IRMM
INTERNATIONAL REVIEW OF MANAGEMENT AND MARKETING
EJ EconJournals
ISSN: 2146-4405

International Review of Management and Marketing

ISSN: 2146-4405

available at http: www.econjournals.com

International Review of Management and Marketing, 2018, 8(2), 1-8.

EJ EconJournals

Responsible Business Model: A Corporate Social Responsibilitiy Aprproach to Business Model

Manouchehr Ansari[1]*, Masoumeh Javaherian[2]

[1]Faculty of Management, University of Tehran, Iran, [2]Faculty of Management, University of Tehran, Iran. *Email: mansari@ut.ac.ir

ABSTRACT

Corporate contribution to social, environmental and economic concerns has been one of the pivotal issues for both businesses and society in recent years. Although many researchers have worked on this topic and established useful approaches which motivate companies and guide them to perform corporate social responsibility (CSR), there is still lack of applicable models that can help companies to accomplish CSR as part of their business model. The aim of this paper is to discuss how companies can integrate CSR into the business model in pursuit of creating responsible business model. Responsible business model offers new ways and methods to create value for all stakeholders involved in a business including shareholders, society, employees, and so forth.

Keywords: Responsible Business Model, Corporate Social Responsibility, Business Model, Stakeholders
JEL Classification: M01

1. INTRODUCTION

The ability to transform cost to benefit and threat to opportunity is critical for creating value in unpredictable and forward-looking environments. In face of public attention to corporate behavior, firms cannot ignore the effects of their actions toward society. “Corporate social responsibility (CSR) increasingly gained attention in public debate, entrepreneurial networks, corporate communication and academic research” (Hediger, 2010. p. 518). Companies are seeking the ways that fulfill their CSR obligations that also satisfy shareholders and have a positive financial impact (Garay and Font, 2012). This means that most companies tend to accomplish CSR just when it increases shareholders value. Porter and Kramer (2006) for example, discuss strategic CSR as a source of opportunity and competitive advantage. Some researchers (Freeman et al., 2006; Freeman et al., 2010) believe that the main purpose of CSR should be stakeholders’ satisfaction and the responsibility of the firm toward stakeholders. Against these groups, some scholars (Friedman, 1970; Jensen and Meckling, 1976; Jensen, 2002) discuss shareholders and making the profit as the only responsibility of the firm. Due to these different views, new methods should be created which consider both shareholders and stakeholders. To obtain this aim we need a framework or model which can meet shareholders’ expectations and have potential to integrate with CSR to meet stakeholders’ expectations.

2. BACKGROUND

2.1. CSR

Although many have attempted to define CSR over the years, the concept has remained vague and ambiguous to some” (Makover, 1994. p. 12; Schwartz and Carroll, 2003). “Bowen (1953), often regarded as the father of CSR, has defined the social responsibilities of ‘businessmen’ as their obligations to ‘pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values at our society’” (Crane et al., 2008. p. 304). In contrast with this early definition by Bowen, some researchers have not had this point of view. Milton Freidman, for example, in an article in the New York Times (1970) has stated that “the social responsibility of business is to increase its profits.”

To discuss CSR, there are the different approaches to it. Kanter (2010) suggests that integrating social good into mission and strategy can help a company’s long-term performance and competitive advantage. Porter and Kramer (2006) discuss strategic

CSR which determines how companies affect society and provide competitive advantage. Although this approach delineates the path to social issues that companies should consider, it doesn't address how these issues are chosen and by whom. Eccles et al. (2012. p. 43) in an article with this title: "How to become a sustainable company" talk about differences between sustainable companies and traditional ones and believe that to develop a sustainable company, "they need leadership commitment, an ability to engage with multiple stakeholders along the value chain, widespread employee engagement and disciplined mechanisms for execution."

"In the last couple of decades, stakeholder theory has increasingly become the common frame of reference when CSR is discussed" (Pedersen, 2006. p. 138). In the business, managers encounter strongly requests from stakeholders to dedicate resources to CSR (McWilliams and Siegel, 2001). Freeman (2006. p. 5) discuss that "the main goal of CSR is to create value for key stakeholder and "Responsibility" implies that we cannot separate what we do in the workplace from ethics." According to them (Freeman et al., 2006. p. 5) "it is time to replace "CSR" with an idea of "company stakeholder responsibility," assigning a different meaning to CSR." To understand this approach we need to perceive stakeholder theories.

