# Corporate Social Responsibility, Irresponsibility, and Citizenship

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## INTRODUCTION

This article explains three related conceptions: Corporate social responsibility (CSR), corporate social irresponsibility (CSiR), and corporate citizenship (CC). The traditional word "corporate" is not restrictive to large and publicly traded corporations. "Corporate" can have the broader meaning of all "business," including small and medium sized enterprises and B (i.e., benefit) corporations. The three conceptions involve significantly different approaches for answering the overarching question of the appropriate relationship between "business and society." A prominent journal, *Business & Society*, founded in 1960 and sponsored in recent decades by the International Association for Business and Society, reflects this field title. The relationship sometimes has the labels "businesses and societies" (pluralizing the term) or "social issues in management." The latter is the name of a division of the Academy of Management (founded in 1936). These three labels are essentially synonymous.

The emphasis in each conception is on defining legal and ethical responsibilities of business enterprises and business executives toward society and environment. The "responsibility" approach emphasizes a broad and multidimensional understanding of how businesses can contribute positively to societies. This approach can be contrasted with a narrowly economic conception of profit that disregards negative externalities of business decisions. The "irresponsibility" approach emphasizes strict compliance with legal and ethical standards for conducting business. It distinguishes between "harm" and "altruism" to emphasize that reducing harm caused by businesses is considerably more important empirically than inducing those businesses to practice altruism. The "citizenship" approach invokes "a political metaphor" emphasizing voluntary choices of businesses and executives as distinct from externally imposed responsibilities.

The article has four objectives. One objective is to lay out the basics of the three conceptions responsibility, irresponsibility, and citizenship, as developed to date in extant literature. A second aim is to contrast economic, ethical, and strategic perspectives bearing on these three conceptions. A third aim is to connect the three conceptions to corporate social performance (CSP), corporate governance, and the stakeholder theory of the firm. A final objective is to propose solutions, recommendations, and future research directions for addressing key problems in the field.

### Research Methods

This article uses two research methods. The first and dominant method is a literature review. This review has three key dimensions. The review provides a summary of published work on the set of three related topics of responsibility, irresponsibility, and citizenship. The reviewer provides a logical structuring of that work. The review includes a critique of the strengths and weaknesses of the extant literature. The

critique clears a path for proposed solutions, recommendations, future research directions. This review is not systematic in the sense of identifying and discussing every published work. The review seeks to provide the reader with a guide to the extant literature in a way that will facilitate further exploration into key issues. The reader can begin with the reference and additional reading items the author selected to reflect the range of those key issues. The secondary method is use of selected cases to illustrate instances and applications.

## Limitations of the Study

There are three basic limitations. First, the works and cases reflect the views of the author. The literature review is explicitly selective. Second, the review includes some empirical studies. However the review of empirical work is selective rather than a systematic survey. The survey is not a meta-analytical study of findings. The literature review focuses on conceptual and theoretical work. Third, the linkage of responsibility, irresponsibility, and citizenship to other topics is quite limited. The focus in linkage is on performance, governance, and stakeholder concepts.

## BACKGROUND

CSR is the traditional conception against which one can compare and contrast irresponsibility and citizenship conceptions (Windsor, 2006, 2013). The modern idea of CSR emerged in the 20th century as a response to the perceived negative effects of unregulated laissez-faire markets and Social Darwinism philosophy (London, 1904) in the 19th century. This response reflected both Marxist criticism of industrialization and, in the United States, the Progressive criticism (about 1890-1920) of the Gilded Age (about 1865 to 1900). Andrew Carnegie (1889) published an essay on wealth, which advocated responsibility of the wealthy for philanthropy. The piece later appeared as an essay on the gospel of wealth in *The Pall Mall Magazine* (London), and then in Carnegie's (1901) collection of essays. Carnegie's view reflected Christian principles and voluntary philanthropy. His "gospel" carries forward in today's *The Giving Pledge* the Gates and Warren Buffett started in 2010. The adherents pledge to donate at least half of their net worth.

Progressivism in the United States was a political movement drawing on both liberal and populist trends. Over time this movement targeted urban political machines and promoted women's suffrage, antitrust legislation, governmental efficiency, and prohibition. The movement established various new regulatory agencies, such as the Food and Drug Agency and the Federal Reserve System. Theodore Roosevelt (Republican) and Woodrow Wilson (Democrat) were prominent Progressive Era presidents. Progressivism moved beyond voluntary philanthropy to impose various new regulations on business (Wood, 1986). The 1920s were a resurgence of political conservatism. The 1930s Great Depression and World War II regenerated business interest in social contribution. This business interest continued until the end of the 1960s.

Friedman (1970), who won a Nobel Prize in economics, started an intellectual counter-revolution. He criticized CSR on two grounds. First, CSR is managerial theft masquerading as corporate altruism, but in reality reflecting managerial preferences adverse to shareowners' financial interests. Second, CSR is a drift toward socialism and an interference with government's proper sphere.

Businesses should obey laws and customary business ethics, while lobbying governments for benefits. The Friedman criticism was less a return to 19th century laissez-faire economics and more a reemphasis

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