Various of Theories of the Concept of Corporate Social Responsibility and Comments

Xiong-wen WANG
City College of Dongguan University of Technology, Dongguan, Guangdong, China
404661692@qq.com

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Abstract. Corporate Social Responsibility can be summarized as follows: economic responsibility theory, charity responsibility theory, moral responsibility theory, legal responsibility theory, comprehensive responsibility theory, related interest theory. Although the theories all illustrate the features of corporate social responsibility to some extent, they can't reveal the connotation comprehensively and accurately. It refers to the enterprise's obligation to improve social interests except for legal liabilities to the stakeholders.

Introduction
In the current context of economic globalization, the debate about Corporate Social Responsibility is unusually intense. Views were much divided on whether enterprises should bear the responsibility and which responsibility they should take in different disciplines and different strata. The cause lies in the understanding confusion of the concept of Corporate Social Responsibility. Therefore, it should be defined uniformly and positioned correctly. This article would summary and analysis the theories and views of CSR at home and abroad in recent years, and form a point of view based on it.

The Origin of the Study of Corporate Social Responsibility
As a thought, the origin of Corporate Social Responsibility can be traced back to the ancient Greek era of more than 2,000 years ago. Harvard Eberstadt had premised Aristotle's words to explain it: “In a society governed well…Citizens cannot live the lives of craftsmen or businessmen. Such a life is not honorable, and it is also harmful to the perfection of the personality.”[1] However, Corporate Social Responsibility as a modern meaning originates from the United States in the early 20th century, America's special institutional background made it more concerned with Corporate Social Responsibility than any other western industrial nation. Meanwhile the industrialization of the American economy and the emergence of modern large corporations have promoted the rise and research of Corporate Social Responsibility. The emergence of modern company formed the separation of ownership and business ownership. Then it gave rise to the principle of managers' capitalism to challenge the free economy and the principle of profit maximization. Thus the thought of modern company social responsibility. Although the idea of Corporate Social Responsibility is constantly being criticized by free economic thinkers, Corporate Social Responsibility has gradually become a mainstream ideology and has been widely used in practice by the 1950s and 1960s. When a thought rises to a theory, the definition of the concept becomes the core problem. As a concept, it was first introduced in 1924 by Oliver Sheldon. By 1953, Bowen's book on the Social Responsibility of businessmen further clarified the concept of Corporation Social Responsibility (CSR). Corporation Social Responsibility is like a big umbrella, under which are various ideas, concepts, techniques and all sorts of arguments. But there is no clear and widely accepted definition be given about what is Corporation Social Responsibility.[2]
Combing the Theories about the Concept of Corporate Social Responsibility

Economic Responsibility

Nobel laureate Milton Friedman believes, “There is no trend that can fundamentally undermine the basis of our free society like the company operator accept social responsibility instead of doing everything possible to make money for the company”, “The company’s social responsibility is to make money for its shareholders”. Peter Drucker, a management guru, also thinks,

The primary responsibility of the enterprise is to make enough profit to make up for the cost in the future. If this social responsibility would not be realized, other social responsibilities cannot be realized. Recession-hit companies would not be good neighbors and good employers or be socially responsible. With the rapid increase in capital demand, corporate income surpluses for non-economic purposes especially for philanthropy, cannot be increased and almost to shrink. In view of this thought, some scholars, including Chinese scholars, believe that the pursuit of profit is the responsibility of the enterprise and the problem is the responsibility of the government. Therefore, Corporate Social Responsibility should be to restore the true features of the enterprise, that is the enterprise should do what it is supposed to.

Charity Responsibility Theory

Philip Kotler and Nancy Lee believe that Corporate Social Responsibility is a kind of self-commitment to improve the well-being of the community through “voluntary” business practices and “voluntary” contributions. The interpretation of community well-being encompasses human well-being and environmental protection. “voluntarily” undertaken by enterprises is not established by law, or even not public demand, but a transcendence ethics, law, business or public expectations of voluntary commercial behavior. Cao Fengyue also believes that there are four responsibilities in the enterprise: economic responsibility, legal responsibility, moral responsibility and social responsibility. Corporate Social Responsibility is generally understood as charitable responsibility.

