
This is an electronic reprint of the original article.
This reprint may differ from the original in pagination and typographic detail.

Heikkurinen, Pasi; Mäkinen, Jukka

Synthesising Corporate Responsibility on Organisational and Societal Levels of Analysis

Published in:
Journal of Business Ethics

DOI:
[10.1007/s10551-016-3094-x](https://doi.org/10.1007/s10551-016-3094-x)

Published: 01/05/2018

Document Version
Publisher's PDF, also known as Version of record

Published under the following license:
CC BY

Please cite the original version:
Heikkurinen, P., & Mäkinen, J. (2018). Synthesising Corporate Responsibility on Organisational and Societal Levels of Analysis: An Integrative Perspective. *Journal of Business Ethics*, 149(3), 589–607.
<https://doi.org/10.1007/s10551-016-3094-x>

This material is protected by copyright and other intellectual property rights, and duplication or sale of all or part of any of the repository collections is not permitted, except that material may be duplicated by you for your research use or educational purposes in electronic or print form. You must obtain permission for any other use. Electronic or print copies may not be offered, whether for sale or otherwise to anyone who is not an authorised user.

Synthesising Corporate Responsibility on Organisational and Societal Levels of Analysis: An Integrative Perspective

Pasi Heikkurinen¹ · Jukka Mäkinen²

Received: 16 June 2015 / Accepted: 16 February 2016 / Published online: 25 February 2016
© The Author(s) 2016. This article is published with open access at Springerlink.com

Abstract This article develops an integrative perspective on corporate responsibility by synthesising competing perspectives on the responsibility of the corporation at the organisational and societal levels of analysis. We review three major corporate responsibility perspectives, which we refer to as economic, critical, and politico-ethical. We analyse the major potential uses and pitfalls of the perspectives, and integrate the debate on these two levels. Our synthesis concludes that when a society has a robust division of moral labour in place, the responsibility of a corporation may be economic (as suggested under the economic perspective) without jeopardising democracy and sustainability (as reported under the critical perspective). Moreover, the economic role of corporations neither signifies the absence of deliberative democratic mechanisms nor business practices extending beyond compliance (as called for under the politico-ethical perspective). The study underscores the value of integrating different perspectives and multiple levels of analysis to present comprehensive descriptions and prescriptions of the responsibility phenomenon.

Keywords Corporate responsibility · Integrative · Multilevel · Perspective · Review · Synthesis

✉ Pasi Heikkurinen
p.heikkurinen@leeds.ac.uk
Jukka Mäkinen
jukka.makinen@aalto.fi

¹ Sustainability Research Institute, University of Leeds, Leeds LS2 9JT, UK

² Department of Management Studies, Aalto University School of Business, Lapuankatu 2, 00100 Helsinki, Finland

Introduction

Owing to the elevated power of private actors' (Anderson and Cavanagh 2000; Vitali et al. 2011) in the era of social development challenges (UNDP 2012) and to serious ecological problems (IPCC 2014), the question of corporate responsibility has never been as relevant as it is today. While the responsibilities of corporations have been discussed for decades (e.g. Bowen 1953; Levitt 1958; Carroll 1979; Goodpaster 1983), both the content and the implications of the notion remain ambiguous and contested (Dahlsrud 2008) and continue to perplex academics and business practitioners alike (Lindgreen and Swaen 2010).

Scholarly attempts to tackle the complexity of the responsibility phenomenon have often concentrated on mapping the field (Garriga and Melé 2004; Windsor 2006; Scherer and Palazzo 2007; Secchi 2007; Lee 2008; Aguinis and Glavas 2012), and such studies have demonstrated how the diversity of perspectives is an outcome of competing theories and methodological approaches, as well as a consequence of the chosen level of analysis. These mapping exercises have moved the debate on from monochromic depictions of the phenomenon to richer, more nuanced multilevel interpretations. Closed questions, answered with a 'yes' or a 'no', are no longer adequate to elicit the truth of corporate responsibility; that increasingly requires eliciting how and why companies should—and should not—fulfil their responsibilities in society beyond the level of legal compliance.

While previous review studies have advanced the field in terms of demonstrating the plurality of viewpoints and providing signposts in the conceptual jungle of the emerging theory, the possibility of integrating the different perspectives and levels of analysis has not been

explored in depth. Given the compound and multifaceted nature of corporate responsibility, multilevel analysis is a worthwhile exercise (Frynas and Stephens 2015), because it is the “integration of variables at different levels of analysis that [is assumed to have] the greatest potential to move the field forward” (Aguinis and Glavas 2012, p. 957). Furthermore, the conflicting descriptions and normative standpoints of corporate social, environmental, and economic responsibilities (here corporate responsibility) call for a research agenda attempting to bridge the existing thesis–antithesis juxtapositions.

The objective of the current research is to begin synthesising the corporate responsibility debate on organisational and societal levels of analysis to develop an *integrative perspective* that circumvents the caveats attached to individual perspectives and single-level analyses. The method and the theoretical framework of the study are inspired by moral and political philosopher John Rawls (1921–2002), and accordingly the integrative work central to the method of the paper is based on the Rawlsian method of *reflective equilibrium*, which aims to produce a synthesis among competing conceptions of justice (e.g. Daniels 1996). Mäkinen and Kakkuri-Knuutila (2013) showed this type of synthesising argument has the following four stages. First, the significant positions in the literature are set out. Second, the strengths and weaknesses of the major positions and the conflicts among them are presented and critically analysed. Third, the solutions to the weaknesses and conflicts of the major positions are presented. The final stage illustrates that the proposed solutions preserve the strengths of the major positions found in the literature. In terms of theoretical framework, this article utilises the Rawlsian concept of *division of moral labour* to analyse the literature on corporate responsibility, and also adopts that same idea when developing an integrative solution to the conflicts between the different perspectives.

The structure of the paper hence follows the Rawlsian argumentative strategy. On a theoretical frame of the division of moral labour (Rawls 1996, pp. 266–267; Mäkinen and Kourula 2012), we divide the existing literature into three principal perspectives, namely the *economic*, *critical*, and *politico-ethical* and review each of the corporate responsibility perspectives on two levels of analysis, namely *organisational* and *societal* (stage 1). By then critically examining the potential and pitfalls of the perspectives (stage 2), we develop a synthesis of the literature, an *integrative perspective* on corporate responsibility (stage 3). Last, we show how the synthesis overcomes some of the major tensions between the competing standpoints while preserving the potential of the major corporate responsibility positions (stage 4). We end

the paper by discussing the societal and organisational implications of the proposed perspective and also consider the limitations of the present study.

Review of Corporate Responsibility Perspectives (Stage 1)

In addition to standing on the shoulders of authors who have previously and successfully mapped the field of corporate responsibility (Garriga and Melé 2004; Windsor 2006; Scherer and Palazzo 2007; Secchi 2007; Lee 2008; Aguinis and Glavas 2012), we base our theoretical frame on a concept found in Rawls’ political philosophy—the *division of moral labour* (Rawls 1971, 1996, 2001). This notion refers to the ways in which responsibilities for the social, political, environmental, and economic dimensions of society are divided among different political and socio-economic basic structure institutions and the various actors operating within these structures (Rawls 1996, pp. 266–267; Rawls 2001; Mäkinen and Kourula 2012; Scheffler 2005; Freeman 2007).

Phillips and Margolis (1999) address the Rawlsian separation between the basic structure and the corporation in their seminal article arguing for the particularity of organisational ethics in relation to political philosophy. The major differences between the corporation and the basic structure of society revolve around three issues, namely (i) the freedom to exit from a corporation as a basic element of corporate membership vis-à-vis the impossibility of exit from the basic structure of society as a constitutive element of it; (ii) the promotion of specific aims as appropriate in the setting of corporations vis-à-vis the impartiality in relation to specific aims as the basic requirement of the basic structure of society; and (iii) the acceptance of greater levels of meritocratic arrangements in corporations than within the basic structure of society (Phillips and Margolis 1999). These arguments by Phillips and Margolis (1999), as well as the Rawlsian separation between the basic structure and corporations, are critically analysed by Hartman (2001) and Moriarty (2005). Both critiques challenge the view that states and business organisations are fundamentally different kinds of entities, and call for acknowledgement of the connections between them. Contributing to the debate, Norman (2015) offers an excellent analysis of the opportunities and challenges related to the Rawlsian political theory and the idea of division of moral labour faces in the setting of corporate governance, while Hsieh (2004) importantly demonstrates how the implications of Rawls’ approach to justice manifest in the non-ideal setting of economic development.

In this article, we analyse the phenomenon of corporate responsibility in organisations and states as two separate kinds of entities, yet also address some of the linkages between these interrelated levels of analysis. Importantly for this study, the Rawlsian theoretical framework allows us to identify the competing structural logics in the responsibility debate addressing the diversity of understandings regarding the role of the corporation in modern society. Mäkinen and Kourula (2012) showed that the classical-liberal conception of an appropriate division of responsibilities offers a structural logic to support the mainstream thesis, that is the economically instrumental corporate responsibility discussion. In this article, we continue this line of argumentation and focus on the contemporary corporate responsibility debate by setting out three principal perspectives for analysing the responsibilities of the corporation, namely *economic*, *critical*, and *politico-ethical perspectives*. Essentially, each of these perspectives relates differently to the prevailing classical-liberal understanding of role of businesses in a society.

The *economic perspective* on corporate responsibility is politically rooted in the classical-liberal conception of society. Such a society calls for limited government and needs clear boundaries between its public and private spheres. Private businesses are perceived to be mainly economic actors. The major proponents of the perspective are Milton Friedman, Michael C. Jensen, Michael E. Porter, and Archie B. Carroll. The *critical* and *politico-ethical perspectives* on corporate responsibility are again anti-thetical, that is, they are based on critiques of the classical-liberal conception of society. The proponents of the *critical perspective*—largely following the works of Theodore Levitt, Ronen Shamir, Bobby S. Banerjee, and Martin Fougère—are concerned with the dominant and expansive role of the private sphere over the public sphere that the adoption of the classical-liberal political doctrine made possible. The *politico-ethical perspective* is again willing to give up on the whole classical-liberal idea of the separation between different spheres of organised human life. The proponents of the *politico-ethical perspective* are more diverse, and include Iris M. Young, Andreas G. Scherer, and Guido Palazzo on the political side, and Kenneth E. Goodpaster, Robert C. Solomon, and Tarja Ketola on the ethical side of corporate responsibility. The three perspectives on corporate responsibility discussed in this study are expounded upon below and illustrated in Fig. 1.

The Economic Perspective on Corporate Responsibility

When challenged to summarise the *economic perspective* on the responsibility of the corporation, its proponents' interpretations range from a narrow focus on shareholder

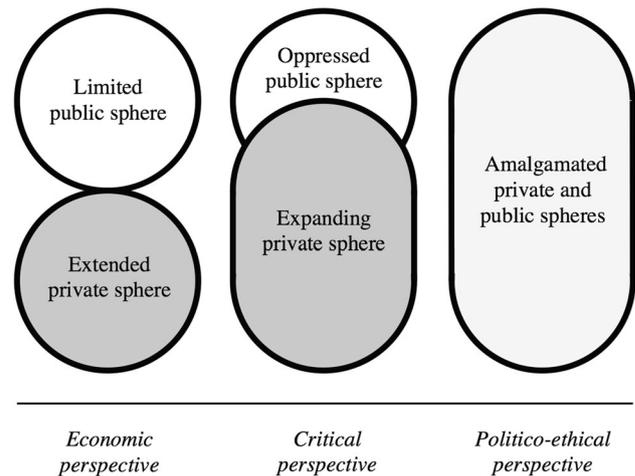


Fig. 1 Division of public and private spheres of society according to the three perspectives on corporate responsibility

profit maximisation (Friedman 1962, 1970) to a broader maximisation of the total value of firms (Jensen 2002, 2008), or to a notion of business opportunity through cost-benefit analysis (McWilliams and Siegel 2001; Ham-schmidt and Dyllick 2006), considerations of competitive advantage (Burke and Logsdon 1996; Porter and Kramer 2006) or/and stakeholder analyses (Freeman 1984; Jones 1995; Freeman et al. 2010) with an aim of contributing to the economic performance of the firm (Orlitzky et al. 2003; De Bakker et al. 2005).

