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CORPORATE SOCIAL RESPONSIBILITY IN THE CONTEXT OF THE STAKEHOLDER THEORY

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Nadica Figar[1], Vladimir Figar[2]

[1]Faculty of Economics, University of Niš, Serbia
nadica.figar@eknfak.ni.ac.rs
[2]Faculty of Philosophy, Department of English, University of Niš, Serbia
vfigar@yahoo.com

Abstract. *This paper deals with the corporate social responsibility (CSR) in the context of the modern stakeholder theory. The aim of the paper is to point out the main characteristic of this theory, which is that the corporation and all of its stakeholders make up the stakeholder system. In this system, there are no "big" or "small" stakeholders, but they are all relevant, since each can bring either great benefits or great harm to the corporation. In addition, the stakeholder system does not contain bivalent relations alone, but multivalent relations as well. Multivalent relations have the effect of synergy, which makes the process of managing stakeholders more complex. Society, through government and the local and wider community, represents only one of the corporate stakeholders. Towards the society, as well as towards all other stakeholders, the corporation has: economic, legal, ethical and philanthropic responsibility. In modern stakeholder theory, these dimensions are integrated into the global business strategy of the corporation, and in practice they appear as social initiatives (SI). Through SIs, the corporation performs its legal (legitimate) business and at the same integrates ethics and philanthropy into it, which bring it competitive advantage. This way, the society becomes an equal stakeholder with the suppliers, investors, employees and customers.*

Key Words: *corporate social responsibility, stakeholders, stakeholder system, pyramid of social responsibility, house of social responsibility.*

INTRODUCTION

As a result of numerous efforts to prevent the negative effects of corporations to the environment and to include the society as a whole in tackling this matter, a number of corporate social responsibility concepts have been developed. Corporations are expected not only to act as responsible economic entities, but also to be good corporate "citizens"

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and good "neighbors". This means that they are expected to take care of the effects that their economic activities may have on the community and the environment. In other words, both the community and the environment should be treated as members of the stakeholder system. Just like towards business stakeholders (suppliers, investors, employees and customers), corporations are expected to show the same economic, legal, ethical and philanthropic responsibility towards the community and environment. In order for the fact that the society plays an equal role as the business stakeholders to be emphasized, the concept of corporate social responsibility is introduced. In the contemporary stakeholder theory, all of the relevant stakeholders are included in the system and the corporation has the same economic, legal, ethical and philanthropic responsibility for all of them – therefore, there is no need for special emphasis of the society as a stakeholder. Responsibility towards all of the stakeholders becomes a significant relational and social capital of a corporation, as well as a means of competitive advantage. The problem is that this capital is immaterial, thus invisible; however, many performance research show that it has a notable effect on the corporation profitability. Research of performance also shows on the one hand that it takes a long painstaking process to build the responsibility, while on the other hand, it disappears quickly and easily.

1. The Essence and Types of Stakeholders

The stakeholder theory makes a distinction between the narrow and the wide concept of the essence of stakeholders. *The narrow concept* defines the relevant groups that directly influence the key economic interests of a corporation. It emphasizes the significance of sustaining the moral relations between the corporation and stakeholders and represents the core of the normative stakeholder theory. *The wide concept* is based on empirical reality where corporations actually influence interests of others and are dependent on someone. This concept is the core of the descriptive stakeholder theory.
Both concepts are based on two assumptions:

1. stakeholders are individuals and groups that influence the corporation and are dependent on the corporation,
2. corporation either creates expenses for them and/or brings benefits, which is the same way they influence the corporation.

