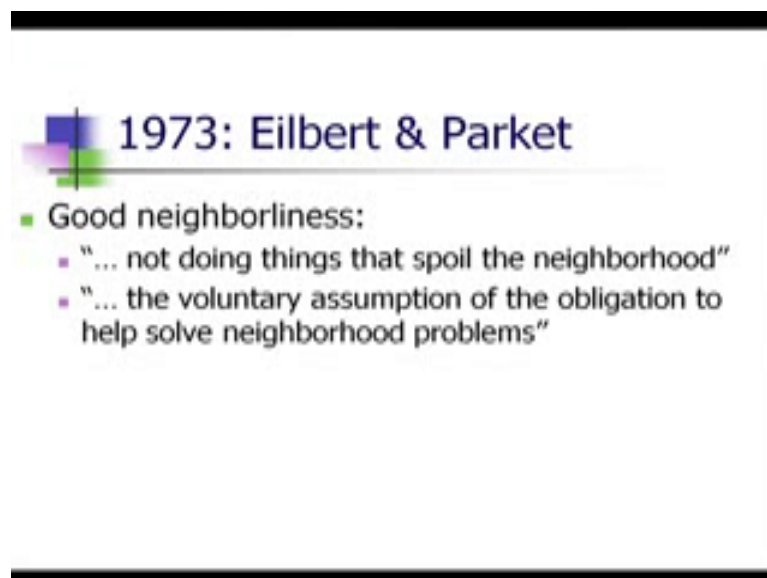


Now, in 1973 Keith Davis who had initially proposed the iron law of responsibility then said that it is the firms obligation to evaluate in its decision making process the effects of its decisions on the external social system in a manner that will accomplish social benefits along with the traditional economic games which the firm seeks. So, it is also it is moving beyond the law and he said that corporate social responsibility is not only needs to be you know it is not only the law it is moving beyond the law it is the it is the

obligation of the corporation of the firm to evaluate its decision making processes to find out how the effects of its decisions or how its decisions have affected the social system outside of the organization and then take that feedback and come back and maybe revise or go through or put it back into the decision making process.

So, that the welfare of the society welfare of the world outside the organization is also kept in mind. So, you move above and beyond the law the law will tell you do this do this do this these are the regulations these are the compliances or these are the sorry these are the regulations that you need to fulfill and or abide by, but then it is moving beyond the law its actively going into the system and finding out how are decisions are affecting the world around the organization.

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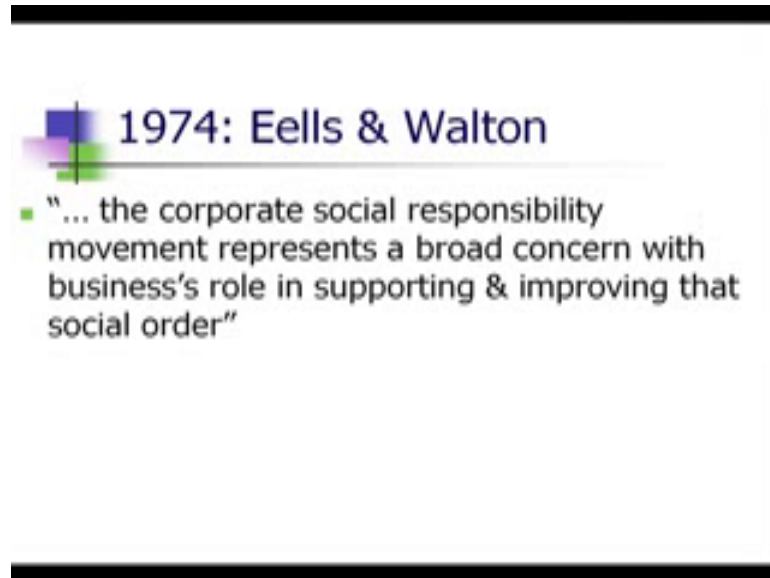


1973; Eilbert and Parket suggested that CSR was nothing, but good neighborliness you have just good neighbor we are trying to be good neighbors to the environment that we function in.

