Chapter 2

CSR and its Relation to Other Disciplines

Introduction

Panoramic view of the Corporate Social Responsibility is a relatively recent phenomenon both in social development and much more in corporate business culture. It advances in many different ways as a counterculture in the global economy both directly and indirectly. Increasing impact of the global corporations in all aspects of social life and in the environment has been the catalyst in the emergence of a new diversity of stakeholders demanding accountability about the impact of corporate activity in the life of the planet. Thus, these significant waves of increased awareness almost through the second phase of twentieth century down to the twenty-first century triggered the emergence of concept called CSR. The philosophy behind the CSR is indebted to many other disciplines. This chapter deals with CSR’s relation to a few other disciplines like sociology, management, economics, ethics, spirituality, philosophy etc. and how CSR binds almost all other concerned disciplines together to work for the betterment of the society. This chapter makes the research a very special one, as the powerful concepts from all these disciplines are interwoven into this research exposing the inter-disciplinary nature.

2.1 Inter-disciplinary Nature of CSR

Interdisciplinary nature of CSR implies that it has gloriously made use of concepts from different disciplines or across the cultures to enrich and strengthen it. In the modern terms, it could be called as ‘cross-breed.’ In general the cross-breed has to be synchronized from the best of others there by developing a ‘high-breed.’ This nature of CSR induces an overlook into other disciplines to substantiate those best concepts, that are shipped across in making CSR, as it is today. The underlying concept of CSR, that of an implied social contract, dates back to “the writings of the Greek philosopher

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135 Ibid.
Epictetus...[and] was central to the intellectual system...in the first half of the seventeenth century."  

CSR borrowed many concepts from other disciplines like corporate conscience, corporate citizenship, social performance, or sustainable responsible business is a form of corporate self-regulation integrated into a business model. These key terminologies help CSR functions as a built-in, self-regulating mechanism whereby business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. Again many of these key concepts oriented CSR with a goal to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere.

Furthermore, CSR-focused businesses would proactively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere, regardless of legality. In other words, the best concepts from the other disciplines helped CSR in the deliberate inclusion of public interest into corporate decision-making, that is the core business of the company or firm, and the honoring of a triple bottom line — people, planet, profit. 

CSR underwent a paradigm shift in the business arena evolving the corporate conscience to the need of the society as the well-being and welfare of the society, as a responsibility of the corporate. Nevertheless, prior to this recent development, there is no doubt that CSR existed in the society ever since the inception of human race as direct, indirect or implied form. Man being a social animal whose entire life, I mean from womb to tomb, is enacted in the frame work of the society. Every human being strives to meet the ends of life to make it happy every moment. As we strive to make life and living conditions better and better the importance of helping and supporting each other is remarkable. Thus it becomes a responsibility of the affluent to stretch their hands and open their

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wallets to shell out something for the under-privileged of the society. CSR being a recent entrant, in many ways, it advances as counterculture to the long established idea of private and free enterprise.

The emergence of CSR, notwithstanding, the tough times in the struggle of modernization amidst neo-liberalism has given an unfettered patronage to other disciplines to make business behave more responsibly in the society. We should remind ourselves that, in a true democratic ethos, the governments’ first responsibility is “to procure the welfare of all strata of society” — in the words of Adam Smith. Indeed, although the intended end of classic English Liberalism, from Smith to Bentham, Ricardo and Stuart Mill, was to achieve the common good through the ‘invisible hand’ of thousands of small companies, the industrialists corrupted concepts and governments, forming great trusts and enriching themselves at the expense of the other stakeholders. It was not until the consolidation of the post-war’s Welfare State, in the 1950s and 1960s, that Darwinian Capitalism — which cynically advocated ‘the survival of the fittest’ when most were not fit to compete on equal terms — was briefly abandoned.  

Thus, there was indeed an upheaval throughout the history of the human race for regulatory responsibility and act as ‘balancing agents’ to retreat to the natural law and maintain the birth right of every person to lead a happy and successful life. Therefore, CSR though infant its roots and branches indebted to many other disciplines, as it deals with society and human beings. I would like to illustrate a few of them and to establish the impact of the other disciplines in the emergence of CSR and its closely woven links that paved way as we see CSR spreading its roots in the twenty first century with all its glory respecting the ethos of the society for a happy and rightful life here on earth.

The Dalai Lama, a consistent advocate of both human rights and what he calls 'universal responsibility,' provides the best reconciliation of rights and responsibilities. His support for human rights is always strong and unequivocal, justified by both philosophical and pragmatic considerations:

No matter what country or continent we come from, we are all basically the same human beings. We have the common needs and concerns. We all seek happiness and try to avoid suffering regardless of our race, religion,
sex or political status. Human beings, indeed all sentient beings, have the right to pursue happiness and live in peace and in freedom. As free human beings we can use our unique intelligence to try to understand ourselves and our world. But if we are prevented from using our creative potential, we are deprived of one of the basic characteristics of a human being. It is very often the most gifted, dedicated and creative members of our society who become victims of human rights abuses. Thus the political, social, cultural and economic developments of a society are obstructed by the violations of human rights. Therefore, the protection of these rights and freedoms are of immense importance both for the individuals affected and for the development of the society as a whole.\footnote{John Witte, Jr., M. Christian Green (Eds.), Religion and Human Rights: An Introduction, (Oxford University Press, New York, 2011), 113.}

CSR has become a contemporary feature of 21st century business. Originating in the management arena CSR has been embraced by other disciplines such as sociology, spirituality, management, economics, philosophy and ethics which traditionally have their own understanding of CSR and frequently use substitutive terminology. We would be attempting to dig out the roots of CSR as we delve more into each of these disciplines. Our strong belief is that the roots of CSR lie in these age old disciplines before it was christened as we have it now. The ultimate goal of this research is to establish the interdisciplinary nature of CSR and to determine whether the bodies of knowledge associated with the CSR has the potential to strengthen the well-being of the society and humanity. The present research is structured around several core issues of the CSR debate. Namely, what is CSR, does CSR have a philosophical backing, what are the drivers of CSR, what are the benefits of CSR, and what are the impacts that CSR has on the society and human life.