2.2. Stakeholder

According to Freeman, a stakeholder is "any group or individual who can affect or is affected by the achievement of the firm's objectives" (1984. p. 25). Goodpaster (1991) states that this definition refers to two types of stakeholders: Strategic and moral (Frooman, 2002). "Strategic stakeholders are the ones who can affect a firm and these stakeholders and their interests must be 'dealt with' (Freeman, 1984. p. 126) so that 'the firm may still achieve its interests' " (Frooman, 2002. p. 192). "Here, the stakeholder literature intersects the strategy literature" (Frooman, 2002. p. 192). Moral stakeholders are the ones who are affected by the firm and stakeholder theorists seek some balancing of their interests (Frooman, 2002). "Here, the stakeholder literature intersects the ethics literature and gives a more bidirectional account of the firm and its stakeholders" (Frooman, 2002. p. 192).

First, we should consider this view that the stakeholders who affect the firm and the ones who are affected by the firm are two different types of stakeholders. If we assume that the relationship between stakeholders and corporate is a reciprocal relationship, we can deduce that every action in this relationship has a reaction from the opposite side and these actions and reactions have both strategic and moral effects. We do not separate strategic and moral stakeholders and their behaviors and interests. In the era of social networks, every stakeholder should be considered as an extensive source of information which can broadly release corporate behavior and performance between other stakeholders like society and customers and influence reputation and trust of the brand. It does not mean that all stakeholders have the same authority to affect corporation, so companies should treat them in the same way. It means that companies should take all stakeholders into consideration and deal effectively and fairly with them according to their interests, engagements, and expectations. We comprehensively discuss this subject in next parts.

One of the most important stakeholders is a shareholder who is in the center of attention in some texts of CSR field. "More traditional corporate governance scholars agree that, within legal limits and ethical customs, the only duty the of managers is to maximize shareholder value" (Friedman, 1970; Jensen and Meckling, 1976; Jensen, 2002; Alpaslan, 2009. p. 42). In the other side, as discussed previously, stakeholder theorists believe that the main responsibility of the firm is toward stakeholders (Freeman et al., 2006; Freeman et al., 2004; Freeman et al., 2010).

2.3. Business Model

The term business model has emerged in the managerial literature since the end of the 90s, especially with the emergence of the Internet and its enormous influence on e-commerce (Ghaziani and Ventresca, 2005; Demil and Lecocq, 2010). During last two decades, academics and practitioners have worked on this subject from different points of view. Zott et al. have observed that researchers adopt definitions that are appropriate for the purposes of their studies but that are difficult to reconcile with each other (Zott et al., 2011).

There are different approaches and definitions of the business model which introduced and used by different scholars. Zott et al. by reviewing 103 of the business model publications discover that "at a general level, the business model has been referred to as a statement, a description, a representation, an architecture, a conceptual tool or model, a structural template, a method, a framework, a pattern, and a set" (Zott et al., 2011. p. 4). Doz and Kosonen explain that business models can be defined both objectively which are sets of structured and interdependent operational relationships between a firm and its stakeholders and among its internal units and departments, and for the firm's management, also function as a subjective representation of these mechanisms, delineating how it believes the firm relates to its environment (Doz and Kosonen, 2010).

Zott and Amit define a business model as a system of interdependent activities that transcends the focal firm and spans its boundaries which enables the firm, in concern of its partners, to create and share value (Zott and Amit, 2010).

By reviewing different definitions and concepts of business model, we utilize Applegate's (Applegate et al., 2003. p. 45) business model framework which includes three building blocks: Concept, capabilities, and value.

An organization's business concept defines its strategy and is based on analysis of market opportunities, product and services offered, and competitive dynamics (Applegate et al., 2003. p. 45). It also supports customer analysis and the business network assessment (Applegate et al., 2009. p. 45). "A useful analogy of concept is a group of people who want to build a house together" and "concept would give everyone a clear idea and picture of how the house will look and may go as far as a detailed blueprint of the house" (Klatt and Hiebert, 2001. p. 92).

An organization's capabilities define resources needed to execute strategy and are built and delivered through its people, operations, leadership and management process, organization and culture, and business development and innovation process (Applegate et al., 2003. p. 45). "Capabilities enable a company to execute current strategy while also providing a platform for future growth" (Applegate et al., 2009. p. 46).

The final component of a business model identifies value delivered to all stakeholders (Applegate et al., 2009. p. 48). Casadesus-Masanell and Ricart (2010. p. 203) state that "choosing a particular business model means choosing a particular way to compete, a particular logic of the firm, a particular way to operate and to create value for the firm's stakeholders." In this paper, we use Applegate et al. (2003) framework for business model which is general and comprehensive.

