Definitional imprecisions in strategic and non-strategic Corporate Social Responsibility

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Abstract: A fundamental tension between strategic and non-strategic Corporate Social Responsibility (CSR) exists. The former is about CSR for profit-maximisation while the latter is independent of profit. Given, the intensity of discourse and dialogue underway regarding CSR the distinction between these two classes of CSR needs to be more precisely defined. Well-founded consensus is harder to build, whether in academia, the business world or the rest of society, the less informed are the decisions made regarding CSR. This article argues that the debate between strategic and non-strategic CSR suffers from significant definitional problems that plague discussion and debate involving CSR which involve the terms ‘social benefit’ and ‘profit’. These are addressed through a perspective that incorporates these definitional uncertainties. The latter leads to several prescriptions: increased awareness of imprecision, more case-study approaches for CSR and increased empirical understanding of definitional imprecisions.

Keywords: business ethics; business social responsibility; corporate ethics; Corporate Social Responsibility; CSR; definition; strategic Corporate Social Responsibility; social benefit.


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1 Introduction

While businesses have always existed in the context of multiple relationships with the communities in which they interact, the issue of Corporate Social Responsibility (CSR) has become a popular concept in the past few decades (a casual internet search reported over 1.35 million results). In addition, CSR is popular in the academic management literature (over 400,000 hits found on Google scholar).

There is a less agreement over what CSR exactly is. Some definitions are relatively sophisticated. One of the most well-cited definitions divides CSR into four responsibilities, economic, legal, ethical and discretionary. The economic responsibility is ‘to produce goods and services that society wants and to sell them at a profit’, the legal responsibility is to follow laws and regulations, ethical responsibilities include those ‘over and above legal requirements’ which are ‘ill defined and consequently among the most difficult for businesses to deal with’ and discretionary responsibilities are those that are “not required by law, and not even generally expected of businesses in a general sense” (Carroll, 1979). Another multi-part definition is given by Lantos who divides it into ethical, altruistic and strategic CSR. Ethical CSR is the morally mandatory fulfilment of the firm’s economic, legal and ethical duties, altruistic CSR means philanthropic commitment (regardless of profitability) and strategic CSR means profitable philanthropy (Lantos, 2001, 2002). Preston and Post have defined CSR in terms of primary (economic and profitability), secondary (consequence related to primary involvement) and other levels of involvement (not required of the firm) (Preston and Post, 1975). Frederick (1994) distinguished a more ethical and philosophical concept (CSR1) from a managerial concept (CSR2).

Other definitions are less developed. CSR expresses a “relatively simple idea – corporations have obligations to society that extend beyond mere profit-making activities” (Godfrey and Hatch, 2007), it is a “company’s commitment to minimizing or eliminating any harmful effects and maximizing its long-run beneficial impact on society” (Mohr, Webb and Harris, 2001). Carroll (1979) has provided a tabulation of definitions:

- profit making only
- going beyond profit making
- going beyond economic and legal requirements
- voluntary activities
- economic, legal and voluntary activities
- concentric circles and ever widening
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- concern for the broader social system
- responsibility in a number of social problem areas
- giving way to social responsiveness.

With the level of discourse and dialogue underway regarding CRS it may be reasonable to assume that the terms of this debate were precisely defined. But, although a debate with precision requires precise terms, consensus on definitions has been hard to reach, whether in academia, the business world or the rest of society and less informed decisions are made in these spheres. Empirical research testing linkages between Corporate Social Performance (CSP) and CSR will be less useful in defining terms. The consensus of many authors and commentators, however, is that there is a confused situation. The fundamental problem with CSR is ‘the lack of precision and guidance for making concrete choices among competing claims’ (Logsdon, 1996; Preston and Post, 1975), “[o]ne of the factors contributing to the ambiguity that frequently shrouded discussions about social responsibility was the lack of a consensus on what the concept really meant” (Carroll 1979); Votaw (1972) has said that

“[C]orporate social responsibility means something but not always the same thing to everybody. To some it conveys the idea of legal responsibility or liability, to others, it means socially responsible behavior in the ethical sense, to still others, the meaning transmitted is that of ‘responsible for’ in a causal mode, many simply equate it with a charitable contribution, some take it to mean socially conscious, many of those who embrace it most fervently see it as a mere synonym for legitimacy in the context of belonging or being proper or valid, a few see a sort of fiduciary duty imposing higher standards of behavior on businessmen than on citizens at large.”

