Business and Society: revisiting the issue of corporate responsibility

Empresa y Sociedad: replanteando la cuestión de la responsabilidad social

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"… If there were continual stability, there would be no need for politics, and it is to the extent that stability is not natural, essential or substantial, that politics exists and ethics is possible." (Derrida, 1996, p.84)

1. INTRODUCTION

By the time this article is in press, it will be ten years since the earliest meetings of the founding members of what was to become the Academy of Business in Society (EABIS). EABIS began as a network of originally 15, essentially European-based, international institutions. The common interest of this network was focused on driving corporate responsibility (CR) into the mainstream of business practice, research and education. In the intervening period, the EABIS network has grown to become a more globalised network with more than 120 institutional members and affiliates.

In the context of this Special Issue, presenting readers with a broadly complete overview of the main topics related to contemporary business ethics, I will briefly reconsider and discuss the impact of this globalizing project on CR and the ethical relationship between the constituencies of business and society. I will undertake this partial and personal review through a short, discursive bricolage (Kincheloe, 2004; Lévi-Strauss, 1966; Lincoln, 2001) in which selected theoretical will be mediated with informal, naturalistically grounded (Glaser, 2004), empirical data to lead to a consideration of the constitution of CR in the business in society context.

EXECUTIVE SUMMARY

This paper reconsiders corporate responsibility in the context of a naturalistic reflection on globalised complexity. By reference to original crowd-sourced data from management students and mangers in practice, it considers first the basis, and then the reality, of corporate responsibility. It challenges the reasonableness of a view of responsibility that is uniquely corporate-centred, as well as the ethics which appear to arise from neo-liberal thinking. Beyond who may be to blame for recurrent market failures, and in the face of the inherent limitations of reasonable responsibility, it reviews inchoate evidence of an emergent era of responsibility from beyond the corporation.

RESUMEN DEL ARTÍCULO

Este artículo considera la responsabilidad corporativa en el contexto de una reflexión objetiva sobre la complejidad de la globalización. En contraposición a datos obtenidos a partir de percepciones subjetivas tanto de estudiantes de dirección como de directivos de empresa, el artículo considera, primero, la base y, después, la realidad de la responsabilidad corporativa. Se cuestiona la validez de una visión de la responsabilidad centrada sólo en la empresa, y de una ética que arranca del pensamiento neo-liberal. Más allá de las culpas que se puedan echar a los fallos del mercado, y a pesar de las limitaciones lógicamente esperables de la responsabilidad, el artículo pone de manifiesto la aparición de un enfoque de la responsabilidad que va más allá de la organización.

2. GLOBALISATION AS A CONTEXT FOR EVIDENT INSECURITY

In naturalistic terms, globalization is incomprehensible in its scale. Without going to the lengths of extensively rehearsing Goedel's mathematical incompleteness theorem, or the arguments from physics of Stephen Hawking, globalization – like so many concepts in management – seems only to be explainable by reverting to tautology. I will begin with the traditional either A or B type argument, so admired by the adepts of dichotomies and dichotomizing. Like any managerial concept, globalisation may be welcomed or repudiated. Hence, and echoing Descartes quite closely in the taxonomy of sensual reality: "some analysts would argue that all we are experiencing at the beginning of the 21st century is an accelerated form of internationalisation; others would argue that there is something we can call 'globalisation', but it is a malign force which requires organised political resistance" (Grant, 2000, p.2).

At least by reference to one postmodern author we have a means of imagining globalisation:

> it's a confused concept and it's the screen for a number of non-concepts and sometimes of political tricks and political strategies… /… using this word, this key word, allows a number of political appropriations - in the name of the free market for instance. (Derrida, 1997, p.14)

Derrida, in the style of the narrator in **Le Petit Prince**, (de Saint-Exupery, 2001), provides us with a space in which any globalisation, including those previously mentioned, can take their tautological shape. For the purpose here of looking at the effects of globalization on the ethical relations between business and society, we may do better to leave aside disputatious definitions and use the space suggested by Derrida to embark on an approach suggested by readings on grounded theory (Glaser, 1998).

