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Postal address:
University of Jyväskylä
School of Business and Economics
Business and Organization Ethics
Network (BON)
P.O. Box 35
FIN-40351 Jyväskylä
FINLAND

Editors

Editor in Chief:
Professor Tuomo Takala
University of Jyväskylä
tuomo.takala@econ.jyu.fi

Assistant Editor:
Lic.Sc Marjo Siltaoja
University of Jyväskylä
marjo.siltaoja@econ.jyu.fi

Technical Editor:
Ms Hilkka Grahn
University of Jyväskylä
hilkka.grahn@jyu.fi

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Editor-in-chief

Professor Tuomo Takala
University of Jyväskylä
School of Business and Economics
Finland
Email: tuomo.takala@econ.jyu.fi

Editorial objectives

Electronic Journal of Business Ethics and Organization Studies EJBO aims to provide an avenue for the presentation and discussion of topics related to ethical issues in business and organizations worldwide. The journal publishes articles of empirical research as well as theoretical and philosophical discussion. Innovative papers and practical applications to enhance the field of business ethics are welcome. The journal aims to provide an international web-based communication medium for all those working in the field of business ethics whether from academic institutions, industry or consulting.

The important aim of the journal is to provide an international medium which is available free of charge for readers. The journal is supported by Business and Ethics Network BON, which is an officially registered non-profit organization

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Reviewing process

Each paper is reviewed by the Editor in Chief and, if it is judged suitable for publication, it is then sent to at least one referee for blind review. Based on the recommendations, the Editor in Chief decides whether the paper should be accepted as is, revised or rejected.

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As a guide, articles should be between 3000 and 8000 words in length. A title of not more than eight words should be provided. A brief autobiographical note should be supplied including full name, affiliation, e-mail address and full international contact details as well as a short description of previous achievements. Authors must supply an abstract which should be limited to 200 words in total. In addition, maximum six keywords which encapsulate the principal topics of the paper should be included.

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arabic numerals. They must be refereed explicitly in the text using numbers.

References to other publications should be complete and in Harvard style. They should contain full bibliographical details and journal titles should not be abbreviated. References should be shown within the text by giving the author's last name followed by a comma and year of publication all in round brackets, e.g. (Jones, 2004). At the end of the article should be a reference list in alphabetical order as follows

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Proceedings of Critical Research and Responsible Business

EDITORIAL

Tuomo Takala, editor-in-chief

This special issue focuses on critical research, an approach that has gained more ground in scientific circles over the past decade. Phenomena like globalization, colonialization and ultracapitalism have served as catalysts for critical research. In the field of business studies and management research, however, paradigmatic thinking has become rather fragmented instead of converged. The term “fragmented adhocracy” describes this disintegration of management studies into smaller and smaller, more or less isolated clusters. Now that the 21st century is well under way we can see that this tendency continues unabated. The ability or willingness of different research paradigms to communicate among themselves has not improved at the rate hoped for; the dialogue between them could be much more intensive.

On the other hand, the postmodern polyphony of voices has increased. A functional managerial research approach

is no longer the only form of “official” management science. Critical research and research on business ethics, age management, female management and diversity are now equally approved as “official” fields of research. In other words, the mainstream of management studies has expanded.

This is a good thing, as stiffness and formalism tend to erode and narrow down the transforming science of management. Creativity and fresh, innovative scientific solutions will be in a key position both in society as a whole and in academic research in the coming years. But critical research itself must also be ready to transform.

The articles in this special issue offer a good picture of the intersections and common ground of critical research and responsible business. Social responsibility, consumerism and a philosophical perspective form the hard core of the critical paradigm.

Understanding McDonald's Among the "World's Most Ethical Companies"

Gregory G. De Blasio

Abstract

The animal welfare policies and related public communication initiatives of McDonald's corporation are examined in the context of the organization being named as one of the world's most ethical organizations. The result is a framework for understanding how McDonald's and similar organizations could warrant the status of a most ethical company. Specifically, the narrative strength of the company's articulation of an animal welfare policy and its ongoing promotion as a legitimizing strategy illustrate how McDonald's might address the social and ethical issues it encounters through its operations and how its stakeholding publics are likely to respond. By maintaining narrative strength in communication initiatives and attaining legitimacy, an organization can be perceived as operating within ethical and social norms regardless of policies, perceptions, and reputation that suggest otherwise.

Keywords

Ethics, Social Responsibility, Animal Welfare, Legitimacy

When decisions are made about which of the world's largest corporate entities can be counted among the "most ethical," competing criteria and perspectives will be in play. In May 2007, McDonald's Corporation and many other organizations that would be equally recognizable were named among the world's most ethical companies (Lentini, 2007). How can McDonald's and its many worldwide operations be considered an ethical enterprise? McDonald's is continually questioned regarding its responsible use of resources. The company draws from a range of resources that includes paper and animal products, farm produce, and the contributions of its many employees as human resources.

The companies were recognized in a magazine published by the Ethisphere Council, which claims to be dedicated to helping organizations grow through ethics, compliance and social responsibility reporting (Join the council, 2007). A web page announcing the honored organizations begins with, "Ethics are absolute" (2007 World's most ethical companies, 2007). Yet, the fairly brief explanation of about two pages of criteria and methodology is anything but absolute. Elsewhere, the magazine editors provide further insight about how ethics figured into the criteria for the recognized companies noting that selected companies needed to show leadership, compliance, and had somehow contributed to the "advancement of industry discourse on social and ethical issues, and positive engagement in the communities in which they operate" (Lentini, 2007, p. 1).

The recognition conferred upon McDonald's and other industry-leading corporations demands a critical perspective. There is danger that social responsibility is coming to be too closely associated with the actions of the largest and mightiest organizations if the current criteria stands as the most influential. Another company on the Ethisphere list, for example, is Starbucks Coffee. Considering that for more than a quarter century there have been coffee companies dedicated to addressing the most formidable challenges to the coffee industry, the choice must be questioned. Other coffee companies have operated since their founding by

supplying only shade-grown, sustainable, and fair-traded coffee and therefore demonstrating ethical behavior and social responsibility that is directly related to the industry in which they operate (De Blasio, 2006). The apparent reasoning Ethisphere applied in choosing Starbucks is an interesting teleological dilemma: No matter that Starbucks' commitment to ethical behavior and social responsibility is not comprehensive; the small percentage of shade-grown and fair trade coffee sold by Starbucks is likely to have greater influence than a much smaller coffee company founded upon and operating exclusively by the same ethical standards and socially responsible actions.

An industry leader, however, ought to be in a position to influence the industry in which it operates regarding ethical and social norms. Ethisphere notes in its criteria that the world's most ethical company needs to "advance" industry discourse. Often, industry leaders do advance industry discourse in an incremental fashion on any number of subjects. The idea of advancing industry discourse in this way, however, does not address instances when, because of ethical concerns, the discourse needs to change direction or be rejected out of hand. The notion, then, of industry leaders being recognized for ethical behaviors as outlined by the Ethisphere criteria is understandable but limiting. A large organization with a proportionately large supply chain should be in a position to influence or impose constraints upon its suppliers, for example. Consider a large supermarket chain that insists all of its dairy suppliers deliver product that is free of rBHT (commonly known as bovine growth hormone) because of the risks it poses to dairy cows and to humans. Likewise, an organization like McDonald's should be in a position to influence the conditions associated with factory farming: the raising and slaughtering of farm animals for food. The examples of the supermarket chain and McDonald's illustrate the degree to which large organization advance discourse within an industry. The supermarket can eliminate the rBHT from the products sells and McDonald's can demand incremental changes related to animal welfare generally. In both in-

stances, however, larger issues about the duties owed to animals remain.

This paper examines the policies and related communication initiatives McDonald's Corporation has put in place regarding animal welfare. The company's animal welfare policy would certainly matter when evaluating "ethical purchasing practices" and how the organization might take greater responsibility for what occurs throughout its supply chain. By demonstrating the narrative strength of McDonald's communication initiatives and their legitimizing function, a richer understanding of how McDonald's and similar organizations can be considered ethical corporate entities will be facilitated.

McDonald's is a large public corporation and receives attention from industry and financial analysts as well as institutional and individual shareholders. Any decisions the company makes concerning policy that is likely to have some impact on operating costs or efficiency is considered to be material for constituent publics. Animal welfare policy within an industry that trades in animals and animal food products would be, by necessity, considered material. The company's presence, however, extends far beyond the geographies of Wall Street and other financial centers.