One way of addressing the imprecision is to discuss the definitional tensions within CSR. While there are many different ways of describing them (Garriga and Melé, 2004), economics and moral philosophy (Godfrey and Hatch, 2007) or ‘economics vs. ethics’ (Andersson, Giacalone and Jurkiewicz, 2007; Driver, 2006) are perhaps the most popular. Others (Lantos, 2001; Graafland and van de Ven, 2006) have used ‘strategic CSR’ to denote their economic view, we may use ‘non-strategic CSR’ to denote the other views which subsume ethical and deontological perspectives. This article examines this fundamental tension, finds that it suffers from significant definitional problems that plague discussion and debate involving CSR, and argues that this problem might be addressed through a subjective-deconstructionist perspective. Several prescriptions for future action, based on the preceding discussion, are then presented.

2 The fundamental Corporate Social Responsibility tension: strategic vs. non-strategic Corporate Social Responsibility

While many public debates as well as literature simply label the internal CSR debate as ‘ethics vs. economics’, this article does not because economics may be a subset of ethics. Terms such as fair profit, social justice, benefit sharing, pursuit of growth and development, all may be ethical prescriptions. Thus, we simply call this the tension between strategic vs. non-strategic CSR.
Strategic CSR refers to ‘strategic philanthropy’ (Carroll, 2001), the ‘shareholder approach’ (van Marrewijk, 2003) or CSR based on financial performance (Marcoux, 2003). This is the view most commonly associated with Friedman (1970): “there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits as long as it stays within the rules of the game”, although he was somewhat cynical about businesses being involved in social causes even when they were purportedly for profit purposes. The essence of the strategic view, at any rate, is that CSR activity must and does somehow relate to profit-motive. The mechanisms are long-term, and some of the most widely cited ones include boosting employee morale and therefore, productivity (Moskowitz, 1972; Parket and Eilbirt, 1975; Soloman and Hansen, 1985; McGuire, Schneeweis, and Hill, 1986; Riordan, Gatewood and Bill 1997), attracting better employees (Albinger and Freeman, 2000), improving corporate reputation (McWilliams and Siegel, 2001) through ‘goodwill banks’ (Vaughn, 1999), better risk management (Coates, 2007) and perhaps ‘ethical premiums’ on capital (Poitras, 1994).

The strategic view regards ‘interest in doing good for society regardless of its impact on the bottom line’ as unethical (Lantos, 2001) because it would amount to ‘spending (the shareholders’) money’; shareholders could exercise social responsibility through their own dividends rather than collectively through the corporation; the corporation does not have expertise in general welfare issues; and the existence of democratic welfare states.

On the other hand, non-strategic CSR refers to incidences where it is undertaken regardless or independent of profit motives. It can include what Lantos (2001) refers to as ‘ethical CSR’ and ‘altruistic CSR’ and what Graafland and van de Ven (2006) refer to as the ‘deontological’ or ‘moral’ motive. They are more ‘communitarian’-like (Capaldi, 2005) or liberal positions. Howard Bowen, in Social Responsibilities of the Businessman (1953) has been cited as triggering the modern era of CSR. The rationale was simple: businesses were influential; with influence came responsibility. “It refers to 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 objectives and values of our society” (Bowen, 1953). Preston and Post, in The Principle of Public Responsibility (1979), use a ‘public policy’ rationale: “public policy includes not only the letter but also the spirit of the law, as well as the societal values and commitments reflected in that spirit” (Preston and Post, 1979). Societal values being referred to in the liberal view include, among others, altruism.

