MOVING BEYOND VOLUNTARISM: A NOVEL CHAPTER FOR CORPORATE SOCIAL RESPONSIBILITY

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ABSTRACT

The discourse on Corporate Social Responsibility (CSR) developed a groundbreaking idea that business corporations should be seen as socio-economic institutions which owed responsibilities towards the society in which they operate. This reformative notion has resulted in making capitalism more responsive in terms of environment and society excluding place excessive emphasis on maximizing profit and economic prosperity alone. Consequently, the identification of business corporations as mere economic instruments has become an obsolete phenomenon, while giving rise to the understanding that business corporations are corporate citizens who discharge responsibilities in terms of economy, environment and social and thereby also promote the sustainable development. Therefore, it is evident that the discourse on Corporate Social Responsibility has resulted in restructuring corporate activities particularly, including corporate purposes and preferences and the interaction between society and business corporation to a greater extent. Although the concept of Corporate Social Responsibility has resulted in formulating such a remarkable socio-economic modification, Corporate Social Responsibility has been frequently understood as a pure realm of voluntary action without sufficiently ascertaining its institutional value in the context of structuring the interaction between society and business corporations. While keeping this lacuna as the focal point, this paper challenges the contemporary understanding of Corporate Social Responsibility as a mere realm of voluntary action. Simultaneously, the paper highlights the significance of comprehending Corporate Social Responsibility as an institution which brings the public interest into the private domain of the corporation. Particularly, the paper presents the emerging frameworks for institutionalizing CSR on a global level, while examining the significance of adopting Corporate Social Responsibility measures in order to legitimate corporate activities. In the conclusion the paper highlights the importance of understanding Corporate Social Responsibility as an intuition as opposed to a mere realm of voluntary action in the context of structuring the interaction between the society and business corporations in a way which ensures the sustainable economic and social development.
INTRODUCTION

The contemporary understanding about the business corporations has been shaped and directed by two paradoxical notions which developed along with the evolution of modern business corporations in late nineteenth century (Allen, 1992). The first perception which has been written off as ‘property conception of the corporations’ gave rise to the understanding that business corporations are private properties of its shareholders of which main purpose is to advance the financial interest of the owners (Allen, 1992). In view of that, maximizing profit within the rules of the games was highlighted as the corporation’s only responsibility to society (Friedman, 1970 cited in Pimpa et al, 2012, p. 3). To be precise, as exclusive economic institutions business corporations are not expected to assimilate any other non-economic concerns such as, society and environment into their regular business operations and corporate decision makings. This impression was highly sustained by the contention that functions of the business are economic, not social (Friedman, 1970 cited in Smith, 1990). In consequence, neither a necessity nor a demand was for business to preserve a relationship between business and society which goes beyond the profit maximization and exchange of good and services. This is largely due to the traditional capitalistic understanding that business corporations are economic institutions which owe responsibilities only toward the shareholders to protect their value through profit maximization and assuring them a fair return and thereby lead towards the social development (Pimpa et al, 2012, p. 1).

On the contrary, the public perception of business perceives business corporations as social institutions but not as exclusive private properties of stockholders (Allen, 1992). This postulation was particularly supported by the impression that corporations should be seen as socio-economic institutions of society instead of seeing them as ‘pure profit making organizations’ (Brown, 1979 cited in Birch 2003, p.5). This groundbreaking view was moreover stimulated by the sense of ‘soulful corporations’ which discharge social responsibilities towards the society in which they operate (Kaysen, 1957, Sheikh, 1996, Bowen, 1953 Tomer, 1999 cited in Birch, 2003, p.5) and the argument which emphasizes the necessity of transforming modern corporations into social rather than mere economic institutions (Berle & Means, 1933 cited in Birch, 2003, p. 5). Simultaneously, this postulation gave rise to an extensive discourse on Corporate Social Responsibility conceding the responsibilities of business corporations arise from their social power in contexts where major social need exists (Davis, 1975 cited in Birch 2003, p.7). In consequence, modern business corporations are ethically expected to be more concerned about the non-economic factors such as society and environment or in other words, to be more conscientious and responsive in terms of environment and social, while contesting the dominant capitalistic view on corporations which discards integrating social and environmental concerns into the process of corporate decision-making.

