1. Introduction

The adoption of corporate social responsibility (CSR) principles in contemporary management is intensely propagated across Europe during the last decade (for recent overviews see AUCHENEH, 2006a&b; HARRISCH, JOKER, WEGNER and SCHMIDT, 2005). It is argued that companies will promote «social good» and prevent «social harm» when embracing the CSR principles (HITCH, 1976; JONES et al., 2000; WELLS, 1998). These principles imply a setting of more ambitious business objectives than the generation of profit by activities compliant to the legal requirements (CARROLL, 1979; MOYLLUM and SAIER, 2001). CSR driven performance aims at stakeholder satisfaction (CLARKSON, 1995; HUSTED, 2000), oriented toward both influential and influenced by the company constituents (FREEMAN, 1984).

As such, corporate social responsibility is pronounced as a key strategy in the achievement of the Lisbon Europeans Council's goal of building a dynamic, competitive and cohesive knowledge-based European economy (EC, 2001). Such an economy is based on strong relationships among various players, and the CSR principles aim at the enhancement of these relationships. From this perspective, the implementation of CSR promises to strengthen the competitiveness of European firms.

But does such a managerial perspective on corporate social responsibility exist in the relevant literature? CSR is rather propagated as a necessary effort of companies, since business organizations are extensively criticized for their profit-driven, amoral and sometimes immoral activities. In this context, many CSR advocates argue that corporate activities are destructive for our societies (e.g. SHRAVASTAVA, 1995) and illustrate their arguments with corporate scandals (e.g. Enron), industrial accidents (e.g. Bhopal), or contested products (e.g. weapons). Moreover, proponents of the CSR idea often stress how some chief executives take decisions ranging from strategic positioning to business reorganization without taking into account possible (dangerous) consequences to society and the natural environment. Ressless managerial behavior deserves criticism, however, it is inuile to propagate CSR only from a critical perspective on corporate conduct. Such a perspective proposes the adoption of CSR principles, without a comprehensive explanation about critical success factors of such an adoption. In this way companies are even put under pressure to embrace corporate social responsibility, and hence, many companies adopt CSR principles with a low-effort attitude and for symbolic purposes (STEVENS, STEENIMA, HARRISON and COCHRAN, 2005; WEAVER, TREING and COCHRAN, 1999). However, a careless integration of CSR principles in business performance is counterproductive and triggers relational risks instead of enhancing the relationships between companies and their stakeholders (HEUGES and DENTCHEV, 2007). Yet, this is just the opposite result of what CSR advocates would like to reach. Therefore, the purpose of this paper is to discuss the need of a CSR advocacy that reaches beyond the more criticism to business.

This paper contributes to the knowledge in our field by identifying the flaws in CSR advocacy based on predominantly critical arguments. Our focus on these flaws lead us to the proposition of new directions in the field of CSR and promising areas for future research. The reminder of this paper discusses why a critical stance of CSR advocacy proves to have a limited impact on the business environment. Moreover, we predict at least two undesired outcomes: managers who fight such criticism or those who adopt CSR principles symbolically trough low effort. As these outcomes refer to a bad corporate performance, we suggest three additional requirements to a critical CSR advocacy: tell companies the opportunities and threats associated with CSR; advise executives how to manage CSR; identify the responsibility of other social groups.

2. Would criticism trigger the adoption of CSR principles?

The criticism of corporate misconduct may result in the adoption of CSR principles in business practice. It goes without saying that a criticism along these lines fuels a debate that is likely to have an impact on some managers, who in turn would be more aware of the consequences of their decisions. And this is to be considered as a positive outcome, if the problem was managerial lack of awareness of corporate misconduct. Another positive aspect is the debate itself. Debating on corporate misconduct forms a platform for changing favorable (or neutral) attitudes toward bad behavior (e.g. CONALDSON and DUNEE, 1999). This means a change towards no tolerance of business misconduct. Overall, when criticizing business misconduct, CSR advocates intend to generate a platform that contributes to a improved normative correctness of corporate performance.