2.1 Sociology — the Youngest Daughter
CSR is all about bringing equilibrium in the society through supporting the weaklings in all possible way. So Society becomes the arena for CSR implementation and sustenance. It will analyze processes of change in the role of the economic welfare in the society. So society has a prime importance in the present inter-disciplinary research.
2.1.1 What is Sociology?

The term sociology was coined by Auguste Comte, a French philosopher in 1839.\textsuperscript{142} Sociology is the youngest of all the Social Sciences.\textsuperscript{143} The word Sociology is derived from the Latin word ‘societus’ meaning ‘society’ and the Greek word ‘logos’ meaning ‘study or science.’ The etymological meaning of ‘sociology’ is thus the ‘science of society.’\textsuperscript{144} Prof. Ginsberg accordingly defines it “as the study of society, that is the web or tissue of human inter-actions and inter-relations.”\textsuperscript{145} In other words, Sociology is the study of man’s behavior in groups or of the inter-action among human beings, of social relationships and the processes by which human group activity takes place. The social character of humans is most distinctive feature of human life. Humans have to interact with other human beings in order to become human and survive. There is no other feature that makes man a human being other than this social character. It is like learning swimming. One needs to get into the water in order to learn swimming. Swimming cannot be taught outside the water. Water is a pre-requisite for learning swimming. No theory can teach swimming unless one decides to get into the water.

Similarly, to become a human being, one needs to interact with other human beings and that brings out the human nature in him. Interaction with other human beings is only possible in groups and not in isolation. If one tries to become a human being in isolation, it will be like sitting on the pool side and trying to learn swimming. In other words, man is only born human but he becomes a ‘human being’ in the society. Thus, the Greek philosopher Aristotle, rightly remarked that “man is a social animal.”\textsuperscript{146} What impels man to live in the society is nothing but his nature and necessity. As the famous saying goes, “necessity is the mother of all inventions.” So man has to invent himself in the society. The hidden humanness is harnessed through the interactions in the society. Thus, society

\textsuperscript{142} Martin Albrow, Sociology: The Basics, (Routledge, London, 1999), 33.
\textsuperscript{143} B. V. Pathak, Industrial Psychology & Sociology, (Nirali Prakashan, Pune, 2008), 11.
\textsuperscript{144} Bhushan, Vidya, Sachdeva D.R, An Introduction to Sociology, Allahabad (KitabMahal, New Delhi, 1999), 3.
\textsuperscript{146} Bhushan, Vidya, Sachdeva D.R, An Introduction to Sociology, 3.
is very important for human beings to lead a happy and contented life through interactions and inter-relations. Hence, the focus of Sociology is on socialness.\textsuperscript{147} Sociology as a science embraces the totality of human life and activities within the framework of the society. The fundamental idea of CSR “is that business and society are interwoven rather than distinct entities” and that business must therefore meet particular societal expectations regarding their social, environmental and economic activities.\textsuperscript{148} Now, let us go a bit further looking into the relevance of Sociology in the present research to unravel the concept origin of CSR.

2.1.2 Relevance of Sociology in the Research

Modern conceptions of the term CSR have appeared since the mid-to-late twentieth century, the general idea is not new. Taken together, the globalization process, the growing importance of civil society and NGOs as the third force, and the development of a new global governance framework, constitutes a complex dynamic importance to an understanding of CSR. In spite of the great amount of attention given to CSR today, the idea of justice and fairness in economic activity is not a recent concern, but rather dates as far back as the thinking of the Greeks. The discussion continued throughout the centuries until the different social sciences started to distinguish themselves from each other. When the idea of self-regulating markets appeared in the eighteenth century, a disembedding of economic activity from the social sphere also emerged. In this study, one can speak of a re-embedding of economic activity into the social fabric — what we today call CSR.\textsuperscript{149}

Charles Horton Cooley was a prominent member of the founding generation of American Sociologists. It was his aim and achievement to apply the ideas of pragmatism to the development of a sociological theory of social action, social order, and social change, which he ultimately accomplished with his trilogy:

1. \textit{Human Nature and the Social Order} (1902)
2. \textit{Social Process} (1908)

\textsuperscript{147} Ibid., 5.
3. Social Organization (1909)

In *Human Nature and the Social Order* Cooley examines the ‘distributive aspect’ of the relationship between self and society, namely the development of the self through symbolically mediated interaction. A ‘looking-glass self,’ according to Cooley has three ‘principal elements’: first the imagination of our appearance to the other person; second the imagination of his judgment of that appearance; and third some sort of self-feeling, such as ‘pride or mortification.’

Original legal formulations placed restrictions on corporate activities and allowed corporate charters to be revoked when they “failed to act in the public good.”

In *Social Organization* Cooley defines the ‘collective aspects’ of social action (primary group, Public opinion, democracy, social classes and institutions). Organizations are, over time and space, expanded structures of action such as ‘enduring sentiments, beliefs, customs’ and large institutions such as ‘the government, the church and laws,’ but micro-societal ‘appereceptive systems. ‘Organized attitudes’ are resources for individuals and, simultaneously, they also limit their activities. ‘The individual,’ according to Cooley, “is always cause as well as effect of the institution.”

In *Social Process* Cooley sets up his concept of social changes as creative search and experiment process. Individual actions have their origin in the ‘habits’ of the social world. But those generalized meanings never provide complete answers to specific situations; they must therefore continuously be reconstructed into tentative trial phases. Most significant in the sequence of action (habit, conflict, experiment and new habit), is the experimental stage of ‘imaginative reconstruction.’ The test of intelligence is the power to act successfully in the new situation.

This new situation propels a need in the institution or corporations to interact with society where the relevance of the sociology is significant. Thus, it calls for a new or neo-institutionalism that focuses on developing a sociological view of institutions — the way they interact and the way they affect society.