Even though these two contending conceptions have resulted in shaping and dominating the contemporary thinking about the corporations neither of them could claim the hegemony over a piece to exclude one from the accepted wisdom of business and the discourses of law (Allen, 1992). This must be largely due to the sturdiest of the rationales upon which arguments of both aspects of debate pertaining to the social role of modern
business corporations are founded. In this context, pondering about rationale of the arguments for and against the discourse on Corporate Social Responsibility is of vital significance to elaborate parameters of the focal subject matter of this paper i.e. the notion of social responsibility in business. Being so, the next part of the paper briefly refers to rationales of both arguments which favor and disfavor the notion of social responsibility in business.

RATIONALES OF THE ARGUMENTS FOR AND AGAINST THE NOTION OF SOCIAL RESPONSIBILITY IN BUSINESS

Almost all standpoints which resist the notion of social responsibility in business have derived from the neoclassical view of business responsibility which considers any responsibility other than making money for stockholders as undermining the foundation of free society and the nature of free economy (Friedman, 1970 cited in Bichta, 2003, p. 15, & Friedman, 1970 cited in Smith, 1900). For that reason, responsibility of business corporations confines only to the stockholders; 'the group of people who invest their own money into corporations and appoint corporate officials to maximize their capital’ (Bichta, 2003, p. 16). This is due to the neo-classical economic understanding that the only social responsibility of business corporations is to make profits and ‘maximize social welfare through the efficiency which that entails’ (Smith, 1990). In this context, consideration of any other factors which go beyond the scope of profit maximizing such as social need has been identified as the grounds for ‘deliberate scarifying of profits or mudding the process of corporate decision making’ (Simon et el cited in Smith 1990). Being so, the standpoint that business corporations are pure economic institutions of which main responsibility is to maximize its profit for ensuring the interest of stockholders to whom its responsibility is confined, can be manifested as the rationale upon which the whole argument against the notion of social responsibility in business are founded. At the same time, this rationale can be ascertained as a conceptual framework which dissuades the idea of integrating non-economic concerns into the process of corporate decision-making and concerning the diverse interests of stakeholder groups including employees, customers, suppliers, and community members.

Nevertheless, this rationale has been subjected to gradual speculative challenges because of the intensified public concern for corporate social responsibility which resulted from radical social changes took place during the 1960s and 1970s (Bichita, 2003, p.28). In particular, the impression that ‘no natural right of the corporation to be left alone’ became the overriding ideology of the discourse on Corporate Social Responsibility developed in 1970s (Galbraith,1972 cited in Birch,2003,p.3).These social transformations have been also identified as one of the contributions towards development of the ‘theory of the modern corporations’ by which prompted the contemporaneous discourse on Corporate Social Responsibility in a comprehensive manner (Bichta,2003,p.17). In consequence, novel point of views regarding the social responsibility in business corporations developed in the 1980s, while bestowing a different sense to the traditional notion of social responsibility in business (Bichta,2003,p.17).These innovative ideologies resulted in defying the neo-classical view that business corporations are economic institutions exclusively private in nature, while developing groundbreaking idea that
corporations should be seen as societal public institutions which serve certain public ends ensuring the benefit of society.

In consequence, almost all point of views which support the notion of social responsibility in business have derived from the reformatory idea of perceiving them as social institutions which constitute an integral component of the society in which they operate. Therefore, considering the diverse interests of the group that have a stake in or a claim on the firm i.e. stakeholders and preserving a balance among them has been assumed as one of the inevitable obligations of modern business corporations (Evan, Freeman, 1988 cited in Bichta, 2003, p.18). This is largely due to concede the comprehensive social responsibility in business which goes beyond the parameter of making maximum profit - the only social responsibility of business corporations in the sense of neo-classical economy. Being so, the standpoint that business corporation are societal public intuitions which owe comprehensive social responsibilities to the entire society to which they have integrated, but not mere private economic intuitions which fulfill its sole social responsibility by means of ensuring fair return to stockholder through profit maximization, can be considered as the rationale upon which the whole argument for the notion of social responsibility in business are founded. At the same time, this rationale can be ascertained as a conceptual framework which persuades the idea of integrating non-economic factors such as society and environment into the process of corporate decision making and preserving a relationship between business and society in a manner which goes beyond the profit maximization and exchange of good and services.

When considering the whole debate over the notion of social responsibility in business corporations, it is evident that both rationales upon which its paradoxical perspectives are founded can be notionally equated into a comparable level. Nevertheless, when compared the both rationales in the sense of pragmatism, the rationale which favors the notion of social responsibility in business corporations can be more appreciated in terms of its logicality and its compatibility with contemporary discourses on global demand such as concept of Triple Bottom Line and Sustainable Development. For that reason, next part of the paper briefly discusses the possible testimonials by which the rationale of discourse on Corporate Social Responsibility can be more justified than the rationale behind neo-classical view of business responsibility.