Although such intentions are admirable, one rarely thinks of possible negative effects related to corporate social responsibility. Such negative effects are often considered as impossible by business ethicists, since it is believed that the implementation of CSR principles in business practice will lead to better (read: moral) performance. Therefore corporate misconduct is largely criticized. However, it is easy to criticize others and point at problems, but it is far more difficult to present a particular problem in its full complexity and to propose a valid solution to it. The mere criticism of business misconduct, without presenting CSR in its full complexity, can lead to averse managerial reaction.
for two reasons. Firstly, managers are likely to perceive a critical perspective of CSR advocacy as subjective. Such a perception of subjectivity results from differences in points of view, but more so from the fact that critics of business misconduct do not consider the context and the arguments of managers. And since the critics do not present a constructive basis for discussion, their criticism is treated as a point of view that does not provide comprehensive arguments for change in business performance. Secondly, information inefficiencies limit our knowledge of the actual intentions and performance of business organizations. In fact, a critical approach of CSR advocacy is based on a limited information of organizational activities. Although such a criticism is legitimate in cases of immoral conduct and business accidents, critics have insufficient argumentation in a debate with practitioners who make a best effort to adopt CSR principles in the performance of their companies. As a result of subjectivism and information inefficiencies, there may be two undesired outcomes in a CSR discussion: (1) a symbolic and low effort adoption of CSR principles, and (2) polarization of the opinions of managers and CSR advocates, which simply means end of discussion. The following subsections are devoted to the subjectivism, information inefficiencies and the undesired outcomes of a critical approach to CSR advocacy.

2.1. Subjectivism

Corporate social responsibility has been advanced in contemporary business ethics and business and society literature as a necessary effort of companies that should not fail, a stance that may appear subjective to practitioners. This literature criticizes the focus on profit maximization and immoral business conduct that harms society and the natural environment. Here one should ask the question whether such a critical stance to business performance encourages managers to actively promote social good and prevent social harm in their daily performance? In answering this question, we need to consider whether a critical CSR advocacy is a general accepted opinion about this. Yet CSR advocacy is not the only opinion about how business organizations should perform (Hussain, 1999). Companies receive numerous opinions from their constituents, and it is not uncommon that those opinions are in conflict with each other (Rao, 1989).

In this context, it is perfectly conceivable that different stakeholder groups have different stance on the social responsibility of a firm due to their difference in interest. In addition, divergent views on CSR are observable even within one stakeholder group. Given the fact that companies operate under the conditions of scarcity, it is almost impossible for organizations to meet simultaneously the expectations of their various stakeholders. In some cases, there are stakeholders who expect companies to shut down. Think about the attitude of some NGO's toward companies from the industries such as, for example, petrochemicals, alcohol, tobacco, nuclear energy. Yet, does this mean that those companies are not assuming any social and environmental responsibility? And how are executives supposed to meet such a radical expectation? Moreover, an expectation to shut down a company for environmental and/or moral reasons would most probably count on the opposition of the employees and labor unions. But it must be totally confusing for managers when one stakeholder group applauds the social responsibility of a particular business activity, while another group of stakeholders considers this activity as absolutely irresponsible. Given the subjectivity in opinions about corporate performance, managers have their own opinion about what is best for their organization. Overall, the problem of subjectivism implies that some CSR advocates represent a view on the performance of companies, which might be opposed to the view of other stakeholders (not necessarily the management) and is thus not representative for all corporate constituents.

2.2. Information Inefficiencies

In addition to subjectivism, various information inefficiencies (e.g. Mandle, 1997, Starke, 2000) can lead critical CSR advocates to take biased positions in their discussion with companies. Having a biased position on a particular topic is a fact of reality (Kahneman & Lovallo, 1993; Kahneman and Tversky, 2000; Simon, 1982), and thus, there is nothing surprising about it. This does not mean, however, that a critical stance of advocating CSR will contribute to stimulating managers to improve their ethical norms of decision making. In fact, one can identify at least three information biases in the criticism to companies on their CSR performance, viz. (1) do we have a comprehensive knowledge of what/who causes particular social or environmental problem, (2) are we criticizing the right organization, and (3) are we sufficiently informed about the efforts a company makes on the implementation of CSR.

