# History-of-management-thought about social responsibility

W. Randy Evans
*Department of Management, University of Tennessee at Chattanooga, Chattanooga, Tennessee, USA*
Stephanie S. Pane Haden
*Department of Marketing & Management, Texas A&M University – Commerce, Commerce, Texas, USA*
Russell W. Clayton
*Department of Management & Accountancy, University of North Carolina at Asheville, Asheville, North Carolina, USA, and*
Milorad M. Novicevic
*Department of Management, University of Mississippi, Oxford, Mississippi, USA*

## Abstract

**Purpose** – The aim of this paper is to examine the development of the social responsibility (SR) of business concept and related management philosophies through the history-of-management-thought perspective.

**Design/methodology/approach** – The history-of-management-thought approach to social responsibility (SR) is grounded in the paradigm of continuing progress exemplified by the contributions of great management thinkers (e.g. Fayol, Taylor, Follett, Barnard). A historical evolution of the SR concept is provided, together with tracing the development of stakeholder theory in its attempt to depict the relationship between stakeholder management and SR.

**Findings** – Three management philosophies (recognition of the external environment, a need for collaboration, and a need for a shared understanding) emerge from both classical and modern management thinkers. Recent conceptualizations have added depth by clarifying the meaning of social responsibility and in addition, detailing the nature of firm-stakeholder relationships. Despite voluminous literature, achieving collaborative integration between firms and stakeholders in practice appears elusive.

**Practical implications** – These management philosophies can help organizations navigate the intertwined relationship between business and society. Business leaders need to consider the vital role of trust in building more collaborative relationships.

**Originality/value** – The unique contribution of this paper is to provide the first history-of-management-thought perspective on the social responsibility of business by tracing changes in the conceptualization of this concept, including the related stakeholder paradigm, to their roots in the works of renowned management thinkers.

**Keywords** Corporate social responsibility, Stakeholder theory, Management history

**Paper type** Conceptual paper

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Organizations have historically faced persistent demands imposed upon their resources by their constituents (i.e. stakeholders). At the heart of this friction point is a call for social responsibility (SR) by many stakeholders, those constituents, which affect and are affected by an organization (Freeman, 1984). The SR of business has attracted not only the attention of contemporary researchers (see Carroll and Shabana, 2010 for a review) but also has been increasingly examined from the historical point of view (e.g. Asongu, 2007; Carroll, 2008; Hoffman, 2007; Marens, 2008). For example, Marens' (2008) research focuses on the historical evolution of this literature beginning in the 1950s, whereas Hoffman (2007) looks at the origins of social responsibility as far back as the 1920s, while Asongu (2007) traces SR roots back to Ancient Mesopotamia in 1700BC. Curiously though, none of these studies examines the SR of business through a history-of-management-thought perspective.

The purpose of this paper is to examine the development of the concept of SR through the history-of-management-thought perspective. The history-of-management-thought perspective on SR espouses that current approaches are oftentimes products that have evolved from the past conceptualizations (Bedeian, 2004; Booth and Rowlinson, 2006; Van Fleet and Wren, 2005). The history-of-management-thought approach to the SR of business is grounded in the paradigm of continuing progress exemplified by the contributions of great management thinkers (e.g. Fayol, Taylor, Follett, Barnard). The presumption of progress in SR stems from the presumed historical modernization of the Western identity, as the proxy for all worldwide identities. The paradigm of progress is commonly viewed as coherent in spite of the contested claims about the primacy of equity over efficiency and equality over power in the relationships between the organization and the wider society (i.e. the public). This paradigm, canonized as the received knowledge about SR in the history-of-management-thought, has been often contested but seldom rejected (Wren and Bedeian, 2009). In this article, we investigate how modern SR management philosophies (e.g. principles to guide decision making) are genealogically linked to the management thought advocated by great thinkers of the past. Our goal is to assess whether history has been just repeating itself or whether significant progress has been made in our understanding of SR over time. Understanding how the present is connected to the past allows researchers and practitioners to gauge progress, be informed users of knowledge, and consider issues more critically (Bedeian, 2004). We first provide a historical evolution of the SR concept, focusing on the twentieth century and forward, as it developed into the idea of corporate social responsibility. Next, we trace the development of stakeholder theory to clarify the relationship between stakeholder management and SR. Third, we discuss how current thought and practice of SR share three similar philosophies (recognition of the external environment, collaboration, and a shared understanding) with classical management writers.

## Historical evolution of the social responsibility concept

While the concept of SR was not formally defined until the mid-twentieth century (e.g. Bowen, 1953), the seeds of SR emerged thousands of years ago and have grown with the evolution of commerce. Acknowledging "that the past exists in a reciprocal relationship with the present" (Bedeian, 2004, p. 93), we briefly highlight some of the ancestry of SR starting with the Code of Hammurabi drafted in 2250BC. This Code was a very early example of established laws governing business relationships with the public, including applicable pay rates and the conduct of business merchants (Luthans and Hodgetts, 1972). One law of the Code stipulated that "if a wine merchant allows riotous men to assemble in his house and does not expel them, he shall be put to death" (Luthans and Hodgetts, 1972, p. 3). This punishment illustrates a precedent for imposing penalties against a business for failing to adhere to established societal codes of conduct.

In the medieval times, the idea of SR was advanced in the works of Saint Thomas Aquinas, a thirteenth-century theologian, who proposed that all trade transactions had a "just price" (Wren and Bedeian, 2009). During the Renaissance Age when the volume of commerce was significantly growing, Friar Johannes Nider scripted the first printed literary work of business ethics – *De Contractibus Mercatorum*, or translated, *On the Contracts of Merchants* (Nider, 1468/1966, p. 4), which contained precepts to govern the "transfer of possession of the goods of one owner to another." Friar Nider proposed trade rules for buying and selling justly, establishing the market value of goods, merchant security, and just and unjust contracts.

### *Social responsibility during the Industrial Revolution*

The Industrial Revolution period saw the emergence of modern day factories and large scale business organizations, which engendered the need to address SR toward the labor force. During this time, Robert Owen (1771-1858) acted as a management pioneer who "sowed the first seeds of concern for the human element in industry" (Wren and Bedeian, 2009, p. 66). As a successful entrepreneur, Owen recognized that it was in the employer's best interest to support the workers well-being through fair treatment and adequate wages. Heald (1970, p. 4) further states that Owen believed that,

> Humane conditions within the factory, decent circumstances of housing and living, provision for the education of the community's children were all woven into the seamless web of a healthy and productive society.

