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From Social Responsibility to Environmental Responsibility - Changes in the Finnish Business Discourse from 1970 to 1995

By: **Tuomo Takala** [[biography](#)]

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Introduction

As people in Scandinavia have recently seen, concern about preserving, or destroying, nature has remarkably increased during the last ten years. There have been several reasons for this kind of development. Firstly, numerous environmental catastrophes have occurred and Finnish big business has not always been guiltless of them. Secondly, Finland has joined the EU and this process has caused the country pressures with regard to taking better care of its environmental responsibilities. Thirdly, there pressure was put on companies' pure profitability like pressures were put on the firms; if the firm is not, or does not show to be, a friend of nature, it will not be successful. Running the business often depends on the environmental issues, and the firm's environmental image.

Looked from the historical perspective, the Finnish paper and pulp industry has been in a key position when the environmental problems have been solved in Finland. The forests have had a central role in the settlement and culture in Finland's history. Finland's trade with other nations started with products, obtained from the forest. Wood was refined into tar and timber, ships were built, and all this took place in the 17th century. Later on, the paper and pulp industry became more and more important. During the last decade, the forest as a source of raw material for wood-processing industry had a strong influence in the whole socio-economic life in Finland (Donner-Amnell, 1991). At the

same time however, questions have been aroused regarding the responsibility of the Finnish Big Business wood processing industry, for the environment. Nowadays the Finnish wood processing industry has made it known that it wants to be a responsible part of society and take care of its responsibilities. For several reasons the discourse about the responsibilities of businesses and companies has got new emphasis and strength. Increased environmental consciousness demands that business life cares for its responsibilities better than before or else it can't be successful.

The Meaning of Corporate Social Responsibility

Corporate social responsibility means that a corporation should be held accountable for any of its actions which affect people, communities, and environment. It implies that negative impacts from business on people and society should be acknowledged and amended, if at all possible. It may require a company to forgo certain profits if its social impacts are seriously harmful to some of the corporation's stakeholders or if its funds can be used to contribute a positive social purpose.

However, being socially responsible does not mean that a company must abandon its primary economic task. Nor does it mean that socially responsible companies could not be as profitable as other less responsible companies (some are and some are not). Social responsibility requires companies to balance the benefits to be drawn against the costs arising when achieving those benefits. Many people believe that both business and society gain when business firms actively strive to be socially responsible. Others are doubtful, saying that the competitive strength of business will be weakened by taking on social tasks. The social responsibilities of business grow directly out of two features of a modern corporation: (a) of the essential functions it performs for society and (b) the immense influence it has on a person's life. So, may it happen in Finland too. We count on firms to create jobs, to guarantee our community's well-being, and the standard of living we are enjoying (see e.g. Frederick & Post & Davies, 1992) [Business and Society, New York].

The debate about social responsibility in Finland has deeper roots. It was noted (Takala, 1987, 1991) that as early as in the thirties and seventies, the business life acknowledged that there is philosophy of some kind of social responsibility. Participants in this debate or discourse were, the state, business, citizenship

associations and academics. The second phase in the social responsibility debate took place during the 1980's. Here, however, it has to be noted that this debate did not take up nature protection or worries about destruction of nature but more practical issues such as responsibility for employees, working safety and security, and some ideological themes; e.g. arguments on behalf of communism and against it were presented in the Finnish employer press. It is evident that themes concerning environment, pollution etc. were left in the background.

One reason was the prevailing interest thinking in Finnish society. All interests, workers, employers, owners of the companies, and managers had their own channels of influencing and lobbying in governmental systems. But, spokesmen on behalf of the nature and environment did not exist. It could be said that this kind of an on-behalf-speaker was seen as unnecessary from the point of view of those corporate interests and ruling managerial logic, mentioned above.

It was evident that nature and environment were held as burdens restricting the corporate actions planned by business. However, business was forced to pay at least some attention to this problem; environment must be considered to some extent owing to the laws and orders made by the society. As early as the seventies some pollution restricting laws were put into force and this was observed by business too.