Firstly, business organizations are perceived to have slack resources and sufficient power to solve social and environmental problems (Hertz, 2001; Starke and Marcus, 2000). Such a perception generates important expectations about corporate commitments related to the solution of these problems. The question arises whether perceptions along these lines are imaginary or real, and whether companies are the only ones who cause social and environmental problems? It is unlikely to have only one group of people (e.g. business organizations) accountable for complex problems of our societies such as global warming. Although companies are usual suspects to blame, other groups of people such as consumers, scientists and policy makers should together with business organizations approach the solution of our social and environmental problems (Venet, 2004). Secondly, multinationals receive relatively more criticism on their CSR performance than small and medium sized companies. The reason for this phenomenon is the visibility of big organizations, which attracts activists around a specific issue. They are more likely set an issue at agendas of policy makers and top managers when confronting a visible company as opposed to entering in confrontation with a small and unknown firm. One could speculate about the impact of
corporate misconduct, and argue that organizational failures in a multinational company is likely to have more destructive effect to society and the natural environment. Although this line of reasoning seems logical, it is unjust to attribute a problem only to visible companies. On the contrary, complex social and environmental problems should be addressed simultaneously by all organizations of our economies. And thirdly, criticism of business performance comes from people who are not necessarily informed about the efforts companies have decided to attempt in order to prevent and resolve social and environmental problems. Besides, it takes some time from the moment the management has decided to address particular social or environmental issue until this company takes concrete actions, and it is difficult to communicate CSR efforts during that period. Therefore, it would be incorrect to criticize a company for its inferior attention to social and environmental problems while it is working hard to take concrete measures to integrate CSR principles in its business performance.

2.3. Undesired outcomes of CSR prescription

As a result of subjectivism and information inefficiencies, criticizing companies in a CSR discussion may lead to at least two undesired outcomes: polarization of opinions (CSR advocates vs. managers) or a symbolic corporate agreement to embrace CSR. As to the first outcome, prescribing what companies should (not) do from a moral perspective is insufficient to improve the social performance of businesses. A normative stance can only provide companies with a view of how their performance might be organized. Perspectives on the obligations of businesses, like any other opinion, are determined by the interest of a stakeholder in a particular issue (BUTLER and WEBER, 1988), by previous stakeholder experience (PARK and WELCH, 1994; SIMON, 1992), and by the quality of information (SMITH, 2000) that shapes stakeholders’ perception of what companies should do. In other words, practitioners may not necessarily agree with the tenets in CSR advocacy, as they may read the normative postulation on business practice from their managerial perspective (i.e. their experience, knowledge, information, and interests). Such possible lack of agreement suggests the existence of «expectational gaps of what should be» (KARMOCK and MAFON, 1994) between normative CSR advocates and managers. Hence, CSR advocates can easily criticize business organizations for scandalous conduct, while managers can proudly refer to their good performance and argue that they cannot do more for social prosperity. An antagonism of this kind is unlikely to trigger the adoption of CSR principles. On the contrary, managers are more likely to avoid or oppose hostile CSR advocates and refuse to consider their arguments. However, managers who close their ears to criticism can miss legitimate claims and neglect propositions for necessary adjustments of their business conduct. Managerial mistakes along these lines may endanger the continuity of companies.

As to the second outcome, a critical stance of CSR advocacy puts companies under pressure to adopt the principles of corporate social responsibility in their overall performance. In the context of EU, this pressure is intensified by governmental initiatives in support of CSR at European, national and regional levels (MARCH, e.a., 2005). However, empirical research has shown that, in response to these pressures, many companies have engaged in CSR activities with a low-effort attitude and for symbolic purposes (STEVENS e.a., 2005; WEISER e.a., 1999). Besides, it is very difficult to tell which company is only symbolically adopting CSR principles and which adopts them rigorously. In support of this, Windsor argues: «[T]here are significant difficulties in distinguishing whether business behavior is truly moral conduct or instrumental adoption of an appearance of moral conduct as useful reputational strategy.» (WINDSOR, 2001, p. 226).