Many companies operating at this time early in the Industrial Revolution did not follow Owen's example but rather exploited their power and engaged in objectionable labor practices (Frederick *et al.*, 1988). In response, the US Congress began passing laws in the 1890s to restrict the actions of large companies. Legislators asserted that businesses were responsible to not only shareholders, but also society at large and passed legislation addressing corporate trusts, child labor, and employee safety (Farmer and Hogue, 1985).

### *Social responsibility in the early twentieth century*

In support of this US legislation that addressed some aspects of public impact of business, many public figures in the early 1900s began to emphasize the responsibility of businesses toward community, and urged businessmen to recognize how their company policies affected society (Heald, 1970). For example, the President of Yale University, Arthur T. Hadley, warned businessmen in 1906 not to be short-sighted of societal criticisms. Hadley (as stated in Heald, 1970, p. 29) argued that a president of a large corporation is not only "trustee for stockholders and creditors of the corporation", but also, "trustee on behalf of the public".

At the onset of the twentieth Century, the scientific management movement heralded not only a task efficiency focus, but it also emphasized improving working and living conditions. Frederick Winslow Taylor, the father of scientific management, spoke often of the mutuality of interests between workers and management, accentuating principles of friendly cooperation. This cooperation was to be achieved through a "mental revolution," which was the essence of scientific management:

> The great revolution [. . .] is that both sides take their eyes off the division of the surplus (money) [. . .] and together turn their attention toward increasing the size of the surplus until [. . .] it is no longer necessary to quarrel over how it shall be divided. They both realize that when they substitute friendly cooperation and mutual helpfulness for antagonism and strife they are together able to make this surplus so enormously greater [. . .] (Taylor, 1912, pp. 1,388-1,389).

Taylor's fourth principle, recommending equal responsibility between the employee and management, with managers helping, encouraging, and smoothing the way for their employees (Taylor, 1911), promoted this idea of cooperation and a responsibility of management to its workers. This focus on SR was furthered by Henry Gantt (1919, p. 15), a prominent associate of Taylor, who stated that "the business system must accept its social responsibility and devote itself primarily to service, or the community will ultimately make the attempt to take it over". This belief that society should have authority over business reoccurred in the thoughts of later management thinkers.

Two leading businessmen of the early twentieth century also showed awareness of SR. John D. Rockefeller, Jr questioned whether the only goal of business should be creating wealth or whether the health and happiness of employees should also be a concern (Luthans and Hodgetts, 1972). To him, the well-being of workers was as important as producing goods and providing services. Rockefeller did not act solely on the basis of altruism, but also on a pragmatic basis as he desired to deter government interference with his businesses. Another proponent of SR was Henry Ford who emphasized service before profits. Ford stated that greed and waste were antagonists of service (Ford, 1922). Service was reflected in providing consumers with desired products at a minimal cost and encompassed production efficiencies. Thus, profits would follow from providing service. Ford's support for SR was expressed in response to criticism about labor conditions in his plants, but was never articulated into a company policy. Nevertheless, whether motivated by true societal concerns or by profits, these actions by Rockefeller and Ford demonstrate that business does not operate in isolation from society.

### *The modern era of social responsibility*

The beginning of the modern era of SR is generally marked by the 1953 publication *Social Responsibilities of the Businessman* (Carroll, 1979). This book, authored by Howard R. Bowen, is considered the first definitive book on SR (Carroll, 1999). Bowen (1953) asserted that managerial thinking had evolved to the point that managers recognized not only their right to earn a reasonable profit, but also their duty to conduct business with a concern for all affected parties. This theme was also addressed in *Leadership in Administration,* written by Selznick (1957), who examined the nature of leadership in large organizations from a sociological perspective. Selznick asserted that organizations must at times adapt to external forces in the wider society. While such social forces may constrain organizational flexibility, an effective leader is one that accounts for such pressures yet does not allow any single viewpoint to dominate decisions concerning the overall enterprise. William Frederick (as cited in Wokutch and Mallott, 1998) indicates that 1959 was another important year in solidifying the relevance of SR in the field of management. Two landmark studies, one published by the Carnegie Foundation and the other by the Ford Foundation, issued critical reports of business schools pointing to their failure to include the business-society relationship in educational curriculum.

Starting in the 1960s and in the decades thereafter, the development of SR gained momentum and evolved into a concern of scholars for corporate social responsibility (CSR). Keith Davis, considered a forerunner of the modern CSR field (Carroll, 1999; Wren and Bedeian, 2009), stated that he was actually pushed into the social issues arena by businesspeople in the 1960s, rather than the other way around (Wokutch and Mallott, 1998). According to Davis, many businesses seemed lost at the time and were seeking guidance on how to address social issues since these matters were not being discussed in academic classrooms. Davis and others moved to fulfill this need during the late 1960s and early 1970s, further solidifying the growing CSR management field. The effect of these decades on the field of CSR is further clarified by Wood (1991, p. 383):

> In the 1960s and early 1970s, one shock after another – the OPEC oil crisis and resulting economic stagflation; the dramatic regulatory successes of environmental, consumer protection, and civil rights activists; business crises involving political payoffs, life-threatening products, and toxic pollution – pounded home the message that the business environment was social and political, not just economic and technological.

Carroll (1979) provided conceptual clarity regarding the notion of CSR by delineating four types of business responsibilities: economic, legal, ethical, and discretionary. His conceptualization of CSR attempts to encompass the full range of obligations organizations have to society. He espoused a central claim of modern era thinkers that CSR actions go above and beyond the basic legal requirements and incorporate actions that address concerns of constituents beyond shareholders. This does not imply that firms are not responsible for earning profits; to the contrary, firms are indeed in business to earn profits. The essence of CSR though appears to be social responsibilities, those voluntary actions (e.g. adherence to established norms and actions that support community), which are undertaken to address more than the fundamental responsibilities of profits and obeying the law (Carroll, 1999; Carroll, 2008). Thus, CSR is multifaceted and encompasses a number of topics, including, but not limited to, philanthropy, managerial values, corporate governance, political involvement/behavior, regulation, ethics, and of course, monetary matters such as finance/economics. Examples of CSR include support of the local community, charitable events, non-discrimination, expanded worker benefits, operating efficiently, minimizing pollution, transparency, product safety, and generating profits.

