# THE EVOLUTION OF CORPORATE SOCIAL RESPONSIBILITY THROUGH ORGANIZATIONAL THEORIES

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# ABSTRACT

At the beginning of the XX century, one of the most interesting times for the organizational field originates, being recognized as the second industrial revolution, where there were a lot of advances and technological innovations. It should be noted that, within this stage, important contributions were generated, establishing in this way the most representative organizational theories in the business field. So, this research aims to make a theoretical reflection through an exhaustive literary review to identify how the CSR has been affected by various organizational theories over the years. In conclusion, the documents that are about the different organizational theories show that the greatest contributions were made during the XX century, at the time of industrialization. These contributions were mostly aimed at issues of production. Today's companies have to analyze each of the benefits that CSR can generate for their daily operation. The main barrier to this not being implemented is that most managers consider it more of an expense than a long-term investment. It is a more viable strategy towards the development of organizations, since it allows establishing a sustainable future outlook.

KEYWORDS: Corporate Social Responsibility; Organization; Theory.

### INTRODUCTION

At the beginning of the 20th century, one of the most interesting periods for the organizational ambit originated. It is being recognized as the second industrial revolution, where there was a great amount of technological advances and innovations. It is worth noting



Los trabajos publicados en esta revista están bajo la <u>licencia</u> <u>Creative Commons Atribución-</u>105 <u>NoComercial 2.5 Argentina</u> that during this stage, important contributions were generated; thus establishing the most representative organizational theories in the business sphere (Ibarra and Montaño, 1987). Among them, is the scientific organization from Frederick Taylor (1983), characterized by analyzing the internal behavior in the organizations, the motivations of the workers, the work methodology and causing important results in terms of productivity and efficiency in its operation. Likewise, Henri Fayol's classic theory of administration is developed (1987), which is considered one of the most emblematic authors in the administrative history. The research from this author produced diverse contributions related to the managerial scope. Some of the examples are: fourteen administrative principles were created; technical studies were established which generated the functions of the operative and administrative personnel within the economic units were determined; in addition, the standardization of functions was proposed; and the bases of the administrative process were planted. Another author to highlight during this period is Max Weber (1964), who with his theory of bureaucracy gave himself the task of understanding and analyzing all the elements that influence the construction of social structures; in other words, understanding the processes of government systems to later implement them in the organizational field. It is important to be noted that this author is representative in the area of social sciences.

In this context, the industry of the XX century is influenced by the contributions of the authors mentioned above. They are considered the main exponents of administrative and organizational topics since based on their research, they determined the systematization and structure of companies. They implemented a business model and a capitalist operating system caused by the main concern of the managers of that time, which was related in producing large quantities of consumables in the shortest possible time, having exhaustive operational staff; calling this phenomenon as mass production. It should be mentioned that the main purpose of submitting the organization to this situation was to sell large quantities of products to third parties, and from this income, the workers obtained very little economic remuneration; therefore, trade unions were formed with the aim of safeguarding the physical and mental well-being of the worker, as well as fighting for their rights and the fair payment of their work (Ibarra and Montaño, 1987).

At that time in the industry, there were a large number of accidents, mainly caused by the negligence of the worker; however, the organization did not respond to these situations, whichever the case may have been. For example, when a worker was injured as a result of issues inherent in the operator, there was a null interest of the manager to solve the problem, alleging that it was the sole responsibility of the operator to take care of his physical, mental or psychological integrity. This was a trigger for the workers union and the trade union, procreating the social phenomenon recognized as a strike (Clark, 1916). In addition, it is no secret that the companies at the beginning of the XX century were only destined to obtain income and to maintain an economic welfare of the high commands and the full development of such economic units. These objectives had to be achieved whatever it cost, affecting whoever got in their way, carrying out a great quantity of unethical activities that affected the health and the well-being of the people that were located around and within those organizations, in this case the society (Vélez, 2011).

This was directly reflected in the operator, since he was subjected to long working hours, giving him a rather poor economic remuneration. An ordinary operator's day consisted of to wake up, greet his family, and go to work, being all day in the industry, produced a vast amount of goods to try to give his family a dignified life; however, all those positive results were towards the managers, since they sought to keep most of the income, and it was invested in other businesses, in new technologies, hiring personnel, buying raw material or spending it on the needs and desires of the bosses (Ibarra and Montaño, 1987).

Then, in Europe and the United States of America, strikes began to take hold and the main reasons were the quality of the products that harmed the health of consumers, the bad treatment from the managers towards the workers, as well as the bad economic remuneration, and the pollution generated by these industries (Carnegie, 1906). In this context, the XX century industry is influenced by the contributions of the aforementioned authors, considered the main administrative and organizational exponents, since these, based on their theories, determined the systematization and structure of the companies, implementing a business model and a capitalist operating system. The directors of that time were mainly concerned with producing large quantities of consumables in the shortest possible time, having exhaustively the operating personnel, calling this phenomenon mass production; It should be mentioned that the main purpose of subjecting the organization to this situation was to sell large quantities of products to third parties, and from this income the workers obtained very little economic remuneration. So, in order to respond to this situation, trade unions were formed with the aim of safeguarding the physical and mental well-being of the worker, as well as fighting for his rights and the fair payment of his work (Ibarra and Montaño, 1987).