Yet, a low-effort adaptation of CSR principles in ones daily business for merely symbolic purposes implies a commitment to corporate social responsibility without the necessary preparation. This refers to a «lipstick service» just to show that managers «agree» with CSR advocates. Two types of companies can be distinguished here. On the one hand, some companies adopt a low effort strategy to CSR implementation out of structural necessity. This necessity refers to the above-mentioned pressure exercised by CSR advocates, while at the same time there is not a significant demand of products with CSR-characteristics (MOHR, WEBER, and HARRIS, 2001). On the other hand, some companies adopt a low-effort involvement in CSR activities with the intention of window dressing. Under the cover of philanthropic activities one may eventually find reckless business conduct. No matter the type of company, it is far too dangerous to treat CSR as a low-effort, symbolic exercise. In their research, Heugens & Dentchev (2007) identified various managerial risks associated with CSR in two corroborative qualitative studies of (1) CSR experts (16 interviews) and (2) the Health, Safety and Environment policy and performance (a CSR proxy) of a multinational from the petrochemical industry (27 interviews). The CSR risks found by Heugens & Dentchev (2007) originates not only from the challenge of CSR implementation, but also from the difficulties in convincing stakeholders that companies are making sincere effort to adopt the principles of corporate social responsibility in their business practice. Overall, CSR management proves to be complex and it seems that the good intentions of CSR advocates can lead companies to bad performance, which is a very sad outcome.

3. Additional requirements to CSR advocacy

CSR advocacy based only on the criticism of business misconduct, as already argued, has only a limited contribution related to the creation of discussion platforms where this issue is on the spotlight. These platforms for discussion are very helpful to make not only practitioners, but also citizens and policy makers aware of corporate wrongdoing, which
eventually can result in changed attitudes. As a result of changing their attitudes, citizens would not longer tolerate business misconduct, while practitioners would operate according to the CSR principles. However, a critical stance of advocacy cannot bring us to a next level in the CSR discourse. Mere criticism has nothing to offer to practitioners willing to adopt CSR principles in their strategic management. Those practitioners most probably face challenges and need advice on the day-to-day management of corporate social responsibility. And a CSR advocacy based on criticism is unable to develop the knowledge of those managerial challenges, which is in turn necessary to provide meaningful managerial advice. Moreover, criticism may have adverse effects, as argued earlier in this paper, such as practitioners discouraged to participate in the CSR debate or managers forced to adopt symbolic, low-effort CSR strategies. Hence, we propose to complement the critical stance of CSR advocacy with three additional requirements: (1) Tell companies about both CSR opportunities and threats, (2) Advise executives how to manage CSR, and (3) Tell about the responsibilities of other social groups. We will elaborate on these additional requirements for CSR advocacy in the following subsections.

3.1. Tell companies about both CSR opportunities and threats

We need to tell companies what opportunities and threats are associated with CSR (Dentchev, 2004). Here we are talking about potential operational and strategic positive and negative effects as a result of corporate commitment to CSR activities. The knowledge of these opportunities and threats provides the necessary foundations for building an operational model in accordance to the CSR principles. If we wish this model to be a solid one, another step should be taken towards understanding the conditions under which CSR threats become opportunities, and vice versa (suggested earlier by Ewen and Lesser, 1996; Howley and Berman, 2003). This requirement seems to us of crucial importance in the CSR debate. It provides much of realism about corporate social responsibility. Knowledge of numerous opportunities and threats implies that CSR advocates are concerned with the practical realization of CSR strategies. Such a concern represents a constructive approach to the problem of polarized opinions. In addition, it provides a signal to the managers in favor of low-effort, symbolic CSR strategies not to gamble with the continuity of their organizations.

Yet, some are concerned with the disclosure of CSR threats. They worry that if it does not pay, companies would not invest in the adoption of CSR principles. Can we simply not talk about these threats then? There is no point of avoiding CSR risks. They exist (Kotler and Lee, 2005) and consequently require our attention (Knox and Maclean, 2004). However, the concern remains that not explicitly committed to CSR companies, if aware of the competitiveness treats of CSR, will not invest in the adoption of its principles. Here, one should think of the nature of competitiveness threats associated with CSR. For example, we can think of consumers unwilling to buy products with CSR characteristics; competitors that have cost advantage when not investing in CSR implementation; employees and business partners hesitant to adopt their routines according to the CSR principles. This is not an exhaustive list, but it illustrates the complexity of the problem of CSR management. From the above examples, only one (employees and business partners hesitant to adopt CSR principles) is a managerial challenge to which a company can find a solution. The solution to other two competitiveness threats (i.e., no consumption of CSR products or competitors who don't invest in CSR implementation) is not dependent on one single company. Moreover, neglecting these threats simply means going out of business. From the perspective of corporate social responsibility, an optimal solution to this challenge would be to stimulate the change in demand for CSR products and work towards international standards of obligatory CSR implementation within all sectors. In other words, we should not only look in the direction of companies when it comes to the sustainable development of our economies (Ambrose, Waddock, Rajman and Suesed, 2002; Dentchev and Heene, 2004; Stark, 1995).