JUSTIFICATIONS FOR ACCEPTING THE NOTION OF SOCIAL RESPONSIBILITY IN BUSINESS

Accordingly, the perception that business corporations should be perceived as societal public intuitions as opposed to see them as private owned economic institutions, can be considered as the crux of modern discourse on Corporate Social Responsibility. In this context, ascertaining the logicality of understanding business corporations as social institutions rather than mere economic institution and determining the significance of accepting their social responsibilities which go beyond the profit maximizing, is of vital significance to justify foundation upon which the discourse on Corporate Social Responsibility has been developed.
The first justification for seeing business corporations as social institutions is provided by the interdependency between society and business corporations which arises from the proximate affiliation between these two entities. To be precise, the fact that a particular society depends upon the business corporations operating in that society, while such business corporations are conversely depending on the society in which they operated, has become an undeniable socio-economic phenomenon (Linowes, 1974 cited in Birch, 2003, p.9). Being so, it has become impossible for modern business corporations to be segregated from the society in which they operated (Linowes, 1974 cited in Birch, 2003, p.9). Thus, they themselves have to consider business corporations as one of the integrated components of modern society. The fact that modern business corporations intrinsically represent one of the integrated components of society generate a laudable possibility of identifying business corporations as societal public intuitions as opposed to see them as private owned economic institutions. Simultaneously, the socio-economic reality that modern business corporations represent one of the integrated societal components forms a coherent conceptual foundation to house the reformative idea that business corporations are social institutions, while forsaking the classical view that business corporation are exclusive economic institutions.

Additionally, as a result of stringent interdependency between business corporations and society to which they integrated the public effects of corporate decisions and actions have drastically increased (Galbraith, 1973 cited in Birch, 2003, p.7). In other words, certain corporate decisions and actions embraces a great potential of generating substantial impacts on the social condition of the society in which such corporations are operated (Linowes, 1974 cited in Birch, 2003, p.9) not only in economic term but in terms of social, environmental, political and cultural as well. The fact that corporate activities virtually impact on social conditions for better or for worse or for both have resulted in puzzling the classical understating of business corporations only as private property of its stockholders. At the same time, the intensified presence of the business corporations in the fields which ultimately serve for the public ends such as education, health and etc. has also contested the validity of keeping the traditional separation between the public and private sectors as separate units, whilst bringing the public interest into the private domain of the corporation (Linowes, 1974 cited in Birch, 2003, p.9). On the whole, all these social changes have resulted in strengthening the public perspective of business corporations only as private property of its stockholders. At the same time, the intensified presence of the business corporations in the fields which ultimately serve for the public ends such as education, health and etc. has also contested the validity of keeping the traditional separation between the public and private sectors as separate units, whilst bringing the public interest into the private domain of the corporation (Linowes, 1974 cited in Birch, 2003, p.9). On the whole, all these social changes have resulted in strengthening the public perspective of business corporations of which primary objective is to maximize the profit in order to ensure the economic prosperity of the stockholders of the corporations. Being so, the neo-classical identification of business corporations as mere economic instruments can be considered as an obsolete phenomenon, while conceding the prevalent impression that business corporations are corporate citizens who owed social responsibilities to the society in which they operate (Dhal, 1972 cited in Birch, 2003, p.8). In this context, the concept of corporate citizenship has results in further stimulating the social and public nature of the modern corporations in preference to their economic and private nature rationalizing the foundation upon which the notion of social responsibility in business have been constituted.

Secondly, soul of the discourse on Corporate Social Responsibility i.e. the social contract between business and society itself stipulates for maintaining a mutually advantageous liaison between these two entities (Rousseau, cited in Bichta 2003, p. 3). To be precise,
under this social contract theory society has to host the business operations and in exchange, society expects business to be responsible in terms of its operations (Bichta, 2003, p. 3). This largely due to the seeing business corporation as organizations to which society gave the authority to use land, natural resources and offer employment under the contract between them (Bichta 2003, p. 3). In view of this original conceptual framework it is obvious that business corporations are initially duty bound to be responsive in terms of society and thus, it becomes incongruous that concerning only about the interest of stockholders of corporations notwithstanding the interests of other stakeholder groups comprising employees, customers, suppliers and community members (Bichta, 2003, p. 3). This viewpoint symbolizes the ‘theory of stakeholder’ which can be considered as the crux of modern discourse on Corporate Social Responsibility. In view of that, recognizing social responsibility in business corporations which goes beyond the profit maximizing can be justified depending on a sound conceptual background.

