STRATEGIC CORPORATE SOCIAL RESPONSIBILITY IN MALAYSIA

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1 The evolution of corporate social responsibility

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Introduction

It has been the duty of governments to address and solve the social issues in society in most countries for many centuries. However, in the late 18th century, with the incorporation of business enterprises, the business community started taking the initiative to contribute to addressing the social issues facing society based on the principles of ethics—the idea being that business enterprises have responsibilities to society beyond that of making profit for the shareholders. The contribution made by corporations in an effort to address social problems is generally known as corporate social responsibility (CSR). In general, CSR has typically been understood as the policies and practices that business people employ to be sure that society or stakeholders other than business owners are considered and protected in their strategies and operations (Carroll, 2016).

CSR is not a new concept, and its roots can be dated back before World War II. CSR has continued to grow in importance and significance in the following decades (Carroll & Shabana, 2010). CSR has been the subject of considerable debate, commentary, theory building, and research. Visser (2010) highlights that CSR has been debated and practised in many forms for more than 4,000 years. The most ancient examples of CSR are the unethical condemnation of usury in religious texts (Hinduism, Buddhism, and Islam) as well as the promotion of zakat in Islam (Visser, 2010).

However, according to Freeman and Hasnaoui (2011), CSR in name has existed for over 70 years. CSR has evolved from a narrow into a more complex and multifaceted concept (Cochran, 2007), but it is not a universally adopted concept as it is not commonly understood (Freeman & Hasnaoui, 2011). Various terms are associated with CSR, such as corporate responsibility, corporate citizenship, sustainability, corporate social performance (CSP), business ethics, corporate environment management, business and society, business and governance, and business and globalisation (Freeman & Hasnaoui, 2011; Yang & Guo, 2014). Lee (2007) asserts that CSR has been transformed from an irrelevant concept to one of the most orthodox and widely accepted concepts in the business world. He maintains that by the late 1990s, the idea of CSR was almost universally endorsed and promoted by all constituents in society including governments and corporations as well as non-governmental organisations and consumers.