3.2. Advise executives how to manage CSR

Executives need to be advised about how to manage their corporate social responsibility (Epstein and Roy, 2001; Smith, 2003). Once we are knowledgeable about the various CSR opportunities and threats, it is important to develop an implementation strategy aimed to integrate corporate social responsibility in organizational business logic. Here the focus will fall on necessary procedures, actions and resources devoted to the adoption of CSR principles. In other words, corporate social responsibility has both moral and managerial implications. Acknowledging the existence of these managerial implications, one solves the polarization problem when the critical arguments are complemented with practical advice related to successful CSR management. Practitioners willing sincerely to adopt CSR principles in the strategic management of their companies will be eager to engage in dialogue with CSR proponents (1) who have knowledge of managerial challenges related to CSR, but more importantly, (2) who have ideas how to cope with these challenges. In addition, the knowledge of CSR management, and especially its complexity, is likely to discourage those who adopt low-effort CSR strategies. On the one hand, the risks associated with corporate social responsibility imply that such low-effort activities simply endanger the continuity of their organizations. On the other hand, window dressing activities are easy to detect by people knowledgeable about CSR management. Managing CSR requires a fair amount of reasoning of what should be done, why, and when—and this type of reasoning is apparently missing from contemporary CSR literature.
3.3. Tell about the responsibilities of other social groups

We need to tell the responsibilities of other social groups when advocating CSR, and suggest a joint effort to solve social and environmental problems. In other words managers are only one party that can contribute to finding a solution. In effect, the problem of moral (and even immoral) conduct, according to us, is not a problem of business organizations. This problem is attributable to humanity in general. Scandalous behavior is observed in any type of organization, no matter its scale and function in our societies. We are confronted with misconduct of representatives of national governments, syndicates, NGOs, universities and many other types of organizations. When people in different organizations act as free-riders, it is somehow superfluous to ask only business organizations for solutions of social and environmental problems. Despite the shifts in power and in the role of social institutions, we all are responsible for the (uns)ustainable development of our societies. Unless we all do not act mindfully and do our best effort, business organizations can provide only insignificant solutions to alarming developments in our society and in the natural environment. There are two reasons of such insignificance.

On the one hand, we cannot ask one party to solve problems caused by the conduct of all of us. This approach is not motivating for companies to contribute to the solution and prevention of social and environmental problems. Besides, advocating CSR from a critical perspective on corporate misconduct can easily raise contra-arguments such as «Was the organization you represent never involved in misconduct?». Discussions like this are meaningless and have no contribution to the sustainable development of our societies. On the other hand, business organizations themselves cannot solve alone the social and environmental problems we face. (DENICHEV and HEENE, 2004). Companies are at the supply side of products and services, however, the demand side and the regulation of our economics are equally important. Therefore we need systemic incentives for every social group to act according to the principles of social responsibility. Otherwise, we can end in ridiculous situations where companies that have embraced the CSR principles make products and services that no one is willing to purchase.

4. Conclusion

We have argued in this paper that CSR advocacy based on criticism of business misconduct has only a limited contribution. This contribution is related to a discussion platform that increases the awareness of managers and citizens with respect to the consequences of corporate misconduct. However, we need to move forward toward developing the knowledge of successful CSR management. This knowledge can be developed when focusing on both positive and negative effects for business organizations as a result of their commitment to CSR activities. Successful CSR management requires a fair amount of reasoning of what managers should do, why, and when they should do it. Such type of reasoning needs to stimulate morality in the decision-making of managers and at the same time remain realistic for the continuity of their firms. Overall, social and environmental problems appear to be complex and need a joint effort of all groups in our societies. Much of innovative thinking is required to realize such joint efforts and build systemic platforms for embracing social responsibility in order to realize significant results in solving contemporary social and environmental problems.

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Voetnoten
1 Ghent University.
2 University of Amsterdam.
3 University of Oxford (Green Templeton College, James Martin Institute).
inhoud

ZIJN BELGISCHE, NIET-BEURSGENOTEERDE ONDERNEMINGEN KLAAR VOOR IAS/IFRS?
K. Stouthuyseen
T. Van Laethoven
F. Roodhoofd
C. Siau
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