3. FINDING THE RESEARCH GAP

By reviewing various articles from various scholars, we classify different approaches to CSR in seven categories according to stakeholders or shareholder:

1. Corporate responsibility toward stakeholders at the cost of shareholders;
2. Corporate responsibility toward shareholders at the cost of stakeholders;
3. Corporate responsibility toward shareholders without violating the legal rules and ethical customs of society;
4. Corporate responsibility toward stakeholders which have been preferred and confirmed by shareholders;
5. Corporate responsibility toward stakeholders without considering shareholders;
6. Corporate responsibility toward stakeholders by considering shareholders benefit;
7. Corporate responsibility toward the society without considering other stakeholders and shareholders.

   The common point of all above approaches is a unilateral responsibility of the corporation toward stakeholders, shareholders or society. There are some considerable aspects which have been missed out on previous approaches:
   Stakeholders (shareholders, customers, employees, society…) responsibility toward corporation;
   Stakeholders (shareholders, customers, employees, society…) responsibility toward each other;
   Corporate responsibility toward all stakeholders and shareholders without trade-offs.

The main approach of this paper toward CSR is these three issues and due to the fundamental role of stakeholders (including shareholders) in this approach, we name it "stakeholder-based CSR." One of the most important subjects which should be mentioned to obtain a useful and practical approach is that how companies can identify and define their responsibilities toward stakeholders. Companies cannot perform their obligations and take on their responsibilities unless they know exactly to whom are responsible. It is true for stakeholder's responsibility toward corporation and toward each other. But how companies can gain knowledge about stakeholders to fulfill their obligations to them? The next important question is that how stakeholders take on responsibility toward corporation and toward each other? These two questions indicate the relationship between stakeholders and corporation which is discussed in next parts.

4. RESEARCH METHOD

We used qualitative study, using a semi-structured interview protocol. We selected the participants from experienced professional and experts in the field of marketing and policy making in the field of organic fruit juice manufacturing by purposive sampling, its sampling was continued to adequate extent or theoretical saturation and eventually 20 people were interviewed in industry side. In customer end we interviewed with 15 consumers with same method. Finally, NVivo Software was used to codify and analyze the data.

5. DEVELOPING OF THE MODEL: RESPONSIBLE BUSINESS MODEL

We live in a world which people, companies, governments, and even nations are related to each other much more than in the past. People work for companies and earn money, buy other companies products and give their own money to them. Companies pay tax and government build new roads, schools, hospitals. "Self-interest is not the only source of innovation or progress, rather working with others and for others can be a stronger motivation to enhance the pace of progress and creation value" (Freeman et al., 2010. p. 283). Porter and Kramer (2006) explain that successful companies need a healthy society…, at the same time, a healthy society needs successful companies. It is true for all stakeholders which are involved in a business.

A firm is responsible to its employees to create good conditions of work (including safety and health, hours of work, wages); to its customer to satisfy them and adherence to principles of fair competition; to society for environmental stewardship, human rights (including core labor rights), sustainable development.... (Hohnen, 2007. p. 4). When a company creates an appropriate environment for its workers, they should be honorable and work effectively. This standpoint can lead to managers regard CSR as a concept which can bring about value creation and value capturing. Managers should know that CSR can be much more than a cost, a constraint or a charitable act; it can be a source of opportunity, innovation, and competitive advantage (Porter and Kramer, 2006).

By gaining a clear understanding of CSR, stakeholders and business model, which are discussed widely but separately by various researchers, we integrate these concepts to create Responsible Business Model. We first reviewed CSR literature. Then we did this for stakeholders and business model as well. By analyzing the literature of CSR and stakeholders, we discussed about missing parts in most researchers work and propose stakeholder-based CSR which focuses on a bilateral relationship between stakeholders and corporations. Afterward, we go in the responsible business model part which is the main goal of this paper. In responsible business model, we talk about the relationship between stakeholders and corporation through three attributes of stakeholders including interest, engagement and expectation and three building blocks of a business model including concept, capabilities and value. Finally, we present our main conclusions and proposals for future research.

