

Corporate Social Responsibility (CSR) is on a Sustainable Trajectory

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Abstract

In the literature and practice there has been some debate whether the concept of corporate social responsibility (CSR) is here to stay or not. It is argued here that CSR is here to stay though other competing and complimentary frameworks have arrived on the scene. These other frameworks include corporate citizenship, corporate stewardship, business ethics, stakeholder management, conscious capitalism, creating shared value, and sustainability. These frameworks are significantly overlapping in their meanings and applications. CSR captures the key values embedded in each of these and thus will continue on its sustainable trajectory. It will become more institutionalized in practice though these other frameworks will have their adherents.

Corporate social responsibility (CSR) is here to stay in its present or slightly modified format. CSR has been stable and growing since the 1960s [1]. CSR has been defined in a multitude of ways over the years. In my own framework, CSR is defined broadly to encompass the economic, legal, ethical and philanthropic expectations placed on businesses by society [2]. CSR's progress in the 2000s may appear to be moderate in light of pressing economic pressures, but it also is contending with competing and complimentary frameworks and socially conscious nomenclature.

Some of the alternative concepts embracing CSR include corporate citizenship, corporate stewardship, business ethics, stakeholder management, conscious capitalism, creating shared value, and sustainability. These concepts represent the principal variations of CSR striving for worldwide attention and adoption. These frameworks are all interrelated and overlapping and are integral to some facet of CSR. Though there are slight nuances in the differing language of each, at heart they are all focusing on business firms helping to improve society and stakeholders while at the same time sustaining their own profitability [3].

Four strong trends in CSR have firmed up its sustainable trajectory in the social issues conversation over the past several decades. These four trends have provided the impetus for CSR's solid position as the centerpiece for these contending and complimentary conceptions. The four trends include globalization of CSR practices, institutionalization of CSR within companies, strategic reconciliation with financial goals, and academic proliferation.

Globally, companies have been climbing the learning curve quickly and we now find CSR to be a central idea in both developed and developing countries. Stakeholders around the world have been connected and united by way of communication and travel technologies and consequently the future is bright for international acceptance, adaptation, and growth. With swelling international competitiveness, reputational risk for businesses has increased dramatically as worldwide visibility and vulnerability have become dominant strategic issues facing companies. The challenge of global businesses today is one of balancing and reconciling differing and competing stakeholders' expectations and pressures between and among home and host countries [4].

The escalating focus on the global dimension of CSR has not supplanted domestic business concerns. In many home countries, the expectation for socially responsible business practices has remained unabated. This is because the concepts and practices have become institutionalized into everyday business activity and expected by everyone. As a result, the institutionalization of CSR has

been a significant trend as practices and policies have become more commonplace, more formalized, and more deeply integrated into corporate structures, policies and practices. From a strategic point of view, CSR's acceptance as a mainstream practice has altered forever the purpose and direction of major businesses.

Another trend that has been dominant during the past couple of decades has been the strategic reconciliation of CSR with profitability. Beginning in the early 1990s and enduring strongly has been the articulation of the "business case" for corporate social responsibility. The business case for CSR reasons for the coherent justification for corporate responsibility and sustainability from a financial perspective. The profit motive has been shown to be consistent with the pursuit of sensible social and environmental objectives [5]. Related to this, social entrepreneurship has grown and flourished as companies have sought to operate according to the mandates of social mindfulness and financial success. Business executives have resolved that they need to balance their economic responsibilities (concern for the business itself) with their legal, ethical and philanthropic responsibilities (concern for other social stakeholders).

A fourth trend augmenting CSR's growth curve is the proliferation of acceptance in the academic community. In addition to business acceptance, the academic endorsement and proliferation of research on the subject has been astonishing over the past several decades. Scholars worldwide and in many different disciplines have accepted and begun developing theory and research to help understand and guide practice. Specific conferences on CSR are being held in many different countries and academics from neighbouring countries have enthusiastically participated in these conferences. In addition, CSR-related concepts have become an accepted part of symposia in many different business disciplines such as management, marketing, accounting, legal studies, real estate and information systems. Beyond business, academic interest in

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CSR in the fields of journalism, law, engineering and education have proliferated over the past decade.

The immediate future of CSR will be one in which competing and complimentary frameworks such as corporate citizenship, corporate stewardship, business ethics, stakeholder management, creating shared value, and sustainability will each have their strong advocates and voices supporting their particular concepts and language. One cannot help but conclude that these alternative, slightly differentiated concepts have more in common than being different and are being used interchangeably today by many scholars and practitioners and this pattern will endure.

The least optimistic scenario for CSR is that it would disappear from the scene and companies and societies will revert back to a primary focus on financial success of businesses. This is not likely to occur short of some sort of worldwide financial crisis which is not anticipated. CSR has become too much a part of doing business to be shrugged off and ignored. The most optimistic scenario for CSR would be that it would become even more transformational than it has already become (3,94-95). With global competition, however, it is unlikely that this scenario will become reality. Having said this, some firms have and will prioritize CSR much more than mainstream competitors. Social entrepreneurship and the growing number of B-Corporations suggest that one segment of the marketplace will be more transformational. In each of these cases, a social mission is accepted alongside the financial

mission and thus CSR is legitimized as a key part of organizational purpose and strategy.

The most likely scenario is that CSR will continue on its upward and onward path and slowly become more and more institutionalized into business practice regardless of the industry sector. As one observes what is taking place around the world, even in developing countries, this continued growth and acceptance globally is a predicted outcome. The primary debate will be what to call it. Competing and complimentary concepts will continue to proliferate; however, the core of CSR will continue its growth trajectory.

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