The following definitions of the stakeholder essence verify this:

- "stakeholders are those who are dependent on the firm and/or can influence the achievement of the firm's goals" [Jones et al., 2007, p. 137],
- stakeholders are individuals or groups that have or demand ownership rights or interest in the corporation and its activities (past, present and future). The rights or interests are the results of transactions or actions undertaken by the corporation and they can be legal or moral, individual or collective" [Clarkson, 1995, p. 105],
- "stakeholder is every entity that influences the organization and is influenced by it. Stakeholders work: formally and informally, individually and collectively, positively and negatively" [Murray And Vogel, 1997, p. 142],
- "stakeholder theory shows that each business decision influences a wide range of people, by bringing revenue to some and expenses to others" [Desjardins, 2009, p. 64].

Within the stakeholder theory, there is a theory of stakeholder salience, which points the corporation management to particular actions of particular stakeholders which should be monitored. Depending to what extent and in what way they influence the corporation business, or how much benefits/expenses they bring, stakeholders are classified into primary and secondary stakeholders [Desjardins, 2009, p. 64]. *Primary stakeholder groups* are groups without whose continual participation the corporation couldn't survive. They include shareholders and other investors, employees, suppliers, customers, community and the government. They make up the so-called corporate stakeholder system and if one of them leaves the system or is not satisfied, the corporation suffers considerable damage or is unable to function. For example, when students in the USA started boycotting *Nike* products after finding out that the company's contractors in India and Pakistan had been hiring underage children who had also been underpaid, the *Nike* found itself in financial difficulties after three decades of successful business.

According to the (dis)satisfaction of the primary stakeholders with the work of the corporation, M. Clarkson divided all corporations into three groups [Clarkson, 1995, p. 111]:

1. corporations that have lost one or more of the primary stakeholders are called *corporations incapable to continue doing business or are seeking protection from bankruptcy*.
2. *corporations with the profit below average in their industry* during the previous five years or longer are corporations that were either incapable of creating enough wealth for one or more of the primary stakeholders in this period, or they created wealth for one group of primary stakeholders at the dissatisfaction/expense of others.
3. *corporations with the profit above average for their industry* during the previous five years or longer are corporations that managed to create enough wealth for all of the primary stakeholders.

Secondary stakeholder groups are those that influence and/or depend on the corporation, but are not involved in transactions with the corporation and are not essential for its survival. Survival of the corporation does not depend directly on them, however, they can stir the public opinion in such a way as to considerably damage the corporation. These include the media and special interest groups. For example, the company *Home Depot* was forced to stop supplying wood from the endangered areas after a mass boycott of their products which had been organized by environmental activists.

R. Mitchell, B. Agle & D. Wood [1997, pp. 853-886] have divided stakeholders according to three attributes: power, urgency and legitimacy. *Power* is the probability that "one of the participants within the social relations system is in a position to play out his own plans despite the resistance", or, "the ability of the one that possesses power to achieve the desired result" [Mitchell et al, 1997, p. 865]. *Legitimacy* points to socially accepted and expected structures and behaviors. It is often equalized with power, although the two differ. Legitimacy and power, paired together, make up authority. *Urgency* represents "degree with which a stakeholder seeks immediate attention" [Mitchell et al, 1997, p. 867]. These three attributes overlap – they are always present, but with various influence (positive and negative; strong, mild and weak).

Latent stakeholders have little signifficance for a corporation, since only one of the three attributes emphasizes the value of a specific stakeholder. Latent stakeholders are made of:

- dormant,
- discretionary and
- demanding stakeholders.

Dormant stakeholders have huge power and they use it to inforce their opinion in the corporation, however, since they lack both legitimacy and urgency, their power remains unused. This group of stakeholders includes individuals and groups that have enough money for lobying, who are capable of extortion and who are attracting the attention of the media. They either do not have any, or have few transactins with the corporation, but are showing the corporation management that they can become very signifficant if they acquire legitimacy and urgency.

Discretionary stakeholders have legitimacy, but they lack power and urgency. They can put pressure on the management and ask that more importance should be ascribed to them, however, since they are lacking legitimacy, the mangement is not obliged to take these demands into account. This group of stakeholders is made out of non-profitable and non-govermnet organizations that influence the company to provide resources for charity (money, volonteer work, equipment, vehicle, offices etc.).