Beyond the aforementioned works, there were other scholars that contributed to the evolution of the SR of business. An exhaustive list of works would however stretch far beyond the scope of this article. Table I provides a select summary of some of the contributions we have emphasized, and in addition, highlights several other important works published in the modern era. These particular works were selected for inclusion in the table based on the contributions made to the existing SR literature at the time of their publication and the evolution of CSR as a management concept.

Over time many justifications, from economic to social, have been put forth by proponents and opponents of CSR. Davis (1973) provided a now-often-cited overview of the primary arguments from both sides. Points underlying this debate surrounding CSR illuminate many and varied ways that business and society are connected. Moreover, we use Davis' work as a baseline to evaluate further developments (Van

**Table I.** A summary of significant works published during the modern era of CSR (1950-2000)

| Author | Year | Title of work | Contribution to the evolution of CSR |
|---|---|---|---|
| Howard Bowen | 1953 | *Social Responsibilities of the Businessman* | Offered an initial definition of social responsibility. |
| Philip Selznick | 1957 | *Leadership in Administration: A Sociological Interpretation* | Argued that executives become “statesmen” when they assume leadership roles in organizations and become concerned with social needs and pressures |
| Keith Davis | 1960 | “Can business afford to ignore social responsibilities?”, *California Management Review* | Proposed the “Iron Law of Responsibility” which states that a businessman’s degree of social responsibility should match his degree of social power |
| Richard Cyert and James March | 1963 | *A Behavioral Theory of the Firm* | Explored the economic decision making of an organization; Addressed “public interest” and “social welfare” |
| Morrell Heald | 1970 | *The Social Responsibilities of Business: Company and Community, 1900-1960* | Discussed both the theory behind and the practice of social responsibility |
| Committee for Economic Development (CED) | 1971 | *Social Responsibilities of Business Corporations* | Provided a practitioner-based view of the changing social contract between business and society |
| S. Prakash Sethi | 1975 | “Dimensions of corporate social performance: An analytical framework”, *California Management Review* | Discussed three different “dimensions of corporate social performance” or CSP |
| Archie Carroll | 1979 | “A three-dimensional conceptual model of corporate social performance”, *Academy of Management Review* | Provided a four-part definition of the CSR construct that was embedded in a model of CSP |
| Frank Tuzzolino and Barry Armandi | 1981 | “A need-hierarchy framework for assessing corporate social responsibility”, *Academy of Management Review* | Proposed a need-hierarchy framework, similar to Maslow’s (1954) hierarchy, to help assess or measure CSR |
| Rich Strand | 1983 | “A systems paradigm of organizational adaptations to the social environment”, *Academy of Management Review* | Proposed a systems paradigm of organizational adaptations to the social environment to show how different constructs associated with CSR fit into an organization-environment model |

*(continued)*

Table I.

| Author | Year | Title of work | Contribution to the evolution of CSR |
|---|---|---|---|
| Peter Drucker | 1984 | "The new meaning of corporate social responsibility", *California Management Review* | After originally writing on the topic in 1954, proposed a new definition of CSR that included the importance of business making a profit |
| Kenneth Aupperle, Archie Carroll, and John Hatfield | 1985 | "An empirical investigation of the relationship between corporate social responsibility and profitability", *Academy of Management Journal* | One of the first studies to use a definitional construct of CSR as a measure of CSR |
| Steven Wartick and Philip Cochran | 1985 | "The evolution of the corporate social performance model", *Academy of Management Review* | Proposed a CSP model that expanded upon Carroll's (1979) work and his three proposed dimensions of CSP, reclassified as principles, processes, and policies |
| Donna Wood | 1991 | "Corporate social performance revisited", *Academy of Management Review* | Revised the CSP model, making it much more comprehensive |
| Archie Carroll | 1991 | "The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders", *Business Horizons* | Revised his four-part definition of CSR and provided a transition from CSR to stakeholder theory |
| Philip Selznick | 1992 | *The Moral Commonwealth: Social Theory and the Promise of Community* | Addressed topics such as corporate responsibility and accountability, social ethics, and moral and social equality |
| Michael Russo and Paul Fouts | 1997 | "A resource-based perspective on corporate environmental performance and profitability", *Academy of Management Journal* | Used the resource-based view of the firm to explore whether there was a positive relationship between environmental and firm performance and found that it paid to be "green" |
| Richard Johnson and Daniel Greening | 1999 | "The effects of corporate governance and institutional ownership types on corporate social performance", *Academy of Management Journal* | Found it was beneficial/more informative to examine the effects of different types of institutional investors on different dimensions of corporate social performance, rather than assessing these variables with overall measures |
| Diane Swanson | 1999 | "Toward an integrative theory of business and society: a research strategy for corporate social performance", *Academy of Management Review* | Reconfigured corporate social performance topics and proposed a normative-descriptive theory of business and society |

Fleet and Wren, 2005) because even 35 years after Davis' summary was published, these arguments still shape much of the recent literature addressing the CSR dilemmas.

*Arguments for CSR*

*Long-run self-interest*. This argument posits that a business must be sensitive to and respond to the needs of society if it expects to earn a profit over the long-run (Davis, 1973). If a firm is conscious of the community's needs and invests in local social programs, a long-run profit can be achieved. Jones (1995) argues that CSR reflects the long-run self-interest of a business because it leads to improved profitability. He models the relationship between a firm and its stakeholders using the concept of a contract (Jones, 1995). Transactions, exchanges, and formal documentation entered into between the parties are governed by a contract. "Firms that contract with their stakeholders on the basis of mutual trust and cooperation will have a competitive advantage over firms that do not" (Jones, 1995, p. 422); therefore, behavior deemed ethical and consistent with CSR is beneficial by lowering a firm's cost structure. Examples of lower costs include reduced transaction costs, agency costs, and monitoring costs.

*Public image*. If a firm can enhance its public image via socially responsible actions, it may be able to acquire more customers and better employees (Davis, 1973). Research suggests that customers are pushing companies to pursue strategies that are socially responsible (Vandermerwe and Oliff, 1990). Researchers have also found that business can effectively use SR as a strategy for creating a positive reputation and attracting quality employees (e.g. Bhattacharya *et al.*, 2008; Evans and Davis, 2011).

*Viability of business*. The Iron Law of Responsibility, proposed by Davis and Blomstrom (1966, p. 95), claims "in the long-run, those who do not use power in a manner that society considers responsible will tend to lose it." In other words, society will revoke the power of a business if it acts irresponsibly. Shrivastava (1994) argues, using the context of the natural environment, that companies have been the primary engines of economic growth and therefore bear responsibility to correct ecological problems created by their actions. If a company is viewed as irresponsible, society may revoke its support in response (e.g. boycott, withdraw resources, or lobby against).