The Societal Level and the Economic Perspective

According to Friedman (1970), the primary responsibility of business managers is to increase corporate profits. He connected the profit maximisation idea to the logic where responsibilities related to promoting desirable sociocultural or environmental ends, such as eliminating discrimination or avoiding pollution, are not direct concerns of business organisations. Instead, these social tasks are (mainly for reasons of economic efficiency, democracy, and individual freedom) considered to belong to the public institutions of society. Accordingly, the main task of public institutions, state officials, and citizens becomes, according to Friedman (1962, 1970), to provide the proper rules for businesses that take care of responsibility issues such as social fairness and the efficient use of common resources.

Although Friedman is often seen as a strong opponent of corporate responsibility, his classical-liberal division of social responsibilities between the public and private sectors is also the dominant political assumption among many proponents of corporate responsibility, particularly those who see corporate responsibility as a business opportunity. This particular political position is underwritten by Jensen (2002, 2008) who, like Friedman, emphasises the moral

significance of the strict separation between public and private interests in society. Jensen (2002) argued that the task of the public structures of society is to ensure that resources are used most efficiently, while the role of firms is to look beyond short-term profit maximisation and aim to maximise the long-term total value of the firm. Jensen's statement explicates Friedman's call for profit maximisation but with a longer time horizon and with the idea of the total value of the firm being a business managers' goal, "which includes returns to debt holders as well as shareholders" (Jones and Felps 2013a, p. 209). However, what is important here is that both authors have emphasised the role of corporations in society as mainly generators of economic value, albeit proposing slightly different means and using different terminology.

The *economic perspective* thus advances a view that firms are primarily economic actors in a society but can do well by doing good, or can perform better economically by attending to their social and environmental responsibilities. The proponents of the perspective also accept the classical-liberal idea of the economic role of private enterprises in society, as well as the normative significance of the boundaries between public and private spheres of society. The notion of corporate responsibility thus becomes particularly suitable for the liberal political ideal, as the responsibility of corporations is focused primarily on economic issues, and any forms of responsible behaviour must be justified in fiscal terms via a business case (e.g. Scherer et al. 2006; Stefan and Lanoie 2008; Carroll and Shabana 2010).

The Organisational Level and the Economic Perspective

At least three major management methods have been identified as capable of leveraging corporate responsibility as a business opportunity. The first approaches responsibility through cost-benefit analysis (e.g. McWilliams and Siegel 2001; Hamschmidt and Dyllick 2006), a familiar method in welfare economics and utilitarian social policies. The second looks at responsibility through the lens of competitive analysis (Burke and Logsdon 1996; Porter and Van der Linde 1995; Porter and Kramer 2006; Heikkurinen and Forsman-Hugg 2011), an interpretation that originates mainly in the theory of industrial organisation or the resource-based view (Heikkurinen 2013). The third, and the most popular approach to managing corporate responsibility, is the stakeholder analysis (Freeman 1984; Clarkson 1995; Jamali 2008; Kakabadse et al. 2005), particularly its economically instrumental variant (Jones 1995; Mitchell et al. 1997).

McWilliams and Siegel (2001) suggested that the ideal level of corporate responsibility could be determined by

cost-benefit analysis (see also Hamschmidt and Dyllick 2006; Minor and Morgan 2011), referring to the systematic assessment and comparison of the benefits and costs associated with managerial policies and decisions. In other words, the essence of this type of management is assessing whether the benefits of corporate policy outweigh its costs, and whether there are alternative policies with better cost-benefit ratios (Minor and Morgan 2011). Essentially, the idea is to choose the policy with the best ratio. McWilliams and Siegel (2001, p. 125) went even further towards economics and suggested that firms should provide only the exact level of responsibility at "which the increased revenue [...] equals the higher cost."

The second major managerial approach, competitive analysis, addresses corporate responsibility as a question of competitive advantage (Bowman and Haire 1975; Baron 2001; Heikkurinen 2010). The fundamental idea is to avoid considering responsibility too broadly and as something external to the firm's overall business strategy. Instead, the aim is to integrate the firm's responsibility policy and related tools into the organisation's competitive strategy for creating long-term business and societal value (Porter and Kramer 2011). According to this approach, corporate responsibility should be an integral part of the firm's core business decisions and value chains (Porter and Kramer 2006; Heikkurinen and Forsman-Hugg 2011).

A third management approach within the business case is attributed to Freeman (1984), who introduced stakeholder analysis as a means to manage a firm successfully (see also Rhenman 1968). In the analysis, stakeholders are "any group or individual who can affect or is affected by the achievement of the organisation's objectives" (Freeman 1984, p. 46), and those stakeholders are categorised as either primary (e.g. customers, communities, employees, financiers and suppliers), or secondary (e.g. states, competitors, consumer advocate groups, special interest groups, and the media) types (Freeman et al. 2007). In conducting an economically instrumental stakeholder analysis, that is, determining whose concerns affect the success of the firm, Mitchell et al. (1997, p. 896) coined the term **salience** and proposed three relationship attributes, namely power, legitimacy, and urgency, to help distinguish salient stakeholders from non-salient groups and individuals. Hart and Sharma (2004) argued that the remote groups at the fringe of a firm's operations, that is the poor, weak, isolated, non-legitimate, and even non-human stakeholders do matter, as they might possess knowledge important to the organisation's success. The question of salience has remained contested within the approach, but there is support for the notion that careful stakeholder analysis contributes to maximising shareholder value (Mitchell et al. 1997) and competitive imagination (Hart and Sharma 2004).

The Critical Perspective on Corporate Responsibility

When scholars of the *critical perspective* (e.g. Levitt 1958; Banerjee 2007; Shamir 2008; Fougère and Solitander 2009; Hanlon and Fleming 2009) are asked what corporate responsibility is, their answers differ significantly from those of the advocates of the economic perspective. Within this stream of thought, scepticism that firms act, and even can act, responsibly is rife (Banerjee 2007; Kallio 2007). There is also growing empirical evidence to support this critical argument (Ho and Welford 2006; Guidolin and La Ferrara 2010; Kambewa et al. 2008; Banerjee and Bonnefous 2011). The *critical perspective* challenges that there is any such thing as responsible corporate action and perceives the corporate responsibility phenomenon mainly as a managerial tool and a political discourse aimed at extending the role of markets and power of the private actors in society.

The Societal Level and the Critical Perspective

Politics and power are important starting points for the *critical perspective* on corporate responsibility. Banerjee (2007) argues that corporate responsibility is an ideological movement intended to legitimise and consolidate the power of large corporations. Hence, in order to understand the phenomenon, a critical and political lens must be deployed.

Walters (1977) interestingly showed how both the conservative and liberal political standpoints had employed arguments for and against corporate responsibility. However, in the recent literature, corporate responsibility has been particularly associated with right-wing political doctrines (Kinderman 2012; Mark-Ungericht and Weiskopf 2007). For instance, Hanlon and Fleming (2009, p. 937) argued that there is a strong neo-liberal tendency in the ongoing discourse and claimed that corporate responsibility “is one of a suite of practices that corporations are deploying as they seek to shift the nature of social regulation away from collective to more individual solutions”. Fougère and Solitander (2009) broadly agreed with this critique, yet were unsure whether harmful responsibility discourses are merely deliberate deceptions, or also represent a false consciousness in corporations.

In terms of the division of moral labour in a society, *critical perspective* theorists tend to perceive the self-regulatory aspect of corporate responsibility (action extending beyond that required for legislative compliance) to be problematic, as they claim it must over time lead to a reduction in power and diminished roles for democratic structures in society. In other words, increased corporate responsibility changes the duties in society. Through corporate self-regulation or governance, firms and the

economic elite are able to fend off social and political pressures for restrictive business laws and regulations (Paine 2000). It is important to note how well suited the corporate responsibility rhetoric is to the ideological aims of extending the political influence of the economically privileged and the business sphere in a society unhindered by normal democratic legitimisation processes, as noted by Levitt (1958).

The Organisational Level and the Critical Perspective

In contrast to the cost-benefit analysis aspect of corporate responsibility, the *critical perspective* scholars (e.g. Banerjee 2003) argue that there are many instances where firms’ policies and decisions can be considered responsible, even though the benefits accrued from those initiatives do not outweigh their costs, and vice versa. Consequently, there are important reasons to be sceptical of decision mechanisms where at some point monetary values must be assigned to benefits and costs that have no markets (Kelman 1981; DesJardins 1998; Paine 2000; Kolstad 2007), such as safety and biodiversity.

It is easy to see why from the *critical perspective* corporate responsibility, being a stepping stone to competitive advantage, might be viewed as a form of neo-liberal propaganda and a managerial technique, where the essentially political nature of corporate responsibility is disguised (Banerjee 2008; Fougère and Solitander 2009). The premise behind this type of critique is that major questions of responsibility are first and foremost public issues and thus belong to the transparent public sphere that operates with the democratic logic of *one person, one vote*. The democratic logic is often contrasted with the market logic of *one dollar, one vote*, which in many cases is the basis of a competitive analysis, as shareholders are able to vote with their wallets.

Its critics might well consider corporate responsibility a management and marketing tool (e.g. Frankental 2001) employed to transform the basic political questions of democracy and justice into managerial issues, and in so doing to extend the political influence of the economic and business spheres of society, while avoiding public political legitimisation processes. And with regard to the stakeholder analysis, Banerjee (2007) and Banerjee and Bonnefous (2011) demonstrated how stakeholder management is used as a strategy to hinder the interests of external stakeholders, such as environmental activists, or alternatively, outsource their ethical considerations to external stakeholders, as Heikkurinen and Ketola (2012) noted. The *critical perspective* reveals how stakeholder meetings may be used to give the impression that stakeholder interests are being considered, while in reality they are not. Moreover, in contexts where corporations are present and powerful but

critical stakeholders are not, and where state organisations are corrupt, there is likely to be little real engagement with stakeholders (Heikkurinen and Ketola 2012).

The Politico-Ethical Perspective on Corporate Responsibility

The *politico-ethical perspective* (e.g. Goodpaster 1983; Young 2004; Reis et al. 2004; Scherer and Palazzo 2007, 2011; Pruzan 2008; Ketola 2008, 2010) challenges the traditional idea of society being composed of distinct spheres of human life with different logics of action. Corporations are powerful actors operating in an increasingly globalised world where questions of business and ethics (Freeman et al. 2010, see the separation fallacy), economics and politics (Scherer and Palazzo 2007), or ecology (van Marrewijk 2003; Ketola 2008) are unavoidable and inseparable. Corporations thus need to develop a more comprehensive ethical identity, and to increase transparency, to acquire a democratic legitimacy, and to fulfil their responsibilities to societies and the environment. Under the *politico-ethical perspective*, corporate responsibility is something inherent in organisations and societies, as companies are composed of sentient human beings.

