

**Beyond Moralizing:**  
**Agendas and Inquiries in Corporate Social Responsibility**

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## **Abstract**

Corporate Social Responsibility and Business Ethics are coming of age in business practice and as a teaching and research area. But it is not one clearly delineated academic field; rather it is a field of practice that contains several different intellectual agendas and lines of inquiry. We identify and describe no less than ten different agendas in the field and suggest that for research and teaching to progress further, it is useful to distinguish between them.

## **Beyond Moralizing:**

### **Agendas and Inquiries in Corporate Social Responsibility**

#### **Introduction: The Rise of a Field**

Undoubtedly Business Ethics (BE) and Corporate Social Responsibility (CSR) are coming of age. Systematic, quantitative information may be lacking, but it seems undeniable that an ever growing number of companies are serious about BE and CSR; codes of conduct, company codes of ethics, labeling schemes, auditing principles and standards are proliferating, and business associations such as CSR Europe and the World Business Council on Sustainable Development are expanding their activities. Keen attention from the general public and concerned NGOs in particular has for years been a significant factor in the international environment of business, and CSR and BE has become a concern for policymakers at the national and international levels.

There is also a growing management and academic literature in the field, both in the genre of how to do it management books and research oriented academic literature. This has been much assisted by key professional journals such as Journal of Business Ethics, Journal of Corporate Citizenship, Business and Society, and Business Ethics Magazine, and the more promotional CSR Europe Magazine.

Naturally, CSR and BE has also become a topic for teaching and a field for research. Business ethics has been on the curriculum in many business schools for decades, perhaps especially in the US, and dedicated textbooks have long been available. It seems, though, that courses on the international environment of business including CSR and BE are appearing more frequently and that chapters on CSR and BE are becoming standard features in more general textbooks on international business and management.

CSR and BE is, in other words, also a rapidly growing academic field. Still, it also has the appearance of a field in which practice is ahead of theory and research. Let us explain. In case based teaching students are often asked to apply theory to the practical problem at hand.

But what is the relevant theory in ethics cases? Is it concerned with ethical justification and moral reasoning? Is it stakeholder theory, or theories of rational choice under conditions of risk and uncertainty? Often all such theories and several more can be brought to bear on the challenging practical problem described in the case material. Similarly, when one looks at textbooks – either dedicated textbooks such as Velasquez (2002) or Sternberg (2000) or general management/business textbooks that are serious about CSR and ethics, e.g. Carroll and Buchholtz (2000) or Palmer and Hartley (2002) – one will find not one clearly identifiable theory about CSR, but rather of range of different discourses and lines of argument, all presumably relevant and necessary for an understanding of the field. A survey of the research-based literature will also show that a number of distinct issues are discussed and researched through a variety of different theoretical and methodological approaches under the headings of CSR and BE.

Thus, it may be time for taking stock, time to ponder what characterizes BE and CSR as an academic field, i.e. an area of research, study, and teaching. If it *is* an academic field, that is. Perhaps it cannot be defined as such, but only as a field of practice, an area that can be investigated with completely different research interests, each leading to separate research questions and programs, each of which can be approached from a variety of theoretical perspectives and methodologies. The title of this paper – *Beyond moralizing* – is intended as an attention grabber, and perhaps a provocative one. What it signals is that an important strand in the literature on CSR and BE has focused on what more accurately and less pejoratively can be described as promotional efforts, i.e. the development of arguments to promote the view that business ought to behave ethically correct and assume a wider responsibility. Perhaps it is not an exaggeration to say that this line of argument has been the dominant one in the literature until recently. Our contention, however, is that if the area is to be developed further as a field for serious intellectual inquiry, teaching, and research, it is important to be clear about the separate agendas, issues, and questions, and to pursue each of them in greater depth.