In addition, the secondary consequences of initial contract between the business and society that give rise to the perception that stakeholder particularly, the community grant social license to business corporations to operate within a particular society and the permission to consume communal resource which is not an inherent right of corporations (Pimpa et al., 2012, p. 3). It is, therefore, pointed out that, when business corporations operate their activities notwithstanding opinions and expectations of the stakeholders in return community can withdraw their social licence to operate in that particular society (Guthrie & Parker 1990, Deegan 2000, cited in Pimpa et al., 2012, p. 3). In view of that, it has become realism that modern business corporations can no longer function despite the social, environmental and other values of the societies in which they strive for social licence to operate and thus, it provides another ground for justifying the acceptance of notion of social responsibility in business.

Thirdly, the rationale of the arguments which favors the notion of social responsibility in business can be justified not only in terms of social facilitation but also in terms of legal facilitation for gratified business operations. To be precise, the notion of social responsibility in business corporation can be rationalized grounding the concept of limited liability which is enjoyed by every modern business corporation. This is largely due to the modern legal reality that business corporations are granted the characteristic of limited liability only because of the governmental occurrences which reflects the public facilitation therein (Allen, 1992). As a result of this public facilitation that leads towards the limited liability modern business corporations persist as separate legal persons in the society without giving rise to any personal liabilities over the corporate activities at large. Consequently, it can be agreed with the argument that the society is capable of asking business corporations to be socially responsible and thereby promote the general welfare of the society by which them facilitated with the characteristics of limited liability as the social return in reply for legal benefaction of limited liability (Brammer et al., 2012, p. 20).

Fourthly, the notion of social responsibility in business can be virtually equated with modern comprehensive dialogues in international arena such as Triple Bottom Line and Sustainable Development which emerging upon the concurrent worldwide demands. To be detailed, the concept of triple bottom line emphasizes the prerequisite of concentrating
The notion of multiple bottom lines particularly signifies the necessity of corporate concentering on social and environmental bottom line and thus, the concept of triple bottom line contains three main bottom lines namely, economic prosperity, environmental quality and social justice (Elkington, 1997 cited in Birch, 2003, p.2). In the same way, concept of Sustainable Development highlighted the necessity of maintaining combination amongst social, economic and environmental concerns for the purpose of bringing the three together in a balanced way (Giddings et al., 2002, p.189). When compared rationalities upon which the concepts of Triple Bottom Line and Sustainable Development founded with the rationality of discourse on social responsibility the conceptual similarly amongst three can be determinedly demonstrated. On the other hand, this similarity accompanied by the common idea that corporate concentration should not be confined only into a single economic concern, results in contesting the dominant capitalistic view on corporations which discards the integrating non-economic concerns such as social and environmental factors into the business undertakings. In view of that, it is overt that the rationale of the notion of social responsibility in business is more comparable with contemporary global demands such as concept of Triple Bottom Line and Sustainable Development than the rationale upon which classical view of business responsibility to society is founded. At the same time, accepting the notion of socially responsible business corporation can be admired as the modus by which succeeds the challenge of establishing a corporate culture which consistent with the concept of Sustainable Development (Welford, 1995 cited in Birch, 2003, p.12).

Fifthly, the discourse on Corporate Social Responsibility can be justified on the ground that social power of the modern business corporation essentially gives rise to the social responsibility of them (Davis, 1977 cited in Birch, 2003, p. 7). This is largely due to the intolerability of the social power without social responsibility attached thereto. On the other hand, it is also acceptable the argument that the ‘freedom of action to perform economically which seeks by the business corporations must be used responsibly’ (Cannon, 1994, cited in Birch, 2003, p.10). In the same way to relationship between power and responsibility, freedom without responsibility cannot be acceptable and thus, these observable facts provide a constant ground for justifying the notion of social responsibility in business corporations.

