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The Development of the CSR Concept and Theories

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Abstract

Purpose: The aim of this paper is to study the origins and development of the concept and discuss the evolution of the views on the matter of CSR.

Design/methodology/approach: The narrative literature review methodology is applied to achieve the aim of the study. The paper is divided into two main sections. In the first one, the development of the CSR concept is presented. In the second one, the variety of theories related to the issue of social responsibility of business organisations is discussed.

Findings: The papers points out relations between development of the CSR concept and evolved theories referring to the matter of CSR.

Research and practical limitations/implications: The article is theoretical and may be subject to further research. However, analysing the data basing only on the literature review may appear as the limitation of the study.

Originality/value: A major concern of the article is the development of the CSR concept. The paper elaborates it in relation to the evolved

theories on the matter of CSR. The value that it contains plays a significant role, especially in the occurrence of development of CSR policies in companies around the world.
Paper type: literature review.

Keywords: corporate social responsibility, CSR, CSR theories, Corporate Social Performance, Shareholder Value Theory, Normative Stakeholder Theory, Corporate Citizenship, responsive CSR, strategic CSR, Three Domain Model.

1. Introduction

CSR is a notion of a company facultatively implementing rules concerning ethical dealing with social and environmental issues and improving communication with stakeholders. Throughout the last several decades the concept has evolved and numerous approaches and theories emerged. From Milton Friedman to Archie B. Carroll, many researchers have raised a subject of social responsibility and many of them have presented various views on the matter. Some researchers say that CSR is a simple charity and does not bring any value to the company. On the contrary, multiple academic theories, as well as everyday practice in companies, prove that CSR provides better social performance and improves company reputation. Totality of pro-social actions has a positive impact on company's success.

As it was mentioned above, there is a great number of competing views on the CSR notion presented by many authors. As a result, different theories referring to CSR have been evolved over the decades. Although the CSR concept is widely known and has been elaborated in the vast plethora of publications, there are still not many papers which present the complexity of the CSR issue, which include the history of the notion and evolved theories on that matter. In order to fully understand the CSR concept and apply it properly in the organisation, it tends to be important to analyse the issue at length. Hence, the CSR topic plays a significant role in organisations nowadays and should be further studied.

The aim of this paper is to study the origins and development of the concept and discuss the evolution of the views on the matter of CSR. The paper is divided into two main sections. In the first one, the development of the CSR concept is presented. In the second one, the variety of theories related to the issue of social responsibility of business organisations is discussed.

The comprehensive analysis of the selection of the literature on the subject complemented by the relevant knowledge gained in the course of earlier studies were the basis research method used in the paper. The selection of the articles was based mainly on the relevance of the content. Correspondingly, sources that depict the origins of the studied topic and some up-to-date publications were taken into consideration. Therefore, analysing the data basing only on the literature review may appear as the limitation of the study.

2. Development of the CSR concept

The history of corporate social responsibility, hidden under various, more or less similar terms, is long, despite today's predominant opinion that it is a relatively new concept. As noted by Carroll (2008), the evidence of companies' responsibility towards society can be observed throughout centuries, and it probably originated during the Industrial Revolution, that is in the late 1800s. As at that time exploitative labour of women and children was common, the Great Britain and United States governments started to hold the factory system responsible for many unethical practices that in consequence led to poverty. At that time religion played a significant role in society, and the questions were raised: "»Can the businessman apply Christianity?«, »Can Christianity produce corporate good?«" (Banerjee, 2007, p. 5). Many businessmen realised that to maintain their position in the market, they needed to stop ignoring the public expectations and change their policy.