Our purpose then, is to identify the various intellectual agendas, lines of inquiry, and issues for discussion that are in evidence in academic discourses on CSR and BE.<sup>1</sup> Such an effort could benefit teaching by clarifying for students the different sets of questions and arguments they are confronted with when reading the rather heterogeneous literature in the field. For research, of course, it is always necessary to be precise and specific about the research questions pursued, the more so because the production of new knowledge requires specialization which necessitates sharp definitions and demarcations between what is investigated and what is not. In sum, as teaching in the area is becoming increasingly accepted, and as research is gaining ground, i.e. as the field is coming of age, it is time to move forward, and that will among other things require a sharper definition of the various intellectual agendas involved.

## **Ten Agendas**

We shall not pretend to have read the entire literature. What we have done is to read some texts closely, do a screening of a larger sample of text, and discuss issues with students and colleagues. Through this we have identified no less than ten different intellectual agendas or sets of questions and lines of argument that can be singled out for discussion in teaching and which may serve as starting points for research questions. They are clearly interrelated and overlapping, and none of them can be considered satisfactorily without at least some consideration of at least some of the others. This may be considered a rather too fine grained typology of agendas, but to increase clarity we found it useful at the current stage to differentiate as much as possible and to draw the analytical distinctions between them as sharply as possible.

The ten different agendas we identified are these:

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<sup>1</sup> In the sense that the promotional and mainly positive discourses on CSR and companies have tended to predominate over the more critical and skeptical within the literature, focusing in this article on the academic may be said to instill a certain in-built bias into the review as compared to semi- and non-academic discourses and real-life practices.

Furthermore, focusing on the academic means excluding in this connection some important developments of relevance to our ten agendas but which can hardly be categorized as academic, e.g. the transformation of the genre of - and practices and relations associated with – annual reporting (see e.g. Elkington, 1998). This illustrates how practice in many cases is ahead of theory, how practitioners have taken the lead in terms of conceptual development, etc.

- 1) Conceptual and definitional issues: How to define Business Ethics, Corporate Social Responsibility, Good Corporate Citizenship, etc?
- 2) Advocacy: discourses to promote and enhance ethical behavior
- 3) Justifications: ethical and other foundations
- 4) Content: which issues are included, e.g. environment, human rights, child labor, animal welfare etc.
- 5) Societal analysis: explaining the rise of CSR, analyzing its interface with governmental regulation, NGO concerns etc.
- 6) Implementation, descriptive: How do real companies implement CSR and ethical concerns in the real world
- 7) Implementation, prescriptive: How to do it, identifying best practices, costs and benefits of alternatives
- 8) Company effects: consequences for profits, reputation, HRM etc.
- 9) Issue effects: Does it help, how do codes etc. actually affect the issues in question
- 10) Wider normative issues: CSR and democratic accountability, transparency, who should set the standards?

To clarify this list further and explain the key concern in each of the categories, below we will for each of them offer some additional comments, provide some examples for illustration, and indicate areas where research and/or clarifications are needed.

### **1) Concepts and definitions: What are we talking about?**

Under this heading we isolate the basic definitional and conceptual clarifications that are required for the development of clear and consistent language. If we loosely define the area of interest as being concerned with demands on businesses that are outside the narrow task of earning money for owners and obeying the laws of the land, we find that it is designated by different concepts:

- *business ethics*, defined for instance by Velasquez in this way: ‘Business ethics is a specialized study of moral right and wrong. It concentrates on moral standards as they apply to business policies, institutions, and behavior.’ (2002:13);

- *corporate social responsibility*, which, according to The EU ‘Green Book on CSR “is essentially a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment” so that “Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing ‘more’ into human capital, the environment, and the relations with stakeholders.” (European Commission, 2001: 5, 8);

- *self-regulation*, defined by Virginia Haufler: ‘Self-regulation occurs when those regulated – in this case, corporations – design and enforce the rules themselves.’ (2001: 8).

To these could be added the notions of *corporate citizenship*, as enunciated by for instance McIntosh et.al. (1998) and Andriof and McIntosh (2001), the notion of *corporate human rights responsibility* (e.g. Cassel, 1996), Cannon’s concept of the *corporate social contract* (Cannon, 1994), corporate *accountability* (Pruzan 1998) and possibly others.