Demanding stakeholders have the most important attribute – urgency. They do not jeopardize the survival of the corporation and they are not given much attention by the management, despite their continual work. These include some citizen associations (activists), which are constantly warning the management of not obeying the law, pollution etc.

Expectant stakeholders influence the corporations via two significant attributes, while the third one is insignificant. This is why their influence is greater than that of latent stakeholders. They are divided into:

- dominant,
- dependent and
- dangerous stakeholders.

Dominant stakeholders work through formal mechanisms which means that they have power and legitimacy. A good example is the board of executives, since it has the power and legitimacy to demand from the corporation management that the market share prices of the corporation are maintained at an appropriate level.

Dependent stakeholders lack the power, but they have legitimacy and urgency. Achieving their goals depends on the goals of other stakeholders - most often the dominant stakeholders.

Dangerous stakeholders have power and urgency, but they lack legitimacy. This is why they use extortion to enforce their illegal status and they can be very dangerous for the corporation.

With ***definitive stakeholders***, all of the three attributes are present: power, legitimacy and urgency. They usually emerge from dominant stakeholders (e.g. majority shareholders). Shareholders have the right to ask from the corporation management an adequate market price and if the price drops or is not satisfactory over a period of time, shareholders have the legitimate power to replace the management. This is why definitive stakeholders are the most significant.

Depending on where they originate from, stakeholders can be internal and external. *Internal stakeholders* originate from the corporation and are made out of the employees, while *external stakeholders* originate from outside of the corporation and they are made out of all the other stakeholders: suppliers, investors, community, associations and government.

Some stakeholders can be both internal and external. For example, shareholders can also be employees in a corporation and in that sense they are internal shareholders, while external shareholders are not employees of the corporation. Business units within the corporation can be internal suppliers or internal customers, therefore, they can be internal stakeholders as well, while external suppliers and external customers stand as external stakeholders.

Distinguishing between the internal and external stakeholders is important because of the three listed attributes (power, legitimacy and urgency) which determine their importance. It is easier for the corporation to manage the relationships with the internal stakeholders than with external stakeholders, since the goals of internal stakeholders usually match those of the corporation.

2. Place of the Stakeholder Theory in the Theory of Firm

The classical model of the theory of the firm acknowledges only four types of stakeholders: suppliers, investors, employees and customers. Freeman, in his book *Strategic Management: A Stakeholder Approach* in 1984, apart from the already listed four, introduced other stakeholders, including governments, political groups, communities and trade associations.

Later, with the development of the stakeholder salience theory, it was noted that not all stakeholders have the same significance for the corporation and that their significance can vary through time. This is why the classical stakeholder model changes and assumes the shape of a constellation, or a wheel. In constellations, stakeholders are scattered around the corporation: they are at different distances, and the distance from the firm shows their importance – the smaller the distance, the greater the importance and vice versa.

With the "elastic" wheel, which the authors of this paper have constructed (Figure 1), the corporation is connected with stakeholders through spirals, which shows the relativity

