What is Corporate Social Responsibility Now?*

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review of: Philip Kotler and Nancy Lee (2005) *Corporate Social Responsibility – Doing the Most Good for Your Company and Your Cause.* New Jersey: John Wiley and Sons, Inc. (HB: pp. 307, $29.95 US, ISBN: 0-474-47611-0)

Harvard Business Review (2003) *Harvard Business Review on Corporate Responsibility.* Boston: Harvard Business School Publishing. (PB: pp. 231, $19.95 US, ISBN: 1-59139-274-8)

Adrian Henriques and Julie Richardson (eds.) (2005) *The Triple Bottom Line – Does it All Add Up? – Assessing the Sustainability of Business and CSR.* London: Earthscan. (PB: pp. 186, £18.99, ISBN: 1-84407-016-6)

Introduction

The majority of today's Fortune 250 organizations are actively pursuing Corporate Social Responsibility initiatives (CSR) (KPMG 2005). Surely we can allow ourselves to be impressed by the fact that larger corporations are sitting up and taking notice of their critics? Finally, can't we be pleased by the scenario wherein those with the greatest means are currently setting a progressive example for all to follow? Perhaps, but with the likes of Joel Bakan (2004) (see also www.thecorporation.com), Charles Handy (reviewed here), Al Gore (see www.climatecrisis.net), David Cameron (2006), and Philip Kotler (reviewed here) all singing from the same hymn sheet, one cannot but wonder whether things have gone somewhat awry somewhere along the way. In any case, whether or not things do in fact add up is to a large extent beside the point. The critic may grumble 'oxymoron' to their hearts content (Crane, 2005); such an assertion has fallen upon so many deaf ears so long ago. CSR today "means something, but not always the same thing, to everybody" (Votaw, 1972: 25) and wayward path or not, it is

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making its presence felt. The very lack of clarity regarding what CSR means has perhaps become its single greatest strength: without any formal determination or widely accepted definition, CSR has come to mean so very much.

Now in many ways, this is exactly the scenario which William Frederick, author of the recently published *Corporation be Good! The Story of Corporate Social Responsibility* (2006) encouraged, however inadvertently, almost thirty years ago. Writing what was to become a seminal work in the Business and Society field, in 1978 Frederick made the observation that the epoch of CSR_1 (Corporate Social Responsibility) was being gradually replaced by that of CSR_2 (Corporate Social Responsiveness). The evolution, he argued, was of profound importance. No longer were CSR's concerns of an abstract and impractical nature (as was the case with CSR_1). They were, in the spirit of CSR_2, becoming increasingly focused upon the real issues at hand. The guiding question was no longer 'what is CSR?' but 'how can CSR be done?' No longer were people puzzling over what is to be done in the name of CSR, they had already reached the stage of doing it. On the one side, Frederick positions the apparent abstractions of moral philosophy insofar as they are applied to the question of what CSR is or might be. On the other side he opposes the inherently practical concerns of how to actually do CSR. Refusing to absolutely prioritise one side over the other, Frederick suggests, in a not altogether un-dialectical fashion, that each side might one day resolve the shortcomings of the other, forming a general synthesis of particular contradictions that will henceforth be referred to as CSR_3 "which will clarify both the moral dimensions implied by CSR_1 and the managerial dimensions of CSR_2" (1994: 162). In 1994, the piece was republished as a 'classic paper' in *Business and Society*. No other article has had the influence upon the historical framing of CSR as has Frederick's.

Taking its lead from the twin demands for rigour and relevance derivable from Frederick's celebrated distinction between CSR_1 and CSR_2, the focus of this review is placed upon the manner in which each of the volumes studied conceptualises CSR from the point of view of what it is, from the point of view of how it is to be done and in terms of how the trade-off/synthesis between definition and direction is made. The focus of the review is hence placed upon the question of what CSR means as found within some of today's most well-known texts writing in its name.

CSR: Just Do It!