A term which was often used in this context was the so called "first wave" during which firms were on the defensive against environmental issues. They were passive and felt that their profitability was threatened because of the costs caused by the diminishing and control of pollution (Linnanen 1995). Environmental issues were put aside by using "The code of silence" principle, a problem did not exist if silence was prevailing. Another method was to flatly deny the problems.

In the 1970's Finnish business firms felt that their social responsibility was to act profitably and in that way create jobs and pay taxes. The extra actions, modes of real social responsibility, were seen as some kind of philanthropic activities; e.g. donations for some "good will" purposes etc. There were expectations that companies would profit from those actions. However, such actions were not a fixed part of the goal structures of the firms, more likely they were occasional biases

compared with the real business goals.

Environmental and societal awareness of the general public increased drastically during the 1980's due to the big ecocatastrophe like Seveso and other enormous environmental hazards. At the same time, in the day-to-day discourse, pressure was put on business to take better care of its environmental duties. Business was forced to adopt more pro-environmental attitudes and actions. For example, pollution abatement by installing control systems for pollution and developing recycling programs was required. Something has to be done; if not, the image of the business life, and especially large corporations, may be spoiled. However, in Finland the voice of big business and industry more often demands narrow and restricted modes of social and environmental responsibility.

However, a brief look at the themes published during 1980 - 1990 in the Finnish employer press shows that environmental themes did not exist such an amount as was expected. We can ask if business did not conceive that those themes, after all, were important. Or could it have been that the employer press was only a tool which was more used for its "own" side. This implies that, as an informative tool and as a means of persuasion, the media (papers published) only constituted the discourse of the employers' argument. Using the managerial literature term, a proper management of meaning was not executed by Finnish life. Using the discourse perspective as research tool, the researcher is able to find out new ways of seeing.

As to social responsibility issues, it is reasonable to ask whether the phenomenon called "corporate conscience" was prevailing in those days in Finland. The term "social responsibility of the firm" (=SR) as a concept is Anglo-American by origin and SR understood as an expression of the corporate conscience. It is thought that this gives "good will" to the company, useful image which has been intentionally created.

We may ask whether companies during the 1980s will be willing to take more expensive social responsibilities than profit maximizing or aiming at the best possible profitability. As said, a more extensive social responsibility of this kind is environmental responsibility. Did business admit this? Based on my study (Takala, 1987), I venture to say that this kind of wider, spontaneous mode of SR was rarely expressed by the companies. They saw that their responsibility was to aim at as

profitable action as possible. In particular, the attention paid to environmental responsibility (=ER) was minimally put forth.

However, statements were made stressing the necessity that business would take SR. But, as far as I can see, this was only done on the level of words. Organizational speeches can be thematized as one tool for governing and creating social reality, and therefore I want to present a new perspective to researching SR and ER issues, called "speech-perspective". Speech perspective can offer us an alternative way of looking at issues of environmental and social responsibility. Earlier, the topics of companies' social responsibility were considered in Finnish academic studies by e.g. Takala (1987, 1991) and Sillanpää (1990). Some "ideologies of social responsibility" have been presented by the business community. Following ideologies were presented:

- Narrow Social Responsibility; i.e. Friedmannism. States that the SR of the firm must be profit maximization without any societal donations, but also without deception or fraud.
- Modern ideology, which states that the firm should take part in some societal activities.
- Radical ideology, stating that the duty of the firm is "to make good" whilst the opportunities to make profits are threatened (Takala, 1987).
- It was noticed that modern ideology was prevailing in Finnish business, although the narrow responsibility ideology was also supported, too (Takala, 1987).

Speech perspective offers a tool which can be used when analysing discourses on SR and ER expressed in the ideologies mentioned above. It seems that certain modes of speech always exist in certain "discourses", but then speech is also a product of the discourse and reproduces the discourse. The managerial speech is a tool used by managers to rule and define uncertain situations. It also has a "sense-making" dimension; in the chaotic reality speech acts as a reconstructing tool for organizational harmony. In this context, the term discourse means something like conversation, debate, and an arena for debate, or those rules constituting them. It also contains the rules of being silent; all issues are not allowed to be spoken about. Analyses of discourses expose us to many essential things, such as power relations, and their polarity or asymmetry.

