**CORPORATE SOCIAL ACCOUNTABILITY THROUGH ACTION: CONTEMPORARY INSIGHTS FROM BRITISH INDUSTRIAL PIONEERS**

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**ABSTRACT**

Corporate social and environmental responsibility has become a major contemporary focus of business, government and community attention globally. With this increased attention and activity have come debates ranging across corporate authenticity, legislative necessity, and the scope of appropriate strategies. Through an historical analysis of four leading British industrialists of the 19th and early 20th centuries, this paper addresses the question of how corporate social accountability can be shaped and implemented by industrial leaders. It finds that while they may be motivated by a mix of business case agendas and their personal philosophical and religious beliefs, their accountability orientation reflects the latter. Social accountability in these cases, emerges as accountability rendered through action, reflecting organisational leaders’ moral responsibility and their connecting their personal beliefs with action for the common good. In the light of parallels between historical and contemporary global industrial environments, the study identifies resonances between historical and contemporary corporate leader social responsibility values, initiatives and accountabilities through action. This opens up the possibility of a more nuanced understanding of motivations for and manifestations of corporate social responsibility and accountability.

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**INTRODUCTION**

Corporate social responsibility (CSR) has been an issue of increasing attention and importance in the accounting and management literatures since the early 1970s. As is often the case with such developments, advocates and critics alike have debated the rationales underpinning key stakeholders’ attitudes and degrees of engagement. Much has been made of the ‘business case’ for adopting and reporting CSR strategies, with corporate critics pointing to the ‘capture’ of the social and environmental responsibility agenda by the corporate sector. This study is prompted by the underlying question of whether there are earlier historical precedents for CSR and related accountability practices and the underlying drivers. This paper therefore investigates four historical cases of CSR practice by British industrial company leaders of the 19th century. The overall aim is to explicate their primary underlying CSR practice rationales and the forms of CSR and accountability practices they pursued.

The study employs an historical analysis of published business and management history research into early British industrial experiments in building ‘model’ factories and villages along with their associated employee and community welfare development strategies. Four particular individuals have been selected as cases of high profile industrialists of their day who became renowned for their industrial CSR and philanthropic initiatives and experiments. These were Robert Owen, Titus Salt, George Cadbury and William Hesketh Lever. Their profiles, corporate histories, and CSR strategies are analysed against the background historical context of the industrial and social conditions of their day with a view to eliciting both the CSR dimensions of their factory and village innovations and unpacking both their business motivations and deeper personal and social philosophies.

These four industrial CSR leaders have been selected for study from among a coterie of past British leaders including Jeremiah Colman, Jesse Boot, Joseph and Benjamin Seebhom Rowntree and Hans Renold. Owen, Salt, Cadbury and Lever are the focus of this paper due to their respective high public profiles and significant levels of CSR activities, their work that collectively spans a period from the late 18th to early 20th centuries, their public advocacy of many of the values and innovations they promoted, the continuing physical existence of their industrial and related village sites, and the considerable volume of business and industrial history publications concerning their lives and work.

At this point it is important to recognise that CSR was not a concept or term employed in the historical lifetimes of these four industrialists. Nonetheless their social programmes, covering both employees and surrounding communities, anticipated philosophies and strategies labelled as CSR today. Owen, Salt, Cadbury and Lever are specifically recognised as forerunners of contemporary CSR by contemporary research studies such as Smith (2003), Idowu (2011) and Caulfield (2013). This study adopts Fleischman and Tyson’s (1997) justification for employing contemporary language and concepts to represent historical beliefs and practices, thereby enhancing our understanding of the past through presentist eyes. Despite debate over this amongst some accounting historians, Parker (2004) argues for a historiographic intersection and overlap between concepts of past and present that can illuminate subjects of historical and contemporary occurrence. Thus the terminology of CSR is applied to the historical account presented in this study.

The analysis offered in this study is informed by theorisations of accountability that address the role of organisational actors who challenge institutional norms in seeking to exercise a responsibility for the common good. It follows Sinclair’s (1995) call to pay attention to corporate leaders’ internalisation and exercising of moral responsibility and accountability. This requires attention to their personal identity, sense of moral responsibility, and their mode of rendering an account, not only through discourse but through action (Sinclair, 1995; Messner, 2009; Cho et al, 2012). As Archel et al (2011) argue, actors do not exist in a vacuum, but are often defined by their institutional environment rather than by broader social movements, and may move to challenge their institutional environment’s conventional wisdom. Of course Malsch (2013) warns of the risk that despite best intentions towards communal interests, such actors can fall prey to market self-interest. Nonetheless, as Schweiker (1993) has argued, an actor’s rendering an account has moral dimensions including moral claims and emerging moral identities that arise through that process of discourse that in turn shapes attitudes and actions towards the common good. Thus accountability can be conceived as a morally sourced responsibility for building relationships with others: with community (Shearer, 2002; Messner, 2009). So organisational leaders can be conceived as moral agents answerable to ‘canons of social responsibility’ (Schweiker, 1993, p.236), responsible for others and for each other (Roberts, 2009). Their identity emerges in the process of giving an account of themselves and their actions (Schweiker, 1993).

This study conceives the exercise of social responsibility and accountability as not confined to formal reports or discourses, but to the observable actions of corporate actors; in this case four leading historical industrial pioneers and philanthropists. Given the overall aim of the study as outlined above, and the accountability focus just articulated, the following central question is addressed. How was corporate social accountability shaped and enacted by pioneering industrial philanthropists? It further explores how the practice and potential for corporate leader’s rendering of social accountability may be enacted in the contemporary corporate environment.

The paper begins with a discussion of the definition of contemporary CSR and philanthropy and their relationship such strategies and practices historically. It then presents a theoretical framing of the study from the perspective of accountability rendered through action, augmented by Christian concepts of moral responsibility and accountability that informed the pioneering industrialists’ beliefs. This is followed by a summary of the contemporary ‘business case’ motivation for CSR involvement and a discussion of contemporary literature on ethical values motivations for CSR. Subsequently the profile of each industrialist, his organisation and their surrounding industrial environment, are portrayed. The four historical case study organisations are then examined through their social responsibility strategies, their model factories and villages, their leaders’ social responsibility visions, the industrialists who emulated them and their approaches to education and philanthropy. Evidence for any business case or scientific management motivations is reviewed, and then the deeper level beliefs and philosophies of these four pioneering philanthropists are investigated. This leads on to a discussion of parallels between their historical environment and the contemporary business environment and on this basis canvasses potential implications for corporate social accountability today.

**BUSINESS LEADER SOCIAL RESPONSIBILITY: YESTERDAY AND TODAY**

This study draws upon Schwartz and Carroll’s (2003) CSR model: a development from Carroll’s (1991, 1999) CSR pyramid and definitional construct, conceptualising CSR as three intersecting sets of economic, legal and ethical responsibilities. This study also embraces Geva’s (2008) conceptual model of CSR that extrapolates from Schwartz and Carroll’s (2003) conceptualisation. Geva defines economic responsibility in terms of pursing the good of society rather than purely the economic good of the organisation itself. Further, Geva defines non-economic responsibilities as permeating and embracing the economic responsibility. Both Schwartz and Carroll’s (2003) and Geva’s (2008) models embrace philanthropy within their conceptualisations of CSR. Schwartz and Carroll’s (2003) model subsumes the philanthropic category under ethical and/or economic responsibilities, arguing that it is ethically driven because it is expected by society or is pursued as part of economic responsibility. Geva’s (2008) CSR model treats philanthropy as an integral part of CSR and defines it not simply as corporate contributions to other entities but as the employment of corporate competencies to solve significant social problems. This incorporation of philanthropy within the concept of CSR has also been reflected in the definitional positions taken by other researchers such as Wan-Jan (2006) and Matten and Moon (2008).

Based on the above CSR conceptualisations, this study focusses upon the beliefs and CSR practices of four historical industrial leaders and their reflection in the actions of contemporary business leaders of their day and those who followed, including business organisation leaders from large corporate to small enterprise. Their circumstances vary from being owner-managers to CEOs of stockholder owned corporations. In the case of this study’s four industrial CSR pioneers, Owen was a co-owner of his mill with other financial partners, but Salt, Cadbury and Lever were dominant owners and CEOs of their companies. Their personal and corporate CSR strategies and actions fall within the conceptual modelling definitions of CSR by both Schwartz and Carroll (2003) and Geva (2008). Those strategies and actions went well beyond charitable donations to other entities, and also embraced the full spectrum of organisational, employee welfare and community development programs. For each one of them, their CSR philosophy, commitment, and strategy will be shown in this paper to involve strong social accountability drivers. Even where it might be argued they had unrestricted freedom to do and spend as they chose, they saw themselves as accountable to their God and faith community, to their family, to the loyalty of their employees and to their wider community. In circumstances where CEOs have stockholders to satisfy, this paper will outline examples of contemporary corporations where CEOs have embedded CSR concepts into their organisational missions, objectives and programs of action.

It must also be recognised, as Campbell (2007) points out, that activities considered to meet a definition of CSR, change historically over time. During the industrial revolution, factory labour hours reductions may have qualified as CSR innovations, but not in terms of standard factory labour hours in developed countries today. Dahlsrud (2006) analysed 37 definitions of CSR, sourced from the research literature, the Commission of the European Communities, World Business Council for Sustainable Development, International Business Leaders Forum, Ethics in Action Awards, and the UK Government response to the European Commission green paper on CSR. His content analysis finds the definitions largely congruent. Elements of these relate to the CSR roles observed in industrial leaders portrayed in this paper. Such elements are listed in Table 1. These CSR definitions all embrace and allow for a CSR philosophy and program directly inspired and led by both large and small enterprise owner managers. Based on the above conceptual foundations, this study examines the philosophies and actions of these four British Industrial pioneers and elicits implications for CSR motivations and practices today. This is pursued through a theoretical framing of accountability that will now be outlined.

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**FRAMING ACCOUNTABILITY**

This study is framed within a theoretical accountability discourse that has emerged in the accounting literature, and particularly in the pages of this journal, since the early 1990s. Relevant to this study’s focus is a concern to examine key organisational actors who develop and transmit their conceptions of morality and responsibility, reflecting and transforming their institutional context with a view to contributing to the common good (Sinclair, 1995). This orientation recognises that their institutional environment may reveal much about their predispositions and help explain their approaches to challenging conventional wisdom (Archel et al, 2011). Thus while much of the accountability and social responsibility literatures have focussed upon the rights of stakeholders and forms of disclosure, there is also a need to examine organisational leaders and their identities, their sense of responsibility and modes of rendering an account of their actions, be that discourse and or observable actions themselves (Sinclair, 1995; Messner, 2009; Cho et al, 2012). Their rendering accountability intrinsically involves their own morality and moral claims and draws them into building their relationships with the community around them (Schweiker, 1993; Shearer, 2002; Messner, 2009).

**An Individual Perspective**

Roberts (1991) has theorised the notion of individualised accountability whereby the accountor attempts to stand outside themselves in order to understand how they may be seen and to try to anticipate the expectations of others. As Messner (2009) explains however, accountability goes beyond self-justification of actions by an accountor, to embrace a constitutive relationship with others that exceeds any formal contract. Again, this suggests opportunities for our recognising and reflecting upon business leader personal orientations and actions. At the same time, Shearer (2002) and Messner (2009) have argued for the broadening of corporate accountability content beyond the purely economic and financial, to embrace the social, based on the accountor’s focus upon the other rather than upon themselves. This admits the responsibility for being in relationship with and accountable to the community: a community centred approach (Shearer, 2002; Brown and Fraser, 2006; Shenkin and Coulson, 2007; Jayasinghe et al, 2009). As Sinclair’s (1995) study of CEOs found, accountability related to the *person* occupying a position of leadership responsibility. She therefore argued that we should be concerned with how leaders internalise and experience their sense of responsibility and accountability. Hence business leaders’ personal accountability includes conformity with personal conscience and a respect for others and their human dignity. This she argues may be reinforced by an organisational culture in which such responsibility and accountability becomes a ‘way of being’ (Sinclair, 1995, p. 231). Such arguments amply justify this study’s examination of these historical industrialists’ CSR leadership and salient motives. To this end, the study pays particular attention to the sense of moral and social responsibility that they each exhibited.

**Moral and Social Responsibility**

A number of researchers have also recognised the importance and potential role of moral responsibility that may be felt by the accountor. The belief that business has moral responsibilities, even if subject to definitional debate, can prompt an acceptance amongst some business leaders that they have a moral responsibility to be accountable to their local and wider community (Frederick, 1994; Unerman and O’Dwyer, 2007). As Shearer (2002) argues, such a moral responsibility impelled sense of accountability expands the ethical person’s understanding of what constitutes accountability, embracing a scope that goes beyond the constrained economic focus (Andrew, 2007). Gallhofer and Haslam (1993) draw on the English philosopher Jeremy Bentham to suggest the governance of a corporate body on the basis of moral principles that extend to employee remuneration and working conditions, equal opportunity, consumer protection and the protection of the ecological environment. As Messner (2009, p.919) puts it, in this respect the rendering of accountability “contributes significantly to our self-understanding as morally responsible subjects”. Roberts (2009) sees this morally sourced accountability as an ethic of encounter between accountor and accountees where the accountor feels and tries to implement their perceived responsibility towards the other. Amongst other implications of this, he points to the potential for a moral sensibility that is open to the assignation of responsibility (Roberts, 2003) and “a more compassionate form of accountability which expresses and enacts our responsibility for others, and for each other, rather than just for myself” (Roberts, 2009, p. 967). Such a moral accountability perspective offers a useful lens through which to reflect upon the CSR and related social accountability strategies employed by the industrialists in this study. While their business case motivations are also subject to scrutiny, the moral accountability dimension permits an equivalent consideration of their religious and philosophical motivations.