There are of course many views that attempt to integrate, balance or debunk the debate. It is pertinent to review some of these to show that the fundamental tension has not been resolved. Solomon and Hansen (1985) have said that this fundamental CSR tension rests on a flawed assumption, that “corporations are neither legal fictions nor financial juggernauts but communities, people working together for common goals”. However, this does not make the fundamental tension any less relevant, as it takes a view external to the tension. Moreover, it is difficult to argue that corporations are not ‘legal fictions nor financial juggernauts’: a major paradigm in corporate law views the company as a ‘nexus of contracts’, and it is difficult to argue that large corporations sitting on large stockpiles of cash and investments looking to maximise shareholder returns are not financial juggernauts. Undermining both well-established legal and neoclassical economic perspectives is difficult.
Stakeholder theories (Freeman, 1984) attempt to ‘balance’ the strategic and non-strategic CSR elements by exercising sensitivity to all affected stakeholders. However, this leaves significant unanswered questions, e.g. the operational kinds: from whose perspective is the balancing to take place? What criteria are to be used? An action taken by a corporation can be sensitive or not to stakeholders, but the choice of what package of strategic and/or non-strategic CSR will be undertaken is still relevant. Donaldson and Preston (1995) assert that stakeholder theory can be justified because they accurately describe CSR (companies involve stakeholders other than shareholders – e.g. their local communities), have instrumental power (stakeholder inclusiveness adds to corporate performance – e.g. greater profitability) and are normatively valid. However, these represent rationales and justifications for stakeholder inclusivity, rather than explaining how these elements are precisely combined to form CSR. Multi-part definitions suffer from similar issues as stakeholder theories (such as Carroll’s) because they leave do not integrate their component parts, but rather serve more to describe the concept.

Driver (2006) implies that the fundamental CSR tension is not relevant, as ‘CSR is not a question of how self-interested the corporation should be, but how this self is defined’. The more ‘egoic’ or narrowly construed the concept of corporate self, the more profit-maximising the corporation will be; the more ‘post-egoic’ or broadly the self is defined (i.e. more inclusive of society), the more concerned with values the corporation will be. In addition, This may not make the fundamental tension any less relevant because identity definition may be independent of whether the corporation should pursue profit or incorporate value-based concerns. Suppose, a manager was to define the corporate identity as being very inclusive of elements in greater society. In fact, this is quite popular in public relations approaches for gaining social support for a company. Despite this, shareholder profit-maximisation may be pursued during business, as one of the manager’s strongest held values may be property rights. Thus, although there may be correlations, an expanded concept of the corporate self does not necessarily lead to more liberal CSR conceptions. Corporate self-identity may be independent of the fundamental tension. Moreover, people can rationally hold conflicting values or even hold irrational beliefs.

Sacconi’s (2006) game-theoretical argument for extended corporate governance may also be viewed as an attempt to integrate the fundamental CSR tension. He says that:

“It is evident that if fiduciary duties attach only to ownership, those stakeholders without residual right of control will not be protected by the fiduciary duties of those who run the firm… Various stakeholders will ex ante have a reduced incentive to invest (if they foresee the risk of abuse), while ex post they will resort to conflicting or disloyal behavior…. In the belief that they are being subjected to abuse of authority. In the economist’s jargon, this is a ‘second best’ state of affairs (less than optimum): all governance solutions based on the allocation of property rights to a single party may approximate social efficiency, but they can never fully achieve it.”

However, this perspective introduces duties for the purpose of achieving social efficiency. The tension within Sacconi’s argument, reduces to the unresolved debate between act and rule utilitarianism, and thus does not accept certain values, such as altruism, as ends rather than means. Although it may be argued that the rule (i.e. extended fiduciary duty) can be an end value in itself, other rules based on values may not receive the same kind of utilitarian support – ultimately, this occurs because the rationale is strategic.
Despite attempts at resolving the fundamental CSR tension, the tension remains relevant. There may be greater need, therefore, for attempts to address this. However, it may be difficult to move towards better resolution unless the definitional foundations of the debate are precise. We argue here that they are not. To begin, the essence of the fundamental CSR tension can be distilled from the above review. If social benefit increase and/or social cost decrease is intended, and if it is for the purpose of profit

1 it is strategic CSR

2 if it is not for profit.