At the beginning, social responsibility was strictly tied to philanthropy. The most prominent businessmen allocated vast amounts of money to some worthy causes. For instance, in 1831, Stephen Girard gave $6 million to a school for orphan boys. Carnegie (1889) is another example of the supporter of contribution to society through philanthropic activities. In his article "The Gospel of Wealth" he clearly stated that the source of wealth to some extend was generated by the public. That is why, he strongly believed that in return wealthy businessmen should share their fortunes with society. As observed by Karaszewski and Lis (2014, p. 56), "the principles propagated by Carnegie (1889) should be mentioned as an innovative approach to intra-organisational relationships and the role of an organisation within the social structure". In the course of time the development of social responsibility concept was noticed. An early advocate of CSR, Perowne (1862) proclaimed the need for shared responsibility, which was caused according to him by being a member of a society and resulting from it moral obligation.

In the 1950s the concept of social responsibility experienced an exceptional bloom. Howard Bowen, believed to be the father of CSR, claimed that "corporate goals related to social responsibility could be achieved through economic gain" (Gupta, 2000, p. 20). That means that companies should aim at improving their economic situation, thus advancing the overall development of society. Moreover, Bowen (1953) introduced the definition of the social responsibility of the owner, drawing the attention to the importance of managers and directors in conducting business in accordance with preferable social values.

The development of social responsibility in the 1970s and 1980s was accompanied by growing concern of corporations for their own image. The companies had to adjust to answer the expanding interest of society, caused by revealing a few cases of unethical company behaviours. Businesses had to put more attention into transparency (De George, 2015). However, during that time the complexity of the CSR concept was noticed. According to Chamberlain (1973), the implementation of CSR might be a challenging task for companies, especially taking into account the competitive environment, and could cause in some cases a creation of competitive disadvantage. Chamberlain claimed that it appeared to be difficult to satisfy all of the stakeholders along with making the meaningful social impact.

Internationalisation of corporations made the managers responsible for the world and its future. Thanks to globalisation, the concept that was born in America started to experience increased internationalisation. Unexpectedly, the global migration of CSR was not simply using the 'American way' in other countries. As different states comprehended different circumstances, they changed the concept to match their reality (Matten and Moon, 2008, pp. 406–407). As observed by Moon (2014):

> Thus, CSR had not been simply adopted in different countries. Rather it has been adapted to different national ethical and regulatory frameworks in which assumptions and systems of responsibility are framed. So, despite becoming international, CSR does not reflect a uniform set of assumptions. Notwithstanding the importance of its integrative systems, CSR also reflects a diversity of issues and approaches. International CSR does not overlay or replace previous

> national business-society relations. Rather they interact with one another (Moon, 2014, p. 46).

As many researchers clearly point out, “there is no universal model of CSR. Nor should there be. Although we may agree on some underlying principles and best practices (…) the concept and practice of CSR must be defined by its national and cultural context, if it is to be relevant and effective” (Visser and Tolhurst, 2010, pp. xxv).

Milton Friedman, considered as an opponent of the CSR concept (Chwistecka-Dudek, 2016, p. 176), was an advocate of a theory, that social responsibility of the company is connected with the utilization of its resources and the increase of profits for shareholders. According to him, company’s social responsibility is fulfilled by providing goods for the society and making profits, paying large amounts in tax payments to the government, thus enriching the society (Mullerat, 2010; Chwistecka-Dudek, 2016, p. 176). As Alvira (2015) states, in purely liberal markets there is a distinction between a state and a market: a market is a set of private businesses whose only goal is to make profits for their shareholders, while it is state’s obligation to do the ‘social work’. Nevertheless, such an approach is inadequate, as in reality both sides must cooperate, because survival of both depends on society.

Porter and Kramer (2006) proclaim that interdependence of business and society in their article “Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility” published in *Harvard Business Review*. According to them “[s]uccessful corporations need healthy society” and “healthy society needs successful companies”. After all, enterprises derive their workforce from among societies and efficient use of natural resources increases their productivity. Moreover, exploitation of local community might bring gains for the company, but only in a very short term, resulting in prevailing losses in the future. Simultaneously, people need corporations, as they create jobs, bring innovations and in effect, raise the standard of living. Porter and Kramer note that both enterprises and communities need to abide the rule of ‘shared value’ – choose those solutions that bring benefits to one and the other. None must profit from putting the other at a disadvantage. “A temporary gain to one will undermine the long-term prosperity of both” (Porter and Kramer, 2006, p. 5).