Following the strikes, the manager began to take certain measures like to be responsible for certain actions before the worker and the community; thus, emerging the corporate social responsibility (CSR), which was mainly explained by Bowen (1953), known as the father of the term. Considering that CSR arises due to the unethical practices of XX century companies, the term is defined as, "the obligation of the entrepreneur to adopt policies and develop decisions that accompany desirable lines of action according to the objectives and values of society" (p. 6). This generated a great controversy at that time, because the main vision of organizations was to meet their economic needs, which it is said that, at that time, there was one, and only one responsibility: to use resources and organize activities in order to increase their profits.

Bowen's work had as principal basis: the perception of businesses. He considered them as vital centers, where power and decision making, as well as the activities and actions they carried out, had a direct repercussion in the lives of people who are independent to the organizational activity, affecting in many external aspects such as health, education, security, among others (Carroll, 1999). CSR marks a before and after in companies, having a direct impact on the way they were managed. After this, new theories aroused, modifying in such a way the business units, having in turn, relationship or impact with socially responsible practices.

Thus, this research document aims to conduct a theoretical reflection through an exhaustive literature review in order to identify how CSR has been developed by various organizational theories over the years; analyzing the theoretical contributions from authors such as Kast and Rosenzweig (1988); DiMaggio and Powell (1983); Barney (1991); Evan (1967); Provan (1995); Porter (1979); Thiétart and Forgues (1995); among others.

#### DEVELOPMENT

#### The organizational systems approach

Everything begins with the term of system. Previously, it was a concept that was not given much interest, but several authors throughout history developed this concept to give it great relevance. It was not until 1927 when Kohler directed the general systems theory (GST), this contribution was directed to the general aspects of inorganic systems, unlike other contributions which were mostly specialized in organic systems, thus developing the perception of open systems (Bertalanffy, 1989).

This theory explains how systems are considered as an organized unitary whole, composed by one or several parts, like different elements, factors, components or subsystems, which are interdependent and delineated by limits that are identifiable to their supraenvironmental system. The main author of this theory is Bertalanffy, and he explains how over the years, theories and administrative practices were developed that have changed the ideologies and operations in organizations; all this based on scientific research. The systems approach is no exception; it allowed integrating all the activities of an organization, making it look like an open system that maintains an interaction with internal and external factors, and being integrated by diverse subsystems (Kast & Rosenzweig, 1988). Then, in society the need for development with a systems-based approach was born, due to the fact that it was sought to find a common path, a means to achieve certain objectives, both organizational and social (Bertalanffy, 1989).

In this case, the relevance of the term CSR and its elements in the business environment, as well its relationship with the GST begins. Previously, when considering the organization as

an independent and closed system, the directors of the XX century were not worried about what was happening within their organization, specifically in the area of production and sales. Subsequent to the established inputs by such contribution, it is understood how external issues of the organization have a direct or indirect impact on this. A very clear example is that the worker, being an internal force for the operation, has the power to exert certain pressures and take care of his interests. Today, the systems approach is still in force as the companies have to respond to new needs, desires or trends of their consumers; where the current one is a green or sustainable approach, having to adopt socially responsible issues and elements, with the intention of continuing to compete in the current market.

### **Creating sustainable needs**

The GST makes great changes in the organizational scope: modifies the business paradigms in a great way and the perspective of operation changes; consequently, new situations, problems, desires and necessities begin to arise in the industry. To explain such needs, one has to mention Abraham Maslow (1943), who is a precursor in the Neo Human Relations Theory (NHRT), which is also considered a school of thought. This theory makes opposition to the contributions and relevant information generated by the classical administrative theories, being called the School of Neo-humanism; moreover, it had a fundamental pillar, the analysis of behavior in humans, being object of study their motivation for improvement of their activities, and offering greater indexes of productivity to the organizations, where they developed their labor life. It was considered a continuation to the theories of human relations of Mayo, and a strong criticism to the rigid systems presented by Weber and the lack of consideration of the human necessities in the theory of the bureaucracy.

Maslow (1943) considered that there were five types of needs to satisfy in human beings. The first one is the physiological or biological needs. This need was considered as the basis for the motivation of human beings, in this, the term homeostasis takes on great relevance that refers to the efforts of the human body to maintain a normal and balanced state, whether by the consumption of sugars, fat, calcium or oxygen; therefore, breathing, hunger and sleep are part of this need. The second one is about the need for security, where establishes that any organism or organization is a mechanism in search of security. In third, when fulfilling the need for food or security, it is said that the individual begins to have a new one, which refers to the incessant search of the human being to belong to a group, to give or receive affection, to be part of a society and satisfy their need for coexistence or social; this is called the need of belonging. Subsequently, the next need in this hierarchy is about esteem or recognition, where it can be observed that makes reference to the level of self-esteem of people; the human being seeks to be recognized within social groups, which seeks to maintain an image before their peers. In this final part, it is said that human beings seek to carry out activities that generate

positive stimuli or satisfaction; when satisfying all previous needs, every person seeks the way to carry out actions for which he or she considers his/her existence was generated.