Locations of McDonald's restaurants reach worldwide and occupy choice real estate in so many neighborhoods that the presence of the restaurants and their associated brand identifiers can be described as being ubiquitous. The McDonald's brand and numerous restaurant locations are considered a phenomenon by writers and publics; and a co-opting of the company name occurs when the proliferation of roadside logos and repetitive patterns of retailing and strip-mall or "big box" architecture is described as McDonaldization. Marquee signs outside McDonald's restaurants proclaim that the company has sold "billions and billions" of hamburgers. The company purchases and sells food in quantities that often serve as examples of something that borders on the proportionately inconceivable. During 2000, McDonald's, for example, purchased one out of every 160 eggs sold in the United States (Kaufman, 2000).

The company has often been at the center of visible debates concerning its operating policy and its position concerning the welfare of animals. McDonald's history of involvement with animal welfare issues represents significant milestones in the history of animal welfare activism. Singer (1998) documented Henry Spira's efforts, which began in 1989, to engage McDonald's in a more forward looking animal welfare policy. At that time, Singer, Spira, and others concerned with the welfare of farm animals were interested in a public policy commitment from McDonald's because Europe was moving far ahead of the United States by establishing and enforcing standards of animal care not yet in place nor even considered in the United States (Singer, 1998). Singer, Spira and others believed, too, that McDonald's was uniquely positioned to establish an animal welfare policy that could serve as a standard for other corporations. The 1989 vision of why animal welfare issues related precisely to McDonald's Corporation and how a publicly communicated animal welfare policy by McDonald's would be likely to influence other organizations appears to have been perspicacious.

In late 2004, McDonald's announced it was considering adopting humane slaughter processes of poultry that were already in place in Europe (McDonald's eyes PETA-friendly option, 2004). Early in 2005, PETA (People for the Ethical Treatment of Animals), Al Sharpton, and others urged a boycott of KFC restaurants, a competitor of McDonald's, because of

KFC's cruelty to farm animals and failure to embrace practices observed by McDonald's suppliers as well as consideration of alternative slaughtering processes (Warner, 2005).

Animal Welfare and the Restaurant Industry

Animal welfare, the application of humane and ethical norms of responsibility, care, or protection of non-human species, is typically approached across three categories: laboratory animals, animals in the wild, and farm animals. Each category is subject to regulation and each has myriad organizations that seek to exert influence upon existing or future legislation. Commercial interests influence current practices and norms as does the impact from public sentiment when a given practice or perhaps an entire industry is out of step with what is considered to be acceptable behaviors or policy. The Silver Spring Monkey Case, an outcry against the conditions of laboratory animals is often cited as a triggering event for the present day animal rights and animal welfare movements in the United States (Hinson & Hinson, 1994). Animals in the wild are the subject of debates about preservation, ecosystem sanctity, and humane hunting and fishing practices. Trapping animals for their fur occupies a significant chapter in the settlement of the North American continent. Yet today, some states allow the use of leg-hold traps and others do not in consideration of the painful and prolonged death endured by trapped animals. Apparently, then, the welfare of an animal in the wild can change at each state line.

The category of farm animals, however, is perhaps the most complex as commercial or industrial standards are applied to establish a humane life and death of millions of animals. The farm animal category includes standards that apply to the feeding, housing, transportation, and slaughter of animals, which as individual areas of concern present their own animal welfare issues (Scully, 2003). The public communication materials released by McDonald's cover the breadth of these individual areas. The materials include Guiding Principles to establish a high-level framework as well as operational policy details that are subjected to regular monitoring and audit processes (Product responsibility, 2005). The expansive nature of the welfare of farm animals is understandable given the scope of factory farming in its present form. The feeding, housing, transportation, and slaughter of farm animals are all part of the McDonald's supply chain. Additionally, the scale of McDonald's operations requires the use of many factory farm resources. Language on the McDonald's website that describes the company's perspective toward social responsibility reporting and animal welfare as a "systems" view is, therefore, acknowledging the enormities of scope and scale concerning the company's operations, the industries to which it is related, and the social issues in which it is entwined. A systems view of the organization's responsibility suggests that the entire supply chain is taken into account. Yet, the very lack of responsibility throughout the supply chain is what delayed action for a long period.

McDonald's size and public status might slow it down regarding its position on animal welfare, but its size and public status demand it communicates its position responsibly. Policy at odds with social norms could be a serious liability to a public company. In addition to the shareholding public, McDonald's must account for the perceptions of a mass market consumer public. The company's size and its position of industry leadership make McDonald's an easy target should it step outside acceptable social boundaries.

Factory Farming

Sensitivity to the welfare of farm animals in its broadest conception should address a history of an institutionalized food processing industry and the operations that are common to contemporary factory farms. Although the operations and resulting conditions inside factory farms are likely to remain invisible to everybody except those who live near or work in these facilities, attention is drawn to the food processing industry from several different quarters. The attention the industry receives, often calling out outdated or unsafe practices, can become a threat to legitimacy for any organization tied into its supply chain. In contrast, organizations that communicate a policy or some kind of active role in reversing conditions that are challenged as being unsafe or showing little concern for the welfare of animals, workers, and the general health of consumers, could boost their legitimacy standing with their publics. Issues concerning factory farming and legitimacy, therefore, would first need to be brought to the public's attention before public discussion or the opportunity to revise policy could take place.

The general state of operations and conditions in factory farm facilities are often brought to public attention by organizations like PETA (People for the Ethical Treatment of Animals) and other organizations that communicate actively about animal welfare and animal rights issues (Hinson & Hinson, 1994). PETA uses a variety of communication strategies to focus attention upon an issue that is described as needing immediate attention or a change in operating policy by the food processing and restaurant industries. A company like McDonald's could find itself on the receiving end of advertising campaigns, organized protests, boycotts, and graphic depictions of company and supplier operations.

In addition to organizations like PETA, which are primarily dedicated to campaigning for animal welfare and animal rights, factory farming issues are brought to the public's attention by philosophers, scholars, journalists, and by organizations that participate in the segments of the food industry that rely on factory farmed products. Concern, therefore, about animal welfare issues raised by factory farming practices could be brought to the public's attention by a range of sources. During the past twelve years, for example, there have been popular book titles and media events that have called attention to factory farming through serious exposés and arguments, and by others that use the sensational, the shocking, and the absurd to underscore conditions common to factory farming facilities (Lyman, 2001; Patterson, 2002; Schlosser, 2002; Scully, 2003; Spiegel, 1996).

The level of attention to animal welfare issues and factory farming intensifies as everyday practices or norms associated with the industry are described as new revelations and are compared to the distasteful and horrific. The operations of factory farms present a grim image: For example, factory farms are filthy and germ ridden (Schlosser, 2002). Factory farms destroy the environment and waste resources (Lyman, 2001). The conditions at factory farming facilities mirror slavery and concentration camp operations (Patterson, 2002; Spiegel, 1996). Some of these alarming assertions should not sound all that new considering that Upton Sinclair's, *The Jungle*, first appeared in 1906. A major difference, however, between Sinclair's depictions of the "meat-packing" industry and conditions today, which relate to the food processing industry, is one of scale, and perhaps the sophistication that a more mature and institutionalized industry represents.

Animal Welfare and Animal Rights

However articulate and extensive McDonald's communication program concerning farm animals is found to be, the policy of the organization is clear about its position being one that recognizes the welfare of animals. The communication materials from McDonald's do not recognize the rights of animals. The distinction is an important one. Although Cohen and Regan (2001) disagree on the issue of animal rights, they share common ground regarding animal welfare. The issue of animal rights is not part of the food processing industry's public dialogue. By necessity to the interests of the industry, rights dialogues are silenced. Considering the nuances of Cohen and Regan's (2001) philosophical yet often practical discussion of animal rights, the subject's inclusion into organizational policy and communication about that policy would be extremely complex.

Cohen and Regan (2001) explain that the animal welfare position is one of duty owed (to animals) and the animal rights position is one of rights (of animals) observed. To explain further, the supporter of animal welfare believes that the humane care of animals is among the duties that humans ought to share in some way. The policies McDonald's articulate address the duties owed to the animals regardless of how animals might connect with the organization's restaurant supply chain. The degree, quality, and type of humane treatment is determined and articulated by the policies and programs of McDonald's and other organizations willing to recognize the concept of animal welfare as a social norm.

Social Responsibility Reporting

In a recent edition of Bivins' (2005) college text for public relations writing, a chapter title was renamed from the previous edition to include social responsibility reporting. The new chapter title suggests an equal weighting of two important ways for organizations to communicate with their publics: social responsibility reporting and investor relations reporting through annual reports. The suggestion that social responsibility and annual reports are equally important to organizations is in keeping with the many means of communication and specialization that are available to the public relations practitioner who must address a social responsibility issue on behalf of an organization.

