



**Quakerism, the Forerunner of Modern Corporate Social Responsibility (CSR)**

**Olusoji James GEORGE** (University of Lagos, Akoka Lagos State, Nigeria)

**Adediji Okanlawon** (University of Lagos, Akoka Lagos State, Nigeria)

**Oluwakemi OWOYEMI** (University of Lagos, Akoka Lagos State, Nigeria)

**Citation:** Olusoji James GEORGE, Adediji Okanlawon and Oluwakemi OWOYEMI (2012). Quakerism, the Forerunner of Modern Corporate Social Responsibility (CSR). Journal of Asian Business Strategy, Vol. 2, No.2, pp. 38-43.



## Quakerism, the Forerunner of Modern Corporate Social Responsibility (CSR)

### Abstract

It was widely reported that 4000 Quaker families ran 74 Quaker British Banks as well more than 200 companies and that business ownership came with 'with a deep sense of responsibility and accountability to those involved.' It was further reported that 'The Quaker businesspeople had the concept of truly shared stake holding and corporate responsibility in their blood, and they succeeded'. It was concluded that the nineteenth century Quaker entrepreneurs 'illuminated a different work ethic on a more human scale between master and man.' This was simply because their corporations were 'doing things right' as they considered the welfare of their workers as well as the communities where their businesses were located. It can therefore be concluded that what scholars on CSR, politicians, economists and investors are clamoring for today were achieved through the Quakers businesspeople with little or no effort; they can therefore be regarded as the forerunners of modern corporate social responsibility.

### Author(s)

Olusoji James GEORGE  
University of Lagos, Akoka Lagos State, Nigeria  
Email: [golusoji@unilag.edu.ng](mailto:golusoji@unilag.edu.ng)

Adediji Okanlawon  
University of Lagos, Akoka Lagos State, Nigeria

Oluwakemi OWOYEMI  
University of Lagos, Akoka Lagos State, Nigeria  
Email: [owoyemi@unilag.edu.ng](mailto:owoyemi@unilag.edu.ng)

**Key words:** Corporate social responsibility, quakerism, organisational culture, religion

### Definitions, explanations and the history of the concept of corporate social responsibility (CSR)

Formal writings on the concept of Corporate Social Responsibility (CSR) date back to about sixty years ago; this was when the business communities started to show some concerns about the communities where their businesses were located (Carroll, 1999). It should be pointed out that as far back as 1930's some elements of concerns appeared to have been shown especially by writers such as Barnard (1938); Clark (1939) and Kreps (1940). The modern era of CSR was in the 1950's according to Carroll (1999) when Bowen (1953:44) quoted that the Fortune Magazine asked some business executive about their social responsibilities. He (1953:6) defines CSR as 'the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of actions which are desirable in terms of objectives and values of our societies'; Healds (1970) bought into this definition. This was why Carroll (1999:270) referred to him, Howard Bowen as the 'Father of Corporate Social Responsibility'.

The inadequacies of the 1950's definitions brought about Davis' (1960:70) definition of CSR which is: 'businessmen's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest'. He (1960:70) further suggested that Social Responsibility is a 'nebulous idea' which should be

seen in a managerial context and that some socially responsible business decisions can only be justified by a long and complicated process of reasoning as having a good chance of bringing long-run gain to the firm, thus paying it for its socially responsible outlook. He concluded by bringing forward his 'Iron Law of Responsibility'. Other writers of his era included Frederick (1960), Walton (1967), Davis & Blomstrom (1966) and McGuire (1963:144) who suggested that 'the idea of Social Responsibility supposes that the corporation has not only economic and legal obligations but also certain responsibility to society which extend beyond these obligations'.

The major issue that dominated the 1970 era was the introduction of 'corporate social performance' (Carroll, 1977). Seith (1975:70) distinguished between 'social responsibility' and 'social responsiveness'; social obligation to him is 'corporate behaviour in response to market forces or legal constrain'. He (1975:62) was of the opinion that social responsibility goes beyond social obligation and that 'social responsibility implies bringing corporate behaviour up to a level where it is congruent with the prevailing social norms, values, and expectations of performance'; he (1975) concluded that while social obligation is proscriptive in nature, social responsibility is prescriptive.