151 Banerjee, S. *Corporate social responsibility: the good, the bad, and the ugly*. Critical Sociology, 34 (1), 53.
2.1.3 The New Institutionalism in Sociology

The theory of ‘New Institutionalism in Sociology’ developed by John W. Meyer and Brian Rowan. Both can be seen as main founders of the New Institutionalism in Sociology in the 1970s and 1980s within the sociology of organizations in the United States. What makes the New Institutionalism in Sociology attractive for this present research question? Primarily, it is its focus, from a macro-sociological point of view, on the interdependence between organizations and their societal environment. By stressing the role of institutions, it develops a theoretical framework that takes into consideration the routines, ‘scripts’ and preferences of a society and their actors. This might be especially interesting for further analyses of the influence and role of ‘reputation.’

New institutionalism recognizes that institutions operate in an environment consisting of other institutions, called the institutional environment. Every institution is influenced by the broader environment (or in simpler terms institutional peer pressure). In this environment, the main goal of organizations is to survive. In order to do so, they need to do more than succeed economically, they need to establish legitimacy within the world of institutions.

Most of the research within New Institutionalism deals with the pervasive influence of institutions on human behavior through rules, norms, and other frameworks. Previous theories held that institutions can influence individuals to act in one of two ways: either they can cause individuals within institutions to maximize benefits (regulative institutions, also called Rational Choice Institutionalism), similar to rational choice theory or to act out of duty or an awareness of what one is ‘supposed’ to do (normative institutions, also called Historical Institutionalism). An important contribution of New Institutionalism was to add a cognitive type influence. This perspective adds that, instead of acting under rules or based on obligation, individuals act because of

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156 Ibid.
158 Ibid.
conceptions. "Compliance occurs in many circumstances because other types of behavior
are inconceivable; routines are followed because they are taken for granted as 'the way
we do these things'" — also called Social Institutionalism.\textsuperscript{159} Individuals make certain
choices or perform certain actions not because they fear punishment or attempt to
conform; neither do they do so, because an action is appropriate or the individual feels
some sort of social obligation.\textsuperscript{160} Instead, the cognitive element of new institutionalism
suggests that individuals make certain choices because they can conceive of no
alternative.

Thus, shaping CSR as an independent actor in the betterment of the society the social
institutions have felt some sort of social obligation. Therefore, in my research Sociology
plays a vital role as it trickles down to the creamy layer of the society. The contribution
of sociology is quite relevant in the pursuit of getting back to the philosophical roots of
CSR as Sociology is a discipline with its routines, ‘scripts’ and preferences of a society
that the actors are carried out.

2.2 Management

Management plays a vital role in shaping the organizations and individuals to achieve
their goals in business and life. Being socially and environmentally responsible will
reduce negative and enhance positive impacts. It requires strategy and fool-proof
management. And growing importance of CSR forces the need for good management
strategies to be socially responsible in business and life.

2.2.1 What is Management?

Management can be defined as: achieving goals in a way that makes the best use of all
resources.\textsuperscript{161} This definition covers self-management as well as managing people, in CSR
it can be translated as being responsible for the self and responsible for others. Thus, in
my research on CSR, management plays a vital role. CSR is all about managing resources

\textsuperscript{159} Scott, Richard W., \textit{Institutions and Organizations, 2nd ed.}. (Sage Publications, New York, 2001), 57.
\textsuperscript{160} “Business Link gives advice to business about Corporate and Social Responsibility”
New Delhi, 2009), 89.
of the nature and especially the share of the profit with the community. Corporations are challenged to go beyond the predominantly economic view and take into account a wider context. This challenge can be interpreted as (implicitly and explicitly) societal demands to incorporate social and environmental values into business practice.  

162 So only with the help of effective management and meticulous outlook, this goal can be accomplished. CSR has a close-knit relation to management as it evolved as the offshoot of human resource management. So I think, it is legitimate to touch upon the topic to show the interconnectedness to understand the CSR and the impact that makes on the society for its well-being and development. Management is a general term used and has a general meaning attached to it. It is important to look at the meaning closely before we proceed to its relation to CSR.

The verb manage comes from the Italian *maneggiare* (to handle — especially tools), which in turn derives from the Latin *manus* (hand).  

163 The French word *mesnagement* (later *ménagement*) influenced the development in meaning of the English word management in the 17th and 18th centuries.  

Management in all business and organizational activities is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively. Management comprises planning, organizing, staffing, leading or directing, and controlling an organization (a group of one or more people or entities) or effort for the purpose of accomplishing a goal. Resourcing encompasses the deployment and manipulation of human resources, financial resources, technological resources, and natural resources.  

165 According to the management guru Peter Drucker (1909–2005), the basic task of a management is twofold: marketing and innovation.  

166 Henri Fayol (1841–1925), who developed the theory of scientific management was one of the most influential contributors to modern concepts of management. According to him, "To...
manage is to forecast and to plan, to organize, to command, to co-ordinate and to control."\textsuperscript{167} Mary Parker Follett (1868–1933), who wrote on the topic in the early twentieth century, defined management as "the art of getting things done through people." She described management as philosophy.\textsuperscript{168}

Tracing back to the early writings we can never ignore the work of Chanakya, who wrote the \textit{Arthashastra} around 300BC in which various strategies, techniques and management theories were written which give an account on the management of empires, economy and family. In our opinion, the management glimpse that Chanakya devised came handy to the later generation management experts to develop management as a discipline.

At this juncture, it is our priority to narrow down the wide scope of management to human resources management which emerged as a separate branch towards the end of the 20th century. As we are am dealing with CSR and its relation to other discipline, we strongly feel that this study will be incomplete without mentioning human resource management, which hosts CSR under its wings still in most of the corporations.