The Societal Level and the Politico-Ethical Perspective

The *politico-ethical perspective* not only challenges the *economic* and *critical perspective* understandings of corporate responsibility in political and ethical terms but also attempts to construct a novel approach. It states that the classical-liberal division of responsibilities between the political and economic spheres of society is no longer apt in a contemporary global economy (Scherer et al. 2006; Scherer and Palazzo 2007, 2011; see also Matten and Crane 2005; Crane et al. 2008), and thus, the regulatory powers of the state cannot be separated from private interests.

In the setting of a highly globalised economy, the advocates of the *politico-ethical perspective* suggest new political responsibilities to corporations assuming that they focus on the common good in the spirit of deliberative democracy (Néron 2015). Thus, to avoid economic instrumentalism, which is considered inadequate to solve either social (Scherer et al. 2006; Gond et al. 2009) or environmental problems (Heikkurinen and Bonnedahl 2013), the *politico-ethical perspective* calls for common issues to be addressed in deliberative spaces where private firms along with civil society actors play a central role as free and equal participants.

To reach beyond the economic instrumentalism and the classical-liberal division of moral labour, the major advocates of the *politico-ethical perspective* (Scherer and Palazzo 2007, 2011; Scherer et al. 2006) turn to

Habermas's political theory and conception of deliberative democracy. Deliberative democracy is generally understood as a decision-making process that requires the exchange of defensible reasons amidst "the public deliberation of free and equal citizens" (Bohman 1998, p. 401). According to Habermas's (1996, p. 107), "just those action norms are valid to which all possibly affected persons could agree as participants in rational discourses". According to Scherer and Palazzo (2011, p. 20), Habermas' deliberative conception of democracy overcomes the traditional and old-fashioned separations between the economy and politics, as well as the division between the private–public spheres of society.

From the *politico-ethical perspective*, those corporations operating in global settings are assumed to voluntarily self-regulate its processes, focus on the common good, and take over the traditional governmental tasks of the political and social regulation of businesses—and thus begin operating as the new provider of basic rights and public goods in society (Scherer and Palazzo 2011; Matten and Crane 2005; Scherer et al. 2006). This new political role for corporations is seen to be in line with not only the deliberative democracy but also with the republican conceptions of society (Scherer et al. 2006; Scherer and Palazzo 2007, 2011). The republican political theory focuses on the issues of political freedom and understands the notion of freedom as a state of affairs characterised by the absence of domination and arbitrary power (Pettit 1996; Hsieh 2004). Moreover, the republican philosophy is often linked with the deliberative conception of democracy, underlining the idea of democracy as public political argumentation going beyond the vote-centric and aggregative conceptions of democracy (Kymlicka 2002). According to Scherer et al. (2006), the republican political philosophy and the deliberative conception of democracy, unlike classical-liberalism, are consistent with political systems lacking real boundaries between business and politics, as envisioned under the *politico-ethical perspective*.

The Organisational Level and the Politico-Ethical Perspective

On the organisational level, the *politico-ethical perspective* has ethical variants that do not adhere to the tenets of the *economic* and *critical perspectives*, but instead focuses on the questions of what is ethically right and good (Reis et al. 2004), as well as on the moral characters of business managers (Solomon 2003) and corporations (Reidenbach and Robin 1991; Ketola 2008, 2009, 2010). Under the *politico-ethical perspective*, when profit making conflicts with the interests of the planet and people, corporations do not (and should not) necessarily choose profit and power as their sole goals (Goodpaster and Matthews 2003).

Corporations can even develop an inner sense of morality to guide their corporate responsibility to all stakeholders, including future generations, the natural environment, and other non-human entities (Ketola 2009). Furthermore, responsibility in corporations can even take a spiritual form. For instance, Zsolnai (2010) claims that ethics in business needs spirituality as a foundation and motivational driver, while according to Pruzan (2008, p. 553), true corporate responsibility is grounded in spirituality “that transcends the (self-imposed) limitations of economic rationality.”

Politico-ethical perspective theorists posit that corporate responsibility is not a means to an end but something fundamentally important in its own right, and that it, “provides a foundation for the development of identity, purpose, and success at both an individual and organisational level” (Pruzan 2008, p. 553). Such internal motivation for doing the right thing (Ditlev-Simonsen and Midttun 2011) has been related to many explanatory models on the individual level, for instance Abraham Maslow’s hierarchy of need (Ketola 2014), Erik Eriksson’s stages of psychosocial development (Ketola 2009), and Lawrence Kohlberg’s stages of moral development (Kettunen 1984). Other theoretical foundations are John Stuart Mill’s and Jeremy Bentham’s utilitarian ethics (Fredriksen 2010; Jones and Felps 2013b), as well as Immanuel Kant’s duty ethics (Bowie 1999; Kolstad 2007) and Aristotle’s virtue theory (Solomon 1992, 2003), or even Ken Wilber’s spirituality (van Marrewijk 2003).

The perspective on the organisational level can also be connected to ethical variants of the stakeholder approach (Freeman 1984; Gibson 2000; Freeman et al. 2010; Jones and Felps 2013b) that attempt to include a broader set of interests in the corporate decision-making, but that do not necessarily follow the logic of economic instrumentalism found within the *economic perspective*. Jones and Felps (2013b), for example, propose an alternative to the corporate objective of shareholder wealth maximisation, namely *stakeholder happiness enhancement*, an objective that allows managers to make principled choices when stakeholders’ interests collide. To gain information on and understanding of the needs and desires of stakeholders, several scholars call for increased stakeholder engagement and dialogue (Pedersen 2006; Morsing and Schultz 2006; Amaeshi and Crane 2006; Maak 2007). Indeed, engaging with stakeholders is often conceived as corporate responsibility in action (Greenwood 2007; Lindgreen and Swaen 2010). The underlying idea of stakeholder meetings and dialogues, multi-stakeholder initiatives, and public–private partnerships is that by bringing together different actors, such as corporations, civil society actors, governments, labour organisations, and academic scholars, social and environmental problems can be solved by consensus

(Fransen and Kolk 2007; Rotter et al. 2012; Unerman and Bennett 2004).

While Mena and Palazzo (2012, p. 945) consider such stakeholder initiatives “democratically legitimate”, they also identify “challenges in defining and evaluating the democratic legitimacy of private regulatory regimes”. Owing to the need for consensus-oriented working and the necessity of having multinational corporations committed, the new rules of the game are rarely strict in terms of business interests, and such rules as there are can be challenging (if not impossible) to enforce. In response to the criticism of these mechanisms, Mena and Palazzo (2012) developed both input legitimacy criteria (including procedural fairness, consensual orientation, and transparency) and output legitimacy criteria (rule coverage, efficacy, and enforcement) that are to be considered in the process. Well-known examples of these inter-sectorial initiatives include the UN Global Compact, The Global Reporting Initiative, and the Extractive Industries Transparency Initiative (Mena and Palazzo 2012; Kolstad and Wiig 2009; Etzion and Ferraro 2010).

Analysis of Corporate Responsibility Perspectives (Stage 2)

As reviewed above, the *economic perspective* (the dominant thesis in the field) considers corporate responsibility an economic opportunity, a means to bring affluence; the *critical perspective* (the antithesis of the *economic perspective*) considers corporate responsibility a neo-liberal discourse, a means to acquire societal power; and the *politico-ethical perspective* (the antithesis to both *economic* and *critical perspectives*) considers corporate responsibility a business practice; a means to acquire legitimacy and an end in itself. The central tenets of the perspectives are analysed below and presented in Table 1.

The Economic Perspective’s Potential and Pitfalls

As noted above, the *economic perspective* on corporate responsibility is based on the classical-liberal conception of the proper division of responsibility between the public and private spheres of society. The classical-liberal social order features strict boundaries between the public and private sectors of society. In such a political setting, the primary responsibility of the corporation is to act economically (Scherer et al. 2006). Thus, the issues of intra- and inter-generational justice (Langhelle 2000) lay beyond the primary scope of the corporation, unless they are to result in increased affluence and competitiveness through the market mechanism. However, as empirical studies by political philosophers (e.g. Pogge 2002) and economists (e.g.

Table 1 Two-level analysis of the three corporate responsibility perspectives

Perspectives	Economic perspective	Critical perspective	Politico-ethical perspective
Description of corporate responsibility	Responsibility as an economic opportunity, a means to bring affluence	Responsibility as a neo-liberal discourse, a means to acquire power	Responsibility as a business practice, a means to acquire legitimacy and an end in itself
Position in the field	Dominant thesis	Antithesis to the economic perspective	Antithesis to the economic and critical perspectives
Objective of the perspective	Constructive: Aims to develop the mainstream construction	Deconstructive: Aims to deconstruct the economic perspective	Reconstructive: Aims to develop an alternative construction
Societal level potential and pitfalls	Delivers material wealth, but does not address issues of justice	Highlights injustice and power asymmetries, but lacks solutions to problems	Opens up a chance of transformation, but may need a reality check
Organisational level potential and pitfalls	Increases competitiveness, but is difficult to optimise and brings moral dilemmas	Leads to more reflexive practice, but presents a cynical view of business	Gives a sense of meaning, but may lead to political and economic difficulties

Piketty 2014) demonstrate, the market-based approaches to social justice (e.g. Prahalad 2006), including the distribution of wealth, opportunities, and privileges within a society, have proved inadequate (to put it mildly). Furthermore, with regard to environmental justice, ecological economists (e.g. Daly 1996; Latouche 2007; Victor 2008), ecological philosophers (e.g. Naess 1989), environmental sociologists (e.g. Foster 1999), and ecosocial theorists (e.g. Bookchin 1980), as well as the global data on the planet (IPCC 2014) have shown how markets have neither solved, nor apparently are able to solve the issues of climate change, diminishing biodiversity, and overuse of natural resources due to the inherent problems of market failure and the necessity for economic growth. These problems have long been viable at the increasing rate of unequal distribution of wealth and ecological damage related to economic development.

Since the economic purpose of the corporation ought to be governed by the regulatory framework provided by the governing institutions of the limited state, the responsibility for social, as well as environmental, justice is pushed into the public sphere (Richter 2010). Controversially, in the free market ideal of the *economic perspective*, the role of the public sector is minimal. In other words, the public sector of classical-liberal society has only a narrow and indirect responsibility to promote well-being. Instead, the tasks of the state are to promote free competition, protect private property rights, the freedom of contracts, and to ensure that resources in society are used efficiently (Friedman 1962; Jensen 2002, 2008). On the organisational level, this signifies that corporations should manage all operations as efficiently and effectively as possible with the help of modern management techniques such as cost-benefit analysis (McWilliams and Siegel 2001) and sophisticated models of competitive advantage (Porter and Kramer

2006) and stakeholder management (Jones 1995). The pitfalls in the organisational practice, however, can be found when these models are put into practice. Cost-benefit analysis necessitates the quantification of responsibility, but the chore has been found challenging in most cases, and impossible in others (see Hanley and Spash 1993; Nussbaum 2000). For instance, while some trust that the optimum amount of honesty can be calculated, few truly think that reductions in biodiversity could be translated into the prices of corporate products, and then also be successfully communicated to corporate stakeholders. In addition, utility functions suggesting something like *we need to cut down 20 per cent of our ethics in order to return us to profitability* or *we cannot afford to take care of others any longer* are intuitively somewhat repellent and morally questionable. Furthermore, the market-oriented business strategy has been described as outsourcing ethical consideration to consumers and holding assumptions consistent with weak sustainability (at best), which are argued to be “insufficient in order to achieve sustainability over time and space” (Heikkurinen and Bonnedahl 2013, p. 191).