We live in a world which people, companies, governments, and even nations are related to each other much more than in the past. People work for companies and earn money, buy other companies products and give their own money to them. Companies pay tax and government build new roads, schools, hospitals. "Self-interest is not the only source of innovation or progress, rather working with others and for others can be a stronger motivation to enhance the pace of progress and creation value" (Freeman et al., 2010. p. 283). Porter and Kramer (2006) explain that successful companies need a healthy society…, at the same time, a healthy society needs successful companies. It is true for all stakeholders which are involved in a business.

A firm is responsible to its employees to create good conditions of work (including safety and health, hours of work, wages); to its customer to satisfy them and adherence to principles of fair competition; to society for environmental stewardship, human rights (including core labor rights), sustainable development.... (Hohnen, 2007. p. 4). When a company creates an appropriate environment for its workers, they should be honorable and work effectively. This standpoint can lead to managers regard CSR as a concept which can bring about value creation and value capture. Managers should know that CSR can be much more than a cost, a constraint or a charitable act; it can be a source of opportunity, innovation, and competitive advantage (Porter and Kramer, 2006).

By gaining a clear understanding of CSR, stakeholders and business model, which are discussed widely but separately by various researchers, we integrate these concepts to create Responsible Business Model. We first review CSR literature. Then we do this for stakeholders and business model as well. By analyzing the literature of CSR and stakeholders, we discuss missing parts in most researchers work and propose stakeholder-based CSR which focuses on a bilateral relationship between stakeholders and corporations. Afterward, we go in the responsible business model part which is the main goal of this paper. In a responsible business model, we talk about the relationship between stakeholders and corporation through three attributes of stakeholders including interest, engagement and expectation and three building blocks of a business model including concept, capabilities, and value. Finally, we present our main conclusions and proposals for future research.

As you review the business model framework, it is important to recognize that the components and relationships depicted here are not new; What is new are the business rules and assumptions that form the mental models that guide how we make decisions and take actions" (Applegate et al., 2009. p. 44). Each building block of Applegate's business model can represent one of these elements: Decisions, actions, and consequences. In other words, the concept represents decisions, capabilities represent actions and value represents consequences. In this view, it is important to consider that who makes decisions, who takes actions and who benefits or be harmed by consequences? Although it may seem that top managers or shareholders make decisions; employees, suppliers, managers and some of the other stakeholders take actions and all these players would be affected by the consequences but we believe that all stakeholders (customers, employees, shareholders, society…) should make decisions and take actions and in this regard would benefits (or be harmed) by consequences. But how stakeholders can play their role (as decision makers, actors, and ones who are affected by the result) and integrate to business model components?

In this part, we first discuss why we choose "Responsible Business Model" while we could use "Social Business Model." "Enderle (2006. p. 118) critically analyses various formulations of the concept of CSR and recommends "drop[ping] the term 'CSR' entirely and us[ing] instead 'corporate responsibility' including economic, social, and environmental tasks" (Freeman et al., 2010. p. 261). To focus on social responsibility, some stakeholders like shareholders may be disregarded or trifled but "corporate responsibility" without the term "social" is a wider concept and can be implied all stakeholders including shareholders and society. Vaaland defines CSR as the "management of stakeholder concern for responsible and irresponsible acts related to environmental, ethical and social phenomena in a way that creates corporate benefit" (Vaaland et al., 2008. p. 931; Powell, 2011).

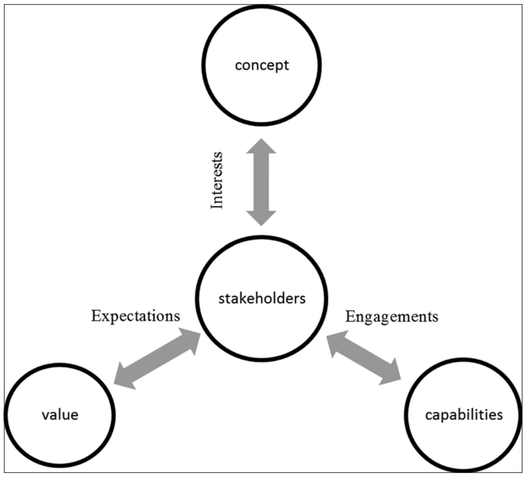
Accordingly, we don't talk about the socially responsible business model and nominate responsible business model. In the responsible business model, we don't separate customer, shareholders, stakeholders, and society. By stakeholders, we consider all parties involved in the business including customers, shareholders, suppliers, employees, managers, partners, NGOs, society, governments, environment.