Many have tried to define corporate social responsibility and it seems that for many this term means something different. Numerous pages in many books were covered with attempts to explain the difficulty of defining the CSR. Despite that there is still no definition accepted by all (Mullerat, 2010). Balcerowicz (2015) claims that the problem of defining corporate social responsibility results from the term itself, as it is imprecise and nowadays ‘emotionally loaded’. With today’s pressure for companies to create some sort of CSR policy, the companies usually add to the vast plethora of definitions by creating their own that answers their needs.

In the 1980s, then the Prime Minister of Norway, Gro Harlem Brundtland said a sentence that for many became a great expression of what CSR actually means: “Meeting the needs of the present without compromising the ability of future generations to meet their own needs” (Porter and Kramer, 2006, p. 3). Porter and Kramer (2006) interpret this phrase as a need for companies to assure long-term profits by evading short-term harmful practices. Moreover, companies should go further and identify potential risks, not only abide the social norms already created. Social standards change constantly and businesses need to adjust, providing new rules to protect people and environment. At the same time “corporations are not responsible for all the world’s problems, nor do they have the resources to solve them all” (Porter and Kramer, 2006, p. 13). No one can expect any given company to put its resources to fix every societal issue.

To keep up with modern trends and survive on the market companies needed to change. Different components make up company’s success now than decades ago. Managers started to think in another way to adjust their enterprises to a new world. In response to the changes in society, companies also should alter their outdated ways and become modern organisations. Consequently, Davis and Miles (1998) emphasized the need of the correlation between managing the culture in the organisation and its company’s image. As Davis and Miles stated, the positive image of the company depended on the successful implementation of values in the organisation so it was evident for the customers as well, and shaped their view on the company. Corporate social responsibility leads to an improvement, because, in some measure, it compels companies to commence a dialogue with their stakeholders. This motivates the change from a short-term vision to a long-term one: investing in social responsibility might lower the current profits, but in a longer perspective it can bring far-reaching gains (Lombardo and D’Orio, 2011).

On 31st January 1999, Kofi Annan, then the Secretary General of the United Nations, proposed the Global Compact initiative that settled ten fundamental rules concerning human rights, working conditions and protection of natural environment. Two years later, the European Commission presented *Green Paper on Corporate Social Responsibility* that described in detail responsibility principles and methods of their implementation. At the beginning of the 21th century, corporate scandals regarding large companies, as Enron or Xerox, highlighted even more the need for ethical revolution. The European Commission gave a very short CSR definition: "the responsibility of enterprises for their impact on society" (European Commission, 2011, p. 6).

Uddin, Hassan and Tarique (2008, p. 199) define corporate social responsibility as "the continuing commitment by business to behave according to business ethics and contribute to economic development while improving the quality of the life of the workforce and their families as well as the local community and society at large". They see social responsibility as not endangering the economic objectives of a company, but something that creates favourable circumstances for increasing competitive advantage globally. Uddin et al. (2008) presented the role of a company in society, showing relations between a corporate sector and its partners. According to them, through CSR a company has a chance to inspire different emotions in different stakeholders, for example the most important reaction from customers is trust – if they trust the company they will continue to buy its products. If employees respect the company and believe in what it does, their productivity grows. It is also important to set good relations with suppliers, based on partnership, and encourage commitment from shareholders that put money into the company.

The importance of relations with all stakeholders is also emphasised in a definition by The Prince of Wales International Business Leaders Forum: "CSR means open and transparent business practices that are based on ethical values and respect for employees, communities, and the environment. It is designed to deliver sustainable value to society at large, as well as to shareholders" (Mullerat, 2010). Some researchers started to explain the CSR abbreviation as Corporate Stakeholder (not Social) Responsibility to point out the relations with all stakeholders.