McDonald's makes use of all the noted means of social responsibility reporting and enlists the services of specialized news wires and other third-party organizations. Verification from third-parties helps an organization like McDonald's reach across broad publics with consistency. Considering the consistency, frequency, and widespread availability of an organization's public information dedicated to social responsibility, a narrative about the organization's perspective and policy on social responsibility issues is often created.

Narrative Fidelity and Probability

The McDonald's communication program dedicated to the social responsibility reporting of animal welfare issues is considered to be a narrative because it frames its own history, applies behavioral standards related to moral and ethical decisions, and follows industry and professional presentation conventions. In addition, the ongoing program can be understood and explained using Fisher's (1984) concepts of narrative fidelity and narrative probability. Still, the utility of taking a narrative per-

spective toward an organization's public and promotional communication can be further detailed. Bush (1994) used Fisher's (1984) narrative paradigm as a perspective to improve the ethical evaluation of advertising messages. A narrative perspective is useful to understand the degree to which the organization (narrator) establishes shared knowledge, history, culture, biography or character with its publics (Bush, 1994). The history, culture, and character that inform McDonald's animal welfare and other social responsibility issues are shared with its publics to the degree that the messages and narrative are understood and accepted by its publics.

A narrative, for example, could help McDonald's publics understand the moral and ethical justifications for policies and communication related to social responsibility issues and reporting (King, 1992). The perspectives and justifications for decisions concerning policy and social responsibility is a difficult area for applying consistent forms of quantitative measurement. Bush (1994), however, positions a narrative paradigm as a supplement to a quantitative rational approach for understanding the ethical considerations that are likely to influence decisions concerning advertising copy and themes. Applying a narrative paradigm in this way demonstrates the utility of Fisher's (1984) concepts of narrative fidelity and narrative probability.

To attain narrative fidelity, the story must have a degree of verisimilitude (McIntyre, 1994). This condition applies to the present case because how the justifications, policies, and communication of McDonald's correspond to the ethical character of its publics is explored. Narrative probability involves the stories' use of myth, metaphor, and convention, and their relation to given audiences (Bush, 1994; Fisher, 1984). Mythic narratives capture what is important to a culture. Myths make stories about heroism, justice or injustice, hardship, and other conditions their subject.

Myth and Metaphor

In the present case, subjects in the mythic realm would include the mechanizations of industry and the relation of humans to other species and the environment. Specifically, animal welfare and issue of duties owed to animals while they are placed in the service of humans is mythic in character. The justifications and explanations of decisions related to animal welfare and social responsibility grow in mythic dimension as well. The following narrative development sequence, for example, was identified in the present case: First, an organization's social responsibility narrative is created; then, another narrative is created to relate the organization to an industry to which it is a part; finally, the industry creates a narrative that relates its positions as corresponding to its publics or to society. The McDonald's case illustrates how mythic conceptions are part of social responsibility narratives. Developing a narrative this way illustrates how the organization demonstrates social responsibility within itself through its mission and vision. Then, by positioning itself within its industry, the organization can strive to attain a leadership role in its industry through socially responsible actions. Finally, the activities of both the organization and the industry are shown to be responsible to society at large.

Following Fisher's (1984) definition of narrative probability, the narrative will also make use of metaphor and convention. Metaphor requires a representation of a universally agreed upon meaning or truth. Social responsibility reporting and animal welfare specifically are rich with metaphor use. At the center, narratives are free with terms like "humane slaughter" and "factory farm." Metaphors common to animal welfare narratives can

be created by industry or by popular usage in society. Convention holds a significant place in social responsibility reporting. The subject of the reporting is concerned with the conventions of an organization or industry and the degree to which similar conventions are embraced by corresponding publics. Convention is also found in the form of communication expectations. The ethical and moral reasoning leading to policy decisions needs to be fairly transparent to an organization's publics. The reporting itself appears to be following and defining an operational degree of transparency with more uniform conventions in place that organizations, industry, and communication professionals are expected to observe. Conferences help organizations remain focused on social responsibility issues and public relations agencies and organizations are developing uniform systems of reporting and presentation.

Another example of social responsibility reporting becoming more institutionalized is the CERES-ACCA North American 2004 North American Awards for Sustainability Reporting. During September, 2004, the Association of Chartered Certified Accountants (ACCA) and CERES, a U.S. coalition of environmental and investor groups made the first call for submissions for this award of recognition through a CERES news release. The two organizations seek to recognize innovation and leadership in reporting on sustainability, environmental, and social performance. Accountability to stakeholder publics is made explicit in each organization's "boilerplate" description of itself.

CERES is a coalition of 85 environmental, investor, labor and advocacy groups working together to increase corporate responsibility worldwide. Investor members represent more than \$300 billion in assets. Since its founding in 1989, CERES has persuaded dozens of companies to endorse the CERES Principles, a ten-point code of environmental conduct and publicly report on their performance. More recently, CERES convened and led the Global Reporting Initiative (GRI) with the United Nations Environment Program, until it became an independent, international organization in 2002.

ACCA (Association of Chartered Certified Accountants) is the world's largest international accountancy body with 320,000 members and students in 160 countries. ACCA has promoted transparency in reporting the impact of business activities on sustainable development for over a decade. ACCA is involved in reporting awards in more than 20 countries across the world. ACCA participates in a number of influential organizations, including the Global Reporting Initiative (GRI). In recognition of their UK social and environmental issues program, ACCA has been awarded the Queen's Award for Sustainable Development (Call for submissions, 2004, p. 2).

Attaining Fidelity and Probability

The involvement of organizations like CERES and ACCA help connect the social responsibility reporting and associated narratives to broader audiences. Third-party involvement can also be a source of legitimacy. Audiences judge stories told to them and have a natural tendency to prefer what is perceived as true and just (Cherwitz, 1990). Audiences will then consider and prefer what is true and just regarding narratives of social responsibility and legitimacy. For the narrative to maintain fidelity and probability, the story must demonstrate these qualities in and of itself, and more importantly, in relation to the rest of the world (Rowland, 1987). The concept of legitimacy is also tied to standing among wider audiences or publics; society or the rest of the world, for example.

The McDonald's communication program that addresses an-

imal welfare is positioned to achieve a degree of narrative fidelity and probability from its outset. There is nothing acceptable about animal abuse and this is a perspective that should resonate as true with McDonald's publics. McDonald's communication details policy and procedures that prevent a technically defined type of animal abuse from occurring throughout the vast supply chain managed by the organization. If this information is accepted as being true and matching the moral character of the audience, then a degree of verisimilitude and narrative fidelity is met. Narrative probability is established through the continuous communication about animal welfare policies practiced by McDonald's. The narrative is probable because there is always a forthcoming chapter concerning this organization and the welfare of animals. The ongoing nature of the animal welfare narrative allows Fisher's (1984) concepts of myth, metaphor, and convention to become more visible.

Core Legitimacy Components

McDonald's actions and the ongoing reporting and social discussion they stimulated encompass the primary forms of legitimacy as outlined by Aldridge and Fiol (1994). In line with Aldridge and Fiol's (1994) framework, the actions include pragmatic, moral, cognitive components. The pragmatic aspects lie in the implementation of policy, the establishment of standards that extend deeply and broadly into McDonald's supply chain, and the enforcement of penalties for non-compliance. The moral aspects connect a duty to lessen animal suffering in ways that are within McDonald's ability to do so and act accordingly. The cognitive, or taken-for-granted, aspects apply to the actions by McDonald's being broadly influential throughout industry segments and among publics concerned about animal welfare. The cognitive form of legitimacy that is generated by McDonald's actions can benefit any perception of legitimacy further by positioning McDonald's to be on the front end of social discussion on the issues (Zyglidopoulos, 2003). McDonald's actions also provide an example of Dowling and Pfeffer's (1975) concept of legitimacy in which legitimacy allows analysis of how an organization relates to its environment and provides a linkage between organizational and societal levels of operation.

At first glance, the notion of McDonald's creating a far reaching influence upon the animal welfare discourse throughout an industry and society could be considered to be part of an issue management strategy. Cantor (1989) emphasizes how an issue management strategy seeks to shape public discourse rather than merely participating or reacting to public discourse. Issue management strategy, however, begins with the needs of the organization; consideration of legitimacy with broader political, social, and economic forces (Cable & Vibbert, 1985). Broader social forces apply in this case. The social forces, all having something to do with the treatment of animals, influence the policy of McDonald's, its suppliers, critics, and even its customers. One organization within the animal welfare sphere of influence, the National Council of Chain Restaurants, receives regular communication from chain restaurant customers seeking assurance that animals are treated humanely (Zwerdling, 2002).