Depending on these five lines of reasoning the logicality of seeing business corporations as social institutions rather than mere economic institutions and the significance of accepting their social responsibilities which go beyond the profit maximizing can be firmly determined. Nevertheless, this determination should not be understood as proposition which entirely discards the negative impacts of Corporate Social Responsibility. As pointed out by the scholars there are certain disadvantageous that can be resulted from corporate concentration on non-economic factors which originally go beyond the primitive objective of business corporations, that is to say, economic prosperity. Without considering those negative impacts this section of the paper has only determined the logicality and the pragmatic significance of the rationale upon which the notion of social responsibility in business is founded, while comparing it with the paradoxical rationality upon which classical view of business responsibility to society is
founded. Being so, the next part of paper focuses on the definition of Corporate Social Responsibility in order to examine the real characterization of the discourse thereon.

THE DEFINITION OF CORPORATE SOCIAL RESPONSIBILITY

The notion of Corporate Social Responsibility primarily reflects the liaison and the interaction between business and society. Therefore, it has been subjected to various interpretations (Bichta, 2003, p. 7). This is largely due to the variations occurred in the context of relationship between business and society which resulted from diverse social fluxes throughout the history (Bichta, 2003, p. 7). In consequence, a numerous efforts were initiated to make possible a definite and neutral definition of Corporate Social Responsibility and thus, many available definitions can be found thereon (Dahlsrud, 2006). While making it difficult to accomplish a single universally accepted definition of Corporate Social Responsibility those available definitions have principally referred to five main dimensions namely, the society, the economy, the stakeholders, the environment and the voluntariness (Dahlsrud, 2006). For the purpose of gaining a comprehensive understanding about discourse on Corporate Social Responsibility thorough the available definitions, the next part of paper expects to discuss a few selected definitions amongst them.

According to the Jones (1980 cited in Dahlsrud, 2006, Appendix) Corporate Social Responsibility is a notion that ‘corporations have an obligation to Stakeholder constituent groups in society other than stockholders and beyond that prescribed by law or union contract, indicating that a stake may go beyond mere ownership’. As pointed out by the Dahlsrud (2006) this definition focuses two dimension i.e. Voluntariness and Stakeholder. As stated by Kilcullen and Kooistra (1999, cited in Dahlsrud, 2006, Appendix) Corporate Social Responsibility is ‘the degree of moral obligation that may be ascribed to corporations beyond simple obedience to the laws of the state’. In accordance with the Dahlsrud’s analysis pertaining to this definition, it specially focuses on the dimension of Voluntariness (2006). Resembling to this definition Piacentini et al. (2000 cited in Dahlsrud, 2006, Appendix) also connotes the idea that ‘corporate social responsibility is a voluntary assumption by companies of responsibilities beyond purely economic and legal responsibilities’, while exclusively focusing on the dimension of Voluntariness. In 2003 Global Corporate Social Responsibility Policies Project defines it as ‘business practices based on ethical values and respect for workers communities and the environment’ (Dahlsrud, 2006, Appendix). According to the Dahlsrud’s analysis, this definition focuses on all five dimensions namely, society, economy, stakeholders, environment and voluntariness (2006). In the same way, Commission of the European Communities (2001 cited in Dahlsrud, 2006, Appendix) classifies the notion of Corporate Social Responsibility as ‘concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis’. Likewise, Lea (2002 cited in Dahlsrud, 2006, Appendix) delineates corporate social responsibility as the ‘integration of social and environmental concerns in business operations, including dealings with stakeholder’. According to the understanding of New Economics Foundation Corporate Social Responsibility stand for ‘business decision making linked to ethical values, compliance with legal requirements, and respect for people, communities and the environment (and) operating a business in a
manner that meets or exceeds ethical, legal commercial and public expectations that society has of business’ (cited in SCVO Equalities Briefing, 2005). As explained in the United Kingdom Government website, ‘Corporate Social Responsibility can be identified as the ‘business contribution to sustainable development goals’ and thus, it is about ‘how business takes account of its economic, social and environmental impacts in the way it operates – maximizing the benefits and minimizing the downsides’ (cited in SCVO Equalities Briefing, 2005). Specifically, UK Government sees corporate social responsibility as the ‘voluntary actions that business can take, over and above compliance with minimum legal requirements, to address both its own competitive interests and the interests of wider society’ (cited in SCVO Equalities Briefing, 2005). According to the latest definition of corporate social responsibility which was put forward by European Commission in 2011 under the new strategy for Corporate Social Responsibility it has been delineated as ‘the responsibility of enterprises for their impact on society’.

