

# Who responds to whom and for what? A grounded theory analysis of social responsibility in the 1857 Frankfurt Bienfaisance Congress

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#### Abstract

**Purpose** - The purpose of this study is to examine and interpret the characteristics of social responsibility in general, and business responsibility in particular, that were evident during a period in European history that was plagued by widespread social problems and change. Based on that interpretation we explore the lessons those characteristics may have for social responsibility in a contemporary world that is facing similar conditions.

**Design/methodology/approach** - The paper presents a qualitative analysis of the proceedings of the Bienfaisance Congress held in Frankfurt in 1857, where societal leaders from different nations met to answer the question, who has responsibility for whom, and for what? We use grounded theory, as it is operationalized in what is known as the "Gioia template," to conduct a structured analysis of this particular text, and to in turn produce a theoretical interpretation of how that question was answered.

**Findings** – Our interpretation is that congress participants articulated certain established dimensions of responsibility (individual, organizational, national), as well as one new dimension (international), and did so by differentiating boundaries of responsibility; in turn, we suggest that these dimensions and boundaries work together to form a nested system of responsibilities.

**Practical implications** – Although the nested system of responsibilities framework that emerged from our grounded-theory analysis is not applicable to all situations, it should sensitize policy makers and business leaders to the need to address social problems in a systemic way.

Originality/value - The authors both present a systems-based framework for understanding how aterpretation.

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A Research paper responsibility is differentiated among actors (individual, organizational, state, and international) and demonstrate how a theoretical interpretation of historical documents can be accomplished through the use of grounded theory, as operationalized through the Gioia template.

**Keywords:** social responsibility, Europe, 19th-century, systems of responsibility, grounded theory, Bienfaisance Congress

Article classification: Research paper

"Responsibility is the product of definite social arrangements."

Charles Frankel, 1955

#### 1. Introduction

Who has responsibility for whom? Who has responsibility for what? Where does one actor's responsibility end and another's begin? Despite immense contemporary interest in various types of social responsibility, e.g., corporate, environmental, governmental, little attention has been paid to its systemic nature. Large-scale calls to action, such as the United Nations' Sustainable Development Goals, international climate agreements, shifts toward circular economies, and responses to international pandemics implicitly rely on bounded-yet-interconnected dimensions of responsibility. When dimensions of responsibility are determined, actors (e.g., individuals, private organizations, public organizations, nations, international bodies) know to whom and for what they must respond; when those dimensions are overtly interconnected into a system, gaps in social responsibility can be identified and avoided. Such systems largely do not exist, either in theory or in practice.

The issue of responsibility is not new. Concerns with who has responsibility for whom and for what have recurrently arisen throughout history. We tend to associate the emergence of the need for business responsibility with environmental disasters like the 1989 Exxon Valdez spill in Alaska, the 1984 Bhopal disaster in India, and the Love Canal chemical waste contamination of the 1940s, as well as with other landmark events like the publication of Rachel Carsons' *Silent Spring* in 1962 and the first Earth Day celebration in 1970. The received academic wisdom is that corporate social responsibility (CSR) began in earnest in the 1950s in the US with Bowen's *Social Responsibility of the Businessman* (Marens, 2008; Moura-Leite and Padgett, 2011). Yet there are indications that concerns with business responsibility arose much

earlier. Marens (2013, p. 462), for instance, cites evidence that corporate franchises were granted in 1830 to "promote the general good." Husted (2015), summarizing secondary data, suggests that businesspeople in different countries (e.g, UK, India, Japan, US) were dealing with issues of responsibility as early as the 1800s. Berle and Means, writing in 1932, argued for an ideology of corporate managerialism whereby the corporation bore a burden of responsibility not only for stockholders, but also for stakeholders (Smith *et al.*, 2018, 2019).

So while the issue of "to whom" and "for what" businesses are responsible is not new, the question of where that responsibility begins and ends, and how it interrelates with other actors' responsibilities, is an emerging concern among organizational scholars (e.g., Bansal, 2019; McGahan, 2020). In this paper we explore an early example of society directly addressing the question, 'Who has responsibility to whom and for what?' Our example is a conference on 'bienfaisance' (i.e., charity), which was one of three such Bienfaisance Congresses that were held in Europe in the mid-1800s. During the 1800s, Europe was a place of immense social experimentation as individuals, organizations, and nations sought solutions to widespread problems like immigration, poverty, abuse of alcohol, and unhealthy working conditions. The Bienfaisance Congresses were the first international forums where elites gathered to discuss experiments in social responsibility. They did so by 1) presenting and elaborating the various initiatives they or their compatriots were enacting to address social problems; 2) articulating a common understanding of the nature of responsibility within and among various established societal dimensions; and 3) structuring a new international dimension of responsibility.

To better understand how social responsibility in general, and business responsibility in particular, was articulated in such congresses, we conducted a qualitative analysis of the one Bienfaisance Congress that, from our perspective, dealt most directly with business - the

Frankfurt Congress. The Frankfurt Bienfaisance Congress was held in 1857, and its ensuing proceedings encompass over 400 pages of original text. This text includes accounts of presentations, debates, and conversations. We performed an iterative interpretive analysis of each page using grounded-theory techniques (Charmaz, 2006; Glaser and Strauss, 1967), primarily as operationalized through the Gioia template (Gioia *et al.*, 2013), from which we developed our findings.

Our overarching finding is that social responsibility, including business responsibility, was articulated at the Frankfurt Congress as bounded-yet-interconnected dimensions of responsibility. Based on the nature of those boundaries and their connections, we develop a nested system of responsibilities framework, which encompasses mutually constituting and differentiating relations among international, national, organizational (both public and private), and individual dimensions. This framework offers a more holistic understanding of business responsibility than currently exists in the literature, and provides a way to approach business responsibility from a systems perspective. In addition, the systems approach presented here brings under-explored and under-theorized elements of responsibility to the fore, including different domains of responsibility (Wood, 1991), particularly the individual domain (Bénabou and Tirole, 2010), and the relationships among them (Ostrom, 2012).

Although we also discuss implications of our framework for current conversations about business responsibility, it is important to note that our analysis is limited to the 1857 Frankfurt Congress. Thus, this paper is not an exploration of social responsibility as it occurred across time, across the globe, or even as it occurred across Europe in the mid-1850s. Further, this paper does not take a representational approach, in which it purports to mirror and reproduce what occurred during, and in the context surrounding, the Frankfurt Congress. Rather, it is a grounded

theory-based interpretation of how society leaders in the Frankfurt Congress, as captured in the proceedings, articulated social responsibility, from which we create a systems-based theoretical framework. In this interpretive analysis, however, lies a methodological contribution. This contribution demonstrates how a grounded-theory approach can express theoretically-inspired properties (e.g., boundary relations) which influence more overt aspects of the data.

Our paper is structured as follows: In the next section we discuss the academic domains that this study contributes to, namely the social question and philanthropy in the 1800s and the more contemporary corporate social responsibility literature. In the methodology section we discuss the data and the grounded theory-based analytical process through which we arrived at the framework we are proposing. After the methodology section we detail our findings, which articulate the nested system of responsibilities framework, demonstrating both its domains and how they bound and constitute one another. In the discussion we explain the structure and the mechanics of the framework, and conclude by elaborating how it contributes to the corporate social responsibility literature.

#### 2. Literature Review

To inform the presentation of our analysis, we first elaborate the historical context of the 1857 Frankfurt Congress, as it has been discussed in the scholarly literature. This elaboration begins with the industrial conditions Europeans faced in the early to mid 1800s, and then shifts to international congresses that were oriented toward various social issues of the time. Then we narrow our focus to the Bienfaisance Congresses, as well as to the related topic of philanthropy, which was becoming increasingly prevalent at the time. With our desire to both couch our study in more contemporary discussions and to set it up for more practical contributions, our discussion of historical philanthropy segues into its more modern manifestation in the business

world, i.e., corporate social responsibility (CSR). Thus, our literature review ends with a review of the CSR concepts that we found to be most relevant to our study.

## 2.1 The Social Question and International Congresses in 19th century-Europe

In the early 19th-century people in Europe were adapting to life in the wake of the Industrial and French Revolutions (Berlanstein, 2003; Buer, 1926). The uncontrolled growth of the cities, due to the incoming migration of agricultural laborers and their transformation into factory workers, was a major societal change (Alcock, 1971). This massive mobilization and urban growth had negative effects on various aspects of society, including an increase in child labor, inhumane working conditions, inadequate housing and healthcare, higher levels of respiratory disease, and excessive drunkenness (Alcock, 1971; Polanyi, 1957). Such outcomes led to the emergence of the "social question." In the words of Czech sociologist Tomas Masaryk, the "social question" referred to "the overpowering fact of all economic and social, material and moral misery that we all have constantly before our eyes everywhere" (Case, 2016, p. 748).

One of the effects of the emergence of the social question was a change in the responsibility-based relationship between social elites and the working class. As MacDonald and Howorth (2018) describe, "The effects of both the Industrial and French (1789-1799) revolutions on the perception of and the need for charity cannot be overemphasized. In addition to the deleterious effects mass mobilization and large-scale urban growth noted above, 'wealthy employers and landowners could no longer rely on 'lower' classes being deferential'" (p. 10, citing Hudson, 2011). In response to these changes in the responsibility-oriented relations between the classes, governments and other civil organizations in many European countries undertook various initiatives to help improve the condition of workers, relieve the indigent, support the poor, and reduce drunkenness (Roberts, 1858). At the same time, experts began to

hold and meet in international congresses in order to share their local and national experiences in enacting such initiatives (Rodogno *et al.*, 2014), often working in terms of the nascent field of statistics (Randeraad, 2011).

