Universitat Ramon Llull

DOCTORAL THESIS

Title	**CORPORATE SOCIAL RESPONSIBILITY: FROM CONSTRUCT TO PRAXIS.**
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Centre	ESADE – ESCUELA SUPERIOR DE ADMINISTRACIÓN Y DIRECCIÓN DE EMPRESAS.
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"I leave to the various futures (not to all) my garden of forking paths"

(Jorge Luis Borges)

Dedication

This thesis is dedicated to:

God, who sends his Holy Spirit to accompany, comfort and enlighten, if we have the grace to listen;

My husband, Jordi, who loved, encouraged and inspired me as no one else could during this effort;

My sons, Michael Tomàs and Paul Wes, whose mere existence has motivated me to work for a world with a future;

My parents, Eva and Wes, who prayed for me and have always believed in me;

My brother and sister, Jan and Zuzanna, who prayed for me and were always there to listen.

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[1] Figure 1 is inspired by Whetten (2001).

Thesis Abstract

This thesis is organized in a compendium of three articles, each of which furthers our knowledge of the corporate social responsibility (CSR) from construct to practice. Firstly, article 1, entitled *Constructing The Tower Of Babel: Towards A Fuzzy Logic Approach* (co-authored with Dr. J.M. Lozano and F. Di Lorenzo) proposes and tests a fuzzy epistemological approach to answering the question "Does and can a definition for social accountability exist?". By employing fuzzy set theory for a systematic analysis of definitions within the business and society field demonstrates how they are linked to the 3 most cited metaphors (CSR, corporate sustainability (CS) and corporate citizenship (CC)) in the business and society field. Secondly, article 2, *A Four-Cell Typology of Key Social Issue Drivers and Barriers of SME Social Performance* (co-authored with Dr. J.M. Lozano) is a literature review of "What are the drivers and barriers to enterprise engagement in socially responsible action?". This article develops a small and medium sized enterprises (SME) four-cell ideal type of social issues management (SIM) response typology based on a proposed heteronomy of stakeholder salience. Thirdly, article 3, called *A CSP Best Practice Case Safari: Using CSO Binoculars To Identify CSR,* is an explanatory multi-method embedded multiple-case study design addressing the question of "What does corporate social responsibility at enterprise level look like?". The findings of this study suggest that the CSR domains are hierarchical in their relationship with the economic domain as a basis. Moreover that the scope of enterprise principles varies depending on their particular CSR domain influence and moral duty affiliation. In particular, the study calls attention to the discretionary domain as the differentiating factor between corporate social performance (CSP) best-practice and normal practice cases. Finally, this article builds CSP theory by integrating corporate social orientation (CSO) and reorienting it for the SME context. Therefore this thesis opens up several new lines of research opportunities for fuzzy set theory, CSR, CC, CS and SME theory, CSO and CSP theory.

Abstract de la Tesi

Aquesta tesi és organitzada en un compendi de tres articles, cada uns dels quals avança en el nostre coneixement sobre la responsabilitat social corporativa (RSC), des del constructe fins a la pràctica professional. Primerament, l'article 1, titulat "Construint La Torre de Babel: Una Aproximació Mitjançant Lògica Difusa" (escrit conjuntament amb el Dr. Josep Mª Lozano i F. Di Lorenzo), proposa i prova una aproximació epistemològica difusa per contestar a la pregunta: " Pot i hauria d'existir una definició de responsabilitat social? ". Emprant la teoria sobre conjunts difusos per a l'anàlisi sistemàtica de definicions en el camp de l'empresa i societat, demostra com aquestes definicions estan vinculades a les 3 metàfores més citades en el camp de l'empresa i societat (responsabilitat social de l'empresa (RSC), sostenibilitat corporativa (SC) i ciutadania corporativa (CC)). A continuació, l'article 2, titulat "Tipologia En Quatre Cel.les De Les Barreres i Oportunitats Clau Per a La Acció Social en les PYMEs" (escrit conjuntament amb el Dr. Josep Mª Lozano), és una revisió de literatura sobre " Quines són les barreres i oportunitats per a les PYMEs en el seu compromís amb l'acció socialment responsable (ASR)?". Aquest article proposa, partint de l'heteronimia de la notabilitat dels seus stakeholders, una tipologia de 4 classes de PYMEs en base el seu ASR. Finalment, l'article 3, titulat "Safari de Casos de Millors Pràctiques en ASR: utilitzant els prismàtics de l'orientació social de l'empresa (OSR) per identificar la RSC", és un estudi de casos multimètode, sobre la qüestió de " Com es veu la RSC a nivell empresarial? ". Les conclusions d'aquest estudi suggereixen que els dominis de la RSC són jeràrquics en la seva relació, amb l'econòmic com a base. A més, l'àmbit dels principis empresarials en matèria de RSC varia segons la seva àrea d'influència i el sentit del deure moral. En particular, l'estudi crida l'atenció sobre el domini discrecional com a factor diferencial entre les millors pràctiques en ASR i els casos de pràctiques habituals. Per acabar, aquest article construeix en la teoria sobre ASR mitjançant la integració de l'OSR i la seva reorientació per incloure el context de les PYMEs. D'aquesta forma,

aquesta tesi doctoral obre diverses oportunitats per a noves línies d'investigació amb la teoria de lògica de conjunts difusos, la de RSC, CC. CS i PYMEs, i la teoria de OSR i ASR

Abstact de la Tesis

Esta tesis está organizada en un compendio de tres artículos, cada uno de los cuales avanza en nuestro conocimiento sobre la responsabilidad social corporativa (RSC), desde el constructo hasta la práctica profesional. Primeramente, el artículo 1, titulado "Construyendo La Torre de Babel: Una Aproximación Mediante Lógica Difusa" (escrito conjuntamente con el Dr. Josep Mª Lozano y F. Di Lorenzo), propone y prueba una aproximación epistemológica difusa para contestar a la pregunta: "¿Puede y debería existir una definición de responsabilidad social?". Mediante la utilización de la teoría sobre conjuntos difusos para el análisis sistemático de definiciones en el campo de la empresa y sociedad, demuestra como estas definiciones están vinculadas a las 3 metáforas más citadas en el campo de la empresa y sociedad (responsabilidad social de la empresa (RSC), sostenibilidad corporativa (SC) y ciudadanía corporativa (CC)). A continuación, el artículo 2, titulado "Tipología En Cuatro Celdas De Las Barreras y Oportunidades Clave Para La Acción Social en las PYMEs" (escrito conjuntamente con el Dr. Josep Mª Lozano), es una revisión de literatura sobre "¿Cuales son las barreras y oportunidades para las PYMEs en su compromiso con la acción socialmente responsable (ASR)?". Este artículo propone, en base a la heteronimía de la notabilidad de sus stakeholders, una tipología de 4 clases de PYMEs en base su ASR. Finalmente, el artículo 3, titulado "Safari de Casos de Mejores Prácticas en ASR: utilizando los prismáticos de la orientación social de la empresa (OSE) para identificar la RSC", es un estudio de casos multi-método, sobre la cuestión de "¿Cómo se ve la RSC a nivel empresarial?". Las conclusiones de este estudio sugieren que los dominios de la RSC son jerárquicos en su relación, con el económico como base. Además, el ámbito de los principios empresariales en materia de RSC varía según su área de influencia y el sentido del deber moral. En particular, el estudio llama la atención sobre el dominio discrecional como factor diferencial entre las mejores prácticas en ASR y los casos de prácticas habituales. Para terminar, este artículo construye en la teoría sobre ASR mediante la

integración de la OSR y su reorientación para incluir el contexto de las PYMEs. De esta forma, esta tesis doctoral abre varias oportunidades para nuevas líneas de investigación con la teoría de lógica de conjuntos difusos, la de RSC, CC. CS y PYMEs, y la teoría de OSE y ASR.

Preface

Life is a circle that is unlimited and cyclical, by cutting it, it unfolds into a string that superimposes an artificial chronological sequence for defining the beginning and consequently the end. In order to introduce my Ph.D thesis, I think it is appropriate to start it with the first essay that I wrote in my doctoral studies because it describes why I have started the Ph.D in the field of corporate social responsibility. In retrospect the story that was then a beginning is now coming to an end with this work that you hold in your hands at this moment. This moment that represents for our purpose the intersection between an end and a beginning.

The Store of My Life: Lifescape [2]

The End.

Let me begin by stating that my story here at ESADE begins at *the end* of my pre-ESADE story. It is based on a true story even though in the context of this exercise is anachronistic in nature, and much more of an integrated summary of who I am and why I am here at ESADE than a chronological account climaxing at my arrival in Barcelona. I am Sophia Maria Kusyk, nothing more and nothing less. It is an enormous task for eight pages of white paper to sum up more than 10220 days of experience and ambition and more interestingly to express how destiny has summoned me to the doorstep of ESADE. It is because of this I have decided through careful consideration to paint a metaphor for who I am. I hope that through this metaphor we can meet in the same mental realm, just like we are meeting here in the physical. Let us travel together to a peaceful green landscape with a magnificent mountain and quiet path that is benefiting from a warm vermilion sun. Along the path we can see purple flowers and white road signs. Each of these five elements represents a specific part of my autobiography. This is the landscape of my life, or herein referred to as "lifescape".

What?

Out of infinite possibilities I have deliberately chosen to represent my life as a mountain because I feel that it is a metaphor that transcends most cultures. I want to be understood and the idea of a mountain is something what I feel we will both be able to appreciate. Mountains are beautiful and big enough that they can not be overlooked. However, I don´t just want to look at mountains like I would at a postcard, I want to climb mountains because they are challenging and rewarding at the same time. The reward is at the top of the mountain, when I look down and I can see the world around me. The view is breathtaking and exhilarating! In the same way I hope that in the last moments of my life I can look back on it and appreciate a life well lived. I expect that my time here at ESADE as a Ph.D student and later on a life as a professional researcher and professor will be challenging and rewarding. I hope to be proud of *what* I have accomplished here at the end of my life.

How?

At this point it is important to remember that I stated earlier that my mountain is illuminated by the rays of a large sun. In many cultures, the sun is a symbol for warmth and vitality. Just like plants flourish under a benevolent sun, so I grew up in the glow of a loving family and good friends. I know that without them I would not be the person that I am today. And because of who I am, I am at ESADE. Even though their influence

on me was implicit I am explicitly grateful for their inspiration and personal character formation. The most important person in my life has been my mother. It was she who told me from the moment I could comprehend: "Sophia the most important thing in life is who you are not what you are." She left the who undefined. It was I who started to search for who I am early on in life, knowing that I would be unconditionally loved whomever I would become. This is *how* I came here, knowing that she supports me in my decision of going to ESADE although she is sad to see me go.

Who?

At this point *who* I am can be defined by my values and my values have forged the winding uphill path of my life to Spain, to Barcelona, to ESADE and to a doctoral program. To value something means to esteem it and to consider it worthwhile. Because I value something I will give up something else in order to acquire that which I value. The thing I value the most is my search for truth. In this way a career in research is a natural extension of my inquisitive and analytical mind. I also value honesty. Fortunately, honesty is an integral part of the of the code of conduct in academia. Loyalty and solidarity are two building blocks of my character, which I think will benefit my field of research. And finally there are the values of perseverance and commitment. These are two character traits that will be put into much use during my academic career. In fact, they have already received ample practice in the initial journey here at ESADE. However, I have not only been shaped by my acquaintances but also by my experiences such as hobbies and career choices.

In my life lifescape I have used flowers to represent my hobbies, or outside activities that I believe are applicable to the choice of my studies. There is a popular saying in Canada: In life stop to smell the roses. It signifies the importance to take time to enjoy the scenery of life. Flowers or hobbies are the scenery on my mountain. During the first three years of my highschool my main hobby was Kung-Fu. I trained in Kung-Fu every day after school for two hours. It was a significant lesson in my adolescence. Kung-Fu is a martial art that taught me how to control my body and focus my mind on my goal. It is a sport that is 90% mental and 10% physical. However, when I was in pain from all the bruises and physical rigor it felt more like the mental/physical proportion was vice versa. During those moments of physical exhaustion I learned what commitment really is. My parents moved houses during the middle of my highschool and with the move I also changed schools. In the new school there was no Kung-Fu and so I decided to join the army as a reservist in the armoured battalion in order to see how far I could push my body. I was also interested in learning military strategies, wilderness survival training, weaponry, and rappelling. My wish was granted: Basic training was the most physically challenging time in my life. There were times when I wanted to stop and go home but I kept on with my task. It was an opportunity to practice my willpower. This time taught me what inner strength is. These precious moments are a fond memory of sweat mixed with persistence that motivate me to continue when "the going gets tough". I also internalised the slogan of my armoured battalion, 1st Hussars, "Hodi non gras (Today not tomorrow)" and I learned how interdependent individuals within teams are. Presently, I

know that the only person or thing between myself and my goal is me. I think that those two past hobbies will help me make it through a the Ph.D Programme at ESADE.

Two other flowers in my life are reading and travelling. I have placed them under one umbrella because they share one common aspect: exploring new ideas. Reading and travelling, whether in person or on paper, fictional or real, allows for me to learn about new things and meet new people. Reading and travelling also fit into academia naturally. It is the essence of academic endeavours to explore new ideas. In this aspect doing the Ph.D will be like a "hobby". I find myself fortunate to be able to do combine a career while doing the things I am passionate about. Nevertheless, why I am at ESADE is bigger than my passions, as it is the sum of all my life choices.

Why?

Sometimes in life there are signs that point me directly into the direction that I should go. Other times history has a strange way of repeating itself in different circumstances that have a similar theme. The road signs in my lifescape are experiences that have pointed me in the direction of acquiring a doctorate. However, the writing on the signs was not clear and it lead me by fuzzy logic to my being present here. Whereas I had been a poor student before highschool, in grade nine something changed inside of me. I started to enjoy my classes and writing research papers so much so that I told my friend that my ideal career would be a "professional student". And is not being a doctor in management

science a professional student since I have to learn and create new knowledge in this vocation.

Many years elapsed before the second road sign appeared on my mountain. This time it was at the University of Western Ontario, Richard Ivey School of Business. I was in the class room of an operational management class. We were discussing a regular cost-buying case and the issue at hand was whether or not to buy a smoke screen for a plant. The company was already in accordance with environmental laws and the smoke screen would cost about US$50,000 more, but it would reduce pollution significantly. However, the manager involved in the buying decision had an incentive to keep costs low because in that way he would be able to increase his personal bonus. (It is important to consider that the bonus structure is an incentive for management to keep costs low for the traditional stakeholders.) My fellow class mates as good disciples of the corporate creed were against purchasing the smoke screen and I raised my hand and asked: "What about the environment?" This question was quickly dismissed to personal managerial ethics. As I left the class, I started to think about what the real role of business in society was beyond the traditional stakeholder concept. It is a question that would continue to haunt me during my work career and this is *why* I am here.

After I received my Honors in Business Administration diploma, I started to think about an academic career and teaching in the undergraduate courses of my university. However, I quickly dismissed it because I thought that since I had not worked I could not contribute anything to my students except theoretical concepts that I was not certain

could be practically applied in the real world. Accordingly I started to work at Ivey Management Services as the Academic Relations Manager in charge of business cases in the U.S market. It was a new market and new position and it was booming. In fact, I became very interested in the success of the rapidly growing business and I started to question how to sustain it over a long period of time. This lead me to my third road sign. I approached Dr. Charlene Nicholls-Nixon and started to work for her on some Gazelle theory research for about a month. However, I felt a dialectical pull within me. I was passionate about the research but paradoxically I became less and less interested in rapidly growing business. I started to evaluate myself and who I was becoming. I had acquired a lot of things for myself and my company, but I was loosing meaning in my life. And I thought about how I can contribute to society not just a company even though I knew that the two were not necessarily mutually exclusive. I could feel the change within me before it happened, like a sailor can feel a storm on the sea before it appears on the horizon, and I started through a self-fulfilling prophecy to explore different life opportunities.

When?

The quest to contribute to society lead me to the fourth road sign. To the great astonishment of everyone who knew me, I resigned from my job and to moved to Southern California to work as the Assistant Executive Director of a non-profit organization that served the impoverished people of the area. I poured my life into the work and I felt that every hour that I spend working I was helping someone in grievous

need. However, within a few weeks I started to realize that to help someone with the necessities in life did not cure the underlying problem of their poverty. In essence I was applying a Band-Aid on a wound that would not heal. I thought about how I could help these people with my business background and I started to question myself about how the world could be a better place for all people and the environment. What if all companies would be socially accountable? What if someone would research this issue? What if someone would teach future managers to take socially responsibility into their corporate decision making processes? That someone could be me. As soon as I realized I could research social corporate responsibility and business ethics, is *when* I was able to decipher the fuzzy writing on the road signs and it became legible. The signs read together in sequence: Sophia become a professional researcher and professor in the area of corporate social responsibility.

At this point, I looked back on the road I had taken to date and into my diary from about 8 years ago when I had created my first personal mission statement and reflected on what I wanted to achieve by the time I was 30. There I read as a confirmation that I wanted to start a doctorate and focus in the area of social justice. As I am convinced that a good researcher and a motivational professor can move a lot of people towards considering corporate social responsibility and business ethics, I know my choice is in accordance with my personal mission statement. Therefore, I am delighted that I am able to realize my dreams at ESADE.

Where?

Consequently the only question remained of *where* I wanted to study. I printed out from the internet the top 20 business schools in the USA and the top 10 outside of the USA. My paramount criterion was to study at a school that had a similar reputation to the Richard Ivey School of Business, but had a different teaching methodology. This would ensure that I would have a well-rounded education from several schools of thought. I researched the structure of the doctoral programs and their concentration in corporate social responsibility first and soon realized that the schools in the United States and Canada shared similar methods. This left me with the schools outside of North America that had a programme in English. Through this process of elimination ESADE became a candidate and I requested to see it´s current funded research projects in ethics and realized that it had prominent scholars, complimented by a serious financial commitment to the field. As an added bonus ESADE also had a humanistic tradition. Consequently I applied to ESADE with full confidence that I would be accepted. This decision was and is a leap of faith since I do not have the resources to finance myself for three to four years of education. Therefore I hope to earn a living by being some type of academic assistant. It is my personal belief that I have acquired through observation that if I am meant to complete something – like this program - the means will become available.

The Beginning.

I have discovered, post factum that in the story of my life there are strange coincidences and patterns. I have just begun to climb my mountain and I appreciate the view while looking down and up. Yes, I have been able to read some signs. I have stopped to smell the roses and I have enjoyed the accompanying warm sunshine. Some people have told me that I am extremely "lucky" or that I have a very attentive guardian angel depending on their belief. The pattern I have perceived from my history is the following: When I see something that I really want, I am prepared to pursue it. I focus all my resources and prayers in that direction. Sometimes I do not know where to draw *the beginning* line. Maybe my "luck" lies in the fact that I know what I seek. Maybe I shape my own destiny by decisive choices. Maybe. However, of this I am certain that all that I am – my family, my friends, my values, my hobbies, my experiences – is woven together in the tapestry of my life. I bring the integrated whole my past, my present and expected future to Spain, to ESADE and to this doctoral programme, in the hope that I can serve society well.

About The Author

Sophia Maria Kusyk is the wife of Jordi Espanyó and mother of 18 month old Michael and 3 month old Paul and lives in Sabadell. She is also the oldest of 3 siblings and was born in Poland where she lived until she was 5 years old. Her family immigrated to Canada via Germany, when she was 11 years old. In 1999, she graduated in the top 10% of her class from the Richard Ivey School of Business at the University of Western Ontario with an Honours of Bachelor of Arts in Business Administration.

While working part-time during her university years as a computer lab assistant and a Senior Medic in the First Hussars Canadian Reserve she was also actively involved in the Huron College Literary Society, University Debating Club and Richard Ivey School of Business Student Society as an elected representative of the student body. Post her university studies she worked her way up from internal sales representative to marketing manager at Ivey Publishing in London, Ontario. Before embarking on her Ph.D she served as Assistant Executive Director at Brother Bennos in Oceanside, California.

In 2003 she was accepted into the ESADE, Universidad Ramon Llull doctoral program in the social sciences department, under the supervision of Dr. Josep Maria Lozano to do research in corporate social responsibility. Since she has started her program she has been teaching 200 hours in corporate social responsibility and corporate governance at the Ph.D, EMBA, MBA and Senior Undergraduate levels at ESADE, The Stockholm

School of Economics and the Barcelona Management Institute. She is a member of the *International Academy of Business in Society*, where she served as chair of her track (2007) and member as well as ad-hoc editor for the *Academy of Management* conferences. She is also an ad-hoc editor of the *Cross-culture Management Journal*. After defending her thesis she will start working as Assistant Professor in the Business Ethics Department at IESE Barcelona Campus, Universidad de Navarra.

Chapter 1

GENERAL INTRODUCTION

The general organization of this thesis is as follows: First of all in the general introduction I will introduce why CSR needs to be researched. Secondly, I will address the assumptions underlying my study of CSR as a thematic unit and the three papers. Finally, the introduction to this thesis will conclude with the abstracts of the three paper compendium and their general conclusions. Immediately following the introduction you will find the three papers in their entirety and the final chapter will state some general conclusions and further research lines.

1.1. CORPORATE SOCIAL RESPONSIBILITY: FROM CONSTRUCT TO PRAXIS

The relationship that and enterpise has with society can be summed up under a construct termed as corporate social responsibility (CSR). Within academic and practitioner literature, there appear different conceptualizations of what CSR is and how it is and should be practiced. This thesis investigates this complex phenomenon by asking 3 important questions which are answered by 3 separate papers:

- "Does and can a definition for social accountability exist?";

- "What are the drivers and barriers to enterprise engagement in socially responsible action?";

- "What does corporate social responsibility at enterprise level look like?".

Whetten (2001) clearly outlines the benefits from considering CSR. As is demonstrated by Figure 1, it appears that business is in a bi-directional relationship with society; in that society is making a difference within the firm from the outside-in versus the traditionally held view that business only has an inside-out influence on society. In particular from a practitioner point-of-view CSR helps managers to understand that enterprises are in a relationship with society, and furthermore this is independent of whether it is voluntarily or not. This is especially demonstrated when special interest groups popularly known as external ¨stakeholders¨ (Freeman, 1984) that represent society are exceeding pressure on and in some cases control over the strategies and actions of an enterprise. Moreover Strand (1983) argues that an effective organization is capable of adapting to it's environment "the very rationale for the existence of an organization, the goals and objectives that determine its viability and performance, and the human resources and processes that shape the organizations products and services are constrained and molded by its cultural and social context. An organization's social performance is an indistinguishable component of its effectiveness." (Strand, 1983:90)

1.1. Figure 1:
Enterprise and Society Relationships[3]
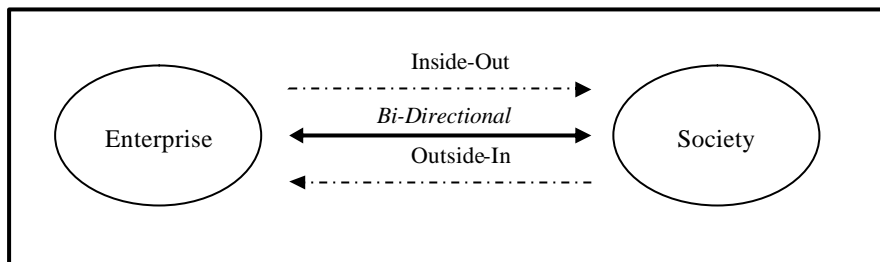
Legend:

Article 1: "Does and can a definition for social accountability exist?"

Article 2: "What are the drivers and barriers to enterprise engagement in socially responsible action?"

Article 3: "What does corporate social responsibility at enterprise level look like?"

As a result of the three questions around the thematic unit of CSR, this thesis is organized in a compendium of three articles, each of which furthers our knowledge of the corporate social responsibility (CSR) construct from concept to practice. CSR and the closely related construct of corporate social performance (CSP) are founding concepts of the business and society field which have gained prominence in the general management literature. CSR relates to the origins for behavioral principles whereas CSP is an overarching concept that includes responsibilities, responsiveness, policies and outcomes. However, whereas the concepts of CSR and CSP are frequently applied in theory building and empirical research, a fog hovers over the precise academic definition and empirical measurement of business performance (Bakker et al., 2005, Wartick and Cochran, 1985, Wood, 1991).

Figure 1, demonstrates how the three papers are conceptually unified in that they all address the enterprise and society relationship from different angles. Considering that

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[3] Figure 1 is inspired by Whetten (2001).

many questions about the definition, composition and enactment of CSR exist, I have organized my research findings in three articles pertaining to these important considerations for the business and society field:

Article 1, entitled *Constructing The Tower Of Babel: Towards A Fuzzy Logic Approach* (co-authored with Dr. J.M. Lozano and F. Di Lorenzo) proposes and tests a fuzzy epistemological approach to answering the question "Does and can a definition for social accountability exist?". In Figure 1, the construct is visualized by the box around the whole business and society relationship. In other words, the first paper addresses the important question of what name should be placed on the box in Figure 1.

Article 2, *A Four-Cell Typology of Key Social Issue Drivers and Barriers of SME Social Performance* (co-authored with Dr. J.M. Lozano) is a literature review of "What are the drivers and barriers to enterprise engagement in socially responsible action?". In Figure 1, the barriers and drivers of the relationship between business and society are represented by arrows in a broken line because a clear relationship is undefined.

Finally, article 3, called *A CSP Best Practice Case Safari: Using CSO Binoculars To Identify CSR,* is an empirical study addressing the question of "What does corporate social responsibility at enterprise level look like?". In Figure 1 this relationship is depicted by bi-directional arrow because this paper examines instances where a strong best-practice relationship actually takes place.

1.2. THEORETICAL ASSUMPTIONS

However, before presenting the 3 articles, I enumerate 3 basic assumptions that I have made for the purpose of the thesis. Namely that an enterprise is a socially constructed artifacts functioning in a complex reality and are guided by norms in their approach to CSR. Each of these assumptions will be discussed in more detail below.

1.2.1. An enterprises is a socially constructed artifact.

Enterprises are artifacts that are created by human activities. This leads Donaldson (1982) to conclude that: "Philosophically, we cannot fix the character of this abstract hybrid as we would an item in nature, such as rock or a tree, for part of what a corporation is the product of our moral and legal imagination." (Donaldson, 1982: 14) Therefore business activity can be defined in its form as an "**enterprise**" (From hereon, all business entities are referred to as enterprise) and refers to the whole range of private commercially profit-oriented organizations ranging in size from a one-person proprietorship to corporate conglomerates (Carroll, 1996). The artifactual nature of the enterprise poses the problem of justifying and defining it. Moreover, there seems to be no agreed upon definition of what a corporation actually is within the whole management sciences literature. Even within the corporate social responsibility field the meaning of enterprise responsibility is not agreed upon. (Carroll, 1999) As such, it can be assumed that depending on the school of thought the ontological justification of the existence of the enterprise changes because

it is in part socially constructed (Pinder and Bourgeois, 1983) by the norms of the predominant paradigm (Kuhn, 1970) of the community by which it is being studied.

Therefore the first Article, entitled Constructing The Tower Of Babel: Towards A Fuzzy Logic Approach (co-authored with Dr. J.M. Lozano and F. Di Lorenzo) proposes and tests a fuzzy epistemological approach to answering the question "Does and can a definition for social accountability exist?". The novel epistemological approach for the social sciences proposed by this thesis allows for variance in the normative and instrumental social construction of the enterprise.

1.2.2. The complex reality of an enterprise.

Building on the first assumption that enterprises are social artifacts, I moreover assume that enterprises are confronted by a complex reality in the field of business ethics (Donaldson and Dunfee, 1994). In fact, the function of an enterprise is in the middle of two competing ideologies or paradigms for the justification of its activities: neoclassical economics theory rooted in economic theory and social contract theory from political theory. Each theory is based on distinct assumptions and conclusions about what the accountability of the firm to society is and hence we need to consider the ideological system in question before we try to make a normative or descriptive assumption about firm responsibility. Donaldson and Dunfee confirm our assertion by addressing the dilemma of firm ethics by stating that "economic ethics" is bounded by a "finite capacity

to assess facts, by a limited capacity of ethical theory to capture moral truth, and by the plastic or artifactual nature of economic systems and practices… economic systems are products of artifice, and not nature, and their structures can and do vary immensely. Such systems (which include laws, practices, and value systems that inform economic practice) are, in a word artifacts. People create them." (Donaldson and Dunfee, 1994:257-258). Therefore, if we consider the enterprise in society, I am refereeing to a **society** as being composed of numerous interest groups, more or less formalized institutions and institutions and it can be defined as a broad grouping of people who have common traditions and values towards a common interest. This is the where complexity of the enterprise reality becomes evident, since enterprises may function in more than one society and that these societies are pluralistic in nature. Therefore in terms of the enterprise-society relationship, enterprises are often confronted with a wide range of demands from interested parties whose interests most often do not converge.

The second article, A Four-Cell Typology of Key Social Issue Drivers and Barriers of SME Social Performance (co-authored with Dr. J.M. Lozano) is a literature review of "What are the drivers and barriers to enterprise engagement in socially responsible action?" and it examines the complex reality of the enterprise and its´ CSR engagement.

1.2.3. Enterprise actions are informed by norms.

Considering that enterprises are confronted with conflicting interests from different groups within society, I thirdly assume that therefore they use formailized norms (such as laws) and informal norms (such as industry practice) to guide their decision making. Therefore the definition of **norm** is in line with our colloquial understanding that states that a norm is an "informal guideline about what is, or is not, considered normal social behavior (as opposed to rules and laws, which are formal guidelines). Such shared values and expectations may be measured by statistical sampling and vary from one society to another and from one situation to another. Norms range from crucial taboos, such as those against incest or cannibalism, to trivial customs and traditions, such as the correct way to hold a fork. Norms play a key part in social control and social order." (Lexico Publishing Group, 2000) However, identifying a particular norm is a difficult endeavor, therefore (Donaldson and Dunfee, 1994, Pettit, 1990) states that it can be derived by the following general empirical rules for identifying norms in particular business communities:

"A norm (N) constitutes an authentic ethical norm for recurrent situations (S) for members of community (C) if and only if:

1. Compliance with N in S is approved by most members of C.

2. Deviance from N in S is disapproved by most members of C.

3. A substantial percentage (well over 50%) of members of C, when encountering S, act in compliance with N. " ¨(Donaldson and Dunfee, 1994:263-264)

The third article, called *A CSP Best Practice Case Safari: Using CSO Binoculars To Identify CSR,* is an empirical study addressing the question of "What does corporate social responsibility at enterprise level look like?" and goes to the heart of norms issue and studies best-practice cases in CSR.

1.3. BRIEF SUMMARIES OF INDIVIDUAL THESIS ARTICLES

In addition to having stated that an enterprise is in a bi-directional relationship and that it is a socially constructed artifact functioning in a complex reality, who is guided by norms in their approach to CSR, I now proceed to briefly introduce each of the 3 articles before presenting ach of them. The title of the thesis, Corporate Social Responsibility: From Construct to Praxis, indicates, indicates the logical flow of the three articles: The first article addresses the epistemological approach of the thesis and introduces the construct of CSR. The following 2 articles turn your attention to the practice of CSR. Therefore, the second article essentially serves as a state-of-the-art literature review of CSR practice drivers and barriers in the small and medium enterprise (SME) context. Finally, the third article is a natural extension of the second, by exposing a qualitative in-depth study of CSR practice in the SME context. Each article is an original academic work and is geared at peer-reviewed publication.

1.3.1. Article 1: Constructing The Tower Of Babel: Towards A Fuzzy Logic Approach

Does and can a definition for social accountability exist?

Authors: Sophia Kusyk, Josep M. Loza no, Francesco Di Lorenzo

Status: Submitted to Business and Society, 2nd Revision

For full paper please refer to the attached article.

Brief Summary

This paper breaks with the tradition of crisp logic to suggest fuzzy set theory as a tool for research in the business and society field. It demonstrates the use of fuzzy set theory through a systematic analysis of definitions linked to the three most cited metaphors in the business and society field: Corporate social responsibility (CSR), corporate sustainability (CS) and corporate citizenship (CC). Finally, it suggests an opportunity for fuzzy logic reasoning in the business and society field and concludes that meaning is defined in practice.