Then, it is non-strategic CSR. It is difficult to distill a more precise definition from the representatives of each of the two sides. Already at this point, then, there is a possible source of confusion as perhaps not all will agree with this very precise distillation of differences. Nevertheless, this algorithmic definition is taken to strike a reasonable balance between agreement and precision.

3 The fundamental tension’s definitional issues

The definition of the fundamental tension, as precise as it may be, still suffers from significant imprecisions. They are divided in this subsection into those involving ‘social benefit’ and ‘profit’.

3.1 Social benefit

The first issue with ‘social benefit’ is its inherent normative aspect. Whether a certain activity or action constitutes a social benefit can rest on controversial moral positions. Lantos (2001) illustrates this:

“The question is, ‘Whose agenda and values should be followed?’...”

Since it is not known with certainty whether there is a ‘right’ or ‘wrong’, it is impossible to determine whether a certain action or activity constitutes a social benefit.

Secondly, the issues scope is not clearly defined. While corporate donations for charities may clearly constitute a social benefit, it seems less clear whether, for instance, consumer economic surplus represents a social benefit since this occurs in almost every free market transaction. If consumer surplus is included as a social benefit for the purposes of CSR, virtually every free market transaction would constitute strategic CSR. Even illicit drug trafficking can fall under this category, despite its possibly large negative externalities. To call a mere free market transaction CSR is counterintuitive. On the other hand, eliminating consumer surplus from the scope of social benefit may eliminate, for instance, consumer protection and product quality from CSR, when these are considered to be part of CSR.

It is possible to define social benefit in comparison to some standard, such as an industry standard, to address this second issue. However, this too raises questions. How is an ‘industry’ defined? Even if this were defined, should we use national, regional or
international companies to construct the group to compare what is normal or better? And even if that were also defined, how are companies with transboundary operations classified? Other standards would also need to be used, such as size, as a small company that produces environmentally friendly products may constitute social benefit, but a large company that does not may not constitute social benefit after adjusting for size.

Thirdly, there are issues when social benefits and costs add in some way. If social benefits increase at the same time social costs increase or if social benefits decrease while social costs do likewise, do these constitute ‘social benefits’ for the purpose of demarcating strategic from non-strategic CSR? In other words, what level, if any, of net social benefit is required before being included in strategic and non-strategic CSR? If there is a minimum level, this minimum level needs to be better defined and methods of determining the social benefits and costs for certain activities may be required. The latter may be difficult for most issues such as pollution, occupational hazards and accidents, consumer injury and unintended impacts of advertising (Pollay 1986).

3.2 Profit

The concept of profit at first seems obvious. It refers to profit-maximisation (rather than mere profitability) which is conceptualised through expected value and highest Net Present Value (NPV). NPV back-calculates a future sum to its present expected sum based on interest. Expected profit and any factor that affects it (e.g. dividend policy) under efficient capital markets should be reflected in the share price for public corporations. However, there are still some ambiguities.

First, whose perspective are we viewing profit-maximisation either from the corporation excluding shareholders or the corporation including shareholders? These can differ. For instance, the existence of altruistic shareholders (or directors) who express their desires to be met through the corporation can cause the corporate directors, officers and employees to produce non-strategic CSR. From the perspective of the corporation including shareholders, the share price has not been maximised and action was taken without regard for profit-maximisation. It is non-strategic CSR. However, from the perspective of the corporation excluding shareholders, the action may have been produced the desired effect by the shareholders in the most efficient way and also performed so as to maximise profit. This is then strategic CSR.