According to the ontology of Glaser the above-listed categorical approaches are too partially normative, or to use Glaser's locution 'pre-conceived'. All I need is a simple example of this complexity. A full grounded theory of globalization would be a doctoral-scale project and require some years of study. To provide a simple – swift and dirty is the managerial term - example of grounded globalization I can readily locate tropes or strands complexity in organizational praxis. I can arrange this through the direct expedient of evidence taken from the immediate context in which I am immersed (Stake, 1995).

I am sitting, writing this paragraph in Hong Kong: I cannot speak directly to about a third of the world, because they are sleeping. Every interpersonal transaction I want to conduct in Europe and US is foreclosed to me by the contingent regime of global time. Every impulse to react with a friend or colleague (personally) is determined and/or deferred. This out-of-timeness – perhaps the time/space distanciation of early Giddens (1979) - is something each of us, the globalised adults in institutional life, experiences, directly and indirectly (sorry for the dichotomy), every day in some way or other: it structures our globalised lives.

Despite being categorically relative, we generally uphold that time is entirely reasonable. Even travelling as we now must at subsonic speeds, we willingly subject ourselves to the ordeals of this circadian dysrhythmia carelessly, even recklessly. The effects are only felt by the dazed and confused traveler. Technology purports to assist her – and all who work with/for her - in overcoming whatever shortfalls of attention or disposition might possibly arise. Minuscule complexities arise among the tiny behavioral slips, lapses of attention, mistakes, small losses, the provisional unavailability of an other person, all of which is overlooked in habitual travelling. In a short time (hours/days) depending on the scale of the journey, I am of course 'me' again: re-habituated to another timezone. I still cannot simply contact people personally everywhere, but that is one normal constant of globalised institutional life.

Other normal constants include an array of cultural references: here in China for example the expectations of 'holidays' for someone in a regular job, is quite different to those of someone from France. The same is true for the normal constants of working time; health and safety; social security: all of these regimes are traceable everywhere, but are they globalised? Certainly not in the sense of mutual similitude, of evidently symmetrical sameness. So globalization, thus experienced necessarily briefly, is epistemologically insecure.

Is sameness an aim of the globalization project? And is it an identifiable sameness? And who is aiming? In the face of the emergent changes in the global order, the hegemony of American values predicted in earlier globalization forecasts (e.g. Strange, 1996) seem as 'retro' now as supersonic flight and the Sony Walkman. If this global project (Bryman, 2004) is to be achieved, it seems unlikely that it will be by the Americans themselves (Unattributed, 2011). From the small normal constants that I have suggested as informally

59

grounded examples of globalisation: in the grounded theorization of small constants one additional dimension is notable as a structural consequence of uncertainty, and this is uncontrollability. The small constants of globalised life are not in the control of any single known force: rather globalization is itself an extension, or perhaps what incoherently remains of the project of advanced western economies? These small constants suggest that they are not in any one's control. But who will tell us that the world is not in control?

Those of us over the age of 40 have lived through the disintegration of a world of nation states operating in a semblance of global order. These nation states are now merely more-or-less coherent polities in a disaggregated global (dis)order some of whom are grasping for control, in order to appropriate the idealized, global market. A few well-paid individuals still hold to this ideal, which is reassuring - as long as enough of us are persuaded that the efficient market hypothesis is right (Bevan, Fontrodona, & Lenssen, 2010). Empirical evidence suggests that the efficient market hypothesis is either highly defective (Bauman, 2010; Gore, 2006), or at least that such efficient markets entail a generally unadvertised feature called a crash (Stiglitz, 2010).

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The basis of ethical justification for free market economics suggests that the individual pursuit of profit provides the least-worst means of improving the common good. As Martin Parker (2010) recently observed, the neo-liberal economic principles of the free market may be as capably deployed to validate the partial legitimacy of pirates off the coast of Somalia as they are to legitimize partial CEO pay in global firms. Thus in globalised business the spirit of Pinkerton tends to prevail.