The animal welfare policies of McDonald's represent movement away from logical-empirical entrenchment and toward a normative-affective position. The general movement in this direction by an organization the size of McDonald's and its concentrated influence throughout its related industries and supply chains will contribute to the equilibrium and stability of animal welfare policies and communication. As time passes, more organizations and publics will be exposed to the company's

normative-affective behaviors. Following a similar pattern, the effect of organizations adopting a normative-affective position is believed to create greater economic and environmental stability than logical-empirical approaches (Etzioni, 1988; Swanson, 1992).

The Benefits of a Leadership Position

McDonald's is able to position its animal welfare policy into a broader policy of sustainability. While animal welfare, social, and environmental issues represent the broad approach McDonald's takes to social responsibility, the company communicates Stead and Stead's (2000) sustainability values of wholeness, diversity, posterity, community and dialogue. Other instrumental values noted by Stead and Stead (2000), however, like smallness and spiritual fulfillment are lacking. Yet, considering the topics receiving attention in social responsibility reports and in the web pages, McDonald's directs policy toward non-human stakeholders. The extended non-human classification of organizational stakeholders includes the natural environment, individual ecosystems, animal and plant species, and the Earth (Freeman, 1994; Orlitzky, 2001; Starik, 1995; Stead & Stead, 1996, 2000). McDonald's claims, then, of industry leadership in its broad approach to animal welfare, social, and environmental issues become valid as they fit with normative conceptions of sustainable operations and expanded stakeholder definitions. Industry leadership also depends on McDonald's ability to remain competitive and profitable. McDonald's explains that the possible conflict between profit and social norms are managed by its ability to balance long-term social responsibility goals with the near-term need to be a competitive performer (Product responsibility, 2005).

McDonald's uses the term "responsible actions" to explain the components of its social-environmental-animal welfare approach to social responsibility and industry leadership. The social category, for example, includes (1) food quality and safety, (2) national sourcing, (3) suppliers and social accountability, (4) promoting antibiotic effectiveness, and (5) changing [potentially unsafe] toy batteries. The environmental category includes (1) protecting rain forests, (2) pursuing a responsible fish supply, (3) biotechnology awareness, and (4) reducing packaging impact. Finally, the animal welfare category includes (1) the Animal Welfare Council and Global Principles, (2) working with experts, and (3) animal welfare audits. The responsible actions communicate a broad sense of responsibility toward natural wildlife habitats, drug efficacy, and child safety. "Responsible actions" is a fitting term to describe McDonald's approach to communicating social responsibility because the actions are reducible to policy, principles, and guidelines that influence behavior and action. In some cases, such as the elimination or curtailment of antibiotics in cattle, and of mercury-button batteries in promotional children's toys, the actions represent a departure from standard industry practices. The actions, then, and their supporting policy details represent social responsibility norms McDonald's chooses to follow and to articulate to its publics.

The McDonald's Agricultural Assurance Program details policy for suppliers that remain in line with the organization's broad approach to sustainable policy and related communication. Seven policy areas for suppliers are intended to help suppliers meet environmental goals and to demonstrate leadership with social issues (Product responsibility, 2005). Echoing the scope of the McDonald's categories of social responsibility and the responsible actions components, policy areas for suppliers include environment, agricultural practices, animal welfare, ani-

mal nutrition, animal medication, transparency, and genetics.

The dialogue and narrative concerning animal welfare that McDonald's encourages and creates, and the likelihood of the communication policies and messages contributing to the success of an actional strategy can be evaluated with Fisher's (1984) concept of narrative probability and fidelity. Bush (1994) and Fisher (1984) note narrative probability involving myth, metaphor, and convention. What is important to a culture is often communicated through mythic elements. Success and power are often the subjects of mythic narratives. McDonald's leadership position as a competitor within its industry and its policies related to important social issues are mythic in their unfolding. McDonald's Animal Welfare Guiding Principles makes the company's position on leadership clear. "McDonald's will lead our industry working with our suppliers and industry experts to advance animal welfare practices and technology" (Product responsibility, 2005).

McDonald's applies metaphor in the use of "responsible actions" to explain the details of its social responsibility perspectives. The use of the term suggests that McDonald's is confident its publics agree upon the meaning and the truth of the company's description of social responsibility and its related policies. Finally, the McDonald's narratives concerning animal welfare focus mostly on the creation of convention. The conventions to the company's operations, the operations of an entire industry, with the values and norms of McDonald's publics and society.

The fidelity of McDonald's animal welfare narratives can be assessed as the ongoing dialogue continues. Criticism or praise by publics focus on whether policy is adequate concerning a given issue, whether policy matches public communication on the topic, and whether a profile of an organization with legitimate policies concerning animal welfare is created. If the standards and audit systems that are claimed to be in place are in effect, operational, are enforced, and produced the results as described, then there would be little reason to question the narrative fidelity of McDonald's animal welfare policy.

Conclusions

The actions of McDonald's concerning animal welfare contribute to the company's standing among its publics. Animal welfare is a social issue that receives regular attention by concerned groups worldwide and the issue is directly connected to the core business of McDonald's. More importantly, the issue extends throughout the McDonald's supply chain. By communicating its animal welfare policy as it applies to suppliers outside the organization, McDonald's can claim an additional degree of involvement with the issue.

McDonald's web pages and social responsibility reporting invite discourse with a variety of publics: environmental groups, faith-based organizations, industry experts, researchers, and others. The company's guiding principles concerning animal welfare and other social responsibility issues include communication as a necessary component. In actuality, McDonald's details communication of its policy as a part of its social responsibility programs. The communication occurs at points where publics are able to influence policy to some degree. Because of the ongoing communication, McDonald's can also claim to be a socially responsive organization. Taken in aggregate, the communication or public relations materials made available by McDonald's present an incomplete historically representative narrative of McDonald's involvement with animal welfare. At no point, does the narrative indicate a crisis situation to which the organization must respond. The narrative suggests that McDonald's

has always been on the right course concerning animal welfare. Criticism of the organization positions and policies concerning animal welfare are found to originate from other sources. Financial and business analysts and the general media often report on McDonald's standing regarding social issues and its leadership position in the industry. Unfortunately, there is little questioning of current policies or even of past policies.

Animal welfare links questions concerning legitimacy to McDonald's for several reasons. Publics are interested in how McDonald's policies are aligned with social norms and industry standards. As McDonald's maintains a position of industry leadership, there is an assumption by various publics that its responsibility for legitimate policy concerning animal welfare should be "first" and "best." McDonald's response and leadership on the issue, then, become instrumental to its standing of legitimacy among its publics. The company's policies and communication regarding animal welfare provide context to examine organizational legitimacy in the absence of a crisis and Boyd's (2000) concept of actional legitimacy.

This research raises additional questions concerning how social responsibility and ethical behavior is communicated by organizations and how the communication is perceived by publics. Despite the very useful perspective provided by the concept of legitimacy and the tests of narrative fidelity and probability, there is difficulty in ascertaining motive and the extent of an organization's ethical behaviors and socially responsible policies. As in the case of McDonald's, historical events and philosophical positions common to the organization's publics mitigate what some sources describe as ethical behavior. McDonald's animal welfare policies and communication offer no explanation of past transgressions and their consequences. The narrative about the company's commitment to animal welfare neglects to mention the role of PETA and of other publics that have long voiced concern about issues to which the company chose not to attend.

When McDonald's promotes its position on animal welfare and other social issues an upbeat positive account is perhaps all that should be expected. Yet, because McDonald's enjoys status as one of the world's most ethical companies and part of the criteria for earning that status includes advancing discourse that pertains to the industry, the company's narrative ought to be more representative. Similarly, readers of the Ethisphere list of the world's most ethical companies will not encounter any discourse concerning the ethical issues that were likely to have a role in earning McDonald's a place on the list. Nor will readers learn about the long (or short) history each of the other most ethical companies had regarding the ethical and social issues responsible for calling attention to their operations. Considering that "advancing discourse" within an industry was among the criteria for making in onto the list, the lack of an open exchange of ideas through dialogue is troublesome. Ethisphere might not have had the resources to create the type of discourse it encourages. Perhaps organizations much smaller than McDonald's do not have the resources to advance discourse in the same grand scale of an industry leader as well.

Questions about how organizations seek to express their commitment to ethical behavior and social responsibility deserve attention. The concepts of legitimacy and narrative fidelity and probability should not be so easily applied in the service of a convenient conception of ethical and socially responsible behavior—one that could be used to help frame the perception of being among the world's most ethical companies, most of whom happen to be large corporations and leaders in their respective industries. The effects, however, of a large corporation's ethical

behavior and position toward social responsibility, or lack of it, can have serious consequences for all its publics. If the concepts of legitimacy and narrative fidelity and probability can help us to understand corporate actions and communication, the necessary and expected discourses addressing ethical and responsible behaviors will advance.