So, in being good neighbors we do 2 things one is we do not spoil the neighborhood 2 the voluntary assumption of the obligation to help serve solve neighborhood problems. So, one we keep the neighborhood nice and clean and free of problems as far as possible and then the voluntarily assume and obligation we think it is our duty we assume it as our duty to help solve the problems of the neighborhood that we live in. So, we are not in silos we actually go out and make friends with our neighbors find out what their

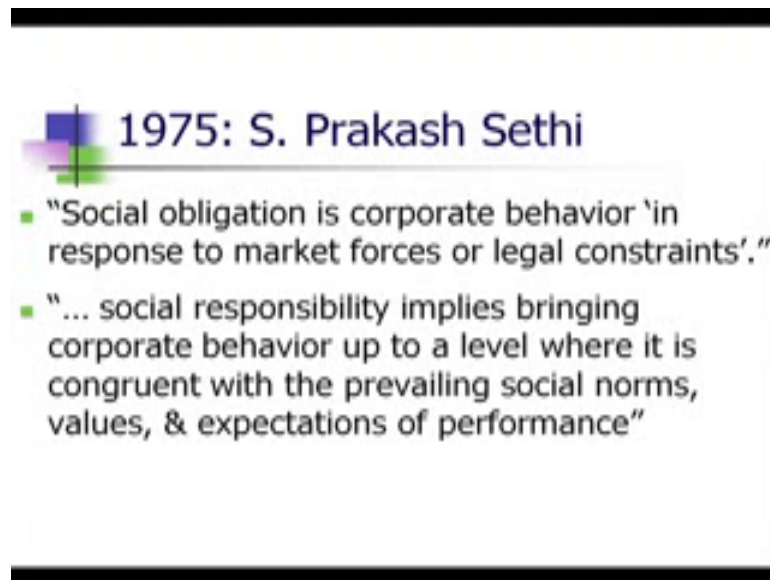
problems are go into the society and help solve the problems that they are facing and that will then help us become good neighbors and that is what corporate social responsibility is and this sounds very appealing does not it.

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In 1974 Eells and Walton suggested that the corporate social responsibility movement represents a broad concern with the businesses role in supporting and improving that social order now it has become a movement initially it was just an idea then we are talking about action. Now it is become a movement 1974; 53 to 74, in 1975 Professor Prakash Sethi; S Prakash Sethi wrote seminal paper in which he proposed that social obligation is corporate behavior in response to market forces or legal constraints again you know something external is watching us to do certain things in a certain way this is social obligation when we talk about social responsibility.

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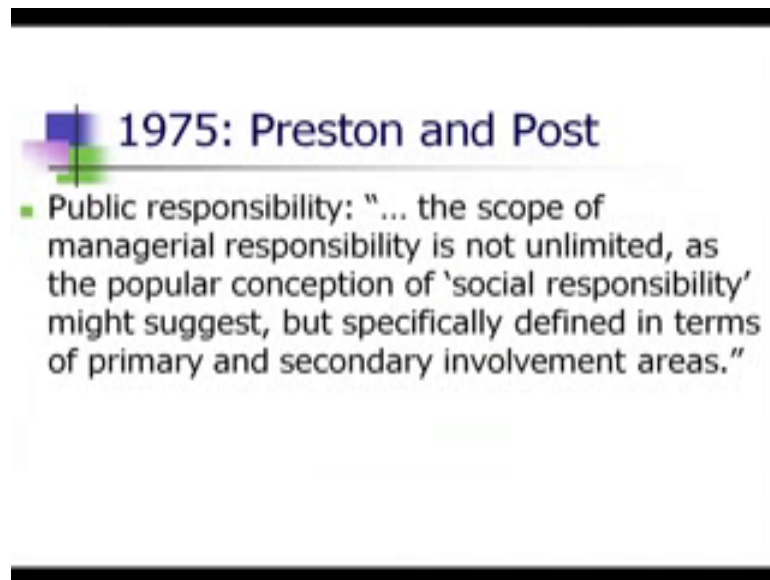
1975: S. Prakash Sethi

- "Social obligation is corporate behavior 'in response to market forces or legal constraints'."
- "... social responsibility implies bringing corporate behavior up to a level where it is congruent with the prevailing social norms, values, & expectations of performance"

This implies bringing corporate behavior up to a level where it is congruent with the prevailing social norms values and expectations of performance.