*Avoidance of government regulation*. Since government regulation is often costly and can limit decision alternatives, it can be beneficial for a firm to proactively engage in socially responsible behavior to decrease government interference and restriction (Davis, 1973). While early attempts at CSR were made in response to government mandates and often involved coercion and remuneration (Sharma and Ruud, 2003), more recent approaches to CSR involve voluntary effort on the part of firms, and the collaboration between firms and the government (De Bruijn and Nordberg Bohm, 2003).

*Socio-cultural norms*. Society has a set of culturally accepted behavioral norms that individuals are expected to obey. Businesses are expected to follow the same established norms of behavior (Davis, 1973). This argument shares common ground with the principle of public responsibility put forth by Wood (1991, p. 390) that asserts "businesses are responsible for the outcomes related to their primary and secondary areas of involvement with society." Simply stated, businesses are responsible for their own actions.

*Stockholder interest*. It was also suggested that SR can benefit firm stockholders (Davis, 1973). Researchers have found that SR actions and investments can lessen the diversifiable risk in stock returns, decrease the overall business risk of a firm, and potentially improve long-term risk-adjusted performance (Boutin-Dufresne and Savaria, 2004), all of which are advantageous to stockholders. Findings from 30-plus years of research examining the CSR-firm financial performance relationship are however equivocal and it is difficult to draw definitive conclusions (Garcia-Castro *et al.*, 2010).

*Let business try*. Others have been unsuccessful in conquering social problems, so business should be given the opportunity (Davis, 1973). For example, we see over a century of effort expended towards environmental protection in the United States, which started in the latter part of the nineteenth century (Buchholz, 1993; Udall, 1963). Writers and activists such as Henry David Thoreau, John James Audubon, and John Muir were early leaders of the conservation movement (Udall, 1963). Environmental legislation, such as the Forest Reserve Act of 1891 and the Rivers and Harbors Act of 1899, were also passed during this time period. Writers, philosophers, historians, naturalists, and activists, as well as large institutions such as the government, have promoted SR in the form of environmental conservation for over 100 years, but the environment is still plagued by devastating events. As such, business should be encouraged to be of further assistance.

*Business has the resources*. Extending the previous argument, one reason businesses should try is because they possess the magnitude of resources necessary. Beyond money, businesses have the management talent, functional expertise, and innovative ability to deal with complex societal issues (Davis, 1973). One example of a company fostering innovative ideas is Interface, Inc, a carpet manufacturer recognized for its sustainable practices. Interface has championed a waste reduction initiative that not only benefits the environment but has also resulted in improved productivity, teamwork, motivation, and commitment among employees (Romm, 1994) along with saving over $50 million in waste elimination in a three-year period (Woestendiek, 1998). In the twenty-first century, Interface is also exploring recyclable materials and alternative energy sources as it strives towards its sustainability goals. CEO Ray Anderson discusses many of the things his company is doing to achieve both financial and environmental success in a recent book, *Business Lessons from a Radical Industrialist* (Anderson and White, 2009).

*Problems can become profits*. While not all problems can be reframed into profitable opportunities, innovations can transform certain problems into profitable projects (Davis, 1973). Drucker (1984, p. 62) believed that businesses could profitably capitalize on SR issues stating "the proper social responsibility of business is to tame the dragon, that is turn a social problem into economic opportunity and economic benefit". However, the research examining CSR and financial performance has yielded inconclusive results (Margolis and Walsh, 2001; Orlistizky *et al.*, 2003) with no definitive answers as to whether a firm's CSR strategy is correlated to economic returns.

*Prevention is better than curing*. Dealing with social problems before they balloon into colossal problems will save time and money in the long run (Davis, 1973). An organization that acts proactively may be able to avoid criminal investigations and preserve organizational integrity and a reputation for ethical conduct (Schillaci and Radler, 2000). Avoiding criminal investigations can save the time and money associated with criminal charges, court trials, and fines and can help maintain a positive reputation by evading damaging news headlines. For instance, many organizations are now demonstrating proactivity toward environmental issues, rather than simply reacting to problems (Nattrass and Altomare, 1999).



*Arguments against CSR*

*Profit maximization*. Profit maximization is likely the most prevalent argument against CSR policies (Davis, 1973). This view reflects a belief that businesses using resources in a manner other than to maximize profits are "in effect imposing taxes" (Davis, 1973, p. 318) on the shareholders. Milton Friedman (1970) is perhaps the most notable proponent of this view, believing that CSR is "fundamentally subversive" to free enterprise and is a form of socialism. It is argued that shareholder value maximization is the predominant business objective. This predominance is argued to have been established in a 1919 case between Dodge and Ford Motor Company (Sundaram and Inkpen, 2004). The Michigan State Supreme Court ruled that business is carried out principally for the profit of shareholders. Increasing profits is the only responsibility so long as the firm "engages in open and free competition without deception or fraud" (Friedman, 1970, p. 126).

*Costs of social involvement*. Businesses have limited resources and cannot afford to foot the bill for major societal initiatives as these expenses often do not generate sufficient returns (Davis, 1973). McWilliams and Siegel (2001) present a theoretical argument that SR decisions should be evaluated exactly as all other investment decisions. Resources will be devoted to satisfy some CSR demands; however, a cost-benefit analysis should be the mechanism determining what level of CSR maximizes profits while meeting stakeholder demands. Drawing upon the theory of the firm, McWilliams and Siegel (2001) state that firms investing in CSR will have higher costs, but also higher revenues while firms not investing in CSR will have lower costs, but lower profits. In sum, both groups will have the same rate of profit; otherwise, disequilibrium would result and those firms with lower profits would switch strategies.

*Lack of social skills*. Davis (1973) suggests that managers are not comfortable dealing with social matters since their primary concerns are economic and their skills are mainly technical. Karnes (2009) suggests that social skills are in fact deteriorating over time. Since so many issues within present day organizations are now handled via legal and regulatory methods, employers do not discuss social or personal issues with employees, resulting in a disintegration of the employer-employee relationship. Modern day leaders are said to lack emotional intelligence, empathy, and other social skills (Karnes, 2009). Without a foundation of social skills, the successful pursuit of societal issues seems doubtful.