As we discussed stakeholders' role in corporate responsibility and the importance of this role, we cannot disregard them from the framework and put them in the centre of it due to their importance and as a common part in the business model and CSR. Since the fundamental purpose of the business model is to expand economic profit which is the shareholders' primary expectation and the main purpose of CSR is to attain social welfare and create value for other stakeholders, integrating business model and CSR can provide both shareholders' and other stakeholders' (including society) benefits.

As discussed previously and according to recent debate, by responsible business model, which is the output of integrating business model and stakeholder-based CSR, we meant to create value for all stakeholders. In this regard, the responsible business model has three major components in context: Stakeholders, business model and CSR and six minor parts: Stakeholders' interests, stakeholders' engagements, stakeholders' expectations, concept, capabilities, and value (Figure 1).

As illustrated in Figure 1, stakeholders are at the centre of responsible business model and stakeholder's interests, engagements and expectations connect stakeholders and business model components. According to Wood and Jones (1995), stakeholders' interests, engagements, and expectations represent the relationship between stakeholders and company. Stakeholders

Figure 1: Responsible business model framework



are the players of the business model so they should connect with its parts appropriately.

As we discuss previously, stakeholders and corporation have obligations and responsibilities toward each other and as a result, the connection between stakeholders and business model should be in a way that they exercise their responsibilities.

6. MANAGEMENT IMPLICATION AND PROPOSITIONS

6.1. Stakeholders' Interests to Concept

Interests determine factors and methods to act and create value. Stakeholders express their concerns and points of view about corporate actions, behavior, value creation processes and methods and all subjects and issues which companies should make a decision or choice about them (including the decisions about other stakeholders) through their interests. Some of these concerns are for example, in which areas shall we invest? Which product and services shall we offer to satisfy our customers? What customer shall we serve? What strategies shall we use to reach our goals or deal with the problems? What relationships shall we have with different players in our business networks to execute the strategy? The answers to these questions (and a lot more) must depend on stakeholders' approaches and interests. As discussed previously, the concept represents decisions and it is stakeholders' right to involve in the decision making processes. When stakeholders' interests are integrated with the concept, it means that strategies and other decisions are defined according to stakeholders' interests (for example shareholder or society). Nasi (1995) states that an understanding of each stakeholder's interests is essential for determining corporate moral obligations to its stakeholders.

It is clear that there are some conflicts among shareholders', customers', suppliers', employees' and other stakeholders' interests (Marcoux, 2003). "These conflicts must be resolved so that stakeholders do not exit the deal - or worse - use the political process to appropriate value for themselves or regulate the value created for others" (Freeman et al., 2004. p. 365-366). It is not always easy to find a way that meets all stakeholders' interests and to trade off one versus another is easier for most managers (Freeman, 2010). It does not mean that all stakeholders should be treated equally since they do not have equal effects on the corporation. Alpaslan (2009. p. 47) states that "the interests of all stakeholders have intrinsic value, and no set of interests is assumed to dominate the others' (Clarkson, 1995; Donaldson and Preston, 1995; Jones and Wicks, 1999. p. 207) but this does not mean that stakeholders' interests are equally legitimate (Donaldson and Preston, 1995. p. 67; Phillips, 1997. p. 63)." What is important is that no stakeholder should be neglected and the value created for stakeholders should be in harmony with their interests. As Freeman discusses "managing for stakeholder is about creating as much value as possible for stakeholders, without resorting to trade-offs" and it is "the primary responsibility of the executive (Freeman, 2010. p. 9).

When managers involve stakeholders in decision-making processes and make relationships with them, they understand other stakeholders' interests and the reasons and logic of these interests. In addition, managers should try to reframe the questions and focus on innovation and find ways to create new products or services that signify the joint interests of all key stakeholders (Freeman, 2010).

One important thing which should be regarded is that all stakeholders and corporation are responsible for each other and in this regard, each stakeholder should consider others when it comes to express any interest. This multilateral view to responsibility resolves conflicts among stakeholders' interest because, in this approach, some stakeholders are not the only players and the others audiences or observers. All stakeholders are responsible to satisfy others' interests and no stakeholder can rely on self-interests.

6.2. Stakeholders' Engagements in Capabilities

Each decision needs some actions to execute and reach its aims. Since stakeholders' interests have been recognized and business concept (especially strategic choices) has been determined (based on stakeholders' interests), companies need stakeholders' engagements (actions) to execute their strategies. As discuss earlier, Stakeholders have some duties and responsibility toward corporation and can exercise their responsibility by providing resources and processes. Stakeholders' engagements can be defined "as the process of involving individuals and groups that either affect or are affected by the activities of the company" (Sloan, 2009. p. 26). Greenwood (2007) explains it as practices the companies undertake to involve stakeholders in a positive manner in corporate activities and believes that the more a company engages with its stakeholders, the more accountable and responsible that company is toward these stakeholders. We define stakeholders' engagements as the activities and processes in which stakeholders engage or to be engaged based on their interests and in relation and cooperation with corporation and other stakeholders to create value.