1.3.2. Article 2: A Four-Cell Typology of Key Social Issue Drivers and Barriers of SME Social Performance

What are the drivers and barriers to enterprise engagement in socially responsible action?

Authors: Sophia Kusyk, Josep M. Lozano

Status: Published Corporate Governance: The international journal of business in society. 2007. Emerald Publications: Vol. 7, No. 4: 502-515.

For full paper please refer to the attached article.

Brief Summary

This article builds a model of why small and medium enterprises (SMEs) address social issues by integrating internal and external, drivers and barriers, to social performance (SP). Next it develops a SME four-cell ideal type of social issues management (SIM) response typology based on a proposed heteronomy of stakeholder salience. Finally, the importance of understanding barriers and drivers to social responsibility (SR) of SIM for stakeholder theory, policy makers, and practitioners is discussed, concluding with implications for further SME-SR research.

1.3.3. Article 3: A CSP Best Practice Case Safari: Using CSO Binoculars To Identify CSR

What does corporate social responsibility at enterprise level look like?

Author: Sophia Kusyk

Status: Pre-journal submission

For full paper please refer to the attached article.

Brief Summary

Taking Carroll's corporate social responsibility (CSR) construct (1979), I ground how the economic, legal, ethical and philanthropic domains are linked to the principles of the corporate social performance (CSP) model (Swanson, 1995). Using an explanatory multi-method embedded multiple-case study design, which includes the use of the CSO instrument (Aupperle, 1982), I found that the CSR domains are hierarchical in their relationship with the economic domain as a basis. The scope of enterprise principles varies depending on their particular CSR domain influence and moral duty affiliation. In particular, the study calls attention to the discretionary domain as the differentiating factor between CSP best-practice and normal practice cases.

Chapter 2

Article 1

Constructing the tower of Babel:
Towards a fuzzy logic approach

Sophia M. Kusyk, Josep M. Lozano, Francesco Di Lorenzo
ESADE, Universidad Ramon Lull

Constructing the tower of Babel:
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2.1 ABSTRACT

This paper breaks with the tradition of crisp logic to suggest fuzzy set theory as a tool for research in the business and society field. It demonstrates the use of fuzzy set theory through a systematic analysis of definitions linked to the three most cited metaphors in the business and society field: Corporate social responsibility (CSR), corporate sustainability (CS) and corporate citizenship (CC). Finally, it suggests an opportunity for fuzzy logic reasoning in the business and society field and concludes that meaning is defined in practice.

Keywords: *fuzzy logic, metaphors, corporate social responsibility, corporate citizenship, corporate sustainability, sensemanking*

CONSTRUCTING THE TOWER OF BABEL: TOWARDS A FUZZY LOGIC APPROACH

Sophia M. Kusyk, Josep M. Lozano, Francesco Di Lorenzo
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"What is the exact number of sand grains required to make a heap of sand?"

(Ancient Greek Wisdom)

A fog of fuzzy definitions hovers over the business and society field which is making a dialogue between academics, policy makers and practitioners difficult. Discussion about the scale and scope of social issues often ends with either not arriving at a common agreed upon understanding between the different actors or not coming to a joint solution to the problems identified. While we are all concerned with the question of "How can and do corporations contribute to the good of society?" (Wood, 1991:66) we running the risk of ending up like the well-wishers around an unfinished Tower of Babel.

The conflict around the business and society Tower of Babel is in part due to the fallacy of either/or reasoning. In our paper we argue that we must shift our way of reasoning from conventional (Boolean) logic that is based on bivalent thinking to fuzzy logic and multivalent thinking. Therefore we will now proceed to consider the general significance of metaphors in the sensemaking process by addressing how actors construct their interactions between cognition and cognation via linguistics. Then, we will demonstrate that the definitions are not vague, but that they employ the rules of fuzzy logic. Then we break with the tradition of crisp logic to suggest fuzzy set theory as a means of understanding how metaphorical links form clusters of

fuzzy definitions. Secondly our paper demonstrates the use of fuzzy logic through a systematic fuzzy analysis of three popular metaphors in the business and society field: Corporate social responsibility (CSR), corporate sustainability (CS) and corporate citizenship (CC). Finally, it revisits and revises the work of Basu and Palazzo (2008) by proposing a Dynamic Sensemaking Process Model and concludes that meaning is defined in practice.

METAPHORS: MAKING SENSE AND GIVING SENSE

Language is the principal means of communication within and between human beings. It establishes a "conversation" between thinking and acting. Tsoukas (1991) drawing on previous works points to the two-fold function of language of both describing and constituting reality. He believes that:

> "The process of giving language to experience is more than just sense-making. Naming also directs actions toward the object you have named because it promotes activity consistent with the related attribution it carries. To change the name of an object connotes changing your relationship to the object to it because when we name something, we direct anticipations, expectations, and evaluations toward it. (Srivastva & Barrett, 1988:34-35).

Moreover, Basu and Palazzo (2008) basing their work on Ring and Rands (1989:342) understand that firms act on their relationship with society via a process of embedded cognitive maps of the

environment and linguistic processes. In other words, what the authors call "sensemaking" or the mental frames expressed by language have direct influence of how their world is perceived and acted upon. This function of cognitive mapping and expression is found in the form of metaphors, similes and analogies. Therefore, in our paper we asked ourselves *if* the business and society field employed metaphors and *how* they were interpreted. We will start with introducing metaphors and fuzzy logic, followed by a fuzzy analysis of three common metaphors and we will conclude with a discussion of the implications of a fuzzy logic approach for the business and society field.

Metaphors

Metaphors [4] are "a figure of speech in which a name or descriptive term is transferred to some object different from, but analogous to, that to which it is properly applicable" (Oxford English Dictionary, 1989). This is accomplished via a transfer of knowledge of what Harré (1984) understood as making inferences about one thing (usually referred to as target domain or topic) on the basis of what we know about another thing (usually called source or base domain or vehicle) (Johnson-Laird, 1989; Lakoff & Johnson, 1980; Ortony, 1975). Tsoukas (1989) uses the metaphor example of "My French has gone rusty" where the transfer of information happens from the known behavior of metals (source domain) to the retention of linguistic knowledge (target domain).

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[4] Metaphors are type of trope, or figure of speech used in nonliterary way. Tropes like metaphors, metonymy and synecdoche are based on similarity or on dissimilarity like anomaly, paradox and irony. (see Oswick, Keenoy and Grant (2002) for a full list of tropes with their key characters and utilities).

Searle (1979, 1986) explains that a metaphorical utterance consists of making a sentence meaning (speaker literally means an object "S" fall under a concept "P" [for example "S is P"]) different from the utterance meaning "R" (for example "S is R"). In the previous example, a speaker says S is P "My French as gone rusty.", but he means "I have gone rusty" "S is R". In fact, "rusty" refers to a commonly known behavior of metals (source domain) and not the speaker himself. Therefore metaphors are understood because of the mutually shared background information between the speaker and the hearer and this in turn is based on the ability of the hearer to make inferences combined with general powers of rationality on his part. Therefore, we must assume that the speaker means something metaphorically distinct than that which is literary spoken.

Metaphors function by similes and analogies that cognitively operationalize the relationship between the two items of comparison (Bunge, 1973) either within the same domain or between conceptually different domains. Searle (1986: 114) also distinguishes between two types of metaphorical utterances: simple and open-ended. The essential difference between the two is that the speaker (S) while using an open-ended metaphor (M) is giving more than one metaphorical meaning or definition (D) set (for example M={D1…D4}). Using Searle's logic, as visually depicted in Figure 1: Overlapping Metaphorical Links With Fuzzy Definitional Cluster Formations, we conclude that for metaphors representing complex phenomena, one metaphorical utterance can easily accumulate more than one meaning even if the metaphorical term employed to describe it is the same, because a cognitive clustering of concepts forms around the original metaphorical prototype. Therefore, we purpose that speech on a complex matter cannot avoid metaphor, and will espouse several fuzzy definitional clusters around one metaphorical link. As

the business and society field is studying a complex phenomenon, we believe that the open-ended metaphorical utterance is more common and that it employs several cognitively overlapping metaphors each in turn leading to several cognitively overlapping fuzzy definitions.
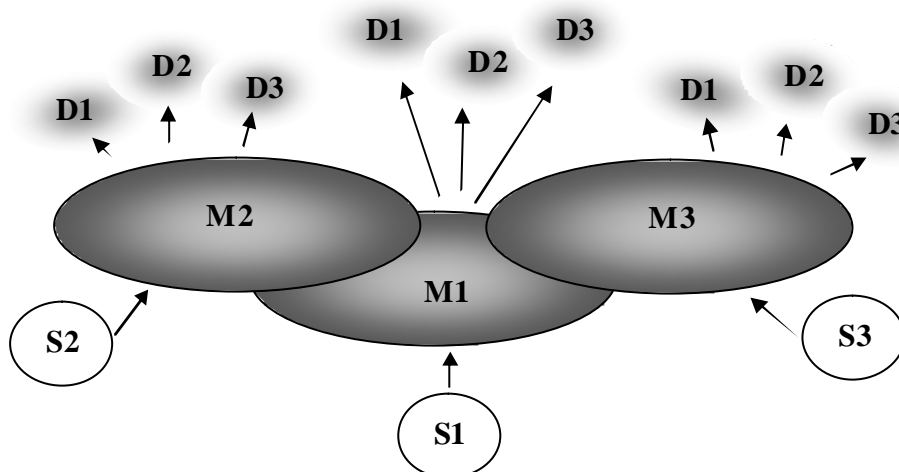
2.1. Figure 1. Overlapping Metaphorical Links With Fuzzy Definitional Cluster Formations
Source: [1]Adapted from Searle (1986:114)
Note: Speaker(s) (S) say metaphor(s) (M), but means metaphorically an indefinite range of meanings. S is D1, S is D2 etc. As in the simple case the metaphorical meaning is arrived at by going through literal meaning. M = D1, and/or D2, and/or D3. Also the metaphors can overlap each other in meaning.

Metaphors lead to fuzzy definitions

Language is built on cognitive knowledge and experience. From this premise it can be concluded that metaphoric models, as they are part of language, are also build on knowledge and experience. However, what is metaphorical is the meaning of the metaphor and not the nature of the object itself. The metaphorical properties are transferred on the object which at times can lead to a distortion of properties and objects can receive new relevance, while at the same time

the properties of the object that do not adhere to the metaphor may disappear. This can lead to ambiguities and different possible readings of the same metaphorical concept (see Figure 1). Lakoff (1987) explains metaphors and evolutions of meanings, where he continues the mental categories of Wittgenstein (1953) from cognitive concepts to philosophical investigation. He asserts that only meanings of names remain, which are established by language games and are connected by a family resemblance to the original metaphor. Lakoff (1987) claims that a metaphor is first created by an original prototype category that is defined by common properties that link concepts, and in turn establishes a certain relationship to the original prototype category. For example the prototype category of "mother" is based on the motherhood concept and a nurturing relationship link. However, "mother" is a metaphorical concept that does not have a clear definition only a clear relationship to the original prototype. Therefore, the prototype is placed into an abstract container for the metaphor.

Moreover, since language is a dynamically evolving living institution, soon after the original prototype a cognitive clustering of concepts occurs. As in the mother metaphor, that diverges from the original "mother"; "stepmother", "surrogate mother", "adopted mother" and all forms of mother-like concepts, form part a of a cluster of mothers that are pulled together by the motherhood relationship link within the metaphor.

At the evolved metaphor stage, is difficult to assert which the "real" and/or "correct" mother is. Lakoff (1987) concludes with stating that "The concept mother is not clearly defined." This is because concepts are based in prototype categories. These prototype categories (ie. mother) however have metaphorical extension called radial categories (ie. stepmother): "At stage 1 there

is a classical category A. At stage 2 a new classical category B, based on the old A, emerges. The principles of change may be exactly the principles of extension that you describe. But in both stages, there are only classical categories, but no radial categories in the minds of the speaker. But the new classical categories B will happen to look to a linguistic analyst like a radial category" (Lakoff, 1987:111). Like Figure 1 depicts, in this way there can be a radial layering on the original concept within a metaphor that originated in the prototype category but through the clustering of different converging cognitive models the metaphor can espouse different concepts that are not clearly defined, however clearly linked to the metaphor by tracing them back through their relationship links. This has also been argued by Cornelissen (2006: 683) where he uses an "image-schematic model" of metaphor to demonstrate how the organizational identity metaphor is representative of how the "completion and interpretation of metaphor may equally vary among different individuals or, indeed research communities." We advance his idea and demonstrate that these not clearly defined individual clusters around a metaphorical link are fuzzy definitions which will be elaborated upon below.

Fuzzy Definitions

Although fuzzy logic was first championed by Zadeh in 1965 (Dimitrov, 1997), the ancient greeks already coined the idea of fuzzy reasoning by asking "What is the exact number of sand grains required to make a heap of sand?" (Ancient Greek Wisdom) This is because we can not be exactly sure that taking one grain away or adding another grain changes our idea of what a "heap" is. We can only identify the metaphorical Gestalt of belonging to "heap" from our own

sensemaking of what Oswick et al. (2002) would call "analogical reasoning" within our "cognitive comfort zone" to a certain degree within a membership function.

Fuzzy logic addresses the degree of belonging by being an extension of Boolean logic, multi-valued or continuous, which allows for intermediate values between the Boolean values of "true" and "false". Therefore, the degree to which a variable matches the linguistic concept involves the degree of membership that can be represented by a continuous membership function. The use of fuzzy sets defined by membership functions in logical expressions is called "fuzzy logic". The basic notion in Fuzzy Logic is the notion of a fuzzy set or technically "fuzzy class". A fuzzy set "A" is characterized by the membership function "m", which takes values within the interval [0,1], that is, m(A): U-> [0,1], where "U" is a universe of discourse in which "A" is defined (Zadeh, 1965). In other words, a fuzzy set is a generalization or a degree of membership within the interval by the blurring of boundaries through the use of a membership functions. For example, the expressions "approximately" and "mostly" employ fuzzy logic as opposed to a crisp set of elements that are divided into two groups of members (i.e. "1") or non-members (i.e. "0"). The degrees of membership, that were expressed by linguistic variables, are converted through defuzzification into numbers on a real line. Therefore, the specification of membership functions then becomes the key issue because it determines the level of interest and variances are perceived by decision makers. (Tiglioglu, 2006). (See Appendix 1, for our application of fuzzy set theory to business and society definitions.)

In our previous example, taken from the metaphor section of this paper, we stated that "My French has gone rusty". Fuzzy logic can be applied to the property of "rusty". In it we ask what

"going rusty" means? Conventional (Boolean) logic considers everything either "true" or "false" (truth values of 1 or 0) and is based on the law of bivalence. Therefore something either "is rusty" or is "is not rusty". We propose that metaphorical sensemaking employs fuzzy logic which is defined mathematically as including statements that are true to a certain degree between 0 and 1. In other words, fuzzy logic is a superset of conventional (Boolean) logic that has been extended to handle the concept of partial-truth values between "completely true" and "completely false". Therefore, continuing with our previous example we are logically allowed to observe that "My French is (partly fluent and partially) rusty" or half-rusty and half-not-rust. Fuzzy logic, as popularized by Zader Lofi in 1964 introduces the concept of "certain degree" or multivalence where exact reasoning is viewed as a limiting case of approximate reasoning and everything is a matter of degree.

We have previously discussed (see Figure 1) how complex phenomena inherently lead to open-ended metaphors and that therefore a harmonious cognitive cluster of several fuzzy interpretations can exist around the same metaphorical link. If we keep in mind that the business and society field uses metaphors to describe and highlight an aspect of the role of business in society via a set of fuzzy definitions, then the degree of membership to one semantic concept is made clear by the metaphorical link. In other words, membership of a definitional construct to the metaphor is not only true or false, but can be true to a certain degree. Therefore as opposed to definitions just being vague, abstract or random they actually represent clusters of meaning employing fuzzy logic for the membership function via a metaphorical link. As was elaborated on before, in the transfer of information from the source domain to the target domain, each cognitive cluster will need to be named or defined by the speaker and interpreted by the hearer

according to his experience, context, knowledge and background. The process of linguistic sensegiving of the speaker and sensegiving of the hearer inevitably leads to fuzzy definitions - every definition belongs to a certain fuzzy degree within a membership function and where the rules of crisp logic do not apply – only the metaphorical link remains intact.

This is particularly the case in the business and society field, where the practitioners, academics and policy makers have reached a certain babelonian state, ironically leaving them at odds with one another haggling over definitions, while in fact they have entered into dialogue in order to address how business can contribute to the good of society. Until now we have mistakenly been trying to apply the rules of crisp logic to a fuzzy set of definitions clustered around a metaphorical link. In the following section we will proceed to demonstrate three popular open-ended metaphorical utterances with their practitioner and academic fuzzy definitional cluster formations in function with their historical development in the literature: corporate social responsibility (CSR), corporate citizenship (CC), and corporate sustainability (CS). As with the case of the mother metaphor discussed previously it is difficult to assert which the "real" definition of CSR, CC or CS is. Therefore, the metaphorical lenses will be a useful tool for creating a common platform where a dialogue about several or at times even opposing terms can take place, as it will synthesize the terms under their metaphorical link and push back at researchers to understand how practitioners define these terms in action.

Keeping in mind that we have stated that metaphors lead to fuzzy definitions, we will now proceed to prove whether the three key concepts in the business and society field – corporate

social responsibility, corporate citizenship and corporate sustainability - are metaphors; and if they are, how they are interpreted by using fuzzy set logic as a tool for our analysis.

METHOD

Until now we have purposed that language in general and our definitions within the business and society field used fuzzy logic. In this section, we will briefly outline how fuzzy logic is employed, followed by an application of fuzzy logic to definitions of three metaphors by tracing them back to their original metaphorical link before concluding with our implications for the opportunity of fuzzy logic in the business and society field and the sensemaking process.

Fuzzy Logic Analysis of Three Key Metaphors in the Business and Society Field

The methodology of fuzzy logic helps us to quantify the degree of truth that a fuzzy statement may have in reference to linguistic variable. (Dimtrov, 1997). In general we can consider 2 fuzzy sets (a, b) composing a broader linguistic concept (Σ), identified by the relationship below, where a and b represent some fuzzy statement:

IF a AND b, THEN Σ.

We then assign to each fuzzy set a degree of membership (truth) as it relates to the concept Σ, using the standard rules of fuzzy logic as employed in fuzzy set theory (Appendix 1, Part 1, Fuzzy Set Rules for Fuzzy Logic Analysis provides an exact summary for two and three variable analysis for linguistic variables):

degree of truth (a)

degree of truth (b)

degree of truth (NOT a) = 1 - degree of truth(a)   [the same for b]

degree of truth (a AND b) = MIN [(degree of truth(a), degree of truth(b)]

degree of truth (a OR b) = MAX [(degree of truth(a), degree of truth(b)]

We applied these basic rules to the most cited metaphorical definitional clusters in the business and society: corporate social responsibility, corporate sustainability and corporate citizenship (Bakker, 2005). For the purpose of this paper we asked ourselves *if* the business and society field employed metaphors and *how* they were interpreted. Considering our previous analysis we first needed to prove that the business field employed metaphors and then whether the definitions in the field are indeed fuzzy. Therefore our question was to which degree of membership (truth) each definition belongs to the proposed original metaphor; and what does the degree of truth mean for the membership function. Our analysis of these terms included both academic and practitioner accounts (See Appendix 1, Part 3 for a detailed analysis of the procedure).

Metaphorical link selection. First of all, we used an established linguistic reference source, the Oxford Dictionary (1998), to give us the original meaning of our purposed metaphorical links within the metaphors (See Table 1 for highlights of metaphorical links). In order to prove that definitions are fuzzy, we used fuzzy sets to test the degree of membership of the definitions to the metaphorical link.

Definition selection. Secondly, in order to make our analysis relevant and parsimonious, we used established academic definitions as identified by a bibliometric analysis (Bakker, 2005) for each term; and we collected the first 5 practitioner definitions that we encountered for each metaphor as they appeared on official corporate websites of the Fortune 500 (2007) companies. In total we tested 28 definitions (See Table 1 for definitions). Both the academic and practitioner definitions had to explicitly state that they align themselves with one of the three suggested metaphors under study.

Proof of metaphor. Thirdly, we also considered that all business and society definitions employed in this analysis (see results and analysis section) coincided with how a metaphor can be identified in qualitative analysis:

> "a. A word or a phrase – strictly speaking, can be understood beyond the context of what is being said; and b. the literal meaning stems from an area of physical or cultural experience (source domain) c. which, however, is – in this context – transferred to a second, often abstract, area (target domain) (Schmitt, 2005:384)."

Fuzzy logic analysis. Finally, the evaluation of the degree of belonging to the set class was determined via a combined thematic and fuzzy analysis conducted by a panel of 5 experts in the Business and Society field (for a detailed description of the method applied see Appendix 1; see Appendix 2 for sample expert questionnaire). An increase in the degree of membership refers to a stronger tie to the meaning of the original metaphorical link.

The following section demonstrates how taking this metaphorical identification approach we confirmed the three purposed metaphors within the business and society literature and the result of the fuzzy definitional cluster analysis. The final section of our paper considers some the implications that our fuzzy logic analysis has for the business and society field and sensemaking.

2.1. Table 1:

Metaphorical link with Business and Society Definitions∗

	Corporate Social Responsibility	Corporate Citizenship	Corporate Sustainability
Metaphorical link definition (Oxford Dictionary, 1998)	"Responsibility is a **moral obligation** to behave correctly towards (**another actor**) or in **respect** of (**legal rules**)."	"Being a **citizen** entails having certain **rights**, **duties**, and **privileges**, (in distinction from a foreigner)."	"able to be **maintained** at a particular **level** without causing damage to the **environment** or depletion of the resource"
Academic definitions (Most cited academic definitions, Bakker, 2005)	"There is one and only one **social responsibility** of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the **rules of the game**, which is to say, engages in open and free competition without deception or fraud." *(Friedman, 1970)*	"As a political term **citizenship** means active commitment. It means **responsibility**. It means making a difference in one's **community**, one's society, and one's country" (Drucker, 1993, quoted in Andriof and McIntosh, 2001:14)	"To grow means 'to increase in size by the addition of material through assimilation or accretion'. To develop means 'to expand or realize the properties of; to bring gradually to a fuller, greater, or better state'. When something grows it gets bigger. When something develops it gets different. The earth **ecosystem** develops (evolves), but it does not grow. Is subsystem, the economy, must eventually stop growing, but can continue to develop. The term '**sustainable development**' therefore makes sense for the economy, but only if it is understood as 'development without **growth**'. *(Daly, H., 1993.:267-268)*
	"**CSR** is the firm's consideration of and response to, issues beyond the narrow economic, technical and legal **requirements of the firm**…(to) accomplish social benefits along with the traditional economic gains which the firm seeks." (*Davis, 1973: 312*)	"CC foundation swirls around the dual concepts associated with **citizenship** of **rights and responsibilities** (from Etzioni²), although promoters of the term tend to emphasize the responsibilities side. Today the term is used to connect business activity to **broader social accountability** and service for mutual benefit, and yet on the other hand it reinforces the view that a corporation is an entity with a status equivalent to a person…carries the threat of equating human rights to corporate rights" (Waddell, 2000:107)	"…in connecting economics to **ecology**, the sustainability model is preferable…and moral considerations should be given to the **system**… …industries ought to be modeled on **ecosystems**" (DesJardins, 1998:832, 834)
	"The idea of **social responsibilities** supposes that the corporation has not only economic and legal obligations but also certain **responsibilities to society** which extend beyond these obligations." (*McGuire, 1963:144*)	"as **a responsible** player in its local environments . . . [with an] [e]mphasis on voluntarism and charity, as well as on the organization's **rights and duties** in and for the **community**" (Logsdon and Wood, 2002:156)	"…a manager's degree of ecological embeddedness may affect his or her commitment to, and practice of, **sustainability**. We conceptualize **ecological** embeddedness as the degree to which a manager is rooted in the **land** – that is, the extent to which the manager is on the

"In my view, **CSR** involves the conduct of a business so that it is economically profitable, law abiding, ethical and socially supportive. To be socially responsible…then means that profitability and obedience to the law are foremost conditions to discussing the firm´s ethics and the **extent to which it supports it´s society** in which it exists with contributions of money, time, and talent. Thus, CSR is composed of four parts: economic, legal, ethical and voluntary or philanthropic." *(Carroll, 1983:604)*

"The fundamental idea of **CSR** is that business corporations **have an obligation** to work for social betterment." *(Frederick, 1986:131)*
"The basic idea of **corporate social responsibility** is that business and society are interwoven rather than distinct entities; therefore society has certain expectations for **appropriate business behavior** and outcomes" (Wood, *1991*)

"If corporations participate in governance in the respective frameworks then their **accountability** should be analogous to those other actors with whom they share in governance...pg 445...certainly at a **global** level, the example of CC is quite a good example of corporations finding themselves controlled by other corporations... While corporations therefore 'are' not citizens (in the sense of status) we contend that corporations could reasonably claim to a act 'as if' they were metaphorically citizens in that their **engagement in society** resembles that of citizens" (Moon et al. , 2005:445-446,448)

land and learns from the land in an experimental way." (Whiteman & Cooper, 2000:1267)
"Corporate Sustainability, and also CSR, - are voluntary by definition- demonstrating the inclusion of **social** and **environmental** concerns in business operations and in interactions with stakeholders. This a broad and some would say "vague" – definition of corporate sustainability…a differentiated set of CS definitions implies that there is nosuch thing as the features of corporate sustainability." (van Marrewijk & Were, 2003: 107, 108)

Practitioner definitions (First 5 definitions from companies Fortune 500 (2007) list)

…We define **corporate responsibility** as:
 * Consistently applying our core **values**, set out in The Chevron Way.
 * Maximizing the positive impact of our operations on current and future generations.
 * Integrating social, environmental and economic considerations into our core practices and decision making.
 * Engaging with and balancing the needs of our stakeholders.
Corporate responsibility is managed through our existing management systems, processes and policies. We review our corporate responsibility elements periodically to examine our progress and to identify emerging issues. We periodically review our corporate responsibility elements to examine our progress and to identify emerging issues..." *(Chevron, 2008)*

"The ExxonMobil 2006 **Corporate Citizenship** Report describes our efforts in a range of areas relating to the economic, environmental, and social performance of owned and operated operations. We produced this report in accordance with the reporting guidelines and indicators of the International Petroleum Industry Environmental Conservation Association (IPIECA) and the American Petroleum Institute (API) Oil and Gas Industry Guidance on Voluntary Sustainability Reporting (April 2005)….ExxonMobil applies a rigorous approach to corporate citizenship in all aspects of our business, **everywhere we operate** . Our corporate-wide management systems are designed to ensure that citizenship is directly integrated into our business practices and processes, so that expectations for citizenship performance are met in every part of our **global** operations. Operating ethically and responsibly is ingrained in our business culture and monitored,

"Our world is changing: **Declining natural systems, climate change and energy crises** affect us and threaten **future generations** . As a large international company, we know we must play our part to restore the life support systems of the earth. Fortunately, along with that responsibility comes an opportunity to promote restorative business practices across our entire industry. In 2004 we launched a company -wide, long-term initiative to unlock our potential. Leaders and executives from virtually every branch of our company formed entrepreneurial teams focusing on areas such as packaging, real estate, **energy**, raw materials, and electronics waste. These teams partnered with environmental consultants, non-profit organizations, and other groups who helped them examine our business practices through the lens of **restoration and sustainability**." (Wal-Mart, 2008)

"…ConocoPhillips is committed to setting the standard of excellence in everything we do. The company's purpose is using our pioneering spirit to **responsibly** deliver energy to the world. Our SPIRIT **values** are core principles of Safety, People, Integrity, Responsibility, Innovation and Teamwork. ConocoPhillips' purpose and **values** are essential building blocks in the continued success of the company and are an integral part of our search for greatness…" *(ConocoPhillips, 2008)*

enforced, and improved upon through our globally-deployed Standards of Business Conduct and Operations Integrity Management System (OIMS)." *(Exxon Mobil, 2008)*

"General Motors is committed to sound **corporate citizenship** in all aspects of our business. Above all, we know that maintaining a strong company will help ensure our continued commitment to the **communities** in which we live and work and to the social interests we have identified as important to our business and our stakeholders."*(General Motors, 2008)*

In May 2003, ICMM's CEO-led Council committed corporate members to implement and measure their performance against 10 Principles. The Principles are based upon the issues identified in the Mining, Minerals and **Sustainable Development** (MMSD) project - a two-year consultation process with stakeholders to identify the issues relating to **sustainable development** in the mining and minerals sector. These issues align almost completely with those identified in the Extractive Industries Revi ew chaired by Dr Emil Salim. In addition, ICMM undertook a "gap analysis" comparing current standards with relevant conventions and guidelines, for example, the Rio Declaration, the Global Reporting Initiative, OECD Guidelines on Multinational Enterprises, World Bank Operational Guidelines, OECD Convention on Combating Bribery, ILO Conventions 98, 169, 176, and the Voluntary Principles on Security and Human Rights. *(Alcoa, 2008)*

"…All of us at Ford consider **corporate responsibility** a key part of **who we are** as a business. Our legacy of caring will continue, because we all share the commitment of our founder. In the words of our executive chairman Bill Ford, "I want us to be the company that makes a difference in people's lives—one that inspires its employees, delights its customers, rewards its shareholders and makes the world a better place." makes a difference in people's lives—one that inspires its employees, delights its customers, rewards its shareholders and makes the world a better place…" *(Ford Motors, 2008)*

"At GE, we apply our spirit of innovation and dedication to integrity to address the difficult challenges that affect the **communities** and people who are touched by our business. This means we approach **citizenship** with the same discipline, strategy and accountabilities that drive any part of our business, to produce benefits that extend far beyond our bottom line.
…GE aspires to be a leader in corporate citizenship. To do so requires identifying the key areas of impact most relevant to our business. GE has identified four strategic areas that are aligned with our company's growth strategy — areas where we believe we can lead citizenship efforts…" *(General Electric, 2008)*

3M vigorously affirms our commitment to **sustainable development through environmental protection, social responsibility and economic progress**. 3M recognizes that the company's long-term success springs from adopting and implementing the principles of **sustainable development**: stewardship to the environment, contributions to society, and to the creation of economic value and worth. At the same time, we recognize that only by continuing to be a viable and successful enterprise can we continue to be a positive contributor to **sustainable development**. *(3M, 2008)*

"Since our founding nearly a century ago, the AIG Companies (Collectively "AIG") have focused on being a leader in **corporate social responsibility**. As a global financial services organization, we have committed our resources to developing products and services that address the needs of our clients as well as promote a corporate **culture** that **values** integrity, diversity, innovation and excellence*." (American International Group, 2008)*

P&G is committed to social **responsibility**. We are always seeking ways to better integrate economic progress, **social development** and environmental concerns to ensure a better quality of life for future generations. We demonstrate our commitment to social **responsibility** by providing products and services that improve consumers' lives, in terms of health, hygiene and convenience. On a smaller scale, we contribute to the economic and social well-being of our employees, our shareholders and the local communities in which we operate. On a larger scale, we are involved in regional, national and international development. P&G contributes to social **responsibility** both in principle and in action. *(Procter & Gamble, 2008)*

* In this table we have highlighted key linking terms.