Secondly, it may be difficult to determine whether social benefit produced by a corporation was for the purpose of profit-maximisation or not. In addition, the issue is one that involves corporate identity. If a corporation produces social benefit and is profit-maximising whose intent should we examine to determine whether the social benefit was for the purpose of profit? The board of directors? Shareholders? Managers? Employees? Individuals will have different views on whether the social benefit is for the purpose of profit-maximisation or whether social benefit is being pursued without regard to profit-maximisation (and where profit follows social benefit). This situation occurs in virtually every corporation. For instance, in improving product quality or reducing pollution, directors and shareholders could rationalise in either way – strategic or non-strategic.

A third issue is whether profit is an appropriate term in the fundamental CSR tension debate. If we are primarily concerned with the interests of the shareholders, then shareholder utility-maximisation may be a better measure of whether strategic CSR was achieved or not. Profit-maximisation is a derivative of shareholder wealth maximisation (Poitras, 1994).
Using a shareholder utility-maximisation approach may cause certain actions to be included in strategic CSR that otherwise would not be and certain actions excluded. Regarding the former, shareholders may prefer CSR which can only be obtained through their invested company. For instance, they may prefer stringent human and labour rights for their company. Regarding the latter, profit-maximising activities that ignore human rights are not shareholder utility-maximising if shareholders’ utilities decrease more from this action than the utility increase from the profit gained.

There are criticisms of using utility. First, utilitarianism involves unquantifiable values and utilitarian calculus is difficult. However, the same kind of issues are involved in financial accounting. Numerical values being sought in financial accounting, such as profitability of enhanced corporate reputation, may not be quantifiable or involve large statistical uncertainties. In most – if not nearly all – cases, CSR deals with such difficult-to-quantify variables. Often, only opinions and estimates are available; yet these are what utilitarianism also employ. While it may be argued that financial accounting can quantify to a greater extent than utilitarianism, financial accounting can also produce highly plastic statistics that can be interpreted in multiple ways. Secondly, there may be decreased transparency from using utility rather than profit. With the latter, shareholders can see the estimated values for variables such as the benefits from enhanced corporate reputation; they may disagree with the estimated values and use this as information for further action (e.g. voting or selling/keeping shares), however, imprecise or inaccurate such values are. With utility, there may not be transparent accounting. However, annual reports and sustainability reports contain information that can allow each investor to estimate utilities. For instance, the amount and variety of environmental pollutants emitted by a company, described in its sustainability report, may allow each shareholder to decide whether or not to change their voting behaviour or whether to sell or keep their shares.

4 Conceptualising imprecision

There are significant imprecisions in the fundamental CSR tension debate. To provide a more comprehensive understanding of how CSR decision-making is undertaken, a model which incorporates definitional imprecision in its foundation is sketched and justified.

4.1 Subjectivity

Several problems were identified with ‘social benefit’. It is impossible to determine which position to adopt in morally contentious issues. It suffers from lack of precision over its scope and measurement and it is difficult to determine when net social benefit has been achieved. These issues arise from the pursuit for objectivity. However, with such seemingly large problems, it may be more practical to use a subjective conception of social benefit. That is, whether a given action is ‘social benefit’, and possibly its extent, are determined by each individual.

Morally contentious issues can of course be dealt with subjectivity. A shareholder can be liberally minded in the abortion debate, and a decision by a corporation to promote pro-choice policies in a CSR decision would constitute a social benefit as far as s/he is concerned. If a shareholder is conservatively minded, a corporation’s decision to promote pro-life policies would be a social benefit. Yet, another shareholder can be completely
neutral – a theoretical possibility; in that case, any action on abortion, whether liberal or conservative, will neither increase nor decrease social benefit. Issues scope can be also defined subjectively; whether to use absolute conceptions of social benefit, changes in social benefit, whether industry-comparisons are suitable, etc. Finally, the individual can determine whether social benefit ignores or includes social costs and if they are included, how they are calculated to arrive at a net social benefit.