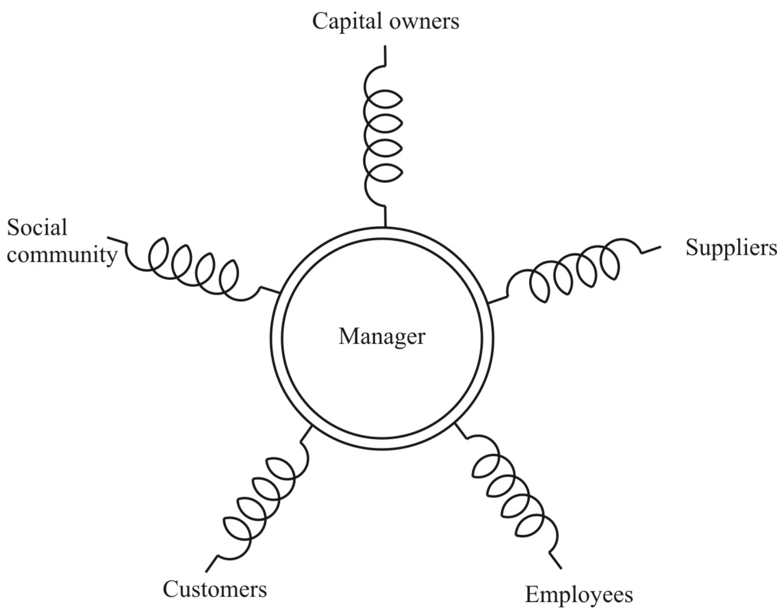

Fig. 1 "Elastic" wheel model

of their importance through time: stakeholders who were more significant at one stage can become less significant at other stages, whereas stakeholders who were less significant at one stage can become more significant at other stages. Also, stakeholders can be mutually connected, and in that case their influence on the corporation is much stronger. When assessing the importance of individual stakeholders, all of this should be taken into account, in order for the corporation management to be able to adequately manage the stakeholder system.

Within the stakeholder model exist the descriptive stakeholder theory, normative stakeholder theory and instrumental stakeholder theory. Every theory of the firm can be re-examined from the descriptive, normative or instrumental perspective. *In agency theory*, the corporation is considered the principal, while stakeholders are agents. The key fact is that the interests of the principal and the agents are contradictory and that opportunism is present (through moral hazard and adverse selection). The type of a "contract" which is expected between the principal and agents is such that it makes up the minimum sum of monitoring costs, bonding costs and residual loss.

Transaction cost theory can be viewed as a branch of the contract theory and agency theory and it can be used to explain the advantages of internal or external stakeholders. Transaction costs are made out of: search costs, costs of creating the contract, monitoring costs, costs of the contract application and residual loss. If the sum total of these costs in relationships with internal stakeholders is smaller, they take advantage over the external stakeholders. However, internal stakeholders bring about managing costs, which do not exist with external stakeholders. If the costs of managing internal stakeholders are greater than transaction costs with external stakeholders, then the external stakeholders have the advantage.

Game theory is considered a branch of the contract theory and it deals with strategies for effective contracting. The "contracts", i.e. relations, between the corporation and stakeholders that bring the lowest expenses and the greatest benefits, are the best. These are so-called cooperative strategies. "Tit for tat" is a good example of a cooperative strategy. With this strategy, one party cooperates in the first game, and from then on imitates the other party. This means that the stakeholders will continue to be cooperative towards the corporation as long as the corporation remains cooperative towards them and they will end the cooperation once the corporation has ended its own.

In stakeholder theory, the corporation is the focal point as the principal. It is the focal point in the social network theory as well. The simplest form of the relations between the corporation and stakeholders is bivalent: the relation of the corporation towards the stakeholder and the relation of the stakeholder towards the corporation. However, in practice, there are multiple relations: relations between the corporation and some stakeholders and relations among some stakeholders. Managing such relations is much more difficult, because stakeholders work with joint forces and there is a synergy effect. If the effect is positive, there are greater benefits for the corporation. If the effect is negative, the damage is greater than in the case of bivalent relations.

Relations between the corporation and stakeholders represent the intangible asset: positive, if they are based on honesty and trust; negative, if they are based on dishonesty and distrust. This is why the stakeholder theory is also considered to be a branch of the *competitive advantage theory*. Competitive advantage/disadvantage results from the following characteristics [Jones, 1995, p. 421]:

- the firm has business relations with multiple stakeholders,
- these relations are realized through contracts (written or unwritten),
- the firm is viewed as "nexus of contracts",
- corporate managers are the contracting agents for the firm, and
- the market tends to establish the balance and that is why it creates the tendency for effective negotiations.

Timothy J. Rowley [1997, p. 888] rightfully claims that the stakeholder theory is a handmaiden concept, because it is more convenient as a support for other firm theories than for its own development.