"Citigroup has long been committed to making the **communities,** in which it operates better, and at the same time, setting standards for business practices and corporate **values** that exceed industry norms." *(Citigroup, 2008)*

The Home Depot is built on the principle of creating value for our stockholders while never forgetting our values. We seek to be profitable, responsible and balance the needs of our **communities**. Throughout our company, our associates are challenged with finding ways in which we can provide the best products for our customers provide the best possible work environment for our associates, have a positive impact on the communities in which we operate, and provide excellent returns for our stockholders. *(Home Depot, 2008)*

Sustainable development poses many challenges—but also presents many possibilities—for Caterpillar, our dealers and our customers. With our commitment to **sustainable development** in the areas in which we operate— energy, materials, mobility and development— Caterpillar is developing new solutions, profitably growing our businesses and helping to create a more **sustainable** world. *(Caterpillar, 2008)*

The need for truly **sustainable** options for 21st century life remains one of the most critical challenges facing the global community. As a science company, DuPont has the experience and expertise to put our science to work in ways that can design in – at the early stages of product development – attributes that help protect or enhance **human health, safety and the environment**. Through our science, we will design products and processes that pass rigorous criteria for the use of **renewable resources**, energy, water and materials. We believe this is a direct route to a successful, profitable business that adds value to our customers, their customers, consumers, and the planet. *(DuPont, 2008)*

RESULTS AND ANALYSIS

Corporate Social Responsibility: An Agency Metaphor. A bibliometric analysis by Bakker et al (2005) shows that the founding concept in the business and society field is corporate social responsibility (CSR). Our question is whether it is a metaphor? From its conception criticisms about the choice of the idea of "responsibility" exist, which have led to two opposing poles on responsibility: one rejects the analogy that an artificially constructed artifact of bricks and paper can be responsible and claims that only human agents are responsible (Friedman, 1970) and the other argues that the analogy is correct and that corporations themselves can have a "consciousness" like human agents do (Pollock & Maitland, 1965; Goodpaster & Matthews, 1982). In fact, Goodpaster and Matthews (1982) title their paper "Can a corporation have consciousness?" Responsibility for a non-human being only becomes possible when viewed through metaphorical lenses and is directly linked to an agency[5] metaphor applied to the organization which asserts that "A corporation is responsible." Therefore, taking the previous definition of metaphor provided by Schmitt (2005) we can assert that in fact the idea of responsibility has been abstracted from a source domain of human agency to the target domain of business organization.

Understanding this line of reasoning helps to predict that those who use the CSR metaphor to define the concept will claim that a firm being like an agent within society has a relationship of

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[5] While the moral corporate agent dilemma is not entirely resolved, its debate is beyond the scope of the paper as the actual term of corporate social responsibility is widely in use in both academic and corporate speech acts. Pollock and Maitland (1965) provide a detailed historical account of how corporations came to be regarded as analogues to human agents.

responsibility with society and that the firm would act upon this relationship according to its values. A brief literature and practitioner review (Table 1) of sample CSR definitions confirms this assertion. In Table 1, we have highlighted the use of the CSR and its metaphorical link of either "responsibility" or "obligation" or "values" statement. The question still remains of how the metaphor is interpreted and for this analysis we propose fuzzy logic, which will be discussed in the following section.

Corporate Citizenship: A Political Theory Metaphor. Another popular concept in the business and society is the idea of "corporate citizenship (CC)"(Bakker, 2005). The literature has already confirmed that it is a metaphor (Moon et al., 2005; Logson & Wood, 2002). In fact Moon et al. (2005) title their paper as "Can corporations be citizens?" This metaphor has contributed to our thinking about corporations in terms of the political concept of citizenship within the political system and thereby highlighting the role of power and conflicts of interests in organizations (Crozier, 1964). The Oxford Dictionary (1998) defines "being a citizen entails having certain rights, duties, and privileges (in distinction from a foreigner)". Using metaphorical analysis, the expectations of political citizenship (source domain) can be transferred to business organizations (target domain).

Following the metaphorical insight we link organizations to actors in a political system. A homomorphic mapping of the rights and duties of citizenship towards citizenship poses an opportunity as Logson and Wood claim that "this linguistic shift from (CSR) has a profound impact on our normative understanding of how business organizations should act towards their stakeholders" (2002:156). But, it is also at the same dangerous because it carries the possibility

of an inappropriate approach to citizenship by "substantially limits the scope of corporate activities that can be critically examined through the lens of citizenship." (Moon et al. 2005: 432) Like in the previous examples a brief practitioner and academic and literature review (see Table 1) confirms that the use of CC and its metaphorical link to a community is strongly present in both definitional accounts. However, all the definitions explicitly state the duties and commitment of responsibility towards a community of actors, and do not focus as much on citizenship rights. Moreover, from our sample of practitioner definitions we can deduce that they place a greater emphasis on a global community of citizens then their academic counterparts do.

Corporate Sustainability: An Ecosystems Metaphor. Finally we asked ourselves whether "Corporate Sustainability" (CS) is a metaphorical utterance. Sustainable means being "able to be maintained at a particular level without causing damage to the environment or depletion of a resource" (Oxford Dictionary, 1998). Using a metaphorical analysis we can deduce that corporate sustainability means that business organizations (target domain) are to maintain something at a certain rate or level (source domain).

Keeping in line with this type of reasoning we are guided to ask ourselves: What is the corporation supposed to maintain at a certain rate or level? A review of the relevant sustainability academic and practical definitions and their metaphorical links (see Table 1) clearly points to that corporations should view themselves as components of an ecosystem (Daly, 1993; DesJardins, 1998; van Marrewijk & Were, 2003) or be ecologically embedded within their environment (Whitemen & Cooper, 2000). In fact, The World Commission on Environment and

Development defines corporate sustainability as "Meets the needs of the present without compromising the ability of future generations to meet their own needs." (World Commission on Environment and Development, 1987). Hence tracing the metaphorical link, we are lead to a world view of ecological systems where corporations are responsible for "maintain at a certain rate or level" an ecosystem for future generations.

Fuzzy Logic Analysis of Fuzzy Business and Society Definitions. We performed a fuzzy logic analysis for the key definitional clusters around the three metaphors which comprised of both academic and practitioner definitions. Using a fuzzy set theory analysis (See Appendix 1 for the complete analysis for CSR (Appendix 1: CSR Section 3.I., CC Section 3.II. and CS Section 3.III.) we arrived at a value membership function for each of the three business and society metaphors. For the purpose of demonstration we would like to use the CSR metaphor and the results of Table 5 taken from Appendix 1.

2.2. Table 5 (Reproduced from Appendix 1)
Final Results for CSR metaphorical link analysis of fuzzy set theory degree of belonging (truth)
for academic and practitioner definitions

	Expert Evaluation: Value of Membership Function (percent)			
	Low	**Moderate**	**High**	**Mode**
Academic Definition				
Friedman, 1970	60	20	20	Low
Davis, 1973	20	80	_	Moderate
McGuire, 1963	_	60	40	Moderate
Carroll, 1983	20	40	40	Moderate/High
Frederick, 1986	_	60	40	Moderate
Wood, 1991	20	20	60	High
Practitioner Definition				
Chevron, 2008	100	_	_	Low
ConocoPhillips, 2008	100	_	_	Low
Ford Motors, 2008	100	_	_	Low
AIG, 2008	60	20	20	Low

There are three levels of analysis which provide answers to our conceptual questions. The first level addresses to which degree of membership of belonging a definition is linked to the overall metaphor. It is therefore related to the overall value of the membership function or the expert opinion of the degree of belonging of a definition to the root metaphor. Table 5 ("Mode" column) shows how there is a range of values for the membership function of the definition to the metaphoric link. This is fairly clear for the academic definitions range from "low" to "high" degrees of membership belonging; however, practitioner definitions appear all in a "low" value. These results strongly suggest that the definitions are fuzzy (See Appendix 1 for the complete analysis for CSR (Appendix 1: Section 3.I., CC Section 3.II. and CS Section 3.III.). In fact, all the definitions had a range of degree of belonging to their membership functions. As for example Friedman's (1970) definition overall value of membership function ranged from "low" to "medium" to "high". It is important to note that, in opposition to Boolean logic, the application of fuzzy logic allows for all the definitions to be part of the membership of one metaphorical

umbrella even though they may reflect different degrees of membership. The following to two levels of analysis address the second question of what a degree of truth means for each membership function.

This leads us to the second level of analysis, which is related to mode calculation. In fact, two definitions may have the same value of membership degree, but have different distributions of the expert evaluation categories. In Table 5, all CSR practitioner definitions have a "low" membership function value, but their distribution of their evaluation varies. For example, for Ford Motors (2008) all experts agree that its definition has a low membership value, on the other hand for AIG (2008) only 60% of the experts agree about a low value, and the rest 40% is equally distributed between "moderate" and "high". Therefore, there the degree of agreement around the value of a membership can vary.

Finally, the third level of analysis, is with regards to composition of one individual expert evaluation of an individual degree of membership for each key linguistic marker of a metaphorical link. Applying fuzzy logic rules (See Appendix 1 Tables 3 and 4) to the previous example of AIG (2008) the overall score of the majority experts was "low", but their breakdown is different as demonstrated in the Table 2 below. Although Variable 1 (V(1)=Moral) has the same value membership, the expert evaluations of the other two variables are distinct. In other words, fuzzy logic allows for agreement on the overall value membership function even though the experts may have different interpretations for each key linguistic marker. It is precisely here were the application of fuzzy logic allows for uniting different viewpoints into one value of membership function.

2.3. Table 2
Expert CSR Fuzzy Logic Analysis Table

Experts	CSR Definition Linguistic Markers (percent)			
	V(1)=Moral	**V(2)=Obligation**	**V(3)=Legal**	**Value of Membership**
Expert 1	Moderate	Low	Low	Low
Expert 2	Moderate	Moderate	Low	Low
Expert 3	Moderate	Low	Moderate	Low

Our analysis supports that CSR, CC and CS are metaphors with clusters of fuzzy definitions. The three levels of analysis allowed for a breakdown of the value of membership of the definition to key linguistic markers. Especially, the application of fuzzy logic employed in the third level suggested that experts have different interpretations of key linguistic markers even when the final value of membership of the metaphorical link is the same. Therefore, the interpretation of the metaphorical links is critical to understanding the meaning of the value of the membership function. In other words, fuzzy logic analysis uncovers the hidden differences within apparently similar definitions which employ the same metaphor. Therefore using fuzzy logic instead of crisp logic in linguistic analysis allows for acceptance of a wide range of business and society relationship interpretations.

DISCUSSION

A metaphor is bridging device (Van de Ven & Johnson, 2006) between cognition and cognation. Our examination of the theoretical literature around metaphor improved our scientific knowledge around how metaphors work by challenging the orthodox view of using crisp logic for understanding concepts and by proposing the formation of definitional clusters employing fuzzy logic around metaphorical links. We demonstrated this through a systematic analysis of three popular business and society metaphors: CSR, CC and CS. Now we will address the implications of our paper for the practice of social accountability by furthering our insights on how practitioners make sense and give meaning to their CSR processes. Finally we conclude that meaning is defined in practice.

Implications for Scientific Though: An Opportunity of Fuzzy Logic Methodology for the Business and Society field

As the name suggests fuzzy logic is a logic that underlies modes of reasoning which are appropriate rather than exact. Instead of the Aristotelian A or not-A, fuzzy logic is defined mathematically as including statements that are true to a certain degree between 0 and 1. Boolean logic, on the other hand considers everything either "true" or "false" and has the truth value 1 or 0 and is based on the law of bivalence. In other words, fuzzy logic is a superset of conventional (Boolean) logic that has been extended to handle the concept of partial-truth values between "completely true" and "completely false". Fuzzy logic employs "rules of thumb" or statements using subjective categories for making decisions where the complexity itself makes it too costly to specify the exact relationship among critical variables. Tiglioglu (2006:59) states that "even

though these statements do not have quantitative contents, the theory of fuzzy logic provides appropriate descriptions for these types of uncertainties". Hence fuzzy logic provides the business and society field with a method to approximate constructs whose composition and understanding is continuously changing. It supports different interpretations based on the degree of belonging of an original concept, thereby allowing for a multi-stakeholder dialogue and it opens the door for more options even when there are polar extremes for value membership affiliation.

Moreover, a fuzzy analysis (as was demonstrated by our fuzzy logic results) of the understanding behind key linguistic markers helps to pint-point where differences may lie even when there is an apparent agreement within the value of the membership function. Hence, conducting a fuzzy analysis would be an opportunity to identify differences in interpretation which on the surface appear in a similar category.

Moreover, fuzzy set theory as applied to qualitative analysis of metaphors provides an answer to the fog of definitions that exist around us, because it takes the position that "would not pit one engagement against another in duals to be labeled the 'right' research technique or the 'right' theory, but instead share how each research technique has power to partially explain phenomenon. Cumulatively more can be explained or understood. That which is left unexplained, or in a confused state, is an indicator of the need for more n-dimensions to be established." (Treadwell, 1995:96) Therefore, we can no longer follow the crisp binary logic rules of what the correct amount that constitutes 'right' is, and instead need to turn to fuzzy logic which implies degrees of membership of a given linguist marker for a given business and society

metaphor. The fact that a definitional overlap has been identified is relevant for the business ethics field as it furthers our understanding of business metaphors in the literature and in turn the role of metaphor in the practice of sensemaking. Cassirer stated that the metaphor is the "only symbolic expression can yield the possibility of prospect and retrospect" (1946b: 38-39). In other words, the use of metaphor inevitably leads to fuzzy definitions because they are containers for sensemaking and sensegiving in both past and present practice at the same time. In order to remain relevant in the past and in the future new radial fuzzy definitional meanings around a metaphorical link are added; whereby viewing the interpretation of the definitions through the metaphorical lenses allows for them to co-exist harmoniously within their individual contexts.

Weaknesses of Methodology Application and Further Research

There are some limitations to the methodology and its application for the purpose of this paper. First of all, in the context of our demonstrative study the sample size of the experts could be amplified to be representative of an international panel of experts. As well, it would be interesting to extend the scope of experts from academia to practitioners in order to see if there are differences between their understandings. In particular it would worthwhile to note the contextual, cultural and industry differences in the fuzzy analysis. Also, the number of practitioner and academic and root definitions could be amplified to allow for a clearer picture of the state of discord or accord within the field. As well as, the definitions on the practitioner side could be compared between and within industries and multinationals.

Secondly, a main limitation for the methodology in general is that it depends on the researcher who specifies the fuzzy categories. Therefore there is a need to come to a consensus of how to form different value categories.

Thirdly, the results of our study challenge the validity of business and society constructs by pointing out the lack of agreement about the definitional interpretation of key linguistic markers. Hence, a construct validity test would be a natural extension for further research in this field.

And finally, it would be interesting to interpret why and how, both practitioners and academics, construct and interpret their definitions in order to find the reasons for differences and similarities between them.

Implications of findings for practice: Advancing CSR practice through the sensemaking and sensegiving processes

Departing from the assumption that social accountability is a process of sensemaking, we revise the model of Basu and Palazzo (2008) for practice. The authors propose "CSR: Dimensions of the Sensemaking Process" (2008:125) as a tripod, composed of a cognitive dimension (what firms think), linguistic (what firms say) and conative (how firms tend to behave); whereby these three dimensions are positively correlated to the CSR character of the firm. The authors correctly point to the work of Albert, Ashforth and Dutton (2000) and Brickson (2007) that states "who we

are" or the common identity of the organization creates the basis for interacting with other identities and motivating behavior. This character is linguistically embedded in metaphors.

Conceptually, our analysis rejects the idea that the three dimension have a separate correlation effect on the CSR character of the firm. We do not postulate that the degree of belonging to a definitional account implies a correlation of higher involvement in the scope and scale of a practitioner on a social issue within the business and society field. We would like to highlight the dynamic interaction of the linguist dimension within the sensemaking process model (see Figure 2, The dyanamic process) between the cognitive and conative dimensions. In other words, where previously it was believed that practitioners would use definition to steer their practice; we suggest that practice, via the tension between the cognitive and conative dimensions within a dual time dimension (including both prospect and retrospect simultaneously), by means of the linguistic dimension (via metahorical links) uses fuzzy definitions around how a firm "defines" its identity and character. Therefore, we confirm Axleys (1984) notion "Perhaps this helps account for those incredulous questions that are often put to professors or consultants (or others) who try to explain that words do not mean, people mean, and the companion notion that meanings are not transferred by communication." After having done our fuzzy logic analysis on fuzzy definitions we would like to assert further that "actions mean".

```
                    Cognitive
                 (What firms think)


  prospect                           prospect
                    Character
                 (Who the firm is)


 Linguistic                          Conative
(What firms say)   retrospect    (How firms tend to be)
```
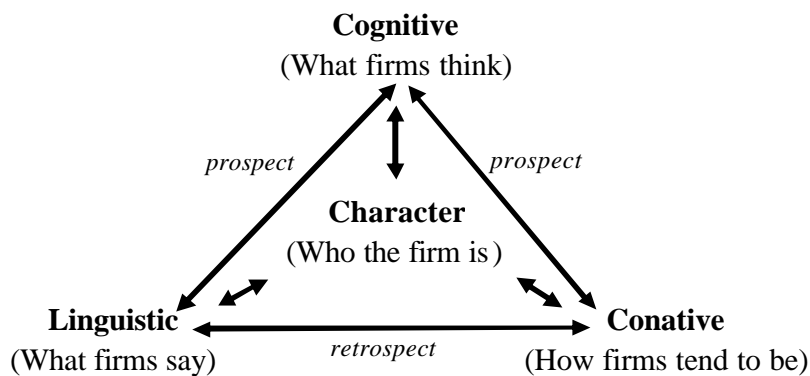
2.2. Figure 2. The Dynamic Sensemaking Process
Source: based on the schema of Basu and Palazzo (2008:125)

In a continuous interchange between sensemaking and sensegiving, there are no stable definitions, only a clear metaphorical link with a cluster of fuzzy definitions. These fuzzy definitions are the result of a dynamic cognitive process with allows both past and present actions to harmoniously coexist, under the same fuzzy definition at the same time. The reasoning behind the CSR character is not based on crisp logic but on fuzzy logic which allows for degrees of participation within a cognitive membership function. Practitioners assign relative terms in reference to external industry norms and practices and internal CSR policies to describe their corporate accountability. Actions serve as markers of how a concept was understood at a given point in time. Fuzzy logic allows for the reasoning of "improvement" on a CSR issue. From the example of the Ford Motor Company (2008) (see Table 1) which states that "All of us at Ford consider corporate responsibility a key part of who we are as a business." we can reasonably state that it aligns its character with the CSR metaphor and therefore the firm views itself as an agent with moral accountability for its actions to a social force. However, the scope and scale of the social issue engagement is not identified. The definition is intentionally fuzzy, as opposed to

vague, because it reflects the cognitive dimension of how the firm thinks by encompassing the past (retrospect) behavior of the firm and the future (prospect) intention of behavior. Finally, we can use the colloquial phrase "He is what he does." The meaning that a firm gives to its actions, as projected unto its character is defined in practice.

Definitional Tower of Babel?

Can a firm have a conscience? (Goodpaster, 1982) Can corporations be citizens? (Moon et al., 2005) Are organizations part of an ecosystem? These are questions that are raised by experts and by our metaphorical analysis. Each of the questions provides a descriptive prognosis and a normative diagnosis of how business can and should function within its environment. As we have demonstrated via a fuzzy analysis the CSR, CC and CS metaphors (source domains) frame business (target domain) by transferring their properties via a homomorphism process of linguistic sensemaking. The use of metaphor allows for an economic transfer of knowledge around the commonly understood property transfer, but at the same time this process entails a two-fold danger: one being inherent to metaphor which is the confusion of a literal translation (a corporation is an complex artificially constructed artifact and therefore *is* not a person, citizen and/or ecosystem component, but a metaphor alludes that it contains *like* properties) of the borrowed source domain being equaled to the target domain; the second danger lies within the homomorphism process itself between the speaker and hearer, in that both may have a different "common" knowledge of the metaphorical analogy employed depending from each individual context (persons can have different values towards responsibility, citizens act on their rights and

duties in a variety of ways, ecosystems homeostasis equilibrium is not clearly defined, and the like).

Therefore a metaphor is a useful tool that should be used with caution. The notion of corporate accountability exists regardless of whether academics and corporations attempt to assume metaphors based on human agency, political systems or ecosystems to highlight a specific aspect of responsibility. At this point is important to note what Oswick et al. (2002) called a critique of the epistemological use of metaphor solely for the purpose of knowledge dissemination versus that of new knowledge creation. We need to be careful about the metaphors we select and how they are interpreted because of their normative ramifications (Randels, Jr, 1998). They should not only serve as vehicles of transferring like properties from the source domain to the target domain in sensemaking, but they should also be used as means for generating new ways of thinking (Morgan, 1986) in sensegiving or generating new meaning beyond the existing similarity (Axley, 1984; Cornelission, 2005). In fact, creating new solutions to the many issues around the role of business in society can only come about through the acceptance and not alienation of controversial and innovative interpretations of the what Lakoff and Johnson (1980) called the "metaphors we live by", which is exactly the type of inclusionary thinking that fuzzy logic provides us the opportunity with.

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APPENDIX 1

BUSINESS AND SOCIETY DEFINITIONS FUZZY SET THEORY ANALYSIS

The following appendix is organized into two parts. Part 1 is a detailed account of the fuzzy set rules employed for a fuzzy logic analysis and Part 2 uses fuzzy logic analysis for three business and society metaphors and a sample of coinciding definitions. A summary of the findings and discussion of the final results for the definitions is found within the main body of the text. Part 2 of the appendix lists a detailed result for each of the business and society metaphor links. The qualifying linking results were derived by an international panel of experts (For sample expert questionnaire please refer to Appendix 2).

PART 1: FUZZY SET RULES FOR FUZZY LOGIC ANALYSIS

Below you will find the rules that apply for a fuzzy logic analysis of linguistic definition comprising of two or three variables. We proceed under the assumption that the each fuzzy set has a degree of membership (truth), as described in the paper under our analysis section and that it represents a linguistic function. Therefore we can reasonably follow the rules that have been applied by Dimitrov (1997) and we can create Table 3, 2 variable Fuzzy Logic analysis table and Table 4, 3 variable Fuzzy Logic Analysis table using the following logic:

a. IF two of the three linguistic variables "V(1)", "V(2)", "V (3)" including the membership value "X" are fuzzy classes, are simultaneously characterised by one and the same linguistic variable which is not equal to 'moderate', THEN "X" is described by:

IF both V(1) AND V(2) = 'low' OR 'high', THEN X = 'low' OR 'high', respectively

IF both V(1) AND V(3) = 'low' OR 'high', THEN X = 'low' OR 'high', respectively.

IF both V(2) AND V(3) = 'low' OR 'high', THEN X = 'low' OR 'high', respectively.

b. IF two of the three fuzzy classes V(1), V(2), V(3) are simultaneously characterised by one and the same linguistic variable which is equal to 'moderate', THEN X is described by the linguistic variable characterising the third class.

Example:

IF both V(1) AND V(2) = 'moderate' AND V(3) = 'high' OR 'low' OR 'moderate',

THEN X = 'high' OR 'low' OR 'moderate', respectively.

IF both V(1) AND V(3) = 'moderate' AND V(2) = 'low' OR 'high' OR 'moderate',

THEN X = 'low' OR 'high' OR 'moderate', respectively.

IF both V(2) AND V(3) = 'moderate' AND V(1) = 'high' OR 'low' OR 'moderate',

THEN X = 'high' OR 'low' OR 'moderate', respectively.

c. IF the three fuzzy classes V(1), V(2), V(3) are characterised by different (not coinciding) linguistic variables, THEN X is equal to 'moderate'.

Example:

IF V(1) = 'low' AND V(2) = 'moderate' AND V(3) = 'high', THEN X = 'moderate'

IF V(1) = 'high' AND V(2) = 'low' AND V(3) = 'moderate', THEN X = 'moderate'

IF V(1) = 'low' AND V(2) = 'high' AND V(3) = 'moderate', THEN X = 'moderate'

IF V(1) = 'moderate' AND V(2) = 'low' AND V(3) = 'high', THEN X = 'moderate'

IF V(1) = 'high' AND V(2) = 'moderate' AND V(3) = 'low', THEN X = 'moderate'

IF V(1) = 'moderate' AND V(2) = 'high' AND V(3) = 'low', THEN X = 'moderate'

These rules lead us to the creation of Table 3, and Table 4 for the analysis of a semantic link consisting of 2 or 3 linguistic variables respectively. The two tables are found below:

2.4. Table 3: 2 variable Fuzzy Logic analysis table

Linguistic Variables		Value of Membership (*AND* operator)	Value of Membership (*OR* operator)
V(1)	V(2)	X	X
Low	Low	Low	Low
High	High	High	High
Moderate	Moderate	Moderate	Moderate
Low	High	Low	High
High	Low	Low	High
Low	Moderate	Low	Moderate
Moderate	Low	Low	Moderate
Moderate	High	Moderate	High
High	Moderate	Moderate	High

Where, V(1) is linguistic variable 1 , V(2) is linguistic variable 2, "X" is the value membership result. The above table should be read as follow "IF both V(1) AND/OR V(2) = 'low', THE X = 'low' and so on." In this case, the fuzzy set rules follow the rules of set theory which denote that when the operator "AND" is employed between two sets you take the minimum degree between the two, whereas the operator "OR" is employed between two sets you take the maximum degree between the two variables.

2.5. Table 4: 3 variable Fuzzy Logic analysis table

Linguistic Variables			Value of Membership (*AND* operator)
V(1)	**V(2)**	**V(3)**	
Low	Low	Low	Low
High	High	High	High
Moderate	Moderate	Moderate	Moderate
Low	Low	Moderate	Low
Low	Low	High	Low
Moderate	Low	Low	Low
High	Low	Low	Low
Low	High	Low	Low
Low	Moderate	Low	Low
High	High	Low	High
High	High	Moderate	High
Low	High	High	High
Moderate	High	High	High
High	Low	High	High
High	Moderate	High	High
Moderate	Moderate	Low	Low
Moderate	Moderate	High	High
Low	Moderate	Moderate	Low
High	Moderate	Moderate	High
Moderate	Low	Moderate	Low
Moderate	High	Moderate	High
High	Moderate	Low	Moderate
High	Low	Moderate	Moderate
Low	Moderate	High	Moderate
Low	High	Moderate	Moderate
Moderate	Low	High	Moderate
Moderate	High	Low	Moderate

Where, V(1) is linguistic variable 1 , V(2) is linguistic variable 2, V(3) is linguistic variable 3,and "X" is the value of the membership function. The above table should be read as follow "IF both V(1) AND V(2) AND V(3) = 'low', THEN X = 'low' and so on."

PART 2: METHOD AND DATA COLLECTION

FUZZY LOGIC ANALYSIS OF BUSINESS AND SOCIETY DEFINITIONS

The fuzzy logic analysis for the business and society definitions consisted of three overarching steps:

First of all, we identified the original root, academic and practitioner definitions (for a complete list please refer to Table 1, Metaphorical link with Business and Society Definitions).

Secondly, following qualitative analysis rules (Miles and Huberman, 1994) two independent researchers coded the root definitions for key linguist markers (see Table 4). The Intercoder check (ICC) validity results where as follows: CSR, ICC=.86; for CC, ICC=.90, for CS, ICC=0.90. The researchers also identified implicit and explicit corresponding linguistic markers within the academic and practitioner definitions (See Table 1: Language Coding Definitions and illustrative examples).

Thirdly, a fuzzy logic analysis of the business and society definitions was conducted in two parts. The first was the completion of a questionnaire by a panel of 5 business and society academic experts at ESADE (See Appendix 2: Sample Questionnaire instructions) who

evaluated the degree of membership an academic or practitioner definition has in reference to the metaphorical link. The questionnaire employed the line method for the response category in order to avoid scale bias (Saris and Gallhofer, 2007). The expert panel also affirmed that the linguistic markers for all the definitions were within the low, medium and high categories. Subsequently, the mode, representing the greatest consensus between the expert evaluation was than taken for each variable and using the rules of fuzzy set theory outlined previously (Dimtrov, 1997) for linguistic analysis in the social sciences we identified the degree of belonging of each of the fuzzy business and society definitions to their original metaphorical link. This analysis for each of the three metaphorical definitions is provided in Table 5 below.

2.6. Table 5: Language coding definitions for "corporate social responsibility" (CSR), "corporate citizenship" (CC), "corporate sustainability" (CS) and illustrative examples

Definitional Variants*	Definition	Key Linguistic Markers	Illustrative example
High	The reference is explicit to the key linguistic words and employs the same word	CSR: moral, obligation, legal	For obligation: "... has not only econo mic and legal obligations but also certain responsibilities to society which extend beyond these obligations."
		CC: citizen, right duties	For duties: "… on voluntarism and charity, as well as on the organization's rights and duties in and for the community"
		CS: maintenance, resources, environment	For environment: "…by definition demonstrating the inclusion of social and environmental concerns in business operations …"
Moderate	The reference is implicit	CSR: moral, obligation, legal	For legal: "… engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages ..."
		CC: citizen, right duties	For citizen: "as a responsible player in its local environments…"
		CS: maintenance, resources, environment	For environment: "…a manager's degree of ecological embeddedness may affect his or her commitment to, and practice of, sustainability. We conceptualize ecological embeddedness as the degree to which a manager is rooted in the land – that is…"
Low	The reference is not clear and it is neither implicit nor explicit	CSR: moral, obligation, legal	For moral: "The fundamental idea of CSR is that business corporations have an obligation to work for social betterment."
		CC: citizen, right duties	For rights: "As a political term citizenship means active commitment. It means responsibility. It means making a difference in one's community, one's society, and one's country"
		CS: maintenance, resources, environment	For maintenance: "…in connecting economics to ecology, the sustainability model is preferable…and moral considerations should be given to the system …industries ought to be modeled on ecosystems"

*Intercoder check (ICC) validity results: CSR, ICC=.86; for CC, ICC=.90, for CS, ICC=0.90). The expert questionnaire panel confirmed the following explicit and implicit language markers: CSR=moderate-high, CC=high, CS=high.

PART 3: RESULTS

I. Fuzzy Set Theory Analysis for Corporate Social Responsibility Definitions

Applying the fuzzy logic rules set out in Part 1 of this appendix we can now proceed to analyze the relationship between the Oxford's definition (representing the metaphorical link). Below and the fuzzy academic and practitioner definitions that are found in Table 1 of the text as they apply to "Corporate Social Responsibility". Recalling the definition of the reference dictionary, our two coder research team identified that Responsibility (X) is composed of three 3 key root linguistic variables: Moral (V(1)), Obligation (V(3)) and Legal (V(3)). Legal is interpreted as the attitude that a subject has towards respecting the legal system. Applying the general fuzzy logic rules for metaphorical link of responsibility with these linguistic variables of we get:

IF V(1) AND V(2) AND V(3), THEN X.

where V(1), V(2), V(3), and X denote the following fuzzy classes:

V(1): Moral

V(2): Obligation

V(3): Legal

X: Responsibility

The results of the international panel of experts evaluation of the degree of belonging of each variable specification as (low, moderate, high) for each fuzzy set class, is provided in Table 6 below.

2.7. Table 6: Results for CSR metaphorical link analysis of fuzzy set theory degree of belonging (truth) for academic and practitioner definitions

	Expert Evaluation: Value of Membership Function (percent)			
	Low	Moderate	High	MODE
Academic Definition				
Friedman, 1970	60	20	20	Low
Davis, 1973	20	80	_	Moderate
McGuire, 1963	_	60	40	Moderate
Carroll, 1983	20	40	40	Moderate/High
Frederick, 1986	_	60	40	Moderate
Wood, 1991	20	20	60	High
Practitioner Definition				
Chevron, 2008	100	_	_	Low
ConocoPhillips, 2008	100	_	_	Low
Ford Motors, 2008	100	_	_	Low
AIG, 2008	60	40	_	Low

For a general discussion of the analysis of our finding please go to the section entitled Results and Analysis within the main body of this paper.

II. Fuzzy Set Theory Analysis for Corporate Citizenship Definitions

Applying the Fuzzy Logic rules set out in Part 1 of this Appendix we can now proceed to analyze the relationship between the Oxford's definition (representing the metaphorical link) and the fuzzy academic and practitioner definitions that are found in Table 1 of the text as they apply to "Corporate Citizenship". Recalling the definition of the reference dictionary, our two coder research team identified that Citizenship (X) is composed of three 3 key root linguistic variables: Citizen (V(1)), Rights (V(3)) and Duties (V(3)). Applying the general fuzzy logic rules for metaphorical link of responsibility with these linguistic variables of we get:

IF V(1) AND V(2) AND V(3), THEN X.

where V(1), V(2), V(3), and X denote the following fuzzy classes:

V(1): Citizen

V(2): Rights

V(3): Duties

X: Citizenship

The results of the international panel of experts evaluation of the degree of belonging of each variable specification as (low, moderate, high) for each fuzzy set class, is provided in Table 7 below.