The 1980 era was ushered in by Jones (1980:59-60) who suggested that CSR is the 'notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract'. Carroll (1983: 604) added that CSR is 'composed of four parts: economic, legal, ethical and voluntary or philanthropic'. Carroll (1999:284) concluded that the 1980 era witnessed few definitions but more researches with alternative themes. Other notable contributors in the 1980's were: Drucker (1984); Cochran and Wood (1984); Aupperle, Carroll and Hatfield (1985); Epstein (1987) and Wartick and Cochran (1985). Attentions were focused on measurement initiatives as well as theoretical developments in the 1990's up till the beginning of 2000 (Carroll, 1999: 292).

Corporate social responsibility (CSR) according to Amaeshi *et al* (2006) is how and why businesses should put some of their gains to the communities where they are located. If the above explains/defines CSR to do otherwise makes the organization irresponsible which is what this paper sets out to address. Corporate social responsibility according to Carroll (1998), evolved in the 1950s and developed in the 1970s but became well entrenched into the business literature in the 1990s. Bowen (1953: 6) suggested that CSR is the "obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values." The World Business Council for Sustainable Development as quoted by Swanson (2002:1) saw CSR as 'the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life'.

This study will therefore investigate those 'commitment of business' which are expected to 'contribute to sustainable economic development, working with the local community and society at large to improve their quality of life'; which unfortunately the multinational oil companies operating in the Niger Delta Region have knowingly or unknowingly ignored; this is what unfortunately made them to be socially irresponsible. There is no doubt about the fact that business organizations are trying everything possible to balance the conflict of demands from communities, governments, pressure groups and other stakeholders about the role business organizations should play in the economic development of the country as a whole, environmental improvement as well as social development of the communities where they operate (Leonard, 2003). This paper will be grounded on the following CSR theories: Freeman's (1984, 1999) Corporate stakeholding and stakeholder salience, and the doctrines of the Quakers (2003).

## **Methodology: historical and descriptive research**

This study being a historical and descriptive relied on the secondary sources. Secondary data are data collected and recorded by someone else prior to and for purposes other than the current needs of the researcher (Harris, 2001). Secondary data is usually historical and already collected data that does not necessitate access to respondents or subjects (Ember and Levinson, 1991). This source of data collection is becoming very popular in business researches, market survey, facts- findings, model building, and among social scientists generally (Harris, 2001). The major advantage of this source of data collection is in the fact that it is less expensive than the primary source of data collection (Zikmund, 1984).

## **Quakers as forerunners of corporate social responsibility**

Wise (1949) suggested that the city of Birmingham was built by John and George Cadbury (both Quakers) as their Bourneville village influenced the Garden City Movement and the planning post – 2<sup>nd</sup> World War new towns. In 1900, George Cadbury (a Quaker) set up Bournville Trust with about 330 acres of land with spacious houses for workers this is to fight against the poor housing conditions with very bad sanitary facilities (Dellheim, 1987). This had a direct impact on the mortality rates, in 1915 the mortality rate for Birmingham Centre was 187 per 1000 but at Bourneville village it was 47 per 1000 (Anderton, 2004; Bryson and Lowe, 2002). This again was based on the Quaker's principle of equality of all men and women before God, and in line with Swanson, (2002) suggestions. The Corporate Social Responsibility practitioners of today as well as multinational enterprises need to learn a lot from the Quakerism in John and George Cadbury. They used the profit to benefit the community in which they are located as they believed that profits must be used to develop the community.

A look at Freeman's (1984, 1999) Corporate stakeholding and stakeholder theory will justify the point that Quakerism is the forerunners of CSR. According to Freeman (1984:246) stakeholders are "those groups and individuals who can affect, or are affected by the achievement of an organization's purpose." These groups and individuals include shareholders, employees, suppliers, government, competitors, local communities and the environment. The activities of the Cadbury's as regards the building of Birmingham city (as reported above) is a clear indication that the Quakers are forerunners of modern day CSR.