While there is some truth to the claim that the concept of business ethics is both the older one, having a long tradition in particular in the US, and the narrower one, and the other ones are newer entrants that reflect a broader agenda, such a distinction is not universally agreed upon. Wilson for instance argues that the new issues and demands that often appear under the heading of CSR, and that he calls ‘the new rules’, all are of an ethical nature: “ – we appear to be adopting a broader and deeper definition of what constitutes an ethical issue – a definition that goes far beyond an insistence on honesty and trustworthiness’. “Indeed there is an ethical core at the heart of each of the new rules’, ‘there is indeed a new dimension to the public debate about corporate ethics – a broadening of the issues, an intensification of the pressure, and a raising of the standards” (Wilson, 2000: 138-141; see also Swartz and Gibb, 1999: 1-2). And taking a slightly different tack, Cannon argues, “ethics, governance, responsibility to the natural or built environment, and justice are facets of the same issue. Here they are drawn together and related to the notion of the corporate social contract” (Cannon, 1994: ix).

There is thus a need to be clear about the key concepts used and their specification, hence a room for critical conceptual analysis. Choice of terminology is very much a question of convenience, and different definitions may be appropriate for different purposes. At the same

time, however, choices also involve positioning on fundamental issues such as rationalism and/or constructivism, materialism and/or idealism, as well as carrying a number of basic assumptions about the ‘normal’ functions and roles of various actors, i.e. the purposes and identities, and about ‘normal’ boundaries and interrelations between the political and economic domains, the state and the market, the public and the private (Underhill, 2000 and 2001; Stubbs and Underhill, 2000; Higgott, Underhill and Bieler, 2000; Cutler, Haugler and Porter, 1999). All too often, however, these matters are not dealt with explicitly. A minimum requirement in both teaching and research is clarity on such basic issues as well as concepts used in any particular discourse. While long exegetic exercises about the proper understanding of central words may be less productive, some comparative examinations about the actual use of such key terms may be useful.

## **2) Promotions and admonitions**

A succinct statement of this agenda is found in the mission statement of the Business Ethics Magazine:

‘The mission of Business Ethics is to promote ethical business practices, to serve that growing community of professionals striving to live and work in responsible ways, and to help create financially healthy companies in the process.’ (Business Ethics Magazine, ‘Our Mission’)

A similar sense of mission is clearly found in several academic treatises and textbooks, such as Hopkins (1999), Sternberg (2000) and Williams (2000) and many others. These and similar texts are often very rich in content, and they are far from conveying only admonitions and reproaches. On the contrary, they rely on arguments from all of the categories listed here – empirical evidence from practice, ethical foundations, conceptual clarifications etc. – but what sets them apart is that the overriding purpose of the discourse is promotional, and that the other types of arguments are marshaled to maximize that effect.

Undoubtedly this strand of literature has played a valuable and significant role in putting CSR and BE on the agendas of practitioners, teachers, and researchers alike. While some

'promoters' are starting to question the merits of this agenda without more fundamental systemic change (e.g. Kelly, 2001), there seems to be no reason to doubt the continued relevance and importance of this agenda. Indeed, the recent series of accounting scandals in the US business community have showed that even basic, minimal ethical standards are insufficiently instilled in some US corporations. Still, as the field is coming of age, promotion is no longer enough. The other agendas also have to be developed, not least for the sake of strengthening promotional efforts.

### **3) Ethical foundations**

This category may at first sight seem little different from the two preceding ones. It is about defining and developing the case for business ethics, and in that sense it too concerns definitions and promotional efforts. However, we find that several important contributions stand out due to their emphasis on grounding the effort in a serious philosophical treatment of basic ethical foundations and elucidating their implications for business. Whereas much of the promotional literature applies a variety of different arguments and reasons for ethical and responsible behavior, writings in this category focus on arguments of a particular kind. Norman E. Bowie, for instance, sets out to 'apply the essential features of Kantian moral philosophy to the business firm' (Bowie, 1999:1). Similarly, Velasquez and Sternberg, in their distinctive ways, base their expositions on notions of fundamental principles of ethics and morality.