Furthermore, the pitfalls of the *economic perspective* on corporate responsibility have to do with its somewhat inconsistent political background theory, which emphasises the moral significance of the boundaries between business and politics without robust institutional mechanisms to support those boundaries (Mäkinen and Kourula 2012). However, in the social order suggested by classical-liberalism, there are no so-called basic-structure institutions taking care of the egalitarian background required to establish a just society. The lack also threatens citizens’ democratic control over the economic sphere of society and the basic terms of their social life (see Rawls 1996, 2001). Since classical-liberalism only accepts the very limited

public structures of society (protecting the capitalist basic rights) with no major redistributive functions, the approach suffers from the absence of any robust institutions that could halt the concentration of economic value over time, leading to the unequal distribution of wealth both locally and globally.

In the context of the globalising economy, classical-liberalism produces strong private concentrations of power operating within the relatively weak public structures of society. In these settings, the private economic power of corporations is easily transformed into unequal political power and, contrary to the classical-liberal ideal, the boundaries between business and politics become blurred; thus allowing firms to become major political actors in society and harbingers of development.

The Critical Perspective's Potential and Pitfalls

From the *critical perspective*, the corporate responsibility discussion is nothing more than a part of the neo-liberal political strategy that aims to legitimise the extension of corporate economic power in society at the expense of its democratic spheres (Banerjee 2007). Therefore, the corporate responsibility discourse transforms the bedrock of democracy and justice into economic and managerial questions where the laws of economics and markets prevail (Shamir 2008). On the organisational level, these ideas are compatible with the pursuit of competitive advantage and stakeholder management, which are becoming the major political currency in contemporary societies (Banerjee and Bonnefous 2011). As a consequence, those with the economic resources and managerial control over the means of production can dictate the fundamental terms of social and ecological life, while others, and particularly the least advantaged members of societies and non-human actors without economic capital, gradually lose their voice.

Despite the merit in the description, the perspective could be considered rather one-sided, and even cynical, which may be a pitfall. The *critical perspective* suggests that corporations, particularly large multinational companies, either deliberately or unconsciously dominate the weak. On the other hand, there might be potential in this perspective, as it forces scholars to question the underlying motives of business enterprises and examine their expediency, while putting business practitioners in a situation that encourages self-reflection. Are corporations really nothing but entities that try to create a society only for their own benefit?

While the inherent problems of the classical-liberal social order offer plenty of room for criticism, the *critical perspective* on corporate responsibility has not yet been able to suggest clear ways forward through its deconstructive focus on neo-liberal ideology. "Although

ideological critiques are important and informative, they are likely to fail to attack the fundamental problems because they can be perceived as disconnected from, and unconcerned with, routine activity in corporations" (Kuhn and Deetz 2008, p. 183). In other words, the major potential of the critical case is surely its ability to highlight the ongoing injustice and power asymmetries in human and non-human life, but its definite pitfall is the lack of available solutions. For the societal level, the suggested way forward is through governmental intervention by means of regulation (Banerjee 2010), but the means of organisational management remain undetermined. Within the *critical perspective* there might even be an assumption underlying this lack of management tools that private responsibility is not needed when global and local public governance mechanisms are able to take care of social and environmental responsibilities. We might also judge that the *critical perspective* on corporate responsibility discussion does not go far enough towards its roots in critical theory when it connects the neo-liberal political processes and the *economic perspective* understanding of responsibility. To clarify, the advocates of the critical perspective's position are rather weak in the political debate unless they can argue for an alternative that would demonstrate the outcomes of justice on the societal level and implications for the corporation. Even though it seems rather difficult to find an alternative model for the *economic perspective*, we must acknowledge the *critical perspective* for its ability to reveal the ideological foundations of the debate.

The Politico-Ethical Perspective's Potential and Pitfalls

Another contribution of the *critical perspective* is to function as a stepping stone on the route to the *politico-ethical perspective*. The inability of the *critical perspective* to produce a paradigm shift in the corporate responsibility discussion has paved the way for advocates of the *politico-ethical perspective* to develop new conceptualisations of the relationship between business and society. The way forward that this perspective offers is a path to moral development and political activity in societies and business organisations. For social and environmental justice to be a reality locally and globally, under the politico-ethical perspective corporations would have to bear a responsibility extending beyond economic instrumentalism (Néron 2010; Whelan 2012).

Advocates of the *politico-ethical perspective* aim to replace the dominant economic conception of responsibility with a new ethical and/or political understanding of corporate responsibility. It is an ambitious aim requiring the political version of the *politico-ethical perspective* discussion to expressly challenge the traditional ideas of

clear boundaries between the economic and political spheres of society, and the notion of private firms being mere economic actors that operate within a regulatory framework of the public sector of society. As an alternative to the *economic* and *critical perspectives*, the *politico-ethical perspective* offers an understanding of corporate responsibility where business firms blur the traditional boundaries between the economic and the political through voluntary self-regulation and by taking over the traditional executive tasks of political and social regulation of the private sphere in the spirit of deliberative democracy (Scherer and Palazzo 2007, 2011; Matten and Crane 2005; Crane et al. 2008).

An obvious pitfall of this thinking is its utopian nature, apparent in the lack of empirical studies that support the antithesis to the *economic* and *critical perspective*. An assumption that corporations and consumers can together succeed in radically reducing the volume of production and consumption in the rich north (which is needed for inter-generational justice), while simultaneously promoting global and local redistribution of economic wealth (which is needed for intra-generational justice), might be unrealistic. However, while this assumption does not accord with the empirical view of the world at large, we have recently witnessed the emergence of more ecologically and socially egalitarian ways of organising business practices, including sustainable enterprises (Tilley and Young 2006; Rodgers 2010; Holt 2011), community-supported organisations (Stagl 2002), fair businesses (Ketola 2012), co-operatives (Stattman and Mol 2014), and time banks (Seyfang 2003). There is certainly potential for these social movements to offer alternative ways to organise economic activity.

On the societal level, the assumptions made under the *politico-ethical perspective* are also of concern. The political side of the case assumes that globalisation and new forms of democratic conceptions (such as multi-stakeholder initiatives and public–private partnerships) are enough to challenge the *economic* and *critical perspectives* on corporate responsibility (Mäkinen and Kourula 2012; Mäkinen and Kasanen 2014, 2015). These assumptions, however, could be impugned. First, the current rate of globalisation cannot be guaranteed to prevail over the coming decades. Even if it did, it is debatable whether globalisation as a phenomenon could fundamentally challenge political agendas, such as that of classical-liberalism that describes the boundaries between the private and public spheres (Tainio et al. 2013). In other words, whether the so-called strong globalisation thesis is fully justified is moot. Be that as it may, it is possible to accept the strong globalisation thesis and still argue for a need to strengthen the boundaries between business and politics in the global economy due to the acute inequalities in society and the ecologically harmful consequences of business activity (Mäkinen and Kasanen 2015).

The following assumption could also be considered a pitfall on the societal level. The new forms of democracy, that is, the republican political philosophy (see Sunstein 1988; Dagger 2006; White 2012) and the deliberative concept of democracy (see Richardson 2002; Crocker 2006) are hardly served by proffering a mandate to enlarge the political participation of corporations in society. The theory relied upon by contemporary republicans and deliberative democrats seems, in fact, highly receptive to institutional measures designed to create stronger boundaries between economic and political powers (see Rawls 2001, pp. 149–150). These potentials and pitfalls are worth considering when hypothesising on the responsibility of the corporation to create a just society, and also when synthesising the perspectives to promote a more holistic understanding of the phenomenon.

Synthesis of Corporate Responsibility Perspectives (Stages 3 and 4)

Towards the Integrative Perspective on Corporate Responsibility (Stage 3)

In order to foster the potential of previous studies, our *integrative perspective* aims to bridge and reconcile the *economic*, *critical*, and *politico-ethical perspectives* on corporate responsibility. We propose that:

When there is a robust division of moral labour in a society, the responsibility of a corporation may be economic (as suggested by the economic perspective) without jeopardising democracy and sustainability (as reported by the critical perspective). Moreover, the economic role of corporations neither signifies the absence of deliberative democratic mechanisms nor business practices extending beyond mere compliance (as called for under the politico-ethical perspective).

To take the initial steps towards this synthesis, we suggest that to ensure the impartiality and functionality of both the democratic and economic logics, clear boundaries and the division of moral labour between public and private spheres should be put in place (Fig. 2). Hence, the prerequisite is a strong, democratic public sphere of society to draft and enforce fair institutional conditions under which the activities of the private sphere take place, so that economic actors can advance their ends within the framework of basic-structure institutions that are provided by the democratically governed public sphere of society (Rawls 1996, pp. 266–267; Rawls 2001; Mäkinen and Kourula 2012).

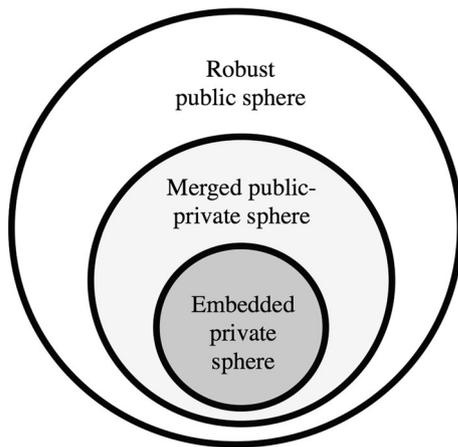


Fig. 2 Division of public and private spheres of society according to the integrative perspective on corporate responsibility

In other words, from the *integrative perspective* the private sphere must be embedded within the public sphere (see Fig. 2) to ensure the robust division of moral labour. The economy and its actors are to function within a society in such a manner that the democratic public sphere is able to make decisions concerning the institutional framework within which private sphere operations take place. As we know, currently this is not the case as large corporations are able to steer the democratic decision-making process to suit their economic interests (Fuchs and Clapp 2009; Néron 2015). The private sphere must be integrated within the public sphere since only this way can governments implement regulations ensuring that social and environmental justice become reality, as that cannot be guaranteed if corporate action is voluntary or justice becomes subject to the vagaries of the market. This is the precondition for the democratic division of responsibilities between public and private actors in a society (see also Mäkinen and Kasanen 2014, 2015).

On the other hand, we suggest that this type of strict division of moral labour between the public and private sphere offers room for private actors to focus on their core business competencies without being overwhelmed by political responsibilities and activities. When the division of moral labour is established, business organisations and managers are then free to further their goals effectively within the framework of the basic structure (see Rawls 1996, pp. 268–269). In this Rawlsian basic-structure society, “individuals will be assigned a duty to support just institutions, but within the framework established by those institutions, they will be able to lead their lives in such a way as to honour the values appropriate to small-scale interpersonal relationships” (Scheffler 2005, p. 236). To apply this idea to corporate responsibility signifies that the primary task of private organisations and managers is to

support public, democratic basic-structure institutions, while also being free to pursue their economic, or other interests such as providing equitable workplaces or contributing to the health of natural environment.