Limitations for This Study

The case study approach used in this research is an instrumental strategy to gain greater insight into an issue or to refine theoretical understanding. The bounded context of the case is unique

to the degree that same case study approach to the same organization repeated a year later might yield different results. Although the difficulty to produce exact methodological replication is sometimes viewed as a limitation, the approach lends itself to theoretical replication (Yin, 2003). In this research, a greater understanding of how an organization influences the perception of its ethical behaviors with legitimizing strategies was sought. Additional case studies on the social and ethical issues themselves and their relation to a more broadly conceived form of organizational legitimacy are warranted for a greater understanding of how social issues influence ethical behaviors of organizations and vice versa.

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Author

De Blasio, Gregory G. Gregory G. De Blasio, Ph.D. is an Assistant Professor in the Department of Communication at Northern Kentucky University where he provides public relations counsel and teaches business communication and public relations courses. His research interests include the study of communication campaigns that are influenced by social and ethical issues. Dr. De Blasio received his B. A. in Communication from William Paterson University. He earned his M. A. in Communication from The Pennsylvania State University. His doctoral study in Communication was completed at Wayne State University.

Contact Information:

Gregory G. De Blasio, Ph.D., Assistant Professor, Department of Communication, 387 ST, Northern Kentucky University, Nunn Drive, Highland Heights, Kentucky 41099, USA, Telephone 859 572.6317, deblasiog1@nku.edu

Why Enforcing Corporate Social Responsibility (CSR) is Morally Questionable

Dennis Masaka

Abstract

Docketed literature on Corporate Social Responsibility (CSR) exhibits heated contentions on the nature of business-society relations. This paper seeks to explore this contentious issue in the light of contemporary incorporation of CSR in business strategic plans. It notes that enforcing CSR on business might lead to its manipulation to advance corporate organisations' purely self-interested ends rather than pursuing intrinsic philanthropic activities for the good of society. An insight into the undesirable consequences of enforcing CSR is given. Using Kantian ethics, the paper notes that the instrumental use of CSR by corporate organisations is immoral because it does not treat CSR as an end in itself in the same way as the profit maximisation is conceptualized in business circles. The paper, therefore, concludes that the integration of CSR in corporate organisations' strategic plans is seen as instrumental to the realisation of their profit motives other than a genuine show of social concern.

Keywords

Corporate Social Responsibility, Business, Corporate Citizenship

Introduction

The relationship between business and society has, for long, been a source of intellectual interest to business ethicists (Carroll, 1999:268; Heinze, 2005). Though it appears undeniable that corporate organisations function "...as part of an interactive system of relationships with individuals and groups in society" (Mescon, Bovée and Thill, 1999:64), the ideal business-society relationship remains intractable. Concern for business to contribute towards social prosperity has always persisted since the days of Aristotle who reckoned the need for business to reflect the interests of the society in which their operations are based (Solomon, 1999:83). People live in a society and everyone is part of the social organisation. Business is wholly dependent on society. It can only thrive in well-organised societies where individuals cannot, themselves, produce all their needs and wants; for when people are wholly self-sufficient, the concept of business serves no purpose on their lives. Thus, a stable and well-organised society fundamentally makes it possible for people to engage in business. It is on this basis that social activists have strongly argued that the business community ought, in return, to show concern to the society that sustains an ideal environment for profit making.

Schreuder (1978) acknowledges the inseparability of business and ethics. For him, the slim wedge between business and ethics can be bridged by a concept of Corporate Social Responsibility (CSR). He defines CSR as the performance or non-performance of certain activities by a private enterprise or corporate organisation without the expectation of direct economic gain or loss, for the purpose of improving the social well being of the community or one of its constituent groups (ibid: 74). It is the duty of business community to promote the welfare of society. For instance, a corporate organisation is said to be socially responsible or a good citizen (see Matten and Crane, 2003) if, among other things, it makes safe products devoid of serious structural defects, carefully disposes of its industrial wastes without causing ecological disasters, provides equal employment

opportunities irrespective of gender, race or class and contributes towards solving society's problems in a number of ways such as building Old Peoples' Homes and donating food to the poor. Proponents of the narrow view of CSR do not deny the importance of CSR as part of corporate strategy to ensure that an enabling social environment for profit generation and maximisation is created through, among others, prosocial business practices and helping out society solve its problems. The core of their argument is that CSR is not important in itself but in so far as it helps them achieve their self-interested profit motive.

The need for individuals and corporate organisations to be socially responsible is also documented in the Old Testament. Benson reports that under Old Testament rules, if a man knew that his ox gored others, he was responsible for keeping it under strict control (Benson, 1982: 89) In the contemporary world, business constitutes a very indispensable social institution in that it supplies society with goods and services and positively and negatively impact on the social and natural environment. This dominant nature of business in society has led people to be very wary of its activities. Pertinent questions have, therefore, been raised with regard to whether the welfare of society takes precedence over the organisational objectives to generate and maximise profits or vice versa.

Friedman (Shaw, 1999:167) strongly denies the contention that corporate organisations have direct social responsibility to the society in general. He is, therefore, opposed to calls for business to contribute towards solving society's problems over and beyond maximisation of profits for the business. The paper argues that the quasi-mandatory calls for corporate organisations to contribute towards solving society's problems runs the risk of being manipulated into a strategic tool to enhance their corporate image. The paper concludes that corporate organisations' compliance to governmental requirements for them to engage in CSR are just but a ploy to enhance their business fortunes. Though the paper notes strategic attempts by corporate organisations to integrate CSR (Dentchev, 2005)

in their business plans, it argues that such acceptance of CSR as part of organisational objectives may not be pursued because it is the right thing to do independent of its consequences but because it is good for the fortunes of business. For Dentchev (*ibid*: 3), the problem with CSR theories is that they are prescriptive on corporate organisations to contribute to social prosperity because it is morally correct to do so without offering a practical advice to business. This, therefore, makes the practical relevance of CSR theories in bridging the gap between business and society doubtful.

Understanding CSR

Docketed definitions of CSR are not clear over its exact nature and place in the business-society relations. The complexity of coming up with a universally agreed characterisation of CSR is partly a result of the fact that social problems differ from society to society and this tend to define the role that business has play in society as well as the expectations of society on how and to what extent business should help in solving social problems. Votaw (1973) as quoted by Carroll (1999:280) seems to be summarising the complications of coming up with a unanimous definition of CSR when he notes that:

The term [social responsibility] is a brilliant one; it means something, but not always the same thing, to everybody. To some it conveys the idea of legal responsibility or liability; to others, it means socially responsible behavior in an ethical sense; to still others, the meaning transmitted is that of "responsible for," in a causal mode; many simply equate it with a charitable contribution; some take it to mean socially conscious; many of those who embrace it most fervently see it as a mere synonym for "legitimacy," in the context of "belonging" or being proper or valid; a few see it as a sort of fiduciary duty imposing higher standards of behavior on businessmen than on citizens at large.

Thus, a precisising definition of CSR is as elusive as its exact nature and role in the business-society relations. Such absence of a specific and widely agreed definition makes CSR vulnerable to confliction interpretation by stakeholders (Windsor, 2001). However, what cuts across a number of definitions that scholars have proposed on the concept of CSR is the general belief that, beyond the quest to maximise corporate profits, corporate organisations play a crucial role in solving society's problems. For Matten and Moon (2004:3), the fundamental idea of CSR is that "...it reflects both the social imperatives and the social consequences of business success, and that responsibility accordingly falls upon the corporation, but the precise manifestation and direction of the responsibility lies at the discretion of the corporation." Such a characterisation of CSR makes it a mandatory exercise in that it assumes that business has a direct responsibility to help in solving society's problems. We argue that, though the modalities of implementing CSR programmes are at the discretion of corporate organisations, it does not make CSR a freely chosen programme to contribute towards social prosperity.

The quest to make business reflect a moral face by being socially responsible in its operations and interactions with the human society and the environment can be traced back to Aristotle who is famed as the first economist (Solomon, 1999:82). Aristotle had a strong interest in the ethics of exchange and for that reason, he can rightfully be called the first business ethicist. He was critical of trade for profit which he believed to be lacking in virtue. He, therefore, regarded those who traded for profit as "paracites" (Solomon, 1999: 82) and all trade as a kind of exploitation. Though, his attack on the institution of business

is unwarranted given that not all business ventures can wholly be described as exploitative, he was right in advocating for the bridging of the gap between business and the rest of life. This is necessary in order to ensure compliance of business organisations to acceptable standards of moral conduct as mandated by a given society.