A speculative analysis of these selected definitions along with other available definitions of corporate social responsibility obviously reveals the fact that it has been continuously understood as a ‘pure realm of voluntary action’ (Brammer et al., 2012, p.7). In other words, recurrently the notion of Corporate Social Responsibility has been demarcated as voluntary integration of social and environmental concerns into ‘business operations and in their interaction with their stakeholders’, while moving beyond the legal obligations of the business corporations towards society and the environment to which they assimilated (European Commission, 2001). However, none of this publicly available definition has identified the notion of social responsibility in business as a social institution which structures the interaction between business corporations and society. In other words, the existing definitions of Corporate Social Responsibility do not reflect or pinpoint the institutional value of the notions of Corporate Social Responsibility rather than signify it ‘purely as a realm of voluntary action’ (Brammer et al., 2012, p.7).

Although the institutional value of notion of social responsibility in business is not yet mirrored by the available definitions thereon, its conceptual and practical contribution in the context of structuring the interaction between the business and society in way which ensures the sustainability and constraining and enabling certain types of corporate behaviors can never be brought down in the modern context. This is largely due to the effectiveness of discourse on Corporate Social Responsibility in terms of restructuring the relationship in a manner which goes beyond profit maximizing and economic prosperity alone, while challenging the classical interaction between business and society. In this scenario, the next part of the paper attempts to highlight the institutional value of the discourse on Corporate Social Responsibility and to discuss the significance of identifying Corporate Social Responsibility as one of the social institutions existing in modern society instead of understanding it as a ‘pure realm of voluntary action’. Accordingly, be familiar with the fundamental characteristics of social institutions is of vital significance in order to uncover the institutional values embraced by the notion of Corporate Social Responsibility.

In general, institutions have been identified as ‘formal or informal rules, regulations norms and understandings that constrain and enable behaviors’ (Morgan et al., 2010
cited in Brammer et al., 2012, p.4). Accordingly, modern societies are comprised with both formal social institutions, such as laws, business associations, civil society groups and informal social institutions such as, religious norms, customary practices (Brammer et al., 2012, p.8). In view of that, social institutions have been identified as ‘systems of established and prevalent social rules that structure social interactions’ or similarly, ‘a set of rules that structure social interactions in particular ways’ (Knight, 1992 cited in Hodgson, 2006, p. 2 and Notes). Simultaneously, social institution has been described as ‘special type of social structures with the potential to change agents, including changes to their purposes or preferences’ (Veblen and Commons, cited in Hodgson, 2006, p. 2).

In the light of this concise but fundamental depiction on social institutions the next part of the paper is going to uncover the institutional value of the discourse on Corporate Social Responsibility, whilst moving towards the crux therein.

THE INSTITUTIONAL VALUE OF THE DISCOURSE ON CORPORATE SOCIAL RESPONSIBILITY

As already pointed out, the notion of social responsibility in business developed the groundbreaking perception that business corporations are social institutions which owed responsibilities towards the society in which they operate. This reformative notion has resulted in making capitalism more responsive in terms of environment and society excluding place excessive emphasis on maximizing profit and economic prosperity alone. Consequently, the identification of business corporations as mere economic intuitions has been subjected to challenge as an obsolete phenomenon, while giving rise to the understanding that business corporations are corporate citizens who discharge responsibilities in terms of economy, environment and social and thereby also promote the sustainable development. As one of the consequences of this conceptual framework modern corporation increasingly projected to preserve a relationship between business and society which goes beyond the profit maximization and exchange of good and services, while integrating social and environmental concerns along with stakeholder interest into the business operations. This socio-economic transformation precisely reveals the potential of discourse on Corporate Social Responsibility to structure the interaction between business and society in a way which ensures the sustainability. Attributable to this aptitude the discourse on Corporate Social Responsibility can be initially distinguished as a setup that structures interaction between business and society in a way which ensures the sustainability and thereby, its institutional value can be filmy determined as a special type of social structure which contains the potential of changing the purposes or preferences of the interaction between business and society. This is largely on account of the conceptual and practical impact of discourse on Corporate Social responsibility on altering the business corporations’ purposes or preferences from interest of the stockholders to interest of the stakeholders. In that of view, it is obvious that discourse on Corporate Social Responsibility holds an institutional value in terms of structuring the interaction between business corporations and society in which they operated. Accordingly, it can be concluded that the discourse on Corporate Social Responsibility itself represents an intuitions which can be equated to the other decisive social institutions available in modern society such as law, religious norms, customary practices, civil society groups and etc. This is largely due to the basic
understanding of institutions as a system of social rules that structure social interactions (Knight 1992 cited in Hodgson, 2006, p. 2 and Notes).