The widespread assumption that corporations would unite in opposition to governmental intervention through legislation seems a fallacy. In fact, a survey conducted among Nordic companies demonstrates “a very strong preference for increased international regulation of social and environmental issues” (Gjøølberg 2011, p. 1). In addition to supporting responsible managers and possible benefits that might accrue to companies already implementing corporate responsibility by levelling the playing field through raising the overall level of compliance (Gjøølberg 2011), distress from stakeholder demands might offer an explanation, and an important effect for openness to increased social and environmental regulation. For instance, to reduce the harmful overconsumption and overproduction of modern societies, the “basic structure [importantly] helps to shape people’s characters, desires, aims, and aspirations” (Scheffler 2005, p. 238) away from these unsustainable practices. Scheffler (2005, p. 238) adds that “[s]ince the basic structure inevitably has this function, and since the question of how people and their aspirations are to be shaped is a moral question, it is again essential that the basic structure should be regulated by norms of justice.”

It is crucial to understand that the proper division of moral labour and the separation of the private and public spheres of society are necessary to create and maintain the spaces for democratic deliberation (multi-stakeholder initiatives etc.) that comply with environmental and social justice. From the *integrative perspective*, the deliberative democratic processes (suggested by the *politico-ethical perspective*) and their contributions are considered important means for regulating global and local business conduct through legislation. In addition, as Mena and Palazzo (2012) suggested, the deliberative processes must meet legitimacy criteria in terms of procedural fairness, consensual orientation, and transparency (input legitimacy) as well as in terms of rule coverage, efficacy, and enforcement (output legitimacy). Public, democratic support for stakeholder initiatives is an effective indicator of both the input and output legitimacy of the process.

Theoretical backing for separating public and private spheres can be found, not only among the proponents of the *economic perspective* (e.g. Friedman 1962; Jensen 2002) but also among advocates of the *critical perspective* (e.g. Levitt 1958; Banerjee 2007). As mentioned above, the supporters of the *economic perspective* suggest strict boundaries between business and politics and work towards a self-directed private sphere of society with the *economic perspective* on corporate responsibility. On the other hand,

the proponents of the *critical perspective* call for a democratically governed public sphere of society, as they are rightly concerned about the ongoing expansion of the private sphere and consequent penetration of the economic logic throughout the public sphere.

Discussion on the Integrative Perspective (Stage 4)

Looking from the *integrative perspective*, the classical-liberal public sphere of society is too limited and economically oriented to regulate the private sphere of society in a globalised economy where the power of corporations is increasing relative to the public sphere of society (Mäkinen and Kasanen 2015). As envisioned by the proponents of the *critical perspective*, these weaknesses of the classical-liberal social order in local, domestic and global settings (via different power-gaining vehicles such as corporate responsibility) can easily lead to the extension of the economic sphere of society, at the expense of the democratically governed public sphere of society (Harvey 2005; Banerjee 2007; Shamir 2008). This process—where the boundaries between business and politics become extremely blurred—is problematic from the *economic perspective* because business firms become political actors, and the classical-liberal social order is therefore violated (e.g. Friedman 1962, 1970; Jensen 2002, 2008). The process is also problematic from the *critical perspective*, as the public sphere of society gradually becomes economised and penetrated by the rules of the market (Fougère 2011; Banerjee 2007; Shamir 2008). Despite some actions being considered legitimate in a society, the democratic logic is jeopardised if its status and the mechanism by which it functions is weakened. For these reasons, the *integrative perspective* aims to make the boundaries between business and politics stronger, and also to establish a clear division of moral labour between the private and public spheres of society. This condition could be supported from both *economic* and *critical perspectives* as it preserves the central aims of both perspectives on corporate responsibility.

A central scholarly target of the *integrative perspective* on corporate responsibility is to examine the multiple ways in which the boundaries between business and politics can be secured. First, the dominant ends of the public and private spheres of society could be more separate than in the classical-liberal setting, where the major political aims of the public sphere of society are economic and relatively similar to the targets of the private sphere of society. In the classical-liberal social order, the boundaries between business and politics are relatively fragile for that reason. Alternatively, the public sphere of society that should be firmly committed to the ends of social and environmental justice is not so vulnerable to local, domestic, and global

economic powers as is the economically oriented, classical-liberal public sector is (Mäkinen and Kasanen 2015). Second, our political culture offers an alternative conception of the public sphere that works harder than the classical-liberal public sector to oppose the concentration of economic power and the related expansion of the private sphere over time. The *integrative perspective* uses these alternative political conceptions of the public sector in the setting of corporate responsibility studies to outline a better balance between business and politics in the global setting (see Mäkinen and Kasanen 2015).

In addition, the *integrative perspective* on corporate responsibility takes into account some of the major democratic and ethical aims of the *politico-ethical perspective*. In the contemporary globalised economy, there is a need to democratically embed corporations into global regulatory frameworks and processes intended to regulate global businesses, as argued by the proponents of the *politico-ethical perspective* (Baur and Palazzo 2011; Scherer et al. 2013). In this context, corporations' active participation with the public as well as with civil society actors in different deliberative spaces and processes like multi-stakeholder dialogues, standard setting processes, and learning initiatives can be extremely important.

To incorporate the idea of deliberative democracy into the setting of global governance articulated by the proponents of the *politico-ethical perspective*, the *integrative perspective* on corporate responsibility focuses first on the institutional conditions for deliberative dialogue and democracy. It is generally accepted that these background conditions for deliberative democratic spaces include equal political rights, equality before the law, economic justice, and procedural fairness (see Rawls 2001; Richardson 2002; Crocker 2006; Habermas 1996).

Thus, the central idea of the *integrative perspective* is the call for outlining a robust public sphere of society capable of providing these conditions of background justice of democratic deliberation. Arguably, the provision of these public goods in the global setting, while simultaneously fulfilling the efficiency and democracy requirements of the *economic* and *critical perspectives*, may put a too heavy burden on the shoulders of various private actors, such as corporations and NGOs. This of course does not signify that those corporations that wish to and are able to exceed the requested level of compliance could not do so.

Furthermore, the *integrative perspective* studies the strengths and weaknesses of various ideas of deliberative democracy in the setting of global governance of businesses. The central hypothesis of our perspective is that the division of moral labour between public and private spheres is also of vital importance in the setting of global governance of businesses. For example, the Habermasian understanding of deliberative politics involving the idea of

division of labour between strong and weak publics is very interesting and worthy of consideration (Fraser 1992; Baynes 2002). In the setting of global governance of businesses, weak publics can be understood as those involving corporations and civil society actors participating in various multi-stakeholder forums and initiatives, while strong publics comprise the formal structures of the public sphere. The *integrative perspective* thus suggests that weak publics might be tasked with drafting the elements of a global regulatory framework to ensure corporate accountability, while the decision-making and the enforcement responsibilities lie with the democratically governed institutions of the public sphere (see Mäkinen and Kourula 2012).

In parallel with the state regulating its members, societal actors—be they from the public, private, or third sectors—are encouraged to start designing deliberative democratic institutions and structures that would encourage a sense of community, increase citizen engagement, and foster moral development. These ideas are often voiced when examining corporate responsibility from the *politico-ethical perspective* (e.g. Baur and Arenas 2014). While the ethical potential in societies could (and should) be explored to the fullest, as suggested by the *politico-ethical perspective* intellectuals (e.g. Pruzan 2008; Zsolnai 2010), the level of legal compliance must simultaneously be rationalised to meet the challenges of contemporary society, as emphasised under the *critical perspective*. To ameliorate some of the concerns over increased state control and bureaucracy from the *economic perspective* (e.g. Friedman 1962, 1970; Jensen 2002, 2008), the proposed updated legal compliance level need not necessarily translate into a larger volume of statutes and regulations, but might instead involve a change in quality. Examples of such bureaucratically light legislation could be a basic income or a progressive energy tax on consumption. The ecological, societal, and economic consequences of these policies, however, must be scrutinised in detail before implementation. The overall synthesis is illustrated in Table 2.

Societal Implications

In order to achieve the state of synthesis on the societal level, policy makers would be required to separate public and private powers by establishing and maintaining clear boundaries between the two spheres, which would involve drafting and implementing policies to embed the private sphere in the public sphere. The current international business context would require public policies to be put in place on both local and global levels (Locke 2013). That requirement would in turn demand an investigation of the potential for cooperation and coordination between the different vertical and horizontal levels of policy: a sort of meta-

governance (see e.g. Christopoulos et al. 2012; Kull 2014). While there may be negative economic consequences in the form of decreased competitive advantage for a society, embeddedness is crucial to ensure social and environmental justice. Because of contextual differences, it would largely fall to the policy makers to plan and implement the transition from an expanded private sphere to a private that is genuinely embedded. However, it may well be worth considering drafting a generic, global piece of legislation setting the maximum size of a corporation and limits to the accumulation of ownership and economic power.

After regaining power and legitimacy in the public sphere, policy makers would be expected to use their democratic authority by implementing the necessary regulation of corporations. This would require responding to questions of social injustice, reducing the gap between rich and poor both globally and locally, and developing strict measures to slow climate change, halt the reduction of biodiversity, and reduce the consumption of natural resources. In the social domain, questions might include enforcing progressive corporate taxation to support small- and medium-sized entrepreneurs, while on the environmental side, policies might encompass imposing a cost on all emissions affecting climate, and taxing resource use. Such policies would have the potential to advance social and environmental justice.

Policy making, however, ought not to be limited to these basic tasks but should include the co-designing of the background institutions together with other societal actors, thus allowing deliberative democratic processes to mediate between the public and private spheres. The institutional and economic support of public actors in multi-stakeholder initiatives, for instance, would be advantageous for the cause.

Organisational Implications

To draw implications for the management practice of business organisations, we propose that a broader understanding of corporate responsibility be adopted; one that incorporates the societal level of analysis (see also Aguinis and Glavas 2012; Frynas and Stephens 2015). This study's synthesis demonstrates how the organisational and societal levels of analysis are inherently intertwined and cannot be separated without invoking undesired consequences (see Dowling and Pfeffer 1975; Lee 2008). Examining corporate responsibility merely on the organisational level will lead to a lack of understanding of the economic and political context of the corporation. Moreover, a single-level approach to responsible business may have unintended social and ecological effects from the perspectives of intra- and inter-generational justice.

To demonstrate respect for the democratic process, we consider it would be worthwhile for corporations to

Table 2 Two-level synthesis and implications of the perspectives

Levels	Societal implications	Organisational implications
Economic perspective	States separating public and private powers in order to improve efficiency and democracy (as suggested mainly under the <i>economic perspective</i> , e.g. Friedman 1962; Jensen 2002)	As corporate responsibility is primarily economic, firms could refrain from politics (e.g. lobbying)
Critical perspective	States drafting legislation that protects social and environmental justice because it cannot be left to firms on a voluntary basis or to the vagaries of the market (as suggested under the <i>critical perspective</i> : e.g. Banerjee 2007; DesJardins 1998)	Corporations are to redefine their purpose and management models to support democracy (e.g. paying taxes) and decolonisation (e.g. respecting local communities)
Politico-ethical perspective	States creating and supporting deliberative democratic processes (as suggested by the <i>political-ethical perspective</i> : e.g. Scherer and Palazzo 2011, 2012; Scherer et al. 2006) that encourage moral development in organisations going beyond compliance (as suggested by the <i>political-ethical perspective</i> : e.g. Solomon 1992; Ketola 2009)	Corporations can partake in co-creating global guidelines and principles for responsible business (e.g. the multi-stakeholder initiatives) and applying universal moral ideas (e.g. the ethics of duty and virtue)
Integrative perspective	First, the State separates public and private powers by establishing boundaries between the sectors and embedding the private sphere in the public sphere; second, the State regulates private organisations; and third, creates and supports background institutions facilitating deliberative democratic processes to mediate between the spheres of public and private	First, corporations refrain from politics; second, they redefine their purpose to support democratic institutions; and third, they develop models of self-regulation and means to ensure inclusive stakeholder consideration
Outcome	When there is a robust division of moral labour in a society, the responsibility of a corporation may be economic (as suggested under the economic perspective) without jeopardising democracy and sustainability (as reported under the critical perspective). Moreover, the economic role of corporations signifies neither the absence of deliberative democratic mechanisms nor of business practices extending beyond compliance (as called for under the politico-ethical perspective)	

examine the possibility of refraining from politics as an act of responsibility (see also Néron 2015; Reich 1998; 2008). Rather than spending huge sums each year on lobbying, corporations could deploy their resources more responsibly (see e.g. Ketola 2010, 2012). Since the main purpose of corporate lobbyists is to influence political decision-making in favour of the firm or the industry, it is evident that the expanding lobbying industry is harmful to the democratic logic. The ways in which corporations can harm democracy and the public good include “promoting legislation that benefits corporations at the expense of individual citizens, the capturing of regulatory agencies by those whom the agencies were designed to regulate, and the privatization of functions that have historically been the mandate of local, state, and federal governments” (Barley 2007, p. 201). The corporate involvement in politics already has a track record of changing the direction of several laws and rolling back regulation in favour of corporate economic interests, as well as lowering corporate taxes and removing charges on the use of environmentally harmful substances (Bakan 2004). Moreover, it goes without saying that corporations should not engage in any kind of hidden political lobbying, as it is clearly incompatible with an advanced understanding of corporate responsibility and transparency (Palazzo and Richter 2005).