So, then you said social responsibility is going above and beyond social obligation social obligation is only you know what we do because somebody expects it from us we go ahead and do it, but social responsibilities integrating first understanding what the society expects from us making it a part of our thinking process making it a part of our decision making process integrating it with our decision making process and then bringing our behavior is corporations up to a level where it is in line it is congruent with the prevailing social norms values and expectations of performance. So, we do not say we are fulfilling x y z we also become part of that social order we also become part of that social system and we behave as an integral unit of that social system that is giving so much so it becomes a synergistic relationship it becomes a congruent relationship with the social order that we are a part of 1975 Preston and Post talked about public responsibility this is social responsibilities to nebulous it is too big.

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1975: Preston and Post

- Public responsibility: "... the scope of managerial responsibility is not unlimited, as the popular conception of 'social responsibility' might suggest, but specifically defined in terms of primary and secondary involvement areas."

It is very difficult for us to handle it. So, social responsibility is a huge concept. So, let us not talk about social responsibility lets limited let us talk about public responsibility and reset that public responsibility. So, when they talked about public responsibility they said the scope of managerial responsibility is not unlimited as the popular conception of social responsibility might suggest, but specifically defined in terms of primary and secondary involvement areas this is something that the committee for economic development had suggested inner circle intermediate circle and outer circle. So, they said that we need to find out where our till where we can go we need to define our boundaries we need to define our scope for work we cannot just; we cannot do anything and everything in the name of social responsibility we must define our primary areas of focus we must define our secondary areas of focus and involvement.

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1976: H. Gordon Fitch

- "Corporate social responsibility is defined as the serious attempt to solve social problems caused wholly or in part by the corporation."
- We take responsibility for our actions!

And work to the best of our ability in those primary and secondary areas of involvement we must not just later be limitless 1976 H Gordon Fitch proposed that corporate social responsibility is defined as the serious attempt to solve social problems caused wholly or in part by the corporation.

Now, we are getting somewhere he said we must take responsibility for our actions we must know how what how our organization is affecting the world around it and we must take responsibility for our actions we must undo the damage we may have done accidentally to the environment.

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1979: Abbott & Monsen

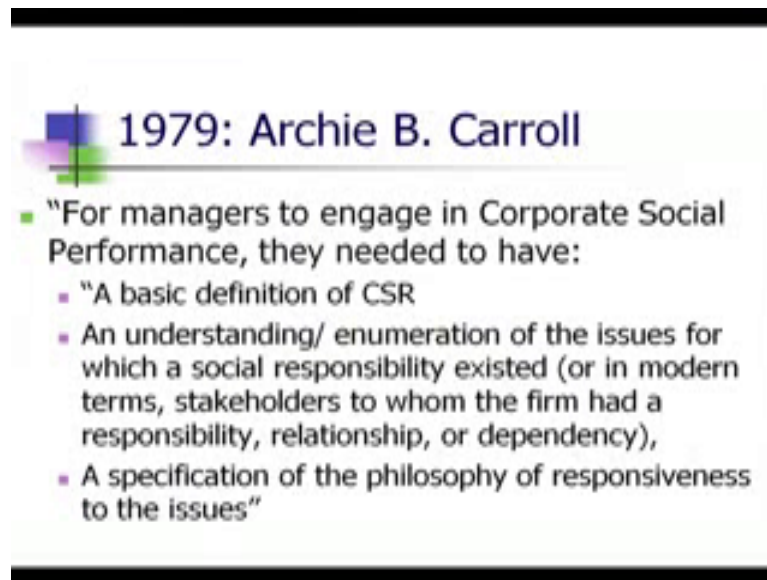
- Social Involvement Disclosure (SID) Scale: 28 issues categorized under
 - Environment
 - Equal opportunity
 - Personnel
 - Community involvement
 - Products
 - Other

Measured by the number of times they were mentioned

So, it is a serious attempt to solve social problems caused wholly or in part by the corporation if we have caused that we must fix it 1979; Abbott and Monsen then designed the social involvement disclosure scale and we will talk more about it when we talk about the measurement of CSR and this scale contained 28 issues categorized under environment equal opportunity personal community involvement products and other on miscellaneous and this was measured by the number of times these things were mentioned.