*Dilution of business' primary purpose*. This point falls in line with the first argument against SR - profit maximization. As Friedman (1970) suggests that a company's primary responsibility is to its shareholders, pursuing social issues could detract from this purpose and thereby result in less productivity and weakened businesses (Davis, 1973). Organizations have heterogeneous constituents with multiple, and potentially inconsistent goals, which makes it logically impossible to maximize multiple objectives (Sundaram and Inkpen, 2004). A lack of a defined purpose will result in confusion as juggling assorted goals is ultimately "wishful thinking" (Sundaram and Inkpen, 2004, p. 354).

*Weakened international payments*. If CSR policies add to the cost of goods, these costs will be passed onto buyers (Davis, 1973). Firms could be at a disadvantage versus international firms that do not have additional social costs structured in their prices. For instance, the US trade deficit has been and continues today to be a topic of discussion and debate in government, academic, and business circles.

*Business has enough power*. Business entities are already among the most powerful institutions in society. Combining social activities with economic activities would create an even greater concentration of power. This argument is based on the fear of "big business" ruling over those with little power (Davis, 1973). The past federal case against Microsoft Corporation is one example of alleged abuse of power. Supporters of this view believe corporations already have significant power over society and the balance of power should not be pushed even further in favor of business.

*Lack of accountability*. Since there is no direct line of accountability between business leaders and the general public, managers should not be held responsible for societal issues since they are not accountable to society (Davis, 1973). Accountability for SR has subsequently evolved in the decades since this argument. Today, there is an institutional infrastructure (e.g. market initiatives, investment organizations, watchdogs, and NGOs) that attempts to pressure organizations to account for SR activities (Waddock, 2008). This institutional infrastructure emerged largely during the 1990s. However, these institutions focus mainly on organizations, not individuals. One exception is the Sarbanes-Oxley Act, which holds CEOs and CFOs personally accountable for the financial statements of the companies they represent.

*Lack of broad support*. Finally, business involvement in social issues could cause friction and lead to deleterious social side-effects (Davis, 1973). While some parties feel as if involvement in social matters can be beneficial, there are strong opposing viewpoints. Ultimately, it may be a lack of trust in business that underlies this tension. As the US was absorbing the fallout from such scandals as WorldCom and Enron in the early 2000s, one public poll revealed that only 20 percent of respondents had a "great deal" or "quite a lot of confidence" in business (Nussbaum, 2002). Recent events such as the housing crisis and fraudulent investment schemes have likely only amplified this tension. Without confidence in business leaders, many will likely remain opposed to business assuming a larger role in overall society.

The arguments for and arguments against CSR illustrate this topic was not limited to only the sphere of business. It also was prevalent in the domains of political science and sociology as evident in Selznick's (1992) effort to articulate theory linking the moral individual, institutions, and communities. He argued virtue and relatedness were interdependent. Emphasizing an "intimate connection between moral well-being and social participation", Selznick (1992, p. 183) stated that principles of rules and governance are necessary; they simultaneously provide autonomy and freedom while constraining and attenuating the exploitative tendencies of organizations and individuals. Individuals and the organizations they create have an inherent desire to serve their own pragmatic (and, at times, even evil) self-interests; thus, the challenge is to find a means to "bind the ideal of liberty to a more secure ethos of social responsibility" (Selznick, 1992, p. 373).

In sum, the notion of social responsibility was a concept contested in the early twentieth century and even back to the Industrial Revolution period. The history-of-management-thought perspective reveals how this contestation has crystallized its conceptualization from a more generalized interdependence between business and society to the more specific notion of CSR. This crystallization allowed for the development of stakeholder theory as the dominant paradigm for evaluating the boarder context in which organizations operate.

## The modern era of CSR and the emergence of stakeholder theory

### *Roots of stakeholder theory*

The term stakeholder was not formally used or defined until the later half of the twentieth century. However, the idea of constituent groups that can affect or are affected by the organization (see, Freeman, 1984) appears in the thinking of Chester Barnard (1938) who indicated that businesses are part of a larger system that includes customers, employees, vendors and investors, and that these groups and the firm influence each other by their respective actions (Novicevic *et al.*, 2005). Specifically, in *The Functions of the Executive*, Barnard (1938) asserts that the roots of organizational failure are those forces external to the organization, which are individuals or other organizations that supply necessary inputs and also act to constrain the firm's behavior.

Even earlier, during the time of scientific management, Gantt (1919) realized the interdependence between industry and society. If industry failed to adequately service society's needs, Gantt believed that society would rise up and wrest control from such businesses. Gantt's thinking appears to be a precursor of Davis and Blomstrom's Iron Law of Responsibility. This interactive view was also posited by Mary Parker Follett (1924, p. 79) who defined behavior as "a function of the interweaving of an organism and its environment" and that the organism and environment influenced each other's actions. Her ideas typically focused on individual behavior, but she also demonstrated awareness of the interactive relationship of an organization to its environment (Novicevic *et al.*, 2007).

### *Refinement of stakeholder theory*

In his book, *Strategic Management: A Stakeholder Approach,* Freeman (1984) notes that the term stakeholder first appeared in management literature in 1963 in an internal memo at the Stanford Research Institute. The concept of the stakeholder was originally defined by the Stanford Research Institute as "those groups without whose support the organization would cease to exist" (Freeman, 1984, p. 31). Shortly thereafter, Ansoff (1965) delineated two distinct classes of firm objectives: economic and social. Economic objectives reflect efficiency optimization, while social objectives reflect effectiveness of interaction between the firm and its constituents (i.e. stakeholders). A firm's stakeholders exert power over the firm, thus limiting and constraining its behavior. Typically, economic objectives take precedence over the social objectives of the time (Ansoff, 1965).

Freeman's landmark book was the catalyst for stakeholder theory that attracted attention of both scholars and managers (Mitchell *et al.*, 1997). Freeman (1984) defined stakeholders as individuals or groups that can affect or are affected by what a firm does, and how well it performs. Donaldson and Preston (1995) extended this definition by stating that stakeholders are defined by their legitimate interest in the corporation, not just by the corporation having an interest in them. The implication of this definition is that a stakeholder is not identified by the company; rather legitimate stakeholders are those that may be affected by actions of the firm no matter whether the firm identifies them specifically or not. Other authors provided narrower definitions, limiting stakeholders to groups or individuals that are necessary for the firm to operate and are tied directly to the firm's economic interests (Bowie, 1988). A common thread across these definitions is that stakeholders are composed of constituents that reside in both the firm's internal and external environment.