Beside the feature of structuring the interaction between the business and society in manner which goes beyond maximizing and economic prosperity alone, the characteristic of constraining and enabling certain types of behaviors as well can be observed through the inevitable consequences of discourse on Corporate Social Responsibility. In the process of determining the institutional value of the Corporate Social Responsibility its aptitude of constraining and enabling certain types of corporate behavior is of vital significant since ‘institutions both constrain and enable behavior’ in general (Hodgson, 2006, p. 2, Brammer et al., 2012, p.10). To be exact, the discourse on Corporate Social Responsibility can be ascertained as an understanding which constrains certain types of corporate actions viz. place excessive emphasis on maximizing profit and economic prosperity alone, while enabling other novel types of corporate action viz. integrating social and environmental concerns in their business operations and in their interaction with their stakeholders. As already pointed out, the attribute of constraining and enabling certain types of activities to the effect of structuring the social interactions has been frequently pointed out as one of the fundamentals of social institutions. Depending on the conceptual and practical prospective of discourse on Corporate Social Responsibility to constrain and enable certain types of corporate activities, yet again the institutional value embraced by the discourse on corporate social responsibility can be determined as an prevailing social understanding. In a word, the institutional value of the discourse on Corporate Social Responsibility can be assertively uncovered based on its competence of structuring the interaction between the society and business in a manner which ensure the sustainability through constraining certain types of corporate actions simultaneously enabling another types of corporate actions.

The perception of corporate legitimacy which has become one of the imperative thematic areas of theory of modern corporations, furthermore, holds up the institutional value of the discourse on Corporate Social Responsibility. Because determining the corporate legitimacy founding on the shareholder ownership has been currently classified as the classical model of corporate legitimacy due to its exclusive concentration on economic functions of the business corporations (Grolin, 1998 cited in Bichta, 2003, p. 22). To the contrary, dynamic models on of corporate legitimacy are available in the modern context namely; stakeholder model and political corporation model (Grolin, 1998 cited in Bichta, 2003, p. 22). In general, stakeholder model require ‘companies to be responsive to those in society, immediately affected, in a tangible way by corporate decisions and actions’ (Bichta, 2003, p. 22). The model of political corporation more comprehensively highlights the necessity of adopting a clear set of moral and ethical values pertaining to both local and global general public, which can guide corporate actions irrespective of legal requirements on a particular issue (Grolin, 1998 cited in Bichta, 2003, p. 22). Being so, the legitimacy of corporate decisions and actions which disregard the interest of the general public becomes highly precarious under the modern contexts of stakeholder model and political corporation model on corporate legitimacy. The possibility of losing corporate legitimacy in the context where public interested in not concerned, can be considered as a reflection of institutional value of the discourse on Corporate Social Responsibility. This is largely due to the impact of discourse on Corporate Social
Responsibility on structuring interaction between society and business corporations in a way which considers the general public, while serving for the interest of stockholders.

Apart from losing corporate legitimacy there is huge possibility of being held accountable by the public for the corporate decisions and actions which does not adequate concern about the general public. This is largely due to the contemporary thinking that companies acquire their legitimacy directly from the public; the lesson taught by the Brent Spar conflict where the Shell encountered a wide consumer boycott issue (Grolin, 1998 cited in Bichta, 2003, p. 22). In the same way, the BP’s Gulf of Mexico oil spill disaster indicated the repercussions of abandoning the stakeholder opinions and expectations though occurrence such as, reducing share price, loosing reputation value of the corporation, while highlighting the significance of corporate legitimacy to ensure the continuous keeping of the social licence granted by society to operate the business corporations in a particular social context (Pimpa et al, 2012, p. 3). Accordingly, the immense possibility of business corporations are being hold accountable by the general public for corporate activities which lack the corporate legitimacy can be anticipated and thus, existing and future business corporation cannot be prevented from penalizing for doing bad by way of social enforcements. For that reason, the standpoint that unsuitable corporate actions have to be disciplined by means of encountering social sanctions or losing corporate legitimacy can be classified as a reasonable expectation through which enhances intuitional value of the discourse on Corporate Social Responsibility. This is due to the standpoint that ‘a particular way of doing things can be considered institutionalized to the extent that deviant action has a reasonable expectation of ‘enforcement’ in the sense of facing social sanctions or loss of legitimacy’ (Streeck and Thelen, 2005 cited in Brammer et al., 2012, p. 9). In the light of this argument the discourse of Corporate Social Responsibility can be considered already institutionalized phenomenon because of the social sanctions or loss of legitimacy which arise in the circumstances where corporations are doing bad disregarding the interest of stakeholders. This is essentially due to the social-economic reality that integrating social and environmental concerns along with stakeholder interest into the business operations has become the way of doing business in the contemporary context.