Previously, the importance of the second need raised by the author, the need for security, was mentioned. This has an interesting relationship when talking about the creation and existence of CSR in organizations today. The organizations of the XX century, by operating in a particular way and exploiting their personnel in a certain way, created inefficient and unsafe conditions for the workers. As a consequence, certain needs arose on the part of the workers, who had to demand through the unions so that these could be heard and satisfied. Consequently, it is said that the CSR was born from a need, as raised by Maslow, and as a result of generating such satisfaction through ethical and socially responsible practices, new needs arise.

### **Ethical behavior**

From what is stated in the NHRT, changes begin to be generated in the industry, based on the new raised needs. The directors begin to make decisions to produce these changes. As a result of this, a new theory is generated, which tries to explain the complex process in decision making, known as the Human Behavior Theory (HBT). Through the years, organizations have been immersed in a great amount of changes, which has allowed them to evolve and develop in markets increasingly vertiginous; aspects such as activities, obligations, responsibilities, working conditions, safety, hygiene, among other things, have been affected by the ideological changes of people, seeking to improve the quality of life and work of its participants in search of productivity itself. All this based on a decision taken (March, 1988).

Therefore, what leads to the correct management of the organizations is the decision making. It is a unique faculty that the high directors possess. It can be considered as a process of reflection and planning, which will allow executing the planned actions based on the decisions taken; then based on the above, it can be said that there is a strong relationship between action and decision. It is believed that decision making is focused on the analysis of various possibilities or alternatives, in which different comparisons and assessments are made about the decisions and consequences that a given action can bring, being seen from an abstract functional perspective (Luhmann, 1997).

Transactions in today's businesses are designed so that the decision-making process is influenced by the market in which they are found, and these are reflected in the development of their industry. Societies that have a solid and well-developed economy are involved in large organizations allowing improvements in social, economic and organizational systems (March, 1988). Another term to consider in the HBT is the concept of rationality, implemented by Simon (1947), that is considered as an "integrating model in which behavior is molded through diverse visions or perspectives and allow analyzing alternatives of behavior in different situations" (p.

59). The reflection on how decisions and activities can bring certain results; and the choice of a system which allows the individual to be governed by certain values, being the base of alternatives to respond before the situations or problematics that may arise. In addition, the compartment of individuals reveals certain criteria of rationality. The behavior of people or members of an organization generates a rational organization in each one of its parts, which are not strongly interrelated with each other.

In this context, the relationship between HBT and CSR is clear. Entrepreneurs began to identify situations and make decisions in a rational manner. The problem at that time was quite remarkable, where there was discontent on the part of the operator; also, environmental issues were taking on greater relevance. The scenario in which they were immersed forced them to act and make wise decisions. At present, the manager has the responsibility to make decisions in an ethical manner. It is necessary to consider issues for the benefit of the business activity, and it is also an obligation of the manager to analyze possible situations that may arise in the external environment, so CSR makes the main emphasis on that. A large number of articles have been written referring to socially responsible leadership, on how such decision making is detrimental to the sustainable development of organizations and society in the future.

## **Responsible contingency**

Subsequent to what was proposed in the HBT, the leaders in the organizations when taking certain decisions began to obtain positive and negative results in their operational activity. The most visionary leaders began to achieve different plans, allowing to act before the different scenarios in which they could be immersed; then the theoreticians began to analyze this situation and generated another contribution that would explain this phenomenon in the organizational environment. The Contingency Theory (CONT) is developed from the 50's, generated from empirical research previously designed, which had the purpose of analyzing and verifying the organizational structures of industries, generating new concepts and perspectives of the term, company. Next to these investigations, organizations began to be perceived as open systems, as the GST states. In the CONT there are two perspectives: Schools of Socio-technical systems in which the processes and reactions that occur in the static and random environments of the organizations are analyzed. On the other hand, in other current, it studies the influence of contingencies on organizational structure and administrative behavior, developed by authors such as Woodward, Pugh, Chandler or Crozier, who are the most representative, and analyzed industrial aspects such as continuous production, automation, mass production, business structures, technologies, external environment, etc. (Well, 1996).

With the development of the CONT, management gained great relevance in the history of large corporations, due to the research and contributions developed by various authors. It

is said that after World War II, there was a great expansion of economic resources for the U.S. industrial sector, and therefore, managers were forced to specialize in issues, contributions and administrative theories, especially in the structure of organizations (Chandler, 1962).

Now, relating the CONT with the CSR, this was a tool that allowed senior managers to understand the existence of various methods, universal principles, or theories for the proper management of all activities or operations to perform for the operation in the industry, or any organization. The CONT serves as a guiding contribution, as it currently allows entrepreneurs to analyze the different scenarios and generate strategies or plans that provide options for the environment where it is. In other words, it is a tool to be prepared. For example, those businessmen in the twentieth century, who analyzed the situation of non-conformity and resources abuse, created their contingency plans to modify their structure and optimize their resources; those organizations that ignored such situation lost material, financial and human resources, having quite serious repercussions in their operation, then they began to work on contingency plans based on ethical and sustainable aspects, both for people and for the external environment.