Corporate social responsibility can be accomplished on two connected fronts: internal and external. The difference between them suggests itself: the internal front focuses on internal stakeholders. The most important internal stakeholder that is concerned by company's responsibility is the group of employees. Apart from them the internal part covers the investors, that is the group of shareholders. An external area of CSR deals with two main aspects: environmental protection and local communities, other than the rest of supply chain: customers, suppliers and business partners (Gołaszewska-Kaczan, 2009). All those are relevant for survival of the company, as combined they lead to value creation. Nevertheless, it is a mistake of many businesses that they focus their CSR activity exclusively on external stakeholders, neglecting the inside part. Such companies cannot be considered indisputably as socially responsible.

The concept of corporate social responsibility has been developed over last decades enormously, having been evolved in its meaning from strictly philanthropic actions, corporate image concern, business and society interdependence, economic development to competitive advantage creation. In the course of time, the role of stakeholders started to be highlighted, focusing CSR activities on delivering the value to not only shareholders. Although plenty of definitions of CSR can be enumerated, there is still no one accepted by all. Nowadays, companies having been under the pressure to create CSR policy, add their own definitions of that concept, which fits best their needs. Nevertheless, the basis for the development of distinct concepts of social responsible companies was provided by large number of often contradictory theories on this subject. The further chapter will present the evolved approaches to the CSR issue.

3. Theories concerning CSR

All the controversy surrounding the concept of CSR originates in a vast number of theories on this subject. Porter and Kramer (2006) in their *Harvard Business Review* article bring up four rationalizations of CSR activities:

- moral obligation – companies should follow the moral rules existing in the society they operate in, that is, make profits with regards to ethical code and the principle 'do not harm';
- sustainability – that is responsibility towards local communities and natural environment;
- license to operate – society needs to see the benefits from the company, and 'allows' in a certain sense for its activities, for

example some governments must issue a permit for a company to operate;

– reputation – corporate social responsibility builds up the brand's image and the perception of customers is relevant to their will to buy, and therefore for company's profit.

Nevertheless, the authors accentuate that those four justifications for CSR try to set business and society against each other, instead of viewing them as a team. As previously mentioned, the interdependence of those two sides cannot be ignored, as it is impossible for one to exist without the other.

Broomhill (2007) presents a summary of different approaches to CSR by dividing them in three schools of thought: neo-liberal, neo-Keynesian and radical. Neo-liberal concepts incline a view that corporate social responsibility is merely a collection of guidelines set by the enterprise and fulfilled voluntarily. This school embodies previously mentioned Friedman's theory. CSR plays a negligible role in company's activity, and some claim even that it is contradictory to business' fundamental objectives. Neo-Keynesian theories approach the term of CSR in a broader manner – they take into account all the stakeholders, although any activity responsible socially is still voluntary. As an example of neo-Keynesian attitude, Broomhill names the EU Green Paper that specifically says that "companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (European Commission, 2001). Generally these theories admit that corporations' practices have impact on the society in more ways than purely through their products and taxes. Radical political economy attitude sees corporations in a negative way, as very powerful tyrants who think only of their own gains and achieve them at the expense of society. Some followers of these theories believe that existing voluntary CSR policies are designed especially for the corporations' favour and are supposed to make an impression that any law regulations are unnecessary. Therefore the radicals created the term 'corporate accountability' that means "holding corporations accountable and responsible for the social and environment impacts of their decisions and practices" (Broomhill, 2007, p. 9; Parliamentary Joint Committee on Corporations and Financial Services, 2006). This would be of course enforced by implementing appropriate law regulations. However, as Melé (2008) points out, laws are limited and in many cases, loopholes can be found for the corporation to avoid responsibility.