Subjectivity can be applied to definitional issues arising from ‘profit’. The first issue, that determining whether profit-maximisation occurred depends on the group (i.e. corporation with shareholders or corporation without shareholders), is virtually redundant. There is no need to artificially distinguish these two conceptions of the corporation; both can be correct, depending on the individual perspective. Secondly, whether a given corporate decision was strategic or not depends on the perspectives of the individuals involved in that CSR decision and/or action. If a director decides that product quality increases are merely necessary for profit-maximisation, but another decides that it is for social benefit regardless of profit, the resulting decision is strategic from the first director’s standpoint and altruistic from the second. Thirdly, subjectivity is compatible with utility, as the latter is best evaluated by the individual and is difficult to objectively measure.

One new issue that arises due to subjectivity is rationality. It can be criticised that a minimum level of rationality needs to be enforced in determining whether an individual’s assessment of social benefit or profit should be acceptable. Further, a minimum level of rationality prevents inconsistent perspectives by the same individual, preventing arbitrary decisions based on politics and personal circumstances. However, this may raise even more significant issues. First, imposing a minimum level of rationality can itself be a relativistic decision: from whose perspective are we to determine the minimum level of rationality? Secondly, imposing rationality considerably weakens the concept of individuality and moral relativism. Morally contentious issues like abortion would again be difficult to deal with. So would decisions about the valuation of the environment and alternative views of the world to the economic valuation. The point of moral relativism is to address this very issue. Thirdly, open and transparent discussion and debate are tools of addressing rationality and arbitrariness. A CEO could argue that his or her firm is engaging in altruistic CSR, because it is developing more environmentally-friendly products and accuse a rival CEO of doing so purely for profit-maximising purposes. With transparency and information dissemination, stakeholders can judge for themselves whether this is rationally consistent by scrutinising situational details. The CEO can then be, at least indirectly, rewarded or punished.

4.2 Aggregating subjectivities

Leaving the distinction between strategic and non-strategic CSR to mere individuals is sterile. To make this concept more usable, subjectivities are aggregated. They will contain a mix of strategic and non-strategic motives and reasons. For instance, five directors may make a CSR decision based on strategism while two may do so on the basis of altruism. Assuming equal influence, the final CSR decision may have a ratio of 5 : 2 of strategic-altruistic considerations. Strategic and non-strategic intentions may both be considerations in the same individual, if for instance, a person may have two reasons that reflect strategism and three that reflect not, and all reasons are equally treated. In cases like these, the ratios can be added up. For example, person ‘A’ may make a CSR decision
based on a 2:3 ratio of strategic to altruistic considerations while person ‘B’ may do so with a 1:4 ratio. Assuming both have equal influence in the decision, the CSR decision is then based on a 3:7 ratio of strategism-altruism. A given decision probably cannot be expressed as percentages, as other considerations (e.g. ‘ethical CSR’) may be involved.

There are several additional considerations. The first is the scope of persons to be considered in the calculation. Should only those involved directly in the CSR decision be considered or should we extend consideration to those with indirect influence? Employees may express their preferences to managers, managers may consider employees to keep employee morale high. The husband or wife of a corporate manager may also indirectly influence the decision. If we extend to aggregate conception to those with indirect influence, what, if any, minimum amount of influence should be accepted?

A second consideration is the weight of different individuals in the calculation above. Both vertical and horizontal differences can emerge. Political influence differs between directors and managers who may jointly make a decision and directors may be more influential in a policy-type decision while managers may be more influential in an operational decision, for instance. Even between directors influence will vary as no director is precisely equal to another in influence. Whether they are outside or inside directors, how much experience they have, the political situation, etc. will all create inequalities in influence.

Our model converges with that of Driver (2006) where the ‘more authentic conceptions of the organisational self’ arise from ‘multiple subjectivities’:

“… the good is defined here not egoically as an absolute standard that can be defined simplistically or rigidly as a permanent, once-and-for-all answer. Rather the good defined post-egoically refers to a good that is negotiated among multiple others or stakeholders and reflects a complex web of relationships and connections and interests which are fleeting, forever changing and discursively and socially constructed and re-constructed.”