## The green isomorphism

Based on the studies that were carried out with the GST, the organizations began to be analyzed as a whole, where internal (processes, activities, structure) and external (technology, politics, economy) issues directly or indirectly affect the main operation. Based on the above, the well-known Institutional Theory (IT) is generated, characterized by concepts such as legitimacy, isomorphism or norms. This theory is in charge of explaining how in the companies, when modifying or updating its structure, the processes, the activities or its management, begins to transform into an institution, an organization that presents certain normativity that raises what is considered correct or incorrect within the economic units, and creating conditions thus allowing it to obtain greater probabilities of establishing and surviving before a globalized market (Díez, Díez, and Vázquez, 2014).

On the other hand, IT was created due to the lack of order and responsibilities in the XX century organizations, since according to DiMaggio and Powell (1983), companies at that time did not present processes, rules or norms that governed social behavior, or that allowed courses of action to be carried out in the face of diverse situations that could arise in that environment. It should be noted that economic units evolve from certain historical and cultural particularities, thus considered immutable. Institutionalization is perceived as a "process that begins when managers in industries make decisions that implement initiatives in order to develop a strategic management and organizational culture" (DiMaggio and Powell, 1983, p. 149). This is a complex process that requires enough time to mature, settle down and be introduced to the organization. Another aspect to contemplate in IT, considers a changing

environment, where internal and external aspects converge; where there is a need to reestablish their conditions, the main reason for this is the so-called exogenous shocks, considered as the demands of the external environment. Accordingly to the above, economic units enter into a process of isomorphism, understood as a "process in which they force organizations to adapt certain similar elements to that of their competitors, in order to equalize the conditions between them" (DiMaggio and Powell, 1983, p. 149); highlighting three types of isomorphism: coercive, mimetic and normative.

Therefore, it can be said that, faced with the organizational need of the XX century, after the industrial revolution, where there was no responsibility of the company towards consumers and workers, they began to make demands through workers' unions, to establish new and better conditions for workers. Then, the managers of that time, identified such a situation since it was affecting them in a direct way before their interests, and they decided to generate initiatives with the intention of solving this problem, thus creating the CSR. Afterward, the other organizations when identifying what made their direct competition, and observed as such a decision was correct, they adopted elements, standards, rules and/or processes established by their competition, and finally, entered a process of business isomorphism, establishing socially responsible practices in a large number of industries in just a few years; thus having a direct relationship between the isomorphism posed by the IT with the adoption of CSR in organizational processes.

#### Socially responsible capacity

Succeeding to the raised ideas and normativity in the IT, a contribution is generated. It is about how organizations have different faculties and skills which can be used for their development and survival, regardless of their business line, number of employees, or philosophical platform. Companies have certain elements that make them unique, and can play for or against their development; this contribution is known as the Resourced-Based Theory (RBT). It is worth mentioning that the main exponent of the RBT is Barney (1991), who explains that there is the possibility of generating a competitive advantage according to the possibilities and working materials of each one of the existing industries in the market, regardless of their business line or size.

According to the RBT, the main tool to identify those internal and external aspects within the organization is through a SWOT matrix, since it allows to clarify those elements that are beneficial and harmful to the companies, denominated as strengths and weaknesses, belonging to internal factors; on the other hand, the threats and opportunities, belonging to external factors, another point to emphasize, is that this contribution shapes that based on this tool, these economic units can respond to the problems, desires and needs of the current environment (Barney, 1991). In this context, a theory is identified that explains the existence of singularity and individualism in the organizational scope, not only being considered the organization as a business unit, but as an organism that has certain characteristics that allows it to be unique and excel in different aspects, whether social, technological, cultural, among others. The relationship between RBT and CSR is remarkable due there are currently a large number of private or public sector organizations and most of them wish to obtain a distinctive or certificate that reflects the existence of socially responsible attitudes or practices within their business activities, due to the benefits they generate as improved corporate image, attraction of new consumers, increase in consumer loyalty ratings, among others. Then, to achieve this, managers are given the task that their business units meet certain standards, rules or activities, often investing a large amount of resources, financial, human or technological.

According to the RBT, economic units have diverse methodologies and resources to operate (Barney, 1991). Consequently, achieving the social responsibility label of one company will not have the same difficulty for another. For example, the big brands that are recognized, because they have greater quantities of human and technological resources and a fairly regular cash flow, have certain elements that would allow them to have a greater probability of obtaining a social responsibility badge in a very short time; otherwise, a medium-sized or small one, which has short time in the market and does not have a large number of personnel, will take much longer and will have a lot of difficulties if it wants to achieve those objectives, because unlike the large one, this one may have a department in charge of achieving social responsibility issues, while the other with a limited staff of 40 workers, will be mostly occupied by fulfilling their objectives, obligations and responsibilities of their position, which has to do with the main operation.