Shearer’s (2002) envisaging corporate accountability going beyond the financial and economic focus has also been echoed by Sinclair (1995) and Messner’s (2009) advocacy of public accountability through the accountor’s public accountability to groups outside the organisation. This principle of public accountability was central to Bentham’s (Gallhofer and Haslam, 1993) concern to render an account in the public domain so as to exceed accountability solely to owners and extend to discharging the accountor’s duty to humanity. Such a public accountability focus serves a social accountability agenda of broadening corporate accountability beyond the financial concerns of stockholders. It also arguably facilitates the pursuit of social acknowledgement of the effects of the accountors’ actions and their potential for their effecting social change (Roberts, 1991; Brown and Fraser, 2006; Shenkin and Coulson, 2007). Sinclair (1995) points to the changing conceptions of accountability ranging across financial, political, constitutional and ethical, being continually shaped and reshaped by changing social aspirations and norms. This aligns with Campbell’s (2007) argument for historically changing conceptions of CSR over time and equally applies to broadening concepts and manifestations of corporate social accountability. Relevant to the industrialists examined in this study, is a further dimension of accountability; namely accountability through action.

**Accountability Through Action**

The notion of action as a key element of rendering accountability has been taken up by Oakes and Young (2008) whose historical study of a Chicago non-profit organisation in the late 19th and early 20th centuries revealed a more personal encounter form of accountability than today’s dominant focus on formal, bureaucratised, more distant relationship forms. Accountability in their research became executed through personal reciprocity between accountor and accountees in which friendship, love and care were expressed through specific and contextualised moral action. Drawing on Benhabib’s (1987) work, accountability is presented as executable through addressing both individual and generalised needs of groups of people ranging from immigrants, to sweatshop workers to the poor (Oakes and Young, 2008). Thus through these arguments for public, personal and action based accountability, we are presented with an alternative approach to recognising and pursuing the discharge of CSR and accountability that goes beyond traditional formal reports, instead embracing public actions that discharge CSR and exhibit corporate social accountability. Such an approach will also be revealed in the four industrialist cases examined in this study.

As Sinclair (1995) puts it, accountability not only encompasses holding accountors to account but requires accountors to develop *ways* of rendering an account. Gray (2002) rightly accuses social accountants of being focussed upon the formal rather than informal rendering of accounts. They therefore risk ignoring a wider set of possible means of implementing corporate social accountability. In this respect, as Messner (2009) emphasises, the ethics of accountability must be concerned not only with *what* is rendered accountable but with *how* accountability is rendered. Observable actions may offer a hitherto ignored means of rendering accountability since as accountors we are all limited in our ability to wholly know ourselves and in our ability to narrate a complete story (Butler, 2001; Messner, 2009). Rendering accountability through actions might be seen as a normal part of day to day conduct (Giddens, 1979; Roberts and Scapens, 1985) as accountors take responsibility for themselves and express it through organisational mission and individual action (Fry, 1995; Ebrahim, 2005). Such accountability actions may be conditioned by the accountor’s personal conscience and moral sensibility, and indeed by their personal philosophies and religious beliefs, as for instance found by Jayasinghe et al (2009).

In exploring alternative pathways to business leader renditions of corporate social accountability, surveillance of their publicly observable social actions may offer hitherto unappreciated insights into their societal accountability relationships. This opportunity is presented in this study’s examination of its industrial pioneers’ practices. Of course a focus on such action-based social accountability rendering by business leaders nonetheless has its limitations, for example given their ability to exercise their dominant hierachical and economic power to render a self-serving and self-interested account (Shearer, 2002; Ebrahim, 2005). Their corporate social accountability may also be limited by its predisposition to satisfy the requirements of select dominant stakeholders (Oakes and Young, 2008), by their view of their accountability being mediated by the social norms of their era and industry (Messner, 2009), or by a desire to offset what they know to be poor social performance on their part (Cho et al, 2012). This latter point has been evidenced in a study of contemporary corporate environmental disclosures conducted by Cho et al (2012) where the title of their paper “Do actions speak louder than words?” again suggests the possibility of rendering more revealing corporate social accountability through observation of publicly observable corporate actions. In examining the published evidence regarding Owen, Salt, Cadbury and Lever’s model factory and village and employee/community education and welfare programs, this study engages with these concepts of personal moral social accountability in action. Understanding the exercising of social accountability through action by these industrial philanthropists also involves consideration of their action-inducing beliefs. Beliefs and actions may be intrinsically interrelated and so it is to the core beliefs of these industrial philanthropists that our attention now turns.

**Action, Faith and Good Works**

Each of these philanthropist’s action-based expressions of accountability was arguably motivated by a strong sense of religious belief and commitment. While Owen began as a Methodist but later became a spiritualist, Cadbury was a lifetime Quaker, and Salt and Lever were lifetime Congregationalists. Their underlying Christian philosophies concerning faith, actions and accountability offer further potential insights into their CSR actions and social accountability orientations. First, their beliefs impelled them to focus upon their accountability to God and to their fellow human beings. This is often represented by the term the ‘stewardship’ of their talents, time, and resources and how they conducted their business that their faith required them to owe to God (Werner, 2008). Theirs was a belief in their conscience and their ‘heart’ being totally open to God’s view and judgement (Ogden, 1972). Their custodianship over resources was seen to be granted by God and with that privilege, their faith required them to show care for the poor, humanity, and their environment around them, and to employ the resources at their command as a blessing to be enjoyed and shared with others (Kreander et al, 2004). Thus God is the priority stakeholder to whom the believer relates. Self-sacrifice and responsibility for others is at the heart of this belief and sense of personal accountability (Carney, 1973). Such an orientation is clearly reflected in such Biblical texts as:

Nothing in all creation is hidden from God’s sight. Everything is uncovered and laid bare before the eyes of him to whom we must give account.

Hebrews 4:13

New International Version (NIV)

So then, each of us will give an account of ourselves to God.

Romans 14: 17 (NIV)

For the Christian, faith and the undertaking of ‘good works’ for the benefit of others has been a fundamental article of belief which also underpinned these industrialists’ orientation towards CSR actions. Faith without good works was seen to be unjustified (Zaret, 1992). Hence the notion of actions that outworked one’s faith in delivering service for the good of God’s kingdom and to the benefit of others was held out to be a pathway to God’s approval and a pre-requisite to being saved at final judgement. For the believing Christian, faith and good works were therefore inextricably interlinked (Hamann, 1975; Nichol, 1975; Jenkins, 2002; Schreiner, 2004). The following Biblical text examples illustrate this faith and actions remit, emphasising that the Christian will be held accountable to God by their actions.

What good is it, my brothers and sisters, if someone claims to have faith but has no deeds? Can such faith save them? Suppose a brother or a sister is without clothes and daily food. If one of you says to them, “Go in peace; keep warm and well fed,” but does nothing about their physical needs, what good is it? In the same way, faith by itself, if it is not accompanied by action, is dead.

James 2: 14-17 (NIV)

Of further relevance to these industrialists’ CSR and social accountability orientations was the Christian responsibility to avoid drawing attention to their piety and good works or self-aggrandising their charitable actions towards others. The failure to adhere to this requirement risked their losing God’s approval and reward in heaven (Filson, 1977; Plant, 2004). This was seen to be crucial to limiting a believer’s self-estimation and maintaining the priority of God’s view of their actions over the perceptions of others (Harrington, 1991; Hagner, 1993). Thus for the Christian believer, humility and avoidance of self-seeking publicity for their good works went hand in hand with prioritising their accountability to God as well as to those people they sought to serve and assist. For the industrialists in this study, Christian social action was not an option and was to be conducted quietly. For them it was an article of faith. These principles are amply illustrated in such Biblical texts as:

Be careful not to practice your righteousness in front of others to be seen by them.

……….when you give to the needy, do not let your left hand know what your right hand is doing, so that your giving may be in secret. Then your Father, who sees what is done in secret, will reward you.

Matthew 6: 1, 3-4 (NIV)

For by the grace given me I say to every one of you: Do not think of yourself more highly than you ought, but rather think of yourself with sober judgment, in accordance with the faith God has distributed to each of you.

Romans 12: 13 (NIV)

What is particularly notable with respect to these Christian concepts of faith, actions and accountability, is that the linkage drawn between faith and good works connects a faith-based sense of social responsibility to an orientation to rendering accountability through action. For these Christian adherent industrial leaders, the religious beliefs did not allow a faith without works option. The two ideas were indissolubly joined. Thus a predisposition to action based corporate social accountability owed much to the religious principles to which they were wedded. Before proceeding to consider these historical cases and their contemporary implications, this analysis now turns to the much discussed social responsibility driver in today’s corporations: the business case.

**INTERPRETING THE CONTEMPORARY BUSINESS CASE**

The pursuit of socially and environmentally responsible strategies has increasingly been advocated as making good business sense as well as making positive contributions to society and environment. This notion has been promulgated primarily in the managerialist literature under the banners of ‘the business case’ and ‘corporate strategic philanthropy’. However many longer term CSR objectives are incompatible with shorter term corporate financial objectives, so that CSR strategies may be jettisoned whenever they imperil financial objectives (Lertzman and Vredenburg, 2005; Unerman and O’Dwyer, 2007)

It has been argued that organisations demonstrating socially responsible practices can offer distinctive competitive advantages, enhance corporate reputation, advance market position, and improve employee motivation and productivity (Brammer and Millington, 2005). Potential corporate CSR benefits may accrue in the forms of lower labour costs and related health and safety costs, improved operating processes and related cost savings, plus better premium rates from insurers and lenders (Azapagic, 2004). Thus the business case seeks operational and financial returns from investments in CSR strategies, building intellectual, social and reputational capital (Brammer and Millington, 2005: Day and Arnold, 1998.). Enhancing corporate CSR reputation is argued to assist in justifying the charging of premium prices for corporate products and services, improving corporate access to capital markets and maintaining customer loyalty and investor approval (Bronn and Vrioni, 2001). Boatright (2009) argues that most contemporary business executives have now accepted that it is to their companies’ advantage to respond to government, employee, consumer and community pressure to adopt CSR. This simply reflects their economic rationalist response to a market for virtue, maximising economic and social returns (Dyllick and Hockerts, 2002).

Associated with the business case for CSR has been the promotion of corporate citizenship which focusses upon CSR strategies and programs that best match and capitalise upon the organisation’s distinctive core competencies and competitive advantage, aiming to simultaneously meet societal expectations while enhancing corporate profile, brand and profitability (Lawrence and Weber, 2007; Boatright, 2009). This can include social investments, cause-related marketing, non-profit organisation partnerships and more (Garriga and Melé, 2004). As Windsor (2006) argues, it is an attempt to navigate between the economic and ethical approaches to CSR. The corporate motivation remains a business case of instrumentally managing stakeholders for marketplace success (Berman et al, 1999). Allied to corporate citizenship, corporate strategic philanthropy employs a corporation’s key competencies and major resources to address social and environmental issues that best align with the corporation’s objectives and market profile. It deliberately aims corporate donations of money, resources, expertise, staff time etc. at assisting societal and environmental needs aligned with the organisation’s self-interest and financial returns, enhancing corporate image, reputation, goodwill, product and service awareness, consumer loyalty and ultimately corporate profits (Hess et al, 2002; McAlister and Ferrell, 2002; Wulfson, 2001). Thus corporate philanthropy has increasingly become an important professionalised and organised arm of corporations’ global marketing and relationship building strategies (Hemphill, 2004; Sanchez, 2000).

While trying to build their social relationships and legitimacy, corporations face considerable suspicion and scepticism from the general public, local communities, NGOs[[1]](#footnote-1) and many governments. Self-interested corporate strategic philanthropy can fall short of the altruistic philanthropic ideal, reducing the overall value to community and society (Porter and Kramer, 2002; Saiia et al, 2003). Thus Haley (1991) sees corporate philanthropy as a masque in which corporate management portrays favourable self-images. Critics therefore warn of the capture of the CSR agenda by corporations, reinterpreting and refocussing CSR to be an instrumental contributor to the dominant agenda of shareholder wealth maximisation (O’Dwyer, 2003).

The business case appropriation of the CSR agenda has been further explained by Llewellyn (2007) and Hanlon (2008) in terms of corporations’ expanded claims to rights and exploitation of market opportunities. Llewellyn (2007) contends that where companies find themselves under pressure to assume greater social responsibilities, they claim additional rights as corporate persons, including freedom of movement and expression, and property ownership. For example global corporations may claim rights over pronouncements they make about their CSR activities, rights to trade in atmospheric pollution, and rights to sue national governments for national CSR regulations that diminish corporate profitability. Furthermore, Hanlon (2008) sees the expanding corporate CSR agenda as bringing social life under the influence of the marketplace. The business case approach to CSR, he argues, translates CSR into a commodity that is developed for its exchange value and its creation of new markets rather than its intrinsic usefulness. When CSR develops in this way, the possibilities of major societal and environmental changes may be limited by ‘accepted’ assumptions about what is feasible – more radical innovations and changes being rejected as too fundamentalist, extreme, or idealistic. The corporate interest becomes the representation of societal interest. However, is this the entire story behind corporate social responsibility? Evidence suggests that there can still exist potent ethical values motivations that can explain at least some corporate social responsibility and accountability actions today and in the past.

**AN ETHICAL VALUES MOTIVATION FOR CSR**

Boatright (2009) argues that corporate executives have almost no discretion in the extent to which they might pursue a CSR agenda. Even if they have, Bakan (2004) contends that they may be upstanding moral citizens, with idealistic intentions, but are invariably driven to act in the financial interests of their employing corporation to the exclusion of all other parties. Thus even where top management is constrained to participate in CSR strategies and practices, it may follow the cues of both predecessors and contemporaries in the pursuit of economic self-interest – organisational and personal (Jackall, 1988).