\textbf{2.2.2 Human Resource Management as the flag bearer of CSR}

Successful programs on social responsibility rely heavily on enlightened people management practices. Because, directors and managers who have the power and responsibility to make decisions to manage an enterprise.\textsuperscript{169} In this context HR department is assumed to be the coordinator and rightly so, of CSR activities in getting the employment relationship right, which is a precondition for establishing effective relationships with external stakeholders and thus/thereby can orient the employees and the organization towards a socially responsible character.\textsuperscript{170} There is also an increasing trend in the corporate sector which has started leveraging upon employees and their management for exhibiting their commitment towards CSR.\textsuperscript{171}

\begin{footnotesize}
\begin{enumerate}
\item \textsuperscript{167} Ibid., 47.
\item \textsuperscript{168} Richard Barrett, Vocational Business: Training, Developing and Motivating People, \textit{Business & Economics}, 2003, 51.
\item \textsuperscript{169} Prashant Mittal, \textit{Programme Management: Managing Multiple Projects Successfully}, 44.
\item \textsuperscript{170} “Corporate and Social Responsibility” \textlangle http://www.csr.gov.uk – the UK government’s site advising on corporate and social responsibility\textrangle, Retrieved on 26-08-2011.
\item \textsuperscript{171} “Corporate Social Responsibility: HR’s Leadership Role” \textlangle http://www.shrm.org/Research/quarterly/1204RQuart_essay.asp\textrangle, Retrieved on 28-04-2011.
\end{enumerate}
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Human resources development is the structure that allows for individual development, potentially satisfying the organization's or the nation's goals. Development of the individual benefits the individual, the organization and the nation and its citizens. Human resources is a relatively modern management term, coined as late as the 1960s. The origins of the function arose in organizations that introduced 'welfare management' practices and also in those that adopted the principles of 'scientific management' by F.W. Taylor who is the father of the concept of scientific management. Welfare management function wing of the HR expanded its scope from the employees to the society and name it as CSR. Perhaps, the top managers felt it is apt to integrate the corporate social responsibility under the purview of HR as they are already experienced and looking into the welfare function of the employees of the firm. It also saved the overheads that would incur if they had to setup a separate department for CSR.

Human resource managers are well positioned to play an instrumental role in helping their organization achieve its goals of becoming a socially and environmentally responsible firm — one which reduces its negative and enhances its positive impacts on society and the environment. Human resource professionals have a key role to play to help a company achieve its CSR objectives. Employee involvement is a critical success factor for CSR performance. Human resource managers have the tools and the opportunity to leverage employee commitment to, and engagement in, the firm’s CSR strategy.

As human resources influence many of the key systems and business processes underpinning effective delivery, it is well positioned to foster a CSR ethic and achieve a high performance CSR culture. Human resource management can play a significant role so that CSR can become “the way we do things around here.” Thus fostering this CSR-HR connection becomes a pathway for a substantial contribution to sustainability, CSR and their firm’s business goals.

Human resource professionals are highly tuned to considering CSR from both a value-based and a business-case perspective. They work in a business function that readily identifies both the business benefits and the people benefits of fostering CSR alignment and integration. Thus, we think that CSR-HR bond, is quite mutual. The only addition is that what HR managers used to do for the employees, is now expanded to the society as a whole. As Agrawal points out that with the help of HR functions, the socially responsible values can be inculcated and sustained in the organizational culture for the welfare of the society and create awareness towards the need to achieve the business goals in the best possible and ethical manner.\textsuperscript{175}

In other words, it is high time for all other organizations which have been paying only lip service to CSR that they capitalize upon the existing Human Resource Department in framing such practices, procedures and policies that ensure the internalization of quality, ethics and excellence in the whole system. By doing this they can sensitize the employees and the whole organization towards CSR without adding any additional cost.

2.3 Ethics

Ethics is the third discipline we would like to discuss briefly as it has a prime significance in the topic we are researching. CSR is all about the being ethical to another human being and to the nature. Subjectively and objectively, if one wants to find out answers to the question, "What do I do?" We as human beings are often puzzled with questions of all sorts. The puzzle is strained between the right or wrong?; good or bad? “What do I do,” in such situations? In general, ethics is the study of right and wrong in human endeavors. At a more fundamental level, it is the method by which we categorize our values and pursue them. Do we pursue our own happiness, or do we sacrifice ourselves to a greater cause? Is the foundation of ethics based on any scripture, or on the very nature of man himself, or neither?

When most people think of ethics (or morals), they think of rules for distinguishing between right and wrong, such as the Golden Rule ("Do unto others as you would have them do unto you"), a code of professional conduct like the Hippocratic Oath ("First of

\textsuperscript{175} AgrawalKalpana (2007), Corporate Excellence as an Outcome of Corporate Governance: Rethinking the Role and Responsibility of HRM, the ICFAI Journal of Corporate Governance, Vol.VI (1): 6-16.
all, do no harm”), a religious creed like the Ten Commandments ("Thou Shalt not kill...")
or a wise aphorisms like the sayings of Confucius. This is the most common way of
defining ‘ethics’: norms for conduct that distinguish between acceptable and
unacceptable behavior.

2.3.1 What is Ethics?
The term Ethics is derived from the Greek word ethikos which itself is derived from the
Greek word ethos, meaning custom or character.\textsuperscript{176} In philosophy, ethical behavior is that
which is ‘good.’ The field of ethics or moral philosophy involves developing, defending,
and recommending concepts of right and wrong behavior. These concepts do not change
as one’s desires and motivations change. They are not relative to the situation. They are
immutable.\textsuperscript{177}

In a general sense, Ethics (or moral philosophy) addresses fundamental questions such as:
“How should I live my life?” That question leads to others such as: “What sort of person
should I strive to be?” “What values are important?” “What standards or principles should
I live by?” There are various ways to define ‘ethics.’ The simplest may be to say that
Ethics deals with ‘right’ and ‘wrong.’ However, it is difficult to judge what may be right
or wrong in a particular situation without some frame of reference, thus it becomes
relative.

Ethics, also known as moral philosophy, is a branch of philosophy that addresses
questions about morality — that is, concepts such as good and evil, right and wrong,
virtue and vice, justice and crime, etc.\textsuperscript{178}

Ethics is a term. Many people think ethics has to do with a set of social conventions or a
religious decree. Instead philosophical ethics is not based on a presupposition of a
Supreme Authority, like the concept of morality in a religion. Philosophical ethics could
be called the study of what is good and bad. Generally, philosophical ethics concerns

\textsuperscript{177} Cited in Winstanley, D. and Woodall, J. (1996). \textit{Business ethics and human resource Management},
itself with discovering a system one may use to determine who or what is good, or with evaluating systems that others have proposed.\textsuperscript{179}

The pursuit of moral knowledge dates back to Ancient Greek philosophers, but it is mostly the influence of Enlightenment moral thought that continues to shape ethics today. There are many well-known figures in the history of ethics, including the Greek philosophers Socrates, Plato and Aristotle, but some of the most important modern influences include such people as Immanuel Kant, Levinas, Martin Buber, Jeremy Bentham, John Stuart Mill, D.W. Ross, C.L. Stevenson, Alasdair Macintyre, and John Rawls. Most of them stress on the relational ethics for instance I-Though relationship of Buber and Levinas which is pertinent to this CSR research as CSR is all concerned about one’s relationship and responsibility to the society.