## **Implication for modern day management of CSR**

As mentioned earlier the concept of CSR was popularized in the 1950's, this is to say that before this period businesses were not interested in putting back into the societies where they operated; employers were more interested in

maximizing profits at all cost. The Quaker's on the other hand were interested in maximizing profit but at the same time to put back some of the profit into the societies where they operated. For example John & George Cadbury (both Quaker's) built Bourneville village for their workers and this influenced the development of Birmingham city; this model was used to develop other cities in the United Kingdom. With this business policy, the Quaker's were able to run successful businesses in the 17<sup>th</sup> and 18<sup>th</sup> century and this legacy still remains till today since some of the businesses like Cadbury Worldwide Lloyd Bank and Barclays Bank all in the UK are still waxing stronger. The lesson to be learnt by contemporary businesses is that good CSR will still bring in profit on the long through goodwill and peace from the communities where they are located and the businesses will be better for it. Businesses most therefore impact the communities where they are located positively.

### Conclusion

Contemporary businesses should therefore change their focus from the maximization of profit at all cost to looking after the societies where businesses are located which as stated above will maximize profit on the long run. Apart from profit – making, today's businesses must impact on their societies as the Quaker's did. This is to advocate that businesses should stop looking at 'now' but should focus more on the 'future'; as making profit 'now' and creating problems for the 'future' does not even make strategic sense since businesses are expected to be for life. The Quakers have done this in the past and as mentioned earlier most of their businesses still exist one way or the other or in one form or another after about three or four centuries. Lastly good CSR makes a better business practice and should therefore be embraced by all concerned.

### References and bibliography

Amaeshi, K. M., Adi, B. C. and Ogechie, C. (2006). CSR in Nigeria: Western Mimicry or Indigenous Influences? (Research Paper For International Center for CSR, Nottingham University Business School, Nottingham, UK).

Anderton, T. (2004). A Tale of One City the New Birmingham. Blackwell Publishers

Barnard, C. I. (1938). The Functions of the Executives M. A: Harvard University Press.

Batson, C. D. (1976). Religion as Prosocial: agent or Double Agent? Journal for the Scientific Study of Religion, 15(1): 29-45.

Black, J. A. and Champion, D. J. (1976). Methods and Issues in Social Research. John Wiley & Sons.

Bowen, H. R. (1953). Social Responsibilities of the Businessman. New York: Harper & Row.

Brinton, H. H. (1952). Friends for 300 years: The History and Beliefs of The Society of Friends since George Fox Started the Quaker Movement. Harper.

Bryson, J. R. and Lowe, P. A. (2002). Story-telling and History Construction: Re-reading George Cadbury's Bournville Model Village. Journal of Historical Geography, 28(1): 21-41.

Calvin, J. and Beveridge, H. (2008). Institute of Christian Religion. Blackwell Publishers.

Carroll, A. B. (1999). Corporate Social Responsibility. Business and Society, 38(3): 268-295.

Carroll, A. B. Ed. (1977). Managing Corporate Social Responsibility. Boston: Little Brown

Carroll, A. B. (1979). A Three- Dimensional Conceptual Model of Corporate Social Performance. Academy of Management Review, 4: 497-505.

Carroll, A. B. (1981). Business and Society: Managing Corporate Social Performance. Boston: little Brown

Carroll, A. B. (1983). Corporate Social Responsibility: Will Industry Respond to Cut-backs in Social Program Funding? Vital Speeches of the Day, 49: 604-608.

Carroll, A. B. (1991). The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders. Business Horizons, 34: 39-48.

Carroll, A. B. (1994). Social Issues in Management Research: Experts Views, Analysis and Commentary. Business and Society, 33: 5-29.

Chatman, J. A. and Jehn, K. A. (1994). Assessing the relationship between industry characteristics and organizational culture: How different can you be? Academy of Management Journal, 37(3): 522-554

Clark, J. M. (1939). Social Control of Business. New York: McGraw-Hill.

Cohen, G. A. (1988). History, Labour, and Freedom: Themes from Marx. Oxford University Press.