However there are examples of CSR, either as adjuncts to primary economic goals and strategies, or as core strategies and definers of corporate identity (Bakan, 2004). Boatright (2009) acknowledges that some treat CSR not only by corporate profitability criteria, but by ethical standards that require the foregoing of some levels of financial profit for social ends. Corporate managers can experience dissonance between corporate economic requirements and their own values and ideologies (Jackall, 1988). Nonetheless, they are still capable of acting in the interests of others, even to their own detriment (Mitchell et al, 1997). They may yet be driven by moral norms, benevolence and an intrinsic concern for others, rather than solely by the profit motive (Choi and Wang, 2007). O’Dwyer’s (2003) interview study of senior corporate managers found that a proportion of them claimed that their personal values caused them to override a restricted corporate profit oriented view of CSR in favour of a broader social focus. Sharfman et al’s (2000) study reveals a clear relationship between managers’ own values and the economic, legal, ethical and philanthropic issues which they identify and evaluate as being important. Indeed Valor (2006) argues that compared to most variables, decision-makers’ social orientation[[2]](#footnote-2) is a better predictor of corporate social responsiveness, pointing to evidence of their acting on moral grounds but rationalising their actions through economic explanations.

Victorian England exhibited patterns of charitable giving to the poor by industrial leaders that exhibited a motivation largely founded upon religious beliefs and interpretations. During that period, philanthropic altruism was conceived as an act of kindness whereby donors gained peer group social approval, enhancing their social status. However, as Kidd (1996) explains, for some it may have been primarily driven by a spirit of compassion and generosity, especially in Christian traditions that emphasised the importance of both faith and the exercise of ‘good works’. On the other hand, many social and industrial leaders of the period developed a tradition of giving to the ‘deserving poor’ (labouring classes) with the intent of encouraging and rewarding their self-help behaviour modification rather than pursuing some broader program of collective social reform. It alleviated inequalities but did not necessarily challenge their continued existence (Holden et al, 2009). It allowed industrialists to pursue targeted programs of assistance to constituents with whom they developed ongoing relationships as employers and as social benefactors. Even today’s trends in socially responsible investing can trace their early origins to religious consumer groups such as the Quakers who withdrew their custom from companies involved in the slave trade, tobacco, gambling and alcohol (Entine, 2003).

In his analysis of the treatment of philanthropy in social history, Kidd (1996) points to the limitations of the concept of self-interest in trying to understand and explain social and economic behaviour. He cites voluntary choices that are repeatedly made in a cultural, social, political and ethical context, reflecting and enacting normative values, group interdependence, self-image, social reciprocity and in some cases, religious beliefs. In this vein, Hemmingway and Maclagan (2004) cite the influence of managers who champion CSR based on their own personal values and beliefs, despite potential risks to their strategies and careers. They cite the British and North American Quakers’ record of corporate philanthropy based on their religious beliefs, citing chocolate manufacturers Rowntree, Fry and Cadbury. They go on to cite the religions of Christianity, Buddhism, Judaism, Islam and Confuciansim as teaching the importance of helping others who are less fortunate, and that these are potential underlying motivators for managers engaging in CSR. Against this backdrop, our attention now turns to the British industrial corporate social responsibility pioneers and their personal profiles.

**CSR PIONEERS: OWEN, SALT, CADBURY AND LEVER**

Robert Owen (1771-1858) was a leading British industrialist and propagandist whose ideas helped found the co-operative movement, infant schooling, and trade unionism. Raised in Wales, he worked in drapers shops in London and Manchester, later in partnership acquiring and managing the cotton mills at New Lanark in Scotland for over a quarter of a century. It became the largest cotton spinning business in Britain, its factory and village of over 2000 inhabitants being visited by thousands of people from around the world. Subsequently Owen moved to the USA leading a failed experiment in communitarian living, returning to Britain as a promoter of radical social reform. During his tenure at New Lanark, Owen pioneered a range of radical CSR and social accountability strategies that won him great recognition amongst the business and general community of his day (Harrison, 1968, 1969ab; Infed, 2006; the National Archives, 2004).

Born in Yorkshire, Titus Salt (1803-1876) served an apprenticeship as a wool-stapler, joined his father’s firm as a wool buyer, subsequently setting up his own firm to pioneer the spinning of alpaca wool from Peru. Salt became one of the most successful industrialists in the city of Bradford, moving his operations to the outskirts of Bradford where he built a woollen mill and the model industrial village of Saltaire. His mill at Saltaire employed 3,500 people and his village housed 4,500 men, women and children and attracted visitors from around the world as a leading example of British industry. Salt held various Bradford local government elected offices and participated in the push for free trade, Chartism, and the Reform League. He was also a major philanthropist, donating major gifts to a wide variety of organisations and charities in the Midlands and London (Bradley, 1980; Jeremy and Shaw, 1986; Reynolds, 1983).

George Cadbury (1839-1922) was the third son of John Cadbury who founded the family cocoa and chocolate firm in 1831. On their father’s death in the early 1860s, George and his brother Richard recovered the family business from near collapse. In Britain they pioneered the extraction of cocoa butter and the elimination of additives from chocolate, producing a higher quality chocolate than their competitors and built a new factory (Bournville) and its associated Bournville Village and gardens on the outskirts of Birmingham. Here they pursued many social welfare strategies for their workforce. The village began with 200 houses and by 1904 housed a population of over 2,600 becoming a town planning showplace and influencing the first British Town Planning Act of 1909. By the 1980s the Bournville Village Trust boasted an estate in south-west Birmingham of more than 7,000 houses. They were also known for their major philanthropic activities such as gifts of property, the building of a hospital, and the construction of a convalescent home for children. George was briefly an elected representative in local government, and later owned *The Daily News,* and *The Star,* as liberal counters to the British conservative press. George’s social justice commitment earned him the opposition of both political and industrial adversaries (Bradley, 1987ab; Cadbury, 2010; Jeremy, 1984; Smith et al, 1990).

William Hesketh Lever (1851-1925), a leading industrialist of the late Victorian period, was the son of a Lancashire retail grocer, starting employment in his father’s business and becoming his father’s business partner, expanding the geographic and product range of that business over a period of 14 years. He subsequently purchased a soap factory, there manufacturing Sunlight Soap; a superior quality soap to its contemporary rivals. This product and its allied brands grew into his firm Lever Bros. Ltd., one of the largest British multinational corporations of its day, boasting over 10,000 employees around the world. Lever is remembered for his strategies to improve his workers’ social welfare. Between 1888 and 1914 he built the village of Port Sunlight as a model industrial community, adjacent to his factory. This he saw as a form of sharing corporate prosperity with its workers. Lever briefly engaged in political life serving three years as a Liberal member of parliament and engaged in several other international business ventures (Jeremy, 1991; Jeremy and Shaw, 1985; Witzel, 2003a).

These were four of the leading and highest profile British industrialists who simultaneously pursued business and social objectives. They pursued an agenda of organisational change, community leadership and social innovation. Owen was arguably the path breaker whose influence spread to other industrialists who followed him. Other identities who shared some of these social and philanthropic interests included Edward Akroyd, Samuel Morley of the firm I & R Morley, Jeremiah Colman, Jesse Boot and Quaker employers such as Joseph and Benjamin Seebohm Rowntree, Hans Renold, George Palmer of Huntley & Palmer, and Sir William Mather of Mather and Platt (Child, 1969; Smith et al, 1990; Wagner, 1987). Thus the four cases presented in this paper signify an organisational CSR movement that was being taken up by a variety of industrialists, particularly in the Victorian era. Owen, Salt, Cadbury and Lever’s highly personalised leadership of their enterprises, their personal driving of CSR strategies that extended beyond their organisation into the wider community, suggests their behaviour as strategists with personal visions extending beyond their organisational boundaries. To better understand the significance and import of their social responsibility visions and strategies, it is important to consider the socio-industrial context in which they operated.

**THE 19TH CENTURY SOCIO-INDUSTRIAL ENVIRONMENT**

All four industrialists shared a common period of high activity spanning right across 19th century Britain. Theirs was an era of industrial expansion in both countryside and cities, with poor mill and factory working conditions, low levels of education, bad housing, poor health standards and rising levels of urban crime (Witzel, 2003a). People migrated from the countryside into towns and cities that were expanding well beyond their housing and infrastructure capacity. The effect on city living conditions was ‘cataclysmic’ (Silver, 1969, pp.9-10). Titus Salt’s Bradford for example, had inadequate drainage, poor sanitation (and in 1832 an associated cholera epidemic), over 200 mill chimneys emitting sulphurous fumes, the highest proportion of malnourished and crippled children in England, and an average life expectancy of 18 years. Wool combers were the lowest paid in the textile industry, often living in extremely poor conditions. While the century witnessed gradual improvements, overcrowded housing and poverty remained ongoing issues for working people into the 20th century (Bradley, 1987b; Reynolds, 1983).

In Owen’s Lancashire and Scotland, approximately half the workers employed in cotton mills were children, with the majority of other workers being women. Many of the children were recruited as paupers aged as young as six years, by mill owners from the starving Scottish crofters, city slums or from workhouses run by public authorities (Cole, 1965; McCabe, 1920; Morton, 1962). Children’s’ working conditions included six day weeks, long working hours of up to 16 hours per day, subservient conditions, and physical abuse from despotic supervisors: a situation of virtual slavery (Harvey, 1949; Sargant, 1860). They suffered stunted growth, permanent crippling and ongoing health defects (Cole, 1965). Industrialists were often physically removed from their mills, factories and employees, leaving them as distant employers focussed on profits rather than people. Improvements in child labour conditions in the cotton spinning mills took over 25 years. Even then legislation only restricted employed children to 9 years of age working a maximum 69 hour week. Adults too, invariably found themselves bound into conditions of real servitude and suffering (Harvey, 1949).

Education levels were also extremely poor. The 19th century began with no publicly funded education, especially disadvantaging impoverished children. Into this breach stepped the Christian denominations, concerned to foster children’s ability to read the Bible and the catechism. These included the Methodists, Anglicans, Roman Catholics, Baptists and Quakers. While religion remained a largely middle class pursuit through this century, the Christian denominations attended to working class education, particularly through the institution of the Sunday School which in some locations recorded attendances double that of conventional weekday schools. Private educational standards were highly variable and schools were often characterised by rote learning and severe discipline. Adult education in forms such as local institutes was also dominated by religious organisations (Cole, 1969; Harrison, 1967, 1969a; Reynolds, 1983).

This brief overview of the social context across the late 18th and into the early 20th century offers a context for Owen, Salt, Lever and Cadbury’s strategies. They were surrounded by varying degrees of community poverty, industrial exploitation, inadequate living standards, poor health standards, industrial pollution, harsh working conditions, and limited educational availability and standards. This harsh industrial and social context triggered their reactions against it, notwithstanding the currency of such conditions across factories, mills, mines and cities. Despite being embedded in this context, they saw strategic opportunities for change and organisational differentiation from the competitors of their day. Thus they developed and publicly declared views on social justice and responsibility, innovating associated strategies in their organisations. It is to these strategies that this paper’s analysis now turns.

**EARLY SOCIAL RESPONSIBILITY STRATEGIES**

These industrialists engaged in a variety of CSR strategies relating to their employees. They ranged from working conditions, to workplace health and safety, insurance and unemployment schemes, employee facilities, recreation and holidays.

**Child Labour Conditions**

Owen pioneered the improvement of child labour working conditions. He stopped importing child paupers, set 10 years as the minimum age for child employment (compared with the contemporary starting ages of 6 or 7 years), and cut the working day from 14 to 10.75 hours. He reorganised work routines, provided for meals and rest breaks, and organised a clean and safe mill with an accident rate among the lowest in Britain (McCabe, 1920; Witzel, 2003b).

**Workplace Health and Safety**

Clean and well organised working environments were also pursued by Salt, Cadbury, and Lever, in marked contrast to general factory conditions of their day (Gardiner, 1923; Williams, 1931). In addition, they invariably set up employee medical and dental services (Harrison, 1969b). Cadbury installed resident doctors, nurses and dentists, workplace surgeries, factory first aid boxes, a program of child dentistry for all children in the factory’s neighbouring villages, a convalescent home for workers recovering from illness or surgery, accident prevention inspectors and detailed procedures for accident and fire prevention and investigation (Bradley, 1987b; Cadbury, 1912; Cadbury, 2010). Cadburys also founded the Women Workers’ Social Service League to improve the working conditions of women workers in neighbouring factories (Dellheim, 1987).

**Insurance and Unemployment Schemes**

Health, pension and unemployment schemes were also instituted. Beginning with Owen, these industrialists introduced health insurance schemes for employees (Cole, 1965; Donnachie, 2000) while Lever and Cadbury also introduced company pension schemes for workers (Dellheim, 1987; Rogers, 1931; Smith et al, 1990) and in Cadbury’s case, supplements to government unemployment benefits (Rogers, 1931; Williams, 1931). On major occasions when work was unavailable due to external forces, Owen and Salt paid continuing wages to their unoccupied workforce (Cole, 1966; Harrison, 1968, 1969b; Reynolds, 1983).

**Facilities, Recreation and Holidays**

These industrialists also provided their employees with kitchen/cooking facilities, dining rooms, children’s play areas, libraries, sporting grounds, gardens and shops. (Gardiner, 1923; Williams, 1931; Witzel 2003b). With respect to employee recreation, Salt and Cadburys sponsored many different sporting, cultural and other leisure activity clubs (Cadbury, 1912; Rogers, 1931). They also supported works dinners and employee trips (Bradley, 1987a; Reynolds, 1983). Cadburys were the first employers in Birmingham to give their employees a half day holiday every Saturday, and to close the factory on bank holidays (Jeremy, 1984; Williams, 1931). They gave Christmas, new year and summer parties (Dellheim, 1987) and an annual summer camp at the beach for employees (Cadbury, 1912). Lever too arranged weekly dances in winter, and staff excursions to locations in Britain and Europe (Bradley, 1987b).

**Accountability Through Action**

So these leaders’ CSR strategies embraced the full scope of workplace conditions, health and safety, employee pensions and insurance, and employee lifestyle and social well-being. Just as their societal visions were far reaching, so their scope of self-imposed accountability took a holistic orientation. They translated their care for others around them into observable moral and social action. Theirs was a visible accountability to the other, rendered in the public domain via a range of CSR strategies. One highly visible social responsibility and accountability strategy was their development of model factories and villages.