In light of the *corporate social responsibility theory*, "corporate social responsibility represents a significant "exchange" between the firm and the public or stakeholder. This is the "exchange" in which the firm offers some sort of value – typical public benefit or public service – to important stakeholders" [Murray and Vogel, 1997, p. 142].

3. THE ESSENCE AND DIMENSIONS OF CORPORATE SOCIAL RESPONSIBILITY

The concept of corporate social responsibility is as old as the theory of the firm, however, it was not until the 1970s that it began to acquire greater significance. In this period, incidents with large corporations had become more common, and they either led or could have led to big tragedies in the community, had the public not reacted in time. As a result of these reactions, a number concepts of corporate social responsibility was created. They differ in the number of dimensions and they can be classified into three groups: narrowest concepts of corporate social responsibility, widest and the compromising concept.

3.1. The narrowest concepts of corporate social responsibility

The narrowest concepts of social responsibility include only one dimension of social responsibility. *The oldest of the narrowest concepts* was created in the time of A. Smith, and it was later strongly advocated by M. Fridman. It includes economic responsibility alone. According to Smith, economic responsibility is governed by the "invisible hand of the market", since purchases and sales and conduced in the market on "honest prices". "Honest prices" are formed for all goods, as well as for the labor force. Therefore, the employees must do their jobs honestly; otherwise they can be replaced. However, under market, Smith included only the free competition market. Competitive relations are forcing all participants to act economically, legally and ethically responsible. But, in practice there are also monopoly and oligopoly structures, which do not form "honest" prices.

M. Friedman protected the interests of the capital owners, since he emphasized that neither the managers nor anybody else had the right to make decisions regarding the spending of the profit, because it belonged to the capital owners exclusively. It is the state who is responsible for solving problems of general interest with the money collected from taxes, not the corporation. In this way, he argued that the corporation was purely economic, and not a social entity.

The second narrowest concepts of social responsibility are not as exclusive as the traditional concept of A. Smith and M. Friedman. They emphasize one dimension of social responsibility, without excluding the other dimensions, which are implicitly included. The most important of these are the concepts that emphasizes philanthropic responsibility. In 1993, *The Financial Accounting Standards Board* in the USA defined philanthropy as "unconditional transfer of cash or other assets to an entity or community, or suspending their obligations for voluntary non-reciprocal transfer from other entities" [Godfray, 2005, p. 778]. In this way, philanthropy, since it is non-reciprocal and unconditional, represent the money transfer from one side to the other, or expenditure that does not bring income. According to M. Porter and M. Kramer, philanthropy "includes every type of welfare activities that have a certain theme, goal, approach or focus, which in corporate context means that there is a link, no matter how vague or weak between the welfare contribution and business of the corporation" [Porter and Kramer, 2002, p. 58].

The two given definitions of philanthropy are contradictory: the first one states that philanthropic investments are aimless and that the corporation expects nothing in return, while the second one is focused on a goal, connected with the business of the corporation. In both cases, philanthropy reaches deep into the economic essence of the business of the corporation, since it creates only expenditure or represents only expenditure that is supposed to bring income. This suggest that philanthropy cannot exist outside economy, since investments cannot be made unless the corporation does not possess resources (material, financial and intangible). In this sense, philanthropic responsibility includes economic responsibility, although the latter is not explicitly mentioned.

As for the ethical responsibility, two approaches can be differentiated: according to one approach, corporate social responsibility is equalized with business ethics, and according to the other approach, corporate ethical responsibility is emphasized, while the other dimensions of responsibility are implicitly included. Legal responsibility towards all stakeholders is also implicitly included, therefore, it is not explicitly emphasized.

3.2. Wider concepts of corporate social responsibility

In practice, there are various dimensions of socially irresponsible corporate behavior, so it is logical that there are wider concepts of corporate social responsibility. These concepts include more than one dimension of social responsibility, depending on the burning issues at a given time. This is why the majority of wider concepts resembles "fire fighting measures" and not a single, consistent, scientifically-based whole.