Philip Kotler is by no means a latecomer to the discussion of which extra-fiduciary values, if any, should undercut corporate operations. As far back as the early seventies he co-introduced *the social marketing concept* (Kotler and Zaltman, 1971), a concept which went on to appear in many of the oversized texts he has been involved in producing throughout the years. As with Kotler, this social marketing concept has become part of the staple diet of many the marketing graduate. And just as the present volume is by no means the first instance of Kotler's work on CSR related issues, nor is it the first project he has undertaken with Nancy Lee. Not too long ago the pair co-authored *Social Marketing: Improving the Quality of Life* (Kotler et al., 2002). Whilst the earlier work seems to have been principally geared towards the needs of third-level

students, the volume reviewed here has a different audience in mind. Chances are, Kotler and Lee say, that their reader is more than likely involved in some aspect of corporate strategy, whether it be marketing, product or sales management, public relations or some aspect of corporate philanthropy (p. ix). For, as they are wont to underline from the get go, "this [*sic*] is a practical book" (p. 1). As such, the book will surely be of interest to practical people. The authors, it is clear, are very fond of such practical people, recruiting over twenty-five of them to each write up their own unique takes on the essence of CSR.

Apart from a two page excursus on the question 'What is Good?', which draws its inspiration not from Aristotle and Kant but from the websites of Fortune 500 corporations (p. 2-4), it is clear that the authors aren't particularly concerned with thinking about whether CSR might be anything other than an element of corporate strategy in need of elaboration. They care about results, about the fact that company X did plan Y and achieved result Z. The logic of the book in its approach to CSR is as follows: there is CSR because corporate representatives say there. Since these people are the proof of the fact that CSR exists, they are naturally the ones most capable of describing what it is and how it is to be undertaken. The book hence mirrors itself in a very bizarre way. Reports are gathered from CSR practitioners in order to be sold back to them. On this the authors say:

> This book has been written to support managers to choose, develop, implement and evaluate corporate social initiatives such that they will do the most good for the company and the cause. (p. 235)

This task is addressed over ten chapters. In chapter one 'the case for doing at least some good' is made before 'six options for doing good' are outlined in chapter two (Corporate Cause Promotions, Cause-Related Marketing, Corporate Social Marketing, Corporate Philanthropy, Community Volunteering and Socially Responsible Business Practices). Chapters three through eight address each of the six options for 'doing good' in turn by following a set formula. They first of all define the option in question and distinguish it from its five alternatives. Next, typical examples as well as their associated benefits and concerns are outlined. Each chapter closes by outlining keys to success, describing when a given option should be considered and indicating how an associated campaign should be developed. The penultimate chapter offers a review of twenty-five examples of CSR best practice whilst the final chapter offers advice to those seeking corporate interest in their cause on how to do so. Over three hundred and seven pages, the reader is treated to a variety of testimonies from representatives of corporations such as Coca Cola, Kraft, McDonalds, Microsoft, Nike, Starbucks and Wal-Mart, as to what CSR best practice means. The past scandals with which each of these corporations has been involved are rarely discussed. When we do hear of them, they are presented as preludes to happy endings; so many barriers overcome and problems rectified. Throughout the duration of the book, CSR is posited as that which makes the transition from adversity to righteousness possible. The potential (or current) CSR practitioner, it seems, would do well to learn from a collection of such been there-done-that accounts. This book is exactly that.

Disagreeing with the various positions adopted by the authors or attempting to find holes in the argument or deficiencies in the manner in which CSR is set up ultimately

proves futile. This is not to say that any of this is impossible, far from it. The point is that Kotler and Lee seem more than comfortable with the fact that their account of CSR might well be contentious or disingenuous from the point of view of definitional rigour. This is a set of project blueprints, a CSR manual; it doesn't require its reader to consult twenty or so more books and it presents the question of what it is that corporations should be doing as already solved puzzles that can be dipped in and out of over the course of a business class transatlantic flight. It is precisely on account of *not* having rigorously clarified what CSR is that the authors put themselves in a position to write so much about it. Ignoring how their ideas might be in opposition to already existing writings on CSR and proceeding to define the world of CSR according to how they and their corporate co-writers see it, something of an argument arriving at CSR is produced nonetheless. Justifying their ignorance of other positions for the sake of practical/strategic demands, Kotler and Lee submit their definition of CSR to the test of how they themselves have already defined it (in terms of how corporations doing CSR say they have done it). It may be a circular sort of reasoning but, once it is allowed to get going, it is very difficult to derail.