The sources of moral authority on which such arguments are based are different, and so are the consequences. Arguments based on the Kantian categorical imperative compete with utilitarianist reasoning following John Stuart Mill, while others still take a Habermasian approach, seeing ethics in processual terms as something that involves dialogue and rational agreement between the parties affected (e.g. Pruzan and Thyssen, 1990). Some combine ethical and pragmatic reasoning, for instance Pruzan (1998), and other writers base their justifications in religious beliefs. For some writers, like Sternberg and Velasquez, ethical reasoning leads to restricted understandings of corporate morality and obligations, whereas others point to ambitious reformist agendas, Bowie and Pruzan being cases in point. Some use moral reasoning to justify a minimalist position, the essence of which can – perhaps a little exagger-

ated - be reduced to the question: can I have a clear conscience, have I done anything legally or morally *wrong*? In contrast, others use ethical arguments to justify that the right question is have I done *enough* to contribute to society? Or: have I done it *the right way*?

Naturally, these foundational arguments and justifications also feed into the discussions, critique and sometimes rejection of company motives and behavior. Thus, consequential, utilitarian justifications may be confronted with non-consequential, Kantian duty-ethics – and vice versa – while both, of course, may enter a “dialogue” with a Habermasian rational consensus justification. All of these, in turn, may be argued to disguise what is essentially a Machiavellian strategy, and so on.

The purpose here is not to pursue these issues, but to point out that we can identify as a distinct line of inquiry in the field of BE and CSR the search for sources of moral and ethical authority and the development of their implications for business in today’s world. Serious discussion of these questions are hardly a novelty, rather they represent long-running debates in philosophy, political theory and religious thought. Yet, societal change continues to present new issues – genetical engineering to mention just one – that requires that they are thought through afresh. In consequence, this line of inquiry will remain a significant agenda in the area.

Furthermore, the reality of globalization has added a new and important dimension to this agenda. Now one of the most pressing discussions in this area concerns the existence of universal moral standards that transcend the Western secular enlightenment tradition and the religious moral standards of Christianity. According to some, the principles derived from this tradition are not always compatible with for instance Asian or Islamic values, or the rights of indigenous peoples, whereas others argue the existence of universal principles. In the mid 1990s, the Commission on Global Governance argued the case for universal moral and ethical standards, said to have resonance in religious – and not only Christian - as well as in secular reasoning:

“We believe that all humanity could uphold the core values of respect for life, liberty, justice and equity, mutual respect, caring and integrity.” “They all de-

rive in one way or another from the principle, which is in accord with religious teachings around the world, that people should treat others as they would themselves wish to be treated.” “The sanctity of life is a concept shared by people of all faiths as well as by secular humanists.” (Commission on Global governance, 1995: 49,50)

Some prefer to refer to the Universal Declaration on Human Rights and associated conventions as a universally accepted catalogue of moral and ethical principles, having the force of being recognized by practically all governments in the world. Others have taken a different strategy, combining principles from different cultures and traditions, as when the Caux principles – among the more widely disseminated early international codes of conduct – in its preamble took recourse to both Western and Asian sources of moral authority and referred to the Japanese concept of ‘Kyosei’ – ‘living and working together for the common good’ -, and to human dignity from the Western tradition’ (Cavanagh, 2000: 172).

Whereas opposite claims – that universal values do not exist and cultures based on different moral principles deserve equal respect – often can be shown to be legitimating discourses in support of rather repressive regimes (Bruun and Jacobsen, 2000), this may not always be the case. Certainly tolerance and cultural sensitivity are also positive values in the universalistic discourses, and appreciation of local or contextual differences needs not contradict universality (Wilson, 1997). There is, however, an inherent tension here which can become quite acute in a business context, and which has been subject to some scholarly attention, for instance in Reeves-Ellington and Anderson’s in depth analysis of company experiences from Indonesia that drew on anthropological insights into different value systems (Reeves-Ellington and Anderson, 1997). Clearly the accommodation of universality and diversity is one of the more fundamental challenges in a globalized, multicultural world (Linklater, 1998), and will most likely remain a central concern in deliberations on the foundations of business ethics for years to come.