2.8. Table 7: Results for CC metaphorical link analysis of fuzzy set theory degree of belonging (truth) for academic and practitioner definitions

	Expert Evaluation: Value of Membership Function (percent)			
	Low	**Moderate**	**High**	**MODE**
Academic Definition				
Drucker, 1993	25	50	25	Moderate
Waddell, 2000	40	20	40	Low/High
Logsdon&Wood, 2002	20		80	High
Moon et al., 2005	60	40	_	Low
Practitioner Definition				
Exxon Mobil, 2008	40	20	40	Low/High
General Motors, 2008	60	40		Low
General Electric, 2008	20	40	20	Moderate
CityGroup, 2008	40	20	40	Low/High
Home Depot, 2008	40	60	_	Moderate

For a general discussion of the analysis of our finding please go to the section entitled Results and Analysis within the main body of this paper.

III. Fuzzy Set Theory Analysis for Corporate Sustainability Definitions

Applying the Fuzzy Logic rules set out in Part 1 of this Appendix we can now proceed to analyze the relationship between the Oxford's definition (representing the metaphorical link) and the fuzzy academic and practitioner definitions that are found in Table 1 of the text as they apply to "Corporate Sustainability". Recalling the definition of the reference dictionary, our two coder research team identified that Sustainable (X) is composed of three 3 key root linguistic variables: maintain (V(1)), resources (V(2)), environment (V(3)). Applying the general fuzzy logic rules for metaphorical link of responsibility with these linguistic variables of we get:

IF V(1) AND V(2) AND V(3), THEN X.

where V(1), V(2), V(3), and X denote the following fuzzy classes:

V(1): maintain

V(2): resources

V(3): environment

X: Sustainability

The results of the international panel of experts evaluation of the degree of belonging of each variable specification as (low, moderate, high) for each fuzzy set class, is provided in Table 8 below.

2.9. Table 8: Results for CS metaphorical link analysis of fuzzy set theory degree of belonging (truth) for academic and practitioner definitions

	Expert Evaluation: Value of Membership Function (percent)			
	Low	**Moderate**	**High**	**MODE**
Academic Definition				
Daly, 1993	20		80	High
Des Jardins, 1998	20	40	40	Moderate/High
Whitemam &Cooper, 2000	20	60	20	Moderate
Van Marrewijk, 2003	60	40	_	Low
Practitioner Definition				
Wal-Mart, 2008	20	_	80	High
Alcoa,2008	20	80	_	Moderate
3M, 2008	40	60	_	Moderate
Caterpillar, 2008	60	40	_	Low
DuPont, 2008	20	_	80	High

For a general discussion of the analysis of our finding please go to the section entitled Results

and Analysis within the main body of this paper.

APPENDIX 2

BUSINESS AND SOCIETY DEFINITIONS SAMPLE DEFINITIONS QUESTIONNAIRE

Introduction

The degree of truth for each of the business and society definitions was determined by an international business and society expert panel. In order to qualify for expert status each candidate had to hold a doctorate, be working an internationally recognized university and have an academic publishing record on business and society issues. In total 5 experts received an 87 item questionnaire pertaining to 28 definitions and 3 confirmatory statements at the end of each definitional section. In order to avoid bias, they were blind to the reasons for the questionnaire. We also used the mode result of their evaluations, in order to avoid averages, when listing the final results for the degree truth employed (See appendix 1, Tables 6,7,8) for calculating the final results of the value of each respective membership functions. Below we have included the instructions for the questionnaire and a sample item for each business and society definition. (For the complete questionnaire please contact one of the authors of the papers.) The complete list of definitions is found with in the paper in Table 1.

Questionnaire Instruction Sample:

This questionnaire contains a total of 28 definitions and 3 confirmation statements. It should take about 45 minutes to complete this questionnaire. It consists of an expert qualitative analysis that evaluates the degree to which either a practitioner or academic definitions link back to a "root definition" meaning.

Step 1.
For each of the survey items below, please read the root definition and take note of the corresponding linguistic markers which are highlighted in bold.

Step 2.
For each of the survey items below please mark an "X" on the line provided to evaluate the degree to which you feel that the academic or practitioner definition corresponds with the "root definition" key linguistic marker. The line represents a progression of correspondence of meaning between the key linguistic marker in the root definition and the provided definition. The progression is from left to right and is from "low" to "moderate" to "high". The midpoint of the line has been marked and is the midpoint of the "moderate" category. Please follow the three qualitative analysis rules outlined below.

       Rule A: An <u>explicit</u> key linguistic marker is the use of the exact same word for both the root and the business and society definition. It should be awarded a "<u>high</u>" degree of correspondence. Please mark an "X" in the high category. Please note that for your convenience these words have already been marked in bold in the business and society definitions.

For example:

Survey Item	Definitions	Key Linguistic Markers	Degree of correspondence between the identified key linguistic marker in the root definition and the business and society definition
N1	**"…..moral….."**	moral	

       Rule B: An <u>implicit</u> key linguistic marker is the use of a synonym or a linguistic phrase that makes a small inductive leap to the meaning of the root linguistic marker from the business and society definition. It should be awarded a "<u>moderate</u>" degree of correspondence. Please mark an "X" in the moderate category; the closer your "X" is to the right of the line, the higher your evaluation of degree of correspondence and vice versa. Please note that for your convenience these words or phrases have already been marked in italic in the business and society definitions.

For example:

Survey Item	Definitions	Key Linguistic Markers	Degree of correspondence between the identified key linguistic marker in the root definition and the business and society definition
N1	*"…..ethical….."*	moral	

Rule C: Where there is a <u>neither</u> an explicit or implicit reference to the root linguistic marker in the business and society definition, it should be awarded a "<u>low</u>" degree of correspondence. Please mark an "X" in the low category.

For example:

Survey Item	Definitions	Key Linguistic Markers	Degree of correspondence between the identified key linguistic marker in the root definition and the business and society definition
N1	**"….**social benefits **….."**	moral	
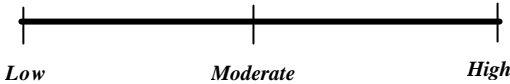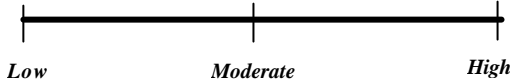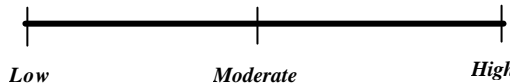
Step 3.
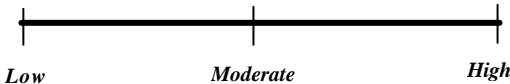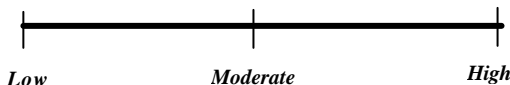
At the end of each section, we provide you with an opportunity to express how much you agree with the linguistic makers proposed by the authors. Therefore, for each of the academic and practitioners sections below please mark an "X" on the line provided to evaluate the degree to which you feel that the proposed key linguistic markers (bold and italic) are correctly aligned with the "root definition".

For example:

My overall degree of agreement with how the selected and proposed markers (bold and italic) correspond to the "root definition".		

SAMPLE QUESTIONNAIRE ITEMS

Survey Item	Definitions	Key Linguistic Markers	Degree of correspondence between the identified key linguistic marker in the root definition and the business and society definition
	Step 1.		
	Root Definition		
	Responsibility is a **moral obligation** to behave correctly towards (another actor) or in respect of (**legal** rules). (Oxford Dictionary, 1998)	moral obligation legal	
	Step 2.		
	Academic Definitions		
1.i.	"There is one and only one *social responsibility* of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the **rules of the**	moral	Low Moderate High
1. ii.	**game**, which is to say, engages in open and free competition without deception or *fraud.*" *(Friedman, 1970)*	obligation	Low Moderate High
1. iii.		legal	Low Moderate High

Survey Item	Definitions	Key Linguistic Markers	Degree of correspondence between the identified key linguistic marker in the root definition and the business and society definition
	Step 1.		
	Root Definition		
	"Being a **citizen** entails having certain **rights**, **duties**, and privileges, (in distinction from a foreigner)." (Oxford Dictionary, 1998)	citizen rights duties	
	Step 2.		
	Academic Definitions		
12.i.	"As a political term citizenship means *active commitment*. It means *responsibility*. It means making a difference in *one's community, one's society, and one's country*" *(Drucker,	citizen	Low Moderate High
12. ii.	*1993, quoted in Andriof and McIntosh, 2001:14)*	rights	Low Moderate High
12. iii.		duties	Low Moderate High

Survey Item	Definitions	Key Linguistic Markers	Degree of correspondence between the identified key linguistic marker in the root definition and the business and society definition
	Step 1.		
	Root Definition		
	"(of economic development or the utilization of natural **resources**) able to be **maintained** at a particular level without causing damage to the **environment** or depletion of the resource" (Oxford Dictionary, 1998)	maintenance resources environment	
	Step 2.		
	Academic Definitions		
22.i. 22. ii. 22. iii.	"To *grow* means 'to *increase in size* by the addition of material through assimilation or accretion'. To develop means 'to expand or realize the properties of; to bring gradually to a fuller, greater, or better state'. When something grows it gets bigger. When something develops it gets different. The *earth ecosystem* develops (evolves), but *it does not grow*. Is subsystem, the economy, must eventually *stop growing*, but can continue to develop. The term 'sustainable development' therefore makes sense for the economy, but only if it is understood as 'development without growth'. *(Daly, H., 1993.:267-268)*	maintenance resources environment	
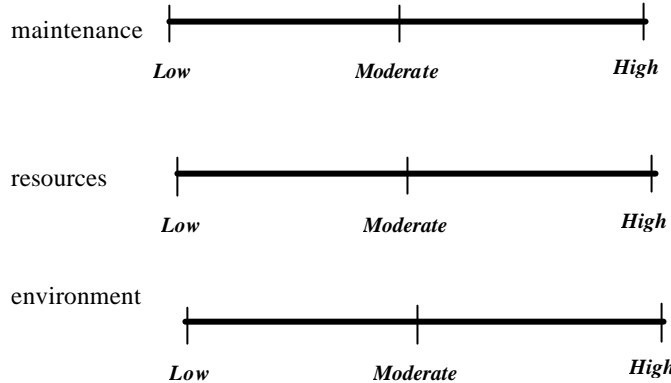
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Chapter 3

Article 2

A Four-Cell Typology of Key Social Issue Drivers and Barriers of SME Social Performance

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A Four-Cell Typology of Key Social Issue Drivers and Barriers of SME Social Performance

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Abstract

Purpose - Small and medium enterprises (SMEs) are often neglected in the context of business and society theory building. The purpose of this article is to build a model of why SMEs address social issues by integrating internal and external, drivers and barriers, to social performance (SP).

Design/method/approach – Using thematic analysis barriers and drivers to SME social performance are clustered along key stakeholders and presented in a theoretical model. The analysis dates from 1973 until 2006 and is grounded in an extensive literature review which represents a total of 83 countries. It includes academic and practitioner accounts stemming from theoretical and empirical work, as well as conference proceedings. A total 80 drivers and 96 barriers to SME high social performance are identified.

Findings – This paper develops a SME four-cell ideal type of social issues management (SIM) response typology based on drivers and barriers of social performance.

Practical Implications - The importance of understanding barriers and drivers to social responsibility (SR) of SIM for stakeholder theory, policy makers, and practitioners is discussed, concluding with implications for further SME-SR research.

Originality/value – The four-cell typology considers the theoretical claims of stakeholder theory within the context of SMEs and proposes a heteronomy of stakeholder salience.

Paper type – Conceptual paper

Key Words: Small and medium enterprises, social responsibility, stakeholder, social performance

Introduction

An enterprise and the ethical norms in which it operates are a socially constructed (Pinch & Bijker, 1987) within a normative context to have moral agency (Goodpaster,1982) and to be responsible to its stakeholders (Freeman, 1984) for it's triple bottom line (Elkington, 1998) beyond the law (EC, 2001). However, there appears to be gap between the social performance (SP) (1) (Swanson, 1999, Carroll 1979) of an enterprise and the expected results of the social responsibility (SR) theory embodied by the stakeholder model. Adherence to the normative expectations in social issues (SI) involvement and the practice of stakeholder engagement and corporate accountability of the triple bottom line varies in scope and scale of application between and within stakeholder issues of individual enterprises, where an SI is a stakeholder demand for enterprise accountability. In particular, several authors have commented on the need for further theory development and empirical work geared at social issues management (SIM) from a small and medium sized enterprises (SMEs) perspective because of a historical asymmetrical focus on large enterprises (LEs) (Jenkins, 2004a, Spence, 1999). We will address the gap between normative expectations and practice by probing into the internal and external, barriers and drivers, of SMEs for achieving a high SP.

This article builds a model of why SMEs address SI by integrating internal and external, drivers and barriers, of their SP into the stakeholder model. Next it develops a SME four-cell ideal type of SI response typology based on a proposed heteronomy of stakeholder

salience. Finally, the importance of understanding barriers and drivers to SR of SIM for stakeholder theory, policy makers, and practitioners is discussed, concluding with implications for further SME SR research.

Determinants and Effects of SME Social Issue Performance

Conventional SR theory development has been centered on large enterprises (LEs). The rational is based on easier access to LEs and the fact that ceteris paribus the power of an LE as an actor in the international system is substantial (Jenkins, 2004a). However, even though relatively SMEs are smaller power agents in a cumulative sense they represent anywhere from 97-99% of all enterprises and in some industry from 50% up to 80% of total employment (WBI, 2004, EC, 2002). SMEs differ from LEs because of their relative scale and scope of operations and organizational characteristics (Jenkins, 2004, Jenkins 1999). A SME definition from the World Bank Institute is an enterprise between 10 to 300 employees and total assets and annual sales ranging between US$ 100,000 to US $ 15 million (WBI, 2004). In Europe the definition of SMEs includes enterprises with less than 250 employees and with equal to or less than €50 million annual turnover, and €43 million on annual balance sheet.

The SMEs sector is protean in character; varying in size, experience, values, resources, stakeholder engagement in order to adapt themselves into their environments within the

different industries and cultural contexts in which they operate. In an organizational behavior context SMEs have relatively fewer resources than their larger counterparts and are more risk-adverse because of lesser market diversification (Jenkins, 2004, Spence, 1999). We also need to consider that form a stakeholder theory point of view many SMEs may have a smaller demanding portfolio of stakeholders.

The current state of SME SR literature is at an embryonic stage focusing on exploratory analysis and pointing out an LE context bias of SR theory (Jenkins, 2004). To date it has been limited to fragmented descriptive schematization of SMEs based on variable characteristics such as organizational size, sector or geographic position. **We propose that to further our understanding from the descriptive "what" of SME SR, we need to consider the prescriptive "why" of SME SR practices by making distinctions between SMEs and LEs based on meaningful categories of theoretical relationships of constructs taken from stakeholder theory.**

A broad definition of stakeholder is "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman 1984: 46). It can also be viewed in a narrow way as reverted to the language of the Stanford Research Institute (1963) defining stakeholders as those groups "on which the organization is dependent for its continued survival" (Windsor, 1992). The theory focuses on managerial decision-making according to 3 approaches: (a) descriptive which talks about whether stakeholder interests are being taken into account, the (b) instrumental approach is concerned about

the impact stakeholders may have in terms of corporate effectiveness and (c) the normative approach deals with reasons why corporations ought to consider stakeholder interests even in the absence of apparent benefit (Donaldson & Preston, 1995).

Furthermore, Mitchell, Agle and Wood (1997) have identified three classes of claims for stakeholder salience: (a) the stakeholder's power to influence the firm, (b) the legitimacy of the stakeholder's relationship with the firm, and (c) the urgency of the stakeholder's claim on the firm. Our paper focuses on describing how stakeholders are being taken into account and what instrumental impact they have on SME SP in terms of stakeholder salience by linking them to the barriers and drivers for SI engagement.

Departing from the assumption that SR practices can not simply be transferred from LEs to SMEs (Jenkins, 2004, WBI, 2004, UNIDO,2002, Spence, 1999) we need to explore what the drivers and barriers to SMEs stakeholder issue engagement are. The basic drivers of SR for LEs have been identified as values, strategy and public pressure, where companies are often driven to stakeholder issue engagement by one or a combination of them. (UNIDO, 2002, Zadek *et al.*,1997). Our discussion is derived from an analysis of existing SME SR conceptual and empirical literature (see Appendix 1). After analyzing the determinants of SP of SI we provide an ideal-type typology of SME SR engagement based on the most salient stakeholders: owner-managers and supply chain agents. We propose that SR drivers and barriers to stakeholder engagement are critical in order to move the theoretical discussion form exploratory analysis towards explanatory research.

Environmental Determinants of SME Social Performance on a Social Issue

An SME is a stakeholder in an interpenetrating system (Strand, 1983) of an international normative framework, a national legal framework and the industry competitive environment. It is from these external factors and the enterprises' own internal capabilities that it can assess its own market position with regards to SIM, whether or not these are derived from an implicit or explicit stakeholder engagement. In Figure 1: An Integrated Model of Key Drivers and Barriers on a Social Performance Issue, boxes represent bundled concepts, a broken line implies the system permeable membrane of individual stakeholders and the direction of influence is marked by the arrow head.

In essence, Figure 1 depicts that the perception of SR by an SME on a given social issue is determined through an interaction of different stakeholders in a normative international, national political framework, industry competitive environment and the SMEs SR issue market position. The figure further suggests that depending on the SR environmental determinants of the normative framework on a SI: two types of key drivers or barriers for SI practice and the salient stakeholders emerge. First of all the external SME market competitive positioning based on a SR issue and secondly the internal SME decision making autonomy of a SR issue. This is because there is a power hierarchy between stakeholders and a market taxonomy between social issues with regards to the competitive environment.

Figure 1 concludes that depending on the ideal type of SME social issue engagement the outcome or practice of SP will either be high or low and society will either benefit or bear the externality cost. For a particular act the final feedback loop is the reincorporation of the SME SP back to the environment. It is here that LE actions are often differentiated from SMEs as their particular individual acts have a larger scale of impact as for example the Enron scandal (IGE, 2002) which resulted in change in the international, national and industry SR environment. However, the millions of aggregate actions of SMEs are impacting their environment on a cumulative scale (EC, 2004).

Figure 1: An Integrated Model of Key Social Issue Drivers and Barriers of SME Social Performance.
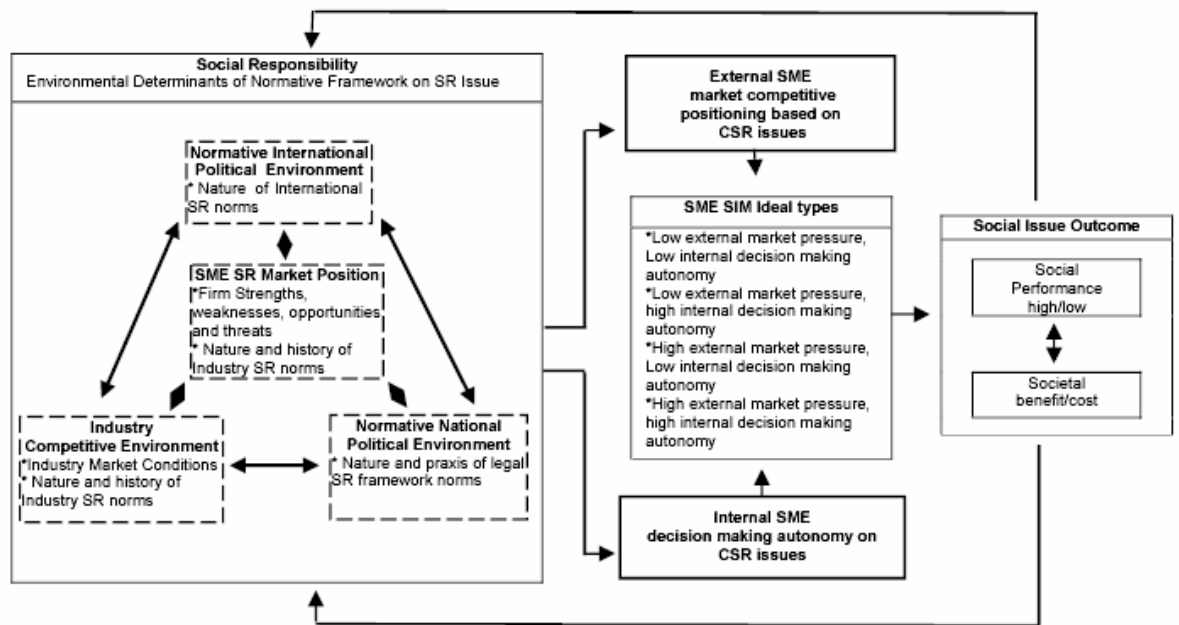
Irrelevant of the various views on social responsibility (SR), an implicit number of different social issues (SI) exist (Carroll, 1979). International, national, and local stakeholders determine the type, scale and scope of SI that may arise in any given market

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situation. Carroll's (1979) initial SI list has evolved and been incorporated into different international tools such as the Global Reporting Initiative (GRI, 2002) or the SA 8000 certifications (SAI, 2006). The national political environment is an important factor in setting the legislative framework of the nature and praxis of SR norms. The industry sets the normative tone of the code of conduct on a particular SI in terms of market conditions by its nature and history of SI praxis. Moreover, the SME whether explicitly or implicitly ascertains its own internal strengths, weaknesses to the external threats and opportunities for a given SI. The SI environmental framework for SR is an interpenetrating system of international, national and local, external and internal stakeholders, where the SME is a stakeholder in its own right.

Key Internal and External Drivers and Barriers for SME Social Performance on a Social Issue

From Figure 1 we see that the SME must make a choice on it's SR market position, which is determined by the barriers and drivers of SIM. Drivers are external and internal (agents, competences and pressures) to aid, compel, promote an SME with social issues identification, implementation and/or management. Barriers are external and internal (agents, competences and pressures) that hinder, resist, stop an SME from social issues identification, implementation and/or management.

Appendix 1: Barriers and Divers of SME Social Performance was created in a three-step process: To start, a list of all possible barriers and drivers for SMEs, as stated in the articles and in the context of the original work, was comprised. In a second step, clusters of text were created based on meaningful categories in which barriers and drivers to SP were subdivided into internal (ownership, employees, resources), and external(2) (customers, local community, competitive environment) stakeholders. The final step was summarizing the list into key words presented in Appendix 1.

The literature represented a total of 83 countries which included the following geographical areas: Africa (12 countries), East Asia and Pacific (13 countries), Europe and Central Asia (17 countries), Latin America and Caribbean (16 countries), Middle East and North Africa (5 countries), North America (2 countries), South Asia (5 countries) and Western Europe (15 countries). It included academic and practitioner accounts stemming from theoretical and empirical work, as well as conference proceedings for both academics and/or practitioners dating from 1973 until 2006. In total 80 drivers and 96 barriers to SME high SP were identified.

The limitations of the drivers and barrier chart are inherent to the research designs from which they are derived and it is questionable if the sample represented in the individual studies are representative of their populations. It must also be stated that all of the studies probably contain a positive bias towards SME-SR because both the academics and practitioners participating the issue are interested in improving SP. Hence, the non-

interested accounts are underrepresented. Even though there was a positive bias 17% more barriers than drivers where identified. Due to the previously mentioned limitations of the literature reviewed this article made a values-free list of all barriers and drivers.

Table I: Descriptive Statistics: Drivers and Barriers for SME Social Performance, shows that internal stakeholders contained 38% of the total drivers and 50% of the total barriers, external stakeholders comprised of 45% drivers and 38% barriers and that theory and practice were 18% driver and 13% barrier to SME SI engagement.

3.1. Table I: Descriptive Statistics of Appendix 1: Drivers and Barriers for SME Social Performance

			Drivers (n=80)		Barriers (n=96)	
			Number	Percent	Number	Percent
1. Internal Stakeholders Total			*30*	*38%*	*48*	*50%*
	1.1.Owner/governance Total		*11*	*14%*	*19*	*20%*
		1.1.1.Style	4	5%	4	4%
		1.1.2.Attitude	7	9%	15	16%
	1.2. Employees Total		*9*	*11%*	*6*	*6%*
	1.3. Resources/ management systems Total		*10*	*13%*	*23*	*24%*
		1.3.1.Resources	7	9%	7	7%
		1.3.2. Information & understanding	3	4%	12	13%
		1.3.3. Skills: planning & measurement	0	0%	4	4%
2. External Stakeholders Total			*36*	*45%*	*36*	*38%*
	2.1. Customers Total		*17*	*21%*	*4*	*4%*
		2.1.1.customers in general	10	13%	3	3%
		2.1.2. Supply chain	7	9%	1	1%
	2.2. Community Total		*13*	*16%*	*17*	*18%*
		2.2.1. community in general	9	11%	9	9%
		2.2.2. Public Infrastructure	4	5%	8	8%
	2.3. Competitive Environment Total		*6*	*8%*	*15*	*16%*
3. Theory & Practice Total			*14*	*18%*	*12*	*13%*
	3.1. Business Case Total		*14*	*18%*	*3*	*3%*
	3.2. Definitions Total		*0*	*0%*	*9*	*9%*
Total			80	100%	96	100%

We can conclude that the most cited driver is found on the attitude dimension of the internal stakeholder perspective for social issues engagement. The driver is "a reflection of owner/manager moral and ethical values" (7 citations). However the main barriers of the internal stakeholder dimension were on the resources dimension "lack of justification of allocation of limited money (9 citations) and limited time (8 citations).

From an external stakeholder perspective the most cited drivers of SR are customers "SMEs perceive the SR business case for improved image and reputation, and customer loyalty" (5 citations) and "the supply chain" externs some or strong pressure for SIM (4 citations), and "a strong link to the community" (6 citations). On the other hand the single most cited external stakeholder barrier is the supply chain cost-cutting top-down pressure from supply chain that uses SMEs as a loop-hole for social irresponsibility (4 citations).

After creating the clusters we encountered a paradox. It became apparent that SME owners/managers or external SR market conditions could either be a barrier or a driver. Variables such as size of company and location could not meaningfully explain why certain SMEs were performing high or low on SIM. In particular, owner values did not play an important barrier or driver in a macro-economic analysis, but they became critical in at the micro-economic level SI engagement. We propose that owner values that are inclined towards social responsibility are an antecedent and idiosyncratic component of what we will call the "Moral Leader" (Table II). On a macro level, we propose two

meaningful drivers/barriers for SIM based on the external competitive nature of the

industry and the internal decision making autonomy of the owner/manager. In Figure 2:

A decision-tree Approach for Determining Social Issues Drivers and Barriers in SME

Social Performance Ideal Types, circles depict the driver/barrier, the arrow head show the

direction of influence and boxes contain the outcome. In our model we assume that the

SME is a for-profit, legal enterprise governed by rational actors.

*3.2. Figure 2: A Decision-Tree Approach for Key Social Issue Drivers and Barriers of
SME Social Performance Ideal types*
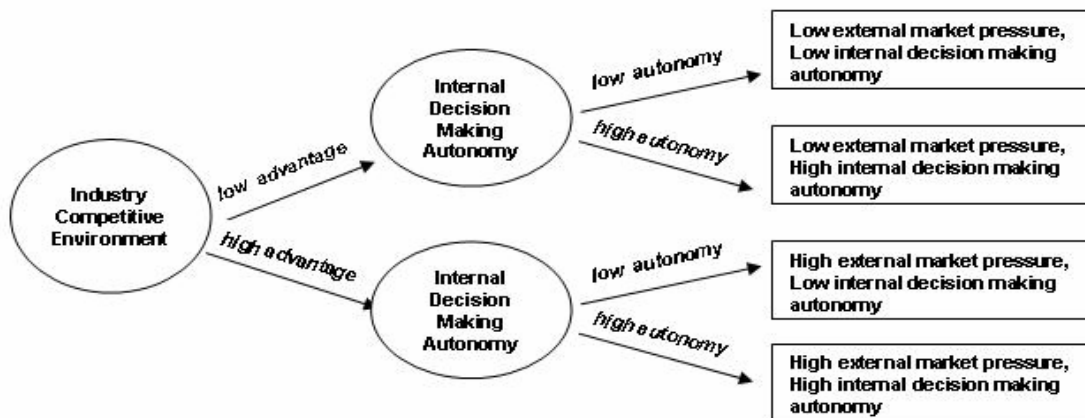
The sum of SR determinants (barriers/drivers) in Figure 1 can be placed into the category

of "Industry Competitive Environment". Figure 2 states that it can either give a high or

low advantage to the SME based on performance on a given SI. A high advantage is

clearly observed by niche markets where products differentiate themselves based on their

SP on a given SI. We can observe this phenomenon in different enterprises that use SI

sensitive customers as niche markets and promote their goods through social labels to

differentiate their products, such as for example Intermon Oxam products that are geared at the SR consumer.(Eco-Label Green Store, 2006, EC, 2006, Intermon Oxfam, 2006). The converse is also true, that in certain competitive environments certain SI bear a low advantage, such the commodity manufacturing industry in China (Economist Authors, 2006) that differentiates itself on low cost. We propose that SMEs make an implicit or explicit opportunities and threats analysis of SI engagement and act accordingly. SMEs will either actively seek out SI competitive advantage by the social labeling and differentiation of their products and services, or passively comply with the environmental norms of SR on a given SI. Our analysis confirms that SMEs are interested in and make their decisions (systematically or ad-hoc) based on the competitive environment of the SI in question.

Figure 2, also identifies a second key barrier/driver to SIM: the nature of internal decision making autonomy. Certain SME owner/managers had either high or low degree of autonomy in decision making from their external and internal stakeholders on a given SI. In the case of high autonomy SME owners/managers could either choose or not choose to engage on a SI. For example in the case of high autonomy in decision making SME owners/managers and high SI market attractiveness there was SR innovations. However, on the opposite end, supply chain stakeholders could exert definitive pressure towards high or low SP. Supply chain stakeholder could be even more salient than the SME and exert top down pressure to adopt "voluntary" SR standards or to cut cost regardless of SI.

Formation of SME Social Issues Management Ideal Types

In order to make sense of SME drivers and barriers paradox we propose Table II: A Four-Cell Typology of Social Issue Drivers and Barriers of SME Social Performance. A typology identifies multiple ideal types each of which represents a unique combination of organizational attributes that are believed to determine the relevant outcome(s) and it is a relevant method for management theory. (Doty and Glick, 1994) Although a typology poses a risk of simplification (Cowton, 2002), it is an important conceptual tool that allows for a parsimonious treatment of a multifaceted and unexplored issue.

Table II's vertical axis is the external divers/barriers of "Enterprise Market Competitive Advantage Based on SR Issue" and it's horizontal axis is the "Internal drivers/barriers of Decision-Making Autonomy on SR Issue". Depending on the intensity (high/low) and combination (external/internal) of these two key drivers/barriers an SME's will have a very different ideal type on its' SI identification and therefore SP. Each of the four categories will be discussed in turn below moving from top to bottom and left to right in Table II.

3.2. Table II: A Four-Cell Typology of Key Social Issue Drivers and Barriers of SME

Social Performance.

		Internal: Decision-Making Autonomy on SR Issue	
External: Enterprise Market Competitive Advantage Based on SR Issue	*high*	**Customer Depended** Social Issue Management: compliant Social Issue Champion: supply chain demand (active) Social Issue Performance: high	**Moral Leader** Social Issue Management: innovator Social Issue Champion: owner/manager (active) Social Issue Performance: high
	low	**Non-participant** Social Issue Management: follower Social Issue Champion: supply chain demand (active) Social Issue Performance: low	**Observer** Social Issue Management: adapter Social Issue Champion: owner/manager (passive) Social Issue Performance: low
		low	*High*

An external high market competitive advantage on a SI and low internal decision-making autonomy on SIM is what we termed the "Customer Depended" SME. In this scenario, the market competitive advantage is high which states that high SP is required by the SR environmental determinants. However, the SMEs internal decision-making autonomy towards SIM is low. In this scenario the SME is SIM compliant to the active social issue champion and it's SP on that SI will be high.

An external high market competitive advantage on a SI and high internal decision-making autonomy on SIM is what we termed the "Moral Leader" SME. In this scenario the market competitive advantage is high which states that a high SP is required by the SR environmental determinants. Since the SMEs sees that SIM is advantageous and it itself is the salient stakeholder it can decide on it's own SIM. The SME will try to gain a competitive advantage on it's SIM and will have an innovative approach to SIM and its SP on that SI will be high.