"SAM and the Dow Jones Sustainability Index assert that stakeholder engagement provides the means to gain acceptance and build the trust of a wide group of different stakeholders. They draw a further link to performance, arguing that trust-building aids in securing current and future corporate growth" (Sloan, 2009. p. 27).

Mark Parker, NIKE, INC. President and CEO, in FY07-09 Corporate Responsibility Report states that:

> "We have ambitious goals around scaling environmental, social and labour-related change. But we know we can't do everything, and we can't do it alone. So we decided to focus on a few key areas where we know we can mobilize awareness and commitment – with our employees, our consumers, policy makers, civil society and among members inside and outside of our industry. And that has made all the difference."

As mentioned previously, Capabilities define resources and enable a company to execute its strategies. The key question is that who provide resources and capabilities? The answer is clear: Stakeholders. If stakeholders do not involve in the activities and processes, no corporation can afford its needed resources and capabilities. Some stakeholders are resources in their own like leaders, managers and employees and some stakeholders provide resources like suppliers, shareholders and customers and companies need all stakeholders participation.

The next question which should be asked is that what motivate stakeholders to engage in corporate activities and provide resources and capabilities? We suggest that stakeholders' involvements are directly depend on stakeholders' interests, the integration of their interests to concept, and their expectation. The more stakeholders' interests integrate to business concept, the more stakeholders engage in corporate activities and processes and provide capabilities and the more they (stakeholders and corporation) take on responsibilities toward each other because they know that they create value for owns and other stakeholders who create value for them.

Proposition 1: There is a positive relationship between the level of stakeholders' interests integrated to business concept and the level of stakeholders' engagements.

Rynning-Tønnesen, the CEO of StatKraft, in an interview with MIT Sloan Management Review (August, 2011) states that:

> If I have a good strategy, good communication and good managers, I can get the capital needed. Today, you cannot have the capital first and the story afterwards. The investor story is all important. If it is good enough, you get the capital.

Microsoft is a good example in this case. One of a social innovation strategy at Microsoft is transforming education. To reach the goals, Microsoft's "opportunity divide" mission has also revitalized the corporate culture. In addition to volunteering over 383,000 hours and raising over $100.5 million for good causes in 2011, Microsoft employees are also responsible for the ideas behind some of the company's signature education programs.

6.3. Stakeholders' Expectations from Value

Most researchers give the same consideration to expectation and interest and they are not defined separately. Expectations are what you think or hope to happen based on your interests. When a manager takes an interest in a new market (for example) and enters it, he/she expects to boost sales and generate more profits. Stakeholders' expectations can be considered to determine the values which are the outcome of interests and engagements in corporate activities. "Stakeholders may establish expectations (which may be explicit or implicit, and which may or may not be communicated) about corporate performance based on their particular interests and levels of involvement in a company" (Wood and Jones, 1995. p. 243).

Proposition 2: There is a positive relationship between the level of stakeholders' interests integrated to business concept and the level of stakeholders' expectations;

Proposition 3: There is a positive relationship between the level of stakeholders' engagements in capabilities and the level of stakeholders' expectations.

As discussed, values are the consequences of decisions and actions (which are made and taken by stakeholders). When Stakeholders' interests determine concept (decisions) and then their engagements (actions) provide resources and capabilities to execute strategies, stakeholders anticipate creating value (consequences) be consistent with their expectations.

When all things proceed appropriately, the desired value will be achieved. We change the customer value proposition term explained by Johnson et al. (2008. p. 52) which state that: "A successful company is one that has found a way to create value for customers …." to "A successful company is one that has found a way to create value for stakeholders (according to their interests and contribution to business)." Few companies appear to consider value proposition in the context of a broader set of stakeholders (Frow and Payne, 2011). "Stakeholders' value proposition could act as a value alignment mechanism that may help companies move toward achieving a more informed balance across stakeholders" (Frow and Payne, 2011). When companies integrate stakeholders' interests and engagements to concept and capabilities, their value proposition will not oppose to society because society has been considered as a stakeholder in advance and creating value will be adjusted to corporate responsibility.