The Challenge of CSR

Whereas Kotler and Lee's engagement with the classical texts of the CSR literature is quite minimal, the same cannot be said of the *Harvard Business Review on Corporate Responsibility.* Here the reader finds eight articles on CSR and related issues previously published by the *Harvard Business Review*. But these are not any old Joe Soap and Bubbles co-authored articles. With pieces written by the likes of Michael Porter, Charles Handy and Coimbatore Krishnan (alias C K) Prahalad, the book offers nothing other than the big ideas of the big hitters, conveniently gathered between two covers. In essence, this is the mandate which the *Harvard Business Review* paperback series sets itself; to create a platform for the reflections of the business and management greats upon the most pressing issues of today. CSR, by virtue of the existence of the present offering, has clearly become one such issue.

The essays each ask big questions: What is a Business for? (Handy) Can a Corporation have a Conscience? (Goodpaster and Mathews Jr.) Can the World's Poor be served by corporations in the long run? (Prahalad and Hammond) Could Corporate Philanthropy become a means towards cementing Competitive Advantage? (Porter and Kramer). Unlike Kotler and Lee's approach to CSR, each author constitutes the problem of CSR by inquisition rather than exposition. This may not be very practical, according to Kotler and Lee's own understanding, but these authors simply aren't interested in providing checklists and blueprints. Whereas in the case of Kotler and Lee, CSR is to be judged by its practical effectiveness, here the case has to be made for CSR *before* such codes of best practice can be implemented, benchmarked or even conceived. Each chapter focuses upon how it is possible for CSR, in whatever form it might assume, to assume any form whatsoever. They seek to illustrate how and why CSR has become an issue for contemporary corporations. Exemplary in this regard, Charles Handy argues:

> We cannot escape the fundamental question, whom and what is a business for? The answer once seemed clear, but no longer. The terms of business have changed. Ownership has been replaced by

investment, and a company's assets are increasingly found in its people, not in its buildings and machinery. In light of this transformation, we need to rethink our assumptions about the purpose of business. (p. 71-72)

There has been significant shift in the methods by which capital circulates. Living labour is central to the valorisation of capital. There must be a radical revision of the manner in which business practice is mandated. In this case, these axioms are posited not by a critical management theorist but a world renowned management guru. One might be tempted to speak of how this demonstrates capital's remarkable ability to assimilate its critics, thereby managing them towards its own ends. In this regard, what is perhaps most interesting about each of the articles published in this volume is the fact that their authors are, without exception, concerned with very similar problems to those which many self-professed radicals or critical theorists of organization take as their own. These mainstream/orthodox theorists attempt to embrace the challenge of considering some of the most pressing issues facing contemporary human kind rather than 'apologising' for the existing state of affairs (as they are often accused). To cite Handy again:

> We need to eat to live; food is a necessary condition of life. But if we lived mainly to eat, making food a sufficient or sole purpose of life, we would become gross. The purpose of a business, in other words, is not to make a profit, full stop. It is to make a profit so that the business can do something more or better. That "something" becomes the real justification for the business. (p. 72)

Yet even with such stark similarities, there are of course distinctions to be made. I will underline two. First of all, and perhaps most obviously, the destination towards which the arguments are taken by each of these authors in terms of what is to be done is a place most radicals would not even think of going. Handy, for example, says that, unless what he terms 'enlightened capitalism' becomes the norm,

> talent may start to shun it and customers desert it. Worse, democratic pressures may force governments to shackle corporations, limiting their independence and regulating the smallest details of their operations. And we shall all be the losers. (p. 82)

Of course, whether this is in fact the case depends upon how one first of all understands the ontological nature of 'talent', 'democracy', 'independence' and 'loss'. Handy neglects to make such clarifications, preferring to keep them cloaked in the garb of self-evidence. This means of argumentation is used throughout the book with the trajectory more or less unrelenting: in the world of business there are a few bad apples to be plucked from the trees but in general, the roots are strong. Not one of the articles goes so far as to ask whether a bulldozer should be driven through the orchard or whether the orchard itself should be burned, ground and all. The authors reach the point of discussing the technical specifications of the pruning sheers and stop there.