The international congresses of the 1800s became a new way of circulating ideas among individuals from different countries who were trying to answer the social question (Dupont-Bouchat, 2002). As Rodogno *et al.*, (2014) elaborate,

In the mid–nineteenth century, cultural, political, social, and economic factors inspired contemporaries to believe in the overarching role of scientific and technological progress as a means to overcome the problems caused by rapid industrialization and social change; scientific and technical experts became agents of the emergence of a transnational or, in some cases, supranational consciousness among European elites. (pp. 1–2)

In the international congresses (see Table 1), both transnational experts and other participants typically shared experiences related to their field of expertise. In fact, according to Leonards and Randeraad (2010), a group of twenty 'transnational experts' on social reform, who were instrumental in the creation of the congresses, emerged during this time. On their return home, both the transnational experts and other attendants often sought to put into action some of the resolutions that were reached during the events (Rodogno *et al.*, 2014).

One of the more prominent initial efforts to exchange ideas between nations was the International Penitentiary Congresses of the late 1840s (Alper, 1987; Dupont-Bouchat, 2002). Experts in the prison system first met in 1846 in Frankfurt to discuss the state of prisons, and in turn to propose changes ("The First Congress, Frankfurt-am-Main, 1846," 1946). This congress was the first to be truly international, with delegates attending not only from the Germanic states (e.g. Prussia, Germany, Austria) and other European nations, but also from as far away as Boston (Teeters, 1946). Like the Bienfaisance Congresses that are the focus of this study, participants discussed moral questions while also sharing trans-national experiences on the topic of concern.

For example, through discussions in these congresses, prison systems changed from the "communal" to the "cellular" model (Vanhulle, 2010).

# 2.2 Philanthropy in 19th century Europe and the Bienfaisance Congresses

Some of those who organized and attended the International Penitentiary Congresses decided that similar exchanges regarding philanthropy were needed, giving birth to the first of the three International Congresses of Bienfaisance (Lumley, 1856). Thus, the prison congresses are believed to be the direct predecessors of the international Bienfaisance Congresses that are the focus of this article (Beltrani Scalia, 1871; Roberts, 1858).

While the focus of the Bienfaisance Congresses was philanthropy, how that construct was understood in 19th century Europe is different from how we understand it today (Christianson and Thorne-Murphy, 2017). At the time of the Bienfaisance Congresses, philanthropy was understood in a more general sense of "love of humankind" so as to encompass all sorts of doing good for others, not just charitable giving (Sulek, 2010). This understanding was reflected in the writings of Francis Bacon in 1612 and dictionaries by Samuel Johnson in 1755, Daniel Webster in 1828, and Noah Merriam in 1864 (Sulek, 2010). By the end of the 19th century, however, this understanding shifted to focus on associations promoting social reform and, most importantly, charitable giving, inspired by wealthy industrialists such as Carnegie, Rockefeller, and Vanderbilt (Sulek, 2010).

In contrast with today, at the time of the Bienfaisance Congresses philanthropic efforts were almost exclusively small-scale and local (Mandler and Cesarini, 2017). Further, responsibility for philanthropy was located mostly in the private sector. As Christianson and Thorne-Murphy (2017) exemplify in terms of the UK, "With little hope of state intervention to improve the lot of the poor and the working classes in nineteenth-century Britain, private

philanthropic enterprises shouldered most of the burden of addressing poverty and its social effects for most of the century" (p. 31).

Another difference between past and present versions of philanthropy is the determination of who should benefit from such interventions. After the Industrial Revolution, traditional approaches to caring for the poor through the parish system were then seen as encouraging indigence. As a result, a distinction between the "deserving" and "undeserving" poor was rendered more salient and influential. According to MacDonald and Howorth (2018, p. 11), "The deserving poor were considered appropriate recipients of charitable or philanthropic undertakings ... while the mendicant or undeserving poor would have to fall on Poor Law and the punitive workhouse, as [the] provision of last resort." This philanthropy-oriented differentiation was a salient element, from our contemporary perspective, of discussions in the Bienfaisance Congresses.

In addressing philanthropy as it was known in 19th century Europe, the Brussels (1856), Frankfurt (1857), and London (1862) Bienfaisance Congresses focused on the initiatives that different countries and local governments were undertaking to address inadequate educational systems, poor working and living conditions, poverty, and drunkenness. Participants shared what was occuring in their countries and expressed opinions on what was being implemented by others. The proceedings of each congress indicate participants' desire to exchange ideas and best practices as a way to enable each country to find better ways to structure and carry out their social responsibilities. Thus, one goal of the congresses was to move beyond sensemaking to implementation. As John Stuart Mill stated in 1859, "the best use that can be made of [these congresses] is to make [them] a means of gaining adhesions to important practical suggestions fitted for immediate adoption" (Müller and Van Daele, 2012, p. 1300).

The proceedings of the congresses include the lists of participants, both actual attendees and those who merely sent their letters of adherence. Table 1 shows the registered participants (physically present or through letters) and the diversity of countries represented in each congress. The attendees included various societal leaders, including businesspeople, members of the church, and government officials. Nineteen of the twenty core transnational experts on social reform (Leonards and Randeraad, 2010) either organized or attended the Bienfaisance Congresses.

Insert Table 1 about here

The Bienfaisance Congresses only met three times due to the difficult political situation of Europe in the 1860s culminating in the Franco-Prussian War (1870-1871) (Müller and Van Daele, 2012). Even though at the end of the London Congress of 1862 it was agreed that the following year the Congress would meet again in Berlin, the fourth congress did not take place due to increased political tensions.

Together the international congresses, including the Bienfaisance Congress examined here, laid the groundwork for future organizations. In fact, some of the people that met in the Bienfaisance Congresses continued to work on philanthropy-related issues in their countries, despite the fact that the political situation in Europe did not make the continuation of international meetings feasible. Research indicates that these networks of people, who were concerned with philanthropy and other social questions, evolved into different national and international organizations, such as the International Labor Organization (Ghebali, 1989; Müller and Van Daele, 2012).

## 2.3 Corporate social responsibility

One way to understand the manifestation of responsibility in the Bienfaisance Congresses is through the more modern lens of corporate social responsibility (CSR). In his 1953 treatise on the social responsibilities of people in business. Bowen defined such social responsibilities as "the obligations of businessmen to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objective and values of our society" (Bowen, 1953, p. 6). In the 1960s this discussion broadened from a focus on businesspeople to include business responsibilities more generally (Davis, 1973). Milton Friedman, writing in the 1970s, argued that "the social responsibility of business is to increase its profits" (September 13, 1970). Soon after the discussion began to focus more specifically on corporations, and the term "corporate social responsibility" was born (Carroll, 1979), along with other related concepts like "corporate citizenship" (Matten and Crane, 2005). From that point on there are almost as many definitions of CSR as there are authors! So much so that Godfrey and Hatch (2007, p. 87) refer to CSR as "a tortured concept." For convenience we define CSR as "business responsibility for some of the wider societal good," which forms the core of Matten and Moon's (2008, p. 405) definition, but focuses on business more generally, rather than the corporation alone. Given the controversy and consternation related to Friedman's argument that the social responsibility of business is solely to return profits for its stockholders, this definition dwells on business activities that are oriented more to the benefit of the wider society than more narrowly on stockholders. This definition is also relevant to the Bienfaisance Congresses in that businesses were assigned certain responsibilities for the social issues that emerged with the development of an industrial society, beyond the more limited responsibility of making a profit for their owners.

Central to debates around business responsibility is the division of responsibility for the wider societal good between public and private sectors. In Friedman's conception of the social responsibility of business, the only contribution business needs to make to the social good is its profits, as long as those profits are generated within ethical norms and the law. In his view, the firm's responsibility for the wider societal good was minimal. Compare this understanding of responsibility to the concept of corporate citizenship, which "describes the role of the corporation in administering citizenship rights for individuals" (Matten and Crane, 2005, p. 173). In contexts characterized by missing or incomplete institutions, the public provision of personal rights is minimal, if not nonexistent; therefore the private sector has great room to act in such contexts. In fact, Friedman (September 13, 1970) and Matten and Crane (2005) may not diverge so fundamentally in that Friedman envisions the presence of a modern, free-enterprise system that fully protects property rights – the very opposite of the responsibility voids commonly found in developing countries. Thus, both Friedman and Matten and Crane (2005) assume that business responsibility is interconnected with other responsibilities, which in combination meet the needs of society. Taken together, these authors provide a continuum of business responsibility for modern industrialized democracies with two extremes: At one end corporations only maximize profits, while at the other end they also administer citizenship rights.

Building on this prior work, Matten and Moon (2008) develop a comparative framework that focuses on the boundary of responsibility between business and government. This boundary is based on different approaches that Europe and the United States take to addressing social problems. In this framework, the public sector administers its responsibility through taxation and regulation, while the private sector complies with regulation, but may also act voluntarily. Furthermore, Matten and Moon (2008, p. 407) note that "CSR is located in wider responsibility

systems in which business, governmental, legal, and social actors operate according to some measure of mutual responsiveness, interdependency, choice, and capacity." While their examination of the boundary between the domains of business and government responsibility expands our understanding of CSR beyond merely business, Matten and Moon stop short of theorizing a broader system that business responsibility is both embedded in and contributes to. Their framework acknowledges, but does not incorporate, other interconnected dimensions of responsibility (e.g., individual, international) that help make both the public and private domains what they are.