And now back to the analysis of modes of SR looked from the

historical perspective. I have found out that talking about the SR was important, not the acts expressing it. That kind of speech made it possible to legitimate running businesses and assure the public that the (environmental) problems were recognized by the business life. This rhetorical phase of the SR continued until 1990. The environmental responsibility of the business was accepted by business life, but only on the rhetorical level; they had words, but the action were missing. However, perhaps this phase, too, was necessary and unavoidable.

The society demands some kind of "usefulness" from all of its parts. All institutions must be proved to be useful and necessary from the point of the totality. The business life saw this and came to the conclusion that it must legitimize its actions in reality by acting as socially desired manner, not only by using words in a rhetorical manner.

Word to Deed in Social Responsibility Issues

What is the situation in the 1990's ? Is the rhetorical phase still prevailing or is there more action compared with the seventies and eighties? Have the companies adopted more positive environmental attitudes, or are the old negative positions on environmental issues prevailing in business life ? It is not easy to answer these questions, but some remarks can be made on the basis of my explorative studies (Takala, 1995).

The state bureaucracy produced more and more laws restricting and determining the environmental behaviour of the companies. However, these regulations given by the government state only the minimal requirements for environmentally good behaviour. It is obvious that a system based only by the laws and governmental regulations can not be sustained. Hence a system has to be made which is based on the voluntary and spontaneous behaviour of the Finnish companies. In this context one can see that the term "social responsibility of the company" refers to such behaviour and actions which arise from spontaneous will of the companies, not from compelling law regulations. Only this "extra", going beyond the minimal legal requirements, is the real kind of SR or ER. It can be made possible if the companies are ready to increase their efforts to see the environment more as a competitive advantage than as a burden to profitability. Still, in addition to this, there is also need of action taken of the company's genuine desire to do good, without any profit making motive.

A more theoretical concept can be used when conceptualizing environmental issues. This concept is called "rationality", which means the same as the logic of action. It includes, besides the principles of behaving of a societal factor (individual, group, interest etc.), those goals and means to achieve them. The concept also considers the reasons why those goals and means are legitimate and accepted socially accepted. That is the direction aimed at. An individual, a group and a collectivity may have several rationalities at the same time, and they can conflict with each other. A contemporary division into market rationality (profit maximizing principle) and environmental rationality (the foremost thing is nature and that's is all, the business is always the bad thing), has been prevailing (Karpik, 1978). But, times are changing, and they must change.

Environmental Management - a Tool for Caring for the Environmental Responsibility

We must seek for a solution to this polarity between those two rationalities mentioned above. We have to find a tool which will unite both modes of rationality presented above. A managerial tool for this purpose may be the environmental management. This conception has become familiar to us during the last ten years.

May it be generally stated in this context that environmental management includes activities, which set up, implement and control the principles given in the government's environmental issues relating to companies. A common categorizing of strategic environmental management activities is presented by (Meffert and Kirchgeorg 1993):

- Identifying internal and external key issues affecting the company's competitive situation.
- Setting environmental goals based on the analysis
- Formulating environmental strategy
- Introducing environmentally oriented opinions
- Implementing environmental control system which provides the necessary information for the adaptation of the management process in line with the changing conditions

In this case, the system proposed above considers that the environmental management can be constructed and installed without any precise consideration about the company's ultimate mission. One may still argue that environmental management

(=EM) must not be only a tool of managerial rationality for the firm's profit maximizing, without a consideration of other stakeholders. This can be most useless for the whole ecosystem, and naturally in this way to business life, too. To avoid the problem mentioned above, the environmental management as a system must apply the holistic principle. This means that, in practice, the business issues have to be analysed from the multi-perspective approach. New stakeholders must be included in the business analyses, and the business and environmental ethics must be united. How to succeed in this, depends on various elements; the business idea of the company, working climate, corporate culture, and first and foremost, the top level management's desire to plan and execute these kind of issues says the last word. Saying alone is not enough but the action is the crucial thing. The management must be ready to move from word to deed, from rhetoric to praxis.