One of the wider concepts is the "3P" or "3E" concept. It is relatively new and it emphasizes that corporations should pay equal attention in their business to **P**rofit (**E**conomy), **P**lanet (**E**cology) and **P**eople (**E**thics). Present generation has an obligation to rationally use resources, so that they will be available for future generations, and so that the environment is not harmed. Therefore, the task of the corporations is making profit, while taking care of the environment and people, bearing in mind both the present and the future.

Stakeholder theory developed suddenly, although its beginnings date back to the neoclassical firm theory. As it has been already stated, stakeholders are either essentially defined, only listed, or both. When it comes to listing, various authors offer various types and numbers of stakeholders. This is precisely what led to the creation of narrower and wider concepts of corporate responsibility, which is confirmed by the following quotes:

- "corporate social responsibility is voluntary activity by the corporation directed at the future welfare of the society" [Barnett, 2007, p. 794],
- "corporate social responsibility has three dimensions: economic, ecological and social"[Terlak, 2007, p. 968],

- "corporate social responsibility is a discretional allocation of the corporation resources in order to achieve social welfare which serves as a means for developing relations with key stakeholders" [Clarkson, 1995, p. 107],
- "corporate social responsibility is a decision to improve the welfare of the community through discretional business practices and contributions to the corporation resources. Discretional activities do not include business activities ascribed by the law and are moral/ethical, but the voluntary decision to choose the activities and contributions on its own. The expression "welfare of the community" includes the life conditions and economic issues"[Kotler, Li, 2007, p. 21],
- "socially responsible business is a concept through which enterprises coordinate their commercial interests with the demands of the society and preservation of the environment. Through projects of socially responsible behavior, the firm takes care of the employees, clients and the community"[Lazarevic, 2008, p. 56],
- "decision of the firm to support sustainable economic development, as well as to cooperate with employees, their families, local communities and the society in general in order to improve the quality of life"[1],
- "social responsibility means doing business in a way that matches or even surpasses ethical, legal, market and public expectations that the society has from business"[2],
- "social responsibility is the commitment of all who are doing business and whose goal is to, by maximizing the profit, maximize the positive influence of their business on society, and to minimize the negative influence. Sometimes, the expressions "business ethics" and "social responsibility" are used synonymously, and sometimes very differently"[Krkac, 2007, p. 224].[3]

3.3. The concept of integrated corporate social responsibility

The concept of integrated corporate social responsibility is the widest and the most comprehensive concept of corporate social responsibility. Responsibility is built into the business strategy of the corporation and it includes responsibility towards all stakeholders. The society, through narrow and wide communities and government, represents only one of the stakeholders. In theory, a small number of authors have dealt with the comprehensive concept of social responsibility, whereas in practice it is becoming more and more prominent.

In 1991, in her paper *Pyramid of Corporate Social Responsibility*, A. Carol presented corporate social responsibility in the form of a four-dimensional pyramid: economic social responsibility, legal, ethical and philanthropic [Carol, 1996]. Base of the pyramid is made out of the economic responsibility, while the legal, ethical and philanthropic responsibility arise out of it. This means that the corporation must perform its economic responsibility legally and ethically, and that there is no philanthropic responsibility (philanthropic investments) unless it possesses resources and makes profit.

K. Krkac presented the concept of corporate social responsibility as a house of social responsibility [Krkac, 2007, p. 224]. The three dimensions of corporate social responsi-

[1] This definition was provided by the *World Business Council for Sustainable Dvelopment*.
[2] This definition was provided by the organization *Business for Social Responsibility*.

bility (economic, legal and ethical), make up the three levels of the house, while the fourth, philanthropic responsibility, makes up the roof of the house. According to business importance, the house of corporate social responsibility is made from:

1. economic responsibility (to be profitable) – the first level of the house,
2. legal responsibility (obeying the law; playing by the "rules of the game") – the second level of the house,
3. moral responsibility (doing what is morally right, fair and not causing harm) – the third level of the house,
4. willing and philanthropic responsibility (being a good citizen and making contributions to the community and improving the quality of life) – the roof of the house.