**MODEL FACTORIES AND VILLAGES**

Owen, Salt, Lever and Cadbury all attempted to develop model factories and villages that departed from the customs and standards of their day, contributing to the health, welfare, education and living standards of both their employees and their local communities. These were established at the fringes of (or removed from) contemporary urban industrial centres of population and housed significant proportions of each industrialist’s workforce. These model factories and villages contributed to discharging their accountability for the work they did and the wealth they created. These huge investments in very public provision of complete villages and associated facilities for their communities became public forms of accountability to stakeholders most directly affected by their company operations. It was an action based strategic form of accountability driven by a moral sense of responsibility for those less fortunate than themselves. Thus recipient stakeholders could observe and adjudge these business leaders’ CSR and social accountability quite personally and directly.

**Owen’s New Lanark Village**

Owen improved on his mill’s associated village that accommodated 200 families, adding another storey to many houses and each year building further housing to attract families. He maintained the streets, and established a company store (Booth, 1869; Cole, 1965, 1969). At its zenith, Owen’s factory village housed almost 2,300 people of whom approximately 2000 were employed in his factory (Sargant, 1860).

Insert Figure 1 Approximately Here

**Titus Salt’s Saltaire**

Saltaire, built by Titus Salt over a 20 year period, comprised 22 streets occupying 49 acres of land (Bradley, 1987a). It was located three miles from Bradford and began with 14 shops and 163 houses and boarding houses accommodating 1000 people. By the census of 1871, Saltaire boasted a population of 4,300 in 824 houses and served by 40 shops. Those of working age all worked in his mill, by 1870 amounting to about 2,500 of the mill’s capacity workforce of 3,200. The standard of housing was significantly better than that available for working people in Bradford (Jeremy and Shaw, 1986; Meakin, 1985; Reynolds, 1983). Salt’s mill, covering almost 7 acres and housing 1,200 power looms was the world’s first completely integrated woollen textile factory. It was revolutionary in both size and design, embracing both noise and pollution reduction technology (Bradley, 1987ab).

Insert Figures 2 and 3 approximately here

**Lever’s Port Sunlight**

At Port Sunlight, Lever moved his soap factory across the Mersey from Liverpool and developed an adjacent 130 acre village. Initially he built 28 cottages and then built another 800 cottages between 1889 and 1914, housing 3,600 people of whom more than 3,000 were employed in the factory. (Bradley, 1987b; Jeremy, 1991). Most cottages were of two basic designs but decorated in a wide range of styles. All had gardens and faced green areas and open spaces (Bradley, 1987b). The village boasted wide tree–lined roads and pavements, with a 25 acre park in the middle. Company gardeners tended the front gardens of the villagers’ houses (Meakin, 1985).

Insert Figures 4 and 5 approximately here

**Cadbury’s Bournville**

In the 1870s George Cadbury and his brother moved operations from the centre of Birmingham to the city boundary, building a replacement factory twice the size of the original (Cadbury, 2010). The Bournville factory was well lit and ventilated, surrounded by parks and gardens (Dellheim, 1987). Initially 143 houses were constructed on 120 acres adjoining the factory, 16 acres allocated to parks, playing grounds and open spaces. Each house had an average land area of 500 square yards with deep backyards preplanted with fruit trees, supplied with gas, water and drainage by the City of Birmingham. By 1900 the village had grown to over 500 acres including 370 houses housing almost 2,500 people, a proportion of who were in Cadbury’s employ (Cadbury, 1912; Smith et al, 1990; Williams, 1931). By the 1980s the Bournville Trust owned a large estate in south-west Birmingham that supported over 7,000 houses (Jeremy, 1984).

Insert Figures 6 and 7 approximately here

**A Built Environment**

These villages were also provided with a range of social and educational buildings and facilities. In Owen’s establishment, he planned schools, playgrounds and lecture halls. These were incorporated into his “Institution for the Formation of Character” reflecting his focus upon education. He also opened the surrounding woods for recreation, and instituted a sick club and a savings bank (Cole, 1965; Harvey, 1949). Subsequently the villages built by Salt, Lever and Cadbury variously included an impressive array of facilities as listed in Table 2. Generally, public houses and alcohol were banned, with the exception of Lever who later reluctantly conceded to community demands (Cadbury, 1912; Meakin, 1985; Reynolds, 1983). Some of these villages also included ‘almshouses’ at free or reduced rents for older residents and pensioners (Bradley, 1987a; Reynolds, 1983). The villages also offered their communities a range of activities and services as shown in Table 2 (Bradley, 1987b; Jeremy and Shaw, 1986; Meakin, 1985; Williams, 1931).

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Insert Table 2 approximately here

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For each of these industrialists, their CSR strategies clearly constituted a core strategic focus rather than an ancillary strategy subservient to dominant financial strategies. Their approach diverged from today’s commonly held belief that despite corporate declarations of CSR, the financial focus remains dominant and exclusive. This is evident from their major capital expenditure commitments, worker housing, community infrastructure, educational facilities, and recreational and social facilities. Admittedly these constituted social controls over employee and community attitudes and behaviour, thereby benefiting the industrialists’ own organisations. Nonetheless they also advanced their personal social change agendas, transforming economic into social activity with visible social consequences. This reflected their own moral and ethical sense of responsibility that demonstrably went beyond any economic focus. What manifestly appeared to be CSR strategies, simultaneously rendered a personal moral and social accountability to the other. That accountability was executed and transmitted through publicly observable action. This accountability and its related actions were underpinned by some quite specific visions pursued by these industrial pioneers.

**SOCIAL RESPONSIBILITY VISIONS**

Did particular visions drive these industrialists’ commitment and expenditure for the construction and development of these model villages? At New Lanark, Robert Owen wanted to demonstrate to the community of his day that industry could be successful without exploiting and degrading the children and adults it employed. As part of that vision, he aimed to establish a healthy village community. His overriding quest was to show that humanity could be improved by surrounding people with a better quality environment (Clayton, 1908; Harvey, 1949). Titus Salt’s vision of the factory village was partly in response to a desire to forge peace between capital and labour in the aftermath of Chartism, and a paternalistic view of what he considered to be the conditions for moral and social order in society (Reynolds, 1983).

**Cadbury’s Town Planning Modelling**

George Cadbury pursued the village concept from his own personal resources in order to avoid tying the village specifically to membership of the Cadbury Company. In his view, the cause of many of the social evils of his day lay in poor quality housing and crowded industrial cities. He wanted to create a model of good town planning and quality house building at reasonable cost. Interviewed in 1903, he passionately argued “We must destroy the slums of England or England will be destroyed by the slums………We must not house our workers in a vile environment and expect their lives to be clean and blameless. We must do justice in the land” (Cadbury, 2010, p.163). In December 1900, Cadbury deliberately gave away his personal holdings in the village housing, structuring the village trust so that he had no direct control over the community and so that his children would not inherit the housing. This action reflected two Quaker inspired personal beliefs, namely avoiding the accumulation of excessive personal and family wealth and providing good housing for corporate workers in a clean, wholesome country environment (Cadbury, 1912; Dellheim, 1987; Williams, 1931). From Christian concepts of accountability to God, this reflected the earlier discussed requirement that one’s faith must be accompanied by good works being undertaken for the poor and needy, with stewardship of one’s talents and resources being evidenced in action directed towards ‘the other’.

**Lever’s Healthy Living Agenda**

Lever too, was persuaded of the need for housing reform and for improving upon the poor quality, overcrowded housing in industrial cities. For him the model village was in part an experiment in delivering healthy living for his workers and providing them with the benefits of business profits in forms such as good housing and recreation. This reflected his moral sense of responsibility for his employees that manifested itself in a social accountability for employee remuneration and living conditions, again also triggered by his religious beliefs. Unlike Cadbury however, and more in the tradition of Owen, he tied village life and conditions directly to his factory and exercised direct paternalistic control over village life (Witzel, 2003a). Nonetheless, moral and social responsibility were intrinsically linked as drivers of Lever’s social accountability.

Lever’s healthy living agenda was shared by all four industrialists who aimed to transform even their local communities. In terms of health and welfare, their villages compared favourably with general population statistics of their day. In Saltaire, public alcohol abuse and violence were virtually non-existent (Bradley, 1987a). Analysis of 1906 death rates in the areas surrounding Saltaire suggest that its death rate was lower than adjacent districts, supporting an earlier study made by the Shipley medical officer in 1893 (Reynolds, 1983). At Port Sunlight in the early 1900s, infant mortality was 70/1000 compared to 140/1000 in neighbouring Liverpool (Bradley, 1987b). At Cadbury’s Bournville for the five years ended 1910, the death rate of 5.7/1000 stood in marked contrast to the national death rate of 14.6/1000 and infant mortality of 62.4/1000 significantly bettered the national average of 117.4/1000. Indeed, Bournville adult and infant death rates were half those recorded in neighbouring Birmingham (Cadbury, 1912; Gardiner, 1923). By the early 1930s, the Bournville adult (7.2/1000) and infant (56/1000) death rates still compared very favourably with the national averages of 12.1/1000 (adult) and 71 (infant) respectively (Rogers, 1931). Thus not only did they take observable actions, but these industrialists delivered tangible benefits to their workforce and surrounding community. They rendered accountability both through their actions and the outcomes they produced.

**Social Responsibility For Societal Improvement**

The visions these leaders pursued, were founded in their religious and philosophical convictions that emphasised the priority they should accord to their accountability to God as their primary stakeholder and to their fellow human beings. Rather than simply allocating some of their wealth as ad hoc charity, they developed these societal improvement visions and related social accountabilities which they then pursued strategically. Their enhancing the lives of their employees and communities reflected religious expectations that their faith and moral responsibility for others would be integrated with their actions to support the welfare of the poor and marginalised. Such a deep seated sense of personal moral responsibility and social accountability went far beyond the traditional master-servant or land owner-tenant responsibilities characteristic of their day.

These four pioneers can claim uniqueness in their approaches to social accountability in a number of respects. First they often articulated and promulgated their underlying philosophies of industrial management, worker rights, community development and social justice. Pollard (1964, p. 513) cites them as “models of social progress” and “creations of men with a social conscience and some social idealism” who extended the benefits of industrial innovation and growth to the working population. Second, their innovations invariably extended beyond a purely in-house provision to their own workforce and extended to social and housing programs that engaged and included the wider community. Cadbury for example expanded the concept of the worker village to a large scale experiment in community planning (over half its population including persons not being employed by Cadbury) (Ashworth, 1951). Third, they were prepared to incur costs well beyond their own corporate financial self-interest, in pursuit of their wider social agendas (Ashworth, 1951). Fourth, they distinguished themselves as protestant religious dissenters who translated their personal religious beliefs into their workplace and surrounding communities, for example building chapels and churches and joining their employees in regular religious meetings. Such examples set by Salt, Cadbury and Lever were echoed by Strutts, Newton Chambers, Greggs and Darbys (Pollard, 1964). Even their housing schemes “were not conceived of simply as ventures in better housing, but also as essays in moral improvement” (Gaskell, 1979, p.446).

For these industrialists, their social agendas reflected a sense of moral responsibility for service to ‘the other’ and consequent actions inextricably linked with accountability. Both were primarily driven from their religious and philosophical convictions. Theirs was not a predisposition towards sporadic philanthropic donations, but rather towards challenging long term visions of industrial practice and societal improvement. They and those who emulated them, left an indelible mark on British business and society. Some of its manifestations can be seen in those who emulated their social responsibility innovations.

**LEADERS AND FOLLOWERS**

The number of other industrialists who emulated for example, the Cadbury factory and village concepts, suggests that they did gain traction in their vision of reconstructing actors’ reality in the field. Further, their public visitor programs reflect a broad scope approach to social accountability, first through broader avenues of disclosure than the traditional formal written report, and second by *demonstrating* social accountability through their social actions. The latter was entirely consistent with, for example, Quaker, Congregationalist and Methodist theologies of faith being expressed through ‘good works’. Their accountability to God and their standing in their own Christian community, especially as dissenting protestants, impelled them to outwork their faith through actions in service of others. Without this, their theology saw their own faith as being without justification. As custodians of what they believed to be their God-given resources, care for humanity, the poor and their environment was an unquestioned duty.

**Setting the Example**

These model factories and villages attracted significant national and international attention, drawing large numbers of visitors from many countries. For example Owen’s operations at New Lanark recorded rates of visitor arrival of around 30 per day and between 1815 and 1825. Almost 20,000 names are registered in the New Lanark visitor book (Cole, 1966; Harrison, 1969b). Saltaire regularly attracted visits from leading public figures and by attendees at national social science association conferences when held in the region (Reynolds, 1983). Port Sunlight experienced thousands of visitors visiting the factory and the village each year (Jeremy, 1991). Bournville village became a major attraction especially for housing and town planners and garden city association members from England, Europe and even Australia (Cadbury, 2010; Gardiner, 1923). Each was regarded as highly significant experiments in industrial and community living. This reflected these industrial leaders’ pursuit of public accountability and the proselytisation of their social visions through observable actions. Such publicly demonstrated accountability was not antithetical to their religious beliefs since those beliefs emphasised the avoidance of self-aggrandisement of ‘good works’ that a believer conducted. Yet again, the linking of faith and good works through actions to the benefit of others, was a hallmark of their belief systems. It was permissible to lead an observably good life, demonstrating and sharing the fruits of their success, but with humility and circumspection. Such public forms of rendering an account as their attracting large numbers of visitors to their social and industrial experiments was permissible: especially as it modelled social welfare strategies for others to follow and disseminate through the wider society. Such public modelling thereby constituted ‘good works’ of itself.

Other British industrialists emulated the Cadbury model village concept, including Quaker chocolatiers Joseph and his son Seebohm Rowntree’s garden village near York established in 1900, Quaker and household goods businessman James Reckitt’s garden village in East Hull, Ebenezer Howard’s garden city at Letchworth in Hertfordshire and at Welwyn, and Henrietta Barnett’s 1907 suburb of Hampstead Garden in North London. Margarethe Krupp when expending 1 million marks of her husband’s armaments fortune in establishing a housing estate at Margarethenhohe in Essen, Germany, required her architects to base their plans on Cadbury’s Bournville village (Cadbury, 2010).