Cowtow, C. J. (1998). The Use of Secondary Data in Business Ethics. American Journal of Business Ethics, 17(4): 423-434.

Davis, K. (1970, spring). Can Business Afford to Ignore Social Responsibility? California Management Review, 2: 70-76.

Davis, K. and Blomstrom, R. L. (1966) Business and its Environment. New York: McGraw-Hill

Dickens, A. G. (1974). The German Nation and Martin Luther. Hodder Arnold.

Dickens, A. G. (1991). The English reformation. Pennsylvania State University Press

Deal, T. and Kennedy, A. (1988). Corporate Cultures: The Rites and Rituals of Corporate Life. Penguin Books, London.

Dellheim, C. (1987). The Creation of A Company Culture: Cadbury 1861-1931. The American Historical Review, 92(1): 13-44.

Denison, D. R. (1990). Corporate Culture and Organisational Effectiveness. Wiley, New York, NY.

- Dunning, J. H. and Lundan, S. M. (2008) *Multinational Enterprises and the Global Economy*. Edward Elgar Publishing.
- Durkheim, E. (1912). *The Elementary Forms of The Religious Life*. (translated by Joseph Ward Swain), New York: free Press.
- Ember, C. R. and Levinson, D. (1991). *The Substantive Contributions of Worldwide Cross- Cultural Studies Using Secondary Data*. *Behavior Science Research*, 25(1-4): 79-140.
- Fraser, J. and Oppenheim, J. (1997). *What is New about Globalisation*. *The Mckinsey Quarterly* (2).
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman
- Freeman, R. E. (1999). *Response: Divergent stakeholder theory*. *Academy of Management Review*, 24(2): 233-36.
- Freud, S. (1927). *The Future of An Illusion*. London: Hogarth Press.
- Freud, S. (1929). *Civilisation and Its Discontents*. London: Hogarth Press.
- Frederick, W. C. (1960). *The Growing Concern over Business Responsibility*. *California Management Review*, 2: 54-61.
- Frost, A. R. (2000). *Negotiating Culture in Global Environment*. *Journal of Communication Management*, 4(4): 359-377.
- Fry, J. P. (1908). *The Advent of Quakerism*. J. S. Forsaith & Sons, 329, Bethnal Green Road, London.
- Gerhart, B. (2008). *National culture, intracultural variability, and attraction-selectionattrition*. Working Paper, School of Business, University of Wisconsin-Madison.
- Gerhart, B. and Fang, M. (2005). *National culture and human resource management: Assumptions and Evidence*. *International Journal of Human Resource Management*, 16(6): 975-990.
- George, C. H. and George, K. (1961). *The Protestant Mind of the English Reformation, 1570-1640*. Princeton University Press.
- Guiso, L. Sapienza, P. and Zingales, L. (2002). *People's Opium? Religion and Economic Attitudes*. National Bureau of Economic Research (NBER) Working Paper Series (ISSU: 9237).
- Haigh, C. (1993) *English Reformations, Religion, Politics and Society under the Tudors*. Clarendon Press: Oxford.