However, the perspective in this article differs in other ways. First, the fundamental CSR tension is constantly present in every corporation, regardless of whether there is a low or high level of discourse regarding CSR in the corporation. Secondly, our model does not necessitate causation between awareness of corporate or self-identity and ethical behaviour. The example earlier where a manager with a widely inclusive definition of the corporate and self-identity may still take a strategic CSR perspective because of strong belief in property rights shows that the link is questionable. Most importantly, however, our conceptualisation applies and incorporates some precise definitional imprecisions in the debate between strategic and non-strategic CSR.

This model provides a useful and new direction in the CSR definition debate. First, it exposes some of the questions that need to be answered for a clearer CSR definition to emerge in an integrated model. One could say that it takes ambiguities in previous definitions and integrates them into a more coherent framework. For instance, while stakeholder theories may deftly describe the component parts of CSR, they have not integrated them. Our model attempts to show how integration might occur, and what sorts of moral and ethical questions need to be addressed. Previous deconstructionist models, as another example, have not examined the definitional imprecisions in the debate between strategic and non-strategic CSR. Our model shows how such imprecisions should be incorporated and the kinds of questions that need to be answered to more fully accommodate them. Secondly, this model can factor in irrational and conflicting beliefs. While one might argue that this is a sign of problems in the model, irrational and
conflicting beliefs are always encountered in this debate and the underlying philosophical foundations have not been, and perhaps never will be, completely resolved. As such, incorporating this philosophical realism into a CSR definition is more realistic and encompassing than previous models and definitions.

5 Prescriptions

Building on the earlier parts of this article, we present some prescriptions that may improve CSR decision-making. First, greater attention needs to be focused on definitions, as they can affect the outcome of normative discussions. Whenever a debate involves the fundamental CSR tension, an agreement on what strategic and non-strategic CSR are or an awareness of its definitional limitations can increase discourse quality. It is not as essential when making a concrete decision because it can be seen by different persons in different ways. For instance, a chemical company’s decision to implement responsible care, a set of guidelines for pollution control, may be seen strategically or non-strategically. However, when discussing at a more general level between strategy and non-strategy CSR, there is greater value in achieving definitional precision.

Secondly, more case-studies approaches to define the distinctions between strategic and non-strategic CSR would aid the formation of a clearer definition. Because, definitional imprecision may cause difficulties for general discussions of the fundamental CSR tension, case studies of what are agreeable and not agreeable can be advantageous, skirting around this issue when practicality becomes more important. Casuistical approaches have been often employed in ethics:

“How exactly, the casuist asks, is a moral judgment made? Whatever the full answer, the casuist believes it cannot come through traditional appeals to general principles and rules. First, various forms of moral thinking and judgment do not involve appeals to rules, rights or virtues. The casuist holds that we sometimes appeal to narratives or paradigm cases, to classification schemes, to precedents and even to immediate intuition. Second, although rules or principles need not be excluded from patterns of moral thinking, the casuist insists that moral judgments are made when there can be no further appeals to principles. For example, when principles rules or rights conflict and appeal to higher principle, rule or right has been exhausted, we still must make moral judgments. Again, we may invoke a paradigm, a model, a story, an analogy, an intuition or a discerning insight; but we cannot rely purely on principles.”

Using this kind of method may create a jurisprudence of normative CSR which can then be applied to CSR decision-making.

Thirdly, empirical investigations to determine the range of definitions may describe the variety of individual definitions and the extent to which certain definitional imprecisions exist as well as new imprecisions. Awareness may facilitate better dialogue (which can lead to better normative decisions) as well as a better understanding of the limits of previous empirical investigations. For instance, the determination of a link between CSP and Corporate Financial Performance (CFP) has been undertaken by many in the management literature and meta-studies of these have also been conducted by numerous authors. Results are often mixed (Margolis and Walsh, 2003) while in others CSP and CFP are positively correlated (Wu, 2006). However, the exact constitution of CSP is difficult to determine if imprecision in definitions is not fully acknowledged.
Moreover, current CSR rating systems (DeBakker, Groenewegen and den Hond, 2005; Graafland, Eiffinger and Smid, 2004) and future rating systems (Charles and Hill, 2004) may also benefit from increased awareness of definitional imprecisions.

References


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