#### **4) Content – issues and standards**

The next line of inquiry concerns the actual content of corporate social responsibility. What are the issues, and what are the standards to adhere to in each issue? Environmental issues, child labor, discriminatory employment practices, human rights, corruption, and animal welfare are probably all among the most widely recognized concerns that responsible businesses should be serious about. Although there are differences of emphasis, most of these themes appear in most of the works examined for this article. In each of the issues there is room for debate about the level of standards – e.g. how does one distinguish between harmful and non-harmful child labor – and the scope of responsibility – e.g. how far down the supply chain it reaches.

There is also room for discussion about expansion of the list. In human rights conventions, for instance, one finds the right to life, health, education, family, etc. To what extent does this create valid claims on responsible companies? Under which circumstances do companies only have negative responsibilities, and when do they have positive obligations as well (Jungk, 2000)? What does ‘inclusive employment practices’, for example, actually mean? And how should competing claims – be they between the rights of different actors (as in the right to life of millions of HIV-infected South Africans vs. the property rights of pharmaceutical companies) or between different rights of the same actor (as in the right to education vs. the right to determine their own development and to a clean environment of the indigenous peoples of the Ecuadorian Amazon region) – be balanced and weighed in the substantive formulation of company responsibilities (Nielsen, 2001)? And so on.

This easily turns into a normative discussion, taking us back to the preceding agendas, but the point now is that it also represents an area where factual knowledge is desirable (for managers and students), and consequently an agenda for empirical research into the issues actually included by companies (see e.g. Cavanagh, 2000, and Frederick, 1991). More systematic examination of larger and different samples of companies, including smaller ones, with a view to also identify differences between industries and nations, could lead to a more precise and differentiated picture. More focused and qualitative studies of the constellations of interests, relations of power and ideational elements involved in determining particular articulations of corporate responsibility would also be highly relevant – and closely related to the next agenda...

## **5) Social science analysis**

Essentially, social science perspectives on CSR are concerned with explaining the rise of CSR and its changes and permutations, and with discerning its effects on and implications for global governance, relations of power, democracy and accountability. For the social scientist, and in particular the student of international relations, CSR is a novel feature in global society that is sufficiently significant to warrant theoretical and empirical analysis of its causes and consequences.

Many treatments of CSR offer some thoughts on causes, consequences and future prospects. They are found in textbooks like Cannon (1994), in analytical-cum-practical works like Schwartz and Gibb (1999), Wilson (2000), Addo (1999), Mitchell (1998), and Avery (2000), and in policy oriented works like Richter (2001). Although the explanations offered in these works seem convincing and plausible, they often are of a somewhat speculative or hypothetical nature, and not grounded in deeper theoretical and empirical research. Works that are dedicated to social science investigations of the topic, in other words, are still fairly rare. Among the pioneers in the area is Virginia Haufler, whose earlier work on ‘private authority in international affairs’ (in Cutler, Haufler, and Porter, 1999) paved the way for a more serious investigation of corporate self-regulation (Haufler, 2000a and b, 2001). Here (2001) she explains the rise of CSR as resulting from a set of causes: globalization and de-regulation, the rise of ‘activist risk’ and the continued risk of (re-) regulation, increased reputation sensitivity in important industries, and learning and emerging consensus-formation in some areas, - i.e., in spite of the potential connotations of the latter, a purely rationalistic explanation that assumes strategic profit seeking as the predominant driving motive and has no need for ethics and morals as causal factors.

Another example of this intellectual agenda is the analysis by Aaronson and Reeves (2002). Their main purpose is descriptive, to give an empirical survey of recent European developments in the area including government initiatives, ostensibly meant for an American readership. But after this they ask the question why the rise of CSR has been particularly strong in Europe compared to the US. They argue that since the pressures from public opinion and

market forces were more or less identical in the two continents, the difference must be explained by the different ‘business cultures’, more specifically that ‘European firms are more comfortable working with government to improve social conditions, and they are more comfortable in a regulated environment. Business expects governments will ask more of them, and governments ask more of business’ (Aaronson and Reeves, 2002: 51).