Another important feature in the present EM systems is its superficiality. Without a critical and deep consideration of the ultimate values behind the EM practices, it is not possible to create a system which can be beneficial for the whole mankind and for the ecosystem and ecosphere. In other words, companies must be ready to reconsider their ultimate mission, objectives, goals and strategies, and all this especially in context of environmental management. The environmental management must be realized not only as a tool of profit maximizing, but also as an end itself with the aim to satisfy human needs, including the environmental values, too. As a system it must include a critical evaluation of its' processes of action looked from the multi perspective viewpoints represented by stakeholders.

Media - an Arena and a Tool of Struggling Discourses in Finland

Media has become a powerful actor in public discourses in Finland as regards business and environmental issues. A new term - media power - has emerged, created for the public. Nowadays it is a frequently used word between companies and e.g. environmental groups. The media power includes several elements, but essentially it means a power transmitted and used by the public media, and operates in the manner which is typical of the "management of meaning". Struggle about "right" concepts, meanings and definitions has been prevailing in Finnish environmental debates between various groups of discourses. The Big Business (wood processing industry) and environmental groups have continued their dispute about felling

the forest (trees) in the Finnish wilds. This is mainly a struggle about how to define the social reality by symbolizing, i.e. by using different symbols in order to define and rule the situation emerged so suddenly. One arena for this purpose is the environmental auditing carried out by the companies. This mode of business reporting deals with environmental impacts caused by the firm and includes all information which according to the law must be gathered. There have also been spontaneous efforts to get into communication with other interests concerning the state of the environment and actions having some effect on the environment. It has been said by Korhonen (1994) that the amount of data reported in Finland has been given in a quantitative form and has been quite small. Information has been almost always given verbally, and it has been focused on general strategies and programs which only marginally pay attention to the environmental impacts.

When theorizing issues mentioned above, one can use so called "struggle-perspective" (Takala, 1989). This means that the society is seen as an arena consisting of many battles between various groups and interests. The modern institutional management level has to legitimize the functions and actions of the business and explain "away" those actions which could be awkward from the business point of view. This is done both on the national and the international level. This includes efforts to rule and define the difficult situation by symbolizing and explaining, and at the same to keep the symbolical power. In this way it is possible to govern the real and substantive issues. New arenas of the symbolical struggle have emerged; one of them is the battle between the Finnish Wood Processing Industry and Greenpeace.

An Illustration - the Case of Protecting Finnish Wild Forests

A common phrase is that Finland lives on the products got from the wood. We can also speak about the Finnish "forest consciousness". This mode of consciousness, based on the growing forest stock, has become a problem to Finns, too. The reason for this is that the "woodgrowing" as raw material has caused problems to the forest as an element of nature.

Der Spiegel - a German journal - published an article in the beginning of the year 1993 about the environmental harm caused by the felling trees in the Northern Finland. This article raised the above problem into the public consciousness and aroused worldwide interest. It caused a huge sensation, in spite

of the fact that it contains some misunderstandings. As an example could be given that no large clear fellings have been carried out in Finland in the 1990's. But, It seemed however, that the overreaction of both Finnish wood processing industry and the Finnish forest owners existed. It was became evident that the interessents in question were not ready for this kind of surprise attack. Der Spiegel's article also give very soon an impulse to programs aimed at protecting and culturing the Finnish forests. The World Wild Fund was the first, the Finnish Ministry of Agriculture and the Ministry of Environmental Issues were the next. The important thing in this connection was, however, the fact that all these activities can be seen as signs of the desire to govern and define the discourse.