7. CONCLUSION

The proposed model, 'Responsible Business Model', which is the outcome of integrating CSR into business model, is a framework to reconcile stakeholders and shareholders theorists. Business model can be defined as a framework that allows firms to create value for customer as well as shareholders. What is disregarded in this definition is the effect of this progress toward stakeholders including society, environment and so forth. To obtain the framework we have first talked about CSR and stakeholders concept in literature and then business model framework which consists of three building blocks: Concept, capabilities and value. Each of these building blocks consists of some elements that explain how a firm creates value. As we reviewed the literature, we have been resulted that stakeholders are the main and influential part to accomplish CSR and create shared value. In this regard, we discussed about companies and stakeholders mutual responsibility and stakeholder-based CSR. Accordingly, we have paid considerable attention to stakeholders in our framework and discussed about their interests, engagements and expectation. When firms consider stakeholders' interests and participation to corporate activities, concept and capabilities transformation to new assumptions and rules based on CSR is unavoidable. Firms cannot incorporate CSR into their business without considering these elements entirely.

Without responsible mission, responsible people, responsible supplier, responsible shareholder, responsible strategy…, no firm can be a responsible corporation. We end our paper with Mark Parker statement:

> The challenges we face are huge, but the opportunity is even greater if we act now – new business models, new markets, new services and products – all based on our commitment to innovation.

(Mark Parker, President and CEO, NIKE, Inc., Corporate Responsibility Report: 2007-2009).

REFERENCES

Alpaslan, C.M. (2009), Ethical management of crisis: Shareholder value maximization or stakeholder loss minimization? Journal of Contingencies and Crisis Management, 36, 41-50.

Applegate, L.M., Austin, R.D., McFarlan, F.W. (2003), Corporate Information Strategy and Management. New York: McGraw-Hill/Irwin.

Applegate, L.M., Austin, R.D., Deborah, L.S. (2009), Corporate Information Strategy and Management. New York: McGraw-Hill/Irwin.

Bowen H.R. (1953), Social responsibilities of the businessman, Harper and Row: New York.

Casadesus-Masanell, R., Ricart, J.E. (2010), From strategy to business models and onto tactics. Long Range Planning, 43, 195-215.

Crane, A., McWilliams, A., Matten, D., Moon, J., Siegel, D.S. (2008), The Oxford Handbook of Corporate Social Responsibility. New York: Oxford University Press Inc.

Clarkson, M.B.E. (1995), A stakeholder framework for analyzing and evaluating corporate social performance. Academy of Management Review, 20(1), 92-117.

Demil, B., Lecocq, X. (2010), Business model evolution in search of dynamic consistency. Long Range Planning, 43, 227-246.

Donaldson, T., Preston, L. (1995), The stakeholder theory of the corporation: Concepts, evidence, and implications. Academy of Management Review, 20, 65-91.

Doz, Y.L., Kosonen, M. (2010), Embedding strategic agility: A leadership agenda for accelerating business model renewal. Long Range Planning, 43, 370-382.

Eccles, R.G., Perkins, K.M., Serafeim, G. (2012), How to become a sustainable company. MIT Sloan Management Review, 53(4), 42-50.

Enderle, G. (2006), Corporate responsibility in the CSR debate. In: Wieland, J., Brenkert, G., editors. Unternehmensethik im Spannungsfeld der Kulturen und Religionen. Stuttgart: Kohlhammer. p108-124.

Freeman, R.E. (1984), Strategic Management: A Stakeholder Approach. Boston: Pitman.

Freeman, R.E., Wicks, A.C., Parmar, B. (2004), Stakeholder theory and "the corporate objective revisited". Organization Science, 15(3), 364-369.

Freeman, R.E., Velamuri, S.R., Moriarty, B. (2006), Company Stakeholder Responsibility: A New Approach to CSR. (Bridge Papers), Business Roundtable Institute for Corporate Ethics.

Freeman, R.E., Harrison, J., Hicks, A., Parmar B., Colle, S. (2010), Stakeholder Theory: The State of the Art. Cambridge: Cambridge University Press.

Freeman, R.E. (2010), Managing for stakeholders: Trade-offs or value creation. Journal of Business Ethics, 96, 7-9.

Friedman, M. (1970), The Social Responsibility of Business is to Increase its Profits. New York: New York Times Magazine. p32-33, 122-126.

Frooman, J. (2002), Stakeholder Influence Strategies, PhD thesis, University of Pittsburg.