The second, and perhaps more significant distinction to be made between this appreciation of what corporations are for, and that of an anti-managerialist persuasion, is on the issue of reception and audience. The simple fact of the matter is that the former group has the ear of corporate executives and legislators. Those confident in the inevitability of revolution need only sit and wait for it to happen; the truth of matters such as these hardly warrants their consideration. Their day will come. As for those who aren't so confident of revolutions' imminence, the ability of books like this to affect

matters of corporate policy will surely be a concern. To ignore such a book is to ignore the significant influence it has. To challenge it is also to challenge its material influence. Not only is it closed minded for critical scholars to ignore these kinds of books, it is also counter-productive.

Without doubt, the work of authors such as Negri, Deleuze, Foucault and Žižek offer more challenging, sophisticated and rewarding reads. But surely there is something to be said for the critical scholar who reads what they oppose, exactly because they oppose it? Certainly Marx was of such a persuasion. Despite the *Harvard Business Review* signet, despite the guru posturing and despite the managerialist content, there is still much for the critical scholar to take from this book. They may not like it, much less agree with it, but since when has scholarship, critical or otherwise, been about consensual agreement?

Challenging CSR

John Elkington undoubtedly had something of this in mind when he coined the idea of 'The Triple Bottom Line'. Elkington, co-founder and current chairman of SustainAbility (see www.sustainability.com), as well as a leading figurehead in the green consumer movement, argued throughout his highly influential turn of the millennium manifesto *Cannibals with Forks* (1997) that the profit for its own sake model of capitalism (supposedly championed by the likes of Milton Friedman) required urgent realignment (see also Elkington, 1994 for the inauguration of the concept of the Triple Bottom Line). The Triple Bottom Line was hence posited as a means toward that end, insisting that corporations must be held responsible not only for the maximisation of shareholder wealth but also for the achievement of long term environmental security *and* the creation of egalitarian living standards between all human beings, for generations to come.

Elkington attempted to show that many corporations were already responding to these three fundamental calls made upon their operations. He was convinced that with enough pressure this trend will only increase with the passing of time, paving the way for a more sustainable global business model. In the face of such optimistic clairvoyance, Henriques and Richardson's edited collection sets each of its contributors the task of asking whether Elkington's thesis actually makes any sense. Offering sixteen essays in all, (the first being a reflective and speculative piece from Elkington himself) the volume assesses the Triple Bottom Line historically (esp. Adams et. al.), formally (esp. Oakley and Buckland), methodologically (esp. Shah), technically (esp. Baxter et. al.) and many other which ways besides. The editors are not introducing the Triple Bottom Line, they seek to interrogate it.

> To do this we are presenting the views of a number of the key practitioners and academics in the field. The book is organized into a number of chapters that cover the history, background and theoretical issues; a critique of how the metaphor is being used, including an account of some tools based upon it; and, finally, some examples of how it is being used to good effect in practice. (p. xx)

Each individual essay takes up a particular Triple Bottom Line issue and works it through something of a critical examination. Is each of the bottom lines quantitatively measurable? (Richardson) Is the CSR reporting process mis-leading? (Doane) Are there contingencies and mis-fits between the Triple Bottom Line and corporate governance? (Bennet and van der Lugt) Are environmental issues best addressed by an accountancy logic? (Howes) These are not arbitrary questions but questions which Elkington and advocates of the Triple Bottom Line must address if their ideas are to be taken seriously. To this extent, the book surely accomplishes part of what it set out to do.

But as to whether or not the Triple Bottom Line does in fact add up, the reader is left guessing. Not one of the essays actually sets itself the task of proving or refuting the idea itself. Instead, each essay lowers the stakes somewhat; either an aspect of the Triple Bottom Line is yet to be clarified and tested or, alternatively, something of the way businesses operate today blocks the possibility of a ubiquitous Triple Bottom Line mentality becoming the case. It seems that the question posed in the title isn't to be taken too literally. For sure, the book is first and foremost concerned with the Triple Bottom Line as a problem for both theorists *and* practitioners, as a model that is anything but well developed. It cannot be said of any of the contributors that they dogmatically accept the Triple Bottom Line as some sort of divine prophecy. That said, if the case isn't made for the Triple Bottom Line and if an argument isn't made for why one should concern themselves *with* whether or not the idea of the Triple Bottom Line adds up, then all the clarification work in the world will not make the blindest bit of difference.