In conclusion, the RBT demonstrates how organizations based on their singularities, can develop a sustainable competitive advantage; however, competition can identify those elements and cause the phenomenon of isomorphism, explained earlier in the first part of the article. There are now a greater number of socially responsible companies, with standardized processes and higher productivity ratings, generating more competitive and beneficial organizations for the public and private sectors, producing activities that are positive not only for business activity, but also for the interests of society, whether in matters of health, environment, education, etc.

#### **Responsible chaos**

As a result of the RBT contribution, the singularities and individualities of the organizations are explained; hence, another contribution arises, one that tries to explain complex issues that currently cause uncertainty in the organizational sphere and referring to changes in the operation of companies, either due to uncertainty or to the existing chaos in the

markets, innovation issues or trends in the different areas. It is known as Chaos Theory (CT). The foundations of this contribution begin from the decade of the sixties (1960), where it was such an expansion, that this begins to be analyzed in the business approach considering organizational systems as chaotic systems (Pidal, 2009).

It should be noted that, according to Thiétart and Forgues (1995), the word chaos is normally perceived as a "condition in which disorder and confusion are predominant" (p. 28); moreover, the term is regularly used within the physics-mathematics field, under the conception of a "state of unpredictable behavior, where dynamic systems suffer" (p. 20). So whether the chaos, disorder and uncertainty can bring positive or negative results to organizations, it's all going to depend on how management and staff deal with these changes. When companies are handled in a chaotic way, they are in a state of crisis, and that crisis can be used to transcend the limits previously established, with the purpose of improving the processes, products, services, or the structure of the business unit.

The technological changes and advances are more noticeable within a world and an increasingly vertiginous market. According to the CT, the people who are part of these systems have the task and obligation to adapt and respond to such situations (Gallardo, 2002). Relating the CT with the CSR; a great amount of chaos and uncertainty begins in the organizational activity of the XX century, with the industrial revolution and the aspects that were already mentioned throughout the document. There was resistance to such changes, firstly, by the operational staff in the face of the modifications that the directors made in the companies, related to the transformation of traditional organizational systems to those of a bureaucratic base; in addition, the resistance of the directors in the face of the demands and the alterations raised by the operational personnel to modify such system; obviously, there were those who considered that this chaos would be something fleeting and did not intervene.

However, the directors who identified the situation and acted in the presence of this chaos, underwent great transformations that allowed them to improve and gave them access to a greater participation in the market, based on the care of labor, environmental, and social issues; on the other hand, the organizations that presented resistance to the change, little by little were diminishing their structure, their operation, and the employees who were fed up with the mistreatment, began to emigrate to industries that if they cared about them, leading to those that did not know how to handle the chaos, to organizational failure (Carroll, 1999). Today, companies that do not respond to market or trend chaos have very low competitiveness indices, and are easily surpassed by their adversaries. Currently, the main trend is the established green approach due to socially responsible practices, and this even produces chaos, for the reason that those that do not focus on environmental care and consider it something irrelevant, will also be gradually diminished, similar to those economic units that resisted chaos and change in the XX century (Gallardo, 2002).

It is important to mention that those economic units that decide to ignore the reasons to constitute themselves as socially responsible companies will reach a point where their regular operation will affect them, since the green trend is increasingly necessary; consumers and workers of today are influenced by issues of ethical and responsible commitment to guide their decision to buy and even work (Expok Research Group, 2015). Another point to deal with is that governments are increasingly demanding in relation to this issue, which is why a series of regulations have been defined, and not with the purpose of obtaining a distinctive social responsibility, but as elements that today's organizations have to comply with in order to remain in the market; for this reason, company directors have to be aware about their external environment in order to understand and interact with current trends, be prepared to comply with the necessary rules or obligations if they intend to operate competitively.

## Inter-organizational responsibility

Now, the GST of Bertalanffy (1989), determines that the organization is a system, which is positioned on a supra-system, that in addition, this one possesses certain subsystems that allow developing the enterprise operation in an optimal way. If the companies are observed as a system, they have departments that can be considered subsystems that compose the organizational system; however, these systems are immersed in an external environment that is considered a supra-system, a greater system, which would be the society. Now, when having clearer the perspective of the organization based on the systems approach, there is main emphasis in the following theory in the most important subsystem that compose them; the human talent and these are those who play diverse roles within the organization, and that, at the same time, transmit ideas, knowledge and information through networks within this one. To explain this phenomenon or situation within the organizational context, the Interorganizational Relations Theory (IOR) is developed, being its main precursors Evan (1967) and Provan (1995).

Regularly, the investigations that have the objective of studying the interorganizational relations specialize in analyzing the transmission networks of information inside the companies (Provan, 1995). According to Evan (1967), networks are "internal tools, which allow the circulation and transmission of information or resources that are considered significant for the organizational operation" (p. 209); in addition, these networks greatly facilitate participation and information exchange between individuals or departments, generating such benefits as the flow of information and a greater number of connections between people, thus resulting in the achievement of business objectives in a more concrete and direct manner.