3. CORPORATE RESPONSIBILITY IN AN INSECURE WORLD

In the naturalistic approach I have adopted here I open with the an observation from teaching undergraduate management students at King's College London. In working with a class of 80 individuals, and trying to translate how theory can inform practice, I applied a crowd sourcing (Brabham, 2008) approach to the class, asking "Can anyone name a ethical principal that we could apply to corporate responsibility?" The first individual to speak called out "How about: 'with great power comes great responsibility'?" A line roughly attributed to a character – Ben Parker, hence perhaps the

60

Parker Theory - in the movie "Spiderman" (Raimi, 2002). Crowd sourcing as a convenience sample elicited this response, which beyond being useful for its purpose, suggests an alternate to the mainstream claims for responsibility by business ethics. Critical notions of corporations having increasing power in a globalised world are not exactly new. They are predicted early in the rise of international business, and reiterated in the past two decades While the twentieth century was an era characterized by market liberalization, there are also those who think this has gone too far (Harvey, 2010).

Speaking from an epochal perspective, Schlosser (2002) seems to anticipate a reaction:

> The history of the twentieth century was dominated by the struggle against totalitarian systems of state power. The twenty-first will no doubt be marked by a struggle to curtail excessive corporate power. The great challenge now facing countries throughout the world is how to find a proper balance between the efficiency and the amorality of the market (p.261).

Does this create the space for a global governance vacuum – a disparity in global order caused by the disaggregation envisaged in the "postnational constellation" (Habermas, 2001)? Is the postnational constellation, itself, merely a structural output of the normal constants of globalization? The globalised disintegration of former national global order leaves the former nations themselves in a state of quasi-impotence, realizing an evidently uncontrollable global party, or constellation, in the control of despots (de Montesquieu, 1962).

Against this background what can we anticipate of CR and business ethics in a *pax mercatoria?* There is evidence both for and against the generalization that this world is managed with all the ethical continence of a B. F. Pinkerton[2] as the cipher of a new spirit of western capitalism (Boltanski & Chiapello, 1999).

On this abbreviated basis, it is possible to claim a circumstantial, contingent link in the interests of this paper between (i) the increasingly unregulated, liberal progress of the transnational corporations, (ii) a symmetrical depreciation in the effective regulatory power of nation states; (iii) consequently a demand from society for greater responsibility, and (iv) the concomitant of corporate responsibility (CR). The first three of these domains – the firm, the government, and society - reflect to an extent the nexus of business in society in which EABIS operates.

4. UNCERTAIN CLOSURE

Indeed, and I shall close this paper on this note of accumulated, asymmetrical disarray, the various constituencies represented by society seem to be in some ways multilaterally opposed in their view of the solution. Reverting to the grounded approach I would like to explicate some complementary insights from experiences of corporate responsibility among these constituencies. I take these, not uncritically and with no intention of generalising, but as a simple demonstration of what seem to demonstrate the inequalities at play. The business schools themselves have been called upon to be more responsible both from ethical self-denouncers: "by propagating ideologically inspired amoral theories, Business Schools have actively freed their students from any sense of moral responsibility" (Ghoshal, 2005; p. 76). Anecdotal evidence reported from management journalists also seems to consider that the teaching of such amorality – possibly inspired by Friedman - was an essential structural element of the 2008 market *adjustment* (Walker, 2009).

Reconsidering in conclusion the nature of corporate responsibility in the nexus of business in society across the firm, the government, and society within the limits of this short bricolage. Let me first, turn to business and as previously, fall back naturalistically on crowdsourcing. This time with 120 or so managerial delegates at a trade seminar in Hong Kong I asked the question: "How would you describe corporate responsibility?" "Greenwash... necessary greenwashing" was the first response. As can happen (and noted in Brabham (*op. cit.*)), with some refinements this sampling was evident almost unanimously in the view of the delegates. Such a sampling reflects tropes on which I have already touched of economic (neo-liberal) necessity and its structural practice of propaganda as a means of perpetuating the industrialised world in its necessary global expansion.