Socrates (469 BC – 399 BC)\textsuperscript{180} was one of the first Greek philosophers to encourage both scholars and the common citizens to turn their attention from the outside world to the condition of humankind. Aristotle (384 BC – 322 BC)\textsuperscript{181} posited an ethical system that may be termed ‘self-realizationism.’ In Aristotle's view, when a person acts in accordance with his nature and realizes his full potential, he will do good and be content.\textsuperscript{182}

**2.3.2 Why is Ethics Important in this Research?**

Ethics is a requirement for human life. It is our yardstick of deciding a course of action. Without it, our actions would be random and aimless. There would be no way to work towards a goal because there would be no way to pick between a limitless numbers of goals. Even with an ethical standard, we may be unable to pursue our goals with the possibility of success. To a degree which a rational ethical standard is taken, we are able


\textsuperscript{181} Ibid., 37.

to correctly organize our goals and actions to accomplish our most important values. Any flaw in our ethics will reduce our ability to be successful in our endeavors.183

Ethics is the philosophical attempt to answer Socrates' question of “how one should live?” This is a very general question, which could for any individual translate to "How should I live?" It is important however to note that not all answers to this question are answers of ethical type. One could conclude that one should live a self-indulgent life without any kind of logical contradiction. Moral philosophers study this idea, known as ‘egoism,’ as well, and the question "Why be moral?" is distinct from Socrates' question.184

It is also important to note that Socrates' question not only allows for non-ethical answers but also answers from different ethical theories. His question is not the same as Kant's question "What is my duty?" or the egoist/utilitarian question of "How can we be happy?" There are different ways of answering Socrates' question, and answers from the Categorical Imperative to the imperative "Sit on the couch and watch television" are equally justifiable answers to it, but Ethics attempts to find through reason the best answer to the question.

Ethics, often called Morality interchangeably,185 tries to answer "How should one live?" given that we already live in a society. Everyone is born with a place in the society even if he is only ‘stranger,’ and accordingly everyone has expectations for action placed upon him. One is expected to act in a certain way as a brother, a friend, and a passerby.186

Ethical CSR implies that companies focus upon ethical perspective. Approaches are focused on the ethical requirements that strengthen the relationship between business and

185 The difference between ethics and morals can seem somewhat arbitrary to many, but there is a basic, albeit subtle, difference. Morals define personal character, while ethics stress a social system in which those morals are applied. In other words, ethics point to standards or codes of behavior expected by the group to which the individual belongs. This could be national ethics, social ethics, company ethics, professional ethics, or even family ethics. So while a person’s moral code is usually unchanging, the ethics he or she practices can be other-dependent.
186 Cited in Ibid.
In general these approaches are based on values that state the right thing to do or the obligation to create a good society. Acting certain way towards others is the subject matter of this CSR research and that is the point of prime relevance of ethics in this study. Ethics primarily concerns itself with this realm of individual action. For the most part, ethical theories attempt to develop a system of obligations that we have towards others. Obligations that are common among different theories are the obligation to tell the truth, the obligation to help those in distress, and the obligation not to murder. Of course, most of the theories allow for flexibility based on the situation such as the ability to help in this circumstance and whether one has any other, higher obligations.

Benjamin Disraeli (1804-1881), the noted English novelist, debater, and former prime minister, said that, “When men are pure, laws are useless; when men are corrupt, laws are broken.” A person of good will honors and respects the rules and laws and is willing to go beyond them when circumstances warrant. As indicated by the above quote, such people do not need rules and laws to guide their actions. They always try to do the right thing. Thus, a corporate which has ethical vision and standard will always come voluntarily and act for the society in its needs. Thus corporations will be successful in understanding the needs of the society, if ethics becomes more the concern of thinking human beings and if individuals seek to assert themselves in society as ethical personalities. Such corporate will always get to the rock bottom of the societal problems and avail support to the needy and suffering. They understand it as their social responsibility and ethics are built around the recognition that everything they do in connection with their work is measured against the highest possible standards of ethical business conduct. Thus, it is interesting to note the words of Albert Schweitzer:

The man who is concerned for the fate of all living creatures is faced with problems even more numerous and more harassing than those that

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190 Albert Schweitzer, Predrag Cicovacki (Eds.), *Albert Schweitzer's Ethical Vision*, (Oxford University Press, New York, 2009), 152.
confronts the man whose devotion extends only to his fellow human beings.\textsuperscript{191}

Ethics and responsibility are extremely important ingredients in the business activities of 21\textsuperscript{st} century. Let corporations find their own way to express responsibility to the community. Thereby, building a community not for now but for the future generations with a solid CSR hosted on strong foundation of Ethics. I think that is the interconnectedness of CSR and ethics share for the societal wellbeing and welfare.

\textbf{2.4 Spirituality}

Human beings from the inception of human race wondered at the mysteries around him and within him. The assumption in a supernatural power or the idea of sacred led him to install a Godhead or divinity which is superior to him as the creator or controller of all the mysteries. However, man’s curiosity did not let him sit idle, rather led him to rampage the unknown terrains to discover the secrets mysteries unknown to him. Spirituality as it is explained above, touches the core of our human existence — our relation to the Absolute.\textsuperscript{192} However, there are different definitions of spirituality such as, Spirituality is a belief in an ultimate or an alleged immaterial reality;\textsuperscript{193} an inner path enabling a person to discover the essence of his/her being; or the "deepest values and meanings by which people live."\textsuperscript{194}

Traditionally, many religions have regarded spirituality as an integral aspect of religious experience. However, today the secular spirituality emphasizes humanistic ideas on qualities such as love, compassion, sympathy, empathy, patience, forgiveness, contentment, responsibility, harmony, and a concern for others without the presupposition of a Supreme or Higher Authority. Thus, these aspects of life and human experiences which go beyond a purely materialistic view of the world, without necessarily accepting belief in a supernatural reality or divine being are fostered and promoted.