Wood (1991) postulates levels of analysis in her landmark paper on corporate social performance, and in doing so also alludes to a broader system of responsibilities. The author distinguishes among three levels related to corporate responsibility: institutional, organizational, and individual, each of which has its own principles of responsibility. At the institutional level, business must exercise its power responsibly or else it will be seen as illegitimate and its power will be withdrawn. At the organizational level, specific firms are responsible for the impacts of their involvement with society (e.g., pollution, income inequality). Finally, at the individual level are managers who must exercise their discretion in a socially-responsible manner. While each level implies a relationship with other domains of responsibility, Wood does not bring that relationality to the fore. Thus, although she sensitizes us to responsibilities at different levels, Wood (1991) falls short of giving us a systemic understanding of business responsibility.

Another stream of CSR research that is relevant to the approach we take in this study is stakeholder theory (Garriga and Melé, 2004). Here researchers have devoted much effort to determining to whom and for what businesses should respond *within* their realm of responsibility (e.g., Klein *et al.*, 2019; Mitchell *et al.*, 1997; Starik, 1995), but they have put relatively little

effort into understanding how business responsibility interrelates with responsibilities that are commonly associated with, or even assigned to, different social actors. This lack of effort is undoubtedly related to the firm-centric nature of stakeholder approaches, which define stakeholders in relation to how they affect or are affected by the firm (Freeman, 1984). Thus, examinations of CSR in stakeholder theory has not adequately examined how business responsibility fits within a broader system of responsibilities.

One approach to bringing the relationality among dimensions of responsibility to the fore, and to avoid a firm-centric perspective, is to employ systems thinking. Systems thinking "provides a way of viewing and interpreting the universe as a hierarchy of ... interconnected and interrelated wholes... which, under a range of conditions maintains its identity" (Checkland, 1981, p. 14). The key characteristic of a system is that properties emerge from the whole, which cannot be reduced to its parts; put conversely, individual parts cannot be fully understood separate from the relationality of the whole (Checkland, 1981). Systems thinking has been applied to CSR via an analysis of its organizational systems (Porter, 2008), the use of multiple perspectives to appreciate the mindset of its stakeholders (Werhane, 2008), and the identification of stakeholders and the development of CSR goals (Maon *et al.*, 2009). Although these authors apply systems thinking effectively, the articulation of a system of interconnected responsibilities, of which CSR is a part, has not been examined. We use the Frankfurt Bienfaisance Congress as a context, and grounded theory as a method, to do just that.

## 3. Methodology

Our methodology is qualitative archival analysis. The archival data are the proceedings of the 1857 Frankfurt Bienfaisance Congress. We conducted our analysis of these data using grounded theory techniques (Charmaz, 2006; Glaser and Strauss, 1967), as structured by the

Gioia template (Gioia *et al.*, 2013). The Gioia template shaped how we performed, as well as present, our theory-based examination of the data. In the following we explain our data collection and analytical process in more detail.

## 3.1 Data collection

The proceedings of each of the Bienfaisance Congresses are available online at the HathiTrust Digital Library. In our methodology we first analyzed the proceedings of the Brussels Congress, and then moved on to the Frankfurt proceedings, the latter of which became our subject matter. Thus, the Brussels Congress proceedings served as a test case, which we analyzed to answer the initial question of whether the Bienfaisance Congress proceedings held valuable information related to our current understanding of social responsibility. Each co-author was assigned an equal division of the 518 pages of volume I of the Brussels proceedings to openly code for terms, phrases, events, people, and any other elements of the data that pertained to the topics of social and business responsibility. We used Google Translate to convert the original French into English, and the outputs were checked for accuracy by a co-author who is fluent in French; adjustments were made as necessary. After comparing and discussing our coding, we determined that the Brussels Congress involved discussions and themes that pertained to social responsibility, yet we did not feel that the proceedings contained the breadth and depth of data in terms of business responsibility that we desired. We then conducted an initial exploration of the content of the Frankfurt Congress, after which it became clear that the Frankfurt Congress dealt much more directly with issues related to business responsibility.

## 3.2 Data analysis

The proceedings of the Frankfurt Congress consist of just over 400 pages of text. We performed the same translation for this congress that we performed for the Brussels Congress,

after which we began coding. We first split the text up into equal shares among the co-authors, and started with relatively general categories of interest, and engaged in four successive rounds of coding until we arrived at a set of findings that we felt both naturally emerged from the data and were relevant to our theoretical interests.

More specifically, our coding process aligned with Glaser and Strauss's (1967) grounded theory-based 'constant comparative' method. First, we engaged in 'open coding' (Glaser and Strauss, 1967) in which we categorized the data according to the themes of 'values and norms,' 'contextual factors,' 'social issues and problems,' and actual or proposed 'social initiatives' for resolving those problems. After comparing the products of our open coding among co-authors, discussing common themes, and then relating themes to the literature, it became clear that social responsibility was not only a primary concern of congress presenters, it was spread across multiple sectors of their society (e.g., local and national governments, industry, charitable associations).

Importantly, during these early discussions of our initial coding we also addressed the issue of anachronism. Namely, does the way in which certain terms of interest, such as 'responsibility,' 'charity,' 'bienfaisance,' 'working conditions,' 'community,' 'state,' among others, that were used in the mid-1800s correspond to how we use and understand those terms today? We came to believe that the data suggest that there is adequate correspondence across time, meaning that past usage and our current understanding do not vary to an extent that would invalidate our findings. For example, one of the primary concerns in the congress, which matched our own interests in business responsibility, was the responsibility that heads of industry had for providing adequate working conditions. One of the key outcomes of the congress, in fact, was the following proclamation: "The development and extension of the regime of great industry

has created new needs, and consequently imposes certain duties upon the heads of industry, factories, and farms. The first of these duties is to ensure the health, safety, morality, and wellbeing of the workers who serve them." Just as today industrialization, immigration, and globalization create new responsibilities for industry, especially as multinational firms move production facilities to developing countries, issues related to industrialization and immigration created the need for new responsibilities in the mid-1800s.

Returning to our coding process, in the second round we took more of an 'axial' approach (Glaser and Strauss, 1967) in order to infuse more structure into our analysis. 'Axial coding' is another grounded theory technique, the purpose of which, according to Charmaz (2006), is "to sort, synthesize, and organize large amounts of data and reassemble them in new ways after open coding" (p. 60, citing Creswell, 1998). In this round we organized the data identified in the first round in terms of people, places, and social initiatives. After this step we again compared emerging findings across co-authors, from which the concept of dimensions of responsibility came to the fore; more particularly, we found that discussions of social responsibility in the congress were organized in terms of international, national, organizational, and individual dimensions. Yet, it was also clear that questions of who had responsibility for whom, and for what, *across* and *within* dimensions was an additional pervasive concern in the congress. At this point Holm's (1995) 'nested institutions' framework, which captures structural and dynamic relationships across and within institutional levels, emerged in our discussions as a framework for understanding and organizing our coding.

The emergence of Holm's framework led to a third round of coding. In this round our coding was more theoretical, in which we sampled the data to test the validity of and to refine our emerging 'nested responsibilities' framework. From this round of coding and our ensuing

team meetings the concept of 'boundaries of responsibility' arose, which we felt not only captured what was occurring across dimensions, but also within one particular dimension (organizational). We then returned to the data for a fourth round of coding, discussed our collective analyses, after which we further refined and arrived at the nested system of bounded responsibilities framework presented below.

We present our analysis of the proceedings of the Frankfurt Congress in the structure of the Gioia template (Gioia *et al.*, 2013). Abstracted from a line of organizational studies that employed grounded theory, often to explore organizational sensemaking (e.g., Clark *et al.*, 2010; Corley and Gioia, 2004; Maitlis, 2005), the Gioia template guides the analytical development of theory while simultaneously providing a logical way to present the mechanics of the process. Importantly, the Gioia template, as well as the grounded theory it structures, does not function in the development of a depiction of events; thus, it does not adhere to representationalism, which involves an attempt to, with as much accuracy as one can manage, mirror phenomena (Barad, 2007; Butler, 1990; Foucault, 1977; Hacking, 1983). Instead, the template is an apparatus that functions in the data-, literature-, and researcher-based co-articulation of a novel interpretation. While this product must maintain fidelity with the data, due to its creatively co-articulated nature it is not necessarily a picture of that data or of the phenomena from which the data were derived.

The Gioia template that both guided and emerged through this study is depicted in Table 2. This template is constituted by three levels of assemblage: First-order codes assemble the raw responsibility-oriented data, as it was translated from the proceedings, under various literature-and context-based labels. Our first-order codes aggregate into second-order dimensions of responsibility, namely individual, private organizational, public organizational, national, and international. Second-order dimensions in turn combine into third-order boundaries, which occur

both between all domains and within the organization domain. This structure depicts the progression of our analysis, while also presenting the key aspects of our findings (i.e., bounded-yet-interconnected dimensions), from which we theorized the nested system of responsibilities framework.