This seems to be the system of society, the paradigm we live in. Supported by the efforts of an incalculable number of agents who through an indivisible, structural relation with the normalised constants of globalised life, reconstitute this system. It is in these small repeated actions that any change will surely need to first appear: not in the words on a page, but realised in individual actions.

Looking now at the discourses of the firm and setting more informal data to one side, I turn to the most recent (as at the date of writing) Shell Scenarios (van der Veer, 2008). This is a stakehol-

der communication/report envisaging possible futures. As Michael Jensen (2002) insightfully notes for the benefit of business ethics academics, engaging with stakeholders leads to a politicisation of a firm. Here we see such engagement resulting in explicitly political language and an apparent desire to work holistically with stakeholders. This seems to be a possible trope of a corporation's responsiveness (or responsibility) in the face of a period of revolutionary transitions:

> We are determined to provide energy in responsible ways and serve our customers and investors as effectively as we can... /... (to) offer the best hope for a sustainable future... /... I am convinced they are possible with the right combination of policy, technology and commitment from governments, industry and society globally. (Van der Veer, *op.cit.*, p.5)

This is surely a firm seeking to respond or engage. In realising Jensen's politicisation of the firm and responding or responsive to the perceived concerns of here identifiable representatives of government and society. This seems at least to be a clear wish even if in terms which cynical managers might reduce to necessary greenwashing?

My vox populi discourse on behalf for society here is from the popular multimedia project "the story of stuff" (Leonard, 2010). Ms Leonard asks why is that the government and the firms are not looking out for us, while urging ethically minded individuals to respond to what is essentially the same, existential crisis encompassed in Shell's notation. Again in the casualness of a short discussion, this appears to be a genuine call to responsibility or responsiveness from all able individuals across the three constituencies I have identified here at least, and on behalf of a society: for an 'us', rather than for a 'me'.

In the third constituency, the most immediately convenient example comes from the political discourses of the coalition Prime Minister of UK. David Cameron has issued a call to those living and working in the UK to collaborate responsibly in something called 'the Big Society'. It focuses on the national interests of the British and it is somewhat coyly socialist: thus in some lights it appears to resemble the reinvention of a kind of national socialism and in others to appropriate and exploit the spirit of voluntarism which seems to sweep across Britain in times of war (Hilton & McKay, 2011). Again, it is evidently collaborative in a way that seems to make it comple-

mentary with the present calls from business and society.

In the course of this paper I have partially explored some aspects of corporate responsibility, to indicate the epistemological confusion that surrounds it, not least from the same confusion around other management concepts like globalisation. There is undoubtedly corporate responsibility, if only because a number of highly principled individuals are working in corporations. This is not about the responsibility of legal compliance, this is the responsibility enacted by individuals in the face of an opportunity to do something better or new, and/or the refusal to do something wrong. As I have tried to show through the use of a naturalistic approach, reason is something of an enemy in all of this responsibility issue: economics are reasonable, ethics are not.

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64

Reverting to reason does not necessarily lead to anything ethical, to infer from the simplistic inherent absurdities of economic determinism sampled above. If as managers, academics and individuals we are – like the pirates off the coast Somalia – finding our legitimacy someway or other in the economic necessity of neo-liberalism – then I can be confident that responsibility/responsiveness will continue to be a struggle for some time. For responsibility, and this is not just about corporate responsibility, to gain some ground, we need unreasonably responsible individuals working with integrity in all areas of society as widely as possible. Responsible consumers, responsible researchers and teachers, responsible parents, responsible managers – all responsible and morally capable individuals.

In the three years I have served as academic director of EABIS I have had the pleasure to meet many such individuals in businesses, NGOs, government offices and schools around our network, and more widely. I dare to hope that EABIS will have the pleasure of continuing to bring together many more such unreasonable individuals in the decade to come.

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NOTES

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2. The 'easy going gospel' of BF Pinkerton: "All round the globe, whether on business or pleasure, the businessman travels indifferent to any risk. His goes wherever he wishes …/ … And life is not worth living if he cannot have the best" (Illica & Giacosa, 1906, translation to avoid original xenophobia from Italian by author).