But at least somebody came up with an attempt to find out to quantify the CSR activities is happened in nineteen seventy nine very very important landmark and after that this whole idea of evaluating our actions then start it.

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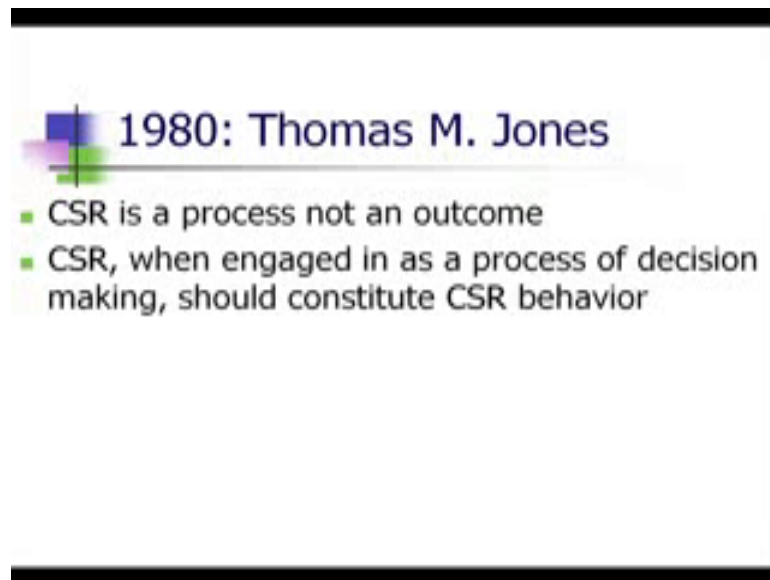
1979: Archie B. Carroll

- "For managers to engage in Corporate Social Performance, they needed to have:
 - "A basic definition of CSR
 - An understanding/ enumeration of the issues for which a social responsibility existed (or in modern terms, stakeholders to whom the firm had a responsibility, relationship, or dependency),
 - A specification of the philosophy of responsiveness to the issues"

1979; Professor Carroll revised his definition and he said for managers to engage in corporate social performance they need to have a basic definition of CSR they need to know what are they talking about they also need to have an understanding or enumeration of the issues for which is social responsibility existed or in modern terms stakeholders to whom the firm had a responsibility relationship or dependency. So, they must know what they are dealing with what they need to do to whom they are responsible and a specification of the philosophy of responsiveness to the issues who are we talking about what are we talking about and to what extent can we help them.

So, basic specification of the responsiveness to these issues what are the issues that we are talking about what is corporate social responsibility who are we responsible to and how much what is the extent of our responsibility that is responsiveness how much can we do how much should we do how much is expected. So, again with the measurement and with this whole focus on specifying the ambit of corporate social responsibility Professor Carroll then revised what he had said earlier.

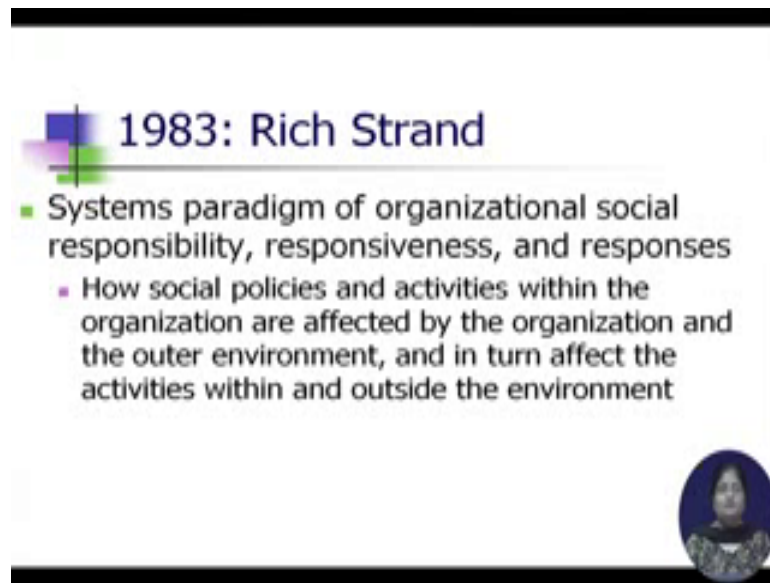
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1980; Thomas Jones came up with proposed that CSR is not is a process not an outcome now we are not talking about the actual action we are talking about corporate social responsibility as a way of life it is a process CSR when engaged in as a process of decision making should constitute corporate social socially responsible behavior by the corporation.