Moral Responsibility Theory

O’leven Shelton, who first proposed the concept of Corporate Social Responsibility, boldly asserted that the main factor contained in Corporate Social Responsibility was moral responsibility. In the eyes of some eminent scholars and practitioners, Corporate Social Responsibility is the moral responsibility of enterprises to society. When they in regard to corporate social responsibility, often use the vocabulary is “obligations of corporate action”, “Corporate altruism”, “Corporate social conscience”, “Higher moral standards for businessmen “and so on. Such as some scholars think that in our country, the essence of Corporate Social Responsibility is a corporate moral responsibility to society, is a rational and conscious action. Enforce can only solve the problem of form, not the real problems.

Legal Responsibility Theory

According to this theory, the corporate responsibility is divided into two categories: social responsibility and moral responsibility. Corporate Social Responsibility is the statutory responsibility that must be taken. It is statutory and mandatory, whether the enterprise really performs responsibility or not directly involves the legal issues. So it's a legal liability. Moral responsibility is the responsibility of moral character, which is mandatory, optional and willing. Its main form of expression is social donation, which is what people say about philanthropy. Because of this, enterprises must fulfill social responsibilities first and then consider moral responsibility on this basis. Corporate social responsibility, in terms of its essence and foundation, mainly refers to the legal responsibility of the enterprise to the society.

Comprehensive Responsibility Theory

In 1971 the United States economic development committee put forward the comprehensive corporate responsibility point of view, argue that corporate social responsibility refers to the
enterprise to the society of economic responsibility, legal responsibility and moral responsibility and charitable responsibility. He said this a few responsibility three concentric circles, the relationship between the inside circle represents the enterprise the basic economic responsibility, mainly related to the production, employment and other issues, this is the root of the enterprise; The second circle represents the legal responsibility and moral responsibility. In the process of assuming economic responsibility, we should pay more attention to social standards and social values, and not to violate the customs, ethics and laws. The third circle represents the enterprise in order to improve and develop must pay attention to the moral, law, social and environmental conditions, enterprises have discretion on the implementation of the responsibility, generally the responsibility of charity. On this basis, Archie B. Carroll puts forward the pyramid idea of corporate responsibility [12].

Related interest theory

Edward Freeman, a professor at the university of Virginia, in his book "Strategic Management: A Stakeholder Approach", pointed out that companies were involved in a lot of stakeholders, “affecting and being influenced by the company's actions” in 1984. He defines a stakeholder as “any organization or individual that can influence or be affected by the enterprise.”[13] These stakeholders are divided into six categories: employees, shareholders (owners), consumers, suppliers, communities and governments. There are many scholars in China who hold this view. Wang Maolin thinks that corporate social responsibility refers to the enterprise in creating profits, responsible to the shareholders at the same time, also undertake to employees, social and environmental responsibility, etc. [14]. Lines this point of view of scholars further pointed out that the essence of corporate social responsibility is under the background of economic globalization, a new corporate governance structure [15].

Comments on Various of the Theories of the Concept of Corporate Social Responsibility

Enterprise economic responsibility considers that the commercial or economic responsibility itself is social responsibility, but also to the sole responsibility of the society, and certainly the outstanding enterprise primary social responsibility, has the positive significance. But it ignored the fact that companies are not single, self growth and isolated individuals, on the contrary, it has obvious social attribute and close contact with society in one way or the other. In today's society, Corporate Social Responsibility has slowly seeped into every aspect of the enterprise. It is not only the social participation or social life of the enterprise, but also the transformation of the relationship between enterprises and other stakeholders. The success of an enterprise depends on a series of social stakeholders help and support, depending on the internal and external factors. Besides, from the enterprise in the long run, if a enterprise become responsible to society, not only can improve the social environment, establish a good social reputation, but also can promote the continued healthy development of the enterprise. [16]

The doctrine of charitable responsibility regards social responsibility as the special contribution of enterprises to the society, which is to ignore or play down the basic responsibility of enterprises to society and has attracted the greatest criticism from civil society. The friendly return taking the initiative is a voluntary behavior, which reflects the high level of expectations of the society for the enterprise. But that does not mean that companies can give up or ignore the basic responsibility which is to be a law-abiding corporate citizen for society. To equate corporate social responsibility with charity responsibility is undoubtedly an inversion. Moreover, corporate philanthropy is a kind of beyond the moral, beyond the law of "voluntary" behavior, not the responsibility of the enterprise, and because of this, it is not bound by laws and institutions. Then, in this case, the enterprise's charitable responsibilities to society cannot be realized. "self-regulation of the enterprise is not guaranteed, and this is only a public relations tool."[17]