Aristotle notes, and rightly so, that one has to think of oneself as a member of the larger community and endeavour to excel to bring out what is best for himself and humanity's shared enterprise. Since what is best for those in business is in turn defined by the larger community, there is really no contradiction between individual self-interest and the greater public good. A business person whose personality is socially defined, would never perform actions that are wholly immoral and anti-social. Therefore, for Aristotle and subsequent proponents of the broader view of CSR such as Davis (1983), the widely held narrow view of CSR that business is primarily concerned with profit making and maximisation than social concern is unrealistic. For Davis, corporate organisations ought to have responsibilities beyond simply enhancing their profits because they enjoy greater social and economic power in any society. The social power of business justifies society's expectations for corporate organisations to contribute towards social prosperity. Though he admits that CSR is a vague concept, he goes on to define it as "businessmen's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest" (Carroll, 1999:271). For him, CSR can easily be justified by the fact that it brings about economic gains for the concerned corporate organisations in the long run. Thus, for Davis and other adherents of the broader view of CSR, modern business is intimately integrated within the rest of society and tends to derive some economic mileage out of it. A corporate organisation does not operate in a vacuum, but in a society that it influences in great many ways. In this way, therefore, it appears to be a contradiction in terms to argue that business' sole aim is to make profits for its investors without any special responsibility to the welfare of society and the environment.

Anshen looks at the broader view of corporate responsibility from a historical perspective. For him (1983: 98), there has always been some sort of "social contract" between business and society. Though implicit, this contract represents a strong understanding within society about the proper and ideal goals and responsibilities of business. For Anshen, society always moulds the guidelines within which business is allowed to operate so that it can derive certain benefits from the business operations undertaken in its midst.

Though Carroll (*ibid*: 268) acknowledges that the business community's concern for society has been evident for centuries, he restricts his study to the 20th century. It is on this premise that he undertook to trace the trends in the characterisation of CSR up to the contemporary period. However, an attempt to ascribe a controversy free definition to CSR has been perennially elusive. He (1999:270) singles out Bowen (1953) as the first to initiate the modern attempt to characterise the doctrine of CSR. For Bowen (*ibid*), the prominence of corporate organisations in society does not only give them vital power and decision-making, but their activities also affect the lives of people in great many ways. For these and other reasons, sound business-society relations are supposed to be established in order for business activities to conform to societal expectations. He (*ibid*: 270), therefore, wonders, "what responsibilities to society may businessmen reasonably be expected to assume?" To this question, he (*ibid*) proffers that corporate responsibility "...refers to the obligations of businessmen to pursue those policies,

to make those decisions, to follow those lines of action which are desirable in terms of the objectives and values of society." As a result of his influential contribution to the early formal literature on CSR, Carroll (ibid: 270) regards Bowen as the "Father of Corporate Social Responsibility." However, Bowen noted that business's contributions to social responsibility is not a solution to many of the problems that society face, but carries an important truth that must guide business in its operations in their future dealings with society.

Davis (1960), McGuire (1963), Heald (1970), Johnson (1971), Manne and Wallic (1972) in Carroll (ibid) all concur that socially responsible business practices are not only beneficial to society but are also of strategic importance in achieving the profit motive and enhancing public rating and acceptance of such corporations that incorporate CSR in their business models (Dentchev, 2005). Socially responsible business decisions and activities can bring about financial benefits to the concerned corporate organisations in the long run. However, such a perception of CSR strips it of its intrinsic worth and degrades it to a mere instrument for the achievement of corporate organisations' self-interested goals.

Carroll (1979) in Carroll (1999:282) made an influential contribution to the debate on the meaning of CSR. He came up with a four-part definition of CSR when he stated that a corporation has economic, legal, ethical and discretionary responsibilities. He argues that organisations have an economic responsibility to engage in activities that generate profits for them. For him, the economic component of CSR conforms to a capitalist economic system where commodities that business deal in must be sold at a profit (see Smith, 1991; 2002). Such pursuance of the economic component is crucial for a corporate organisation to remain in business. Otherwise naked philanthropism is contrary to the objectives of engaging in business. The legal responsibility ensures that a corporate organisation's operations conform to the legal requirements of the society in which it operates within. For him (ibid: 283), society expects corporate organisations to fulfil their economic responsibility within the legal parameters set forth by that society's legal system. After noting the inadequacies of previous definitions on CSR, in that they only made reference to business' primary responsibility to make profits and obey the law, Carroll (Op Cit) went beyond these self-interested goals to include ethical and voluntary acts to help society solve its problems. The ethical responsibility says that corporate organisations' actions must conform to the moral precepts of their host society. Carroll might have included the ethical responsibility in his four-part definition of CSR over and beyond the legal responsibility because the law does not cover every aspect that makes corporate organisations act in an ethically responsible manner. The fourth responsibility is the discretionary responsibility. This responsibility ensures that corporate organisations voluntarily contribute towards solving a number of ills that afflict society. For him (1999: 283-4), this responsibility is not as clear an expectation of society, as is the case with the ethical responsibility. For this reason, therefore, Carroll argues that corporate responsibilities that fall under this component are voluntary. However, it is paradoxical to posit that discretionary/philanthropic responsibilities are voluntarily chosen by particular individual managers and corporate organisations, and at the same time posit that society expects corporate organisations to show such responsibilities. Since such discretionary/philanthropic responsibilities (ibid: 289) of corporations are driven by their desire to engage in social roles not enforced by law nor expected of corporations in the ethical sense, but which are, by and large, societal expecta-

tions, it therefore means that they cease to be voluntary in the strictest of sense. However, for Carroll (ibid: 284), though discretionary/ philanthropic responsibilities are "...not mandated or required by law and not expected of business in an ethical sense, [they are becoming]...increasingly strategic" in that such contributions towards solving society's problems enhance corporate image as well as its stranglehold on the market. Dentchev (2005:3) treats "...CSR strategy as a deliberate choice of activities that enable the organization to meet its objectives." In light of this, therefore, CSR is, by and large, used as an instrument to achieve organisational objectives and not as an end in itself.

In their comparative study of CSR in Europe and America, Matten and Moon (2004) coined a distinction between what they termed 'implicit' and 'explicit' CSR. For them (ibid: 9), explicit CSR refers to corporate policies to conduct themselves in such a way that advances the interests of society. It involves "...voluntary, self-interest driven policies, programmes and strategies by corporations addressing issues perceived as being part of their social responsibility by the company and/or stakeholders." Though what corporate organisations do is normally done in order to achieve their self-interested motives, business would want to externally appear otherwise through their public pronouncement that their CSR activities are done for their own sake. The major limitation of CSR so perceived is that it regards responsibility to society as without intrinsic worth but instrumental value in so far as it fulfils the self-interested motives of the concerned corporate organisations.

For Matten and Moon (ibid: 9), implicit CSR involves "...the entirety of a country's formal and informal institutions assigning corporations an agreed share of responsibility for society's interests and concerns." Thus, this form of CSR is, by and large, prescriptive and mandatory in that it obligates corporate organisations to adopt values, norms and rules that enable them to address issues that stakeholders perceive as the responsibility of corporate organisations. Implicit CSR is a feature of many economies though its nature and extent to which it is enforced may differ from nation to nation. For them (2004:13), "...every country has a specific, historically grown institutional framework which shapes and constitutes what they call a 'national business system' or 'social system of production.'" National Business Systems (NBS) differ from country to country and contains the essential ideas that inform implicit corporate CSR. However, we argue that making CSR a mandatory corporate obligation is not only a violation of the autonomy of individual corporate organisations but also may lead to its increased abuse for corporate organisations' self-interested goals.

Challenging CSR

The traditional and narrow view of CSR conceptualise business as primarily preoccupied with profit generation and maximisation. Friedman prominently represents this position. For him (1983; see also Levitt, 1983), the doctrine of CSR is a well-disguised bid of managerial irresponsibility. The owners (shareholders) of a corporate organisations hire managers for the sole purpose of increasing profits of the firm so that the owners can realise a reasonable return on their investment. In this regard, since corporate contribution to the alleviation of society's problems reduces the profits and consequently the return on investment of shareholders, managers who make such contributions are neglecting their fiduciary responsibility to the owners and are acting contrary to their contractual obligations (ibid). Such actions are, therefore, inherently irresponsible and a deviation from the set purpose of engaging in business.

Furthermore, Friedman argues that corporate expenditures for solving social problems are not the prerogative of corporations but the prerogative and obligation of governments. Thus, corporate managers who spend funds for social welfare are acting like governmental decision makers but without the feature of being elected to legitimise them. Therefore, the doctrine of CSR, for Friedman, is a subversive doctrine that imposes responsibilities on the corporation that can best be tackled by those who occupy political office. Since government taxes corporations, it would amount to double taxation if managers of corporate organisations were to contribute towards solving society's problems.