The use of stakeholder theory can lead to varying, and often times contradictory implications for managerial decision making. Donaldson and Preston (1995) attempted to elucidate these issues by presenting three groupings of stakeholder theory: normative, descriptive, and instrumental. Stakeholder theory is argued to be unequivocally normative; considering why stakeholder interests are legitimate. The instrumental aspect considers how stakeholder management practices affect firm performance. The descriptive grouping examines if or how organizations take account of their stakeholders. Soon after, Swanson (1999) argued this approach suffered from a lack of integration and that stakeholder theory suffered from failing to reconcile "what organizations do" with "what organizations should do". She presented arguments that all managerial decisions are value laden; the contention that values are irrelevant is a type of normative myopia. Rooted upon the assumption that a central purpose of any business is to serve society (see Selznick, 1957), it is argued that normative receptivity (e.g. recognizing that policy decisions and values are inseparable) leads to more value-attuned responsiveness whereby organizations readily consider societal interests during decision making.

Addressing each and every demand from varied stakeholders is virtually impossible due to limited resources, thus management must decide which group is more salient and address its requests as priority. Management typically assesses a stakeholder in terms of three attributes:

(1) power;
(2) legitimacy; and
(3) urgency (Mitchell *et al.*, 1997).

A stakeholder has power when it either has, or can obtain, directly or indirectly, the means to have its desires facilitated by the other party. Legitimacy is "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995, p. 574). Urgency is the degree to which stakeholder claims are viewed as pressing and is a function of time sensitivity and the importance of the claim to the stakeholder (Mitchell *et al.*, 1997). Being mindful of power, legitimacy, and urgency simultaneously is often complex and can be explained in part by resource dependency theory (Pfeffer and Salancik, 1978), which posits that power is often the key in determining which party has more leverage. Pfeffer and Salancik (1978, p. 43) argue:

> Because organizations are not self-contained or self-sufficient, the environment must be relied upon to provide support. For continuing to provide what the organization needs, the external groups or organizations may demand certain action from the organization in return. It is the fact of the organization's dependence on the environment that makes the external constraint and control of the organization both possible and almost inevitable.

Plainly there are times where stakeholders and a firm may not readily agree and in these instances, power is likely to decide the outcome of divergent interests. Yet, who is dependent on whom and the level of dependence will determine who has power. It is believed that the less dependent party will have influence over the other party (Frooman, 1999). In yet another attempt to illustrate the nature of firm-stakeholder relations, McWilliams and Siegel (2001) argue that any attempts to reconcile normative and descriptive aspects should account for market forces. This theory of the firm perspective assumes that the overarching goal of a publicly held firm is profit maximization. Profit maximization occurs when the level of CSR investment (e.g. cost of associated with CSR) equals higher revenues (e.g. demand for CSR).

In contrast to resource dependency theory or the theory of the firm, which are grounded in a functional perspective, political influence theory is grounded in the interpretative paradigm (Ferris and Judge, 1991). This later perspective posits that firm management and its stakeholders oftentimes experience an interpretive conflict. An interpretive conflict is a gap between what an organization's top management has done, and what its audience (i.e. stakeholders) expected (Ginzell *et al.*, 1992). Interpretative conflicts commonly arise when stakeholders question the appropriateness of top management's behavior or its account of an event. To reach a resolution, management will evaluate the discrepancy and then make the decision about the need to alter its account of the event and/or alter its behavior. The greater the level of power of a stakeholder, the less passive it may be in accepting top management's account. In the end, management will select certain account strategies based on its perceptions of audience power, and negotiations will continue until both sides are satisfied with the account of events (Ginzell *et al.*, 1992).

These theoretical perspectives indicate that a firm does not operate in a vacuum and must be responsive to the obligations encompassing CSR. It is stakeholder theory that provides a structure that elucidates to whom organizations have responsibilities. Stakeholder interactions can take the form of contract negotiations and bargaining with suppliers, screening of job applicants, marketing campaigns, community activities with local charities, union negotiations, or political lobbying. In sum, stakeholder relationships range in complexity and involve both internal and external constituents.

## Management thought and corporate social responsibility: a historical analysis

How the intricate relationship with society is managed is a critical task as it affects the firm's viability. Several prominent management thinkers in the early- to mid-twentieth century recognized these complexities. Our review of history reveals three common management philosophies:

(1) recognition of the external environment;

(2) the need for collaboration; and

(3) the need for a shared understanding.

These philosophies were not explicitly articulated as such in any particular work, rather these management practices are consistent themes we see evident across time. Exploring these historical contributions lays the foundation for a deeper understanding of more recent contributions that are focused specifically on managing the stakeholder relationship in regards to CSR.

### *Early management philosophies of social responsiveness toward stakeholders*

*Recognition of the external environment*. The interaction of an organization and its environment is an integral part of Follett's (1924) widely recognized work, *Creative Experience* (Novicevic *et al.*, 2007). Follett's description of behavior as a function of an organism interacting with its environment displays awareness of the influence of the external context. This recognition of the total situation, which Follett conceptualized based on the Gestalt theory, was prevalent in much of her work. Follett believed that the nature of the whole was different than the individual parts and that a proper understanding of any situation must incorporate the whole situation. Accordingly, Follett recognized that synergies can be created in the interactions between external groups and firms (Humphreys and Einstein, 2003). Also, Barnard (1938) understood that reconciling conflicting interests was paramount to an organization's longevity. Barnard argued that formal organizations are cooperative systems characterized by coordinated cooperation among the members as well as with external constituents. Barnard believed that management should be aware of external forces and that cooperative interaction was essential to organizational survival (Novicevic *et al.*, 2005; Novicevic *et al.*, 2006).

Follett and Barnard adopted systems theory which originated in the field of biology and was later formalized by Ludwig Von Bertalanffy's 1951 publication (Shafritz and Ott, 2001). Later, Katz and Kahn (1978, p. 18) incorporated the systems idea into organizational theory recognizing that organizations are "acutely dependent upon their external environment and so must be conceived of as open systems." This recognition implies that an organization is perpetually dependent on the environment for inputs, and that its products and services must then be transferred to the external environment.

*Collaboration*. As businesses and their stakeholders do not always readily agree on company polices and behavior, it is important that they reach an amicable resolution. Follett (1924) was a strong advocate of the integration principle for conflict resolution. She believed that the traditional methods for solving conflicts (submission, victory via struggle, and compromise) would not be satisfying to both parties in the long-run. Integration, however, could satisfy the interests of both sides without domination of one party or one party sacrificing its desires. Follett described the idea of integration as the "harmonizing of difference" (Follet, 1924, p. 150), which meant that both parties should be working together to create a solution that might not be readily visible. Integration was the path suggested by Follet to lead toward mental revolution, which Taylor (1911) argued should be enacted to create harmony between managers and workers.