It is important to note that the findings that emerged from our analysis are bounded by our data; by that we mean that they only concern what participants to the Frankfurt Congress discussed, and in terms of how those discussions appear in the congress proceedings. Our findings focus on social responsibility as it was discussed by participants to, and was manifested in the proceedings of, the Frankfurt Congress, and not prior to or afterward. We now present those findings.

# 4. Findings

Our analysis of the Frankfurt Congress indicates that a primary concern among participants was the articulation of boundaries of social responsibility. Four such boundaries emerged from our analysis, each of which serves to give definition and meaning to the dimensions of responsibility between them. These are the boundaries between individual and organizational dimensions, between public and private organizations within the organizational dimension, between organizational and national dimension, and between national and international dimension. We elaborate each of these boundaries and their nested dimensions below.

# 4.1 The boundaries that articulated individual and organizational dimensions

One of the more salient boundaries of social responsibility discussed by congress participants was between individuals and organizations. This boundary emerged from first-order codes that helped delineate and specify individual and organizational dimensions; example codes

include 'Individual responsibility is especially important in the working classes' and 'Industry leaders taking responsibility for worker housing' (see Figure 1 for additional codes). As it is used here, 'individual' refers to people who are not formally structured (beyond the family) and are not necessarily working together to achieve specific common goals, and 'organizational' denotes "collectives [that are] oriented to the pursuit of relatively specific goals and exhibiting relatively highly formalized social structures" (Scott and Davis, 2006, p. 29). Our use of 'organizational' encompasses businesses, associations, charity organizations, churches, and local governments. A chief differentiating characteristic of the organizational dimension, in terms of other dimensions explored below (i.e., national and international), is that it is both oriented toward and directly bounded by the individual dimension; thus, while other dimensions are also concerned with individual wellbeing, their relationship with the individual dimension is indirect, and in turn are more abstract in nature.

Individual responsibility is one of the more prominent dimensions of responsibility discussed at the congress. This dimension's prominence stems from it being the gateway to all other domains. By 'gateway' we mean that, according to congress participants, the dimensions beyond it, starting with the organizational dimension, only become relevant when individuals have exhausted their capacity to care for their own wellbeing, and that of their families and other individuals; in other words, other responsibilities are triggered only when individuals have reached the boundary of their responsibility. The following quote from the proceedings exemplifies the gateway nature of individual responsibility:

"Experience has proved to us, everywhere and for a long time, that every honest workman, before resigning himself to address public charity, makes every possible effort and uses all his forces and resources to escape this painful necessity." (Dr. Lette, Prussia)

It is clear from this quote, as well as from others presented in Column 1 of Table 2, that congress participants expected individuals to be responsive to their own needs, as well as the needs of other individuals (outside of non-familial organized relationships), before depending upon organizations to respond.

While the responsibility for individual wellbeing was primarily located in the individual dimension, congress participants recognized certain conditions in which organizations were expected to respond to individual needs. These conditions are boundaries that help define, and therefore constitute, both the individual and organizational dimensions. According to participants' descriptions of their country's initiatives, if individuals first acted in accordance with their duty to be responsible for themselves but still found themselves in need, or alternatively were incapable of such action, organizations were tasked with responding. Circumstances in which organizations were required to take responsibility for individual wellbeing include those that were relatively internal to the individual (e.g., sick, elderly, deaf, mute, blind, incurable, chronically unfortunate), more social in nature (e.g., poor and neglected children, orphans, working conditions, education), and more contextual (e.g., floods, war, widespread unemployment). The following, in which a participant discusses responsibility in Belgium, exemplifies the contextual nature of organizational responsibility for individual wellbeing:

"The object of public assistance shall be only the relief or reparation of misfortunes, which, by their nature are independent of all human responsibility; it can be extended to orphans, deaf-mutes, the blind, to fools and idiots, due to misfortunes like floods, war, etc. Special assistance must be limited to temporary help to be given to misfortunes due to particular accidents." (Mr. Le Hardy de Bealieu, Belgium)

It is these sorts of conditions, which participants described as being beyond individual responsibility, that organizations were tasked with responding to.

As the previous discussion, as well as the data demonstrated in Column 1 of Table 2, exemplify, the articulation (i.e., reiteration, alteration, or creation) of the boundary between individual and organizational responsibility is necessary to give each of these dimensions their properties and meanings. In the absence of such a boundary, congress participants stated that individual responsibility would fade away and organizational responsibility would become boundless, creating such conditions as a "permanent poor" and "socialism." Further, the data indicate that boundaries need to be articulated due to changes in contextual conditions and the differing needs they engender. Drawing from Holm's (1995) elaboration of "institutional drift," we call such changes 'responsibility drift.' While institutional drift is a change in circumstances at a lower institutional level that does *not* result in institutional change at a higher level, the phenomenon we identify involves changes in contextual conditions which *do* inspire recognition of the need for the articulation of responsibilities within or among dimensions.

Responsibility drift in the Frankfurt Congress is most salient in the boundary between the organizational and individual dimensions. In multiple instances participants discussed the detrimental effects of changes in the relationship between individual wellbeing and contextual circumstances, which they generally referred to as "miseries" (e.g., "the miserable excess of population," "the horrors of misery during the great food crises," "misery had acquired extraordinary proportions among the workers," "misery and struggle, which is determined by an immense desire for wellbeing"). Due to the responsibility voids in the individual dimension that the drift in responsibility engendered, participants engaged in the articulation of various boundaries of responsibility. The Congress President, Mr. de Bethmann-Hollweg (Prussia) exemplifies a call for the articulation of boundaries due to responsibility drift in the following:

"But, if what distinguishes our time is called progress, where does misery come from? The development of the new institutions did not follow closely the dissolution of the old forms of law. Thus the farmer is freed from the personal dependence of the lord; he is a free owner. But as a strong municipal constitution does not give him the full consciousness of the free man, intimately bound to his fellow-citizens, and does not assure him, because of his property, a sufficient share of action in society, he succumbs more often under the power of capital . . . The corporations and their exclusive rights have been abolished, and this reform is so necessary that even this city (Frankfurt), where the corporations still exist, cannot dispense with, sooner or later, adopting it. But by what has this institution been replaced? The master alone gives work; alone, he is an entrepreneur. The man continues to work by the piece or by the day; no new bond protects him from oppression, nor assures him a fair share in the profits. And so it is with a thousand other diverse relationships. Capital and work, rich and poor, become the slogan of a fight to the extreme, which sometimes goes on in the shadows, sometimes it breaks out in terrible eruptions."

One of the purposes of the congress was to reiterate existing, and to create new, boundaries of responsibility in order to fill the voids, born of responsibility drift, from which miseries emerged. While this responsibility drift overtly fostered the articulation of boundaries of responsibility between individual and organizational dimensions, its effects were also evident in the articulation of other boundaries.

4.2 The boundaries that articulated public and private organizational dimensions

Thus far we have referred to the organizational dimension of responsibility in monolithic terms. Yet, one of the explicit purposes of the congress, as stated in its program and referenced by several participants as the congress unfolded, was to articulate boundaries *within* the organizational dimension. More specifically, the purpose was to differentiate between public and private organizational responsibilities. This purpose is stated by Dr. Asher of Germany in the following:

"Your program says that 'in order to introduce and maintain unity and harmony in the double sphere of public assistance and private charity, certain common rules must be sanctioned which, without infringing on freedom, prevent, as far as possible, abuse and duplication.' I am of the opinion that the purpose of our Congress should have been to determine these certain common rules. If the Congress cannot agree on these general rules, I fear that its deliberations will scarcely bear fruit. It is up to us to solve this problem: how should the harmony between public assistance and private charity be carried out? And maintained?"

As we discuss in the next section, participants' elaborations of rules that would foster the harmony that Dr. Asher refers to led them to construct, vote on, and pass the backbone of an international dimension of responsibility.

The boundary of responsibility that helps articulate public (e.g., local governments) and private (e.g., businesses, associations, religious institutions) organizational responsibilities emerged in our analysis from various first-order codes. Such codes include 'Private charity comes before public assistance' and 'Public assistance for misfortunes that are independent of human responsibility' (see Figure 1 for additional examples). A participant explains this boundary in more detail in the following:

"The assistance of the indigent or unfortunate, touching the most essential principles of the political and social economy of the nations, is of order and of public interest. It can only be exercised by complying with the laws and regulations on the subject. The assistance can be public or private. The first is exercised on behalf of society by those bodies of the public administration which have received powers to this effect. The second may be exercised by individuals or by associations freely constituted within the limits laid down by the laws of the country. The object of public assistance shall be only the relief or reparation of misfortunes or misfortunes, which, by their nature, are independent of all human responsibility." (Mr. Le Hardy de Beaulieu, Belgium)

As this quote exemplifies, the boundary between public and private organizational responsibilities emerged as congress participants discussed differences between the two in terms of individual wellbeing; the boundary is necessary for public and private organizations to have the clarity they need when determining the conditions under which one or the other must respond to responsibility voids in the individual dimension. Thus, it is from such boundaries that public and private organizational dimensions of responsibility take shape.

One of the key differences between public and private organizational dimensions of responsibility is that private organizations, such as charities and associations, had front-line responsibility for individual wellbeing (when the circumstances are present for organizational

responsibility to be triggered). The following statement by Pastor Kalb of Germany exemplifies several discussions of the front-line nature of the responsibility of private organizations:

"Assistance will only work in a well-mannered and effective manner, provided that private and free charity take place first, with the State giving its support, only lending its assistance to it, on an additional and subsidiary basis . . . however, in extraordinary times and circumstances in which entire classes of the population find themselves without work, especially in factory districts, the State must resign itself to exceptionally assisting indigent persons capable of working; private charity is insufficient to meet the demands of the crisis."