Consider a corporate organisation located within a community that is at a point of starvation as a result of a dire shortage of foodstuffs. The corporate organisation is financially sound and has, since its formation, been realising large amounts of profits. Friedman would say that it is not the prerogative of that corporate organisation to provide for the well being of the community because its objective of engaging in business is production and distribution of goods and services, not social welfare. For him (1983), those within the realm of business who concede the necessity for a broader view of CSR are business people who are helping to propagate ideas that are damaging to the tenets of capitalism. Thus, Friedman would not approve of the actions of managers of corporate organisations who, for philanthropic reasons, decide to illegally apportion investors' profits to provide food to starving members of the community unless if doing so helps in the maximisation of profits for the stockholders.

However, besides the need to make profits, corporate organisations ought also to help out society when a need arises. What might seem problematic is to regard corporate organisations as primarily obligated to solve society's problems. Helping society out of their free choices might even, in return, help the concerned corporate organisations to gain a good reputation within their communities (Dentchev, 2005; Heinze, 2005) and consequently enhance their business fortunes. In addition, corporate organisations can atone themselves for some of their morally questionable business practices by, for instance, assisting HIV/AIDS patients through the provision of Anti-Retroviral Drugs (ARVs). In this way, therefore, corporate organisations tend to enhance their fortunes in a situation where the community has confidence and trust in their operations.

Manipulation of CSR

With calls for business to show concern to society and the environment gaining momentum in the contemporary era, frenzy for compliance to this concerted demand to consider the impact of their operations to society is likely to have disturbing results on the business-society relations. Calls for CSR have tended to take a coercive stance with governments imploring corporate organisations to show social concern in their operations and interactions with society and the environment. This pronounced call for business to show social concern is primarily a reaction to widespread cases of corporate misdeeds in the form of pollution to the environment, disregard of consumer rights through, among others, selling substandard commodities and profiteering and general disregard for the welfare and well being of stakeholders.

However, a trend is looming whereby the mandatory call for corporate organisations to contribute towards solving social issues are manipulated to further their economic gains through morally scandalous interactions with society and the environment. Corporate organisations' morally questionable response

to this call is partly because they are an unwilling lot in this quasi-coercive call for them to embark on CSR activities. This, therefore, explains the main thesis of this paper that call for CSR has now been corrupted and manipulated to further enhance the economic advantage of those in business to the detriment of the rights of consumers and the environment.

When Carroll (1991) revisited his 1979 four-part characterisation of CSR, he replaced the discretionary with the philanthropic component emphasising that this component also includes the notion of Corporate Citizenship (CC). In light of this, he (1999:289) posits that "the CSR firm should strive to make a profit, obey the law, and be a good corporate citizen." For him (*ibid*), Corporate Citizenship is part and parcel of a crusade to establish the place of business in society that is by and large dominated by CSR. The call for corporate organisations to act as responsible citizens has been widespread in the contemporary management literature. This involves corporate organisations taking an interest in the whole social world. Matten and Crane (2003:2) concur with Carroll that CC has assumed an important role in the CSR discourse though "...its usage has been far from consistent, and... not clear at all." The lack of a widely accepted definition of CC in the management literature, however, does not weaken our contention that good CC for its own sake is important for the success of both corporate organisations and the social world. For Matten and Crane (*ibid*: 4), in its early usage, CC involves charitable donations and other corporate philanthropy done for the good of a local community. Carroll (1999:289) suggested that the philanthropic component of his 1991 revision of the definition of CSR embraces CC and noted that it is a voluntarily chosen commitment to help out the community that corporate organisations operate within. For Carroll (Matten and Crane, *ibid*: 4), since CC is simply desired and not expected of business organisations, it is less important than the other three categories namely the economic, legal and ethical responsibilities. For Matten and Crane, this view is referred to as the limited view of CC in that such philanthropic contributions towards solving society's problems are done for the strategic reasons to enhance the fortunes of the concerned corporate organisations.

Since the limited view of CC is primarily driven by self-interested motives, and not out of concern for the welfare of society for the sake of it, Kant (2002) would morally condemn corporate philanthropy that takes the acts of helping out society as a mere means to the enhancement of business fortunes. It is our contention that such corporate strategies to manipulate the general expectations of society for corporate organisations to show social concern in their dealings with it is immoral in that it attaches instrumental value to corporate philanthropy and, therefore, disinvest it of any direct concern for the welfare of society. Thus, to talk of corporate philanthropy when it is seen as strategic philanthropy (Matten and Crane, 2003:4), as a generous charitable donation to society is to miss the point in that its strategic focus on the society in which it operates in, testifies to the fact that it is concerned with ensuring a stable social, environmental and political environment not because it desires a stable society for its own sake, but because a stable society is ideal for investment and business success.

It is common parlance in the business world to hear business organisations talking of 'ploughing back some of their profits to the community' as part of their social responsibility. These public claims by corporate organisations to 'fulfil' their social responsibility pre-suppose that they have an obligation to help society solve its problems. This corporate contribution towards solving society's problems has taken many forms. They can be in

the form of 'clean up' campaigns where stockholders and workers commit themselves to a day or so of periodic cleaning the streets of cities in which they are based or donating money to local authorities in cities and towns so that they can, for example, address the ecological disasters caused by the discharge of industrial toxic waste in water bodies and helping in initiating and financing home-based care groups for terminally ill HIV/AIDS patients. Genuine questions arise here. Is this elaborate show of CSR motivated by a genuine concern for the welfare of society and the environment they operate in and serve or is it just but a gimmick to enhance their corporate standing through these seemingly good-intentioned actions? Is this concern for the environment a disguised ploy to trash the extensive damage that corporate organisations are inflicting upon the environment or do they engage in CSR because government or society mandate them to do so? These and other pertinent questions probe the near ubiquitous competition to engage in CSR among corporate organisations in the contemporary business environment.

It is our contention that talk of genuine show of CSR is actually an illusion in the contemporary business environment. According to this reasoning, contemporary business operations are never inclined towards genuine concern for public interest because it is a good thing to do but simply because they ensure a conducive environment to make profits. Therefore, corporate organisations' quasi-philanthropic activities aimed at advancing public welfare are an open plot to extend their economic grip on the market. What corporate organisations might be aiming at, therefore, is that consumers must support their supposed 'philanthropic' endeavours by doing business with them. In this regard, CSR engagements assume instrumental and not intrinsic value. They are worthwhile in so far as they improve the fortunes of corporate organisations and bad in so far as they are injurious to their corporate image and business prospects. By implication, therefore, CSR may be viewed as a means to the desired ends of corporate organisations and not an end in itself (Kant, 2002). Treating humanity as an end in itself implies that we should uphold the place of every free rational being in the moral community. Therefore, "...deliberately refraining from giving others help when they need it is wrong" (Velasquez, 1997:43) considering that society places a lot of trust on business to operate in a manner that that is prosocial. Therefore, if compliance to calls for corporate organisations to help in solving society's problems is manipulated to rip, for instance, more financial rewards and goodwill than what a given corporate organisation commit to the social cause, then for Kant, it is immoral because it uses CSR as a mere instrument for the attainment of corporate objectives. Though clothed in the language of CSR, such investments in corporate social activities are morally scandalous. It is in light of this that Druker (1984) in Carroll (1999:286) implore corporate organisations to "convert" their social responsibilities into business opportunities when he remarked that:

...the proper 'social responsibility' of business is to tame the dragon, that is to turn a social problem into economic opportunity and economic benefit, into productive capacity, into human competence, into well-paid jobs, and into wealth.

Thus, such contribution to social prosperity are not done because it is the right thing to do but because they are of strategic importance in so far as they create an enabling environment for the unhindered pursuance of corporate organisations' economic goals.

Granted that the show of CSR by corporate organisations is not done from genuine concern for the welfare of society and the environment, it lacks moral value. However, the moral status

and responsibilities of corporate organisations is highly disputed. Friedman (2002) denies that business has responsibilities that can be equated to those ascribed to natural persons. Only people can be said to have responsibilities and not business. He (1983:73), therefore, held that:

A corporation is an artificial person and in this sense may have artificial responsibilities, but "business" as a whole cannot be said to have responsibilities, even in the vague sense.