Moral responsibility theory, which equates social responsibility with moral responsibility, is theoretically untenable and impractical in practice. First, it seems likely to make the impression that interest is the beneficiary and that the benefits are given by the company. This is clearly a distortion of the relationship between business and stakeholders. The relationship between enterprises and
stakeholders is a contractual, interpenetrating and closely related interest relationship based on equality. The emphasis on the moral conscience of the enterprise will inevitably ignore the equal principal status and weaken the "rights" consciousness of the stakeholders. Second, from the practical point of view, although the corporate social responsibility was initially treated as enterprise moral obligation to know, the environment problem is increasingly serious as companies caused by the society. it becomes legal obligation to a great extent, and the original moral obligation rises to the higher standard. For example, to improve the treatment of enterprise employees, adopt stricter environmental protection and product quality standards than the legal standard. [18] Liu Junhai also believes that "the discussion of the definition of corporate social responsibility in the United States focuses on the ethical and moral level, the American scholar after the discussion of the corporate social responsibility to the legal level." [19]

The legal liability theory holds that social responsibility is the legal responsibility of enterprises to society and emphasizes the positive significance of enterprises' legal definition of social responsibility. But some corporate social responsibility is the legal responsibility, is must bear obligations, such as production safety and environment protection, etc. Its implementation is based on the recognition of human, natural and social harmony in the enterprise culture, which depends on the humanistic quality, value idea and profound consciousness of the entrepreneur. [20] As a result, Corporate Social Responsibility is equal to the legal responsibility, confusion of the hierarchy of corporate social responsibility, also return to a certain extent, and inhibit the enterprise friendly society's enthusiasm and initiative.

Comprehensive responsibility theory said first fully reveals the basic stipulation of social responsibility, provides a conceptual framework to understand and discuss the social responsibility of enterprises for people, and be of great significance to fully understand Corporate Social Responsibility, but there are several defects: First, economic responsibility, legal responsibility, moral responsibility, and charity responsibility are not parallel concepts. Second, this definition is to stand in the enterprise this single subject which ignores the responsibility action object - the stakeholder. There is no doubt that Corporate Social Responsibility is generated in the interaction with stakeholders, and it is the responsibility of the stakeholders. It is difficult to grasp the essence of Corporate Social Responsibility in isolation and static view of it.

Related interest theory avoided it and noticed the enterprise and social interaction. The enterprise in the society as a whole in the chain, from the perspective of the dynamic business operation, not only made clear that the enterprise responsible for stakeholders, but also points out the specific groups and individuals related to its interests. To a certain extent, make the content of the corporate social responsibility is externalized and clear. However, the doctrine still makes a logical mistake in the sense that economic responsibility, legal liability and other stakeholder responsibilities are in the same league.

In view of the advantages and disadvantages of the above theories, I believe that Corporate Social Responsibility should be the obligation of enterprises to promote social interests other than legal liabilities. This definition embodies the characteristics and significance of the following aspects : ( i ) taking the dynamic operation of the enterprise as the perspective, it points out that Corporate Social Responsibility is the responsibility of the stakeholders, avoiding the responsibility of isolating, static and one-sided view of the enterprise. ( ii ) It draws the line between the basic social responsibility and the non-basic social responsibility of the enterprise. Law is the minimum moral and legal responsibility is a basic obligation borne by an enterprise to the society, and in addition to this, is to the enterprise society request is higher than the legal responsibility of moral responsibility, namely the compulsory duty. It helps people to view the hierarchy of corporate social responsibility correctly and rationally, and provides a framework for the application of Corporate Social Responsibility. ( iii ) It clearly states that the social responsibility of the enterprise is not only the legal responsibility, but also the obligation to maximize the social interest. In the strict sense, Corporate Social Responsibility is the unity of legal responsibility and moral responsibility. ( iv ) It adopts the same standard—behavior control method, divides the social responsibility of the enterprise into legal liability and moral responsibility above legal responsibility which avoided the error of logical indecision.
References