- Hall, W. (1995). *Managing Cultures: Making Strategic Relationships Work*. John Wiley & Sons, London.
- Harris, H. (2001). *Content Analysis of Secondary Data: A Study of Courage in Managerial Decision Making*”, *Journal of Business Ethics*, 34(3-4): 191-208.
- Harris, J. R. and Todaro, M. P. (1970). *Migration, Unemployment and Development: A Two Sector Analysis*, *The American Economic Review*, 60(1): 126-142.
- Harney, B. and Dundon, T. (2006). *Capturing Complexities: Developing an Integrated Approach to Analysing HRM in SMEs*. *Human Resource Management Journal*, 16(1): 48-73.
- Hansen, N. M. (1963). *The Protestant Ethic as a General Precondition for Economic Development*. *Journal of Economic and Political Science*, 29(4): 462-474.
- Healds, M. (1957). *Management Responsibility to Society: The Growth of An Idea*. Cleveland, OH Case Western Reserve University Press.
- Healds, M. (1970). *The Social Responsibility of Business: Company and Community, 1900-1960*. Cleveland, OH Case Western Reserve University
- Hecht, R. D. and Biondo, V. F. (2010). *Religion in the Practice of Public Life*. Praeger: California, Colorado, Oxford.
- Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions, and organizations across nations (2nd ed.)*. Thousand Oaks, CA: Sage Publications.
- Hopf, H. A. (1944). *Education for Management, New Perspectives in Management (New York: Electric Company, 1953): 121*. Reprinted from Hopf's original article in *The Spectator*, CLI, 11(6-10): 51-54.
- Hobsbawm, E. J. (1961). *The Long Revolution*. London
- Hornsby, J. S. and Kurato, D. E. (1990). *Human Resource Management in Small Business: Critical Issues for the 1990's*. *Journal of Business Management*, 28(3): 9-18.
- Ivy, R. L. (1997). *Entrepreneurial Strategies and Problems in Post – Communist Europe: A Survey of SME's in Slovakia*. *Journal of Small Business Management*, 35(3): 497-521.
- Idowu, S. O. (2011). *An Exploratory Study of the Historical Landscape of Corporate Social Responsibility (CSR) in the U. K. Corporate Governance*, 11(2): 149-160.
- Johns, G. (2006). *The essential impact of context on organizational behavior*. *Academy of Management Review*, 31(2): 386-408.
- Kaplan, A. (1964). *The Conduct of Inquiry*. Chandler, San Francisco.
- Katz, J. A., Aldrich, H. E., Welbourne, T. M. and Williams, P.M. (2000). *Human Resource Management and SMEs: Towards a New Synthesis*. *Entrepreneurship: Theory and Practice*, 25(1): 7-10.
- Kayanula, D. and Quartey, P. (2000). *The Policy Environment for the Promoting of Small and Medium-Sized Enterprises in Ghana and Malawi, Finance and Development Programme*. Working Paper Series, 15, IDPM, University of Manchester.
- Kinderberger, C. P. (1986) *The World Depression, 1929-1939*. University of California Press.
- Kinderberger, C. P. (1967). *Europ's Post War Growth: The Role of Supply of Labour*. Harvard University Press.