In addition, the recognition given to the notion of social responsibility in business by the other social institutions such as laws, business associations, civil society groups, religious norms, customary practices, afresh rationalizes the determination of institutional value of the discourse on Corporate Social Responsibility. Nevertheless, within its parameters the paper mainly focuses only towards recognition given by the first and the foremost social intuition, namely, the law. For example, under the Section 172 of the UK Companies Act (2006) directors are permitted to concern about the factors such as employee interest, other business relationships, impacts on the environment and community and long-term consequences among others, while acting in good faith to promote the benefit of the shareholders of the company which is a must (Brammer et al., 2012, p.8). The list of permitted concerns other than the shareholders’ benefit under the present UK company law regime absolutely represents the fundamentals to which the discourse of Corporate Social Responsibility is mainly focused. Being so, the recognition given to the notion of social responsibility in business by the law has become an indisputable phenomenon in terms of social, economic and legal. At the same time, the proposed Company Bill in
India included a Corporate Social Responsibility clause covering certain companies which meet the prescribed economic thresholds and required them to allocate two per cent (2%) of the average net profit for Corporate Social Responsibility activities, while making such activities mandatory (The Economic Times, 2012, n.p). As a result of these innovative legal reforms ultimately the impression that modern business corporations are duty bound to involve in socially responsible corporate activities, has gain the status of legitimate expectation in the contemporary context (Brammer et al., 2012, p.10).

Similar to main social institution i.e. the law the other Corporate Social Responsibility related institutions seen at the global level have resulted in shaping the practices and policies of modern corporations notably, including multinationals (Waddock, 2008 cited in Brammer et al., 2012, p.15). Within this context, the United Nations Global Compact (UNGC) which is considered as the globe's leading corporate citizenship initiative has been pointed out as the most prominent institution therein (Rasche and Kell, 2010, cited in Brammer et al., 2012, p.15). The ten principles contained in this Compact mainly encourages business corporation all over the world to purse sustainable and socially responsible policies and to report regarding their implementation (Wikipedia, 2012, n.p.).Correspondingly, ISO 26000; the International Standard which provides guidelines for socially responsible behavior and possible actions therein, has been identified as another newest Corporate Social Responsibility related institutions met at the international level (Henriques, 2010, cited in Brammer et al., 2012, p.15). For that reason, Brammer et al (2012) have appreciated these frameworks as the methods which seek to institutionalize Corporate Social Responsibility on the global level by way of creating norms, rules and standardized procedures therein. Being so, these two emerging Corporate Social Responsibility related institutions can be pointed out as the eidola of the institutional value of the discourse on Corporate Social Responsibility.

All at once, each of these testimonies that divulge the institutional value embraced by the discourse on Corporate Social Responsibility can be set forth as a challenge by which contested the contemporary understanding of Corporate Social Responsibility as voluntary corporate activities. At the same time, all these testimonies are of vital significance to firmly underline the institutional value embraced by the notion of social responsibility in business corporations in the modern corporate context. Together with such institutional value, these testimonies clearly reveal the existing social value and the emerging legal value encompassed by the discourse on Corporate Social Responsibility. Above all, the institutional value contained within the discourse on Corporate Social Responsibility signifies necessity as well as possibility of perceiving it as one of the social institutions which structures the interaction between business and society in a manner which ensure the contemporary global demand of sustainability and thus, the time has come to move beyond the conventional voluntarism attributed to the definition of Corporate Social Responsibility.

**CONCLUSION**

The entire discussion which determines the institutional value embraced by the discourse on Corporate Social Responsibility, while considering both perspectives which support and oppose the notion of social responsibility in business corporations, has eventually
directed towards the inevitability of social responsibility in modern business corporations at both local and international levels. In addition, it demonstrates the significance of the discourse on Corporate Social Responsibility in terms of social, economic, legal and environment. In this context, the paper accomplishes the institutional value of the discourse on Corporate Social Responsibility in the process of structuring the interaction between society and business corporations in a way which ensure the sustainability. Being so, the paper concludes identifying the discourse on Corporate Social Responsibility as one of the social institutions available in modern societies, while moving surpassing the conventional hurdle of voluntarism attributed to the notion of social responsibility in business corporations and to its social role.

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