Thus, private organizational responsibility had primacy over public organizational responsibility, and public organizations took the reins of responsibility when private organizations could not do so.

Key private organizations that bore front-line responsibility for individual wellbeing include businesses and associations. The following exemplifies discussions of the responsibility of business leaders, whom participants referred to as 'heads of industry':

"Industrial establishments usually take care of children and workers who have become disabled in the exercise of their profession. Special arrangements exist in some factories, which deserve to be known. Sometimes the worker has the right to demand the necessary grain for himself and his family at half the current price; he sometimes receives a barrel of flour gratis for each of his minor children. The dwellings assigned to the workers are in the best condition and each surrounded by a garden. . . Masters and heads of industrial establishments must take care of their workmen and their servants, even when they fall sick. However, we must admit that we have done too little to ensure their fate in old age. In this respect, they can use savings banks, pension funds, insurance companies, and life annuities." (Dr. Graehs, Sweden)

The front-line responsibility of business leaders was complemented by the responsibility of associations. As it is used here, 'association' refers to individuals who are formally organized for non-profit purposes. Various types of associations that were discussed by congress participants include workers, savings, purchasing, agricultural, and credit associations. In the following Mr. Schubert of Germany describes how credit associations were intended to respond to certain needs of workers:

"Credit unions have been set up to use part of the savings bank capital, with sufficient collateral, to make advances to artisans or other working class people who need credit. On the one hand, industrial work is encouraged, while on the other, a higher interest is obtained in the capital of the funds which ultimately leads to depositors."

Boundaries between (front-line) private and (back-line) public organizational responsibilities are further elaborated in the data provided in Column 2 of Table 2.

The front-line nature of the responsibilities of industry leaders and associations, as compared to the responsibilities of public organizations, stems from the gateway nature of individual responsibility. This is because the responsibilities of business leaders and associations tend to be bottom-up extensions of individual responsibility. Rather than being instituted by government regulations, and therefore top-down, these responsibilities tend to be a direct product of the organizing activities of individuals; in other words, these responsibilities are often outcomes of people acting to take responsibility for themselves, whether through business or some other form of organized collective action. Thus, both businesses and associations involve individuals organizing to respond to changes in circumstances related to individual wellbeing, and in doing so articulating a boundary of responsibility.

## 4.3 The boundaries that articulated organizational and national dimensions

The next boundary of responsibility that emerged in our analysis helps articulate the organizational and national dimensions of responsibility. By 'national' we mean the dimension is defined by country-level borders and legislation, whether the legislation was enacted by a democratically-elected body (e.g., England's House of Commons) or a monarch (e.g., Spain). Thus, the national dimension is both less local and more institutional than the organizational dimension. The boundary between national and organizational responsibilities emerged from such first-order codes as 'Legislation for handling of hazardous environmental wastes' and 'Head of government regulating housing for the poor' (see Figure 1 for additional examples).

One of the key ways that congress participants discussed the relationship between organizational and national responsibilities was in terms of legislation serving as the institutional background that structured and supported more foreground organizational responsibilities for individual wellbeing. The following excerpt from a speech given by Mr. Rau of Germany exemplifies both the importance of the national dimension of responsibility and its relationality with the organizational dimension in terms of individual wellbeing:

"It follows that it is becoming increasingly urgent to improve, without changing the relationship between the entrepreneur and the worker, the fate of the latter, so that he ceases to be, so to speak, a machine, a mere cog, and that he be raised to the rank of free craftsman, both physically and morally. To solve this question. . . it remains to be decided whether the free action of industry leaders, stimulated by neighborly love and strengthened by the spirit of association, should not be preferred to the coercive action of legislation. The solution of the question rests, in our opinion, on the combined employment of these two agencies. However, it should not be forgotten that legislative intervention in the industrial field raises prejudices quite lively and rather general."

The national dimension of responsibility is indicated here in the phrases, "the coercive action of legislation" and "legislative intervention," while the organizational dimension is signaled by discussion of "free action of industry leaders." It is also clear that, while Mr. Rau appreciates the value of legislation, he prefers that it not impede organizational responsibility for "the fate of the worker" (i.e., individuals).

Just as the organizational dimension of responsibility is not monolithic in terms of its responsibility for individual wellbeing, it is also not monolithic in its relations with the national dimension. Congress participants discussed boundaries between national and both public and private organizational responsibilities. In terms of boundaries between national and public organizational responsibilities, the data indicate that public organizations had primary responsibility for individual wellbeing (as compared to national responsibility), as Dr. Graehs of Sweden discusses in the following:

"The assistance of the poor who are not in a position to work or to support themselves for their subsistence, is never an obligation of the State, but only of the municipality. . . The State provides relief only in exceptional cases, when there is a scarcity of food in a province, to the poor of the Lapland population, to old soldiers who can no longer support themselves, and to persons whose domicile is not yet settled."

In contrast, responsibilities that were not local in nature, but instead pertained to the wellbeing of individuals throughout the nation, were not left solely in the hands of private organizations. The national dimension of responsibility took on a more important role when the responsibility of private organizations was triggered, especially when responsibility voids were found there. This relationship between the national and the private organizational dimensions of responsibility is evident in the following discussion of industry safety regulations in Austria:

"In Austria the legislation contains special provisions concerning the manufacturing of chemicals, poisonous colors, phosphoric matches, and so on. The law of September 3, 1846 requires for such factories the employment of robust men, to whom it is forbidden to take any food in the very premises where the manufacture takes place. The law also prescribes precautionary measures for manufacturers of explosive products, for example, gas factories, chemical capsule manufacturers, etc., and generally all workshops which employ steam. No steam engine can be put into service until the boiler has undergone the test, and these machines must be equipped with all the usual precautionary appliances. Any negligence in this respect is severely punished, depending on the seriousness of the danger or the damage caused." (Dr. Stubenrauch, Austria)

Additional examples of industry responsibility being the subject matter of the national dimension are presented in Table 2 Column 3.

A key aspect of the relationality of responsibilities in the data is that the national dimension took responsibility for individual wellbeing primarily through its relations with the organizational dimension. In other words, public and private organizational dimensions of responsibility mediated national responsibilities for individual wellbeing. This mediational structuring of national responsibility for individual wellbeing is exemplified by a discussion of both adherences to and variations from it, as provided by Dr. Faye of Norway in the following:

"In Norway, for years the law has forced the municipalities to take care of their poor. We know perfectly well that no one should resort to the assistance of others, as long as the work could provide him with the means to help himself; but it is very difficult, gentlemen, not to depart from this principle! When, for example, the abuse of strong beverages renders the worker careless and negligent, it is the municipality which feels obliged to provide for the needs of his family. We do not have in Norway, as in England and France, hospices of foundlings; nor do we have nurseries, the need of which, at least until now, has not been felt. Our legislation ensures that illegitimate children receive help from their parents."

As Dr. Faye notes, in terms of responsibility for illegitimate children, the national dimension of responsibility in Norway interacts directly with the individual dimension. This is, however, the proverbial 'exception that proves the rule' in that in the vast majority of cases (according to congress participants), national responsibility for individual wellbeing is mediated by the organizational dimension.

## 4.4 The boundaries that articulated national and international dimensions

The Frankfurt Congress, like the other Bienfaisance Congresses, was enacted in response to issues, such as famine, migration, poor working conditions, and industrialization, that crossed national boundaries. In turn, one of the chief purposes of the congress, and one of the key ongoing discussions within it, concerned the creation of a dimension of responsibility that could match the international nature of the responsibility voids created by such circumstances. The following statement by Dr. Neumann of Prussia exemplifies this logic in describing the need for an international dimension of responsibility that extended beyond national boundaries:

"The project of association, moreover, sprang from the necessity of not being confined within the narrow limits of any province or country, and of embracing, on the contrary, the widest possible field. The Association must aspire to bring together all the men who, in various ways, are concerned with the means of improving the condition of the workers and the poor."

The way in which the congress devised bringing such 'all men' together was not haphazard.

Rather, the data indicate that in addition to a collection of national systems, participants envisaged an international system of responsibility, which would be administered through an

international body. One elaboration of this vision, and its systemic nature, was proposed by Professor Ahrens from Austria:

- 1. The assistance must be regulated in such a way that all the essential facets under which it presents itself are combined with theirs, and that all natural and legal persons, to which a duty, in relation to assistance, can be placed by common cooperation.
- 2. The assistance presents itself at the same time under a moral, religious and economic aspect; it affects the private and political economy, as well as private and public law. All these facets must be combined with each other.
- 3. Natural and legal persons, who are responsible for a duty in relation to the assistance, are:
  - a. Family member
  - b. Free but organized association
  - c. The commune;
  - d. Church or various religious denominations
  - e. Finally, in the alternative, the State.
- 4. The organization of the assistance consists in that the facets and all the social elements find a just satisfaction, and that all be united and combined for the common purpose, in a well-ordered cooperation.
- 5. The final aim of the organization of assistance must be assistance that is regulated by unitary public legislation, but with the contribution of all social elements.

As the congress progressed, the boundaries of the system of responsibility that participants intended to enact came into sharper relief. Yet it was clear to them that in order to enact such a system, a new boundary involving the national dimension had to be articulated, out of which an international dimension of responsibility would emerge.