\textsuperscript{191} Ibid., 173.
\textsuperscript{193} Antoine Faivre, Jacob Needleman (Eds.), \textit{Modern Esoteric Spirituality}, (Crossroad Publishing, New York, 1995), 27.
However, in the common usage the term spirituality is closely connected to religion and belief in God or a Supernatural Entity. In our research, we consider spirituality or religion as another discipline which compliment values to maintain the welfare and well-being of the society.

### 2.4.1 Spirituality and CSR

Many people seek their understanding of what is right through deep inquiry into questions concerning the sacred or spirituality. Spiritual inquiry, at its best, goes beyond the creation of a set of rules for living by and challenges us to meet the open-ended question “What is it good to be?” This meeting occurs at the most fundamental level, the level of being. As Charles Taylor has argued, selfhood and moral action are ‘inextricably intertwined themes.’ Spirituality refers to the beliefs and values. Thus human being as a spiritual being, responsibility is grounded in our nature.195 These tenets of responsibility have been propagated through all religions all over the world in some form or other and spreading the awareness and sensitivity to the need for responsible behavior.

Values ruling the maintenance of equilibrium of the nature or society have been always propagated by so called religions or spirituality. Thus, when responsibility becomes more inclusive, traditional concepts of managerial power expand from controlling others to severing them.196 The dualistic distinction between one's self and others become replaced by a deeply felt connectivity — and the ordinary distinction between responsibility to one's self and to others becomes narrow. In other words, predominant nature of responsibility transforms the goal of business which is no longer wealth creation, instead, it becomes means for enabling and sustaining spiritual fulfillment and service to society.197

It is true that most religions promote values for human development. But a corporate, in my opinion need not accept the authority of a religion for promoting values. A corporate accepts the values that are promoted by the society. So if spirituality is strictly an affair of

196 Ibid.
197 Ibid.
the religion, corporate is not obliged to follow that spirituality as corporate is not an entity that depends on one religion or other. Instead, if spirituality is seen as a branch that promotes values for the society, then there is more chance that CSR has a binding force to spirituality.

Thus, in this research spirituality or religion which equates is an essential discipline I need to deal with in order to find out the philosophical foundation of CSR and its impact on the society. It is also for the simple reason that most of the core values which CSR upholds as yardsticks are propagated and practiced by the so called religion or spirituality which aims the well-being and welfare of the society as a whole.

2.5 Economics

Good work always needs money to penetrate to the lower strata of the society. So Economics has a notable involvement in shaping the dreams and accomplishing visions. Without money CSR would be like a river without water. A river without water is no river at all. The pyramid of CSR developed by Carroll depicts the economic category as the base (the foundation upon which all others rest), and then built upward through legal, ethical, and philanthropic categories.198

![Pyramid of Corporate Social Responsibility](image)

**Pyramid of Corporate Social Responsibility**

Source: Carroll 1991

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2.5.1 What is Economics?

Economics in simple words is a social science. How can a society operate without Economics? Even when there was no concept of money there were systems like barter to maintain the proportions of giving and taking. Economics shapes the world. Economic activities make people and countries wealthy. When some become wealthy, others remain poor and that makes disparity in the society. Buying and selling are activities vital to survival and success.\(^{199}\)

Economics explains how people interact within society to get what they want or accomplish certain goals. Since Economics is a driving force of human interaction, it often reveals why people, firms, organizations and governments behave in particular ways. How people, industries, and countries can maximize their productivity, create wealth, and maintain financial stability is the subject matter of Economics. So it would be worth to take a look at two notable economists — Adam Smith and Amartya Sen whose contributions have been enlightening generations in Economics.

2.5.1.1 Adam Smith (5 June 1723 – 17 July 1790)

Adam Smith was a Scottish moral philosopher and a pioneer of political economy.\(^{200}\) *The Wealth of Nations*, is considered his *magnum opus* (great work) and the first modern work of economics. It proposed how nations could make their people better off and provide countries with more wealth. Smith is cited as the father of modern Economics and is still among the most influential thinkers in the field of Economics today.\(^{201}\)

The values and concerns expressed by recent advocates and propagators of CSR are not really new. It can be traced back to 1759, and *A Theory of Moral Sentiments*, the famous work by Adam smith which provided moral underpinning for his later account of the


foundations of capitalism in *The Wealth of Nations* in 1776. The former emphasizes sympathy for others, while the latter focuses on the role of self-interest. Smith realized the human consequences of division of labor and its peculation into the grass root levels of the society. Thus he urged enlightened employers and managers to address human needs. As a philosopher of the Scottish Enlightenment, Smith identified moral foundations for business in terms of interpersonal relationships and obligations. In order to assess the landscape of justice and rights, Smith suggests that “We must here, as in all other cases, view ourselves not so much according to that light in which we may naturally appear to ourselves, as according to that in which we naturally appear to others.” To Smith, encroachments to liberty violate perfect rights. They “… are all evidently encroachments on the right one has to the free use of his person and in a word to do what he has a mind when it does not prove detrimental to any other person.” Smith sums up the importance of the perfect right to property when he states, “The property which every man has in his own labor, as it is the original foundation of all other property, so it is the most sacred and inviolable.” He gives a glimpse through his writings on how far a company or an individual can go in supporting the CSR initiatives, “Every man is, no doubt, by nature, first and principally recommended to his own care; and as he is fitter to take care of himself than any other person, it is fit and right that it should be so.”

Smith’s doctrines regarding private property, justice and rights provide practical guidance for businesses regarding the legitimacy of stakeholder claims, while also addressing economic and moral elements in the business or society relationship, complementing existing CSR and stakeholder theories. Smith's doctrines are relevant even today in

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204 Ibid.
205 Ibid.
207 Adam Smith, *Wealth of Nations*, (MobileReference, Online, 2009 (1776) - Philosophy), x.ii.4.
208 Adam Smith, *The Theory of Moral Sentiments*, (Mobile Reference, Online, 2009 (1759) - Philosophy), ii.ii.1.
molding CSR yardsticks of moral obligations of business to society and individual life for
the welfare and well-being of the society.