On the other hand, this theory establishes certain roles that organizations and individuals play in different scenarios, the latter being called a role orbit. An organizational orbit is described, which explains the configuration of a company or industry, throwing another type of

orbits that determine its structure (Provan, 1995). Applying these elements in CSR issues, economic units are immersed in a large number of activities, operations and so on. Normally, the organization is immersed in the role of company, which simply seeks to generate income to meet the needs of the members of this; however, currently, another role is established, that of a socially responsible company, and the main characteristic of this is the development of practices and initiatives that take care of environmental, social, cultural issues, among others.

Then we talk about how organizations can play different roles within society, as well as their workers. For example, employees are established as players of an operative role within an organization, in addition to playing the role of health promoters, environmental caregivers, safety (CSR issues) and instead, the organizational orbit is characterized by the companies, as well as their structure; the reference organizations would be the direct competition, and the development of socially responsible activities.

#### A green strategy

After establishing inter-organizational networks, the term strategy begins to capture the interest of managers. This concept is related to the author Michael Porter (1981). He is one of the most emblematic in the field, and defines it as "the way in which organizations compete with their environment, taking elements such as objectives, products, marketing, manufacturing, facing the situations that may arise in this" (p. 610). The strategy is considered a tool for innovation companies in terms of product, service and even achieves greater positioning in the market, where business activity is immersed; on the contrary, the strategy takes on singular relevance in the administrative and organizational field, so much so that it has become part of the administrative process implemented by Fayol (1987). The main essence of the strategy belongs to the decision-making process, allowing economic units to develop objectives that establish higher competitiveness indices for business activity.

On the other hand, Porter (1979) raises five dominant forces in the implementation of the strategy within the organization, which are: the threat of entry of new competitors; the power of suppliers; the power of buyers; the threat of substitutes; and rivalry between competitors. It should be noted that those who have the greatest responsibility, at the moment of creating, developing and implementing a strategy, as well as the correct management of the organizations, are the senior managers, who in recent years, have taken certain decisions, which damaged their corporate image, having direct repercussion on their profitability and their competitiveness in the market (Pless, 2007). Such is the case of an automotive company worldwide recognized, the CEO, who was in charge of this, made the decision to use an unethical strategy, as it so modifies more than eleven million units, so that the control panels specified a low emission of pollutant gases, these were detected by an external person and

consequently, the company loses 40% of its value in the market, having the direction to renounce (Solis, 2015).

At present, those who lead organizations are aware of how their decisions can have positive or negative repercussions in various areas, such as health, safety, environment, among others; therefore, managers are mostly concerned with generating strategies that are related to sustainability issues, and that are chained to socially responsible activities in order to generate value for people, and carry out activities to support the current situation in the world. An erroneously implemented strategy, or decisions that are not focused on green issues, can cause the failure of the organization, or the departure of the manager, due to the lack of a green perception (Pless, 2007).

#### Socially responsible development

After talking about the strategy, it should be mentioned how throughout history, the business area has received a lot of changes and modifications, various thinkers have contributed a lot of theories and information that allowed the improvement of structure, processes and operation of industries, where the main resource to achieve this, human capital. Given this situation, a theory is generated that seeks to explain the need for improvement and how to do it in companies, recognized as the Organizational Development Theory (ODT), having repercussions on issues of innovation based on an approach of continuous improvement (Zapata, 2007).

The ODT is generated due to a lack of administrative capacity, both in the area of direction and management. It is identified the need to modify the structures and institutional systems in order to achieve an economic development focused on strategies that would allow the full organizational growth of companies (Bolaños, 2011). Another important aspect of this contribution is that organizations live in a changing environment; therefore, they must present flexible structures, where they can respond quickly to new market trends and demands in order to increase their capacity and competitiveness, breaking traditional business paradigms, promoting initiatives for the development of new and better capabilities (Molina, 2000).

Now, relating the ODT with CSR, there is currently a trend for sustainability and environmental care. It is considered a pressing reality that there is an ethical and socially responsible commitment by the companies, and not only the existence of isomorphism between organizations, but that governments and consumers demand this activity. Today, this is a determinant and often a definitive question to acquire a product or service. One of the important aspects within this theory is that fostering development within the organization is based on three constructs: leadership, organizational learning and organizational culture; curiously, these three elements are directly related to CSR. First of all, it is necessary to clarify which aspects intervene and which activities are developed within this category, the way in which they are carried out and the benefits they generate; in other words, prior knowledge must be generated about this nature if it is to be implemented within economic units; A point to consider is that a socially responsible culture should be promoted in the development of business activities, starting from management and always in benefit of the environmental, social, and cultural issues. Managers should take care of the development of their activities, down to the smallest detail, so that middle and operational managers can understand the importance of this concept, not only within the organization, but also outside, in society.

Finally, Pless (2007) introduces the term of socially responsible leadership, which is the starting point for a large number of activities and benefits. This type of leadership is established because in previous years, a large number of scandals, situations and problems arose in the business environment, not as a result of the operation of the organization, but rather as a result of decisions made by the directors, unethical decisions that affected safety, environmental or cultural issues in society in a certain way. By establishing this type of socially responsible leadership would generate sustainable development to organizations, and therefore, certain benefits to companies and society. The most notable would be that socially responsible principles or issues would be transmitted in a much simpler way, and would become more relevant and would have a greater impact on society; then, managers have the responsibility to care for and promote these activities through their leadership. If this is done correctly, the organization would improve, not only in its structure, but also in its processes and its philosophical platform, conditions that are paramount in the ODT (Molina, 2000).