Of course not all industrialists followed in the footsteps of Owen, Salt, Cadbury and Lever. Many ignored their worker’s welfare and living conditions, leaving it to local town and city landlords and communities to do what little they would for factory employees. Additionally, firms that established their operations in the middle of towns and cities chose to ignore the physical and social infrastructure needs of their growing workforces. Instead of addressing overcrowded housing, insanitary living conditions and widespread health and malnutrition endured by their workforce, they often minimised their own capital and recurrent expenditures in search of maximum possible profit. Others did provide some levels of worker housing and infrastructure in order to maintain a dependent, compliant workforce while extracting profits from even such housing provision. Theirs was an overwhelming business case motivation (Pollard, 1964; Gaskell, 1979).

**The Pattern of Emulation**

However, the influence, both direct and indirect, that these four industrial pioneers had upon their fellow industrialists and those who followed has been arguably significant. Indeed, their rendering of a morally driven accountability in the public domain was greatly amplified by the mirroring of their social visions and strategies in many other industrial organisations of their era and subsequently. They arguably lead a movement and a momentum that achieved high profile both through the observations of their actions by others, their proselytization of their visions and strategies, and their social accountability strategies being emulated by other industrialists. Some followed their example simply through realising that to build or grow their factories and secure and maintain a workforce, they themselves had to build infrastructure (since in their day, governments did not make such public infrastructure provision as is often the custom in many countries today) (Gaskell, 1979). Thus they faced the necessity of building worker housing, transport, farms, and even security services. Examples of factory farms for example included Ambrose Crowley’s, Plymouth and Cyfartha Ironworks, Litton Mill, Greggs at Styal, Oldknow at Mellor, the Swinton Pottery, the Quaker Lead Co., Darley Abbey Cotton Mills and Parys Mine Co. (Pollard, 1964). The list of large factories that provided cottage estates for their workers and who experimented with better than contemporary living amenities was lengthy, at the time constituting the largest housing development programs in Britain. In England, they included cotton mills at Hyde, Newton, Dukinfield, Cromford, Milford, Belper, Bakewell, Mellor, Staleybridge, Cressbrook, Backbarrow, Darley Abbey, Styal and Bollington. In Scotland they included Owen’s New Lanark, Deanston, Catrine, Blantyre and the Stanley Mills. British ironworks included Carron (see Fleischman and Parker, 1990), Ebbw Vale, Cwmavon, Dowlais, Plymouth, Nantyglo, Ketley, and Butterly. In the woollen industry there was Benjamin Gott’s enterprise, in copper there was the Warmley Co., Charles Roe, and Morrison, and in pottery there was Wedgwood at Etruria (Pollard, 1964).

Some of those who emulated this study’s pioneers, did so quite directly. Ashworth (1951) points to Owen’s pioneering and public theorising of his approaches to worker management, conditions and employer accountability for their welfare leading directly to the Ashworths’ similar innovations at Turton and the Greggs’ emulation at Styal. Gaskell (1979, p.441) reports that “in the 1820s, the Quaker mining villages of Nenthead and Middleton in Teesdale were regarded as showplaces”. Other examples included Richardson linen manufacturers, Bessbrook in Ireland (1846), and Price’s candle factory worker village at Bromborough (1853). Akroyd emulated Salt in building a suburb for his workers around his factory at Copley, near Halifax. Lever emulated Cadbury. Both Cadbury’s Bournville and Lever’s Port Sunlight led to the formation of a Society For Promoting Industrial Villages in 1883 (Ashworth, 1951). On the Doncaster coalfield, colliery owners built worker villages at Bolsover (1891) and Creswell (1896) with a clear aim of developing community and contributing to social improvement (Gaskell, 1979). Subsequent emulations of employer provided worker housing, and garden city experiments occurred in British Aluminium’s Foyers Estate on Loch Ness (1895), Joseph Rowntree’s Easwick (1904), Brodsworth Main Colliery Company’s Woodlands Collier Village (1907), and grocery businessman Sir James Reckitt’s Hull garden suburb (1908) (Ashworth, 1951).

Owen, Salt, Cadbury and Lever were also emulated in the provision of worker medical services, sickness/accident funds, and pension schemes (Pollard, 1964). Pollard (1964) argues that while many industrialists’ motivations reflected economic necessity (the business case), they actually followed the lead of industrialists driven by a wider social conscience. While the emulators’ own motivations may have reflected some variety of economic rationalism, social responsibility, humanitarian ideals and/or religious belief, they “left a residue of humane outlook on the average employer” and many did provide worker housing, amenities and education without any legislative compunction to do so (Pollard, 1964, p. 530). Ashworth (1951) sees them as having made major impacts on mid-19th century social reform and Gaskell (1979) argues that especially the late 19th century models developed by Cadbury and Lever reflected notions of worker welfare and housing reform characteristic of the Victorian era’s response to pressing social issues and profoundly influenced subsequent improvements in town housing design and the garden city movement. Marinetto (1999) has taken the analysis of the flow-on influence of these industrial social welfare pioneers even further. He argues that post World War II, Christian church and business leaders promoted the bringing of Christian ethics into the social and economic structures of business and society. He contends that while their influence subsequently waned, the 1970s witnessed the re-emergence of international corporations into engagement with the growing corporate social responsibility dialogue and involvement in CSR interventions, citing examples such as IBM, British Steel, and Pilkingtons.

Thus both in the era of the four pioneers and in more recent times, it is arguable that at least some aspects of corporate social accountability bear the marks of those earlier religious based moral and social responsibility beliefs. The extent to which a wider accountability remit is actually discharged rather than merely claimed, arguably relies on the degree of personal engagement and leadership of organisational leaders such as Owen, Salt, Cadbury and Lever, who were prepared to drive their personal ethics and visions of accountability through the organisation’s strategies. The weight of evidence concerning followers and emulators across the UK bear testimony to their success in exemplifying their social accountability through observable actions and in promulgating their social agenda visions of rendering a wider social accountability to community and humanity. One particular example of that wider social accountability lay in their commitments to community education and philanthropy.

**EDUCATION AND PHILANTHROPY**

Education also loomed large, particularly in Owen and Cadburys’ social responsibility activities. Volumes have been written about Owen’s educational philosophy and strategies. Compared to the largely harsh disciplinary private schooling of his day, Owen pioneered education that broke with many traditions. Some of their characteristics and agendas are listed in Table 3. (Donnachie, 2000; Harrison, 1968, 1969b; Infed, 2006). Children were admitted around 18 months of age and educated up to the age of 12 years, including workers’ children, child workers in the mill and any from the neighbourhood (Cole, 1969; The National Archives, 2004). To this end he founded the first school for workers’ children, became nationally recognised as a leading educator, and is generally credited with founding the first infant school in Britain (Age of the Sage, 2006; Harvey, 1949).

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George Cadbury exhibited a lifetime commitment to education of not only his workers but the community at large, for example through the Adult School movement for which he personally taught for over 50 years (Jeremy, 1984). He founded five Christian colleges: one for Sunday School teachers, two for training missionaries, and a residential college for working men (Bradley, 1987b). From 1906 Cadburys mandated that children they employed aged 14 to 16 years (raised to 18 years in 1910) must finish work an hour early twice per week to attend evening classes, with apprentices and male clerks being educated in this way to 21 years and 19 years of age respectively. There were also day classes and a continuing education programme, backed up by scholarships for those wishing to pursue further education (Rogers, 1931; Williams, 1931). Education was overseen by the Works Education Committee and the Works School Committee and covered general education, practical living skills, physical education, commercial training, apprenticeship training and technical trade training (Cadbury, 1912; Dellheim, 1987).

Both Owen and Cadbury demonstrated a highly personal commitment to education of their workforce and associated communities as a vehicle for social change and as a pathway to enhancing the self-sustaining welfare of humanity. This commitment was delivered through direct personal engagement in the design, delivery and resourcing of education programs: again an implementation of accountability through action. Cadbury’s personal involvement in years of teaching exemplifies the outworking of a duty of service to others, reflecting an individually accepted moral responsibility for the welfare of others, discharged with humility. Their education philosophies and implementation were executed both as private endeavours and as public strategies: both rendering forms of social accountability.

These industrialists’ CSR activities included significant philanthropic pursuits. Salt made sizeable donations all his life, including a charitable trust for the poor of Shipley, donations to schools, hospitals, orphanages, missions, churches and to the Liberation Society, contributions to the rebuilding of York Minster, and to mechanics institutes around Britain (Bradley, 1987b; Reynolds, 1983). In Bournville Village, Cadburys built a convalescent home for Salvation Army officers - also being a holiday home for Birmingham children from poor families (Wagner, 1987; Williams, 1931), gave a religious studies centre to the Society of Friends, and converted a large house as a hospital for cripples (Cadbury, 2010; Jeremy, 1984). George Cadbury was also involved in the Anti-Sweating League and the National Old Age Pensions League (Gardiner, 1923). Lever too, donated to the redevelopment of his native town of Bolton, funding a park for the city of Liverpool, and endowing schools of town planning, tropical medicine and Russian studies at Liverpool University (Bradley, 1987b). This clearly evidences a personal acceptance of responsibility and accountability in the widest sense, holistically embracing their employee and community lives (health, education, working and living conditions and social life). Such personal involvements by these industrialists, as exampled above, bear testament to a moral philosophy of societal engagement and Christian mission and accountability. This philosophy of both social responsibility and accountability was outworked, as required by their religious beliefs, in the form of actions (i.e. “good works”), without which their faith was considered by their faith community to be without substance.

**HISTORICAL TRACES OF THE BUSINESS CASE**

With respect to these four industrialists’ implementation of CSR policies and strategies, in addition to their religious and philosophical motivations, the business case also offers an associated explanation. However this requires historical interpretation within the context in which Owen, Salt, Lever and Cadbury operated.

Of all four, Owen probably experienced the greatest conflict between his CSR agenda and the commercial pressures facing his enterprise. While his mills experienced positive financial returns during his tenure, his business partners objected to business involvement and resources expended on CSR programs, arguing for cost minimisation and profit maximisation (Clayton, 1908; McCabe, 1920). Harrison (1969b) has argued that these strategies enabled Owen to pay lower wages than his competitors while retaining workers through the appeal of his welfare provisions. However Cole (1966) disagrees and contends that Owen paid better wages, required shorter working hours and provided better working conditions than his competitors and still produced commercial success. The debate between Owen and his partners ultimately raged around whether the admittedly profitable mills would have been more or less profitable without his CSR program. However, as Cole (1965) has argued, mill profits were never Owen’s primary focus. His primary objectives lay in using the New Lanark to launch and demonstrate the efficacy of his social and educational ideas. Such tensions as existed between Owen and his partners resonate with Oakes et al’s (1998) articulation of the battles that can take place over what customs and practices are to be deemed legitimate and which are to be excluded from acceptability.

Amongst these historical cases there are hints of the ‘win-win’ business case often argued for CSR today. For example Salt’s move from his scattered Bradford factories to the purpose built mill and village at Saltaire allowed him to simultaneously pursue his industrial reform ideals and reduce his former operating locations’ inefficiencies, secure better water supply and reduce transport costs. In addition the company controlled village facilitated profitable housing investment, secure rent revenue and a stable workforce (Jeremy and Shaw, 1986; Reynolds, 1983). As another example, in the 1880s, Cadburys cut their employee working hours because research had found that employees working an 8 hour shift were more productive than when they worked a 10 hour shift (Witzel, 2003a). All four industrialists recognised the contribution to organisational profits of investing in their workforce. Owen argued that his welfare expenditures would be more than outweighed by resulting efficiency gains and commercial returns (Booth, 1869). Salt saw the benefits of a reliable and loyal workforce associated with Saltaire village (Reynolds, 1983). Through superior working conditions, Cadburys openly stated that business efficiency and employee welfare were two sides of the same issue, whereby healthier, happier, better educated workers were more productive and a greater asset to the company and hence to the community (Robertson et al, 2007; Witzel, 2003a). They considered employee welfare schemes to boost efficiency so they self-funded those schemes (Dellheim, 1987). It is also arguable that their CSR programs facilitated these industrialists’ exercise of direct social and moral control over their employees. Benefits to the workforce elicited employee trust and loyalty and compliance with the employer’s concept of appropriate attitudes and behaviour (Podmore, 1971; Reynolds, 1983). Thus emerged the enlightened employer view that workers could be inspired and led rather than coerced and driven, thereby enhancing their self-esteem and efficiency (Dellheim, 1987).

In their recognition of the linkage between CSR strategies, worker productivity and business efficiency, these industrialists anticipated or echoed elements of the scientific management school of thought. This is reflected in their references to worker and business efficiency, eliminating waste and reducing cost (Child, 1969; Smith et al, 1990). Efficiency was pursued through attending to workers’ health, living conditions, hours of work, skill, extra-curricular interest and activities and loyalty. In addition it was pursued through research into improved technologies and processes, standardisation of tools and equipment, piecework payment systems, overtime reduction, worker training, worker and work flow movement design, employee performance records, employee disciplinary systems, stock control, music broadcasts to reduce factory work monotony and more (Cadbury, 1912; Harrison, 1969b; Jeremy, 1984; Robertson et al, 2007). However any identification of efficiency with scientific management arguably overstates the case. To varying degrees, they exhibited a more sympathetic attitude to workers than Frederick Taylor’s conception of scientific management. As an example, George Cadbury is cited as adopting elements of the scientific management approach but neither embracing its authoritarian approach to managing employees, nor treating them as mechanistic tools of production (Child, 1969; Dellheim, 1987).

Regarding these industrialists’ CSR motivations as solely driven by elements of scientific management or the contemporary business case offers a simplistic, one-dimensional interpretation. For people such as Robert Owen and George Cadbury, the social experiment in bettering humanity’s condition was paramount. Their pursuit of this through industrial organisation was a means to a broader end (Gardiner, 1923; Witzel, 2003b). Reynolds (1983) saw mixed motivations in Salt’s pursuit of worker welfare and business success. Bradley (1987b) points to Lever’s Biblical Christianity as a combination of spiritual and practical resource for his industrial and social experiments. These industrialists’ religious and social beliefs meant that commercial imperatives could not threaten their CSR agendas. This paper now moves on to explore their underlying beliefs and philosophies.