Like Follett, Barnard (1938) was a proponent of collaboration because he perceived organizations and their constituents as parts of a larger collaborative system. Mirroring Follett's conceptual grounding in the Gestalt concept, Barnard viewed cooperation as an aspect of the total situation in which the primary function of management was to recognize and reconcile the conflicting demands of the organization's constituents. In this instance, management serves its primary function to sustain a system of cooperative effort toward reconciling.

*Shared understanding*. Henry Fayol (1916/1967) was the first management scholar to articulate the importance for a business and its employees to have a shared understanding of organizational goals. In discussing planning, his first element of management, Fayol notes that a good plan displays unity at all levels. Coordination, the fifth element, serves "to harmonize all activities of a concern so as to facilitate its working and its success" (Fayol, 1916, p. 103). In other words, Fayol recognized that an organization should ensure its employees strive for common goals, which is a process that promotes organizational success (Lamond, 2004).

Barnard (1938) later added that successful organizations should plan and coordinate: communication, the willingness to serve, and a common purpose, and that management should ensure that these functions are performed by providing a system of communication, securing necessary individual efforts, and formulating and defining purpose. Most critical is the function of formulating and defining purpose because "the continuance of an organization depends upon its ability to carry out its purpose" (Barnard, 1938, p. 91). Barnard believed that conflict, particularly among managers and employees, could be alleviated by means of open communications and management integrity, which are essential in instilling members with a purpose and securing their cooperative efforts (Novicevic *et al.*, 2011). Without reconciliation of the members' interest and the organization's purpose, reaching a shared understanding would be impossible (Gabor and Mahoney, 2010).

Overall, Barnard, Fayol, Follet, and Taylor were early management scholars who provided historical foundations for essential management thought about mindful relationships with organization constituents. Recognition of the role of external constituents in regulating an organization's behavior points to the benefits of collaboration for resolving conflicts. Given that an organization is dependent on varied stakeholders, achieving a shared understanding and purpose promote beneficial relationships with less conflict.

### *Recent management philosophies for CSR in relationship with stakeholders*

The philosophies advocated by these classical authors have reemerged in recent decades. While modified and adapted to fit more closely with the modern management terminology of CSR, these earlier viewpoints are now a prevailing perspective on CSR.

*Recognition of the external environment*. Contemporary businesses face increasing demands from a number of stakeholders located outside of the organization's boundary. CEOs are now spending considerable time focusing on external affairs and allocating significant resources for analyzing and understanding the corporate social environment (Carroll, 2008; Miles, 1987; Whadcock, 2008). This orientation illustrates CEOs adopting an open system view, akin to the Gestalt perspective, that facilitates communication and exchange between the firm and its stakeholders. Having an open system orientation becomes necessary to successfully navigate the external forces that encompass the operating environment. Embracing this institution-oriented management philosophy (Miles, 1987) implies granting importance to social issues and taking a proactive role toward CSR issues. Selznick's (1992) *Moral Commonwealth* theory, with the notion of morality being inescapably linked to social participation and the idea of binding "the ideal of liberty to a more secure ethos of social responsibility" (p. 373) and Swanson's (1999) concept of value-attuned responsiveness to oneself and society similarly illustrate the role of the external environment. Scholars have unpacked this recognition to more fully explain the characterization of this interdependence (e.g. dependency, power, urgency, legitimacy). Decisions regarding which stakeholders to attend to and how stakeholders are treated are not solely economic concerns; these decisions are also inherently value laden.

*Collaboration*. Engagement in CSR places an emphasis on creating and maintaining long-term stakeholder relationships via open communication and trust. Organizations with this institution-orientation view social issues as a part of their overall responsibility and collaborate to find resolutions, rather than adopting a defensive posture (Miles, 1987). This is consistent with the normative core assumptions of stakeholder theory emphasized by Donaldson and Preston (1995). Management in such firms is proactive and participates in public interest groups, regulatory agencies, and other associations concerned with CSR. Businesses concerned with CSR believe that collaborating with key stakeholders is beneficial to both the industry and the firm's longevity, even if sacrifices are required in the short-run (Donaldson and Preston, 1995), and attempt "to find integrative solutions that minimize costs and yield economic as well as social benefits" (Portugal and Yukl, 1994, pp. 273-274). Collaboration becomes "a process through which parties who see different aspects of a problem can constructively explore their differences and search for solutions that go beyond their own limited vision of what is possible" (Fryxell and Dooley, 1997, p. 155). This requires open exchange, as well as a "willingness to search for alternative courses of action" (p. 156).Collaborative problem solving is strikingly similar to Follett's concept of conflict resolution via integration and searching for alternatives not readily apparent. Consistent with Davis' (1973) arguments that problems can become profits and that prevention is better than curing, there is evidence that proactive environmental responsiveness is positively related to firm profitability (Russo and Fouts, 1997).

*Shared understanding*. Empowerment (i.e. delegating authority) is expected to aid in fostering a shared understanding among employees (Miles, 1987). When management empowers subordinates to perform tasks in accordance with the organization's CSR policies, subordinates will feel greater involvement and have a sense of purpose in their work. Having broad internal support is critical to the success of CSR initiatives (Shrivastava, 1994). The foundation of Wood's (1991) model depicting levels of CSR responsiveness is the individual within an organization. Employees are moral actors possessing discretion regarding choices and responsiveness to CSR issues. Thus, a clearly understood vision "guides decision making and facilitates initiative at all levels of the organization" (Portugal and Yukl, 1994, p. 274). For instance, Russo and Fouts (1997) found evidence positively linking organizational environmental responsibility with return on assets. It was argued that improved environmental performance required a cultural shift with involvement and commitment from employees in all areas of operation (management, operations, human resources, research and development, etc). The philosophy of a shared understanding mirrors Barnard's identification of the essentiality of a common purpose and Fayol's principle of coordination of effort. Embedding CSR within the mission and vision not only can create a shared understanding, but also ensures longevity of CSR policies (Randel, 2002).