A very interesting division of ideas about CSR is presented by Melé (2008). He gathered many views incorporated in literature and came up with four main theories or, as he called them 'contemporary mainstream theories' (Melé, 2008, p. 48). One of them is the Shareholder Value Theory (SVT) or Fiduciary Capitalism, which is definitely a neo-liberal one. It puts shareholders in the first place on the list of company's priorities. The prime focus is profit and any social movements are justified only by bringing earnings or being forced by law. Historically, this theory was developed first and was always devoutly advocated by Milton Friedman. In reality, as Melé (2008) notes, the focus on the increase of shareholders' value often leads to short-term gains, that can be followed by diminished productivity in the future, as a consequence of loss of trust and undermining relations with other stakeholders. Gołaszewska-Kaczan (2009) raises another question: how to convince managers to act in the best interest of the shareholders, if they belong to other groups of stakeholders (employees, often local community). Many companies solve this problem by tying executives' salaries to business' performance or openly laying off managers who do not put shareholders' profit as priority.

The second dominating idea, presented as the opposition to SVT, is Stakeholder Theory, or Normative Stakeholder Theory (NST), that proclaims that the responsibility of a corporation goes beyond profit maximisation and involves every stakeholder. Idowu, Louche and Filho (2010), three researchers from UK, Belgium and Germany, present Clarkson's concept of dividing stakeholders in two classes: primary and secondary stakeholders. The first faction consists of all those who take part in daily business activity of a company and without whose support it simply could not exist. To this group belong shareholders, employees, customers, suppliers, governments and communities. Secondary stakeholders are those who "influence or are influenced by entity's activities, but are not engaged directly in transactions with it and are therefore not so important for its survival but could still be a source of unwanted bad publicity" (Idowu et al., 2010, p. 9). Obviously, they refer to the power of media and general public opinion.

Zu (2009), analysing Lawrence and Weber's work entitled *Business and Society: Stakeholders, Ethics, Policy* (2008), devised a similar division, however he transferred governments and communities to the second group. Those altered classes of stakeholders are called market and non-market (Table 1). Strictly those who in reality participate in economic transactions during daily operations are market stakeholders.

Non-market stakeholders are those affected by company's actions or affecting them, but not partaking in daily business.

Table 1. Comparison of stakeholders: market stakeholders vs. non-market stakeholders

Market stakeholders	Non-market stakeholders
Shareholders	Communities
Employees	Governments
Customers	General public
Distributors	Business support groups
Suppliers/ Wholesalers/ Retailers	Activist groups
Creditors	Media

Source: based on Zu (2009, p. 27).

NST postulates that the foundation of relationship with stakeholders should be ethical behaviour. Acting according to commonly accepted moral values prevents a company from harming any of its stakeholders, therefore nurturing trust and good relations. "It is (…) a normative theory, which requires management to have a moral duty to protect the corporation as a whole and, connected with this aim, the legitimate interests of all stakeholders" (Melé, 2008, p. 63). In the literature there is a dominating view that NST is the only option that ensures the survival of the firm. That is what is called 'enlightened self-interest' according to Banerjee (2007). In this theory, business is seen as a system of stakeholders that have separate expectations. Every stakeholder tries to present its interests as priority, and relations between them are brought down to the benefits every activity can bring to each side. Some questions are nevertheless problematic and create difficulties in satisfying the needs of particular stakeholders. For example, shareholders wish to diminish costs of labour by automation or layoffs that strike against employees interests. Therefore, some researchers advocate belief that representatives of all stakeholders should participate in corporate governing.

Gołaszewska-Kaczan (2009) makes a particularly clear comparison of both theories discussed above. Accordingly, she characterises both theories by means of same attributes. As a result, she highlights the differences and similarities occurred between them, making the understanding of both theories easier. Gołaszewska states that in Shareholders Theory the priority is the profitability at the expense of responsibility, an organisation is perceived as a tool and the major aim of the company is to serve the owner. On the contrary, in Stakeholders Theory the emphasis is on the cost-efficiency at the expense of viability, an organisation is perceived as common venture and the major company's aim is to serve all stakeholders. All in all, the comparison shows the focus on the shareholders' interests in SVT and stakeholders' satisfaction in NST.