The boundary between the national and international dimensions was primarily created by the elaboration of two key elements that were necessary to enact the participants' vision. The first element was a series of international resolutions that defined how the national dimensions of each country should take responsibility for individual wellbeing. Column 4 in Table 2 presents a selection of these resolutions, focusing on the ones that relate to business responsibility.

The second key element of the international dimension was the "International Charity Association." The International Charity Association was conceived as a way to carry out the congress' resolutions for enacting an international system of responsibilities. Congress

participants appeared to spend a relatively large amount of effort debating what the purposes, functions, and rules of the new association would be. As the congress proceedings state in a section titled "Statutes: Objectives of the Association," the International Charity Association would be established to 1. relate the men who, in the various countries, are concerned with the

- improvement of the fate of the working and indigent classes;
- 2. constitute a kind of link between the institutions and associations of beneficence, providence, reform and popular education, which enables them to enlighten each other mutually and, if necessary, to provide each other competition;
- 3. establish a permanent exchange of information, official documents, reports, publications between members of the Association and between the associated countries;
- 4. make known and appreciate the projects and the useful institutions; to note the essays and experiments and to encourage work which would be of a nature to interest the Association and to exert a beneficial influence on society in general.

These rules, which were adopted by members of the congress upon its closing, were intended to infuse common boundaries, properties, and meanings into collective national, organizational, and individual dimensions of responsibility. This infusion in turn served to differentiate and define international and national dimensions.

#### 5. Discussion

We began this paper by asking a set of important questions about responsibility, but which have remained mostly implicit in the literature. We asked: Who has responsibility for whom? Who has responsibility for what? Where does one actor's responsibility end and another's begin? Our analysis of the Frankfurt Congress led us to view it as a deliberative apparatus that articulated (i.e., reiterated, altered, or created) boundaries of social responsibility as a way to answer such questions. Thus, in interpreting the reach and limits of social responsibilities as they were articulated in the congress, we found Barad's elaboration of apparatuses to be helpful. Apparatuses, according to Barad (2007, p. 143), "are the conditions of possibility for determinate boundaries and properties of objects and meanings of embodied concepts within the phenomenon." In short, apparatuses are boundary-, property-, and meaning-articulating practices (Barad, 2007). In an indeterminate world, it is through apparatuses that determinate boundaries, properties, and meanings are articulated (Barad, 2007; Butler, 1990; Foucault, 1978).

What we see in the data is the congress serving as a responsibility-articulating apparatus, and congress participants attempting to reiterate, alter, and create differentiating boundaries between and among individual, private organizational, public organizational, national, and international responsibilities. As those boundaries became determined, so did their properties and meanings, namely for whom and for what actors owed, and did not owe, a duty of responsibility. It is from these boundaries that we theorize the presence of interrelated dimensions of responsibility, which, in our interpretation, forms a nested system.

## 5.1 The nested system of responsibilities

To help elucidate the broader system of responsibilities that business responsibility is constitutively embedded in, we draw on the idea of nested systems, which has been developed in both the sociological and economic branches of institutional theory. Holm's (1995) sociological elaboration of a nested system includes the following explanatory passage:

"In a nested-systems perspective . . . [t]he institutional arrangements at one level constitute the subject matter of an institutional system at a higher level . . . [A]lthough the two levels of action are qualitatively different and should be kept analytically distinct, there are interconnections between them. The relationships between levels are structured. This means that there will be rules defining what type of problems at the first-order level of action can legitimately be considered at the second-order level, the proper procedures for doing that, who can participate in decision making, and so on. It also means that there will be rules defining and limiting the authority of the second-order level toward the first-order level." (p. 400)

A nested system of responsibility emerged from our grounded theory analysis of the proceedings of the Frankfurt Congress. We now elaborate each part of the construct 'nested system' as it pertains to our analysis. In terms of a system, our findings show how dimensions within the proceedings, which are analogous to what Holm calls "levels," are bounded, i.e., rendered "qualitatively different," yet at the same time have "interconnections between them" that are "structured." In turn we theorize that these boundaries, dimensions, and interconnections form a system of differentiated-yet-interconnected dimensions of responsibility. We argue that such boundary-making is necessary for the determination of the conditions under which actors have responsibility for one another (i.e., dimensions), which in turn is necessary for a system of responsibilities to function. The determination of boundaries and dimensions of responsibility plays a critical role in the articulation of a system of responsibilities.

This system of responsibilities that emerged through our analysis is nested. By 'nested' we mean that its dimensions both emerge from and act on, structure, or support one another (Holm, 1995). This nesting starts with the individual dimension and ends with the international dimension. First, the individual dimension is not only the foundation of the system, it also serves as a gateway to the other dimensions. Thus, only after the individual dimension has done what it can to take responsibility for itself, the organizational dimension steps in to take responsibility for certain aspects of individual wellbeing that individuals cannot themselves respond to - what we call 'responsibility voids.' The national dimension in turn responds to voids in the organizational dimension, which are places where it should take responsibility for individual wellbeing but for some reason has not been doing so (which is often what we explain below as 'responsibility drift'). Likewise, the international dimension both emerged from and responds to responsibility voids in the national dimension. Importantly, each dimension takes responsibility

for voids in the next 'lower' dimension's ability to take responsibility, which are all ultimately concerned with individual wellbeing.

A key aspect of nesting is what we have called 'responsibility drift.' We adapted 'responsibility drift' from "institutional drift" (Holm, 1995). Responsibility drift occurs when changes in one dimension call for changes in the determination of who responds to whom and for what in the same or in another dimension. Put more succinctly, situations have changed and unmet needs ('voids') have emerged, to which some entity must respond. Which particular entity must respond depends on how boundaries of responsibility are articulated. The Bienfaisance Congresses were enacted to respond to the need to articulate boundaries of responsibility in the face of changing contextual conditions, such as mass migration, poor working conditions, excessive alcohol abuse, etc. The Frankfurt Congress, in particular, created the international dimension to respond to voids in the national dimension. At the same time the congress reiterated the responsibilities that the national dimension had for the organizational dimension, the responsibilities that the public and private organizational dimensions had for the individual dimension, and the responsibilities that the individual dimension had for itself. Just as a nest both emerges from and structures the activities of individual birds, dimensions of responsibility emerge from and act on, support, or structure activities of other dimensions, but with the primary goal of individual wellbeing. The nested nature of the dimensions of responsibilities that emerged from our analysis is represented in Figure 2. The series of concentric circles is meant to indicate, rather than a hierarchy of responsibilities, that everything in an inner circle also pertains to the outer circles, but that not everything within the outer circle belongs to the inner circle.

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Insert Figure 2 about here

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When we compare the nested system of responsibilities framework that emerged from our analysis to contemporary CSR, a number of contrasts emerge. First, the individual domain of responsibility was exceedingly important to the elites who attended the congress. This finding fits the 19th-century classical liberal values that held sway in much of Europe and North America at the time of the Frankfurt Congress, which maintain that individual freedom and selfreliance were key to answering the social question (Müller, 2011). In contrast, individual responsibility is not an issue of significant concern in the contemporary business responsibility literature. Although scholars like Wood (1991) include an individual level in their examinations of CSR and business responsibility, their focus is on the manager rather than potential individual-level beneficiaries of organized social responsibility initiatives. While Bénabou and Tirole (2010) explicitly consider individual social responsibility, they do so by drawing on prosocial behavior in psychology and the emerging field of consumer social responsibility in marketing (Pigors and Rockenbach, 2016). Despite these cases, by and large discussions in the current business responsibility literature do not consider the circumstances in which individuals must take responsibility for themselves rather than primarily being beneficiaries of organizational initiatives, national policies and regulations, and even international bodies and agreements.

Second, the Frankfurt Congress envisioned multiple organizations that share responsibility for the poor, which, together with national legislation and international bodies and agreements, we interpret as a system. In this system, the firm is just one of several intermediate organizations, such as parishes, associations, and local governments, that are responsible for

helping the poor. Although current conceptions of responsibility make some reference to non-commercial organizations (e.g., Fort, 1996), the business responsibility literature, including CSR, focuses either exclusively on the firm or it places the firm at the center of various arrays of stakeholder relations (Freeman, 1984), obviating a true systems perspective. Other emerging and marginal responsibility-oriented domains, such as responsible capitalism (e.g. Freeman, 2017) and conscious capitalism (e.g. Mackey and Sisodia, 2014), tend to take a more systems-oriented view of capitalism by incorporating stakeholders into the firm's vision (Freeman, 2017; Mackey and Sisodia, 2014). While these latter approaches have been picked up by politicians (Miliband, 2012), like other approaches to CSR, the firm remains at their center (Freeman, 2017; Mackey and Sisodia, 2014). In contrast, the boundaries of responsibility we find in the Frankfurt Congress do not place the firm at the center, nor does our framework view the universe of responsibility from that prejudiced perspective. Examining multiple bounded dimensions and their nested relations offers a more holistic view.

It is important to note that the specific framework that we theorize from our grounded theory analysis of the 1857 Frankfurt Bienfaisance Congress is not a replica of CSR, or of responsibility, as it occurred then, or as it should occur today. We are silent as to whether contemporary approaches to CSR or stakeholder management should imitate what occurred at the Frankfurt Congress. What is relevant from the congress, however, is the perspective that they unwittingly took. While the participants were not skilled in, or perhaps even aware of, systems thinking, which was formally developed in the 1940s by Bertalanffy (1968), they essentially took, from our contemporary perspective, a systems approach as they defined boundaries of responsibility. This is because without such boundaries it is impossible to provide determinate answers to the questions: Who has responsibility for whom? Who has responsibility for what?