An external low market competitive advantage on a SI and low internal decision-making autonomy on SIM is what we termed the "Non-Participant" SME. In this scenario, the market competitive advantage for SP is low which states that SIM is not a required by the SR environmental determinants. The SMEs internal decision-making autonomy towards SIM is also low. The SME will be a SIM follower where the salient stakeholder will be active and the SP on that SI will be low.

An external low market competitive advantage on a SI and high internal decision-making autonomy on SIM is what we termed the "Observer" SME. In this scenario, the market competitive advantage for SP is low which states that high SIM not a required by the SR environmental determinants. The SMEs internal decision-making autonomy towards SIM is high, but the external environment does not provide the business case to act on SI. The SME observes it's environment and will adapt to SI when it sees a business case and it's SP will be low.

Conclusions and Implications for Further Research

The business and society field has made significant strides in stakeholder theory development by pointing out that engaging stakeholders is crucial to identifying and raising normative standards of SI. We have made a global review of SME literature on SP drivers and barriers and we build a model of why SMEs address SI by integrating internal and external, drivers and barriers, of their SP to the stakeholder model. This was followed by developing a SME four-cell ideal type of social issues response typology based on a proposed heteronomy of stakeholder salience. **A heteronomy of stakeholder salience proposes that social issues are addressed as a function of and in subordination to a hierarchy of stakeholders of which the SME itself is one.** Due to the relative power of different stakeholders, SMEs are not entirely autonomous actors solely addressing SI based on their own value schemes. Stakeholders create the normative expectations on SMEs for SI involvement, engagement in a SI depends on a multiple combination of barriers and drivers.

Our theoretical contribution to the stakeholder model is the idea of heteronomy of stakeholder salience. To date the stakeholder model has proposed that the enterprise has relative bargain power to determine the instrumental stakeholders. We have demonstrated with Figure 2 that in the case of SMEs the instrumental value of a stakeholder, such as a supply chain agent, can be greater than that of the SME itself. Figure 3: SME Stakeholder Instrumental Types divides SME stakeholder dialogue based on the autonomy of decision-making within the SME. The "Customer Depended" SMEs (SME1 to SMEn) shows that the SME is subordinate to the larger customer, and it will be instrumental in SIM by sheer market power. In the case of the "Autonomous" SME it will be able to select a SI because it is in a relatively equal relationship with its customers and environment. In this case the SME itself is the instrumental stakeholder (current stakeholder theory assumption). The two axi of Table II thus force us to think through the dominant questions that must be considered when faced with analyzing the SP of SMEs. Therefore, Table I helps to systematize the important issues to be taught and understood in an effort to clarify the SR of SMEs in the context of stakeholder theory.

3.3. Figure 3: SME Stakeholder Instrumental Types

| Customer Depended SMEs (CU represents customer) | Autonomous SME (CU represents customer) |
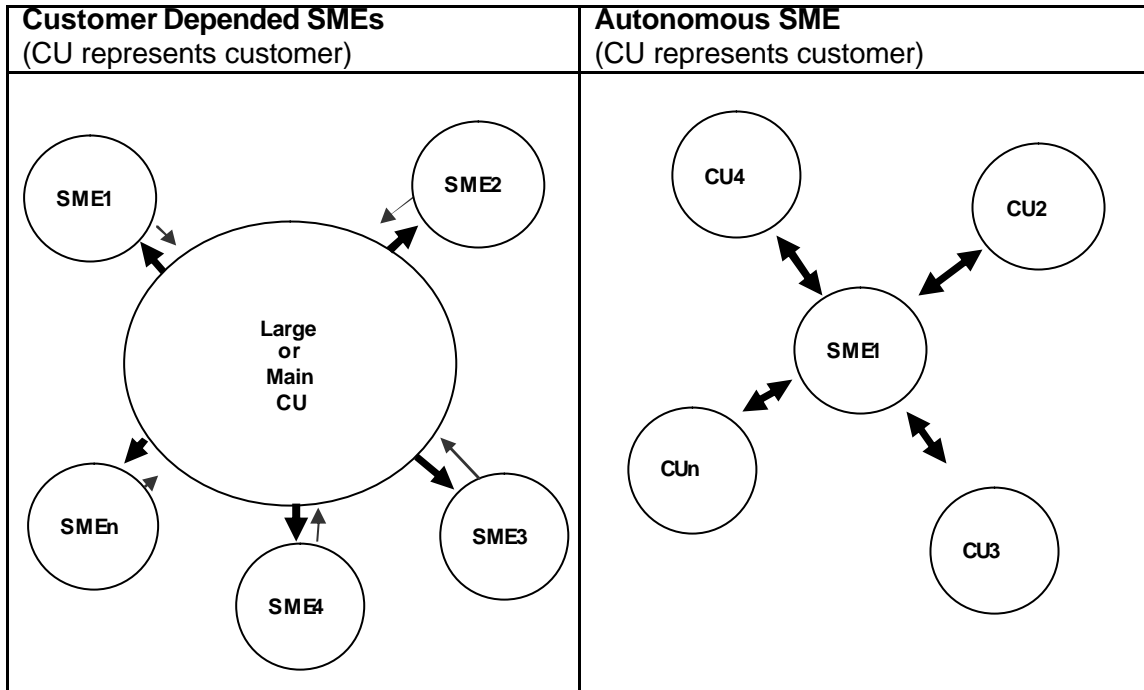
Understanding where an SME is positioned on the Four-Cell Typology of Social Issue Drivers and Barriers of SME Social Performance (Table II) and who holds the power according to Figure 5: SME Stakeholder Instrumental Types will be important for policy makers as they need to push SIM on a two tear level to reach all SMEs. First of all , SIM needs to be pushed down the vertical supply chain to reach the customer depended SMEs. Secondly, a strong business case is needed to convince the autonomous SMEs that it is within their competitive advantage to practice SR.

Furthermore from an SME practitioner perspective it is important that we move beyond the at times confusing definitions and classifications of SR and SMEs. Table I can serve as a tool for practitioners to help them systematically ascertain their own position within their particular heteronomy of stakeholder salience with reference to which SI they are faced with. This means that reflecting on the SR of an SME of a SI and linking it to the SP, is not separate and distinct from economic performance. Therefore, the table can also be used as a planning and diagnostic problem-solving tool. It points to the fact that in order for social issues to be engaged by SMEs they need to be integrated into the global strategy of the competitive context.

A high social performance of a SME requires that (1) the external barriers and drivers of the market competitive advantage based on SR issue be assessed, (2) internal drivers and barriers to the decision making autonomy on SR issue be weighted and (3) a realistic bounded SIM philosophy be chosen. This paper is an initial introduction to a meaningful SME differentiation on social issues engagement based on two key determinants of social issues performance. The conceptual ideal types of Figure 1 are intended to help clarify the barriers and drivers of an SME SP. It also presents the notions of SR and SP of a SI in a context of economic considerations and the heteronomy of stakeholder salience. The model can help managers conceptualize the key drivers/barriers to their own SP and to improve planning and diagnosis of their SI. The model is a modest step towards the refinement of stakeholder theory as applied to SMEs. In the future, research needs to empirically zero-in on the range and scope of each of the

four cells of Table II: A Four-Cell Typology of Social Issue Drivers and Barriers of SME

Social Performance.

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Endnotes:

(1) [For the purpose of our discussion of SME SP we refer to Carroll's Three-dimensional Conceptual Model of Corporate Social Performance, which brings together the social responsibility categories (economic, legal, ethical and discretionary), the philosophy of social responsiveness (Fredrick, 1978, Epstein, 1987) and stakeholder involvement on social issues (consumerism, environment, discrimination) to assess an enterprises' tangible performance (management system implementation, scope and scale of social issues addressed) on a given social issue (Carroll, 1979:503)]

Appendix 1: 3.3. Table III. Drivers and Barriers for SME Social Performance.

	Drivers	Barriers	Some Key References
internal stakeholders			
* owner/ governance	**governance/ management style** * holistic approach * autonomy * positive values * focused funding values * core business strategy **attitude** * "way of doing business across the whole enterprise" * religious based * long-tem view * entrepreneurial	**governance/ management style** * time constraint * inflexible * not transparent governance * no support **attitude** * not interested * not considered * not relevant * not motivated * short-term profit oriented * difficult to regulate * "chore" * risk averse * perceived financial risk * lifestyle company * difficult to implement	(Kusyk & Espanyo, 2006) (Bjoerkman, 2005) (Longo 2005) (EC,2004) (Jenkins, 2004) (WBI, 2004) (Longo, 2005) (EC,2004) (GEEF,2003) (Nutek, 2003) (EC,2002) (Jenkins & Hines, 2002) (Gaafland, 2002) (UNIDO,2002) (ICA, 2002) (Burns,2001) (Gibb, 2000) (Jenkins, 2001) (Tilley, 2000) (Curran, 1999) (Hillary, 1999) (Spence, 1999)
* employees	* personal relationships * motivational tool * cooperative * job satisfaction * recruiting tool * company culture improvement * stimulate learning and innovation * high-skilled labor	* not motivated * understaffed * nepotism * low-skilled labor	(Kusyk & Espanyo, 2006) (Bjoerkman, 2005) (Longo, 2005) (EC,2004) (Jenkins, 2004b) (UNIDO,2002) (GEEF,2003) (Burns,2001) (Jenkins, 2001)) (Head, 2000) (Greening & Turban, 2000)

* resources/ management systems	**resources** * manager owned * implementation flexibility * continuous improvement tool * SME size * SME age * cost savings and increased efficiency * improved productivity and quality * established business **information &understanding** * no measurement of benefit * involvement without labeling * understanding of Triple Bottom Line business case * past positive result	**resources** * SME fragmented identity * justification of additional resource (time & money) allocation * capacity * technology * survival strategy **skills: planning & measurement** * short-term projects oriented * measurement of intangible benefits * risk management * ad-hoc management style **information & understanding** * no SR * low awareness * inappropriate guidelines * unclear business case * no information * inappropriate CSR-SME support * mixed message * confusion between monetary and non-monetary initiatives * confusion between internal and external initiatives *fragmented approach * non-applicable indicators	(Bjoerkman, 2005) (ESCAP, 2005) (Longo, 2005) (EC, 2004) (Jenkins 2004a) (Jenkins, 2004b) (WBI, 2004) (Nutek, 2003) (EC, 2002) (UNIDO, 2002) (ICA, 2002) (Gibb, 2000) (Tilley, 2000) (Curran, 1999) (Hillary, 1999)
external stakeholders			
*customer	**general** * relationships with business partners and customers * partnership opportunities	**general** * cost-conscious customers * no customer demand * limited response to end-consumer pressure	(Bjoerkman, 2005) (ESCAP, 2005) (Longo 2005) (Singh,A *et al*., 2005) (EC,2004) (Jenkins, 2004b) (WBI,2004) (Nutek,

		* Southern SMEs lack direct relationships with Northern consumers	2003) (EC,2002) (ICA, 2002) (UNIDO,2002) (Gibb, 2000) (Hillary, 1999) (Davis, 1991)
	* network exposure * image and reputation * customer loyalty * social conscious customer demand * market alignment * market opportunity **supply chain** * top-down pressure from supply chain * top-down supply chain passes on knowledge * top-down capacity development help * LEs set example * LEs partner with SMEs in SR effort	**supply chain** * cost-cutting top-down pressure from supply chain	
*community	**community in general** * public relations * networking * facilitate codes of conduct * community embeddedness * international standards pressure * LEs indirect influence on public SR policy that affects SMEs directly **public infrastructure** * legislation * anticipation of future legislation * dependence on a stable social structure, a clean environment and the prosperity of the community * involved by local government	**community in general** * non-responsive to institutional pressure * inadequate communication channels * local focus creates resistance to international trends * missing equal commitment from all sides of an SR project * '"fortress enterprise", detached from local communities * volatile economic environment * lack of sector-specific guidance * lack of global industry wide standards **public infrastructure** * operate in informal sector * inadequate commercial legal structures * lack of tax incentives for SMEs * poor funding of support services	(BIC, 2006) (Bjoerkman, 2005) (Kusyk & Espanyo, 2006) (ESCAP, 2005) (Longo 2005) (EC,2004) (Jenkins, 2004b) (WBI,2004) (GEEF,2003) (Nutek, 2003) (EC,2002) (UNIDO,2002) (Burns,2001) (Dex & Scheibl, 2001) (Hillary, 1999) (Spence, 1999) (Curran & Blackburn,1994) (Rutherfoord *et al.*, 1997) (Goffee & Scase, 1985) (Carland *et al.*, 1984) (Schumacher, 1973)

		* profitable companies are discriminated against by funding drives * uneven distribution of support services across regions, issues and industries * lack of federal and local government support	
*competitive environment	* competitive advantage tool * industry characteristics have SR accelerators based on issues, structure and product * conducive nature of the in the value chain * faith in the SR business case * pressure from investment community	* cost-cutting based competition * illegal SME competition * difficulty to diversify risk * SR initiatives are driven by LEs and not applicable * irrelevance of agenda for SMEs * LEs top-down pressure for cost-cutting * LE top-down pressure to implement SR only towards first-level supplier * investor community * marketing difficulties * lack of consumer demand * perceived as protectionist larger agenda * culturally inappropriate * industry characteristics have SR resistors based on issues, structure and product * restrictive relationship between different parts in the value chain * driven by LEs and their concerns * SR standards undermine SMEs in developing countries	(Bjoerkman, 2005) (Longo,2005) (Jenkins, 2004b) (EC,2004) (WBI,2004) (Nutek, 2003) (EC,2002) (UNIDO,2002) (Burns,2001) (Gibb, 2000)
theory & practice			

* business case	* relationship building with community * relationship building with business partners/customers * partnership opportunities * improved image and reputation * market alignment * business opportunity * employee motivation * recruiting tool * employee job satisfaction * cost savings and increased efficiency * improved productivity and quality * risk management * company culture * learning and innovation	* lack of financial measures of business case * no business case benefit * excessive focus on business case	(Longo 2005) (EC,2004) (WBI, 2004) (Jenkins, 2004b) (Nutek, 2003) (EC,2002) (UNIDO,2002).
* definition		* theory aimed at LEs * SMEs are alienated * the term is too general for some SMEs * issues with LE theory drivers and barriers * lack alignment of SR on a global scale * unclear boundary between voluntary and mandatory standards	(EC,2004) (Jenkins, 2004a) (WBI,2004) (ICA, 2002) (UNIDO,2002)

Chapter 4

Article 3

A CSP Best Practice Case Safari: Using CSO Binoculars To Identify CSR

Status: Pre-journal submission

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Abstract:

Taking Carroll's corporate social responsibility (CSR) construct (1979), I ground how the economic, legal, ethical and philanthropic domains are linked to the principles of the corporate social performance (CSP) model (Swanson, 1995). Using an explanatory multi-method embedded multiple-case study design, which includes the use of the CSO instrument (Aupperle, 1982), I found that the CSR domains are hierarchical in their relationship with the economic domain as a basis. The scope of enterprise principles varies depending on their particular CSR domain influence and moral duty affiliation. In particular, the study calls attention to the discretionary domain as the differentiating factor between CSP best-practice and normal practice cases.

A CSP BEST PRACTICE CASE SAFARI:
USING CSO BINOCULARS TO IDENTIFY CSR

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How do best-practice corporate social performance (CSP) enterprises differ from normal companies? As the title suggests practitioners and researchers often go out on a best-practice case safari without the proper "equipment" and therefore end up empty-handed. This paper suggests that understanding corporate social orientation (CSO) can act as a set of binoculars to help identify these prized best-practice CSP enterprises in order to identify them and understand their motivating principles which guide their practices. Taking Carroll's corporate social responsibility (CSR) construct (1979), I ground how the economic, legal, ethical and philanthropic domains are linked to the principles of the corporate social performance (CSP) model (Swanson, 1995). Using an explanatory multi-method embedded multiple-case study design, which includes the use of the CSO instrument (Aupperle, 1982), I found that the CSR domains are hierarchical in their relationship with the economic domain as a basis. The enterprises' principles scale and scope vary between organizations depending on their particular CSR domain influence and moral duty affiliation. Furthermore, the study calls attention to the discretionary domain as the differentiating factor between CSP best-practice and normal practice cases.

Understanding the dynamics that make up the CSR construct is important because it is a common ancestor that espouses distinct literatures around social issues management (SIM) and social accountability. One line of research has attempted to develop various conceptual models for normative grounds (*what ought to be*) of the relationship between business and society (Carroll, 1979; Freeman, 1984; McMahon, 1986; Quazi & O'Brien, 2000) while another one has been more focused on the descriptive (*what is*) the current state of this relationship and it's influence on financial performance (Graafland, 2002; Griffin and Mahon, 1997; McGuire et al. 1988). A third line of research has been devoted to the character or the ethical behavior of individuals within the organization (Ciulla, 1994) or the organizational identity itself (Brickson, 2007).

CSR and CSP are two central organizing concepts in the social issues in management (SIM) field. Numerous debates have emerged regarding the precise meanings of these terms. To help clear up the confusion regarding terminology, Aupperle (1984) introduced the concept of corporate social orientation (CSO) to represent how one thinks about both CSR and CSP. In doing so, he represented an alternative means of conceptualizing CSR and CSP, asking key decision makers about their firm's social responsibility orientation.

In order to move towards an understanding of the CSR construct and its influence on praxis, this article will review corporate social orientation (CSO) as an instrument to identify the composition and relationship between of the different CSR domains as proposed by Carroll (1979), and ground CSO within the CSP model (Swanson, 1995) by postulating the relationship between CSR domains and management principles. Furthermore an empirical explanatory multi-

method embedded multiple-case study tests the propositions laid out by my theoretical analysis and explains how CSO affects SIM in the small and medium sized (SME) organizational context of a CSP proxy of one social issue, Occupational Health and Safety (OHS) in the cleaning services sector.

CORPORATE SOCIAL RESPONSIBLILTY AND SOCIAL ISSUES MANAGEMENT

Theoretical Evolution of the Corporate Social Performance Model

The practice of corporate social responsibility can be discussed within the context of the corporate social performance model (CSP) which is based on Carroll's (1979) work. Wartick and Cocharan's (1985) extend the model by including social issues management as part of performance.

Wood (1991a, 1991b), in her landmark articles on the development of the corporate social performance (CSP) model, detailed the evolution of scholarly thinking on the subject. She retraced developments from Sethi (1975) categories of CSP (defensive, reactive, responsive); to Preston and Post's (1975) concepts of public responsibility and interpenetrating systems; to Carroll's (1979) three-dimensional model of CSP encompassing CSR issues, philosophy of social responsiveness, and categories of social responsibility; and finally to Wartick and

Cochran's (1985) model encompassing principles of social responsibility to address social issues. Building on their work, Wood (1991a, 1991b) then proposed her own model entailing principles of CSR, process of corporate social responsiveness, and outcomes of corporate behavior. Carroll's categories of social responsibility constitute an important part of Wood's model. Wood uses these to classify both the principles of social responsibility and outcomes of corporate behavior.

Swanson's (1995) CSP model integrates an economic and duty-aligned perspective, while claiming that the operational processes are interrelated. She also reorients the model to address the trade-off and normative moral justification problem by stating why corporations should be socially responsible. She provides some enhanced clarity to the concept of CSP and proposes a refinement of Wood's model that, among other suggested changes, replaces Wood's principles of CSR (including Carroll's 1979 categories of social responsibilities) with more precisely differentiated microprinciples and macroprinciples of CSR as the institutional, organizational, and executive decision-making levels. Building on the work of Frederick (1995), these principles involve the appropriate enactment of values of economizing, ecologizing and power aggrandizing at the organizational level. Swanson correctly points out the interrelatedness of the four CSR categories as proposed by Carroll and that greater emphasis given to negative corporate duty (ie. avoidance of questionable business practices that harm others) rather than to positive duty (ie. willingness to respect the rights of stakeholders and treat them fairly).

Therefore, Carroll's categories provide a useful way to conceptualize CSR and to explore how contingent factors may influence how we think about the relative importance of these different

categories of CSR. A discussion of social issues management and the CSR construct evolution follows.

Social Issues Management

Irrelevant of the various views on CSR an implicit number of different social issues (SI) exist (Carroll, 1979) in any given business situation. This assumption also holds true that social issues exist regardless of their stakeholder origin. However, international, national, and local stakeholders determine the type, scale and scope of social issues that may arise in any given market situation (Kusyk & Lozano, 2007). Carroll's (1979) initial social issue list6 has evolved and been incorporated into different social audit tools such as the international framework of the Global Reporting Initiative (GRI, 2002) or for a specific issue like labor and human rights in the SA 8000 certifications (Social Accounting Initiative, 2006), that create the nature of international norms. The national political environment is an important factor in setting the legislative framework of the nature and praxis of CSR norms on social issues. The industry sets the normative tone of the code of conduct on a particular SI in terms of market conditions by its nature and history of social issue praxis. Moreover, the firm whether explicitly or implicitly ascertains its own internal strengths, weaknesses to the external threats and opportunities for a given social issue. In fact the social issues identification and management is embedded in an interpenetrating system of international, national and local external and internal stakeholders, where the firm is a stakeholder in its own right (Kusyk & Lozano, 2007).

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[6] The initial social issue list included consumerism, environment, discrimination, product safety, occupational health and safety and shareholders (Carroll , 1979).

Adherence to the normative expectations in social issues involvement and the practice of stakeholder engagement and corporate accountability of what has been popularized by Elkington (1998) as triple bottom line of corporate social performance on social issues varies in scope and scale of application between and within stakeholder issues of individual enterprises, where an social issue is a stakeholder demand for enterprise accountability.

CORPORATE SOCIAL RESPONSIBILITY CONSTRUCT: PROPOSITIONS AND THEORY DEVELOPMENT

The main definitional debate about corporate social responsibility (CSR) towards social issues falls around the extent of responsibility an enterprise has towards the different entities in society beyond the making of profit on a given social issue. There are those that argue that business is obligated to only maximize profits within the boundaries of the law and minimum ethical constraints (Friedman, 1970; Levitt 1958), and those who point to a broader range of responsibilities (McGuire, 1963; Carroll, 1979; Epstein, 1987, Elkington, 1998). Schwartz and Carroll (2003) reconcile the importance of bridging the economic and other responsibilities by pointing to Carroll's (1979) definition of CSR:

> "The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at given point in time."(Carroll, 1979:500)

In the academic literature, CSR has been identified as a critical dime nsion of the broader concept of CSP. Carroll (1979) provided one of the earliest and most encompassing models of CSP founded on CSR. The three primary dimensions of this CSP model included (1) social responsibility categories, (2) philosophies of social responsiveness, and (3) social issues involved. Though latter extensions and modifications by Wartick and Cochran (1985), Wood (1991) and Swanson (1995) the four CSR categories remain as pillars of motivation for executive and managerial decision making.

These four domains as stated by Carroll (1989:40) "address the entire spectrum of obligations business has to society" of CSR and are according to Wood and Jones (1996:45) widely employed for building foundations in theoretical work in the social issues in management (SIM) literature (Wartick and Cochran, 1985; Wood, 1991; Swanson 1995, 1999) and empirical research (Aupperle 1984, Aupperle, Carroll, & Hatfield, 1985; Burton & Hegarty, 1999; Clarkson, 1999; Ibrahim & Angelidids, 1993, 1994, 1995; O'Neil, Saunders & McCarthy, 1989; Pinkston & Carroll, 1996; Smith, Wokutch, Harrington, Dennis, 2001; Spencer & Butler 1987; Strong & Meyer, 1992). Due to the strong acceptance and wide range of impact of Carroll's CSR construct, it is appropriate to use it as an overall basis for CSR in the SIM field.

The categories which defined and embraced CSR, according to Carroll's (1979,1991) popular and validated classification scheme (Aupperle, Carroll, & Hatfield, 1985; Smith & Blackburn, 1988), organizations are obligated to (a) maximize profits (economic responsibilities), (b) obey the law (legal responsibilities), (c) act within the prevailing industry and society norms (ethical

responsibilities) and (d) use its discretion to promote society's welfare in various ways (discretionary responsibilities).

This CSR construct is unique in that it recognizes that to some degree, economic responsibilities were not totally at the sacrifice of any other type of social responsibility. Instead of a dichotomous economic or social orientation, there is an economic and social orientation (Pinkston & Carroll, 1996). Carroll (1979) proposed that although it is not a clear dichotomous decision between economic or social orientation, there was a clear pattern of priorities for the four components and the postulated weightings for the economic, legal, ethical and philanthropic –were - 4:3:2:1 respectively - which were confirmed to a certain degree by several empirical studies (Aupperle, 1982; Pinkston, 1991; Pinkston & Carroll, 1996). Carroll (1979, 1991) conceded that these categories are neither mutually exclusive nor are they meant to characterize social concerns on one end of the continuum and economic concerns on the other.

However, the construct has not been without debate, in particular some scholars have pointed to the fact that the discretionary responsibility is not a responsibility in itself but can be considered a supererogatory act on what Kantian might call "imperfect duty" (L'Etang, 1994). Also that on a theoretical level philanthropical activities that fall within the discretionary responsibility category activities can be utilitarian in nature and therefore are activities that can possibly be motivated by an ethical or economic motive. Following this logic, Schwartz and Carroll (2003) challenge the necessity of this fourth category and attempt to fold discretionary responsibility into the ethical category. However, the authors ignore a vast stream of empirical literature (see Appendix 1: Empirical research examining direct effects on the variable: corporate social

orientation) that over the past 30 years empirically confirms the existence of four originally with the four original CSR categories I will discuss them in turn and conclude with a theoretical propositions for each of them. Table 1, provides a quick visual reference of the ideal type CSR orientation portraits in Venn diagram format . It also includes definitions for the criteria for classifying an enterprise activity according to corporate social responsibility orientation, a summary of the theoretical propositions as discussed in the evolution of the CSR construct and moral duty classification. Table 1 also provides us with the hypothesis for social issues management aligned to theoretical proposition. My empirical study will use this model to test the proposition which claims to identify the highest CSP in SIM.

Economic responsibility

Carroll's category of economic responsibility is defined as to "perform in a manner consistent with maximizing earnings per share, being as profitable as possible, maintain a strong competitive position and high level of operating efficiency." (Carroll, 1991:40-42). Schwartz and Carroll (2003) point out that this definition is based on two related economic criteria (Poiras, 1994): the maximization of profits and/or the maximization of share value. Also, this CSR category may include discretionary activities such as philanthropic acts if they stem from an economic motive. Schwartz and Carroll (2003: 509) conclude that enterprise actions fall outside of the economic domain if "(i) they are not intended to maximize profit or (ii) they are engaged in without any real consideration of the possible economic consequences." It is also assumed that the bulk of enterprise activity is economic in nature.

If the majority of the enterprise activities that the enterprise engages in have a direct or indirect financial benefit, are illegal (criminally or civilly) or passively comply with the law the enterprise corporate social responsibility orientation is predominantly economic in nature. On many social issues the enterprise will not be aware of or will not act on responsibilities that are legal, ethical or discretionary in nature. The main aim of moral duty of the enterprise will be to avoid harm. If it is unethical it will even inflict harm through its actions and not comply with the minimum of negative moral duty. From this we can take the following proposition for SIM and CSP:

Proposition 1a: If an enterprise has a predominantly economic orientation many social issues will handled on a negative duty posture or depending on the legal specifications moral duty minimums will not be met.

Proposition 1b: If an enterprise has a predominantly economic orientation CSP in the social and environmental area will be low, and high in the economic issue categories.

Legal responsibility

Carroll defines legal responsibility as obeying the law (1979:500; 1993:33) and it is depicted as a reflection of society's codified ethics and the sense of fairness that is established by lawmakers. Schwartz and Carroll (2003:509) point to further developments that need to be considered in the legal responsibility category: (i) compliance which may be a passive, restrictive or opportunistic

in nature; (ii) avoidance of civil litigation; and (iii) anticipation of the law. The authors conclude that activities can be considered irresponsible acts if there is "(i) an awareness of non-compliance with the law, (ii) an awareness of actual or potential civil negligence or (iii) merely passive compliance with the law". (Schwartz and Carroll, 2003:511) Very few activities can be considered purely legal, because often they are also ethical motives involved. As well, many activities that are legally required also possess an economic incentive (Posner, 1986). In essence responsible legal conduct is going beyond the letter of the law towards the spirit of the law.

If the majority of the enterprise activities take place because of the legal system and not despite of it then the enterprise corporate social responsibility orientation is predominantly legal in nature. Depending on the legal environment in which it functions, the enterprise will not be aware of its responsibility for any moral duty or at best it will comply with negative moral duty. From this we can take the following proposition for SIM and CSP:

Proposition 2a: If an enterprise has a predominantly legal orientation many social issues will handled on a negative duty posture or depending on the legal specifications moral duty minimums will be met.

Proposition 2b: If an enterprise has a predominantly legal orientation CSP will be medium in the social, environmental and economic issue categories.

4.1. Table 1
Ideal Type Corporate Social Responsibility Orientation Portraits*

	Corporate Social Responsibility Orientation Ideal Types				
	Economic Orientation	*Legal Orientation*	*Ethical Orientation*	*Discretionary Orientation*	*Balanced Orientation*
Corporate Social Responsibility (CSR) Portraits Venn Diagram *(Carroll, 1979; Schwartz & Carroll, 2003*					
Moral Duty *(Frankena, 1973)*	**Negative Duty** *(Do not inflict harm.)*	*(Prevent harm.)*	*(Remove harm.)*	**Positive Duty** *(Promote Good.)*	*(mixed positive/ negative duty)*
Ideal Type Definition	The majority of the enterprise activities that it engages in must have a direct or indirect financial benefit and comply with the law. They can be considered amoral or unethical.	The majority of the enterprise activities that it engages in must take place because of the legal system and not despite of it.	The majority of the enterprise activities that it engages in are based on conventional ethical norms or on an ethical principle.	The majority of the enterprise activities are voluntary or positive moral duty initiatives for the promotion of good in society.	The majority of the enterprise activities that it engages in are simultaneously motivated by economic, legal, ethical and discretionary considerations.
Proposition for Social Issues Management (SIM)	*Proposition 1a: A predominantly economic orientation addresses social issues on a negative duty posture or depending on the legal specifications moral duty minimums will not be met.*	*Proposition 2a: A predominantly legal orientation addresses social issues on a negative duty posture or depending on the legal specifications moral duty minimums will be met.*	*Proposition 3a: A predominantly ethical orientation addresses social issues on a negative to positive duty posture depending on the conventional specifications of moral duty minimums.*	*Proposition 4a: A predominantly discretionary orientation addresses social issues on a positive duty posture.*	*Proposition 5a: A balanced orientation addresses social issues from a negative to positive duty posture or depending on the context.*
Proposition for Corporate Social Performance (CSP)	*Proposition 1b: A predominantly economic orientations' CSP in the social and environmental area will be low, and high in the economic issue categories.*	*Proposition 2b: A predominantly legal orientations' CSP will be medium in the social, environmental and economic issue categories.*	*Proposition 3b: A predominantly ethical orientations' CSP in the social, environmental, economic will be between medium to high depending on the social issue.*	*Proposition 4b: A predominantly discretionary orientations' CSP will be high in the social and environmental category, while in economic category it will be low.*	*Proposition 5b: A balanced orientations' CSP will be mostly high within in the social, environmental, economic categories.*

* This table builds on the works of Frankena (1973), Carroll (1979) and Schwartz and Carroll (2003).

Ethical Responsibility

Carroll's ethical responsibilities encompass any activities and practices that are expected or prohibited by society although not codified into the law. They superimpose the ethical principles of justice, rights, and utilitarianism "embody those standards, norms or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just or in keeping with the respect or protection of stakeholders' moral rights." (1991:41-42). Schwartz and Carroll (2003) discern between three different ethical standards:

The *conventional standard* is defined by Pojman (1995:31) as a moral philosophy called ethical relativism. In that sense it encompasses those standards or norms that have been accepted by the organization, the industry, the profession or society as proper for enterprise action. These standards vary depending on the reference point of the stakeholder that is being addressed and on the social issue being discussed. Schwartz and Carroll (2003:512) justly point out that "many objections and concerns have been raised by philosophers to the use of relativism in providing a moral justification to the actions of an individual or organization." They go on to cite Donaldson and Dunfee (1999:6-7) "minimum ethical standards" that from an ethical standpoint for a formal ethical standard that is only acceptable if it is in line with consequentialist or deontological motives. The also go on to reject that personal standards in organizations are not acceptable as they contain the danger of being too relativistic and arbitrary to be considered an ethical standard (De George 1986; Freeman and Gilbert 1988; Pojman 1995). However, it should be noted that in

the absence of formal codes of conduct, an exception should be made when the moral character of the decision maker is strongly ethical (Solomon, 1992).