**RELIGIOUS AND PHILOSOPHICAL FOUNDATIONS**

For these four industrialists their personal agendas offer powerful explanations for the scope and longevity of their CSR strategies. Owen was for much of his life a rationalist and millenialist. Salt and Lever maintained lifetime allegiance to the Congregational denomination of Christianity, while the Cadbury family were devoted and practising Quakers. These philosophies and beliefs directly impacted upon their industrial practices, CSR and social accountability strategies. Their sense of and approach to social accountability emanated from strong personal convictions regarding their moral responsibility to God and humanity for the welfare of their fellow workers and community members. That was rooted in their strong protestant dissenting religious convictions that emphasised their responsibility for ‘the other’, and the essential linking of what they believed with what they practiced, namely faith and good works.

**Owen the Millenialist**

As a millenialist, Owen looked to the eradication of society’s weaknesses and the initiation of a consequent age of universal love in a new perfect society upon the onset of the imminent millennium. Thus Owen’s approach to innovating and managing New Lanark applied his belief in the perfectibility of humanity through appealing to what he saw to be the basic goodness of humanity in his workforce. This utopian view assumed that humans naturally tend towards co-operation and harmony so that industry could be organised and workers motivated to produce material rewards for themselves and their employers in an atmosphere of social harmony. Thus his factory innovations were part of a grander aim to do good for humanity (Cole, 1969; McCabe, 1920; Tarlow, 2002). However Owen was a committed rationalist, reflecting the age of enlightenment but also focussed upon social action. He saw humanity as endowed with the gift of reason and able to create its own happiness. His was a rationalist pursuit of societal change and reordering: creating a new moral world (Clayton, 1908; Harrison, 1967; Silver, 1969). Thus Owen’s was a crusade for accepting moral responsibility for others. Owen disapproved of his contemporaries’ approach to the treatment of their manufacturing workforce and saw this as perverting the individual and harming society overall (Cole, 1966). While his philosophy was increasingly located within a spiritualist belief system, Owen’s CSR and social accountability agenda still reflected his early Methodist denomination roots which emphasised a belief structure focussed around faith and good works.

**The Congregationalists: Salt and Lever**

Salt and Lever both came from Congregationalist family backgrounds, imbued with the nonconformist conscience and its enlightened values (Bradley, 1987ab). Salt was a devout Christian, an active member of the Congregational Church community and a radical social reformer, being involved in many of the reform movements of his time (Bradley, 1987b; Reynolds, 1983). From this belief system he contended that one of his motivations was to socialise and ‘Christianise’ business and working relationships with a view to reproducing the family style of organisational relationships more characteristic of the days of non-mechanised hand labour work (Bradley, 1987b). Lever too was a Congregationalist who maintained a belief in self-help and a loyalty to the Congregationalist denomination throughout his life (Bradley, 1987b; Jeremy and Shaw, 1985). He drew on the Calvinistic principles of work, thrift and stewardship of life, for which a person would be held accountable to their Creator (Jeremy, 1991). Congregationalism, a product of English Puritanism, was based on the Calvinistic and Reform traditions that prioritised the authority of scripture and salvation by faith. They shared a more radical socially conscious form of Protestantism with Methodists and Baptists (Hastings and Selbie, 1911; PHILTAR, 201). Here we see the clear foundations of social accountability conceptions that privileged one’s accountability to God while at the same time demanding responsibility and accountability for humanity: one’s own community and the stranger. Accountability to the other, through actions and deeds, is centre stage. This was to be expressed through good works (actions) that would both alleviate peoples’ suffering while at the same time demonstrate to one’s Maker the sound stewardship of one’s time, talent and resources. In this philosophy, faith, moral responsibility, and good works for others are indelibly joined.

**The Quaker Cadburys**

The Cadbury family, including brothers George and Richard, were devout Quakers reflecting and applying those beliefs and values throughout their working lives. They saw themselves as personally and morally responsible for the physical and spiritual welfare of their employees, since their faith saw the seed of God in every human (Dellheim, 1987; Wagner, 1987; Witzel, 2003a). Even their views on profit and business success were the product of the Quaker view that failure to fulfill business agreements, incurrence of excessive debt or bankruptcy was a form of theft ultimately punishable by being excluded from the faith. Indeed their approach to business was governed by formally developed Quaker *Advices* promulgated in 1738, *Extracts* promulgated in 1783, *Rules of Discipline* promulgated in 1833, and *Doctrine, Practice and Discipline* updated in 1861, all directly relating to business conduct (Cadbury, 2010). For the Cadburys this was a very specific and tangible form of demonstrating social accountability through sound stewardship not only of one’s resources but of the *manner* in which one’s business was conducted. Accountability to God was expressed through accountability to one’s faith community, assessed through the degree of compliance with its specific rules of practice. So they saw themselves as accountable to God, to their faith community, and to the people (workforce and community) they aimed to serve.

Applying their faith through business and industrial pursuits was for them an instinctive approach, especially as in Britain, Quakers for many years had been precluded by their religious affiliation from attending university (being Dissenters), entering the professions, enlisting in military forces (being pacifists) or taking up politics (rejecting established religion and refusing to swear oaths). Business and industry, activities still neglected by the traditional ruling classes in Victorian Britain, were therefore their primary and highly successful vocation. Consequently the Quaker business lineage in England included the Darbys’ manufacture of the first iron bridge and railway tracks, Pease’s railway and passenger train building, Wedgwood’s pottery business, Clark’s shoes, Reckitts household goods, Bryant and May’s matches firm, and 74 Quaker founded banks including Barclays bank and Lloyds bank (Wagner, 1987; Grant, 2003; Cadbury, 2010).

So profound was the Quaker integration of their faith with their workplace reforms, that for example George Cadbury conducted a daily service to start the working day. Its continuity for over 30 years was ensured by a worker petition in response to its temporary cessation three years after it began in 1866. For the Cadburys it was an article of faith that money should be earned and spent ethically and that the principles of Christian charity should guide all business and working transactions (Bradley, 1987b). Indeed Quaker capitalists abjured the pursuit of wealth for personal gain, their faith requiring them to apply it to their workers, the local community and society at large (Cadbury, 2010). Again, we see quite specific evidence of Christian concepts of accountability being pursued by these Quaker industrialists striving to demonstrate their adherence to the articles of their faith. Theirs was an implementation of accountability through both personal and organisational actions. Responsible stewardship of resources, sharing with the less fortunate, prioritising accountability to God, service to ‘the other’ in preference to oneself and exhibiting faith through action are all in clear view here. Cadbury’s belief in the sacred value of human life motivated his working to improve the material and spiritual conditions of his employees (Gardiner, 1923; Wagner, 1987). As Deborah Cadbury’s (2010, p.182) study puts it “George Cadbury’s religious convictions shaped his world, and unified every aspect of his life.” On his death 16,000 people silently (in Quaker tradition) attended his funeral service, and tributes poured in from thousands of people whose lives had been directly touched by him. Their engagement in his funeral represented a direct action based form of stakeholder response and feedback to Cadbury’s action-based CSR strategies and associated social accountability efforts.

**Religious Social Reformers**

Thus religious and philosophical beliefs were primary drivers of these industrialists’ industrial reforms and CSR and social accountability practices (Clayton, 1908; Dellheim, 1987). For example Child (1969) acknowledges that Quaker employers were highly sensitive to moral issues and adopted significantly different employment practices from those common to industry of their day. This was consistent with the Quaker view of industry as being a service to the community to which Quakers could devote themselves without committing the sin of generating wealth for its own sake. Especially given the historical persecution and social disapproval Quakers had suffered, they were eager to demonstrate their service to humanity through their business and trade. Their religious commitment to personal frugality and simplicity of living also freed them to apply their wealth to CSR strategies for the benefit of their employees and community (Cadbury, 2010; Raistrick, 1968). For Cadburys then, employee welfare strategies were not an adjunct but absolutely integral to business operations (Cadbury, 1912), and reflected their faith based acceptance of moral responsibility for the welfare of others.

Unlike the scientific management school, Owen, Salt, Lever and the Cadburys had philosophical and religious convictions that individuals must be treated with love and respect, and that therefore labour was not a tool, or mere means for the production of wealth For the Quakers particularly (as well as for Owen), their beliefs promoted more egalitarian approaches to workplace relations and a preference for co-operation as the basis for factory socialisation (Dellheim, 1987). Of all four industrialists, Lever was arguably the only one who was more instrumental in his combining of religious belief and practice with workplace management and associated CSR strategies. His distinction between business as a means to an end and as an end in itself, was somewhat blurred (Jeremy, 1991).

Marinetto (1999) points to subsequent British industrialists in the 1940s and 1950s also being religiously affiliated and promoting Christian ethics in business. They were arguably influenced by these industrial pioneers’ sense of duty to transform the quality of life, character and ideals of the individual, offering them the prospect of self-improvement. Living conditions and personal development, in their view, was inextricably linked. For them, social justice and accompanying social stability were to be pursued through the alleviation of poverty, and the provision of housing, health, education and recreation (Booth, 1869; Jeremy and Shaw, 1986; Morton, 1962; Wagner, 1987). The individual’s character, skills and well-being was inextricably linked to the public good and the betterment of society (Donnachie, 2000; Wagner, 1987).Theirs was a wider vision of social reform - reducing poverty, developing good citizens, improving social conditions, contributing to the public good (Cole, 1966; Podmore, 1971; Silver, 1969). This service to the individual worker was enacted through a largely communitarian vision whereby the communal life of the factory and its associated village could be developed as a positive influence upon those employed there, invoking amongst them a sense of community (Cole, 1969; Williams, 1931; Tarlow, 2002). Co-operation between employer and employees and between employees themselves remained an essential ingredient for this community based approach (Cole, 1965).

These industrialists deliberately strove to implant not only their CSR innovations into their organisations, but also their personal moral values in their execution of social accountability. Their innovations addressed social and industrial issues, while simultaneously breaking away from industrial and social conventions of the day. They aimed to reshape their communities’ conventions and social norms according to their deeply held religious, philosophical and social justice beliefs. These included their CSR practices being aimed at instilling self-help and self-improvement in the working classes and ‘deserving poor’. Their beliefs and personal convictions gave them a vision of a changed future to which end they marshalled their available resources to enact. For them, values and action – faith and good works, were inseparable. The question then arises as to what relevance and implications their values and strategies carry for today’s globalised, corporate environment.

**FROM HISTORICAL TO CONTEMPORARY INDUSTRIAL ENVIRONMENTS**

The historical analysis offered in this study is arguably relevant to the contemporary global industrial context. Elements of the industrial environment in many countries, particularly developing economies in which global manufacturers carry out operations, suggest parallels to the environment in which the industrial pioneers in this study operated. For example, in arguing the persistence of scientific management advocates Frederick Taylor’s and Henri Fayol’s historical industrial environments in the present day, Parker and Lewis (1995) cited similarities across those eras including technological change affecting industrial operations, intense competition extending to international markets, the impact of economic recessions on both companies and their employees, and a persistent pre-occupation with industrial efficiency. The period across which Owen, Salt, Cadbury and Lever conducted their operations experienced population shifts towards the industrial cities, the employment of labour transferring from predominantly agrarian to industrial enterprises, increasing factory production, and international competition particularly from North America and Europe (Briggs and Jordan, 1934; Pelling, 1974; Hyman, 1995).

**A Continuing Global Environment**

Similar industrial environment changes are still observable today in the global economy’s expansion, particularly in its transferral of industrial manufacturing operations from developed to developing economies in such regions as East Asia, China, Central and Eastern Europe and Latin America. Indeed developing countries globally increased their share of world manufacturing output from 5% in the early 1950s to 23% towards the end of the 20th century (Dicken, 2003; UNIDO, 2009). The United Nations Industrial Development Organization (UNIDO, 2009) reports that the rapid diffusion of industrial production from developed to developing countries has occurred through the agency of transnational corporations, international supply chains, the liberalisation of trade flows and the explosive industrial growth in manufacturing and trade over the past 30 years. It finds that with their pool of low cost workers, developing economies have gained major market share across low, medium and high technology manufacturing. So as it was for the UK in the 19th and 20th centuries, for these economies, industrialisation has been a primary driver of economic growth (Fagerberg and Verspagen, 2007; Szirmai, 2009).

In drawing parallels between the environments of Owen, Salt, Cadbury and Lever and those of today, two particular commonalities stand out. First, those early industrialists faced intense competition and associated pressures on short term costs and profitability, both locally and internationally. Second, they not only competed in local and international markets for supplies and with their products, but commenced the development of the earliest multinational enterprises.

**A Competitive World**

With respect to the intensity of competition and its pressures on short term profitability, Owen’s cotton mill competed with many cotton mills in both Scotland and Lancashire, technological change and product refinement being key competitive weapons employed. Competition from both English and continental European mills squeezed profit margins. The cotton industry was therefore under pressure with even well managed mills at times returning losses (Marwick, 1924; Mitchell, 1925; Robertson, 1971). In a number of manufacturing areas, including textiles, competition periodically intensified and prices declined. Limited available comparative financial returns data for cotton mills suggests that Owen’s New Lanark mill was satisfactorily but not outstandingly profitable, with some years exhibiting very low profits (Robertson, 1971; Church, 2006). Similar variable profit trends were in evidence in the textile mills in Titus Salt’s Bradford. Competition there was intensified by a dramatic expansion in the number of mills being built, doubling the output of yarn in the 1815-25 period. So profits fluctuated dramatically between firms and across years, with highly volatile and deepening recessions in evidence. Of worsted firms, only 6% survived between 1830 and 1850 (Seed, 1993). Cadbury too, faced strong competition in a ‘crowded marketplace’.