Thus, while contemporary CSR scholars and practitioners should not take the framework we develop from our analysis of the Frankfurt Congress as 'the' approach, they should adopt a systems perspective that includes boundaries of responsibility. Particular frameworks will vary by time and place, but a systems-based approach to solving problems related to responsibility will always be relevant.

The final contribution our study makes is methodological. We analyzed the Frankfurt Congress proceedings using grounded theory principles and techniques, as structured by the Gioia template (Gioia et al., 2013). While this approach has scarcely been used in the business history literature (see Good, et al., 2018 for an example), when used it affects both how a historical study is conducted and the nature of its contribution. This is because a grounded theory methodology functions in the theory-based interpretation of qualitative data, whether primary (e.g., interviews, observations) or secondary (e.g., archival), out of which a novel expansion of that theory (hopefully) emerges (Charmaz, 2006; Glaser and Strauss, 1967). Thus, the approach does not allow for a representation or image of some event or phenomena to be created, but instead a theoretical interpretation. It can be argued, in fact, that the two are mutually exclusive: the more one focuses on accurate depiction, the more one must sacrifice theoretical novelty, and vice versa. Thus, a grounded theory methodology does not purport to mirror what actually occurred in some event or phenomena, instead it articulates, through a set of analytical practices, what data derived from some event or phenomena, in collaboration with the researchers' conceptual lenses, can do to alter our current theoretical understandings.

#### 5.2 History of CSR

Our analysis of the Frankfurt Congress also contributes to the literature on the history of CSR. In particular, it marks a bridge from proto-CSR (the pre-modern antecedents of CSR) to

modern forms of social responsibility (Hielscher and Husted, 2020). The proto-CSR of the Middle Ages demonstrates the concern of social institutions, such as the miners' guilds, for the health and welfare of workers. In the Frankfurt Congress, the resolutions (see column 4 of Table 2) show a continuity with the kinds of protections offered by the medieval guilds, but a discontinuity by placing responsibility for protection primarily with industry (in addition to the church, local government, or other associations).

The business responsibility for workers demonstrated in the Bienfaisance Congress goes far beyond current practices of human resource management. It did so by involving the firm in the housing, education, and health of the worker's family as well as the worker. Thus, the nature of this responsibility parallels and reflects what we know about similar developments in Berlin with the firm of Siemens and Halske (Kastl and Moore, 2010) and in the Ruhr valley with the Krupp steel company and other nearby firms (McCreary, 1968). These responsibilities align with a paternalistic role for the firm and the business leader, in which they cared for their employees in ways that echo the manorial system of feudal Europe (Hielscher and Husted, 2020); yet they also take into account the migration to the cities, creating new institutions for the care of indigents in light of the weakening institutions of the medieval world. Although this paternalistic approach has largely disappeared in Western Europe and the United States, significant vestiges still exist in Africa, Asia, and Latin America.

#### 5.3 Future research

Research on the history of business responsibility in general and CSR in particular has barely begun. Thus, this special issue of the *Journal of Management History* is itself an important contribution to remedying this state of affairs. Clearly the full story of responsibility for social and environmental harm as it has evolved over time has yet to be told. Nevertheless,

the nested system of responsibilities framework provides a launchpad for future research toward that end. First, research into systems of responsibilities, including the boundaries and dimensions that form them, should proceed in terms of historical and comparative studies. CSR has largely been studied in isolation from the responsibilities of other actors and institutions, yet the boundaries of responsibility have changed significantly over time. Systems are models of whole entities and as such permit, once they are elucidated, comparisons across time and space. Historical studies would enable scholars to trace the evolution of business responsibility from its origins in the 19th-century and earlier to its present-day incarnation as CSR. The Frankfurt Bienfaisance Congress would probably merely be a subsection within a larger chapter about the 19th-century, but it would be a necessary one as it reflects the pre-existing scripts of elites as they were articulated in the proposals ratified at the congress. Furthermore, other than some work by scholars like Matten and Moon (2008), we know very little about how systems of responsibilities vary cross-nationally. The respective responsibilities of diverse actors vary significantly between the developed and developing world, and perhaps even more so within the developing world itself (Jamali and Karam, 2018). Comparing systems of responsibilities in different institutional contexts should highlight important points of convergence and divergence. Certainly the Frankfurt Bienfaisance Congress should not be seen as any kind of benchmark for such comparisons; yet the systems approach that emerged from our analysis of it might be usefully applied to understand how different societies apportion responsibilities for addressing social problems among different sectors.

#### 6. Conclusion

As cited at the beginning of this paper, "responsibility is the product of definite social arrangements" (Frankel, 1955, p. 203). We have seen how the proceedings of Frankfurt

Bienfaisance Congress contain a working out of such definite arrangements (i.e., boundaries that define dimensions), which are necessary for systemic action. Clearly the Frankfurt Congress was not the final word in this regard. However, the prescriptions for industry leaders that were enunciated in this congress, reflecting practices being innovated in Prussia and other parts of the world, eventually formed the basis of the German welfare state engineered by Bismarck, which was then imitated in different degrees by much of the rest of the world (McCreary, 1968; Melling, 1992). So in this sense, the industrial boundaries of responsibilities laid out in the Frankfurt Congress were eventually adopted and transformed by many countries in the guise of the modern welfare state. In itself, the Frankfurt Congress had no power to enforce its resolutions, but it did have the power to recommend, persuade, and encourage. The implementation left much to be desired; in fact, the entire internationalization project was temporarily halted by the onset of the Franco-Prussian War. Nevertheless, in the Frankfurt Congress we see a concerted effort to grapple with the problems of migration and poverty created by the Industrial Revolution - problems which transcended national borders. Those first efforts are surely worthy of our attention and study today as we continue to deal with social and environmental problems that cross borders, in which business plays a key role - both in their creation and their solution. We may disagree with the specific boundaries of responsibility that the Frankfurt Congress participants envisioned, but defining and enacting a system of responsibilities is an issue we must continue to grapple with.

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Figure 1 Coding of Frankfurt Bienfaisance Congress

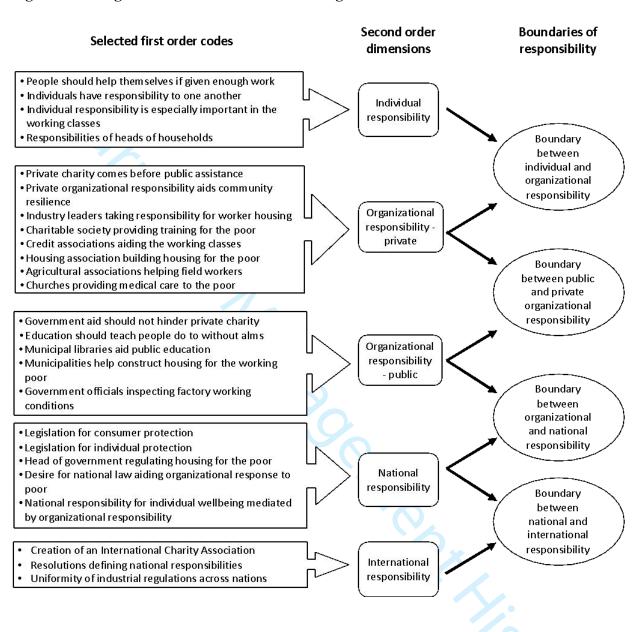


Figure 2 System of Bounded Responsibilities in the Frankfurt Bienfaisance Congress

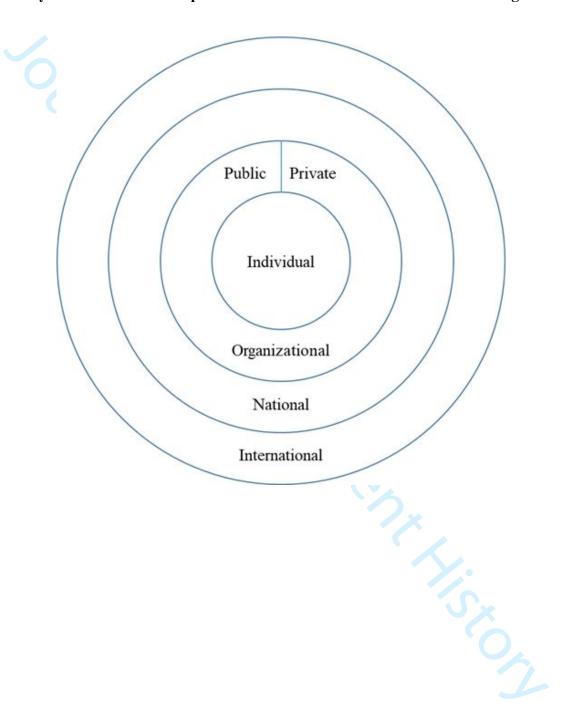


Table 1 Participants of the Bienfaisance Congresses of the 1800s

Congress	Total participants	Countries represented
Brussels (1856)	411	18
Frankfurt (1857)	238	19
London (1862)	291*	21

<sup>\*</sup> The proceedings mention that there were registration problems during the London Congress, which makes the correct number of attendees uncertain