As visibly noticeable, the NST theory overshadows the SVT, as it is ethically superior and more respectful of human rights. Companies realized that the human capital has an immense impact on competitiveness, and employees that are well motivated bring better results. Nevertheless, it is necessary to remember that Normative Stakeholder Theory "is not necessarily against shareholders" (Melé, 2008, p. 67). The investors belong to one of the groups of stakeholders as well, therefore their interests are also taken into account. Moreover, shareholders, as opposed to other stakeholders, are protected or compensated in case of any trust related issues with the company.

The third theory presented by Melé (2008) is Corporate Social Performance (CSP) model. It declares that companies are not only in charge of creating wealth and fulfilling law required responsibilities towards society, but should also go further and make up for any social problems caused by businesses and other factors. Therefore, to increase corporate social performance companies need to make efforts to minimise harmful effects of their activities and contribute to society. This theory is mainly driven by the fourth cause for CSR enumerated by Balcerowicz (2015) i.e. licence to operate. Any enterprise that wants to operate in a given area, needs to fulfil expectations of that society. Mullerat (2008) defines CSP quite differently. According to him, Corporate Social Performance means engaging in social actions or activities in order to achieve good reputation, or in short "doing good to look good" (Mullerat, 2008, p. 53). This view assumes that a corporation that involves itself in socially responsible actions, campaigns is doing so only to boost its image as a trustworthy, socially conscious business. Nevertheless, most researchers that support CSP, see it as giving a 'human face' to capitalism, but they do not see the need for related law regulations, leaving the theory rather vague because of the ambiguous meaning of 'social expectations'.

Finally, the fourth of theories presented by Melé (2008) is Corporate Citizenship (CC). It is a belief that corporations should fulfil the role of a good citizen and undertake measures to improve standard of living and prosperity in society. This theory perceives a company as a social unit, therefore it is in its best interest to care for progress and well-being of society. According to Porter and Kramer (2006) corporate citizenship initiatives should be conducted with clearly defined objectives and constant control along the line. They argue that such actions managed efficaciously develop good relations with local communities, governments and institutions and they also build goodwill. Additionally, Melé (2008) mentions Global Business Citizenship by Logsdon and Wood (2005), as an innovative view on company-society relationships. It applies primarily to large multinational corporations and extends the scope of CC to match the globalised environment. It is a framework that can be employed by managers to adjust their CSR policy to cross-cultural aspects.

Most of researchers claim that at the present moment CSR goes through the phase of changes. The supporters of this assertion are Visser and Tolhurst (2010) who call the two separate stages CSR 1.0 and CSR 2.0. The first one is heretofore known Corporate Social Responsibility focused on philanthropy and public relations that, as Visser and Tolhurst believe, became outdated and does not match the modern world anymore. That is why they propose a turn towards the new, improved CSR 2.0, which they translate as Corporate Sustainability and Responsibility, that is integrated into company's structure and relies on five primary rules (Creativity, Scalability, Responsiveness, Glocality and Circularity) with four elements: value creation, good governance, societal contribution and environmental integrity. This view is also advocated by Mullerat, who said that "the key to CSR is that this activity is not seen as philanthropy but as mainstream to the business, not just as altruism but also as sound business" (Mullerat, 2010, p. 52).