A survey of the Finnish newspapers - which showed that the tone of the debate, arisen in Finland together with der Spiegel case, changed when the discourse continued. There was blaming and attacking, but also more reflective thinking. The opinions presented by the industry and the forestry (forest owners) were divided into two "parties"; people were pros of clear fellings and those who were strictly cons, favouring more natural forestry methods. But even in the groups of conservationists there was polarity in this case; a majority was clearly against the clear fellings, but there were certain voices which made the concept of natural forestry very problematic. This debate reveals the sensitivity of the Finns to the forest motive. The concept is loaded with strong affectional components, and there is almost mythical thinking prevailing when ever the Finnish Forests are concerned. The forest is said to be the "Green Gold of Finland", but also a home of invisible genies and gods. Whoever dares to touch this ticklish, mythically loaded element, must be treated with severity, and he will be punished.

Be that as it may, however, it usually happens so that the excessive agressivity revenges itself and irrelevant information is becoming a matter of public knowledge. In addition, in Finland, the sensation born in the Middle Europe, was exaggerated. Information, communication and straight responses to the Spiegel's article were delayed late efforts to create a positive image were neglected. The Finnish wood processing industry did nothing to prepare for this, in spite of the fact that the publication of this article was known beforehand (Kaari & Suvela, 1994). In more general level, Finnish Wood Processing Industry has been start to communicate about environmental issues with the great public during the last decade. Debates of small closed elite has turned from technical and pollution issues

to more market oriented and open conversations with large societal audiences in international arenas. A senior manager of a large Finnish wood processing company, states that: "This change has been a tough cake to Finnish wood processing industry. Ten years ago, we do not used to talk and inform to anyone of us environmental business issues. But now we are forced to communicate because of our customers want more this kind of information. It is clear, that communication has been a huge problem to us, although forestry has been a top topic in the last three years in our environmental agenda. You are forced to manage well your communicating dialogues, if you do not, it is catastrophe to your business. In national level, this is a thread to the whole Finnish export, to mis the environmental communicating."

One can also talk about "communicating battle". This battle considers how well one part can express an opinion of its own defined the right one state of affairs and thus win the other part of communicating. In der Spiegel case the debate is about what kind of forest it was cut: whether it was a wild forest planned to be protected, or was it ordinary forest planned to be grafted as wood. One main issue of arguing was the question of "common good" Both parties were eager to explain and try to persuade audiences that their arguments were right and properly represented the idea of common good. He who manage to be more convincing in this kind of assurance competition, is winning of course. But, finally the winner of the "discourse game" can not be named. Both Finnish wood processing industry and forestry associations, Greenpeace and environmental groups have faults of their own in media. What is truth ? This can be asked with suspicion, because it seems that people acting under the rule of media power is not able to decide or know, who is right and who is wrong. Discourse creates its masks and citizen is blinded by several misleads. Corporate social responsibility as discorsial phenomenon can open to us many new possibilities to understand and explain this complex phenomenon in its social context. Discourse creates our common social reality, but it is also a product of those debates going on in our society..

Concluding Remarks

It is clear, that if the firm want to be successful now, and foremost of all, in the future, it must take into account the environment and nature, in its actions, and do it better than presently it is used to. This means that green image and

environmental friendly product-mix, must be key questions in corporations' strategy formulations. This, and also planning, control and implementation of these strategies are in sharpened focus of environmental conscious consumers.

The principles of legitimating the firms' actions have been changed since 1970. Corporations must be able to show their responsiveness also in environmental issues, their actions are evaluated more precisely by various societal groups. The rising of environmental consciousness among the great public causes naturally several communicational problems. Is the undistorted communicating among all the participants possible, as Jurgen Habermas, a German philosopher, has asked ?. I hope so, that it is but many problems are met and solved aiming at more clearer discourse.

What is important, is that, the concept of environmental responsibility needs more accurate conceptual clarification and definition. Empirically, we can study in what way different interest groups in society define this conception. Looked from the perspective of action philosophy, the responsibility of the firm can not be straight responsibility, because the firm is not any living organism having vivid consciousness. This means that the firm is an artificial actor whose actions always are allocated to certain stakeholder group - in this case to those organizational structures which have the decision making authorities. However, in our common language we are used to talk about "corporate morality or immorality". Intuitively thinking, this may be the right way: Our moral consciousness presupposes the moral need to see also artificial social institutions as actual moral objects. This notion is also supported by the studies made by Takala (1995).

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