So, we must do it day in and day out we must have process we must you know it should reflect in the way we do thinks it is not only an outcome we have profits we go and take a percentage of those profits and we dumped them somewhere else no it must be a way of life for us and that is what Thomas Jones suggested that it has to be in reflected in our behavior.

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1983: Rich Strand

- Systems paradigm of organizational social responsibility, responsiveness, and responses
 - How social policies and activities within the organization are affected by the organization and the outer environment, and in turn affect the activities within and outside the environment

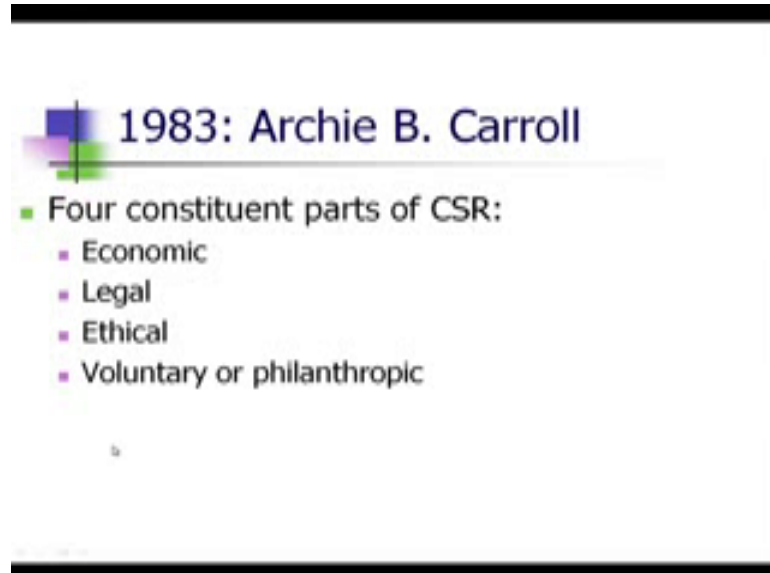


In 1983 Rich Strand proposed the systems paradigm of organizational social responsibility responsiveness and responses. So, and we will discuss it when we talk about the measurement of CSR I will just tell you briefly what this is a discussion of this model we will take up a long time. So, is model suggested or described how social policies and activities within the organization are affected by the organization and the outer environment and in turn affect the activities within and outside the environment I have the paper here, but I do not think I can show it to you. So, I will just read it.

So, I request the camera people to not focus on this please do not show the paper, but. So, this model then talks about how the cultural and economic environment material social and psychological experiences of constituent social demands and expectations placed on organization environmental texture of the organization organizational type and characteristics monitoring and boundary spanning management social values and goals social response mechanisms affect the decision processes. This is again you know one thing is affecting another and how all of this is affecting the social policies and all of this is being influenced by the ownership technology and structure of the organization the scarcity uncertainty and dependence of the organization scarcity of resources uncertainty in the environment dependence on external resources the legal economic and social pressures expectations and satisfactions. The quality of life of the outside of the world outside the social ideological religious and economic values all of this is affecting the way our policies are designed the way our activities are shaped.

And this is the this is the paradigm the model that he suggested for corporate social responsiveness.