From the *integrative perspective*, another form of primary corporate responsibility could be demonstrated through making tax payments instead of adopting tax-avoidance schemes. The tax-free touring that corporations conduct undermines societal development, for instance in areas like public education and health care, and also reduces the options for environmental protection. We second the call of Christensen and Murphy (2004, p. 37) that “[b]usinesses should adopt corporate social responsibility standards on taxation, including requirements to publish all necessary accounting information and to refrain from the use of profits-laundering vehicles created without substantial economic purpose”. Furthermore, in the international setting, the maintenance of double standards can be seen to widen the gap in social justice between the “Rich North” and “Global South” (Castleman 1983; Stefanini 1999). The quality of products and processes should be of the same standard regardless of context (Heikkurinen and Ketola 2012), that is to say, the absence of stakeholder pressure should not signify weaker environmental and social performance. Instead, we propose that corporations involve themselves in co-creating global guidelines and principles for responsible business with other societal actors, e.g. multi-stakeholder initiatives (Mena and Palazzo 2012) and explore the usefulness of universal moral ideas, e.g. the ethics of duty (Bowie 1999; Kolstad 2007) and

virtue (Solomon 1992, 2003; Ketola 2008) in their corporate responsibility strategies (Heikkurinen and Bonnedahl 2013).

We would also encourage corporate managers to explore other legal forms to organise economic activity that necessitate taking full, instead of limited, responsibility for their actions. Furthermore, in addition to structural organisational changes, we suggest in line with van Marrewijk (2003), Bonnedahl and Eriksson (2007), and Ketola (2010) that corporations follow the pioneering organisations that have redefined their mission and strategies, and left behind management models based on narrow economic interests. This, however, cannot be expected from listed corporations that are largely bound by socio-economic structures and serving the interests of their shareholders. Self-funded organisations and social enterprises are leading the way in this respect, and importantly shaping organisational structures from within (Pruzan 2008; Heikkurinen and Ketola 2012). These changes may lead to positive reactions among stakeholders and confer advantages on first movers. However, the most important outcome of such policies would be that of supporting social and ecological justice in society at large, which is the motivation behind our *integrative perspective*.

Conclusions

The current inquiry aimed to produce a synthesis of the corporate responsibility literature on the organisational and societal levels of analysis. Based on a Rawlsian theoretical frame of the division of moral labour and a Rawlsian method of reflective equilibrium, we divided the existing literature into three principal perspectives, namely the *economic*, *critical*, and *politico-ethical*, and reviewed each perspective on two levels of analysis, namely the *organisational* and the *societal*. We found that each perspective incorporates a different set of assumptions related to the role of the corporation in accepting corporate responsibility, and consequently, the perspectives were found to be associated with varying normative arguments concerning how business activities should be managed both in organisations and societies.

By investigating the potential and pitfalls of the perspectives, we developed our initial synthesis of the literature, an *integrative perspective* on corporate responsibility. We noticed that while the perspectives are partly antithetical to one another, they are to an extent complementary. It was proposed that the responsibility of corporations may continue to be mainly economic but not at the expense of the democratic decision-making in a society, and that the economic role of the corporation neither signifies the absence of deliberative democracy mechanisms nor of

ethical business practices extending beyond mere compliance.

In the societal level synthesis, the *integrative perspective* was associated with (1) separating public and private powers by establishing clear boundaries between the sectors and embedding the private sphere in the public sphere; (2) regulation of private organisations; and (3) creation of and support for background institutions for deliberative democratic processes to mediate between the spheres of public and private. The organisational level synthesis again suggested that the responsibility of the corporation is to (1) refrain from politics, (2) redefine its purpose to support democratic institutions, and (3) develop models of self-regulation and means to promote inclusive stakeholder consideration.

The three perspectives presented in this paper are by no means comprehensive and other perspectives exist and flourish. Corporate responsibility is a diverse (Dahlsrud 2008, Mäkinen and Kakkuri-Knuutila 2013) and contextual phenomenon (Matten and Moon 2008) that cannot easily be captured in a single typology. This signifies that there are overlaps between the perspectives outlined in this paper. Moreover, as our synthesis is only preliminary, it should mainly be considered as an opening for an integrative research agenda. We also acknowledge a limitation of our paper is that its analysis is restricted to only the organisational and societal levels, to the exclusion of the individual and ecosystem levels. We aim to redress this omission in future studies and to continue the work on knitting together the multiple levels of analysis in the corporate responsibility debate.

We believe that further review and synthesis exercises could make important contributions to the field of corporate responsibility that is evidently contested and complex. Moreover, we agree with Aguinis and Glavas (2012), as well as Frynas and Stephens (2015), that multilevel and integrative perspectives are needed in the field. Hence, further progress in the corporate responsibility debate would require the acknowledgement of the interconnectedness of the societal and organisational levels, and finding a fit between the socio-political and organisational systems. *Integrative perspectives* are constitutive for the field of corporate responsibility as they offer a more comprehensive approach to the increasingly fragmented field by bridging levels of analysis and combining the strengths and weaknesses of existing responsibility perspectives.

Open Access This article is distributed under the terms of the Creative Commons Attribution 4.0 International License (<http://creativecommons.org/licenses/by/4.0/>), which permits unrestricted use, distribution, and reproduction in any medium, provided you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license, and indicate if changes were made.

References

- Aguinis, H., & Glavas, A. (2012). What we know and don't know about corporate social responsibility a review and research agenda. *Journal of Management*, 38(4), 932–968.
- Amaeshi, K. M., & Crane, A. (2006). Stakeholder engagement: A mechanism for sustainable aviation. *Corporate Social Responsibility and Environmental Management*, 13(5), 245–260.
- Anderson, S., & Cavanagh, J. (2000). *Top 200: The rise of corporate global power*. Washington DC: Institute for Policy Studies.
- Bakan, J. (2004). *The corporation: The pathological pursuit of profit and power*. New York: Free Press.
- Banerjee, S. B. (2003). Who sustains whose development? Sustainable development and the reinvention of nature. *Organization Studies*, 24(1), 143–180.
- Banerjee, S. B. (2007). *Corporate Social responsibility. The good, the bad and the ugly*. Cheltenham: Edward Elgar.
- Banerjee, S. B. (2010). Governing the global corporation: A critical perspective. *Business Ethics Quarterly*, 20(2), 265–274.
- Banerjee, S. B., & Bonnefous, A.-M. (2011). Stakeholder management and sustainability strategies in the French nuclear industry. *Business Strategy and the Environment*, 20(2), 124–140.
- Barley, S. R. (2007). Corporations, democracy, and the public good. *Journal of Management Inquiry*, 16(3), 201–215.
- Baron, D. P. (2001). Private politics, and integrated strategy. *Journal of Economics & Management Strategy*, 10(1), 7–45.
- Baur, D., & Arenas, D. (2014). The value of unregulated business-NGO interaction: A deliberative perspective. *Business and Society*, 53(2), 157–186.
- Baur, D., & Palazzo, G. (2011). The moral legitimacy of NGEs as partners of corporations. *Business Ethics Quarterly*, 21(4), 576–604.
- Baynes, K. (2002). Deliberative democracy and the limits of liberalism. In R. von Schomberg & K. Baynes (Eds.), *Discourse and democracy: Essays of Habermas' between facts and norms* (pp. 15–30). Albany: State University of New York Press.
- Bohman, J. (1998). The coming age of deliberative democracy. *Journal of Political Philosophy*, 64(4), 400–425.
- Bonnedahl, K. J., & Eriksson, J. (2007). Sustainable economic organisation: Simply a matter of reconceptualisation or a need for a new ethics? *International Journal of Innovation and Sustainable Development*, 2(1), 97–115.
- Bookchin, M. (1980). *Towards an ecological society*. Quebec: Black Rose Books.
- Bowen, H. R. (1953). *Social responsibilities of the businessman*. New York: Harper & Row.
- Bowie, N. (1999). *Business ethics: A Kantian perspective*. Malden: Blackwell.
- Bowman, E. H., & Haire, M. (1975). A strategic posture toward corporate social responsibility. *California Management Review*, 18(2), 49–58.
- Burke, L., & Logsdon, J. M. (1996). How corporate social responsibility pays off. *Long Range Planning*, 29(4), 495–502.
- Carroll, A. B. (1979). A three-dimensional conceptual model of corporate performance. *Academy of Management Review*, 4(4), 497–505.
- Carroll, A. B., & Shabana, K. M. (2010). The business case for corporate social responsibility: A review of concepts, research and practice. *International Journal of Management Reviews*, 12(1), 85–105.
- Castleman, B. I. (1983). The double standard in industrial hazards. *International Journal of Health Services*, 13(1), 5–14.
- Christensen, J., & Murphy, R. (2004). The social irresponsibility of corporate tax avoidance: Taking CSR to the bottom line. *Development*, 47(3), 37–44.
- Christopoulos, S., Horvath, B., & Kull, M. (2012). Advancing the governance of cross-sectoral policies for sustainable development: A metagovernance perspective. *Public Administration and Development*, 32(3), 305–323.
- Clarkson, M. E. (1995). A stakeholder framework for analyzing and evaluating corporate social performance. *Academy of Management Review*, 20(1), 92–117.
- Crane, A., Matten, D., & Moon, J. (2008). *Corporations and citizenship*. Cambridge: Cambridge University Press.
- Crocker, D. (2006). Sen and deliberative democracy. In A. Kaufman (Ed.), *Capabilities equality: Basic issues and problems*. New York: Routledge.
- Dagger, R. (2006). Neo-republicanism and the civic economy. *Politics, Philosophy & Economics*, 5(2), 151–173.
- Dahlsrud, A. (2008). How corporate social responsibility is defined: an analysis of 37 definitions. *Corporate Social Responsibility and Environmental Management*, 15(1), 1–13.
- Daly, H. E. (1996). *Beyond growth: The economics of sustainable development*. Boston: Beacon Press.
- Daniels, N. (1996). *Justice and justification: Reflective equilibrium in theory and practice*. New York: Cambridge University Press.
- De Bakker, F. G., Groenewegen, P., & Den Hond, F. (2005). A bibliometric analysis of 30 years of research and theory on corporate social responsibility and corporate social performance. *Business and Society*, 44(3), 283–317.
- DesJardins, J. (1998). Corporate environmental responsibility. *Journal of Business Ethics*, 17(8), 825–838.
- Ditlev-Simonsen, C. D., & Midttun, A. (2011). What motivates managers to pursue corporate responsibility? A survey among key stakeholders. *Corporate Social Responsibility and Environmental Management*, 18(1), 25–38.
- Dowling, J., & Pfeffer, J. (1975). Organizational legitimacy: Social values and organizational behavior. *Pacific Sociological Review*, 18(1), 122–136.
- Etzion, D., & Ferraro, F. (2010). The role of analogy in the institutionalization of sustainability reporting. *Organisation Science*, 21(5), 1092–1107.
- Foster, J. B. (1999). Marx's theory of metabolic rift: Classical foundations for environmental sociology. *American Journal of Sociology*, 105(2), 366–405.
- Fougère, M. (2011). Corporations as political and unpolitical actors. *Electronic Journal of Business Ethics and Organizational Studies*, 16(2), 12–21.
- Fougère, M., & Solitander, N. (2009). Against corporate responsibility: Critical reflections on thinking, practice, content and consequences. *Corporate Social Responsibility and Environmental Management*, 16(4), 217–227.
- Frankental, P. (2001). Corporate social responsibility—a PR invention? *Corporate Communications: An International Journal*, 6(1), 18–23.
- Fransen, L. W., & Kolk, A. (2007). Global rule-setting for business: A critical analysis of multi-stakeholder standards. *Organisation*, 14(5), 667–684.
- Fraser, N. (1992). Rethinking the public sphere: A contribution to the critique of actually existing democracy. In C. Calhoun (Ed.), *Habermas and the public sphere*. Boston: Massachusetts Institute of Technology.
- Fredriksen, C. S. (2010). The relation between policies concerning Corporate Social Responsibility (CSR) and philosophical moral theories—An empirical investigation. *Journal of Business Ethics*, 93(3), 357–371.
- Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Boston: Pitman.
- Freeman, S. (2007). *Rawls*. London: Routledge.