To differentiate CSR practices regarding their strategic significance to the company, Porter and Kramer (2006) use the division to responsive and strategic activities. Responsive CSR contains the Corporate Citizenship theory and adds to it reducing the negative impact (existing or anticipated) of business on society. To mitigate the harmful effects the business needs to reshape their operations to implement fitting improvements. Many companies use a checklist of commonly accepted CSR determinants to investigate whether their daily processes are socially responsible. For example, 141 CSR concerns had been specified by the Global Reporting Initiative and many companies use them as a point of reference. As Porter and Kramer (2006) say it is not enough to adjust operations to diminish the wrongs that are done. The true challenge lies in determining the possible damage that might be done in the future, if no reforms will be conducted. In order to do that, benchmarking is frequently used. Application of already existing best practices does not require ample effort, and can bring considerable benefits both for companies and society. That is why, as Arnold (2010) notes, any competitive advantage gained on the field of mitigating adverse impact is 'short-lived', because of fast adaptation of such practices by competitors.

The responsive CSR is complemented by strategic CSR. Those are the practices deeply merged into company's strategy and are means to differentiate that company from others. It is more than just responding to social needs. It is reconstructing the value chain while putting social and environmental benefits as a goal. That can elevate the company to the leader position on the market thanks to enduring competitive advantage. Porter and Kramer also present a distinction of inside-out and outside-in linkages. First of them are the effects the company has on society during its normal operations. The second is when social conditions impact the company. The key to strategic CSR is to combine inside-out and outside-in linkages to create the most effective tactic. Strategic CSR could lead to a symbiotic development, when a gain for a company is at the same time a gain for society. As logic dictates, "the more closely tied the social issue is to the company's business, the greater the opportunity to leverage the firm's resources and capabilities, and benefit society" (Porter and Kramer, 2006, p. 11). Investments in public health or education are always beneficial to the business as well, as they create healthy and skilled workforce that can energise the enterprise in the future. For example, Cereal Partners Poland Toruń Pacific Sp. z o.o., which produces Nestlé cereals, created programme "YES 4 YETI" (Youth Employment & Training Initiative) that is a series of free workshops for economy and management students. The programme works for mutual benefit: students gain skills and knowledge and the company can scout talents and invite them to work for them (Gazeta Wyborcza Toruń, 2014). A crucial point of strategic CSR is to adjust company's responsible activities to its business profile. Being aware of harmful CO_2 emissions that mark an automotive industry, Toyota designed and produced Prius – a hybrid car that answers social expectations for protecting environment. That way Toyota contributed to the good of society, using a strategically fit CSR activity and differentiated from other brands, getting a substantial competitive advantage (Porter and Kramer, 2006). Another example of strategic CSR can be Bridgestone's investments in 'smallholders' in Indonesia. The company provided free natural rubber seedlings, as well as education and training in cultivating them. That way they helped Indonesian small-scale farms to increase their productivity and profits, and at the same time they assured their own gains by securing a supply of good quality raw material (rubber) for their tires (Bridgestone Group, 2012).

Porter and Kramer (2006) show a scheme presenting how particular components of value chain are related to CSR issues. The scheme depicts how each of the parts impacts the society, providing the exact examples. Each of the company's actions taken within components of the value chain can cause positive or negative implications for society. For instance, technology development has an impact on society through product safety or by the means of recycling. Taking into account marketing and sales, to the societal impact examples belong the authentic advertising and customer information. Focusing on the inbound logistics, transportation has the major impact due to, for instance, emissions from the vehicles. Porter and Kramer (2006) provide many examples of the social impact considering all of the value chain parts. As a result, in every part an opportunity exists to implement CSR at the core of business.

The value chain model can serve as a framework for implementing changes. For any business that wishes to do so, this figure can help focus the efforts on creating CSR policy that will guarantee benefits for everyone. Companies ought to pursuit a complete extermination of unfavourable impact they make on society in order to strengthen their brand and individuate. The simple 'do-not-harm' policy is not enough and, as noted by Idowu, Louche and Filho (2010), it is good only to evade scandals. It might seem as that kind of approach is directed only at large multinational corporations, whereas in economy crucial role is played by small and medium enterprises (SMEs).