Frow, P., Payne, A. (2011), A stakeholder perspective of the value proposition concept. European Journal of Marketing, 45(1/2), 223-240.

Garay, L., Font, X. (2012), Doing good to do well? Corporate social responsibility reasons, practices and impacts in small and medium accommodation enterprises. International Journal of Hospitality Management, 31(2), 329-337.

Ghaziani, A., Ventresca, M.J. (2005), Keywords and cultural change: frame analysis of business model public talk, 1975-2000. Sociological Forum, 20(4), 523-559.

Goodpaster, K. (1991), Business and stakeholder analysis. Business Ethics Quarterly, 1, 53-74.

Greenwood, M. (2007), Stakeholder engagement: Beyond the myth of corporate responsibility. Journal of Business Ethics, 74, 315-327.

Hediger, W. (2010), Welfare and capital-theoretic foundations of corporate social responsibility and corporate sustainability. The Journal of Socio Economics, 39, 518-526.

Hohnen, P. (2007), Corporate Social Responsibility: An Implementation Guide for Business. Manitoba, Canada: International Institute for Sustainable Development (IISD).

Jensen, M.C., Meckling, W.H. (1979), Theory of the firm: Managerial behavior, agency costs and ownership structure. Journal of Financial Economics, 3, 305-360.

Jensen, M.C. (2002), Value maximization, stakeholder theory, and the corporate objective function. Business Ethics Quarterly, 12(2), 235-256.

Johnson, M.W., Christensen, C.M., Kagermann, H. (2008), Reinventing your business model. Harvard Business Review, 86(12), 51-59.

Jones, T.W., Wicks, A.C. (1999), Convergent stakeholder theory. Academy of Management Review, 24(2), 206-221.

Kanter, R.M. (2010), How to do well and do good: The key to achieving both of those goals together? Integrate societal benefits with company strategy. MIT Sloan Management Review, 52(1), 11-15.

Klatt, B., Hiebert, M. (2001), The Encyclopedia of Leadership: A Practical Guide to Popular Leadership Theories and Techniques. New York: McGraw-Hill.

Makover, J. (1994), Beyond the Bottom Line. New York: Simon & Schuster.

Marcoux, A.M. (2003), A fiduciary argument against stakeholder theory. Business Ethics Quarterly, 13(1), 1-24.

McWilliams, A., Siegel, D. (2001), Corporate social responsibility: A theory of the firm perspective. Academy of Management Review, 26(1), 117-127.

Nasi, J. (1995), What is stakeholder thinking? A snapshot of a social theory of the firm. In: Nasi, J., editor. Understanding Stakeholder Thinking. Helsinki: LSR Publications. p19-31.

Pedersen, E.R. (2006), Making corporate social responsibility (csr) operable: How companies translate stakeholder dialogue into practice. Business and Society Review, 111(2), 137-163.

Phillips, R.A. (1997), 'Stakeholder theory and a principle of fairness. Business Ethics Quarterly, 7(1), 51-66.

Porter, M.E., Kramer, M.R. (2006), Strategy and society: The link between competitive advantage and corporate social responsibility. Harvard Business Review, 84(12), 78-92.

Powell S.M. (2011), The nexus between ethical corporate marketing, ethical corporate identity and corporate social responsibility: An internal organisational perspective. European Journal of Marketing, 45(9/10), 1365-1379.

Rynning-Tønnesen, C. (2011), Interwiew with Christian Rynning-Tønnesen (StatKraft) the power to adapt: Building one of the world's largest renewables power producers. MIT Sloan Management Review, 53(1), 1-17.

Schwartz, M.S., Carroll, A.B. (2003), Corporate social responsibility: A three-domain approach. Business Ethics Quarterly, 13(4), 503-530.

Sloan, P. (2009), Redefining stakeholder engagement: From control to collaboration. Journal of Corporate Citizenship, 36, 25-40.

Vaaland, T.I., Heide, M., Grønhaug, K. (2008), Corporate social responsibility: Investigating theory and research in the marketing context. European Journal of Marketing, 42(9/10), 927-953.

Wood, D.J., Jones, R.E. (1995), Stakeholder mismatching: A theoretical problem in empirical research on corporate social performance. The International Journal of Organization Analysis, 3(3), 229-267.

Zott, C., Amit, R. (2010), Business model design: An activity system perspective. Long Range Planning, 43, 216-226.

Zott, C., Amit, R., Massa, L. (2011), The business model: Recent developments and future research. Journal of Management, 37(4), 1019-1042.