#### The green trend

Because of what is proposed in the ODT, a large number of ideas, practices and new trends are beginning to be generated. Currently, there are a large number of topics that are extremely relevant for senior managers, including process reengineering, benchmarking, outsourcing, empowerment, among others; nevertheless, sustainability and CSR must be highlighted in this part.

Today, there is an exponential growth of organizations and people. The more these two elements grow, the greater is the need to consume natural resources; hence the generation of polluting waste increases, having a negative impact and developing ecological conflicts (Martinez, 2004). Based on this, a tendency is created among consumers, workers and managers to start taking care of these aspects, since pollution levels around the world are quite high; so, in response to this situation, they have identified the subjects who have the resources and capabilities necessary to solve the problem, including economic units, since they have the income and capital necessary to develop activities and initiatives of a sustainable nature.

It is necessary to point out that the CSR is a trend at the national and also at the global level. For example, a group of researchers called Grupo de Gestión Expok (2015) carried out research on socially responsible issues, demonstrating that 98% knew the term in a representative sample, in addition to identifying its corresponding logo in Mexico; moreover, the interviewees recognized the importance of CSR today and the distinctives granted to companies that carry out such activities and expressed the need to give recognition to these organizations for their activities. Later, in this same research, it is talked about how the consumer is willing to pay a little more than usual, if he or she is sure that the products or services offered, come from a socially responsible company; after this, it is identified that the existing ethics in the economic units are a determinant for the purchase decision, including the work of people and their reputation.

This green trend arises due to the current situation that is lived. According to the World Health Organization (2018), 92% of the people in the world are harmed in their health due to environmental issues, causing almost 12% of deaths around the world due to respiratory problems as a consequence of gases that come from the industrial operation, and more than 6.5 million deaths per year. It is because this situations, people, whether consumers, employees, managers or simply individuals, tend to have a greater concern for environmental conditions, for acquiring certain commitments and ethical obligations with society that allow them to improve their quality of life.

Not only the care of the air has become a trend, also the care and saving of water, cleaning the streets, avoiding chemicals or fertilizers that are harmful to health. Currently, it is the responsibility of both individuals and organizations to care for society. It is very important that the activities and decisions made by the leaders of societies and businesses, since, based on this, the future scenarios of future generations will be raised, which in many cases may be beneficial or harmful to the general population.

### CONCLUSION

In conclusion, history, as well as the documents that are about the various organizational theories, show that the greatest contributions to this area were made during the XX century, at the time of industrialization, although, such contributions were mostly intended for production issues.

Before the industrial revolution, organizations worked in a more flexible way, the employee apparently had greater freedoms and his life was not destined only for the organization. After the first contributions of Taylor, Weber and Fayol, there is a radical change; managers begin to adopt certain systems more rigid, abusing authority and hierarchy, thus

generating discontent and many complaints by operational staff, giving rise to the emergence of new needs and trends in the organizational field.

Throughout history, there have been various criticisms of the previous and current capitalist system; it was a complete abuse of the operator. The bosses or supervisors begin to be called bureaucrats, having deplorable attitudes towards the low positions, demanding from them a great amount of things, as if these were machines and their property. This phenomenon is explained in a more detailed way in the IT, where it is spoken about how the human being is born, lives and dies being part of an organization. Many years pass of not slavery, but of abuses on the part of the high command, besides that when wanting to optimize resources they begin to carry out unethical activities that would have negative results in the long term, like the purchase of raw material in a more economical way and of minor quality.

Then, the first strikes begin, a social and extraordinary phenomenon, people dissatisfied by the treatment or being considered a tool, join the unions that would be considered the salvation for the worker and would be the key that would open new paths. It would allow the negotiation of problems and uncertainty situations in the organization. In the XX century, there were chiefs, supervisors, boards of directors, bureaucrats, among other ways of referring to who was assigned the responsibility of managing the resources of organizations, they identified the situation, they realized that it was time to acquire certain responsibilities, not only in administrative or operational aspects, but more human. Companies begin to modify their structure; to worry about the mental and physical health of the worker; also they try to eliminate systematization or mechanization; the working hours are shorter; workers are given rest spaces; they allow the development of informal work groups; the industry begins to respond for accidents in the work spaces; and the products increase in quality. It begins to promote the well-being of the personnel and the consumer.

CSR is born, and there were organizations that resisted change, there were people who made the decision not to follow the trend of welfare by the operator and the consumer, maintaining a rigid structure, having quite negative results for these economic units. The other workers, upon realizing what was happening in other companies, they begin to perform the same actions, to demand, and when they do not reach a concrete negotiation with the manager, migrate to another; it was considered the most important resource of their development, human talent.