Luetkenhorst (2004) mentions that SMEs cultivate economic cohesion with large companies and social cohesion with society, as they fill the gaps left by corporations. Although often they do not name their activities 'CSR', SMEs are frequently socially responsible, as they are usually closely tied with their employees and local communities. That is why their actions are mostly uncoordinated and intuitive. Nevertheless, awareness of CSR and good practices would appear useful even in small companies, as standardised attitude could bring more benefits to enterprises and society.

Carroll's attitude to CSR changed during the years (Carrol, 1991; Carol and Schwartz, 2003). At first, in 1991, he presented a pyramid of company's responsibilities that had four levels: economic, legal, ethical and philanthropic. According to him, a company in a developing country should perform CSR activities in this order: focusing on economic purposes of business, leaving the ethics and philanthropy at the end. Respectively, Carroll (1991) stated that business first of all needs to be profitable, placing the most prominent component of CSR, the economic performance, at the bottom of the pyramid. The next business responsibility distinguished by him concerned following the law. The upper level in the pyramid was connected to the ethical conduct of the business which aimed to the reduction of harm towards stakeholders. The top of the pyramid belonged to the obligation of being 'a good corporate citizen' (Carroll, 1991).

After realising that the pyramid did not cover the overlapping nature of those four components, Carroll and Schwartz (2003) presented Three Domain Model. It included three primary responsibilities: economic, legal and ethical, leaving philanthropy incorporated inside those three. The model presented by them in a form of a Venn diagram, clearly shows that economic responsibility of companies is no more the base of corporate social responsibility and should not be fulfilled in the first instance. Instead, Carroll and Schwartz claim all three components to be equally important for the company to truly integrate the CSR methods.

All in all, there are plenty of CSR theories which have been elaborated comprehensively over the years. Consequently, researchers, taking into consideration achievement of distinct goals and focusing on different priorities in applying the social responsibility approach in the organisation, presented a great number of theories referring to the social responsibility topic. However, some researchers point out the change that occur considering the CSR issue and claim that a new, improved CSR 2.0 was developed. This new concept known under the term Corporate Sustainability and Responsibility appears to fit more to the modern companies needs as it is integrated into company's structure. Many companies deal with the CSR issue in their own way, implementing the responsive and strategic CSR practices. However, the successful CSR policy can be developed by the analysis of the company's value chain due to the fact that in every part an opportunity exists to implement CSR at the core of business.

4. Conclusion

The history of CSR shows that the concept has come a long way since its beginnings. Starting as exceptional philanthropic activities, it evolved into an elaborated, multifaceted part of business that is incorporated inside the company's body. Throughout the years, many researchers published their own views on what CSR should be, which resolved in remarkable tapestry of theories on the concept.

Many companies follow CSR rules, without creating a CSR policy, sometimes unintentionally. Even if the company focuses on achieving profits, like most companies do as it is the main objective of their existence, it develops, thus hiring more and more employees, contributing to diminishing a very serious social problem that is unemployment. Moreover, more profits mean a larger base for calculating taxes. Therefore the company's tax liability is greater, and that money is used by the government for the common good of the society.

There are a few organisations which devise sustainability indicators that are more and more frequently taken into consideration by potential shareholders before making decision about investing, for example FTSE4Good Index and Dow Jones Sustainability Index. Moreover, there is a growing interest of global organisations to develop CSR-oriented standards, to which for instance ISO 26000 and UN Global Compact may be included. The aim of introducing these standards by International Organisation for Standardization and the United Nations was to encourage the socially responsible way of conducting business (International Organization for Standardization, nd; Global Compact Network Poland, nd). CSR in education also went through evolution. It is now common to provide a separate class on social responsibility in business schools. Some business school accreditation systems, for example AACSB, require confirmation of commitment to involve in the idea of "ethical, responsible and sustainable business" (Moon, 2014, p. 40). Certainly, the evolution of CSR and its place in the modern corporate world is heading in the right direction and should be supported by the academics throughout the world.

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