### Table 2 Examples of coded data, categorized by boundaries of responsibility

#### 1. Boundary between individual and organizational responsibilities

responsibility. We do not mean

by liberty an abstract notion,

arbitrariness; but a moral idea

that embraces in it the obligation

to each and everyone. Even if all

there would always remain what

man owes to man. This idea did

not remain foreign in antiquity

It was he who, in the words of

Rome: "Homo sum et nihil

(Mr. Bethmann-Hollweg,

**Industry leaders taking** 

healthy, and economical

responsibility for worker

Prussia)

housing

humani a me alienum puto".

the poet, enthused the people of

Organizational responsibility:

"The efforts made to provide the

working classes with convenient,

dwellings are not confined, in

social obligations fell at once,

#### Individual responsibility: Organizational responsibility -Responsibility for one another private: Private organizational "[F]reedom is accompanied by

resilience

# responsibility aids community

2. Boundary between

public and private

organizational responsibilities

#### "Another kind of very useful institution, which has spread rapidly in Spain in recent years, is that of savings banks. It exists in most major cities; that of Madrid, established in 1839, which is directed with care and profit, gives such good results. that even in times of shortage and scarcity, we have seen the payments exceed the sums reimbursed from thirty to forty thousand reals a week... Savings banks and workers' mutual benefit societies have so far presented in places where, as in Catalonia, there is a large manufacturing movement. sufficient means to prevent any violent crisis. Thanks to the use of these means, the Spanish society is perfectly able to avert, on occasion, events and conflicts which, fortunately, have not yet presented themselves, either because there is no disproportion between the manufacturing industry and the agricultural industry, or because the rate of the day is generally sufficient to meet the needs of the workers." (Dr. Nieto Serrano, Spain)

#### building housing for the poor "The Society for the Construction of Workers' their necessary expenses." (Mr.

Houses, founded in Berlin, has already partly remedied this deficiency [of good and healthy homes], which afflicts especially the workmen: now that we have changed the statutes of this Society, it will be able to extend the range of its activity. To this day, it has built a number of houses, which have gradually become the property of the persons who rented them; but we shall now be aware of the increase which its capital has undergone in order to erect also buildings which, divided into several apartments, will only be intended for rent. "(Dr. Lette,

Organizational responsibility -

private: Housing association

### Legislation for consumer protection

3. Boundary between

national and organizational

responsibilities

#### 'Markets, which are also responsible for checking weights, are allowed to show up wherever they can usefully perform their duties. Our penal legislation supported this organization is vigorously organized because it includes among the contracts any mixture, any operation which in any way could alter the food substances and it pursues jail or severe fines even of pearl traffic law, such frauds" (Dr. Stubenrauch,

#### Head of government regulating housing for the poor

Austria)

"It was added in this decree that His Majesty, being convinced that lodging is one of the most important things for the life of the poor, wished that this improvement should be effected as soon as possible for the benefit of the less privileged favored classes. For this purpose, the rules of execution and the prices of dwellings are established, which should not exceed 120 reals per month, most of them being even more economical. In accordance with this decision, His Majesty has sold this year various lands forming part of his patrimony and located at one end of Madrid, under the formal condition that they would be intended for the construction of houses for the workers and the needy." (Dr. Nieto Serrano, Spain)

#### Desire for national law aiding organizational response to poor

"The position of public charity in our eastern provinces can be compared to that of England before the reform law of the poor. In England, as far as I know, the administration of assistance was formerly very difficult because of the large disproportion in the extent of the municipalities; the smaller ones were crushed by the burden

### 4. Boundary between national and international responsibilities

#### Assistance of the heads of industry to the improvement of the condition of the workers

The development and extension of the regime of great industry has created new needs, and consequently imposes certain duties upon the heads of industry, factories, and farms. The first of these duties is to ensure the health, safety, morality, and wellbeing of the workers who serve them. Steps have already been taken to this end in a large number of localities, and their success has fully responded to the goal proposed.

These measures include, among others:

- 1. The association or concert of large farms and factories, in a given district, for the creation of central welfare institutions, similar to those which operate in Belgium for miners, railway workers, fishermen, etc.;
- 2. The constitution, for each establishment in particular, of a mutual and provident fund for cases of sickness, accidents, unemployment and infirmity;
- 3. The introduction of bonuses proportionate to the results of the production and consumption of raw materials, designed to encourage the activity and economy of labor;
- 4. The construction of workingclass housing, similar to that which has been attached to factories in a great number of localities in Great Britain, France, Belgium, Germany, the United States, etc., and especially suitable housing for single workers;
- 5. The establishment of baths and wash-houses, using for this purpose the hot water coming from the boilers of steam engines;
- 6. The erection of infirmaries, dispensaries, and hospices to help workers suffering from diseases, injuries or infirmities in the performance

### Great Britain, to the establishment of societies set up for this purpose; but companies and other public bodies, as well understood the vital importance of their duty. The enlightened the Duke of Argyll, have lately

as private persons who employ a large number of workmen, have views of the postmaster general, turned to this side; and several railway companies have not hesitated to arrange the erection of suitable dwellings for their employees and workers, among

#### Organizational responsibility: Education should teach people do to without alms

Roberts, England)

"Finally, gentlemen, in respecting and cherishing beneficence, in seeking to support and develop private charity within wise limits, we believe that the efforts of the friends of humanity must be directed above all to teaching the people to do without alms. The most fruitful beneficence seems to us to be the one which, watching over the progress and

development of childhood, facilitates the education and instruction of the young worker; which tends to help him to perfect himself as a man and in the exercise of the profession he will embrace; who, having contributed to his moral education and professional training, provides him with the means to save and live happily, with the prospect of a peaceful future. When everyone will help themselves in society, and that everyone will find his happiness in the place where Providence has placed him; when everyone can rise and become rich by his work, society will be easy to govern, and man will have fulfilled his mission. (Mr. Visschers, Belgium)

## The boundary between individual and organizational responsibility:

"The action of public assistance must, in principle, be limited to the relief of misfortunes resulting from an absolute incapacity for work, of age, or of physical or mental infirmities. As such, it creates and supports institutions for the sick, old, incurable, or infirm; found, abandoned, and orphaned children; the insane, the blind, the deaf-mute, etc., or in any other way to satisfy their needs, unless it is already provided by private charity." (Declaration of the Frankfurt Congress)

Germany)

#### Organizational responsibility – public: Government officials inspecting factory working conditions

"Health officers are instructed by the government to inspect the factories at least twice a year, to take a survey of the children who are employed there, and to supervise the execution of the measures prescribed for the separation of the sexes, bedtime, clothing, food, working hours, etc. As for laws which limit hours of work, which prohibit night work, or certain dangerous or unhealthy occupations, especially for children, we have none in Austria; but, as I have just said, the need for such legislative restrictions has not yet been felt." (Dr. Stubenrauch, Austria)

## Organizational responsibility – public: Municipal libraries aid public education

"Municipal libraries have been set up, but they are not yet in sufficient numbers. There will soon be more, thanks to the efforts of a citizen devoted to the cause of public education, who has offered to provide a library chosen and sufficient for all the communes at a modest price of 60 florins." (Dr. Graehs, Sweden)

## The boundary between private and public organizational responsibility:

"As a general rule, the distribution of individual and momentary relief, alms at home or in any other form, must remain foreign to public assistance, except in the case of absolute necessity and as a temporary and transitory measure. These relief and alms are essentially in the domain of private charity." (Declaration of the Frankfurt Congress)

of the poor, to the point where landowners sometimes abandoned their property in order to evade the burden of the tax. Such a disproportion also exists in our eastern provinces, where we cannot decide to enlarge the municipalities like England, which, since the law of reform of the poor and to facilitate the charitable administration, has done so, by bringing together several small municipalities. This measure, in England, not only facilitated and equalized public charity as well as burdens, but it also facilitated the means of giving work to the workmen, and encouraging lazy people to earn their bread, reviving their activity." (Dr. Lette, Prussia)

## The boundary between organizational and national responsibility:

"In Sweden, the fundamental principle for any legislation on assistance is that it should not weaken the will and power of the worker to extricate himself from an embarrassing situation by organizing institutions which could lead to improvidence or permanent guardianship of the poor. Poor and neglected children, and the sick and infirm are the only objects of charity in Sweden. We have found this principle; people who are able to work and who are not sick, do not need help; there is no lack of work, but of workers, and this need will be felt even more when the railways are built." (Dr. Graehs, Sweden)

of their duties;

- 7.The organization of supply stores, bakeries and butcheries, economic restaurants where the workers can, especially in case of abnormal food prices, obtain the foodstuffs and other items they need, under conditions more favorable than in ordinary commerce:
- 8. The institution of schools for the children of the workers, of courses, of conferences for the workers themselves, which constitute a true industrial education in relation to their needs; circulating libraries, meeting and reading rooms, etc.;
- 9.The organization of societies of music, of ensemble singing, and generally of games, entertainments, and feasts, designed to encourage the spirit of fraternity among the workmen, and to preserve order and morality in their amusements;
- 10. The adoption of regulations relating to the order, hygiene, safety, and morality of the workshops, which sanction the provisions laid down by the International Bienfaisance Congress of Brussels

It is desirable that industry leaders should consult one another and agree on the uniform application and extension of these measures to all establishments placed under similar conditions. This agreement will reflect their kind and paternal views towards their