2.5.1.2 Amartya Sen (born 3 November 1933-)

Amartya Sen, is an Indian economist who was awarded the 1998 Nobel Memorial Prize
in Economic Sciences for his contributions to welfare economics and social choice
theory, and for his interest in the problems of society's poorest members.

In Development as Freedom Amartya Sen explains how in a world of unprecedented
increase in overall opulence millions of people living in the third world are still unfree.
Even if they are not technically slaves, they are denied elementary freedoms and remain
imprisoned in one way or another by economic poverty, social deprivation, political
tyranny or cultural authoritarianism. The main purpose of development is to spread
freedom and its 'thousand charms' to the unfree citizens. Thus he writes in his book “an
adequate conception of development must go much beyond the accumulation of wealth
and the growth of gross national products and other income-related variables. Without
ignoring the importance of economic growth, we much look well beyond it.”209

Freedom, Sen persuasively argues, is at once the ultimate goal of social and economic
arrangements and the most efficient means of realizing general welfare. “Greater freedom
enhances the ability of people to help themselves and also to influence the world and
these matters are central to the process of development.”210 Social institutions like
markets, political parties, legislatures, the judiciary, and the media contribute to
development by enhancing individual freedom and are in turn sustained by social values.
Values, institutions, development, and freedom are all closely interrelated, and Sen links
them together in an elegant analytical framework. By asking 'What is the relation
between our collective economic wealth and our individual ability to live as we would
like?' and by incorporating individual freedom as a social commitment into his analysis
Sen allows economics once again, as it did in the time of Adam Smith, to deal with the

210 Ibid., 18.
social basis of individual well-being and freedom. Sen conceptualized human development as the enhancement of capability and freedom (the ‘capability approach’). It focuses on capabilities, i.e., what “people are actually able to do or be,” rather than on the amount of resources at their command. As Sen has argued extensively, the most crucial guarantor of capability is freedom. Thus he urges the world to consider freedom both as the ends and means of development. Sen being a philosopher, the enlightenment he proposed to the world sounds more philosophical than economical though the crux is welfare and well-being of the society. His theory of ‘capability approach,’ projects a clear role for the corporate and individuals in bringing about development (defined as capability and freedom). The inadequacy of economic decisions guided extensively by self-interest is the major stumbling block for the welfare of the society, is his point blank opinion on CSR.

2.5.2 Economics and CSR

CSR constitutes an economic phenomenon of significant importance in extensive magnitude. The quest to understand CSR as an economic phenomenon began by asking (1) whether it exists, (2) when and to which extent it can be efficient, and therefore, (3) whether and when it should exist. Early work centered on whether or not CSR ought to exist. Economically oriented work addressing CSR acknowledged the well-proverbial incapacity of markets to ensure economical valuation and provision of non-private goods and bads. However it emphasized that corporations couldn't and may not be expected to voluntarily act during a socially or environmentally accountable manner. Most magnificently, Milton Friedman argued that the sole responsibility of corporations was profit maximization which public preferences combined with democratic authorization implicit that governments, and not corporations, should manage externalities and supply public merchandise. Thus, this scenario brought about a division of company and government responsibility vis-à-vis society became typically referred to as the classical duality.

211 Ibid., 86.
More recently, analysis has begun a shift from whether or not CSR ought to exist to why it will exist and the way it affects the economy. This can be a natural progression given recently will increase within the scope and scale of CSR. Basic queries address firm-level incentives for CSR engagement, i.e., why is CSR growing therefore fast? A key insight inside political economy is that CSR isn't essentially incompatible with profit maximization, a minimum for a set of corporations inside a separating equilibrium.

As Amartya Sen observed, insistence on completeness of judgments of justice over every possible choice is an enemy of practical social action, while the overuse of the concept of justice reduces the force of the idea.213

Today globalization is progressing at the speed of lights — information is communicated more efficiently, and the world grows ever smaller. However, societies are again approaching the conditions under which Smith first suggested self-interest will effectively regulate action. Once again, all business is local, with the internet allowing any individual with a cell phone to broadcast what he or she witnesses to anyone interested worldwide.214 In such a fast-phased life in the twenty first century, the role economics as unalterable catalyst in shaping CSR for meeting the goals establishing happiness and welfare in the society is unavoidable.

2.6 Philosophy

Goal of philosophy is nothing less than providing a systematic world view. Other disciplines deal with a particular area of interest. Philosophy asks, “how it all fits together?” This goal also means that, you can study anything under the name of philosophy. Philosophy encompasses subfields called philosophy of religion, of law, of economics, of biology, of physics, of mathematics, of computers, of psychology, of art, of music, of literature, and so on. Any and all of these topics can be studied in a philosophical way, when one asks how they are related to each other in an overall world view. Thus, a philosophical study of CSR is not out of the scope. Would ask the question “how can CSR operate without concrete philosophical foundations?”

213 Amartya Sen, Development as Freedom, 253-254.
2.6.1 What is Philosophy?

Philosophy is the study of general and fundamental problems, such as those connected with existence, knowledge, values, reason, mind, and language.215 "The aim of philosophical inquiry is to gain insight into questions about knowledge, truth, reason, reality, meaning, mind, and value."216 The introduction of the terms ‘philosopher’ and ‘philosophy’ has been ascribed to the Greek thinker Pythagoras.217 The word "philosophy" comes from the Greek philosophia, which literally means ‘love of wisdom.’218

Well, what do we think philosophy is? Most people can't answer this question. It's too abstract. It's also controversial. Philosophers themselves can't agree on any answer. Sure, the name ‘philosophy’ derives from the Greek as we have already seen ‘love of wisdom,’219 but what's that? There has been a long and glorious history of people called philosophers, but they talk about all kinds of topics in all kinds of ways. It is not clear what, if anything, they have in common that makes them all philosophers.