When Richard and George started resurrecting their father’s business, they were the smallest chocolatier of 30 other cocoa manufacturers (some of whom were already becoming insolvent). Their established competitors like Taylors of London, Dunn and Hewitt of Pentonville, Rowntree of York, Terry of the midlands, and Fry in Bristol boasted much more extensive product ranges. When Cadburys’ opened their first London office, Fry already had a sales force established in 50 of the largest cities and towns in the UK. Such was the intensity of competition and profitability pressures, that competitors like Rowntree and Hershey (in the USA) regularly struggled with cash flow and profitability (Bradley, 2008; Cadbury, 2010). Lever too, had to contend with rising costs of raw materials supply and fierce advertising competition, seeing competitive threats not only at home but in the USA (Lever, 1919; Wilson, 1954). Testament to his industry price competition, Sunlight Soap price rose only once in its first 20 years, and British soap makers regularly attempted to sign fixed price agreements which invariably broke down. Lever insisted that his international associated companies show satisfactory profits or face closure (Macqueen, 2005). These four pioneering industrialists therefore faced the rigours of competition and short term profitability pressures still typical of national and international business today. Their social responsibility and accountability strategies were therefore forged in environments not dissimilar to those faced by many contemporary corporate managers and shareholders.

**An International Orientation**

These industrial philanthropy pioneers invariably exhibited strong international orientations in their business outlook and strategies. Robert Owen for example saw the beginnings of a British cotton industry that produced the greatest volume of yarn of any other economy outside India and which came to dominate the global market (O’Brien et al, 1991). Indeed the prosperity of the British cotton industry not only depended on its overseas markets but sourced its supplies from the USA, India and Egypt (Marwick, 1924). However Cadbury and Lever are widely acknowledged as two of the pioneering multinational enterprises who not only sold into international markets but established operations in overseas locations including sourcing their raw materials (Dunning, 1983; Dunning and Archer, 1987; Cadbury, 2010). Cadbury faced intense competition not only from British chocolatiers, but from French competitors such as Menier, Coenraad van Houten in the Netherlands, Nestlé and Lindt in Switzerland, and Milton Hershey in the USA (Cadbury, 2010). From the 1870s onwards, the Cadbury brothers expanded export operations into Ireland, Canada, Chile, Australia and New Zealand. They publicly articulated the challenge of global business and competition, particularly addressing the challenge of Fry’s global ambitions. By the mid-1880s they had expanded operations and sites across the African continent and also expanded operations into India, Burma, Ceylon, the West Indies, South America, the Middle East, Thailand and Java, and by the early 1900s, their operations were also established across Europe, USA, Canada, and Australia (Jeremy, 1991; Cadbury, 2010).

Lever’s early global strategies grew what ultimately became the largest British multinational firm of its day, Unilever (Fieldhouse, 1978; Gourvish, 1987). He set up subsidiaries in developing countries in Africa, Asia and the Pacific Islands, as well as in the USA. The intention was both to provide guaranteed sources of raw material supply through his company plantations and processing factories as well as to market product into both local and overseas markets (Lever, 1919; Fieldhouse, 1978; McClintock, 1995; Henderson and Osborne, 2000). As early as the late 1890s Lever was publicly expounding his international vision of creating multinational operations and became one of the first industrialists to establish manufacturing operations in multiple overseas countries, by 1906 having committed 25% of his capital to his overseas operations (Sargeant, 2011; Macqueen, 2005). Let us now consider some specific industrial labour conditions that exhibit parallels between the times of these British industrial philanthropists and today’s globalised and often developing country manufacturing environment.

**A Developing Industrial Environment**

British industrial worker living and working conditions through the Industrial Revolution and beyond have been critiqued by many observers, as have been developing country industrial worker conditions today. Just as British enterprises pursued low wages for competitive exports in the 1800s, so debates continue concerning the wage levels paid by manufacturers in developing countries today, with some multinational corporations paying above local wage levels, while others exploit low local wage levels or subcontract their production to local sweatshops (Polyani, 2001; Brown et al, 2003). The early British industrial cities were typically replete with unregulated slum housing, insanitary living conditions, overcrowding, as well as air and water pollution. Poor wages, long working hours, destitution, chronic hunger and malnutrition were rife (Engels, 1892; Briggs and Jordan, 1934; Parker and Reid, 1972; Pelling, 1974; Woodward, 1981). In developing countries, worker living conditions with some of these characteristics can still be found. At the macro-level, Easterlin (2000) provides statistics on life expectancy at birth that show less developed countries significantly below developed countries. Even where employed by multinational companies, workers are at risk of income loss should these companies cut back production or move location to even cheaper labour sources. Their employment often is casualised and temporary (Rama, 2001).

Child and female labour also has been a feature of both the historical British industrialisation period as well as in developing country industry today. Both then and today in developing economies, it has offered industry a cheap supply of unskilled and semi-skilled labour, while at the same time being a means of poor families augmenting their income (Briggs and Jordan, 1934; Pollard, 1965; Parker and Reid, 1972.) Today, child labour is still endemic in developing economies, more present in agriculture, but nonetheless still occurring in industry. International Labour Organization statistics document 18% of the worlds’ children aged between 5 and 14 years as being economically active (amounting to 153 million in 2008) (Edmonds and Pavcnik, 2005).

Education too has its parallels between the British 18th and 19th centuries and conditions in many developing countries today. The record on British education through its Industrial Revolution period is clear. The State offered no education until the late 19th century. What provision was made came through religious organisations and private establishments of highly variable quality. To many children, education was simply unavailable. Lower class children counted themselves fortunate if they were educated to the age of 10 or 12 years (Briggs and Jordan, 1934; Parker and Reid, 1972; Pelling, 1974). The educational parallels in today’s developing countries are all too evident. The International Labour Organization (ILO, 2008) reports that many communities have inadequate schooling facilities offering poor quality education irrelevant to local conditions, and at any rate being beyond the economic means of many families. This results in large numbers of illiterate people joining the unskilled labour market. Most developing country budgets for primary education today are reported by the United Nations Educational, Scientific and Cultural Organization (UNESCO) as insufficient to meet the goal of universal compulsory school attendance. Many schools in these countries suffer poor governance, high staff turnover, inefficient and corrupt use of funds. Many such schools are inadequately equipped and have poorly trained teachers, resulting once more in high rates of illiteracy. In these countries, between 30% and 50% of children leave school after 4-6 years of primary education, being neither literate nor numerate (BMZ, 2010-2012). Easterlin’s (2000) tabulation of adult literacy rates in 1950 and 1995, reveal dramatic differences between developed and less developed countries. Yet many of these less developed countries are sites of major industrial expansion in recent decades, just as Britain experienced through the 18th and 19th centuries.

Gospel (2007) argues that in the 19th and early 20th centuries, employers assumed they had an automatic right to dictate the terms of employment. In the British case, this reflected traces of the Industrial Revolution environment in which industrialists rose to wealth and power through “ingenuity, self-reliance, energy, and business acumen unhampered by fine scruples” (Briggs and Jordan, 1934). Some merchants and manufacturers had banded together to invoke parliament to suppress working-class efforts to reduce working hours, improve wages, and better working conditions and to produce legislation penalising workers for attempts to organise labour or damage industrial property (Parker and Reid, 1972). Again in today’s developing country environment, the United Nations International Labour Organization has reported that 12 million people are exploited in forced labour conditions worldwide with total global profits estimated to be $32 billion annually. Again, one underlying driver is attributed to be the economic pressures felt by companies in affluent developed countries to search for new locations of cheap labour. This exploitation often occurs through corporate subcontractors operating in developing countries and forming part of the global corporations’ supply chain (Bowden, 2005).

Thus dimensions of the British industrial environment pertaining in the era of the four industrialists who are the subject of this study, arguably exhibit parallels to today’s global manufacturing environment. Issues such as working and living conditions, child and female labour, education, and exploitation were dominant contextual issues surrounding early British industrial development and its early multinational enterprise beginnings. These remain in our contemporary global manufacturing world today. Hence it is arguable that the British industrial philanthropists examined in this study faced many of the competitive pressures, short term profitability challenges, international competitor incursions and global business development imperatives that characteristically face corporate management today. Furthermore, as manufacturers, their labour force and industry conditions exhibited many of the characteristics all too evident in contemporary manufacturing environments in both developing countries and even in sweatshop environments in developed countries. It is therefore apposite to examine the strategies and initiatives of these British industrial pioneers who championed social responsibility and accountability agendas in and through their enterprises, in search of possibilities for industrial enterprises operating in similar industrial environments today.

**CORPORATE SOCIAL ACCOUNTABILITY IMPLICATIONS**

Motives and strategies for CSR and social accountability as addressed in these four historic cases raise the contemporary issue of motives and behaviour with respect to both CSR and social accountability. This is a question that has drawn the attention of both accounting and management researchers for some time, from CSR and social accountability perspectives.

**Variant Social Accountability Motivations**

As earlier discussed in this paper, many CSR researchers have either assumed or argued that CSR actions and accountability have been driven by the business case. Nonetheless some have suspected a greater variety of underlying agendas. Roberts (1992) suspected the influence of more factors than purely economic performance. Spence (2007) argued for more complex motivations than financial market pressure for risk management signalling. Empirical studies have detected corporate management’s ethical concerns, corporate leaders championing CSR and social accountability, and corporate leaders’ instigation of radical social accountability (Bebbington and Thomson, 1996; Bansal and Roth, 2000; Buhr, 2002). External pressures from regulators, community and social movement groups, the media and customers, have also been cited as influential (Davis and Thompson, 1994; Davis, G.F. and McAdam, D., 2000; Fung et al, 2001; Deegan et al, 2002; Campbell, 2007). Again, as already addressed in this paper, the business case motivation for CSR and social accountability has been shown to embrace many of these variant motives (Frynas, 2005; Spence, 2007). Hemingway and Maclagan (2004) similarly identify motives such as corporate image management and the integration of a global workforce, and Ven and Graafland (2006) point to corporate reputational management in pursuit of employee approval and customer loyalty. Current researcher thinking tends towards the conclusion that corporate social disclosure is inevitably oriented towards corporate financial self-interest while privileging some priority user groups such as shareholders (Shearer, 2002; Messner, 2009; Cooper and Owen, 2007).

However as this study reveals, those attributed CSR and social accountability motivations do not reveal the entire picture. Corporate leader beliefs, philosophies and values may not only condition their attitudes to such accountabilities, but may produce the corporate and social accountability concepts they choose to develop and implement. These are further revisited in related historical evidence from this study and contemporary research findings as follows.

**Corporate Leaders: Moral Responsibility**

This still leaves open to consideration, the question of whether CSR and social accountability practices can be attributed to the values and moral responsibility of corporate leaders. This study’s findings clearly suggest that they can. The personal belief systems and social visions of the industrial pioneers in this study, demonstrate how a leader’s moral responsibility can drive their conceptualisation and implementation of corporate social accountability. As already recognised in this paper, corporate executives may struggle with their own ethical values versus what they see as corporate financial bottom line expectations. However despite structural and cultural challenges within contemporary corporations, this study has revealed both historical and contemporary examples of corporate leaders who have mustered sufficient influence to drive the addressing of CSR and accountability issues. Collier and Esteban (2007) argue that corporate ethical and CSR posture is driven from the top of the organization, from which employees take their cues. In their study of two organisational cases, Joyner and Payne (2002) identified founders and leaders developing strategies to assist the communities associated with their organisations. Maignan and Ralston’s (2002) study of firms across the USA, UK, France and the Netherlands found CSR fostered by managers valuing such behaviour, while Ven and Graafland’s (2006) study of 111 Dutch corporations found that CSR implementation was driven more by corporate moral commitments than by the traditional profit maximisation motive. Underlying drivers of organisational leader CSR and social accountability have included their association with charitable and philanthropic associations, personal commitments to supporting social change, and (younger) generational beliefs in social and environmental responsibility (Hemingway and Maclagan, 2004).

**Religious Belief: Faith and Good Works**

The religious beliefs and commitments of Owen, Salt, Cadbury and Lever have been shown to have conditioned their corporate leadership and social accountability strategies. Such a relationship has been found to resonate down through the years to some contemporary corporate leaders (Hemingway and Maclagan, 2004). This has been found in such religious traditions in Christianity, Buddhism, Judaism, Islam and Confucianism and was particularly evident among British and American Quakers including Cadbury, Rowntree and Fry, the chocolatiers (Hemingway and Maclagan, 2004). The impact of religious belief on corporate social and ethical attitudes and general decision making has been studied with mixed results. Some evidence has identified religiosity linked to lower levels of ethical sensitivity, commonality between religious believer and non-believer ethical judgements, and no greater commitment to broader social responsibilities expressed by religiously affiliated persons (Clark and Dawson, 1996; Kidwell et al, 1987; Brammer et al, 2006). However evidence for a positive relationship includes religious belief determining ethical attitudes, religiosity inducing lower tolerance of unethical behaviours, and religious belief generating higher ethical standards in individuals (Terpstra et al, 1993; Conroy and Emerson, 2004; Kennedy and Lawton, 1998; Longenecker et al, 2004; Wong, 2007). The balance of contemporary evidence now appears to have swung towards a positive relationship between corporate leaders’ religious beliefs and their ethical and social responsibility predispositions (e.g. Weaver and Agle, 2002; Angelidis and Ibrahim, 2004; Fernando and Jackson, 2006; Emerson and McKinney, 2010).

As found amongst the pioneers in this study, contemporary research has revealed that leaders’ religious beliefs’ influence upon social responsibility attitudes and practices may take the form of accommodating organisational member religious practices and beliefs, invoking some sense of workplace spirituality where the meaning of organisational work is elevated by association with some articulated transcendent moral purpose, or building a sense of spirituality and community in the workplace (Cash and Gray, 2000; Bell and Taylor, 2003). Werner (2008) found that Christian owner-managers’ beliefs afforded them conceptual and linguistic resources that included a sense of responsibility and accountability to God, a view of themselves as public witnesses to their system of beliefs in action, fostering organisational practices for the good of others. This includes a religious duty to emulate Jesus of Nazareth’s ministry to the disadvantaged and marginalised (Anderson et al, 2000).