Corporate economic responsibility is the first level in the house of corporate social responsibility, which means that all other dimensions of responsibility are built upon it. In other words, in order for any type of responsibility to exist, the corporation has to perform its economic function, i.e. to make profit. But it needs to achieve this in a legal and ethical manner. The house can, but it need not have a roof, which means that philanthropic responsibility is not obligatory, but it is desirable. If the corporation performs philanthropic activities, it asserts itself as a "good citizen" and a "good neighbor", since it contributes to the improvement of the quality of life in the community.

According to social importance, the order of dimensions of corporate social responsibility in the house of social responsibility is reversed: philanthropic, ethical, legal, and economic.

Concepts of corporate social responsibility offered by A. Carol and K. Krkac are some of the comprehensive concepts which differentiate between four dimensions of social responsibility, which are viewed separately. A number of authors look at the comprehensive corporate social responsibility through the so-called social initiatives. Here, legal, ethical and philanthropic responsibility are integrated with the economic responsibility of the corporation, and, therefore, cannot be viewed as separate. They are integrated to such an extent, that both ethics and philanthropy make up a part of the legal business (economy) of the corporation [Wheler et al., 2005, pp. 36-40]. This is evident in the following examples.

The company *Honey Care Africa* formed a business network with bee-keepers, micro financial institutions, non-government organizations and the government of Kenya [Figar, 2010, p. 581]. The company was founded by a Kenyan entrepreneur F. Jiwa and two investors and it deals with purchasing, processing and selling of honey. Their goal was to stir up the development of rural areas through the development of apiculture and they formed partnerships with stakeholders for that purpose. Bee-keepers produce the input (honey), but the majority of them are poor and they were unable to produce significant quantities of honey. This is why micro financial institutions were included, because they provided the credit for bee-keepers for purchasing bee-hives. Non-government organizations educate bee-keepers and the Kenyan government provided all other services. Honey produced in such a way is bought, processed and sold by the Kenyan company *Honey Care Africa*. The company employs around 7.800 of the poorest bee-keepers and creates the conditions for the growth of the living standard in this local community.

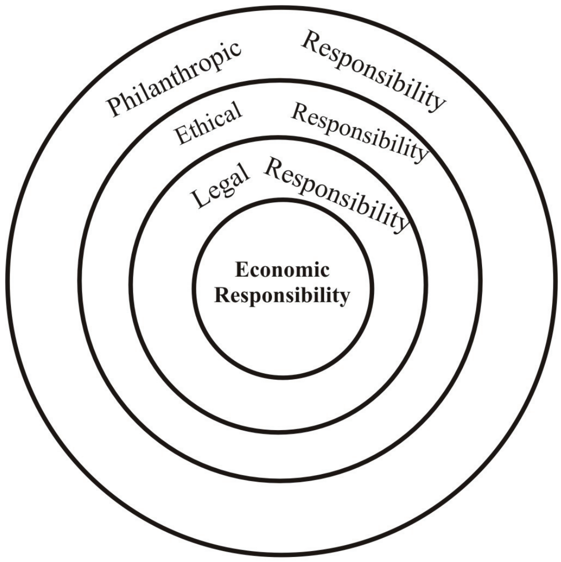

Fig. 2 Concentric circles of social responsibility

The program that this company created is very interesting. At first glance, it appears to have an economic dimension alone, however, ecological dimension of social responsibility is contained within it. This is *Bees for trees program* [Wheler, 2005, pp. 36-40]: for every planted tree, bee-keepers receive a bee-hive for free. This way, the company ensures it will have enough input (honey), by increasing the number of bee-hives, and by planting trees, it provides food for the bees. At the same time, the ecological problem of the community is being dealt with by planting new trees, all of which makes the company a socially responsible "citizen" and a "good neighbor" in the local community. This business network has developed to such an extent that in 2005. it had the following structure: 7.800 bee-keepers, 48 permanent employees in the company *Honey Care Africa*, 17 donors and non-government organizations and 250 associations in the local community. Company's success was noted by the World Bank, which invested additional capital for the expansion of the company and transfer of such partnership model Tanzania, Uganda and Sudan.