The *consequentialist standard* or sometimes referred to as "teleological" focuses on the ends or consequences of an action. Schwartz and Carroll (2003) consider both sides of the standard of promoting the good of the individual (egoism) or the good of society (utilitarianism). In fact, they state that an enterprises' ethical responsibility is to "promote the good of persons" (Hoffman, Frederick, and Schwartz, 2001:26). Therefore as Velasquez (2002) states, responsibility of business is to promote the good of society by creating the greatest net benefit at the lowest net cost when compared with all other alternatives.

The *deontological standard* considers those activities that pertain to one's duty or obligation (De George 1999:80). Therefore, ethical responsibility in this sense would consider Carroll's principles referring to obligations of moral rights and justice. Rights are defined as an "entitlement to something" (De George 1986:79) and can be of a negative or positive nature (Feinberg 1973:59-61). Justice according to Velasquez (1992:90) can be distributive, compensatory or retributive. As well, the ethical category encompasses moral duty which ranges from negative duty of causing no harm to the positive duty of promoting good (Frankena, 1973). Schwartz and Carroll (2003:512) elaborate on some examples in the duty based literature which include: "religious doctrine (Herman, 1997; De George, 1999); Kant's categorical imperative (Kant 1988); Ross's prima facie obligations (Ross, 1930); or more specific core values such as trustworthiness (i.e. honesty, integrity, reliability, loyalty); responsibility (i.e. accountability);

caring (i.e. avoiding of unnecessary harm); and citizenship (ie. assist community, protect environment) (Josephson, 1997).

Therefore, activities are not considered as part of the ethical responsibility category if they (i) are amoral, (ii) unethical as is the case if they go against ethical principles, (iii) and egoistical in which they are not intended to produce a net benefit for the corporation and society (De George 1986: 45; Freeman and Gilbert 1988: 72).

If the majority of the enterprise activities are based on societies moral expectations, conventional ethical norms or on an ethical principle then the enterprise corporate social responsibility orientation is predominantly ethical in nature. Depending on the social issue the enterprise will seek to perform its moral duty requirements ranging from negative to positive moral duty. From this we can take the following proposition for SIM and CSP:

Proposition 3a: If an enterprise has a predominantly ethical orientation many social issues will handled on a negative to positive duty posture or depending on the conventional specifications of moral duty minimums.

Proposition 3b: If an enterprise has a predominantly ethical orientation CSP in the social, environmental, economic issue categories will be between medium to high depending on the social issue.

Discretionary responsibility

This responsibility is defined as acts that are "purely voluntary, and the decision to assume them is guided only by a business's desire to engage in social roles not mandated, not required by law, and not generally expected of business in an ethical sense" (Carroll 1979:500). As mentioned previously, the ethical domain may also include discretionary activities such as philanthropic acts or the helping of society if they stem from an ethical motive.

If the majority of the enterprise activities that the enterprise engages are based on voluntary positive moral duty initiatives or the promotion of good in society the enterprise corporate social responsibility orientation is predominantly discretionary in nature. On the majority social issues it will take a positive duty stance. From this we can take the following proposition for SIM and CSP:

Proposition 4a: If an enterprise has a predominantly discretionary orientation many social issues will handled on a positive duty posture.

Proposition 4b: If an enterprise has a predominantly discretionary orientation the CSP in the social and environmental issue category will be high, while in economic category it will be low.

A Balanced Responsibility Approach

The four categories of CSR are not hierarchical in nature, and some limitations, such as the purity of each of the four categories, can never be assessed as most managers act with mixed motives. This limitation can be overcome when conceptualizing the domains as overlapping Carroll and Schwartz (2003: 519). To this extend Clarkson (1995) points out that a serious shortcoming in the SIM literature is the difficulty to classify enterprise activities according their CSR motives. Another practical limitation pertains to management praxis of CSR is the inherently conflicting nature of making trade-offs between the three different categories and how they ought to be resolved (Derry and Green, 1989; Swanson, 1995) which is an important question that is beyond the scope of this paper.

However, we can theoretically postulate that a balanced orientation between the four ethical categories is plausible and desirable because of impure motivates or corporate social orientation overlap. In other words, the majority of the enterprise activities that the enterprise engages in can simultaneously be motivated by economic, legal, ethical, and discretionary considerations. A balanced responsibility category conforms to Carroll's "moral management" which denotes that profitability can only be achieved within the confines of the law and sensitivity to ethical standards (Schwartz and Carroll, 2003). It also address the question of Wood (1991c) "How can and do corporations contribute to the good of society?"

In this case, on the majority of social issues the enterprise will comply with a mixed responsibility category approach based on the continuum for negative or positive duty

requirements depending on the issue involved. From this we can take the following proposition for SIM and CSP:

Proposition 5a: If an enterprise has a balanced orientation social issues will handled from a negative to positive duty posture or depending on the context.

Proposition 5b: If an enterprise has balanced orientation the CSP in the social, environmental, economic will be mostly high within the three categories.

Building on these theoretical developments, I propose the following four ideal-type portraits of CSR domains as originally identified by Carroll and Schwartz (2003: 519) which can help conceptualize CSR enterprise activity on any given social issue, by integrating it with the concept of moral duty proposed by Frankena (1973). Table 1, provides a quick visual reference in Venn diagram format with definition for the criteria for classifying an enterprise activity, a summary of the theoretical propositions as discussed in the evolution of the CSR construct and moral duty classification. As I am interested in the implementation of the CSR construct in terms of best practice issue management I will focus my study in the balanced responsibility orientation category taken from Table 1. In particular, I will make a hypothesis based on the propositions 5a and 5b. However, before postulating the hypothesis and presenting the study, I will address the empirical developments around the corporate social orientation (CSO) instrument.

CORPORATE SOCIAL ORIENTATION: INSTRUMENT AND RESEARCH QUESTIONS

As stated previously, enterprises make trade-offs between their economic, legal and ethical responsibilities. By doing so, they position themselves on a particular social issue which in turn affects their social issues management and their corporate social performance. Aupperle (1984) developed an instrument based on Carroll's (1979) model to assess how executives viewed their firm's responsibility to society. Specifically, staying close to Carroll's original definition of CSR, his instrument assessed the relative emphasis key decision makers placed on economic, legal, ethical and discretionary responsibilities of their firm. Aupperle referred to it as Corporate Social Orientation (CSO).

Although Aupperle originally used CSO to study how executives view CSR in their own organizations, the concept has proven flexible enough that it can be applied to how other stakeholders view CSR as well. Several researchers have used Aupperle's instrument for an empirical investigation of determinants of the corporate social orientation. See Appendix 1 for empirical research examining direct effects on the variable: corporate social orientation, for a summary of the research by author, journal and findings. Also, a summary of the empirical findings in the CSO literature are graphically represented here in Figure 1. In this figure concepts are represented in boxes, arrows show the direction of influence, within the round brackets the direction of influence is indicated and within the square brackets the relative importance of the

weightings is enumerated. We will now focus our attention to the empirical developments of the CSO concept

Determinants of corporate social orientation. As Figure 1, there is strong empirical evidence to support that social context and personal demographics determine CSO (Ibrahim &Angelidis, 1993, 1995; Ibrahim, Angelildis, & Kuniansky, 1997; Smith & Blackburn, 1998). For social context, the insider or outsider stakeholder role within the organization is key to understanding orientation. Studies have found that inside board members are more ethically oriented than their outside counterparts. (Ibrahim & Angelidis (1991,1993,1995). Whereas, customers are more ethically oriented than the employees of the same organization (Smith & Blackburn,1988). Also, the professional background and working status determines CSO. Studies show that accounting students are more ethically orientated than their working counterparts (Ibrahim et al., 2006) and that health care professions are more ethically and discretionary oriented than non-health care professionals (Ibrahim et al., 2000). The social context of the country culture also plays an important role was found to an important determinant in research conducted by Ibrahim & Parsa (2005).

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4.1. Figure 1
Empirical Research For Determinants Of Corporate Social Orientation

Determinants

Stakeholder Social Context
- Role
- Background
- Country Culture
- Ethical Justifications

(+/-)

Stakeholder Demographics
- Gender
- Personality
- Religiousness
- Race

(+/-)

Corporate Social Orientation*

Economic [4] (-) Legal [3]

(-)   (-)

Discretionary [1]   Ethical [2]

Results

(+/-)

Corporate Financial Performance

Corporate Attractiveness
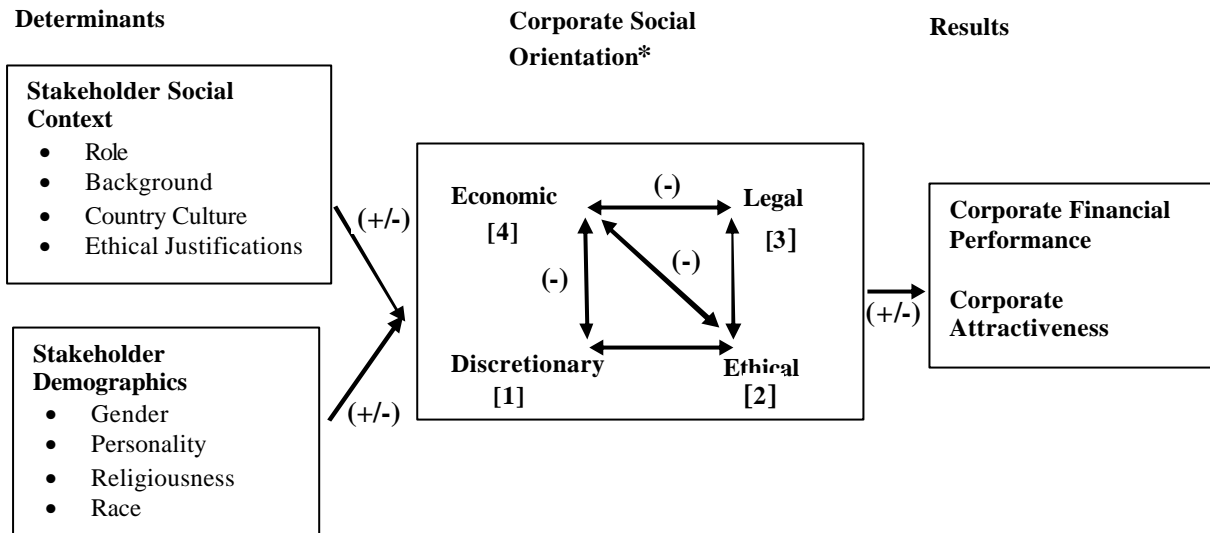
*Derive
from the Corporate Social Responsibility construct (Caroll, 1979)
( ) positive or negative relationship
[ ] relative weighting of importance

Several empirical studies reveal that personal demographics are also important factors in determining CSO. In particular, females are more ethically oriented than males (Ibrahim &Angelidis, 1991; Kraft & Singhapakdi , 1995, Burton, 1999). Burton (1999:188) also found that personality traits around Machiavellianism defined as "certain level of emotional detachment and view of persons as being manipulable" make people more economically oriented. As well, a significant relationship between the degree of religiousness and attitudes toward the economic and ethical components of CSR was found by Angelidis and Ibrahim (2004).

Weighting of corporate social responsibility components. Carroll's postulated weightings for the economic, legal, ethical and philanthropic (4:3:2:1 respectively) were confirmed to a reasonable

degree by Aupperle (1982). Pinkston (1991) conducted a six country multi-national study that affirmed the CSR category weightings were in fact close to the original weightings. Only an insignificant shift of emphasis was found towards the economic and legal rather than philanthropic and discretionary categories. Finally, the weightings of the CSR components between 1980's to 1990's have shifted to some extend on a greater emphasis on legal responsibilities and reduced attention to philanthropic responsibility (Pinkston & Carroll, 1996).

Results of corporate social orientation. Aupperle, Carroll and Hatfield (1985) found that an organizations CSO is neither beneficial nor harmful for financial performance of the firm. However, Smith et al. (2001) found that an ethically orientated enterprise is related to employee commitment and customer loyalty, which may have an indirect effect on financial performance.

Although Aupperle (1984) conceptualization of CSO is widely used, too few studies have been conducted examining the consequences of CSO (Edmonson & Carroll, 1999). As demonstrated in the literature review, previous studies of CSO have largely focused on determinants of CSO and to a limited degree on the appropriateness of the weightings of the corporate social responsibility components. Yet, mere listings of empirical results will shed little light on the importance of CSO within the social issues framework.

Research Questions

As with most new and still developing constructs, researches employing the CSO construct and instrument needs an integrated research model or framework to be able to truly appreciate how it can expand our understanding of its determinants, the relationship within and consequences thereof within CSR theory.

In my previous discussion I have demonstrated CSR as a construct that can be empirically investigated via CSO (see Table 1). From the previous discussion I can now turn our attention to the research questions for the qualitative study. As I am interested in the implementation of the CSR construct in terms of best practice issue management I will focus my study in the balanced responsibility orientation category taken from Table 1. In particular, I will make a hypothesis based on the propositions 5a and 5b.

In light of the literature review the study addresses a two-pronged question about the CSR construct domains first and then it proceeds to situate the construct orientation within Swanson's (1995) CSP model. Therefore, my first questions is: *What does the best-practice CSO CSR domain orientation look like?* (Or in other words, is the balanced approach leading to propositions 5a and 5b taken from Table 1 the best-practice CSP portrait?)

Secondly, considering that there are four domains within the CSR construct it is important to know whether they interact in a hierarchical or non- hierarchical manner with one another.

Therefore, the second research question is: *What is the relationship between the CSR domain types?*

And thirdly after considering the characteristics and composition of CSO the third research question considers: *How does the CSO affect SIM within the CSP (Swanson, 1995) model?*

METHOD

The previous discussion of the CSR construct highlighted its theoretical complexity and that is why I choose qualitative case method analysis for studying it (Yin, 2003). The design consisted of a multi-method embedded multiple-case studies that addressed my research questions. Also in order to have a rich understanding of the empirical context of normal versus best-practice issue management I conducted in-depth semi-structured interviews with the Director and Research Manager of the Spanish National Institute for Health and Safety (INSHT).

Only, after understanding the empirical context, I proceeded to study the composition of the CSO and the CSR domain interactions in 3 SME cases because a multi-case approach makes theory testing more robust than just using a single case study (Herriott & Firestone, 1983; Yin, 2003). In particular, in order to highlight the variance within the CSP performance, I departed from the tradition of only studying best-practice CSPs and their issue management. Analogous to

quantitative methods, I was particularly interested in the instances where the best-practice and normal CSP cases differed. Therefore the first case served the purpose to test CSO within a CSR best-practice CSP case and the second and third cases were used for replication logic. This process can be compared to a multi-experiment approach analogous to multiple experiments in order to confirm the findings from the first case study (Herson & Barlow, 1976; Yin, 2003). Hence, the second case was selected to predict similar results on the principle of literal replication of the best-practice CSP. Therefore case 1 and case 2 for the purpose of this discussion serve as one theoretical unit of best-practice CSP performance. The third case was employed for contrasting conditions for theoretical reasons or theoretical replication and had a normal CSP.

The following sections of the paper will now explain the procedures and research protocol before turning our attention to the results and general discussion of the findings.

Procedures

I conducted the study in 8 stages. First, I conducted extensive semi-structured interviews with the Spanish National Institute for Health and Safety. Second, I identified 3 potential small and medium sized (SME[7]) occupational health and safety (OHS) social issue best practice cases

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[7] A SME definition from the World Bank Institute is an enterprise between 10 to 300 employees and total assets and annual sales ranging between US$ 100,000 to US $ 15 million (WBI, 2004). In Europe the definition of SMEs includes enterprises with less than 250 employees and with equal to or less than €50 million annual turnover, and €43 million on annual balance sheet.

SMEs have a protean character, varying in size, experience, values, resources, stakeholder engagement in order to adapt themselves into their environments within the different industries and cultural contexts in which they operate. Even though agreeing to an exact number of employees and turnover is important for fiscal and accounting purposes, within the organizational behavior field, in the context of SIM the organizational characteristics are only relevant for our discussion if they actually affect stakeholder engagement and SIM. From an organizational

within the cleaning services industry and solicited their participation in the study. Third, I tested

the initial semi-structured interview questions with a manager within the case study. After

pretesting of the construct understanding, I asked the three case studies management team

members to fully participate in the survey and case study. Concurrently, I asked the case studies

managers to participate in semi-structured interviews and to identify representatives from the

employees to participate in semi-structured interviews. Fifthly, the managers filled out the survey

questionnaire. Then, a random sample of employees of the company work force was asked to fill

out the confirmatory survey. Next, published data from the company websites, prizes received

by third parties and media articles reflecting CSP were analyzed for observable outcomes.

Finally, the results of the three different methods (semi-structured interviews, observable

outcomes, and survey instrument results) were juxtaposed against each other to confirm and

elaborate the research findings.

Purposeful sampling. After an empirical research review (Kusyk and Lozano, 2007, Jenkins,

2004, Spence, 1999) the need for including the SME context in theory building provided the

empirical motivation for my sample selection. Besides being theoretically interesting for CSO,

SIM and CSP theory building the empirical research is also of high relevance for practitioners in

the Spanish context because in Spain 99% of total business are SMEs. Therefore, I purposefully

sought SMEs that were best-practice CSP cases. The cases fell within the guidelines of the

European Union SME defintion[2]: best-practice CSP case 1 had 201 employees, best-practice

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behavior point of view SMEs have relatively fewer resources than their larger counterparts and are more risk-adverse because of lesser market diversification (Jenkins, 2004, Spence, 1999).

CSP case 2 had 204 employees and the normal CSP case had 236 employees. All of the cases had an annual turnover of less than 5 million Euros.

Also the research took Swanson's (1995) challenge of addressing CSR activities in a specific sector and location-environment into account. Hence the sampling strategy employed for the case selection is theory based and demonstrates two cases of exceptional best-practice CSP results (case 1 and case 2) in corporate social performance along our selected social issue for literal replications and 1 typical or "normal" CSP case to highlight the average result and allow for theoretical replication (Miles & Huberman, 1994).

The Spanish National Institute for Health and Safety (INSHT) identified that the European Commission was highly interested in the cleaning services industry since no studies have been performed in this sector to date. In the Barcelona region there are 52 cleaning services providers, 1 of which is a multi-national and the rest are SMEs. Of the remaining 51 companies, 31 are only dedicated to cleaning services. The Spanish National Institute for Health and Safety (INSHT) participated in identifying two SME case studies for best-practice CSP on the OHS issues variable and who were generally known as best-practice cases in CSR within their community. Through word of mouth a final SME with normal CSP and who had no CSR reputation within the community was identified and contacted for testing the theoretical replication under different conditions.

Control Variables. Therefore, from the purposeful sampling strategy it follows that three control variables exist: company size (SMEs of similar size), sector (cleaning services) and location (Barcelona-Sabadell Region).

Units of Analysis. According to the CSP model (Swanson, 1995) and for the purpose of the embedded case design three main units of analysis have been studied: the management group, the employee group and the organizations CSP process as a whole. Each of these units will be discussed further below.

The study considered the two most important stakeholders[8] for SMEs according to research (Sweeney, 2007) in groups: management and employees. Group analysis versus a single leader was performed because Swanson (1995) points to earlier work by Lindbolm (1977) which states that people in organizations function on an "unprecedented scale". Organizational dynamics, in particular organizational outcomes are expressed in groups and not on logical rules of individual choice. One group was that of senior management and the second was the group of workers as whole.

The corporate social performance (CSP) process was the third unit of analysis. Value-laden research topics such as CSP are often associated with the problem of social-desirability (Randall

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[8] The definition of stakeholders ranges from the narrow view: "Stakeholders are those groups or individuals without whose support the organization would cease to exist" (Freeman, 1984:31, Windsor, 1992) to the broad view: "Stakeholder is an individual or group who can affect the achievement of an organization's objectives or who is affected by the achievement of an organization's objectives". (Freeman, 1984:31, Windsor, 1992). Choosing the narrow definition we focus on what the internal dynamics of what Freeman (1984) specifies as internal stakeholders.

and Fernandes, 1991). Therefore I replicated Dentchev's (2004) tactics to minimize this effect by using a proxy for internal CSP performance and data triangulation of internal data collection. Furthermore, two third parties, consisting of the expert bodies on SIM and CSR respectively, converged on the CSPs of my best-practice cases.

First of all, the CSR performance on a social issues management such as Health and Safety[9] (OHS) can be used as a proxy for overall CSP. OHS is a social issue that is in accordance with Burke and Logsdon's (1996) criteria for proxy appropriateness in particular because "…it reaches beyond legal compliance…is central and specific to the actions of a visible company…" Dentchev, 2004:401) The Spanish Labor Law (Spanish Occupational Health Law, 1995) outlines OHS conduct for large companies and address certain sectors, however, the cleaning services industry cases because of their size and business process type do not have a direct OHS policy. Therefore, we had semi-structured interviews about the opinion of both the two internal stakeholder groups with regards to the CSR-OHS performance within the cases. As well, the employee stakeholder group had to fill out a questionnaire on safety climate[10]. The climate

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[9] ***Occupational Health and Safety (OHS)*** is more than a proxy for CSP it has also been identified as a social issue of high relevance for internal stakeholders (Carroll, 1979), practitioners (European Commission, 2002, OSHA, 2000) and policy makers. Risk prevention is stated as one of the most important issues on the European Union's social responsibility agenda. The main reasons are found in the seriousness of the consequences when accidents at work occur: negative financial impact for the company, direct costs for stakeholders[9] such as insurance companies and governments, a poor internal and public image of the company which may extend to a whole sector, and most importantly the trauma for those involved. On the whole, fatal and serious accidents in the EU in 1999 cost amounted to a total loss of 500 million working days. Moreover, Spain ranks second for workrelated fatal injuries with 370 deaths in 2003 amounting to 110 deaths more than the EU member average. Most of the accidents occur in small and medium sized enterprises[9] (SMEs) (European Commission, 2002, OSHA, 2000). In the greater context of business and society, risk prevention is at the heart of a better quality of life. It appeals to a holistic approach that is geared at increasing the quality of work by improving the working environment based on building a culture of accident risk prevention. In fact, a healthy workplace can be considered a basic necessity and a moral duty minimum for employee well-being and that is why accident risk prevention minimums are legislated in Spain (Spanish Law, 1995) and is a paramount concern for the and social issue of choice for our study.

[10] ***Safety Climate*** is defined by Schneider as "incumbent's perceptions of the events, practices, and procedures and the kinds of behaviors that get rewarded, supported, and expected in a setting" (1990:384). He also proposed that different climates, such as customer service, quality and safety, function within a given organization and that they should be assessed according to the particular strategic focus. In particular, several researchers have affirmed that positive safety climates are a result of managerial commitment to and personal involvement in safety activities. These activities include provision of safety training programs, emphasis on safety issues within the organization and a counseling approach towards accident investigation which is oriented towards problem solving. (DeJoy, 1985; Zohar, 1980; Mitchell & Wood, 1980). Therefore, measuring safety climate is an appropriate indicator of the overall corporate social performance of the firm on the occupational health and safety social issue. We measured safety climate around the two factors consisting a) management commitment to safety in terms of management's safety attitudes and practices and b) workers' involvement in safety. These factors had been identified by extensively used safety

results confirmed that the best-practice cases had superior safety climate (case 1 at 74%, case 2 at 55%, case 3 at 33%). Moreover, the external stakeholder, Spanish National Institute for Health and Safety (INSHT), who is an expert of OHS and the national policy provided me with a general overview what CSR-OHS would look like.

Also since the study deals with SMEs I could not use an external CSP ranking such as the Fortune reputation survey (Griffin and Mahon, 1997). Therefore, I inquired for best-practice cases along the CSP proxy at the Spanish National Institute for Health and Safety (INSHT) who identified the two best-practice cases and I confirmed the high CSP performance with SME-best-practice database available at the Institute for Social Innovation (ESADE) whose area of CSR research involves the SME context. Therefore the two SME case studies for high corporate social performance on the OHS issues variable were generally known as best-practice cases in CSR within their community. Through word of mouth a final SME with normal corporate social performance and who had no CSR reputation within the community was identified and contacted. As stated previously the later case was for testing the theoretical replication under different CSP conditions.

Reliability. Qualitative analysis is concerned with whether the same results would be found by another researcher with the same data (Yin, 1994:34). The protocol section clearly elaborates all the data collection techniques. The data quality is intact and data collection, analysis, and display

climate survey (Dobebbeleer & Beland, 1991). The survey was originally proposed by Zohar (1980) and then tested and motified by Debdebbeleer and BeLand (1991; cf. Hofmann & Stetzer, 1996).

methods outlined by Miles and Huberman (1994) have been strictly adhered to. Furthermore intercoder agreement for the qualitative coding scheme is a strong 0.83.

Validity. Qualitative data analysis needs to consider constructive and external validity. (Yin, 1994). In order to ensure construct ive validity, or the correctness of the operational measures under study, the following measures have been taken:

i) Data collection sources were triangulated via interviews (interview results on the OHS proxy measure were also double checked with employees), observable out comes accessed via internal and external documents and confirmatory survey questionnaire (about both the CSR domains and OHS proxy measure). Appendix 3, Table 6 in particular displays the averages of the three data sources about the CSO construct. For the best-practice CSP case the three sources are within a 5% range, confirming a unified concept. On the other hand the normal practice case has about a 15% range between the different sources for the concept. These results point out that best-practice cases are more consistent about their approach to CSR than the normal cases.

ii) Concepts composing the causal network were verified by a management interviewee.

iii) The study interviewed 21 respondents (more than the recommended minimum of 18 respondents) in order to reach a reported saturation variance for a studied phenomena (Sandberg, 2000; Dentchev, 2004). In this study I already recognized repetitive answers after the 9th interview.

The external validity is subject to the method weakness of not having a sufficient number of cases to generalize to the SME universe as a whole. However, since the case analysis design and protocol meets with the strictest standards for reliability and constructive validity, the study can be used for the intended purpose of generalizing towards CSP theory.

Case Study Protocol

Spanish National Health and Safety Institute (INSHT) interviews. In order to have an external expert reference about the CSP proxy of OHS I conducted 16 hours or 960 minutes of semi-structured interviews, with the director of the Institute and the Research Director. The questions were with regards to the Occupational Health and Safety Law and adherence in Spain, industry norms and OHS CSP practice. The director of the institute strongly believes that:

> *"CSR is the only means of ensuring that*
>
> *OHS will be implemented in Spanish SMEs." (Director, INSHT)*

All the interviews were taped, transcribed and coded using ATLAS-ti software.

Case study semi-structured interviews. To obtain multiple perspectives on corporate social responsibility domains and their orientation, I conducted 4 in-depth semi-structured interviews with the senior managers or owners of the SMEs, from the entire senior leadership management

group and one mid-level manager, who served as a voice for the employees directly reporting to them. However to confirm their statements about CSP practice I also interviewed 2 workers (until the information that they provided was saturated. The total interviews averaged 7 per case or 21 interviews for the whole study. The interviews varied in duration, but all fell in the range of 120 minutes for each senior management interviewee and 60 minutes for mid-level management and workers. The total interview minutes per case averaged 730 minutes or a total of 2190 minutes or about 37 hours for all case studies.

The initial interview questions started out about demographic information and the industry in general. As the respondents relaxed the interview became semi-structured as the themes emerged. Questions during the interviews questions referring to the role of business in society and for their organization were asked. Also, within the time frame of the case study, interviews were designed with semi-structured questions in order to capture the beliefs about CSR and the CSR construct components. In order that the participants would give a spontaneous response they were not given any information about Carroll's (1979) categories in the first part of the interview.

In the second part of the interview, probing questions about the four different categories were asked. I kept a "24 hour rule" for first writing down individual notes and thoughts about each interview. Each interview was audio-taped and transcribed to keep a formal record. I kept a running record of interpretations, research insights and further questions. Observations, interpretations and insights contained in the field notes were also used to supplement the interviews and understand the emergent findings.

*A*rchival sources. In order to access observable outcomes in CSP I analyzed archival data in the form of the company internet pages, supplementary information provided by the management team, internal company documentation and external company presentations provided by senior management used as reference points for how the company understands itself and it's role in the society. The archival sources were particularly important to access and score the CSP and SIM of the OHS variable process and outcomes.

Analytical Approach to the interview data. As I collected the data, I also inductively analyzed it, adhering closely to the guidelines specified for naturalistic inquiry (Lincoln & Guba, 1985) and constant comparison techniques (Glaser and Strauss, 1976; Strauss & Corbin, 1990). Additionally, they provided the basis of delineating themes and aggregate dimensions through the examination and comparison of key constructs and events (Isabella, 1990).

In the initial rounds, I coded each interview separately on the basis of "in vivo" words, phrases, terms or labels offered by the informants; that is, I discerned first-order codes (Van Maanen, 1979). I then reread each interview several times, each time marking phrases and passages that were similar to and different from each other, to discern the similarities and differences between informants. I relied on constant comparison of multiple informants and over time to detect conceptual patterns (Glaser & Strauss, 1967). To systematize the data coding, I used a computer-based qualitative analysis program, Atlas-ti, that enabled me to record and cross-reference the codes that emerged from the data. After going through multiple interviews I began to discern codes across informants that were similar in their essence. I collapsed these codes into first-order

categories, employing language used the informants that expressed similar ideas. I continued coding interviews in this manner until I could not ascertain any more distinct conceptual patterns shared by the informants.

Along with developing first-order categories, I started to discern links among these categories. These emergent links enabled me to collapse first-order categories and cluster them into theoretically distinct groupings, or second-order themes. (Here I started to use reference to theoretically categories as identified by the CSP model). I then assembled the second-order themes into overarching dimensions that enabled me to finalize a theoretical framework that linked the various phenomena that had emerged from the data. My recording unit, or minimal form in which a category occurred, was a participant's implicit or explicit reference to one of the CSR domains. I independently extracted each argument (a discrete reason/justification for supporting an issue) from the personal statements/memos (the context unit). Then I counted and classified arguments as economic, legal, ethical, discretionary or other. Table 2: Language coding definitions and illustrative examples, below provides a sample of the overarching dimensions, second-order themes, first-order category language markers and illustrative examples.

Additionally, to ensure confidence in the assignment of codes to categories, I had a Ph.D student volunteer independently assess the coding scheme[11] for intercoder agreement (ICC=.83). Overall agreement was strong; in those instances in which there were disagreements, either between the

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[11] I kept with the research norms emergent in Nag, Corley and Gioia (2007), that attempt to ensure that there is a convergence on key aspects of coding schemes. In which a high agreement exhibits a high rigor of the analysis and ads confidence in to the plausibility of the interpretations. The approach used was consistent with the procedure set up by Stephenson (1953) which is called the modified Q-Sort approach and asks coders not involved in the research to assign several pages of quotes into 21 first-order categories, after being giving a brief definition of the codes. This is followed by an intercoder agreement calculation, which in my case was .83 which signifies a high level of agreement in the coding scheme.

coder or myself, formed the basis for discussion and modification for the coding scheme until consensus was achieved. This extra step provided an independent perspective on the trustworthiness (Lincoln & Guba, 1985) of the coding scheme and the emergent theoretical framework. Additional steps taken to help ensure the trustworthiness of our interpretations included explicitly distinguishing between first- and second-order data (Van Maanen, 1979) in frameworks and reports and conducting "member checks" with our informants to gain confidence that the interpretive scheme was sensible to, and affirmed by, those living the phenomena of interest

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4.2. Table 2
Sample Language Coding Definitions And Illustrative Examples*

CSR Domains	Second-Order Themes	First-order Category Language Markers	Illustrative Examples
Economic Responsibility	Explicit: Statements that more directly mention economic benefits for the focal organization.	sales, market share, profit, revenue, productivity	Doing this "will free up more time for the employees to work."
	Implicit: Statements that less directly mention economic arguments. The reader must make a leap (albeit usually a small one) between the concept and its benefit on the firm's economic performance.	reputation, branding, employee morale.	"A better reputation for the company will give me more power when I talk to the policy makers."
Legal Responsibility	Statements that directly emphasize the law or public policy and its requirements.	law, policy	"This is against the law."
Ethical Responsilility	Statements that directly emphasize social norms or industry practice	Social norms, industry practice, society expectations	"Everyone has the ISO standard to prove that they run a quality organization."
Discretionary Responsilility	Explicit: Statements that emphasize support for an issue, independent of its consequences , the law and/or social norms .	personal duty, responsibility, obligation	"I think we have social responsibility to help those immigrants."
	Implicit: Statements that less directly mention an ethical obligation but are that are laden with language about moral values or societal norms and expectations.	values, volunteering, philanthropy	"It is the right thing to do."
	Statements that indirectly or directly emphasize a volunteer involvement or donation to the community.		