Schwartz (2006) makes the case that God can be legitimately identified as a managerial stakeholder for religiously adherent business leaders. This carries the risk that they may focus their primary accountability on their God and faith community and as a consequence adopt Messner’s (2009) strategy of prioritising a particular stakeholder, to the exclusion of others. Against this, a view of God as a managerial stakeholder (Schwartz, 2006) may reposition a corporate leader’s motivation towards exercising ‘servant leadership’. Then they see themselves as stewards, prioritising the needs and aspirations of others, placing less emphasis on profit-making, and adopting a broader societal perspective in their practices. This resonates with this paper’s evidence on these pioneering industrialists’ CSR actions and religious belief based social accountability strategies.

This study further adds to our understanding of the importance of the linkage between a leaders’ system of beliefs, for example derived from their Christian theology, and the social accountability actions they take. The concept of the intrinsic relationship between faith and ‘good works’ already discussed, sees faith without good works as unjustified. This more clearly explains the driving forces that may have compelled corporate leaders such as Owen, Salt, Cadbury and Lever, to make such significant financial, strategic and personal investments in CSR strategies and accountabilities for the benefit of the other, the powerless.

**Accountability Through Action**

The industrialists examined in this study developed an approach to social accountability that goes beyond our contemporary research focus upon formal corporate reports. It was based in their theological belief in the integration of faith and ‘good works’ in service of others. Contemporary conventional wisdom sees social accountability as oriented towards rendering accountability *for* organisational actions. In contrast, to a large degree the industrialists in this study considered themselves accountable to their faith communities and to society *through* their actions. Thus what we today term CSR strategies, themselves can represent public and transparent forms of corporate social accountability: that is, social accountability rendered through action. This form of action based and publicly observable social accountability is directly referenced in the Biblical text “By their fruit you will recognise them” (Matthew 7:16, NIV).

The concept of social accountability *through* action has to date been explored only to a limited extent by accountability and CSR/ social accountability researchers (Oakes and Young, 2008). When this concept of social accountability through action includes a program of public visibility such as the large scale visitation of these historical industrialists’ factories, mills and villages, and their own engagement in public discourse, then the potential for significant alternative pathways for rendering social accountability become apparent. They represent another form of an organisation’s presentation of itself through alternative forms of front performance (Goffman, 1959). Such performances of corporate social accountability go beyond currently conceived forms of traditional ‘accounting’ style reports to include a wide range of public activities, publicity, and social engagement that were utilised by Owen, Salt, Cadbury and Lever. They suggest a broader array of possible social accountability forms than accounting researchers have hitherto considered.

Such personally driven CSR and action based social accountability strategies invite comparisons with social and environmental advocates of more recent times as the late Anita Roddick, founder of Body Shop, Ben Cohen and Jerry Greenfield, founders of Ben and Gerry’s ice-cream, Ray Anderson, founder of Interface carpets, and John Spedan Lewis, founder of the John Lewis Partnership. Others who have visibly outworked their beliefs through their organisations’ policies and practices include John Huntsman’s development of Huntsman Chemical Corporation’s priority actions towards corporate citizenship and the relief of human suffering, David Judd’s management of the Alcoa Portland aluminium smelter community development programs, and Zerox corporation’s employee welfare programs (Cacioppe, 1999).

Contemporary examples of corporate leaders translating their religious beliefs into CSR practices include James Burke’s 1975-1989 leadership of Johnson & Johnson, Adrian Cadbury’s 1969-1990 leadership of Cadbury Schweppes, Max De Pree’s leadership of the office furniture manufacturer Herman Miller until 1988, and J. Irwin Miller’s 1951-1977 leadership of Cummins Engine (Murphy and Enderle, 1995). Religious convictions have also been observed to underpin the corporate practices of leaders such as Jeffrey Swartz of Timberland, Aaron Feuerstein of Malden Mills textile manufacturers, John Tyson of Tyson Foods, Truett Cathy of Chick-fil-A restaurant chain, Marion Wade of ServiceMaster, the McKee family of McKee Foods Corporation, Hebrew National meat manufacturers, and Love Box packaging manufacturers (Schwartz, 2006). Murphy and Enderle (1995) argue that the strategies and practices invoked by such religious and values driven corporate leaders often exhibit several common characteristics: a commitment to honesty and transparency, constructing their organisation’s reality through reaffirming their personal ideals, demonstrating a high level of concern for the impacts of their decisions upon others, and applying their religious belief in their responsibility and obligation to others. While varying in their sources of religious and values bases and in their manner and extent of CSR implementation and social accountability practices, these contemporary examples nonetheless reflect a heritage of corporate CSR leadership that stretches back to industrial pioneers such as Owen, Salt, Cadbury and Lever.

**INSIGHTS FROM THE PAST**

Owen, Salt, Lever and Cadbury offer historical insights that illuminate the complexities of historical and contemporary CSR strategies. Their innovations occurred when government regulation of corporate social impacts was arguably at a minimum level. Yet their social innovations and experiments did not necessarily reduce overall costs associated with labour, and their CSR activism extended deep into their organisations and workforces as well as extending well beyond their company boundaries to include members of the general community. They provide us with important examples of corporate leaders who have chosen to place CSR and social accountability at the core of their strategic mission.

This paper has addressed the central question of how they shaped and enacted corporate social accountability. Its findings have revealed the specificity and visibility of both their CSR visions and their practical implementation of social accountability. These were sourced in their philosophical and religious convictions and addressed both corporate and societal futures. Their religious convictions spawned a highly personal sense of moral responsibility for the welfare of others that went well beyond an immediate business case economic focus. That sense of moral responsibility in turn propelled them towards discharging a social accountability to their local and wider communities. This was reinforced by their theology of integrating their belief system with practical action; namely the essential linkage between faith and good works. For them, their belief system came to nought unless they expressed it through accountable actions.

These pioneers’ sense of moral responsibility for others, expressed through accountable actions, shaped their corporate social accountability strategies which in turn were enacted in the form of corporate social accountability *through* action. The actions they took were visible and observable expressions of social justice and social impact. Their span of activities and related impacts were significant: moving against child labour, improving workplace health and safety, developing employee and community facilities and lifestyle, educating the citizenry, modelling town planning, and reforming industrial cities. Their rendering of social accountability through action suggests the possibility of delivering accountability through publicly observable CSR strategies and actions of themselves, as well as through alternative forms of communication such as public accessibility to corporate sites, published narratives by business leaders themselves, and accounts by third party observers and commentators. These offer alternative approaches to the traditional formal narrative report format upon which contemporary accounting research and practice has tended to focus.

This study contributes to an ongoing accounting research conversation regarding corporate and corporate leader accountability for societal impact in a number of respects. As Archel et al (2011) have argued, in these historical social responsibility pioneer cases we find evidence of these leading industrialists challenging the institutional conventional wisdom of their day, embarking on major investments, community infrastructure and social welfare strategies that went well beyond both legal minima and conventional employer provisions for workforce and community. Indeed they arguably invested such significant inputs as to make their social agendas part of their core business, and significantly exceeding any investment that might be justified simply on business case grounds.

Researchers such as Sinclair (1995), Shearer (2002), Messner (2009) and Cho et al (2012) have also discussed corporate leaders’ sense of moral responsibility and their potential expression of that through their discharge of social accountability. They and Roberts (2009) see such moral responsibility outworked through an accountability to ‘the other’. Shearer (2002), Brown and Fraser (2006), Shenkin and Coulson (2007), Jayasinghe et al (2009) and Messner (2009) all consider this concern for others to be addressed through rendering community centred accountability. Accountability from this perspective appears as delivered through a morally assumed responsibility for building relationships with community. This study has provided historical empirical evidence that deepens our understanding of the underlying corporate leader profiles and (in these cases, religious) philosophies that laid the foundation for the industrialists’ apparently felt moral responsibility for the other. In addition it has explicated the strategies through which they related to their local and wider communities and developed multifaceted relationships with them. These two sets of insights deepen our understanding of how the concepts of moral responsibility and accountability for the other can emerge, and how they may be implemented.

While much of the social accountability research literature has focussed upon formal narrative corporate reports, some such as Schweiker (1993), Sinclair (1995), Messner (2009) and Cho et al (2012) have acknowledged that leaders’ observable actions may play an important role in their rendering of accountability. This study advances that conversation to considerable degree in that it has revealed the dimensions and importance of industrialists’ rendering of social accountability through action. This recognition returns our attention to and elucidates the multiple available paths to accountability that go beyond our traditional focus on the formal narrative corporate report. In doing so it reveals the range of publicly observable social accountability actions open to corporate leaders and how they may render them transparent and accessible.

As discussed in the paper, a number of parallels can be drawn between the historical and contemporary environments surrounding CSR and social accountability. In global business operations, particularly in developing economies, there are still echoes of the 19th century industrial environment that evidenced major industrial expansion, worker exploitation, substandard living conditions, and variable levels of education. It is apparent that some corporate leaders have chosen to become exceptions to the exploitative ‘model’, challenging the *status quo* and initiating major investments in their workforces, communities and societies. Both in Owen, Salt, Cadbury and Lever’s era and still today, social accountability initiatives by corporate leaders have been in evidence even under the pressures of a highly competitive international marketplace. Many corporate social responsibility and accountability initiatives have been shown to owe their genesis to those early exemplars. While corporate leaders with significant ownership stakes in their organisations are advantaged in their ability to translate their personal beliefs and visions into CSR and accountability through action, this study has identified many examples of contemporary corporate leaders’ ability to pursue and shape such agendas, even in publicly listed companies.

These historical cases suggest that even today, we still need to excavate CSR and social accountability dialogue, reporting and activity more deeply if we are to fully understand and exploit the potential mix of drivers for CSR activity and its social accountability representation. However it is important to recognise that this study is not setting out to argue for legitimacy of any particular CSR or accountability approach or to predict contemporary corporate CSR and accountability motivators. It is written from the historiographic tradition of seeking to enhance our ability to understand historical contexts of present-day practice and thereby offering the potential to diagnose the complexities of present day corporate actions and to identify both limitations and possibilities.

The historical evidence presented in this study reveals that the CSR agenda can result from a complex mix of motivating factors. There is undeniably a lengthy history of tensions between the CSR agenda and commercial pressures, and yet we see evidence of business leaders not always taking profit as their sole focus. At the same time history reveals apparent examples of corporate founders and leaders placing the CSR and social accountability agendas side by side with their commercial imperatives. In investigating these historical precedents for deeper understandings of both CSR and social accountability practice and their underlying agendas, there is a clear need for our examining primary evidence from company archives, not only in terms of accounting records, but through seeking out records of correspondence, meeting minutes, business plans and the broad spectrum of both these industrialists’ personal and their company records. This will afford the opportunity to compare private reflections and deliberations with public pronouncements, and to unpack underlying decision-making processes and their rationales. Further research would also assist in assessing the durability of original founder beliefs’ influence on corporate CSR and social accountability strategies after their departures. This is a particularly pertinent question for example with respect to family ownership changes or listed company takeovers of such organisations. Cadbury (2010) for example cites the abandonment of Quaker roots and beliefs and associated CSR strategies by (originally Quaker) chocolate manufacturers such as Hershey[[3]](#footnote-3) and Cadbury after takeovers by global corporate giants such as Nestlé and Kraft.

This study reveals that to varying degrees, corporate leader motivations can simultaneously embrace and reflect both business case and personal philosophical agendas. It also indicates that the motivating factors behind CSR and accountability actions ought not to be assumed to reflect simple dichotomies such as a purely business case rationale or mere altruism. Social accountability may be rendered through corporate leaders’ deep-seated beliefs and philosophies. The industrial and philanthropic pioneers examined in this paper contextualised industrial and social practices they observed around them, conceiving and then enacting a vision of future change. Consistent with their personal acceptance of moral responsibility for others, they exemplified the discharge of social accountability through action: a concept that invites further attention by corporate leaders today.

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|  |
| --- |
| CSR as a guiding principle for every decision made and in every area of business  CSR as open and transparent business practices based on ethical values and respect for employees, communities and the environment  CSR as achieving commercial success in ways that honour ethical values and respect people, communities and the natural environment  CSR as the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large  CSR as treating the stakeholders of the firm ethically or in a responsible manner  CSR as extending the immediate interest from oneself to include one’s fellow citizens and the society one is living in  CSR as how you treat your employees and all your stakeholders and the environment |

**Table 1.**

**CSR Definitions (Dahlsrud; 2006)**

|  |  |
| --- | --- |
| **Facilities** | **Activities & Services** |
| community halls  factory dining halls  schools  hospital  dispensary  concert hall  swimming pool  public baths and washhouses  churches  art gallery  museum  children’s playgrounds  football and cricket grounds  bowls and quoits greens  gymnasium  lecture theatre  libraries and reading rooms  billiard rooms  institutes for continuing education | gardening  cooking  art and craft classes  concerts  village flower show  fairs  lecture series  health insurance  bands  gymnastic clubs  fishing clubs  horticultural societies  football and cricket teams  company day trips and holidays |

**Table 2**

**Industrial Philanthropists’ Factory Village Facilities, Activities and Services**

|  |
| --- |
| Education aimed at social reform  Focus upon natural and spontaneous learning  Emphasising kindness rather than punishment  Employing innovative methods of student engagement rather than rote learning  Reading, writing, arithmetic, sewing, geography, history augmented by:  Dancing and singing  Equipping children for community life  Embracing co-education |

**Table 3**

**Robert Owen’s School and Education Agendas**

1. Non-government organisations in the nonprofit (third) sector that focus on social and environmental responsibility issues and activities. [↑](#footnote-ref-1)
2. E.g. donation habits, relationships with nonprofit organisations, female gender, members of a minority group [↑](#footnote-ref-2)
3. Milton Hershey was profoundly influenced by his mother’s Mennonite beliefs and his Quaker schooling in the Quaker environment of Pennsylvania (Cadbury, 2010). [↑](#footnote-ref-3)