As the editors, authors and Elkington himself will no doubt be well aware, this volume hardly represents the first time the Triple Bottom Line has ever come under critical scrutiny. For those of a Friedmanian persuasion, it fundamentally misunderstands the entire premise upon which their school of thought is based, proposing a self-contradictory, misguided and ultimately dangerous social model in its place. As for disputes coming from the far left, Elkington's alternative simply isn't radical enough, placing too much faith within the unbridled prevalence of capitalist philanthropy, an oxymoron at best. In either case, the answer to the question of whether the Triple Bottom Line adds up remains an emphatic no.

That the proponents have not taken opportunities such as this volume to respond to their critics casts their ideas into serious doubt. If the Triple Bottom Line is to gain the world-wide recognition it requires in order to be able to affect the changes it predicts, its advocates cannot avoid engaging their staunchest of critics. If criticism prospers then the idea should be laid to rest. If not, then the necessity of its convictions will show themselves to have been well founded. But to have missed the opportunity to engage in debates such as these is to have missed the opportunity to make an argument for the Triple Bottom Line. The Triple Bottom Line is not the only version of CSR and, for as long as it neglects the task of convincing its opponents, they will remain unconvinced.

Conclusion

It might be said that Kotler and Lee care less about CSR than marketing, or that the *Harvard Business Review* authors care more about big business than CSR, or that the Triple Bottom Line suffers from too much blue-skies thinking and too little CSR. It might also then be tempting to suggest that these volumes do not actually represent *real* CSR, thereby dismissing them along with their supposed significance. For sure, many would relish the opportunity to discount what they see as apparent pretenders to the throne. Yet 'marketingy', 'big-businessy', 'blue-skiesy' or not, such characteristics do not, in themselves, once and for all de-legitimise the claims each of these volumes make towards contemporary theories and practices of CSR.

Characterised, as it has been, by the likes of the 'shareholder/stakeholder' debate, appraisals of the possibility of corporate self-regulation and discussions surrounding the role that should be given to Non-Governmental Organizations and the State, the relatively short history of CSR has been nothing if not contentious. The diversity of starting positions adopted by the three books reviewed here, taken together, reveals yet more contention. On account of the somewhat indeterminate nature of CSR, so called frauds can hold little fear of being exposed. The temptation may well be to expose the impostors and parasites, to banish them from the territories they seek to exhaust without replenishing. But there is nothing that presently justifies such policing. Transcendent refutations of this or that account of CSR are off limits, the grounds of CSR are nobody's property. To react to a particular cultivation is to react to a violation of one's own idea of how cultivation was supposed to have been undertaken. The affirmed spirit of CSR_2, and the promised epoch of CSR_3, seems to have been ignored; at least if the current face of the CSR literature, on the present showing, is anything to go by.

A lack of generally acknowledged conceptual givens creates confusion as to any field of inquiry's direction and purpose. Without a sense for direction and purpose, any event of thematic knowledge accumulated, or not, will forever remain epistemologically under clarified. Hence, in order to be in a position to undermine the claims the likes of Kotler and Lee, the *Harvard Business Review* or the Triple Bottom Line make upon CSR, one must first of all possess the truth of CSR as a measure which each of these fail to live up to. At the moment, there exists no such measure. This is to the detriment of clarity, the field, and its potential for progress. This is not to suggest that nothing seminal has been written in the name of CSR or that every account of CSR is something of an arrogantly relativistic starting all over again. CSR has its classics, its cohort and its canon – this is occasionally recognised by each of the three volumes reviewed here. Nonetheless, it is equally the case that the characteristic disparity of the CSR literature creates the situation wherein rigorously formal arguments remain at a premium.

This in turn brings us back to the point from which we initially started; a point where we wondered what it is that CSR is today whilst at the very same time wondering how this indeterminate it has become so prevalent. A review of these three volumes leaves us wondering further.

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