- Freeman, R. E., Harrison, J. S., & Wicks, A. C. (2007). *Managing for stakeholders: Survival, reputation, and success*. New Haven: Yale University Press.
- Freeman, R. E., Harrison, J. S., Wicks, A. C., Parmar, B. L., & Colle, S. (2010). *Stakeholder theory: The state of the art*. Cambridge: Cambridge University Press.
- Friedman, M. (1962). *Capitalism and freedom: With the assistance of Rose D. Friedman*. Chicago: University of Chicago Press.
- Friedman M. (1970, 13 September). The social responsibility of business is to increase its profits. *The New York Times Magazine*.
- Frynas, J. G., & Stephens, S. (2015). Political corporate social responsibility: Reviewing theories and setting new agendas. *International Journal of Management Reviews*, 17(4), 483–509.
- Fuchs, D., & Clapp, J. (2009). Corporate power and global agrifood governance: Lessons learned. In J. Clapp & D. Fuchs (Eds.), *Corporate power in global agrifood governance*. Cambridge: MIT Press.
- Garriga, E., & Melé, D. (2004). Corporate social responsibility theories: Mapping the territory. *Journal of Business Ethics*, 53(1–2), 51–71.
- Gibson, K. (2000). The moral basis of stakeholder theory. *Journal of Business Ethics*, 26(3), 245–257.
- Gjørlberg M. 2011. Explaining regulatory preferences: CSR, soft law, or hard law? Insights from a survey of Nordic pioneers in CSR. *Business and Politics*, 13(2): NA.
- Gond, J. P., Palazzo, G., & Basu, K. (2009). Reconsidering instrumental corporate social responsibility through the Mafia metaphor. *Business Ethics Quarterly*, 19(1), 57–85.
- Goodpaster, K. E. (1983). The concept of corporate responsibility. *Journal of Business Ethics*, 2(1), 1–22.
- Goodpaster, K. E., & Matthews, J. B, Jr. (2003). Can a corporation have a conscience? In Harvard Business (Ed.), *Review on corporate social responsibility*. Boston: Harvard Business School Press.
- Greenwood, M. (2007). Stakeholder engagement: Beyond the myth of corporate responsibility. *Journal of Business Ethics*, 74(4), 315–327.
- Guidolin, M., & La Ferrara, E. (2010). The economic effects of violent conflict: Evidence from asset market reactions. *Journal of Peace Research*, 47(6), 671–684.
- Habermas J. 1996. *Between facts and norms: Contributions to a discourse theory of law and democracy* (W. Rehg, Trans.). MIT Press: Cambridge.
- Hamschmidt, J., & Dyllick, T. (2006). ISO 14001: Profitable? Yes! But is it eco-effective? In S. Schaltegger & M. Wagner (Eds.), *Managing the business case for sustainability* (pp. 554–568). Sheffield: Greenleaf Publishing.
- Hanley, N., & Spash, C. L. (1993). *Cost-benefit analysis and the environment*. Cheltenham: Edward Elgar.
- Hanlon, G., & Fleming, P. (2009). Updating the critical perspective on corporate social responsibility. *Sociology Compass*, 3(6), 1–12.
- Hart, S. L., & Sharma, S. (2004). Engaging fringe stakeholders for competitive imagination. *Academy of Management Executive*, 18(1), 7–18.
- Hartman, E. M. (2001). Moral philosophy, political philosophy, and organizational ethics: A response to Phillips and Margolis. *Business Ethics Quarterly*, 11(4), 673–685.
- Harvey, D. (2005). *A brief history of neoliberalism*. Oxford: Oxford University Press.
- Heikkurinen, P. (2010). Image differentiation with corporate environmental responsibility. *Corporate Social Responsibility and Environmental Management*, 17(3), 142–152.
- Heikkurinen, P. (2013). *Reframing strategic corporate responsibility: From economic instrumentalism and stakeholder thinking to awareness and sustainable development*. Helsinki: Aalto University.
- Heikkurinen, P., & Bonnedahl, K. J. (2013). Corporate responsibility for sustainable development: A review and conceptual comparison of market- and stakeholder-oriented strategies. *Journal of Cleaner Production*, 43, 191–198.
- Heikkurinen, P., & Forsman-Hugg, S. (2011). Strategic corporate responsibility in the food chain. *Corporate Social Responsibility and Environmental Management*, 18(5), 306–316.
- Heikkurinen, P., & Ketola, T. (2012). Corporate responsibility and identity: From a stakeholder to an awareness approach. *Business Strategy and the Environment*, 21(5), 326–337.
- Ho, M., & Welford, R. (2006). Case study: power, protests and the police: The shootings at Shanwei. *Corporate Social Responsibility and Environmental Management*, 13(4), 233–237.
- Holt, D. (2011). Where are they now? Tracking the longitudinal evolution of environmental businesses from the 1990s. *Business Strategy and the Environment*, 20(4), 238–250.
- Hsieh, N. H. (2004). The obligations of transnational corporations: Rawlsian justice and the duty of assistance. *Business Ethics Quarterly*, 14(4), 643–661.
- Intergovernmental Panel on Climate Change (IPCC) 2014. *Fifth Assessment Report*. Available at: <http://www.ipcc.ch/report/ar5/>.
- Jamali, D. (2008). A stakeholder approach to corporate social responsibility: A fresh perspective into theory and practice. *Journal of Business Ethics*, 82(1), 213–231.
- Jensen, M. C. (2002). Value maximization, stakeholder theory, and the corporate objective function. *Business Ethics Quarterly*, 12(2), 235–256.
- Jensen, M. C. (2008). Non-rational behaviour, value conflicts, stakeholder theory, and firm behaviour. *Business Ethics Quarterly*, 18(2), 167–171.
- Jones, T. M. (1995). Instrumental stakeholder theory: A synthesis of ethics and economics. *Academy of Management Review*, 20(2), 404–437.
- Jones, T. M., & Felps, W. (2013a). Shareholder wealth maximization and social welfare: A utilitarian critique. *Business Ethics Quarterly*, 23(2), 207–238.
- Jones, T. M., & Felps, W. (2013b). Stakeholder happiness enhancement: A neo-utilitarian objective for the modern corporation. *Business Ethics Quarterly*, 23(3), 349–379.
- Kakabadse, N. K., Rozuel, C., & Lee-Davies, L. (2005). Corporate social responsibility and stakeholder approach: A conceptual review. *International Journal of Business Governance and Ethics*, 1(4), 277–302.
- Kallio, T. J. (2007). Taboos in corporate social responsibility discourse. *Journal of Business Ethics*, 74(2), 165–175.
- Kambewa, E., Ingenbleek, P., & van Tilburg, A. (2008). Improving income positions of primary producers in international marketing channels: Lake Victoria—EU Nile perch case. *Journal of Macromarketing*, 28(3), 53–67.
- Kelman, S. (1981). Cost-benefit analysis: an ethical critique. *Regulation*, 5(1), 74–82.
- Ketola, T. (2008). A holistic corporate responsibility model: Integrating values, discourses and actions. *Journal of Business Ethics*, 80(3), 419–435.
- Ketola, T. (2009). Potty-training companies: applying Erik H. Erikson's stages of psychosocial development to CSR. *International Journal of Business Governance and Ethics*, 4(3), 250–263.
- Ketola, T. (2010). Five leaps to corporate sustainability through a corporate responsibility portfolio matrix. *Corporate Social Responsibility and Environmental Management*, 17(6), 320–336.
- Ketola, T. (2012). Fair Business as a corporate responsibility and competitiveness factor? Fashion design company Globe Hope as