Intercoder agreement on was an acceptable 0.83.

Questionnaire Administration

In order to ensure a high construct validity I used a questionnaire instrument to complement my case interview data and observable outcomes (Yin 2003:34). This study was conducted using a representative sample of internal stakeholders (senior managers and workers) from the three case studies. Of the respondents, 12 were in management positions and 37 were workers. The instrument was administered at the field work site. None of the respondents had taken a business ethics class. In fact most workers did not have a highschool degree.

The instrument for management tested the CSO and the employees had two parts comprising of CSO and the CSP proxy of OHS climate. The first part, only presented to the employees included the highly popular safety climate questionnaire developed by Zohar (1980) and later modified and by Dedobbeleer and BeLand (1991; cf. Hofmann & Stetzer, 1996, 1998) to confirm a high OHS performance which was serving as the CSP proxy. This scale consists of 9 items. (see Appendix 2, Confirmatory Questionnaire for question content).

The second part, presented to all 49 respondents, included the revised corporate social orientation survey by Aupperle (1984). The version of the survey used in this study includes 11 groups of 4 statements and is administered in a forced choice format to minimize social desirability of responses (See Appendix 2, Confirmatory Questionnaire for sample question content). Respondents were asked to allocate up to 10 points among four statements in each of

several sets of statements. Each of the four statements in a set represents a different underlying dimension of Carroll's four initial CSR components. The mean of each individual's scores on each of the four dimensions was calculated to arrive at a respondent's orientation towards the components. Likewise means of the individual means were calculated for management employee stakeholder groups, and the organizations as a whole. The psychometric properties of the questionnaire have been thoroughly examined and it has been tested for its content validity and reliability. Therefore the instrument is robust (Aupperle, Carroll, & Hatfield, 1985). As well as it is an instrument with negligent response bias (Burton & Hegarty, 1999) and this was assumed to hold true for this questionnaire and therefore was not directly measured again.

Ibrahim and Parsa's (2005) translation procedure was used for the translation of the questionnaire from English to Spanish, since the original questionnaire was written in English. It was translated by a bilingual researcher into Spanish, and translated back into English by another bilingual researcher who did not know the original version to double-check the translation.

Questionnaire Content Validity. Considering that cultural differences may be associated with the interpretation of meaning between the two languages a similar validation procedure for content validity of Aupperle, Carroll and Hatfield (1985) was followed. The translated statements where screened through a panel of 6 independent Spanish speaking CSR experts to ensure that the statements in each set actually represented Carroll's four components. The judges placed each of the statements into one of the four categories. Consensus for a given statement was considered to exist when at least five judges concurred. The order of the statements was

maintained from the original version of the questionnaire in order to be able to compare results for the analysis.

Questionnaire Reliability. Aupperle, Carroll and Hatfield (1985) have proven the questionnaire reliability by administering the questionnaire to 158 students with a Cronbach alphas calculation for each of the four domains of CSR: economic, .93; legal, .84; ethical, .84; and discretionary, .87.

Questionnaire Social Desirability. A respondent exhibits social desirability when he or she gives answers that seem to conform to current societal attitudes, even if the respondent does not truly hold that belief. Burton and Hegarty, (1999) traces the occurrence of social desirability in empirical social issues research and concludes that there is an observable association between the level of social desirability responding as measured by various measurements and higher levels of ethical behavior and perception. However, Burton and Hegarty (1999) confirms an earlier study of (Stevens 1984) of the minimal effect on social desirability on the Aupperle (1984) CSO instrument. The authors state that this may be because of the forced choice method, which softens the social desirability of the final answers even though it may not altogether eliminate it. This may be as Burton and Hegarty (1999:201) points out due to what Randall and Fernades (1991) call a personality trait, and it can be used for insight into the "norms of a particular population".

RESULTS

The results for the proposed research questions were compiled according to the analytical tactics recommended by Miles and Huberman (1984) which guided the data analysis and organization. Taking Swansons' (1995) CSP model as a theoretical blueprint, I coded each case within the boundaries of the theory, paying particular attention to instances of CSR domains and principles, followed by their outcomes. Initially the first theory case was analyzed variable-by-variable, as patterns and themes stared to emerge I switched to analytic induction logic, by using pair-wise comparison between variables (linked to constructs) in order to find their determinants. Secondly, the literal replication case served as a confirmation/negation of an observed pattern. Therefore, in may instances the research refers to the two best-practices cases as one theoretical unit. Thirdly, theoretical replication case served to highlight variances between the best-practice and normal CSP case findings.

Finally, the results are organized around the three research questions and are displayed in across-case analysis mode: First the best-practice CSR domain configuration is addressed, and then the hierarchical relationship between the domains is proposed, concluding with how the domains interact within the CSP model.

The discretionary CSR domain as indicator between best-practice and normal CSP

As the title suggests this research furthers our understanding of what a best-practice CSP case looks like. Therefore the first research question proposed was: *What does the best-practice CSO CSR domain orientation look like?* In other words, considering Table 1, can as according to propositions 5a and 5b it be confirmed that a best-practice case has all 4 CSR domains; and if true, does it have a "balanced" approach in the CSR orientation?

Since construct validity is critical for making claims around the CSR construct a research design based on data-triangulation from different sources of data (observable outcomes, thematic analysis, CSO questionnaire instrument) to ascertain the presence (and the extend thereof) of each responsibility domain was employed. Graph 1 represents the average findings (For a numerical breakdown of each data source please refer to Appendix 3, Table 6). All the results of the three data sources were converted into percentiles (where a 100% represents the total amount for each category) for across-and-within-case comparison purposes. The best-practice CSP case has the following overall CSO domain image in order of percentage: economic is 27%, legal and ethical are both 25% and discretionary is 24%. In contrast, the normal CSP case has the following overall CSO in order of percentage: economic is 43%, ethical is 32%, legal is 20% and discretionary is 6%. The radar graph depicts the average of case 1 and case 2 as one theoretical unit called "best-practice CSP case" (represented by continuous black line) and for comparison purposes the theoretical case 3 and its result is called "normal CSP case" (represented by broken black line).

From Graph 1, we can visually assess what a best-practice CSP case looks like. First of all, the best-practice and normal cases have somewhat similar legal and ethical orientations. However, looking at the variance within the results the picture starts look quite different. The best practice case differs significantly from the normal case in its discretionary and economic domains. The best-practice case has a balanced presence in all four domains; whereas, the normal CSP case has almost no discretionary domain depth. Moreover, along the economic domain the normal CSP case has a strong bias. These results suggest that a balanced presence of the discretionary CSO domain in relation to the other domains indicates a best-practice CSP case. Conversely, a near absence of the discretionary domain and a strong tendency towards the economic domain indicates a normal CSP case.

4.2. Graph 1
Radar Graph Of Average CSR Domain Orientations, By Theoretical Cases
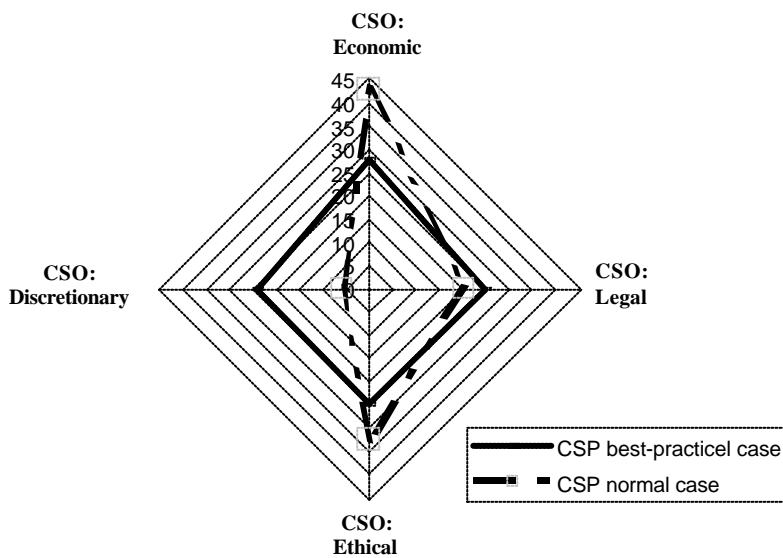
Therefore generalizing back to the initial revised theory presented by Schwartz and Carroll (2003) in Table 1 the propositions 5a and 5b are correct. A CSP best-practice case does seem to have a "balanced" CSR domain orientation. Although it must be noted that even for a best-practice case the discretionary domain has the smallest weight. From the results it can be postulated that even though all ideal types may exist in theory, in practice the "economic" domain predominates

Moreover, if we link the results of the CSO distribution to previous statistical empirical studies, it becomes evident that the "normal CSP" case studied here has the following weighting economic (4), ethical (3), legal (2) and discretionary (1); where previous findings in North America had found legal (3) and ethical (2). This finding may be culturally bound, as can be stipulated from the INSHT director interview:

> *"In Spain people do not really take the law seriously…take the Spanish Labor Law, we implemented it in 1995 and it has taken a good 10 years to start being taken into account and we still have a long way to go … the only way to motivate companies to act is to apply social pressure…"* (*Spanish National Health and Safety Institute (INSHT, Director)*

The economic domain as a hierarchical base for CSR domain relationships

Having considered what a CSP best-practice case looks like with respect to its domain dimensions we can now turn our attention towards the second thesis question: *What is the relationship between the CSR domain types?* This question addresses the relationship between the different domains of the CSR construct. In other words the study now turns to examine whether the domains have a hierarchical or non-hierarchical association.

Although the study used data source triangulation, in order to answer this complex question, the data on CSR issue management outcomes of the individual cases is consulted because it represents the actual result of an orientation as it is enacted taking a principle as whole unit. Table 3, displays the degree of outcomes along the CSR domains (rows) and CSR principles (columns) dimensions (Please refer to Appendix 3, Table 7 for a detailed outcome portrait). The principles in this table translate into, reading from left two right, an increase in the involvement of a case along the CSR issue or CSP proxy. Therefore each domain can depending on the engagement of negative to positive duty have outcomes representing the institutional, organizational or individual principles. Therefore, looking at the black dots which represent intensity of issue engagement, the following order is implied along the CSR domains: economic, ethical, legal and discretionary respectively.

However, the order mentioned here implies only the degree of intensity a domain has and does not prove a hierarchical association. In fact the theoretical literature (Schwartz and Carroll, 2003) explicitly states that the relationship between the domains is non-hierarchical as depicted in

Venn diagram fashion by Figure 2, Type A: Non-Hierarchical CSR Domain relationships. A Non-Hierarchical CSR Domain relationship will have the possibility of 15 different theoretical outcomes (Figure 2, Type A, hypothetical outcomes are marked as number points within the Venn diagram) in their different corresponding domains. In the Venn diagram the circular regions represent each of the CSR domains.

4.3. Table 3*
Corporate Social Performance: Variable-By-Variable Matrix Of Observable Outcomes Achievement On CSR Principles Within CSR Domains, By Case

Domains	CSR Principles Social Legitimacy (Institutional)	Public Responsibility (Organizational)	Managerial Discretion (Individual)
Economic (E)	Case 1 ●	Case 1 ●	Case 1 ●
	Case 2 ●	Case 2 ●	Case 2 ●
	Case 3 ●	Case 3 ●	Case 3 ◗
Legal (L)	Case 1 ●	Case 1 ●	Case 1 ◗
	Case 2 ●	Case 2 ◗	Case 2 O
	Case 3 ●	Case 3 O	Case 3 O
Ethical (N)	Case 1 ●	Case 1 ●	Case 1 ●
	Case 2 ●	Case 2 ●	Case 2 O
	Case 3 ●	Case 3 ●	Case 3 O
Discretionary (D)	Case 1 ●	Case 1 ●	Case 1 ●
	Case 2 ◗	Case 2 ◗	Case 2 ◗
	Case 3 O	Case 3 O	Case 3 O

*This table has been adapted for the purpose of this study from Wood, 1991:702 "Corporate Social Policy: Sample Outcomes on CSR Principles Within CSR Domains". The results are based on Appendix 3, Table .
Legend
● = High, 3 or more observable outcomes from qualitative analysis
◗ = Moderate, 2 to 3 observable outcomes from qualitative analysis
O = Low, 0 to 1 observable outcome from qualitative analysis
The analysis of Case 1 strongly supports that it is motivated by institutional, public and managerial principles

Therefore, the results of the Table 3 are in contrast to the theoretical literature, because across all cases and within the principles there appears to be a hierarchical relationship with the economic domain as a basis for the CSR domains. The findings of this study can be visually depicted in

Venn diagram fashion by Figure 2, Type B: Economic Hierarchical CSR Domain relationships. The proof can be read along the rows, treating each principle as one whole unit, of Table 4, from top to bottom. For the purpose of the proof, Table 4 was created on the basis of the data from Table 3. Table 4 collapses the high intensity (represented by a full black circle) and moderate intensity (represented by a half-full black circle) using a binary approach into "present" domain outcome (represented by a full black circle) or "absent" domain outcome (represented by an empty circle).

4.3. Table 4*
Presence of CSR Domains within Principles, by Case and
Outcome Data Source

Principles, by Case	Presence of CSR Domains			
	Economic	Legal	Ethical	Discretionary
Institutional Principle				
Case 1, best-practice CSP	●	●	●	●
Case 2, best-practice CSP	●	●	●	●
Case 3, normal CSP	●	●	●	O
Organizational Principle				
Case 1, best-practice CSP	●	●	●	●
Case 2, best-practice CSP	●	●	●	●
Case 3, normal CSP	●	O	●	O
Individual Principle				
Case 1, best-practice CSP	●	●	●	●
Case 2, best-practice CSP	●	O	●	O
Case 3, normal CSP	●	O	O	O

This table has been adapted for the purpose of this study from Wood, 1991:702 "Corporate Social Policy: Sample Outcomes on CSR Principles Within CSR Domains". The results are based on Appendix 3, Table .
NOTE: *The table above should be read as follows "Case 1, best-practice CSP: Economic AND Legal AND Ethical AND Discretionary" and so on.*
Legend:
● = *present*
O = absent

A hierarchical relationship between any one of the domains to the others would be present if one domain is always present. Table 4 suggests the presence of the economic domain across all principles and in all the cases and therefore it can be concluded that it forms the basis of all corporate social responsibility outcomes (Figure 2, Type B). This proposition can also be confirmed by considering the "points", represented by numbers, within Figure 2. Each case along each principle only displays the empirical possibility of "points" 1 to 8. In other words, all three cases do not include the possibility of a "point" that does not have the economic domain within the universe of possible combinations for each of the three principles.

The discourse analysis confirms the outcome of this study. In both the best-practice CSP and the normal CSP cases, management clearly stated that the economic domain considerations were first. Even the best-practice case owner who had the greatest discretionary domain result (refer to Appendix 3, Table 7 for full domain results) said:

"...apart from making money we are also working for another future.... The company

needs to live: if there is no margin, no workers, no profit the company does not live...."

(Best-practice case 1, owner)

4.3. Figure 2
Venn Diagram: CSR domain Relationships

Type A:	Type B:
Non-Hierarchical CSR Domain Relationship	Economic Hierarchical CSR Domain Relationship
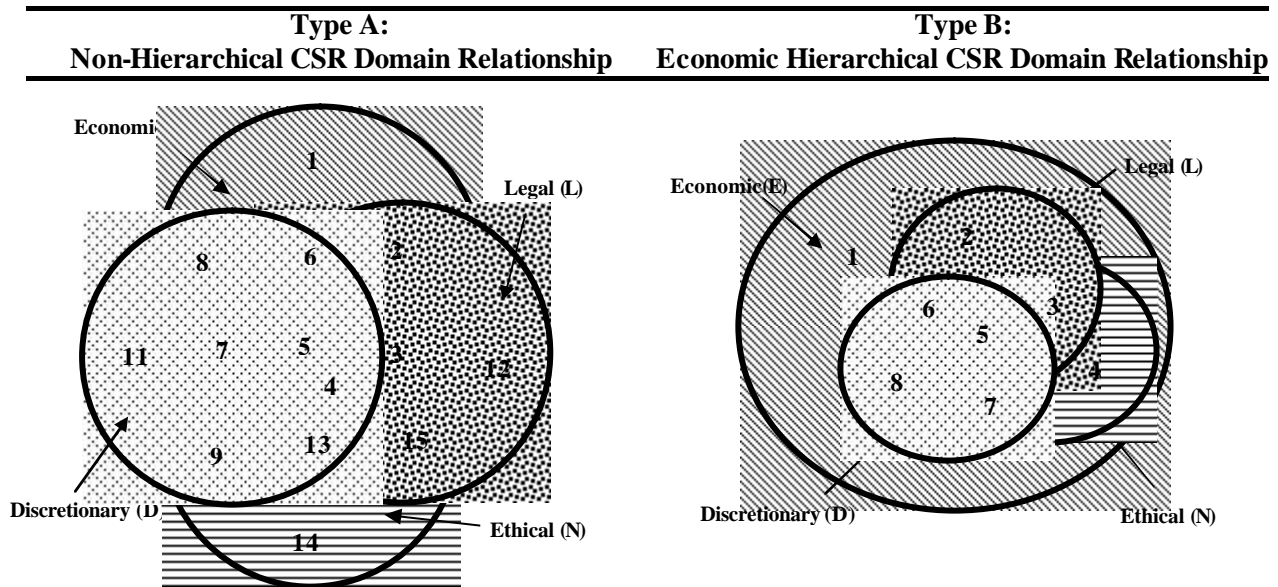
Note: This is a conceptual representation and not proportional to the study results.
Legend
Numbers=represent possible outcomes within CSR principles,
whose combinations are:

1=E	*8= E1D*
2=E1L	*9= E1L1N1D*
3=E1L1N	*10=E 1L1N*
4=(Not D1Not L) E1N,Type A	*11=D*
4=E1N,Type B	*12=L*
5= E1L1N1D	*13=N1L1D*
6=E1L1N	*14=N*
7=E1L1N	*15= L1D*

▤ Discretionary Responsibility (D)

▦ Ethical Resp onsibility (N)

▨ Legal Responsibility (L)

▧ Economic Responsibility (E)

Again at another instance the economic basis was confirmed by the second best practice case:

"…*this company has a social responsibility to make money and to provide*

employment…" (Best-practice case 2, owner)

The finding of only the hierarchical economic basis is actually counter-intuitive because it could

be argued that for the same motives that the economic domain is a necessary pre-condition for

the company existence the legal domain is equally a hierarchical necessity. I followed-up this surprise (Miles and Huberman, 1994) by checking the proposition with a rival explanation of a combined economic-legal hierarchical foundation. However, taking a look at Table 4, it is clear that the legal domain is non-hierarchical within the principles because it does not appear all across the principles and the cases. Moreover, the ethical domain has much stronger outcomes across the principles than the legal one does. Therefore, this study strongly suggests that only the economic domain is in a primary hierarchical relationship with regards to the other domains.

Another important consideration about the economic domain in particular is that the idea of hierarchy should be interpreted in two levels: objective and subjective. Previously I have stated to have followed-up on a rival explanation because of an objective "existential" and institutional principle claim: Economic profit is a necessary precondition for a for-profit business function. However, the economic domain also extends on a second and subjective level towards the organizational and individual principles. The difference between a normal and a best-practice case becomes evident beyond the institutional principle: Is the company making a profit or is it making a profit and being socially conscious at the same time. This second level of the economic domain also helps explain why the ethical domain is the second most important in terms of level of involvement in the best practice cases. In the words of the first best-practice case:

"The bottom line is that we are a company that needs to make a profit. Need to survive. But profit is not our primary and priority goal. ...." (Best-practice case 1, owner)

Grounding CSO within the CSP model

The original CSP model proposed by Swanson (1995) does not explain why a principle is being selected by management. Therefore the research proposes the third question: *How does the corporate social orientation (CSO) affect social issues management (SIM) within the corporate social performance (CSP) (Swanson, 1995) model?* In other words, after understanding the composition of and the interactions within the CSR construct, namely that the CSR construct is comprised of 4 domains whose overall relative importance is termed corporate social orientation (CSO); the study continues to link the construct to the general body of CSR literature by incorporating it into a well-founded business and society theoretical model. Proceeding with the pair-wise comparison technique, the analysis switched from variable-comparisons used to answer the previous research questions to analytic deduction logic (Miles and Huberrman, 1994) in order to create a causal network grounding the CSO construct within the CSP model.

Swanson (1995) after formulating her CSP model (see Appendix 4, Figure 4 for original model) pointed out that it should be tested in a homogenous empirical setting - along one issue, within one industry - in order to see whether it holds true in a specific context. This study adheres to her request by juxtaposing best-practice CSP enterprises against a normal CSP enterprise within the cleaning services industry in the Barcelona region and furthermore within the SME context. The original model was developed for the large enterprise (LE) context. Addressing this shortcoming and in order that CSP theory be relevant for both LEs and SMEs the model's constructs were revisited. Therefore, the "Executive" and "Managerial Employee" "Decision

Making" constructs were removed because most SMEs only have one decision making body (Jenkins, 2004). The revised CSP model (see Figure 3) departs from the assumption that it applies to the person or group which is empowered to make decisions within the enterprise under study and therefore it can be used for both large and small enterprises.

"Personal Values" was removed from the model for two reasons. First of all a recent study by Kusyk and Lozano (2007) demonstrate that the empowerment of decision makers to make choices regarding social issues depends on a combination of complex interacting factors which include "International Norms", "Industry Competitive Environment Norms", "National Policy" and "Personal Values". Therefore, assuming that decision makers are bounded within their environmental determinants to make ethical choices about engaging in economic activities (Kusyk and Lozano, 2007) the concept of "Personal Values" which includes economic rights and justice standards (Swanson, 1995: 59) is removed.

Best-practice CSP enterprises are largely driven to social issues engagement by what the authors term as a "heterrmony of stakeholder salience" were the SME decision makers are internally autonomous and see an external market competitive advantage (Kusyk and Lozano, 2007:509). Secondly, for internal consistency with the CSP model, whose unit of analysis is the organization as a whole "personal values" are in fact antecedent due to the previous reason mentioned and reflected at an organizational level in the overall CSO construct and are not included in Figure 3.

Therefore, addressing the final research question posed at the beginning of this section the research found that that the corporate social orientation (CSO) of an enterprise towards a CSR

domain, mediated by moral duty in relation to the CSR domain is directly linked the principle that is employed. Figure 3 pictorially demonstrates the findings and revises the original CSP model proposed by Swanson (1995) to reflect the new finding. The principle in turn is linked with the social responsiveness approach (environmental assessment, stakeholder management, issues management) of an enterprise. The degree of responsiveness will in turn affect the social programs, social policies and social discontinuous event(s). Discontinuous event(s) is a new concept that is being introduced for the Observable Outcomes construct as a result of this study. In particular, it was found that some events such as for example, giving a seminar at a University, was neither result of a policy nor a program of the enterprise.

The causal network represented in Figure 3 maps out the original three different case substreams unto one. Reading Figure 3 from left to right creates a causal chain that is the result of pair-wise comparisons between constructs and their "direct impact" assessed by proximity from the discourse analysis. Only the constructs that were found across all three cases were deemed important for the final across-case network diagram. Therefore the network identifies the important constructs (constructs are represented in boxes, new constructs proposed by this research have darker frame than their original counterparts) and their relationships (a dark line represents is a common relationship observed in the best-practice and normal CSP cases, a thin line represents a relationship observed for the normal case and a line with dots is a relationship observed in the best-practice cases). t should be noted that in this particular study, best-practice CSP case 2 was most often used as the common denominator for relationship links (Figure 3, marked in line with dots) because it had less CSR activity than its theoretical twin (case 1).

Best-practice case 1 is a case that could be called a "talking pig" (Siggelkow, 2007:21). Its management and CSR activity set trends for the whole European Union. In fact it is the first enterprise in its sector for all the of the European Union to have all three ISO 9001, SA 8000/21000 (9th company in Spain) and TQM 2003 qualifications; and is the first case for Spain to have created and implemented a holistic occupational health and safety (OHS) program for all the employees. It is also the first company for the whole sector to create a foundation to help immigrant employees immigrate, create bank accounts, send bank transfers, and offers dignified housing. These outstanding results were causing a theoretical query and the postulation of a rival hypothesis. Did the discretionary responsibility cause the exceptional issue management? Or was there a spurious relationship causing both the discretionary principle and issue management to be high at the same time? The spurious variable candidate was that of "continuous quality improvement". Furthermore the management themselves stated that they had created the whole Occupational Health and Safety (OHS) Program:

"…because we wanted things to work better…this is our philosophy…we are always trying to improve..." (Best-practice case 1, owner)

4.4. Figure 3*

Revised CSP Model Grounding CSO: Across-Case Causal Network for SME Context, by Case from Qualitative Analysis
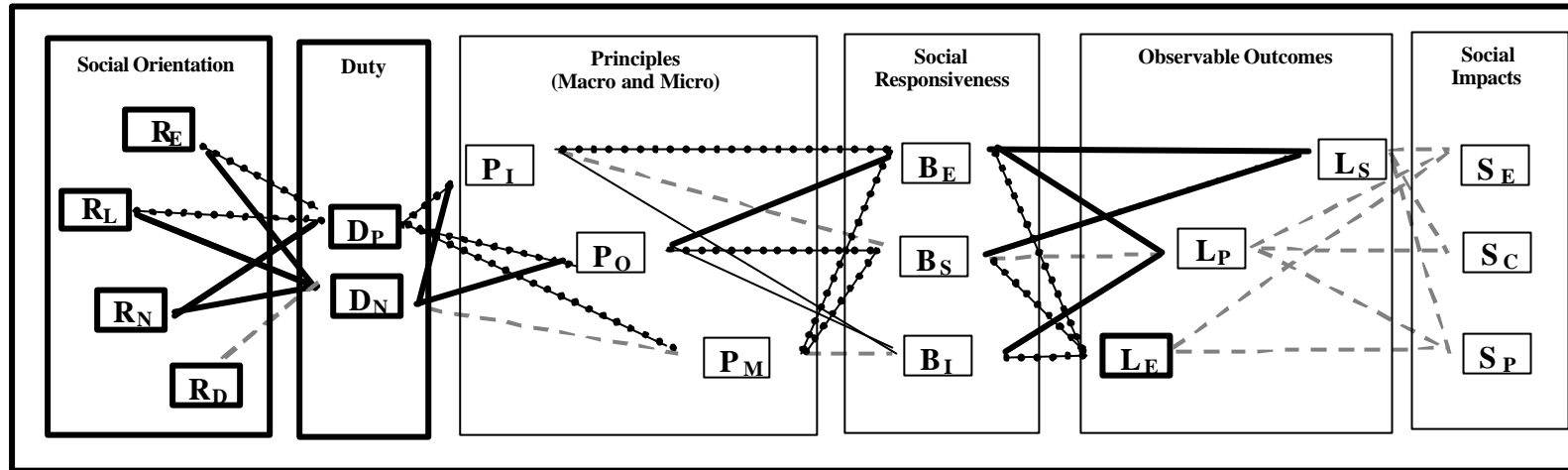
* This Figure is based on Swanson 1995:58 Figure 1: The Reoriented CSP Model

Legend:
Relationships

⋯⋰⋯	Relationship observed only across Theoretical and Literal replication Case 1 and Case 2
⎯⎯	Relationship observed only across Theoretical Replication Case 3
▬▬	Relationship observed across all cases
▬▬	Relationship not observed, but theoretically proposed

Social Orientation

R_E Social Orientation: Economic

R_L Social Orientation: Legal

R_N Social Orientation: Ethical

R_D Social Orientation: Discretionary

Duty

D_N Duty: Negative

D_P Duty: Positive

Principles

P_I Principle: Institutional

P_O Principle: Organizational

P_M Principle: Individual

Social Responsiveness

B_E Environmental Assessment

B_S Stakeholder Management

B_I Issues Management

Observable Outcomes

L_S Social Programs

L_P Social Policies

L_E Discontinuous Event

Social Impacts

S_E Economizing

S_C Ecologizing

S_P Power Seeking

Construct Concepts

▭   Original construct concept

▬   New construct concepts introduced

The dilemma was resolved by going back to the original definition of the economic responsibility which goes beyond just directly maximizing earnings to include "…maintain a high level of operating efficiency…" Carroll (1991: 40-42). Therefore, the revised CSP model (Figure 3) can explain why a certain outcome is present.

In this case the model explains why a holistic OHS program is present. Using a case narrative approach (Miles and Huberman, 1994) the logic within the model of Figure X is explained for the holistic OHS program: First of all there are two main responsibilities at play that create a discretionary-economic orientation on this particular issue. The "discretionary responsibility" (RD) considers that employees should have full OHS training which means a "positive duty" (DP) posture towards them. This is combined with the "economic responsibility" (RE) of maintaining a high level of efficiency of any action engaged by the enterprise as reflected by a TQM philosophy. Again the economic efficiency has a "positive duty" (DP) posture. Therefore, the discretionary-economic orientation with a positive duty posture evokes the organizational principle (PO) of the OHS issue which falls under the primary area of involvement for the company of "Being concerned with employee well-being". The principle and positive duty in turn motivate the behavioral process of "Social Responsiveness" of proactive social issues management (BI) which identifies, analyzes and chooses the response in the combined "observable outcomes" of an overall OHS policy (LS) and training program (LP) .

Likewise all the observable outcomes of (Appendix 3, Table 7) can be explained with the revised CSP model in Figure 3. Whereas, the original model by Swanson (1995) was limited to only indicating the principle that was working for the enactment of an observable outcome, the new

model explains why the principle is being evoked via the different CSR domains combining into a CSO and their particular positive or negative duty stance.

DISSCUSSION

This study makes several contributions for academia and policy-makers. First, prior work on CSP has exclusively been using only best-practice CSPs for observation, whereas my study brings out what makes best-practice CSPs different form normal CSPs by having included both theoretical units in my study. By using the variance of best-practice CSPs in comparison to normal CSP I concretely point out their different understandings of the CSR domains.

The focus on CSR domains takes an important step towards understanding the composition of the CSR construct and its interaction with social issues management within the CSP model. I found that both best-practice and normal CSP cases give the economic CSR domain the most important weighting (See Graph 1 and Figure 2). The difference is found in the degree of emphasis the cases have within the domain. Moreover, they diverge on the discretionary CSR domain. In fact, the normal CSP case has a very low to almost non-existent discretionary domain degree; whereas, the best-practice CSP cases has a balanced approach to the CSR domains. Taking these results into account the study suggests that the discretionary CSR domain

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in reference to the other 3 CSR domains can be used as an indicator for sifting best-practice from normal practice CSPs.

Secondly, researchers have paid attention to CSP in general and have made general claims, my study uses a specific context and a controlled proxy to make specific suggestions about the causal relationships between the different constructs within the CSP model (see Figure 3). Moreover, the empirical context allows me to make explicit suggestions for the model by generalizing the theory to the SME context. The single proxy approach of one social issue allows for an in-depth understanding of the evolution of SIM from conception to enactment within the CSP.

Finally, policy makers should take note that for both best-practice and normal CSP cases, this study found a more important weighting of the ethical CSR domain in comparison to the legal CSR domain. Therefore the dual approach of what Lindbolm (1977) referred to as "authority and persuasion" seems most appropriate for stimulating improvement in CSP. Swanson (1995) already stipulated that authority would refer to law and public policy in terms of legitimized power (Harris and Carman, 1987) and persuasion would be based on generally accepted norms (Selnick, 1992). Although more research is needed to understand if my findings are culturally bound, they suggests that making more laws to change enterprise behavior will not be as effective as creating an environment for the development of positive social norms, which in turn will drive industry practice standards via peer pressure.