The last example to be mentioned here is the study by Richter (2001), although this also very much is a policy-oriented book written from a civil society/NGO perspective. Her concern is not so much causes as consequences, i.e. the interface and interplay between CSR and governmental regulation at national and international levels, with a view to ascertain the potential for achieving socially beneficial results from business self-regulation.

These summarily described examples show that there is a large agenda to be pursued, addressing explanatory questions about variations between companies, industries, countries, and issues, and about consequences for global governance, for relations of power in the global economy, for the relations and politics of international trade and investment, the dialectic between public opinion and CSR, and so on. Analyses of these questions can, naturally, be conducted from any of the many contending theoretical perspectives within the social sciences: rational choice theory, political economy, historical institutionalist theory, discourse analysis, any variety of social constructivism, and so on. Thus, there is not one social science theory of CSR, rather a situation in which theoretical pluralism is a fact of life, and a fact that should be accepted and respected. This also implies that theoretical approaches that reflect different stakeholder perspectives – business, government, civil society – will be present in the theoretical landscape, and that this should be welcomed as a sound pluralism.

Finally, it should be noted that this line of inquiry not only is of interest to social scientists. Practitioners and students alike would be well served by acquiring some understanding of the social forces that have shaped and continue to shape the strategic environment in which they operate.

## **6) Implementation – descriptive and analytical**

The word ‘descriptive’ is used as opposed to *prescriptive* to characterize the agenda to be considered next, and not as opposed to theoretical and analytical. The concern here is to find out what actually goes on inside companies in response to intensified pressures to adopt CSR. What are the strategies developed and principles adopted, how are organizations changed to handle the new issues, are training programs created, labeling schemes implemented, and SR performance audited, and if so, how? In short, how do companies adopt and integrate CSR in operations on an ongoing basis?

In this category there is much anecdotal evidence and a substantial number of case studies written up in books, journals, and in the business school case literature. Well-known examples of Nike, Levi Strauss, and Royal Dutch/Shell are among the classics, but as evidenced by for instance McIntosh et al. (1998) there is now a large and growing body of cases to draw on when discussing corporate responses to calls for SR. Most cases are from large and well known international companies from the US and Western Europe, but there is also in the business school case literature a seemingly growing underbrush of cases involving smaller companies from around the world. Turning from single company cases, however important and useful they are, the literature seems much more limited when it comes to systematic investigations of larger numbers of companies and especially SMEs. Indeed, what marks examples in this category, such as the CSR Europe and The Copenhagen Center (2001) survey on company attitudes, or the World Bank Study of corporate practices in the mining, oil and gas sectors (McPhail and Davy, 1998), is their pioneering, explorative and hypothesis generating nature. It seems reasonable to claim that this is an area where practice is ahead of empirical research and theory building.

Obvious questions to pursue in this area include variations between companies from different countries, of different sizes and in different industries; the development of theorized typologies of corporate responses, for instance the distinction between leaders, followers, and laggards, and distinctions between different ways of pursuing such strategies, the management tools involved, etc.

Whether research along these lines will lead to the development of distinct theories, specific to the area of CSR, is uncertain. Perhaps, like in the category to be considered next, CSR is rather a cross cutting concern that can be examined in the perspectives of practically every management discipline.

### **7) Implementation – prescriptive**

What differentiates this intellectual agenda is the overriding purpose of providing advice and guidelines for managers. The need to be serious about CSR and BE is more or less taken for granted, what matters is the illumination of implications in practice. In this category there is a large and heterogeneous literature. We find published company codes, such as Shell's Management Primer from 1998, guidelines from think tanks, promotional, non- and intergovernmental organizations such as the advice on 'doing business in states with bad governments' from the Danish Center for Human Rights (Jungk, 2001), the Amnesty International/Prince of Wales Business Leaders Forum's booklet on human rights (Frankental and House 2000), and many others (Amnesty International, 1998; Office of the High Commissioner for Human Rights, 2000a and 2000b; World Business Council for Sustainable Development, 2000; Save the Children UK, 2000), management handbooks like McIntosh et.al. (1998), and academic works and textbooks like Sternberg (2000) and Velasquez (2002). In addition, the efforts to develop standardized codes and reporting principles – the SA 8000, the Global Reporting Initiative, and several others – represent important contributions in the sense of providing managers with checklists, reporting principles and criteria upon which choices in the CSR field can be made.