- an example. *International Journal of Technology Management*, 58(1/2), 109–128.
- Ketola, T. (2014). Rationale, morals, and needs pyramid for corporate responsibility development. *Corporate Social Responsibility and Environmental Management*, 21(4), 228–239.
- Kettunen, P. (1984). The stages of moral responsibility of the firm. *Scandinavian Journal of Management Studies*, 1(2), 137–151.
- Kinderman, D. (2012). ‘Free us up so we can be responsible!’ The co-evolution of Corporate Social Responsibility and neo-liberalism in the UK 1977–2010. *Socio-Economic Review*, 10(1), 29–57.
- Kolstad, I. (2007). Why firms should not always maximize profits. *Journal of Business Ethics*, 76(2), 137–145.
- Kolstad, I., & Wiig, A. (2009). Is transparency the key to reducing corruption in resource-rich countries? *World Development*, 37(3), 521–532.
- Kuhn, T., & Deetz, S. (2008). Critical theory and corporate social responsibility: Can and should we get beyond cynical reasoning? In A. Crane, A. McWilliams, D. Matten, J. Moon, & D. Siegel (Eds.), *The Oxford handbook of corporate social responsibility*. Oxford: Oxford University Press.
- Kull, M. (2014). *European integration and rural development: Actors, institutions and power*. Surrey: Ashgate.
- Kymlicka, W. (2002). *Contemporary political philosophy: An introduction* (2nd ed.). New York: Oxford University Press.
- Langhelle, O. (2000). Sustainable development and social justice: Expanding the Rawlsian framework of global justice. *Environmental Values*, 9(3), 295–323.
- Latouche, S. (2007). *Petit traité de la décroissance sereine*. Paris: Mille et une nuits, Department de la Librairie Arthème Fayard.
- Lee, M. D. P. (2008). A review of the theories of corporate social responsibility: Its evolutionary path and the road ahead. *International Journal of Management Reviews*, 10(1), 53–73.
- Levitt, T. (1958). The dangers of social responsibility. *Harvard Business Review*, 36(5), 41–50.
- Lindgreen, A., & Swaen, V. (2010). Corporate social responsibility. *International Journal of Management Reviews*, 12(1), 1–7.
- Locke, R. (2013). *The promise and limits of private power: Promoting labor standards in a global economy*. New York: Cambridge University Press.
- Maak, T. (2007). Responsible leadership, stakeholder engagement, and the emergence of social capital. *Journal of Business Ethics*, 74(4), 329–343.
- Mäkinen, J., & Kakkuri-Knuuttila, M.-L. (2013). The defence of utilitarianism in early Rawls: A study of methodological development. *Utilitas*, 25(1), 1–31.
- Mäkinen J, Kasanen E. (2014). Boundaries between business and politics: A study on the division of moral labor. *Journal of Business Ethics*, Online First, 1–14.
- Mäkinen, J., & Kasanen, E. (2015). In defense of a regulated market economy. *Journal of Global Ethics*, 11(1), 99–109.
- Mäkinen, J., & Kourula, A. (2012). Pluralism in political corporate social responsibility. *Business Ethics Quarterly*, 22(4), 649–678.
- Mark-Ungericht, B., & Weiskopf, R. (2007). Filling the empty shell. The public debate on CSR in Austria as a paradigmatic example of a political discourse. *Journal of Business Ethics*, 70(3), 285–297.
- Matten, D., & Crane, A. (2005). Corporate citizenship: Toward an extended theoretical conceptualization. *Academy of Management Review*, 30(1), 166–179.
- Matten, D., & Moon, J. (2008). “Implicit” and “explicit” CSR: A conceptual framework for a comparative understanding of corporate social responsibility. *Academy of Management Review*, 33(2), 404–424.
- McWilliams, A., & Siegel, D. (2001). Corporate social responsibility: A theory of the firm perspective. *Academy of Management Review*, 25(1), 117–127.
- Mena, S., & Palazzo, G. (2012). Input and output legitimacy of multi-stakeholder initiatives. *Business Ethics Quarterly*, 22(3), 527–556.
- Minor, D., & Morgan, J. (2011). CSR as reputation insurance: Primum non nocere. *California Management Review*, 53(3), 40.
- Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of Management Review*, 22(4), 853–886.
- Moriarty, J. (2005). On the relevance of political philosophy to business ethics. *Business Ethics Quarterly*, 15(3), 455–473.
- Morsing, M., & Schultz, M. (2006). Corporate social responsibility communication: Stakeholder information, response and involvement strategies. *Business Ethics: A European Review*, 15(4), 323–338.
- Naess A. (1989). *Ecology, community and lifestyle* (D. Rothenberg, Trans.). Cambridge University Press: Cambridge.
- Néron, P. Y. (2010). Business and the polis: What does it mean to see corporations as political actors? *Journal of Business Ethics*, 94(3), 333–352.
- Néron P. Y. (2015). Rethinking the ethics of corporate political activities in a post-citizens united era: Political equality, corporate citizenship, and market failures. *Journal of Business Ethics*. Online First. doi:10.1007/s10551-015-2867-y.
- Norman, W. (2015). Rawls on markets and corporate governance. *Business Ethics Quarterly*, 25(1), 29–64.
- Nussbaum, M. C. (2000). The costs of tragedy: Some moral limits of cost-benefit analysis. *The Journal of Legal Studies*, 29(S2), 1005–1036.
- Orlitzky, M., Schmidt, F. L., & Rynes, S. L. (2003). Corporate social and financial performance: A meta-analysis. *Organization Studies*, 24(3), 403–441.
- Paine, L. S. (2000). Does ethics pay? *Business Ethics Quarterly*, 10(1), 319–330.
- Palazzo, G., & Richter, U. (2005). CSR business as usual? The case of the tobacco industry. *Journal of Business Ethics*, 61(4), 387–401.
- Pedersen, E. R. (2006). Making corporate social responsibility (CSR) operable: How companies translate stakeholder dialogue into practice. *Business and Society Review*, 111(2), 137–163.
- Pettit, P. (1996). Freedom as antipower. *Ethics*, 106(3), 576–604.
- Phillips, R. A., & Margolis, J. D. (1999). Towards an ethics of organizations. *Business Ethics Quarterly*, 9(4), 619–638.
- Piketty, T. (2014). *Capital in the twenty-first century*. Cambridge, MA: Harvard University Press.
- Pogge, T. (2002). *World poverty and human rights: Cosmopolitan responsibilities and reforms*. Cambridge: Polity Press.
- Porter, M. E., & Kramer, M. R. (2006). Strategy and society: The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 78(12), 78–92.
- Porter, M. E., & Kramer, M. R. (2011). Creating shared value. *Harvard Business Review*, 89(1/2), 62–77.
- Porter, M. E., & Van der Linde, C. (1995). Green and competitive: Ending the stalemate. *Harvard Business Review*, 73(5), 120–134.
- Prahalad, C. K. (2006). *The fortune at the bottom of the pyramid*. Upper Saddle River: Pearson Education.
- Pruzan, P. (2008). Spirituality as a firm basis for corporate social responsibility. In A. Crane, A. McWilliams, D. Matten, J. Moon, & D. S. Siegel (Eds.), *The Oxford handbook of corporate social responsibility*. New York: Oxford University Press.
- Rawls, J. (1971). *A theory of justice*. Cambridge, MA: Harvard University Press.
- Rawls, J. (1996). *Political liberalism (with a new introduction and the “reply to Habermas”)*. New York: Columbia University Press.
- Rawls J., & Kelly E. (Ed.). 2001. *Justice as fairness: A restatement*. Harvard University Press: Cambridge.

- Reich, R. (1998). The new meaning of corporate social responsibility. *California Management Review*, 48(2), 8–17.
- Reich, R. (2008). *Supercapitalism: The transformation of business, democracy, and everyday life*. New York: Vintage.
- Reidenbach, R. E., & Robin, D. P. (1991). A conceptual model of corporate moral development. *Journal of Business Ethics*, 10(4), 273–284.
- Reis, D., Betton, J., & Peña, L. (2004). Corporate social responsibility: Is it high noon for a new paradigm? *Journal of Human Values*, 10(1), 1–10.
- Rhenman, E. (1968). *Industrial democracy and industrial management*. London: Tavistock.
- Richardson, H. (2002). *Democratic autonomy: Public reasoning about the ends of policy*. Oxford: Oxford University Press.
- Richter, U. H. (2010). Liberal thought in reasoning on CSR. *Journal of Business Ethics*, 97, 625–649.
- Rodgers, C. (2010). Sustainable entrepreneurship in SMEs: A case study analysis. *Corporate Social Responsibility and Environmental Management*, 17(3), 125–132.
- Rotter, J. P., Özbek, N., & Mark-Herbert, C. (2012). Private-public partnerships: Corporate responsibility strategy in food retail. *International Journal of Business Excellence*, 5(1–2), 5–20.
- Scheffler, S. (2005). The division of moral labour: Egalitarian liberalism as moral pluralism. *Proceeding of the Aristotelian Society*, 79, 229–253.
- Scherer, A. G., & Palazzo, G. (2007). Toward a political conception of corporate responsibility: Business and society seen from a Habermasian perspective. *Academy of Management Review*, 32(4), 1096–1120.
- Scherer, A. G., & Palazzo, G. (2011). The new political role of business in a globalized world: A review of a new perspective on CSR and its implications for the firm, governance, and democracy. *Journal of Management Studies*, 48(4), 899–931.
- Scherer, A. G., Palazzo, G., & Baumann, D. (2006). Global rules and private actors: Towards a new role of the transnational corporation in global governance. *Business Ethics Quarterly*, 16(4), 505–532.
- Scherer, A. G., Palazzo, G., & Seidl, D. (2013). Managing legitimacy in complex and heterogeneous environments: Sustainable development in a globalized world. *Journal of Management Studies*, 50(2), 259–284.
- Secchi, D. (2007). Utilitarian, managerial and relational theories of corporate social responsibility. *International Journal of Management Reviews*, 9(4), 347–373.
- Seyfang, G. (2003). Growing cohesive communities one favour at a time: Social exclusion, active citizenship and time banks. *International Journal of Urban and Regional Research*, 27(3), 699–706.
- Shamir, R. (2008). The age of responsabilization: On market-embedded morality. *Economy and Society*, 37(1), 1–19.
- Solomon, R. C. (1992). Corporate roles, personal virtues: An aristotelian approach to business ethics. *Business Ethics Quarterly*, 2(3), 317–339.
- Solomon, R. C. (2003). Victims of circumstances? A defense of virtue ethics in business. *Business Ethics Quarterly*, 13(1), 43–62.
- Stagl, S. (2002). Local organic food markets: Potentials and limitations for contributing to sustainable development. *Empirica*, 29(2), 145–162.
- Stattman, S. L., & Mol, A. P. (2014). Social sustainability of Brazilian biodiesel: The role of agricultural cooperatives. *Geoforum*, 54, 282–294.
- Stefan, A., & Lanoie, P. (2008). Does it pay to be green? A systematic overview. *The Academy of Management Perspectives*, 22(4), 45–62.
- Stefanini, A. (1999). Ethics in health care priority-setting: A north-south double standard? *Tropical Medicine & International Health*, 4(11), 709–712.
- Sunstein, C. R. (1988). Beyond the republican revival. *Yale Law Journal*, 97(July), 1539–1590.
- Tainio, R., Meriläinen, S., Mäkinen, J., & Laihonon, M. (Eds.). (2013). *Limits to globalization: Borders still matter*. Copenhagen: Copenhagen Business School Press.
- Tilley, F., & Young, W. (2006). Sustainability entrepreneurs. *Greener Management International*, 2006(55), 79–93.
- UNDP (United Nations Development Programme). (2012). *The millennium development goals report*. New York: United Nations.
- Unerman, J., & Bennett, M. (2004). Increased stakeholder dialogue and the internet: Towards greater corporate accountability or reinforcing capitalist hegemony? *Accounting, Organizations and Society*, 29(7), 685–707.
- van Marrewijk, M. (2003). Concepts and definitions of CSR and corporate sustainability: Between agency and communication. *Journal of Business Ethics*, 44(2–3), 95–105.
- Victor, P. A. (2008). *Managing without growth: Slower by design, not disaster*. Cheltenham: Edward Elgar Publishing.
- Vitali, S., Glattfelder, J. B., & Battison, S. (2011). The network of global corporate control. *PLoS One*, 6(10), e25995.
- Walters, K. D. (1977). Corporate social responsibility and political ideology. *California Management Review*, 19(3), 40–51.
- Whelan, G. (2012). The political perspective of corporate social responsibility: A critical research agenda. *Business Ethics Quarterly*, 22(4), 709–737.
- White, S. (2012). Property-owning democracy and republican citizenship. In M. O'Neill & T. Williamson (Eds.), *Property-owning democracy: Rawls and beyond*. Malden: Blackwell.
- Windsor, D. (2006). Corporate social responsibility: Three key approaches. *Journal of Management Studies*, 43(1), 93–114.
- Young, I. M. (2004). Responsibility and global labor justice. *Journal of Political Philosophy*, 12(4), 365–388.
- Zsolnai, L. (2010). Ethics Needs Spirituality. In S. S. Nandram & M. E. Borden (Eds.), *Spirituality and business: Exploring possibilities for a new management paradigm*. Heidelberg: Springer.