FUTURE RESEARCH, LIMITATIONS AND CONCLUSION

CSR Domains and Their Relationships

This research has been focused on the domain relationships within the CSR construct for for-profit enterprises. Future research can address for-profit social enterprises and not-for-profit organizations (NGO) in order to fully understand the CSR construct. In particular, it would be interesting to note whether the economic domain continues to have a hierarchical basis relationship in for-profit social enterprises and not-for-profit organizations (NGO).

CSO and CSP Model

By calling attention to how different CSR domains interact with principles, the current study contributes to a more general theoretical framework of the CSP model applicable to the wide range of CSP on all social issues within all enterprises. In order to understand the true motivations behind engaging in social issues, future research could focus on the exact list of principles that enterprises orient their actions by and in turn which CSR domains influence them. Further study should start to address how the "trade-off and moral justification problems" (Frederick, 1987; Swanson, 1995) are addressed using the different CSR Domains as building blocks for decision making; where it is possible to have several domains in varying degrees

influencing several principles to motivate behavioral practices. Furthermore, considering that the research outcomes contained degrees of CSR domain interactions and principle engagement, means that future research could take a fuzzy methodological approach (Kusyk et al., 2008).

Limitations

This study is an important first effort to examine the composition of the CSR construct and the overall CSO of best-practice CSP cases and how CSR domains affect principles within the CSP model. The qualitative design was appropriate for this first attempt in order to generalize it to theory. However future research should examine the construct and causal relationship path in a sample that can be generalizable to the SME and LE population as a whole.

Conclusion

I grounded how the economic, legal, ethical and philanthropic domains of Carroll's corporate social responsibility (CSR) construct (1979), are linked to the principles in the corporate social performance (CSP) model (Swanson, 1995). Using an explanatory multi-method embedded multiple-case study design, which includes the use of the CSO instrument (Aupperle, 1982), I found that the CSR domains are hierarchical in their relationship with the economic domain as a basis. Enterprise principles scale and scope vary between organizations depending on their particular CSR domain influence and moral duty affiliation. The study calls attention to

the discretionary domain as the differentiating factor between CSP best-practice and normal practice cases. These findings are important for developing an understanding of what the CSO of best-practice CSP cases looks like.

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APPENDIX 1

4.4. Table 5
Empirical Research Examining Direct Effects On The Variable: Corporate Social Orientation

Authors: Journal	Year	Findings
Aupperle, Doctoral Dissertation	1982	Carroll's CSR definitional categories and postulated weightings for the economic, legal, ethical and philanthropic categories were confirmed to a certain degree
Aupperle, *book chapter*	1984	Proposes that relative emphasis is place on CSR categories.
Stevens, *ABER*	1984	Finds negligible evidence between social responsibility reporting and CSO.
Aupperle, Carroll & Hatfield, *AMJ*	1985	Investigates and finds no statistical relationship between a strong orientation toward society (legal, ethical and discretionary) and financial performance. A clear inverse relationship between economic and the three other categories is found.
Kelly & Whatley, *JIBS*	1987	CSO can be predicted via stakeholder demographic characteristics.
Ibrahim & Angelidis, *proceedings*	1990	CSO can be predicted via stakeholder demographic characteristics.
Pinkston, *doctoral dissertation*	1991	A six country multi-national study confirms that the CSR category weightings are close to the proposed original weightings.
Ibrahim &Angelidis, *proceedings*	1991	CSO can be predicted via stakeholder demographic characteristics.
Kraft & Singhapakdi,*JBE*	1991	Female MBA students are more ethically orientated than their male counterparts.
Ibrahim & Angelidis, *MJB*	1993	The impact of social context on stakeholder role in the organization such via inside and outside board members is confirmed.
Ibrahim & Angelidis, *IJM*	1994	CSO can be predicted via stakeholder demographic characteristics.
Ibrahim & Angelidis, *JBE*	1995	Impact of social context of one's stakeholder role on one's CSO is reconfirmed. Reports CSO differences exist between inside and outside board directors.
Pinkston & Carroll, *JBE*	1996	Priorities of the CSR components between 1980's to 1990's have shifted to some extend on a greater emphasis on legal responsibilities and reduced attention to philanthropic seems to emerge.
Ibrahim, Angelildis, & Kuniansky, *IJM*	1997	Impact of industry context on one's CSO is explored. CSO differences exist between financial and manufacturing directors in their economic and legal orientations.
Edmondson &	1999	Philanthropy and ethical justification are important in minority

Carroll, *JBE*		enterprises.
Burton & Hegarty, *BS*	1999	Undergraduate students exhibited differences in orientation across gender and degree of Machiavellian orientation. The social desirability had a minimal effect on the respondents CSO instrument .
Ibrahim & Angelidis & Howard, *HCMR*	2000	Board members whose occupational background is not in health care exhibit greater concern for economic performance and the legal component of corporate responsibility than their counterparts whose occupational background is in health care.
Smith et al., *BS*	2001	The relationship the stakeholder has with the organization as well has diversity, gender and race influence CSO. Employees have a greater economic, in comparison to customers who have a stronger ethical orientation.
Ibrahim & Howard Angelidis, *JBE*	2003	Outside directors exhibit greater concern about the discretionary component of corporate responsibility and a weaker orientation toward economic performance than their insider director counterparts. No significant differences between the two groups were observed with respect to the legal and ethical dimensions of corporate social responsibility.
Smith, et al, BS	2004	A strong correlation exists between the legal orientation of CSR and organizations offering affirmative action programs.
Angelidis & Ibrahim	2004	A survey of students demonstrates a significant relationship between the degree of religiousness and attitudes toward the economic and ethical components of CSR.
Ibrahim & Parsa, *RB*	2005	A survey of cross-cultural managers between French and U.S. Managers demonstrates that culture has an impact on CSO. American managers tend to be more legally and ethically driven than their French counterparts.
Ibrahim & Angelidis & Howard, *JBE*	2006	Students exhibit greater concerns about ethical and discretionary responsibility than practicing accountants.

Journal abbreviations in alphabetical order: Academy of Management Journal (AMJ), Akron Business and Economic Review (ABER), Business and Society (BS), Journal of Business Ethics (JBE), Journal of International Business Studies (JIBS), Health Care Management Review (HCMR), International Journal of Management (IJM), Review of Business (RB), The Mid-Atlantic Journal of Business (MJB)

APPENDIX 2
CONFIRMATORY QUESTIONNAIRE

Part I : Safety Climate Questions

Instructions: Based on their relative importance and application to <u>your</u> firm, please allocate a check to one answer for the questions below.

1. Management's attitude toward safety practices:

How important do you think the workers' safety practices are to the management of your company? (Please check one answer)

Very important	?
Relatively important	?
Highly important	?
Not at all important	?

2. Management's attitude toward workers' safety:

How much do supervisors and other top management seem to care about your safety? (Please check one answer)

They do as much as possible to make the job safe. ?

They are concerned about safety but they could do more than they are doing to make the job safe. ?

They are really only interested in getting the job done as fast and cheaply as possible. ?

3. Supervisor's behavior or team leader

How much emphasis does the supervisor or team leader place on safety practices on the job? (Please check one answer)

He regularly and frequently makes us aware of dangerous work practices and conditions, and praises us for safe conduct. ?

He regularly and frequently makes us aware of dangerous work practices and conditions. ?

He occasionally points out the most dangerous work practices and conditions. ?

He seldom mentions danger or safety practices. ?

He never mentions danger or safety practices. ?

4. Safety Instructions

When you were hired by your present employer, were you given instructions on the safety policy, safety requirements of the company? (Please check one answer)

Yes	?
No	?

5. Safety Meetings

Are there regular safety meetings at your present job site? (Please check one answer)

Yes	?
No	?

6. Proper equipment

Is the proper equipment for your tasks available at your job site? (Please check one answer)

Yes	?
No	?

7. Perceived control

How much control do you feel you have yourself over what happens to your safety on the job? (Please check one answer)

Almost no control.	?
Almost total control.	?
Primary control but luck is a factor.	?
Little control, mostly a matter of luck.	?

8. Perception of risk-taking

Is taking risks part of the job?

Very much	?
Somewhat	?
Not at all	?

9. Perceived likelihood of injuries

How likely do you think it is that you might be injured on the job in the next 12-month period? (Please check one answer)

Very likely	?
Somewhat likely	?
Not very likely	?
Not at all likely	?

Part II: Corporate Social Orientation Questions

Instructions: Based on their relative importance and application to <u>your</u> firm, please allocate up to, <u>but not more than</u>, 10 points to each set of three or four statements. For example, you could allocate points as follows:

	A = 4		A = 2		A = 0	
	B = 3		B = 3		B = 7	
either	C = 2	or	C = 3	or	C = 3	etc.
	D = 1		D = 2		D = 0	
	Total = 10 points		Total = 10 points		Total = 10 points	

1.   It is important to perform in a manner consistent with:

	Allocated Score
a. expectations of maximizing earnings.	
b. expectations of government and the law.	
c. the philanthropic and charitable expectations of society.	
d. expectations of societal standards and ethical norms.	

2.   It is important to monitor new opportunities that can enhance or improve the organization's:

	Allocated Score
a. moral and ethical image in society.	
b. compliance record with local, state, and federal statutes.	
c. financial health.	
d. ability to help solve social problems.	

3.   It is important that good corporate citizenship be defined as:

	Allocated Score
a. moral and ethical image in society.	
b. compliance record with local, state, and federal statutes.	
c. financial health.	
d. ability to help solve social problems.	

4.   It is important to:

	Allocated Score
a. provide assistance to private and public educational institutions.	
b. ensure a high level of operating efficiency is maintained.	
c. be a law-abiding corporate citizen.	
d. recognize and respect new or evolving ethical/moral norms adopted by society	

5. It is important to be committed to:

	Allocated Score
a. being as financially sound as possible.	
b. voluntary and charitable activities.	
c. abiding by laws and regulations.	
d. moral and ethical behavior.	

6. It is important to:

	Allocated Score
a. assist voluntarily with projects which enhance a community's 'quality of life.'	
b. provide goods and/or services which at least meet minimal legal requirements.	
c. avoid compromising societal norms and ethics in order to achieve goals.	
d. pursue those opportunities which will enhance earnings per share.is important to:	

7. It is important to:

	Allocated Score
a. recognize that the ends do not always justify the means.	
b. comply with various federal regulations.	
c. assist the fine and performing arts.	
d. maintain a strong competitive position.	

8. It is important to:

	Allocated Score
a. recognize that corporate integrity and ethical behavior go beyond mere compliance with laws and regulations.	
b. promptly comply with new laws and court rulings.	
c. maintain a high level of operating efficiency.	
d. maintain a policy of increasing charitable and voluntary efforts over time.	

9. It is important to view:

	Allocated Score
a. philanthropic behavior as a useful measure of corporate performance.	
b. consistent profitability as a useful measure of corporate performance.	
c. compliance with the law as a useful measure of corporate performance.	
d. compliance with the norms, mores, and unwritten laws of society as useful measures of corporate performance.	

10. It is important to:

	Allocated Score
a. pursue those opportunities which provide the best rate of return.	
b. expect organizational members to participate in voluntary and charitable activities.	
c. comply fully and honestly with enacted laws, regulations, and court rulings .	
d. recognize that society's unwritten laws and codes can often be as important as the written.	

11. It is important that a corporate manager maximize financial performance by:

	Allocated Score
a. utilizing any competitive means deemed by industry practices to be suitable.	
b. simply ensuring that the legal constraints imposed by society are reasonably met.	
c. satisfying both the formal legal restraints and ethical norms of society.	
d. considering the various legal, ethical, and philanthropic norms of society.	

APPENDIX 3
SAMPLE DATA SOURCES

4.5. Table 6
CSR Domain Orientation Matrix, By Case And Data Source (%)

Data Sources and Cases (Averages)	Corporate Social Orientation (%)			
	Economic	**Legal**	**Ethical**	**Discretionary**
Best-practice CSP Cases, observable outcomes	30	21	26	23
Best-practice CSP Cases, thematic analysis	26	20	25	33
Best-practice CSP Cases, CSO instrument	27	33	24	16
Averages: Best Practice CSP Case	*27*	*25*	*25*	*24*
Normal CSP Case, observable outcomes	40	20	40	0
Normal CSP Case, thematic analysis	53	20	24	6
Normal CSP Case, CSO instrument	35	21	33	11
Averages: Normal CSP Case)	*43*	*20*	*32*	*6*

Notes:

*All the results as displayed were converted into percentiles, where 100% represents the total amount for each category, for across-and-within-case comparison purposes.

**The average of case 1 and case 2 as one theoretical unit called "best-practice CSP case".

4.6. Table 7

Sample Corporate Social Performance Data: Variable-By-Variable Matrix Of Observable Outcomes And Definitions On CSR Principles Within CSR Domains According To CSR Management And Occupational Health And Safety Issue In The Cleaning Services, By Case Qualitative Text And Semi -Structured Analysis Results

Domains	CSR Principles And Definitions		
	Social Legitimacy (Institutional) *"…business as a social institution must avoid abusing its power…"(Wood 1991: 695 based on Davis, 1973)*	**Public Responsibility (Organizational)** *"Business are responsible for outcome related to their primary and secondary areas of involvement with society." (Wood 1991: 695 based on Preston and Post, 1975)*	**Managerial Discretion (Individual)** *"Managers are moral actors…they are obligated to exercise the discretion available to them toward socially responsible outcomes."(Wood 1991: 695 based on Carroll, 1979)*
Economic (E)	*Example: Produce services, provide jobs and create wealth for owners.* Case 1 ●: produce wealth, create jobs, produce services Case 2 ●: produce wealth, create jobs, produce services Case 3 ●: produce wealth, create jobs, produce services	*Example: Price services to reflect true production cost by incorporating all externalities.* Case 1 ●: assumed that services reflect fair pricing, these are assumed yes Case 2 ●: assumed that services reflect fair pricing Case 3 ●: assumed that services reflect fair pricing	*Example: Use ecologically sound supplies, be energy conscious and cut costs with recycling.* Case 1 ●: recycling at office facilities, energy conscious, trains staff for recycling at client Case 2 ●:recycling at office facilities, purchases ecologically sound supplies when cost effective, hires quality management personal Case 3 ◖: encourages recycling at client hires quality management personal
Legal (L)	*Example: Obey laws and regulations.* Case 1 ●:Obey all laws and regulations Case 2 ●:Obey all laws and regulations Case 3 ●:Obey all laws and regulations	*Example: Work for public policies representing enlightened self-interest.* Case 1 ●: Madrid Franchise Union Board Member, Occupational Health and Safety Board Member, Chamber of Commerce Activist, Whistleblowing Case 2 ◖: National Health and Safety Institute Member, Chamber of Commerce Activist Case 3 O	*Example: Take advantage of regulatory requirements to innovate in services.* Case 1 ◖: Housekeeper services pack based on recent law developments, 1st Company to offer Senior Citizen Specialization Case 2 O Case 3 O

Domains	CSR Principles And Definitions (continued)		
Ethical (N)	*Example: Follow fundamental ethical principles. (ie. honesty in service)*	*Example: Provide and engage in total service quality beyond legal requirements.*	*Example: Improve employee living conditions. employee .*
	Case 1 ●: honesty in service, employee working condition concern, fair market employee pay Case 2 ●: honesty in service, employee working condition concern, fair market employee pay Case 3 ●: honesty in service, employee working condition concern, fair market employee pay	Case 1 ●: ISO 9001**(Quality), TQM 2003** (Quality) Case 2 ●: ISO 9001(Quality) , TQM 2003 qualification Case 3 ●: ISO 9001 (Quality), ISO 14001 (Environment), OHSAS 18001 (OHS)	Case 1 ●: Only Company to offer Good House Keeper Award for employees, Only Company to offer Banking help, Only company to offer Accommodation help Case 2 O Case 3 O
Discretionary (D)	*Example: Return portion of revenues and/or services to community.*	*Example: Invest firm's charitable resources in social problems related to the firm's primary and secondary involvement with society.*	*Example: Use an effectiveness criterion in social problem solving.*
	Case 1 O: community business development project donation Case 2 O: university training donation Case 3 O	Case 1●: Foundation, University Seminars (ESADE & IESE), Chamber of Commerce Seminars. SA 8000/2001**, Personal Improvement Plan for employees, Continuous formation for employees,, Health and Safety care brochure and training video, Catalan Award for Quality in Management, French Government Award in Quality Management, Spanish Franchise Management Award, Social Responsibility Award (Sabadell City Hall), UN Research Project Participation (RESSORT-RSE), CSR Award (Spain, ExpoFincas)	Case 1 ●: Creation of CSR mission statement, Social Innovation Tracking Sheet, CSR indicators, Good House Keeper award open to all housekeepers Case 2 ◑: Creation of CSR mission statement, CSR indicators Case 3 O

Domains	CSR Principles And Definitions (continued)
Discretionary (D)	Case 2 ◑: Occupational Health and Safety Institute Seminars, Chamber of Commerce Seminars
	Case 3 **O** loan for employees

This table and its definitions are based on Wood, 1991:702and have been adapted for the purpose of this study.

**Note: Only company in the sector for the European Union to hold all three qualifications

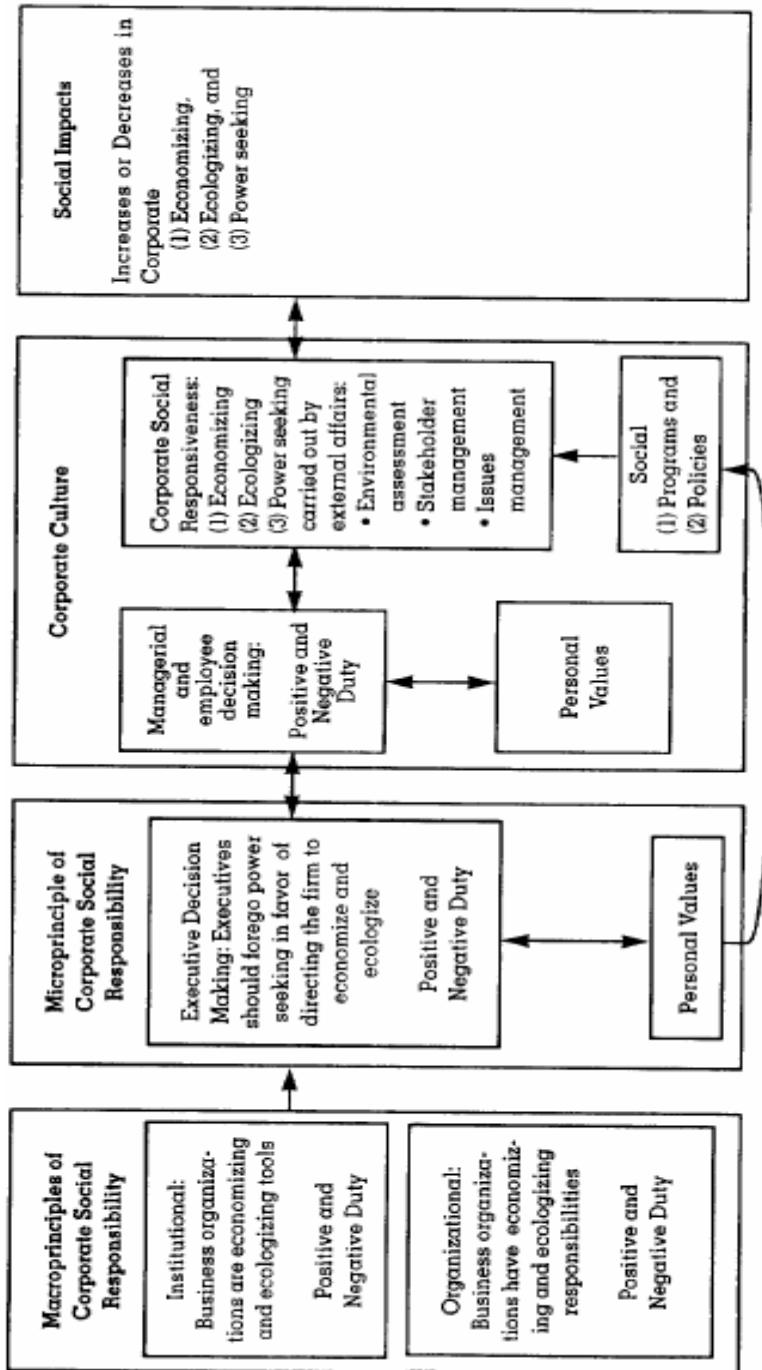**Legend**

Italic = Definition, Example

● = High, 3 or more observable outcomes from qualitative analy sis

◑ = Moderate, 2 to 3 observable outcomes from qualitative analysis

O = Low, 0 to 1 observable outcome from qualitative analysis

4.5. Figure 4
The Reoriented CSP Model (Swanson, 1995:58)

SPECIAL NOTE:

I would like to extend my special thanks to the two volunteer who translated the CSO questionnaire into Spanish and the inter-coder volunteer who verified the coding scheme. I would also like to extend my gratitude to all the experts at ESADE that participated in the confirmation of the CSO questionnaire. As well as, I would like to thank all the interviewees who participated in the study at the National Institute for Health and Safety and the three case studies that for privacy reasons choose to remain anonymous.

CHAPTER 5

GENERAL CONCLUSION

"The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that society has of organizations at given point in time."

(Carroll, 1979:500)

Departing from the assumptions elaborated on in the general introduction of this paper, namely that an enterprise is in a bi-directional relationship with society and that it is a socially constructed artifact functioning in a complex reality, who is guided by norms in its conduct; I now turn to discuss some general conclusions that are informed by my research. First and foremost it must be pointed out that the social accountability of business, broadly termed as corporate social responsibility (CSR) is a complex phenomenon and that this thesis alone can not settle any definitional or conceptual debate on the matter, but can only humbly start to clarify the construct and the praxis thereof. Moreover, my position on the matter is biased in that my normative stance is that enterprises are socially accountable for their primary, secondary and discretionary areas of operation and that irrelevant of the various views on CSR, an implicit number of different social issues (SI) exists in any given business situation. The main debate around CSR towards social issues engagement falls around normative and descriptive conceptualizations of CSR; what it should be called, the extent of responsibility that an enterprise has and how to converge the normative expectations with business behavioral practices. Therefore, I will now proceed to present the general conclusions of this thesis while using the 3 initial research questions as a guide and in the order in which they are presented in the body of this thesis.

5.1. DISCUSSION OF THE GENERAL RESEARCH FINDINGS

In light of the complexity of the phenomenon under study, my first question was "Does and can a definition for social accountability exist?" This question is especially important because the academic literature is neither in agreement about what name to call social accountability [12] nor the content even if the name is the same. Referring back to Figure 1 from Chapter 1, I can use an analogy of the square which represents the enterprise and society relationship; which means that the literature is not in agreement about the size, shape, and content of the proposed container (for our purposes a ¨square¨, but it could also be a ¨circle¨ etc.). Therefore, the first article entitled *Constructing The Tower Of Babel: Towards A Fuzzy Logic Approach* (co-authored with Dr. J.M. Lozano and F. Di Lorenzo) proposed and tested a fuzzy epistemological approach to answering the question and to clear up some of the confusion around the construct of CSR.

My research reconciles some of the complexity around the demand for social accountability as it appears in the literature under the names of corporate social responsibility (CSR), corporate citizenship (CC) and corporate sustainability (CS). First of all, I assert that these terms are metaphorically linked and secondly that definitions on complex matters are necessarily fuzzy. In fact I furthermore suggest that by linking fuzzy definitions to clear metaphors creates a dialogue between retrospect and prospect expectations for practice. Moreover, the first article proves how a fuzzy logic approach to definitions provides an opportunity for the business and society field to systematically research the social accountability concept and praxis. This is because fuzzy logic allows for a more general conceptual structure than bivalent logic. (Zadeh, 2008) Finally, I propose that, since fuzzy sets, in opposition to crisp sets are more dynamic, using fuzzy set methodology for theory building in the business and society field will allow for richer data inclusion and provide a basis for theory construction which is much closer to reality than conventional theory building has been to date.

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[12] Enterprise ssocial accountability has many gestalts with in the academic literature and it has been called many names, including the three most popular names Corporate Social Responsibility, Corporate Citizenship and Corporate Sustainability and it´s closely related cousin of Corporate Social Performance (Bakker et al., 2005).

After clearing up some of the confusion about the names around what is corporate social responsibility, my thesis moved towards the obstacles and opportunities that enterprises see when they consider engaging in responsible practice. There the second question was "What are the drivers and barriers to enterprise engagement in socially responsible actions?" The second article, entitled *A Four-Cell Typology of Key Social Issue Drivers and Barriers of SME Social Performance* (co-authored with Dr. J.M. Lozano) is a literature review of CSR and small and medium enterprises (SMEs) publications from a total of 83 countries. My review confirm that conventional CSR theory development has been asymmetrically centered on large enterprises (LEs) and that SMEs have been underrepresented in theory building. The rational for this oversight was easier research access to LEs and the fact that citrus paribus the power of an LE as an actor in the international system is substantial (Jenkins, 2004). However, my findings argue that the millions of aggregate actions of SMEs are impacting their environment on a cumulative scale. Furthermore, my literature review found that SMEs are stakeholders in an interpenetrating system (Strand, 1983) of international norms, national policies and the industry norms which provide barriers and drivers for social issue engagement.

Most importantly, my research contributes to SME theory by pointing out the two key underlying factors of why SMEs engage in socially accountable practice: On the one hand, the internal factor of decision-making autonomy of an SME as part of a hetermony of stakeholder salience relationships and on the other hand, the external factor competitive market advantage based on a social issue combine to explain why SMEs engage in social issues. In other words, SME decision makers need to be autonomous in their decision-making, as opposed to supply chain dependent and in addition they need to see a market opportunity for the social issue engagement.

After discovering the necessary preconditions for social practice within the literature review of article 2, my thesis asked "What does corporate social responsibility at enterprise level look like?" In particular, my thesis was interested in best-practice CSR

cases. Therefore, the third article called *A CSP Best Practice Case Safari: Using CSO Binoculars To Identify CSR,* sets out to investigate CSR in an empirical setting within the bounds of the corporate social performance (CSP) theoretical model (Swanson, 1995) using both best-practice and normal CSP performing SMEs.

Taking Carroll's (1979) CSR construct, I used data triangulation which involved qualitative data analysis form semi-structured interviews with both a Spanish National public policy body and business cases, observable outcome data analysis and CSO instrument questionnaire. Hence this thesis is the first research to validate the CSO questionnaire for Spanish speakers by making this the first study in the Spanish speaking language. Moreover, my research is the first to point out that the relationship between the four CSR domains is hierarchical with the economic domain forming the basis of the construct. As well, I generalized my research findings to CSP theory and proposed a revision of the original CSP model (Swanson, 1995) for theoretical parsimony to be applicable for both the SME and LE context, as well as, by integrating CSO into the model.

Therefore to sum up our discussion, my thesis introduces 8 original concepts and thereby builds the literature of fuzzy logic, theory development, social responsibility, CSR orientation, CSR, social issues management (SIM), corporate social performance (CSP), small and medium sized enterprises (SME) and Occupational Health and Safety (OHS). Taking the three papers in unison this thesis has moved our understanding of how the CSR constructed is understood and enacted in praxis, by:

- Firstly proposing a new fuzzy epistemological approach to creating knowledge within the business and society field;
- Secondly, arguing that business and society terms are necessary fuzzy in nature and are linked to metaphors;
- Thirdly, proposing two key factors for SME CSR engagement: SME autonomy in decision-making and social issue market competitive positioning;

- Fourthly, validating the CSO instrument for the Spanish speaking language;

- Fifthly, stipulating how the four CSR construct domains interact with one another;

- Sixthly proposing a SME-CSR domain predictive profile;

- Seventhly, integrating CSO into the CSP theoretical model;

- And finally, testing and extending the CSP theoretical model to include the SME context.

5.2. FURTHER RESEARCH

Where do my thesis results lead us to? I would argue that the results of this thesis leave us with more questions than answers. In fact, they open up several new lines of research opportunities for fuzzy set theory, CSR, CC, CS and SME theory, CSO and CSP theory.

5.2.1. Fuzzy Logic

In this thesis entitled Corporate Social Responsibility: From Construct to Practice I make an attempt to clarify what CSR is by integrating various definitional strands grouped under the CSR, CC and CS metaphorical umbrellas by integrating them via a fuzzy logic approach. I hope to have opened a new epistemological approach of doing research using fuzzy logic for the social sciences. Fuzzy logic presents both an opportunity and a challenge for academia. It is an opportunity to include a richer and broader data set into business and society model. However, it is also a challenge for further research to find the appropriate fuzzy methodology that will clarify how fuzzy set theory can be employed for research purposes.

5.2.2. Corporate social responsibility construct

My first article (Chapter 2), is a modest first attempt at creating a systematic approach for employing fuzzy set theory in the social sciences, much more work needs to be done in order to validate this methodology. In particular, as applies to my first article cross-cultural and cross-academic and cross-industry research needs to completed in order to start to grasp and compare the total magnitude of the degree of inclusion that is being understood under each of the three metaphors (CSR, CC, CS) being proposed by the article. Moreover, it would be interesting to study where the metaphors converge and how they evolve over time in meaning. As well as, from a social constructivist and Kuhnian perspective it would be worthwhile to note how they spread across industries, national boundaries and academic disciplines.

Additionally, research in the direction of influence between practitioners and academics in which sense-making is taking place needs to be conducted. In other words, does academia influence the way practitioners understand their social accountability or does the inverse relationship hold true?

5.2.3. Small and medium sized enterprise context for corporate social responsibly theory building

The second article (Chapter 3), is a state-of-the art literature review which highlighted that two factors predict whether or not SMEs will engage in social issues. Further research should be conducted to test whether the typology proposed holds true for individual cases. Moreover, it would be very interesting to see into which of the four cells SMEs can be catalogued. It would also be important to ask if any of the different cells are dominated by any given industry or if the different cells are determined by social issue type? Perhaps a combination, whose distribution weighting can be researched, of both industry and social issue type can become predictors in which cell of the typology individual SMEs can be placed.

5.2.4. Corporate Social Orientation

The third article (Chapter 4) only scratches the tip of the final research question ˙What does corporate social responsibility at enterprise level look like?". In the article I modify the corporate social performance model (CSP) model by incorporating corporate social orientation (CSO) and revise it include the small and medium size enterprise (SME) context. The initial results of the small sample for in-depth qualitative research purposes should now be replicated on a large scale to a representative sample employing quantitative methods in order that the results can be generalizable to the SME population as a whole. In this future study I would like to see SMEs being segregated between industries to be able to understand their different CSOs. Moreover, it would be interesting to include non-profit and social enterprise in the sample in order to compare their CSOs and truly come to understand differentiation points on their CSR engagement between the different types of organizations.

5.2.4. Corporate Social Performance Model

Furthermore, after proposing the that the 4 different CSO orientations influence the 3 different principles with in turn influence social responsiveness behaviors, it would now be appropriate to test the strength of the influence of each of these constructs on one another. As well as, in order to understand the whole CSO construct more research needs to be done on how the different domains interact with one anther, especially in the presence of trade-off problems. Also, in order to have a more comprehensive view of the overall CSP model, it would be useful to create a global list of the different institutional, organizational and individual principles and to investigate how they interact with one another and whether they are in hierarchical relationship.

Furthermore, my research focused on the front end of the CSP model (see Figure X), leaving the last part of the model of social impacts unattended. More work needs to be done in order to understand what kind of observable outcomes create normative social impacts that are desired by society.

5.3. CONCLUSION

In this thesis, composed of a compendium of 3 original research articles I propose and text a fuzzy epistemological approach to qualitative research in the business and society field. Furthermore, I contribute to SME-CSR theory building by suggesting an ideal type typology for social issue engagement. Finally, I reorient the CSP model to include CSO and to be also applied in the SME context. The three articles taken together form a coherent thematic unit tightly bound by CSR. As the title of the thesis suggests this work furthers our understanding of CSR: from construct to praxis.

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