Graphically, integrated corporate social responsibility concept has been presented by the author of this paper through concentric circles (Picture 2): the central circle, or the core of the corporate social responsibility represent economic responsibility; it needs to be legal and ethical, therefore, this inner circle is "wrapped" with legal and ethical responsibility; the surface circle contains the philanthropic responsibility, which needs to be legal and ethical as well as the economic responsibility, and with modern corporations it has economic (not charitable) focus.

CONCLUSION

During the last three decades, especially during the first decade of the 21st century, a lot has been written about CSR, which might give off the impression that it is a new concept. However, this is a concept which is as old as the theory of firm which has been attributed more significance in the last three decades. The main reason for this is that, in this period, there were numerous incidents caused by the corporations, which damaged people and the environment, and it has become obvious that the planet and resources should be protected for the future generations. The concept of sustainable development was built on demands that economic activity should be performed rationally, so that the resources remain available to future generations and that the environment remains protected. In this way, economic, ecological and ethical/legal responsibilities are emphasized, while the philanthropic responsibility is implicitly included. Comprehensive concepts of corporate social responsibility include all of these four dimensions, although some authors differentiate between them, while others integrate them with economic responsibility. Modern corporations view every dimension of corporate responsibility as a means of competitive advantage and they integrate it into their own economic activity, so that everything is economy (business): legal, ethical and philanthropic issues. Also, all stakeholders are important for the corporation. The given example of the company *Honey Care Africa* clearly illustrates that. Concentric circles, which we gave, are the best graphical representation of integrated corporate social responsibility. At the same time, they are consistent with the normative, instrumental and descriptive stakeholder theory and with the stakeholder system that has a shape of a flexible wheel, which we also gave.

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KORPORATIVNA DRUŠTVENA ODGOVORNOST U KONTEKSTU TEORIJE STEJKHOLDERA

Nadica Figar, Vladimir Figar

U radu se obrađuje korporativna društvena odgovornost (KDO) u kontekstu savremene teorije stejkholdera. Cilj rada je da se ukaže na osnovnu karakteristiku ove teorije, odnosno da korporacija i svi njeni stejkholderi čine stejkholder sistem. U tom sistemu nema "velikih" i "malih" stejkholdera, već su svi relevantni, pošto svako može da donese korporaciji i velike koristi, i veliku štetu. Pored toga, u stejkholder sistemu ne postoje samo dvovalentne relacije, već i multiple. Multiple relacije proizvode sinergetske efekte, pa zato proces upravljanja stejkholderima čine složenijim.

Društvo, preko vlade i lokalne i šire zajednice, predstavlja samo jednog od stejkholdera korporacije. Kao prema svim ostalim stejkholderima, tako i prema društvu, korporacija ima: ekonomsku, zakonsku, etičku i filantropsku odgovornost. U savremenoj teoriji stejkholdera, ove dimenzije su integrisane u globalnu poslovnu strategiju korporacije, a u praksi se ispoljavaju kao društvene inicijative (DI). Preko DI korporacija obavlja svoj legalni (zakonit) biznis i istovremeno u njega integriše etiku i filantropiju, koji joj donose konkurentsku prednost. Društvo na taj način postaje ravnopravan stejkholder sa dobavljačima, investitorima, zaposlenima i kupcima.

Ključne reči: *korporativna društvena odgovornost, stejkholderi, stejkholder sistem, piramida društvene odgovornosti, kuća društvene odgovornosti.*