The indications or needs of CSR arise based on the deficient conditions of the companies, since, being in constant search of producing goods and services to generate profits, they establish the phenomenon of mass production. The industry begins to consume large amounts of resources, whether financial, technological and especially natural. Producers began to acquire large quantities of wood, coal, plastic to produce their goods, and when consuming electricity, they produced vast amounts of CO2, pollution rates increased

alarmingly. The consumer identified this situation, it is realized that because the operational activity, the world is affected; therefore, buyers began to acquire products and services that damage very little or nothing to the environment from companies in which they perceived that they were not fomenting harm to society, having a new socially responsible approach.

Today, even when identifying the current situation in sustainability issues, there are organizations that resist change. They intend to continue operating in the same way, where they do not carry out activities or practices that promote social responsibility. Instead of promoting socially responsible thinking or culture that allows activities that benefit society to be developed, these companies have a negative impact on their income and society, while those responding to the new trend benefit from the situation.

Currently, through social networks, people can be informed about a million things, news on the network are in a matter of seconds either on computers or people's Smartphones. The human being is aware of how the situation is at levels of pollution, and no longer only through statistics, but there is a lot of information, photos, videos, hard evidence of how industry and human beings have made erroneous or unethical decisions, thus abusing natural resources and having quite serious repercussions. Similarly, it is curious, as over the years through newspaper ads, advertisements, magazine articles, and even documentaries that talk about environmental news, human beings remain ignorant of such a situation, or it does not take great importance, there are world leaders who believe that global warming and high levels of pollution from companies is a lie, of course, they want to protect their own economic interests.

CSR cannot and should not be taken lightly, as it is a fairly powerful social development tool. It is no longer just about taking care of environmental indicators, although it is the most important point at present on a global scale, as it improves internal issues of a society. Another point to deal with is that social responsibility is not just the task of companies or industry, but in other nonprofit organizations, such as hospitals, churches, communities and even households can develop initiatives that promote the care of these aspects. There are a lot of activities that can be done individually with the intention of improving society, but this is something that all people have to support, not just a few; believe it or not, business organizations have the power to move society forward because they have the resources to make a significant impact.

The participation of the human being is crucial for the current situation in the world; the decisions taken by the current generations are decisive. They will establish the future outlook in the following years; therefore, it must be very clear, that ethical issues and socially responsible leadership can be beneficial not only if you want to achieve business objectives, or have greater market share or greater competitiveness, it is also important to focus on the more human aspects.

In another perspective, companies today have to analyze each of the benefits that CSR can generate for their daily operation. Although the main barrier that this is not implemented within the organizational scope is that most managers consider it more an expense than a long-term investment. It is certain a more than viable strategy towards the development of organizations, as it allows to establish a sustainable future outlook, creating plans that have to do with socially responsible guidelines or practices and analyzing future trends and establishing action plans for future scenarios. Furthermore, CSR not only has to be implemented within the business model of the economic units as something ambiguous, which is only used the term as a cleaner of the corporate image or something that only forces them to perform periodic cleanings in the streets of cities, but it has to be a term that is implemented from the root of the organization, which is part of its culture, that day by day we work in such a way that the sustainability approach is strictly implemented in the activities from the lower to the upper management, and even this type of issues has to be fostered by the upper management. This has to set the example, that socially responsible leadership, and that the sustainable approach is considered not something extra, but part of the essence of the organization.

Another point to emphasize is how big brands have been the main exponents when talking about socially responsible issues. These organizations, having more resources and income than those of small or medium dimensions, are influential or determining when talking about sustainability issues, but it must be analyzed that it is true that these have greater resources to generate this type of activities. If the people who manage the small or medium companies began to carry out activities or meet to share ideas, create projects, they would surely have more transcendental effects than the big brands. This is due to the fact that the number of smaller companies is greater, and therefore, they would have greater possibilities, resources and capacities to develop activities that have a forceful result for society.

There is also the problem that, if entrepreneurs begin to perceive CSR as an expense and not an investment, because normally the leaders of medium or small organizations seek to generate results quickly, it can enter into crisis and cease to be considered as a tool for the sustainable development of society. This is due to the fact that companies in recent years have not adapted CSR in a concrete way within their organizational culture, but have adopted it in a superficial way, in which they only seek to obtain the socially responsible distinction. It is necessary to modify everything related to these practices and stop perceiving them as fulfilling a series of requirements and obtaining a distinctive, it is necessary to generate a model or a regulation that allows these practices to be managed efficiently, and that they can be present from the philosophical platform.

Finally, it should be mentioned that in recent years have generated a large amount of research on sustainability issues or CSR; yet, this type of research is necessary, as each time

new discoveries are made that allow organizations to adopt new trends, which allows them to implement within their business models and get better results, a greater scope that allows them not only to have a distinctive in many cases, but to produce results that are beneficial to society. For example, improve the structures of educational institutions, increase safety units in the regions, decrease pollution rates, among others. CSR is necessary for the sustainable development not only of companies, but also of humanity.

# REFERENCES

Please refer to articles in Spanish Bibliography.

# **BIBLIOGRAPHCIAL ABSTRACT**

Please refer to articles Spanish Biographical abstract.