

Corporate Social Responsibility Theories: Mapping the Territory

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ABSTRACT. The Corporate Social Responsibility (CSR) field presents not only a landscape of theories but also a proliferation of approaches, which are controversial, complex and unclear. This article tries to clarify the situation, “mapping the territory” by classifying the main CSR theories and related approaches in four groups: (1) instrumental theories, in which the corporation is seen as only an instrument for wealth creation, and its social activities are only a means to achieve economic results; (2) political theories, which concern themselves with the power of corporations in society and a responsible use of this power in the political arena; (3) integrative theories, in which the corporation is focused on the satisfaction of social demands; and (4) ethical theories, based on ethical responsibilities of corporations to society. In practice, each CSR theory presents four dimensions related to

profits, political performance, social demands and ethical values. The findings suggest the necessity to develop a new theory on the business and society relationship, which should integrate these four dimensions.

KEY WORDS: corporate social responsibility, corporate responsiveness, corporate citizenship, stakeholder management, corporate social performance, issues management, sustainable development, the common good

Introduction

Since the second half of the 20th century a long debate on corporate social responsibility (CSR) has been taking place. In 1953, Bowen (1953) wrote the seminal book *Social Responsibilities of the Businessman*. Since then there has been a shift in terminology from the social responsibility of business to CSR. Additionally, this field has grown significantly and today contains a great proliferation of theories, approaches and terminologies. Society and business, social issues management, public policy and business, stakeholder management, corporate accountability are just some of the terms used to describe the phenomena related to corporate responsibility in society. Recently, renewed interest for corporate social responsibilities and new alternative concepts have been proposed, including corporate citizenship and corporate sustainability. Some scholars have compared these new concepts with the classic notion of CSR (see van Marrewijk, 2003 for corporate sustainability; and Matten et al., 2003 and Wood and Lodgson, 2002 for corporate citizenship).

Furthermore, some theories combine different approaches and use the same terminology with different meanings. This problem is an old one. It was 30 years ago that Votaw wrote: “corporate social responsibility means something, but not always the

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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" (Votaw, 1972, p. 25). Nowadays the panorama is not much better. Carroll, one of the most prestigious scholars in this discipline, characterized the situation as "an eclectic field with loose boundaries, multiple memberships, and differing training/perspectives; broadly rather than focused, multidisciplinary; wide breadth; brings in a wider range of literature; and interdisciplinary" (Carroll, 1994, p. 14). Actually, as Carroll added (1994, p. 6), the map of the overall field is quite poor.

However, some attempts have been made to address this deficiency. Frederick (1987, 1998) outlined a classification based on a conceptual transition from the ethical-philosophical concept of CSR (what he calls CSR1), to the action-oriented managerial concept of social responsiveness (CSR2). He then included a normative element based on ethics and values (CSR3) and finally he introduced the cosmos as the basic normative reference for social issues in management and considered the role of science and religion in these issues (CSR4). In a more systematic way, Heald (1988) and Carroll (1999) have offered a historical sequence of the main developments in how the responsibilities of business in society have been understood.

Other classifications have been suggested based on matters related to CSR, such as Issues Management (Wartick and Rude, 1986; Wood, 1991a) or the concept of Corporate Citizenship (Altman, 1998). An alternative approach is presented by Brummer (1991) who proposes a classification in four groups of theories based on six criteria (motive, relation to profits, group affected by decisions, type of act, type of effect, expressed or ideal interest). These classifications, in spite of their valuable contribution, are quite limited in scope and, what is more, the nature of the relationship between business and society is rarely situated at the center of their discussion. This vision could be

questioned as CSR seems to be a consequence of how this relationship is understood (Jones, 1983; McMahon, 1986; Preston, 1975; Wood, 1991b).

In order to contribute to a clarification of the field of business and society, our aim here is to map the territory in which most relevant CSR theories and related approaches are situated. We will do so by considering each theory from the perspective of how the interaction phenomena between business and society are focused.

As the starting point for a proper classification, we assume as hypothesis that the most relevant CSR theories and related approaches are focused on one of the following aspects of social reality: economics, politics, social integration and ethics. The inspiration for this hypothesis is rooted in four aspects that, according to Parsons (1961), can be observed in any social system: adaptation to the environment (related to resources and economics), goal attainment (related to politics), social integration and pattern maintenance or latency (related to culture and values).¹ This hypothesis permits us to classify these theories in four groups:

1. A first group in which it is assumed that the corporation is an instrument for wealth creation and that this is its sole social responsibility. Only the economic aspect of the interactions between business and society is considered. So any supposed social activity is accepted if, and only if, it is consistent with wealth creation. This group of theories could be called *instrumental theories* because they understand CSR as a mere means to the end of profits.
2. A second group in which the social power of corporation is emphasized, specifically in its relationship with society and its responsibility in the political arena associated with this power. This leads the corporation to accept social duties and rights or participate in certain social cooperation. We will call this group *political theories*.
3. A third group includes theories which consider that business ought to integrate social demands. They usually argue that business depends on society for its continuity and growth and even for the existence of business itself. We can term this group *integrative theories*.