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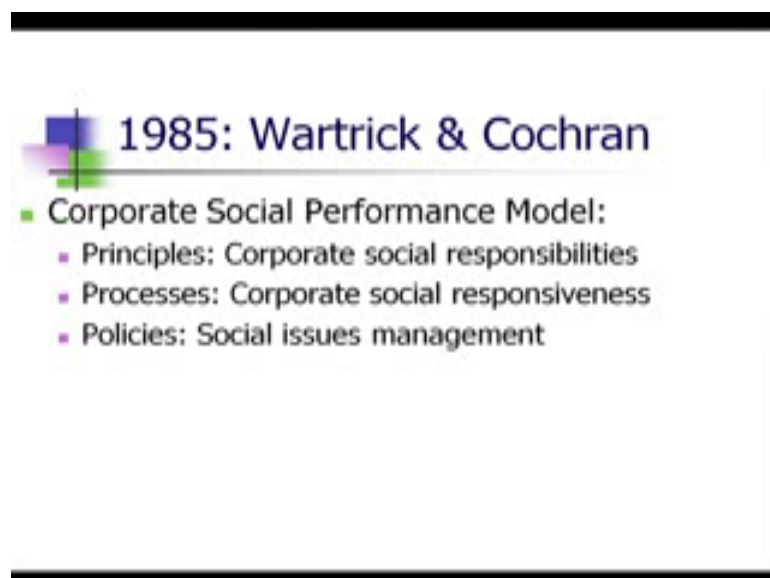


1983: Archie B. Carroll

- Four constituent parts of CSR:
 - Economic
 - Legal
 - Ethical
 - Voluntary or philanthropic

1983; Professor Carroll then suggested that CSR has four constituent parts which are economic number one legal ethical and then voluntary or philanthropic. So, money loss ethical doing what is right and then going above and beyond the call of duty and doing something more to improve the environment.

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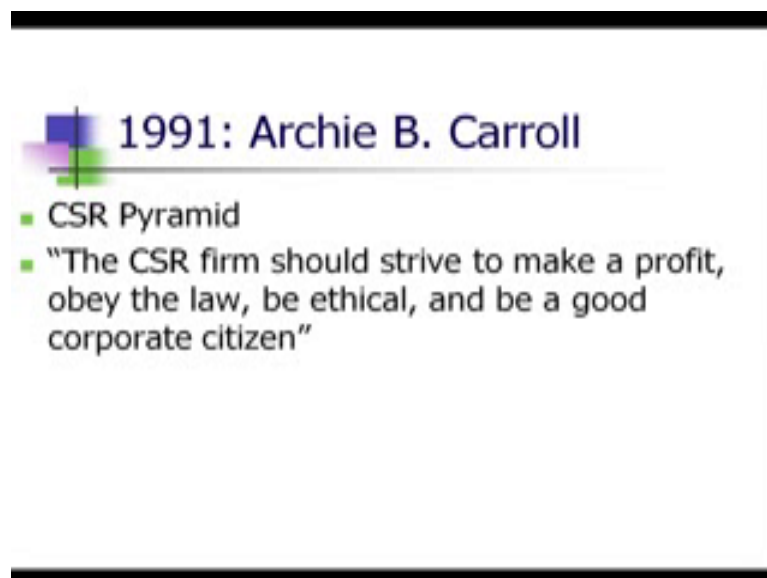
1985: Wartrick & Cochran

- Corporate Social Performance Model:
 - Principles: Corporate social responsibilities
 - Processes: Corporate social responsiveness
 - Policies: Social issues management

1985; Wartrick and Cochran proposed the corporate social performance model we will discuss this when we discuss measurement of CSR and he said that corporate social the corporate social performance is measured or it is evaluated it is con it consists of principles processes and policies principles. Then excuse me related to corporate social responsibilities processes are the corporate social responsively excuse me policies are social issues management policies did with the management of social issues.

So, we will discuss this also when we discuss the measurement of CSR we will talk about this in greater detail.

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So, now we are actually talking nuts and bolts we are talking about specifics we are talking about very clear cut out comes and this model came out and then Professor Carroll again revised the CSR his definition his understanding of CSR and he came up with the CSR pyramid which is what we discussed in the initial lecturers. And he said that the CSR firms should the corporate with the socially responsible corporate organization should strive to make a profit obey the law the ethical and be a good corporate citizen and we will talk about corporate citizenship also in further lectures.

Now, that is all we have now and that then intern became the basis for the CSR pyramid proposed by Professor Archie Carroll then became the basis for further developments in the field of CSR and it is still considered a seminal work to this day. Now this is how CSR the concept of CSR corporate social responsibility evolved in the west and

everything was noun down to the nuts and bolts and we will discuss more about how CSR has shaped up in the Indian context in the next class.

Thank you very much for listening.