- Kreps, T. J. (1940). Measurement of Social Performance of Business. In An Investigation of Economic Power for the Temporary Economic Committee (Monograph No.7). Washington D.C.: US Government Printing Press.
- Lau, C. M. and Ngo, H. Y. (1996). One Country, many Cultures: Organisational Cultures of Different Country Origins. *International Business Review*, 5(5): 469-86.
- La Porta, Rafael, Florencio Lopez-de-Silanes, Andrei Shleifer, and Robert W. Vishny (1997). Trust in large organizations *American Economic Review*, 87(2): 333-338.
- La Porta, Rafael, Florencio Lopez-de-Silanes, Andrei Shleifer, and Robert W. Vishny (1999). The Quality of Government. *Journal of Law Economics & Organization*, 15(1): 222-79.
- Landes, David (1998). *The Wealth and Poverty of Nations*. London: Little, Brown, and Company.
- Lebowitz, M. A. (1992). *Beyond Capital: Marx's Political Economy of The Working Class*. Macmillan.
- Leonard, D. (2003). Corporate Social Responsibility. *Journal of Quality Progress*, <http://charlesrivercentre.com/brochures/CSR-20080421-NC.pdf>. Accessed on March 19 2011.
- Lessnoff, M. H. (1994). *The Spirit of Capitalism and the Protestant Ethic: An Enquiry into the Weber Thesis*. Aldershot, Edward Elgar.
- Lee, N. H. and Rondinelli, D. A. (1993). Small Business Development and Economic Transformation in Vietnam. *Journal of Asian Business*, 9(4): 1-23.
- Lloyd, A. (1950). *Quaker Social History, 1669-1738*. Longmans Green.
- Luther, M. and Dillenberger, J. (1961). *Martin Luther, Selections from his Writings*. Anchor Books.
- Lyddon, D. and Smith, P. (1996). Editorial: Industrial Relations and History. *Historical Studies in Industrial Relations*, 1: 1-10.
- Marx, K. (1955). *Selected Works*, prepared by Mar-Engels – Lenin Institute.
- Moscow, Under editorship of V. Adoratsky .Marx, K. (1858). *Grundrisse* translated by Nicholas, M. (1973) (Harmondsworth :Penguin).
- Marx, K. (1844). *Contribution to the Critique of Hegel's Philosophy of Law*. Published in the *Deutsch Französische Jahrbücher*.
- McGruire, J. W. (1963). *Business and Society*: New York: McGraw-Hill.
- Mill, J. S. (1861). *Utilitarianism*. Blackwell Publishers.
- Milton, A. (2000). *Catholic and Reformation: The Roman and Protestant Thought*. Cambridge University Press.
- Mintzberg, H. (1989). *Mintzberg on Management: Inside Our Strange World of Organisations*. Free Press, New York , NY.
- Morch, R. (2005). *History of Corporate Around the World: Family Business Group*. University of Chicago Press.
- Navaretti, G. B., Veneables, A. and Barry, F. (2004). *Multinational Firms in the World Economy*. Princeton University Press.
- Nguyen, T. V. and Bryant, S. E. (2004). A Study of the Formality of Human Resource Management Practices in Small and Medium-sized Enterprises in Vietnam. *International Small Business Journal*, 22(6): 595-618.
- O' Reilly, C. A. (1989). *Winning Through Innovation*. in Tushman, M. (Ed.) *Readings in the Management of Innovation*, Pitman, Boston, M. A.
- Peter, T. and Waterman, D. R. (1982). *In Search of Excellence: Lessons from America's Best Run Companies*. Harper Collins, London and New York.
- Postone, M. (1996). *Time, Labor and Social Domination: A Reinterpretation of Marx's Critical Theory*. Cambridge University Press.
- Porter, M. E. (1990). *The Competitive Advantage of Nations*. Macmillan, London.
- Seith, S. P. (1975). *Dimensions of Corporate Social Performance: An Analytical Framework*. *California Management Review*, 17: 58-64.
- Shields, M. D. (1995). An Empirical Analysis of Firms' Implementation Experiences with Activity-Based Costing. *Journal of Management Accounting Review*, 3(10): 210-241.
- Spitz, L. W. (1985). *The Protestant Reformation: 1517-1559*. Harpercollins. Putnam, Robert, 1993, *Making Democracy Work. Civic Traditions in Modern Italy*, Princeton, Princeton University Press.
- Smith, A. (1776). *The Wealth of Nations*. Penguin Publishers.
- Stulz, Renee and Rohan Williamson (2001). *Culture, Openness and Finance*. NBER working paper 8222.
- Swanson, P. (2002). *Corporate Social Responsibility and the Oil Sector. Text of speech made to Conference Energy: New Era, New Governance*” Royal Institute of International Affairs London, 18 March 2002
- Tansky, J. W. and Heneman, R. (2004). Introduction to the Special Issue on Human Resource in SMEs. *Human Resource Management*, 42(2): 299-402.
- Wagner, G. (1987). *The Chocolate Conscience*. Chatto & Windus.
- Walton, C. C. (1967). *Corporate Social Responsibilities*. Belmont, CA : Wadsworth.
- Wallace, D. D. (1982). *Puritans and Predestination of Grace in English Protestant Theology, 1525-1695*. The University of North Carolina Press.
- Weber, M. (1905). *The Protestant Ethic and The Spirit of Capitalism*. Charles Scribner's Sons, New York.
- Wiener, M. J. (1981). *English Culture and the Decline of the Industrial Spirit, 1850-1980*. Cambridge University Press.
- Wise, M. J. (1949). *Birmingham and its Trade Relations in the Early Eighteenth Century*. The University of

- Birmingham Historical Journal (January – December Issue)
- Whiting, R. J. (1964). Historical Search in Human Relations. *Academy of Management Journal*, 7(1): 45-53.
- Wright, L. M. (1950). *Quaker Social History, 1669- 1738*. Longmans Green.
- Zikmund, Z. (1984). Symmetry of domain pairs and domain twins. *Journal of Physics*, 34(9): 32-49