The last mentioned field seems to be rapidly growing, supported by official initiatives at national and European levels, and it is not unlikely that much more standardized and generally accepted approaches will be available in the near future. But guidelines and reporting principles are only parts of the picture. Individual companies still have a number of choices to make and policies to implement in ways that correspond to their particular company culture, industry, market, and competitive situation. Hence there will still be a use for compilations of sound advice, based on identification of best practices to be emulated and mistakes to be avoided. The question is whether there also is a prospect for the development of distinct theo-

ries of CSR management, i.e. whether it will grow into a distinct management discipline equal to finance, human resource management, organization, and so on.

Most likely the answer will be in the negative. Specific management tools like organized *stake-holder dialogues*, Novo's *learning cycle* in strategy, or *the triple bottom line* in accounting will probably be found to have wider applicability and will be adopted by many. The distinction between leaders, followers, and laggards can be developed into a typology of strategies, and the costs, risks, and benefits of each of them can be examined theoretically and empirically. But aside from such examples it seems rather more plausible that CSR and BE, as a field of management theory, will remain a cross-cutting issue that can and should be examined and developed within a range of existing disciplines. Thus, and judged from the literature surveyed and the business school case literature, there will be relevant questions to ask and contributions to be gained from:

- human resource management and training
- corporate communication and reputation management
- value based management and corporate culture
- accounting and auditing (CSR reporting, triple bottom line)
- marketing
- organization
- supply chain management
- risk analysis and risk management
- strategy, for instance the 'SWOT' analysis applied to CSR.

Whether it is possible to go any further than drawing on such already existing tools and theories remains an open question, at least to the present writers. If there is a distinct theoretical approach to the management of ethics and CSR, it has yet to appear. It should be noted, though, that efforts in this direction so far have been limited by the relative lack of systematic research in the preceding category.

## **8) Company effects: operations and profits**

For obvious reasons the consequences of CSR on the financial performance has attracted much interest. The basic question does it pay to act ethically and socially and environmentally responsible is of major interest to managers, investors, and indeed to any group of stakeholders. Are high standard companies more successful and profitable in the short and long term, or are the costs of improving performance higher than the alleged benefits? These are not only questions of short-term measurable profits and share-prices - issues of reputation and the value of intangible assets, the ability to attract high quality employees, etc. are also important.

In most of the literature these questions are answered in the affirmative, and there is much anecdotal evidence to support this conclusion, drawn from the success stories as well as from failures. Asking for firm conclusions, backed up by systematic empirical investigations, however, is something else. Some studies have been made (e.g. Simpson and Kohers, 2002, and Margolis and Walsh, 2001, examining a large number of such studies), and they tend to support the positive correlation, but it would be wrong to claim that it has a solid foundation in empirical research. Among the reasons for the relative scarcity of solid empirical work in this area, aside from the limited efforts and resources put into this line of research, are methodological and theoretical difficulties. There are intricate problems involved in establishing the proper evidence, i.e. getting the data and developing the indicators to measure CSR performance, and measuring financial performance is not always a simple and straightforward exercise. This is further compounded by inherent theoretical problems, in particular determining the line of causation: are companies responsible because they can afford to because they are successful; or are they successful because they are responsible? What are, for example, the relations between external pressure, company behavior, the behavior of financial markets, and the different financial values of a firm (see Zadek and Forstater, 1999, for a critical discussion)?

The literature relevant for this line of inquiry is growing. There is for instance an expanding interest in Corporate Reputation measurements, the journal of Business Ethics promotes investigation of the financial performance of responsible companies, and institutional investors, particularly those engaged in responsible investments, are for good reasons also promoting

such efforts. Still, it seems to be one of the areas where much stronger research efforts would be welcome.