Interestingly, it is the stakeholder paradigm offering clarity as to how organizational management should evaluate versus how managers actually do evaluate alternatives. Recent perspectives explain the cause and nature of these tensions; yet there is not a consensus concerning a means of reconciliation. Indeed, this ongoing tension was recently evident in a popular press news publication, in which a contributor opened with the statement that "the idea that companies have a responsibility to act in the public interest and will profit from doing so is fundamentally flawed" (Karnani, 2010). Advocating the theory of firm perspective assumptions; it is argued that CSR related decisions are merely another type of investment decision. Thus, while the merits of collaboration and shared understanding are recognized across time, it seems the tensions recognized by early-twentieth century management pioneers and more fully illustrated through stakeholder theory still remain.

## Conclusion

Our foremost contribution is to provide the first history-of-management-thought perspective on the SR of business by tracing changes in the conceptualization of this concept, including the related stakeholder paradigm, to their roots in the works of renowned management thinkers. The principles expressed by today's CSR scholars are conceptually linked to management thought from the early twentieth century. Strong similarities are evident in areas of organization-stakeholder collaboration, revealing how forces such as control of resources sway this relationship and influence an organization's stance toward social responsibility. Also, classic management thought emphasizes a need for shared understanding supported by collaboration, relationships based on trust, and open communication with the objective of establishing common goals and cooperative relationships.

### *Implications*

Contrary to the management-of-history-thought assumptions, a repetitive cycle in the conceptualization and practice of CSR is evident. Although early management scholars were cognizant of abuses of The Industrial Revolution period, and despite refinements in SR conceptualization over the years, corporate transgressions remain prevalent societal issues. Former President George Bush is reported to have a called for a renewed corporate responsibility in America in response to a wave of scandals at the dawn of the twenty-first century (as cited in Nussbaum, 2002), yet recent polls report that 84 percent of the US public attributes fault to "business" for the still lingering global financial crisis (Moriarty, 2010). Practicing managers are in the vexing position of reconciling demands for societal improvements, yet facing a public that seemingly distrusts their actions. Thus, the recurrent principles of recognizing the external environment, collaborating, and developing a shared understanding are regularly advocated; however, widespread implementation and execution are seemingly elusive in practice. For those firms concerned with CSR, building and maintaining a positive public image will likely require significant resources and thoughtful planning. Society also often presents seemingly incongruous demands, calling for increased responsiveness to societal ills yet pressing companies for economic returns. Reich (1998, p. 12) illustrates this pressure stating that "fuzzy long-terms are no match for hard-nosed short-terms". Looking forward, we believe researchers should focus on why this bifurcation of thought persists. Is it that managers and shareholders perceive SR and profits as incompatible yet society perceives these as corresponding outcomes? Could it be that society espouses demands for SR yet becomes impatient in the short-term? Likely more challenging for both practitioners and scholars is the trust deficit between parties, which makes movement toward a collaborative integrative solution improbable. Follett (1924) recognized decades ago that trust is essential for conflict resolution to become an amicable process and potentially innovative.

Reorientation of the stakeholder lens away from a prevailing macro-level analysis is one possible avenue to understand the trust deficit. Researchers in recent years have analyzed CSR with a more focused lens that examines specific organizational practices and the outcomes related to specific stakeholders. For instance, it has been argued that certain human resources practices can provide both economic value (e.g. organizational productivity) and normative value (e.g. employee well-being) (Evans and Novicevic, 2010). Other findings show that perceptions of CSR positively influenced employee commitment (Peterson, 2004) and reduced acts of employee deviance (Evans *et al.*, 2011). The importance of management sincerity and trusting relationships for inducing the will to collaborate among employees was recognized by Barnard many years ago; yet his insights are frequently unrecognized (Novicevic *et al.*, 2011). More generally, organizational leaders and their stakeholders however may require education and training in order to understand such possibilities. Moral well-being may indeed be connected to social participation (see Selznick, 1992); however, interactions between organizations and their stakeholders do not always reflect this idea. We believe the trust deficit may be hampering both collaboration and emergence of a shared belief that CSR is a legitimate strategy for concurrently creating economic and normative value. Future research examining specific firm-stakeholder relationships may illuminate the conditions under which trust can develop. Endogenous variables, such as trust, that are unobserved firm-specific variables are believed to be a key in understanding CSR-firm performance relationships (Garcia-Castro *et al.*, 2010). Such an approach could facilitate movement toward integrating the normative, descriptive, and instrumental components of stakeholder theory.

*Limitations*

Researchers should however recognize that the main drawback of using the history-of-management-thought approach to SR is that it is Western-centric. A bibliographical study of international management research published between 1998 and 2007 revealed that most studies are based on highly developed economies, many of which are concentrated in North America and Western Europe (Egri and Ralston, 2008). Frynas (2008) explains the commonly held assumption that CSR will contribute to social gains in developing economies ignores the complex governance and public-private sector realities of many countries. A large corporation can be perceived as a threat to local government, or the degree of impact on employee well-being is diminutive versus the forces that employees face outside of the organization. Researchers should recognize that the canonization of the history-of-management-thought has contributed to the rare acknowledgement and continuing marginalization of the non-Western writings on SR (Egri and Ralston, 2008; Maignan and Ralston, 2002; Werther and Chandler, 2006). We argue that these writings are highly relevant as they may reveal how past changes in the conceptualization of SR have been narrowly interpreted looking in the hindsight at the thoughts of only the great Western thinkers. A broader interpretation should incorporate the non-Western contributors to the history of management thought about SR and treat non-Western sources as "thought subjects" rather than as "thought objects." Therefore, future studies should examine the role of culture on the gap between philosophies and practices of CSR, as well as on the impact of globalization of the conceptualization of the CSR and stakeholder theories (Jensen and Sandstrom, 2011).

The literature review was described earlier as non-exhaustive, and thus may not include all relevant works. Our approach was holistic, not mechanistic. The authors examined each period and reached a consensus that a representation of the dominant works was included. Researchers may wish to conduct a systematic bibliographic analysis that may reveal additional management philosophies concerning the business-society relationship.

In summary, recognition of external environment, collaboration, and development of shared understanding are recurrent themes in the history-of-management-thought concerning SR practices. Today's management thought about SR shares a strong heritage with the first half of the twentieth century, with recent conceptualizations adding depth and specificity to our understanding. However, corporate practices in the area of SR seem to cycle historically in their intensity, as recent corporate transgressions appear to correspond with those of the early 1900s period. It does not seem that collaboration and a shared understanding are widespread in actual practice. We encourage future researchers to more thoroughly examine the array of, and perhaps incongruent, demands from stakeholders and in particular, to consider the role of trust in the relationship between business and society.

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