This loose end of philosophy, in fact, encourages us to undertake a research in CSR from a philosophical perspective. If anyone could study any topic under the purview of philosophy, I asked myself, why can’t I ask a few questions about philosophical grounding of CSR? More closely, asking the question what are the philosophical undercurrents of new domain called CSR? How philosophical concept gave impetus to the advent of CSR? etc.

2.6.2 Scope of Philosophy in CSR Inquiry

There is great scope in philosophical inquiry, even for someone who does not innately care about the pursuit of truth. Human inquiry is not limited to mere discovery of means

for pre-established ends. Its scope includes a progressive determination of goals themselves of human endeavor. Inquiry relates itself to the actual life of man.\textsuperscript{220} Man is a being with something in common with others which enables him to react and respond to his environment. Inquiry is related to the communal life of man for as a responsible self, he is existing and functioning in a community of persons.\textsuperscript{221} Consider a random handful of classic philosophical questions: What is the meaning of life? What is the nature of justice? What does it take for a belief to be justified? Is the world we see illusion or reality?

The answers to such questions cannot help but to have a critical impact on how one ought to live one's life. Surely one should subject one's intuitive beliefs about these things to critical scrutiny, and work hard to come as close to truth as possible. Many philosophical questions are fundamental to human life; the only reason, it often does not seem that way is that people simply assume they know what the answers to these questions are, without ever daring to make a serious inquiry. Tymieniecka, in her book describes philosophy as “a rational activity rooted in human life and, at the same time, that life is the fundamental question today.”\textsuperscript{222}

To go through life, simply assuming one understands, is not. To be sure, one can perhaps be happy, at least in the same way as a well-fed dog is happy, if one manages to make it all the way through life without questioning anything. Philosophical inquiry, on the other hand, can be disquieting, offering no guarantee that one’s hard work will yield the conclusions one hopes for. Even worse, philosophy gives no guarantee that such investigations will yield any concrete conclusion at all.

The scope of philosophy is that it leaves one mostly with perpetual uncertainty, while others, in their ignorance, happily profess perfect knowledge of things they do not understand at all. But it is clear who has the better life: far better to understand, even if the main thing one understands is the limit of one’s own knowledge. Philosophical questions have a way of leading to other philosophical questions, to the point that a full

\textsuperscript{220} Cedeno, Lourdes R., \textit{So God Created Man}, (Katha Publishing Co, Quezon City, 2003), 6.
\textsuperscript{221} Ibid.
investigation of any particular problem is likely eventually to involve almost the whole of the philosophical enterprise. Thus, the natural scope of philosophy is natural human reason.\textsuperscript{223} In this research philosophy would be handy as it helps to find out the natural reasons which are the philosophical foundations I consider for the question: why one should engage in CSR?

\textbf{2.6.3 Relevance of Philosophy in molding CSR}

According to Plato, Philosophy is socially relevant, and that philosophy is indispensable for a well ordered and well run society.\textsuperscript{224} Is there any relevance at all for philosophy in this research? As per the argument of Plato it is indispensible because the aim of CSR is to have a well ordered and well run society which shares happiness of all and maintains the equilibrium of the nature. In order to find out the stumbling blocks to establish a well run society, a philosophical analysis is indispensible. Every human being has multi-faceted desires and everyone strives to materialize them.

It is a common awareness that greed is not good. It is bad. However, it is not so easy to 'give up greed.' Then what about other traits like selfishness, self-interest, jealousy, egoism etc.? Certainly it is all bad from a societal perspective. It is all bad at the peripheral level though it is relative. But when it comes to the personal level, every human being or even better to say that every being is prone to it. The tenacity of our nature cannot get away from the above mentioned traits.

In the future, the 'greed is good' credo will be seen for what it is, a curious aberration in human history, a temporary madness that took hold when people allowed themselves to forget that they were human beings.\textsuperscript{225} The relevance of philosophy comes in place when human beings are able to suppress or bypass the greed and other such vices. Corporations have to transform their greed partially at least for the welfare of the society through CSR activities. This transition or paradigm shift has to occur all over the world. It is possible when people begin to understand that life is too short. Some people only understand

money and do not understand other people.\textsuperscript{226} The final realization would trigger the corporations and individuals to loosen their pockets for the CSR. So, none of us can just get away without taking responsibility for the other or the society. Society suffers when we are not all in harmony with our lives and those around us.\textsuperscript{227} It all can happen only when they realize and become aware that “the achievement of corporate growth and development with the aim of contributing to global prosperity and the well-being of humankind.”\textsuperscript{228}

Peter Drucker famously talked of a 'post-capitalist' society. Undoubtedly, much has changed and is changing. The old image of capitalists versus workers is no longer valid. But the most important change, which we can see happening now, concerns our perception of values and the true nature of wealth. Our wealth is not just the totality of our money or possessions but the quality of our human relationships, the values of the society in which we live, the physical environment which all human beings ultimately have to share. As a consideration determining consumer choice, as well as the decision about where to seek employment, these are the factors that money can't buy. And again that is a point where CSR will capitalize on the efforts the corporate has pumped into the society. Thus, helping the corporate to contribute a healthier global environment as a good citizen of the earth. Certainly, in the current research the role of philosophy is vital and it will be useful in bringing about awareness in individuals and corporations. In other words, corporations and individuals need to become wise to get the insight of CSR for the well-being of humankind. And we strongly, feel that, that is the relevance of philosophy in molding CSR as a better tool to bring about happiness, peace and unity on earth.

**Conclusion**

The main motive of CSR is to establish a society which progresses by maintaining the equilibrium of the nature. In this pursuit, an overall assimilation of the ideas and concepts demanding overall development of the society can be possible when such allied

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\textsuperscript{227} Ibid.
\textsuperscript{228} Judith Hennigfeld, Manfred Pohl, Nick Tolhurst (Eds.), *The ICCA handbook on corporate social responsibility*, (John Wiley and Sons, London, 2006), 235.
\end{flushright}
disciplines work together. It also brings us, the manifold awareness that human beings need to be responsible to the self and others, is predominant principle of living together. Collective living in the society calls for collective responsibility. Thus, this nature of the society makes it an inter-disciplinary research giving a lead in the next chapter to probe into some of Eastern and Western philosophies that contributed philosophical groundings for CSR.