### **9) Effects on issues – does it help?**

Like the preceding one this agenda is concerned with the consequences of businesses adopting CSR and ethical standards. But here the focus is on the social issues that responsible companies should help address. The question is: does it help? Do voluntary efforts and business self-regulation actually improve working conditions, do they reduce harmful child labor, do economic sanctions improve human rights situations in countries with bad governments, and so on.

As in several agendas discussed here, discussions of these questions are often case based, drawing on successes, such as the contribution from economic sanctions to ending the apartheid regime in South Africa, as well as failures, as when ending the use of girl labor in textile production drove some of them into prostitution. And, as in so many other cases, there seems to be rather little systematic research - at least outside the extensively analyzed environmental area. One noteworthy contribution is Liubicic's study of the effectiveness of private efforts in the area of labor rights, concluding that they do help but may also be counterproductive and alone insufficient to address the issues and problems satisfactorily (Liubicic, 1998).

Naturally this line of inquiry is of great interest to the general public, to government policy makers, and to any organization concerned with the issues in question. It is also, however, important for business leaders and anybody concerned with CSR and BE. Responsible companies who face choices about the right course of action need knowledge about the impact of their choices, and need evidence to support their chosen strategy when faced with a critical public.

### **10) Broader normative issues**

The final of the distinct intellectual agendas we have identified concerning BE and CSR is normative, but it differs from the normative agendas in categories 2, 3, and 7 above that had a focus on why business ought to adopt CSR and how they best can do it. Now the focus is on broader, societal normative issues such as democracy, accountability, transparency, equity etc.

Critics and supporters of CSR alike are apt to pose questions about the positive and negative consequences of the rise of this particular mode of regulation of social behavior. Is it the optimal way to promote societal values, or is it rather a second best solution, only to be accepted because it is the more practical one compared to the alternatives. When seen from a societal perspective as opposed to a company perspective, is CSR really such a good idea? Could it be that it diverts attention from more effective ways to solve problems, and puts an unreasonably large burden on corporations? Who should set the standards? Is self-regulation preferable to governmental regulation in democratic societies? Is it a good idea to move responsibility from authorities to companies or to company-NGO interaction? Put in a more nuanced way, what are the conditions under which this is an acceptable contribution to the evolution of democratic political cultures? Is the current wave of self-regulation an acceptable, decisive move away from regulation by political authorities, or is it rather to be understood as one step on a road that should lead to stronger regulation by international authorities? And so on.

This list of questions, which certainly could be prolonged, serves to illustrate that the intensified concern with CSR represents a novel feature in the state-market-civil society nexus. As such it merits attention in political theory and normative discussions about the constitution and future development of democratic, market based societies (For a recent contribution, see Ruggie 2002).

### **Concluding comments**

Hopefully the preceding remarks have lent credence to the claim that as an intellectual field BE and CSR contains a number of quite distinct theoretical agendas and lines of inquiry. We

suggested that no less than ten different agendas could be identified, and provided illustrations of some of them from the literature.

Naturally the typology presented above is not the last words in the matter. The list is debatable and open to amendments and revisions, and others may suggest entirely different typologies. Still, we believe that the underlying message is a valid one. First of all, there is not *one* theory of CSR and BE, and it would be futile to strive for one. Rather there is, and for good reasons, a number of quite distinct theoretical agendas and lines of inquiry. Secondly, if the area is to be developed further as a field for serious intellectual inquiry, teaching, and research, it is important to be clear about the separate issues and the questions involved in each of them, and to pursue each of them separately in greater depth. Not that they should be pursued in isolation from each other, since most of the lines of inquiry will benefit from lessons from the others. Rather, each of them holds a distinct central theme that should form the focal point for discussion, teaching, or research. Finally, this also implies a call for methodological and theoretical pluralism, respecting the validity of each of the agendas on its own terms, and respecting the presence within each of them of multiple theoretical and methodological approaches, which partly is a reflection of the multiplicity of relevant stakeholder perspectives on CSR.

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