But can we not rightly say that business is technically a moral person or a bundle of moral persons that have to act in such a way that is morally praiseworthy? Since the external image of a business organisation is defined by the person(s) that own and run it, it is utopian to try to bracket out business practices from the realm of moral evaluation on the basis of the technicality that corporate organisations are not natural persons. Corporate organisations' economic fortunes or misfortunes are, partly, reflective of the moral standing of the persons that constitute them. It is not; therefore, an overstatement to say that a corporate organisation is technically a moral person whose actions are equally subject to moral evaluation just like those of natural persons. An attempt to exempt corporate organisations from moral evaluation on the technicality that they are not natural persons is fallacious in that it disregards the undisputed fact that a corporate organisation is just but a bundle of natural persons that put together their resources and skills into a pool and employed them with the prime motive of making more money. Therefore, Friedman's attempt to abstract business from the realm of moral evaluation can be blamed on a failure to properly situate business in the broad scope of morality. Indeed, business has and ought to show social concern through actions that aim at positively contributing towards betterment of the communities that it provides with goods and services and this makes his attempt to alienate business from the realm of moral evaluation is utopian.

The concerted efforts by those who seek to alienate business from the realm of moral evaluation confirm the suspicion that talk of CSR is just but much ado about nothing. Business organisations' obsession with incorporating strategic CSR in their operations is primarily driven by their desire to enhance their self-interested profit motives in a competitive market place. The increased pressure on corporate organisations to engage in CSR has also induced them to become very ingenious by making sure that they rip off more than they commit to the social cause. Commenting on how corporate organisations perceive CSR, Johnson (1971) in Carroll (1999:274) gives four views one of which notes, and rightly so, that "...strongly-profit motivated firms may engage in socially responsible behavior. Once they attain their profit targets, they act as if social responsibility were an important goal-even though it isn't." In light of this, therefore, CSR strategies are not seen as primarily aimed at enhancing social prosperity but as means to the attainment of profits for stockholders.

Branco and Rodrigues (2007: 5) note that "...the concept of CRS has evolved from being regarded as detrimental to a company's profitability, to being considered as somehow benefiting the company as a whole, at least in the long run." Perhaps the initial resistance to calls for corporate organisations to contribute to CSR was premised on the claim that corporate organisations as profit-oriented enterprises ought and should not inherit responsibilities that are foreign to their legitimate mandate. However, with competition among corporate organisations on the market getting stiffer by the day, CSR is fast becoming a catchword in company boardrooms and in their interactions with the external world as they seek to exploit the once avowed responsibility to

impress the market that is suspicious of corporate organisations whose practices and actions are, by and large, anti-social. It is our contention that the scramble to show social concern among corporate organisations is not well-intentioned one, but it is a gimmick well thought out to make them remain acceptable in the market that is now aware of its rights and expectations from those who provide them with goods and services. The rigours of competitive markets implicitly force those who own and operate corporate organisations in their midst to conduct their affairs in a manner that is sensitive to the moral concerns of society and environment they operate in. Thus, the current obsession among corporate organisations to comply with institutional obligations is, by and large compliance for convenience and it is not justified by the fact that helping out the community in solving its problems is good for its own sake but because it plays an instrumental role in enhancing their profit objectives. It is in light of this, therefore, that we propose that CSR ought not to be enforced on corporate organisations but should proceed from their voluntary concern for society and environment in which they operate because it is the right thing to do. This is not to say that their profit motive must be trivialised, but that CSR programmes must be pursued out of a genuine need to contribute towards social prosperity.

Kantian View on CSR

It is the contention of this paper that enforcing CSR is immoral. Making CSR mandatory creates moral problems in that it violates the moral rights of owners of corporate organisations to freely choose whether to contribute towards social prosperity or not. Moral rights are rights that entitle all human beings to be permitted to do something or entitled to have something done for them (Velasquez, 1997:34). Societal expectations for corporations to act in certain runs into the danger of making CSR engagements as mere instruments for the furtherance of self-interested corporate interests namely profit generation and maximisation. Lack of intrinsic concern for the welfare of society in the operations of corporate organisations over and beyond the obsession with creating an enabling environment to reap higher profits also makes the frenzy of business organisations to contribute towards solving societal problems morally illegitimate and scandalous.

German rationalist philosopher, Kant (2002) argues that only actions that are done from a sense of duty can be rationalised as having moral worth. Duty or simply doing what is right for its own sake is the foundation of morality. Kant had a firm belief in the universality of ethical behaviour. For him, moral criteria are categorical imperatives in the sense that they are absolute and unconditional, irrespective of consequences. His moral thought finds a necessary connection between morality and reason (Matson, 1987:392; Lawhead, 2007: 369) because it is only rational beings who are able to form and act in accordance with a universal conception of morality. He also argues that if there is to be universal moral law that is morally binding, it must be predicated on reason (Boss, 1999:25; Norman, 1986:103). Central to Kantian moral thought is the belief that moral actions must not be justified by their consequences or any other reasons except for their own sake. He would disapprove of enforcing CSR simply because it brings about favourable consequences to society. It is for this reason, therefore, that we regard enforced CSR as devoid of moral value because it is done not from a sense of duty but in accordance with duty as prescribed by bodies external to concerned corporate organisations. He would also disapprove of the manipulation of enforced CSR

by corporate organisations in order to enhance their business fortunes because doing so would be to use consumers as instruments for the attainment of what corporate organisations regard as worthy self-interested objectives. Though the benevolent activities of corporate organisations that contribute towards social prosperity are praiseworthy, for Kant, they still lack moral value because they are not done from a sense of duty. For him, it is not enough for one to merely perform the morally correct action because one may, in that instance, be motivated by self-interested reasons that have nothing to do with doing what is right for its own sake (Beauchamp, 1983:34). We argue that corporate organisations should simply show social concern because it is the right thing to do. Otherwise if contributing to social responsibility is done simply to advance the corporate ends of business, it is devoid of moral value. It is for this reason, therefore, that we regard enforced CSR or its manipulation as devoid of moral value because it is done not from a sense of duty but in accordance with duty.

The most fundamental moral principle, for Kant, is the categorical imperative. An imperative is a linguistic form that conveys a command. He comes up with two formulations of the categorical imperative. The first one says, "Act only according to that maxim whereby you can at the same time will that it should become a universal law" (Kant, 2002:17). In other words, the maxim that underlies an action must be rationalised as a universal moral law for it to have moral value. So, according to Kant's first formulation of the categorical imperative, the enforcers of CSR have to consider whether they themselves, for example, would be willing to have others force them to contribute towards social prosperity because of its favourable consequences to the well being of society. They have to ask themselves whether they would be willing to be treated thus by others. Therefore, if they are not willing to have everyone act in such a manner, even towards them, then it is morally wrong for them to treat others (i.e. corporate organisations) as merely having instrumental and not intrinsic worth. It is not acceptable in Kantian terms to act on a maxim that fails the test of universalisability and reversibility. A moral maxim that underlies enforced CSR is universalisable if everyone in a similar situation under all circumstances chooses to coerce another person or corporate organisation to contribute towards CSR because doing so has beneficial consequences to society. It is, therefore, inconsistent to argue that it is right to coerce corporate organisations into contributing towards society's well being, but wrong to force government, for example, to honour its obligations. Thus, reversibility requires moral actors to put themselves in the position of the recipients of their actions.

Though Kant would morally condemn the imposition of CSR on business, he would equally condemn its strategic use to achieve corporate organisations' objectives. In this regard, whatever freely chosen practices corporate organisations do, they have to ask themselves whether they would accept them if they are done to them. If they cannot accept them, then the maxim that underlie such actions cannot not be universalised as moral law. Granted that most corporate organisations contribute to social responsibility simply as a legal requirement, and not from a genuine and voluntary concern for the welfare of society because it is the right thing to do, then the maxim that underlie such actions cannot be rationalised as moral law. Thus, the instrumental use of CSR is immoral in Kantian terms because it is not done for its own sake but because of its beneficial consequences to stakeholders.

By virtue of being rational, human beings have free will and autonomy. These attributes make human beings different from

every other thing in nature (Boss, 1999: 25, see also Liszka, 1999:100). Since autonomy and free will are essential for a being to be treated in a dignified manner, it follows that only rational beings have intrinsic worth. Thus, rational beings ought never to be treated as means only to some ends but as ends in themselves. Kant (2002:20) therefore implores us to so "Act in such a way that you treat humanity, whether in your own person or in the person of another, always at the same time as an end and never simply as a means." Therefore, it is immoral for governments to enforce CSR on owners of corporate organisations in that doing so will be to treat them as mere means to their self-interested ends of contributing towards social prosperity. It is our conviction that, if corporate organisations are to help out society in solving its problems, they ought to do so because it is the right thing to do not because government says so. Otherwise enforcing CSR would lead to its abuse whereby corporate organisations implement it because of the economic mileage that goes with it. Thus, enforcing CSR would lead to its immoral use by corporate organisation to further their self-interests. To treat human beings as means only is to degrade them to the realm of brutes or objects that are incapable of free will. As Branco and Rodrigues (2007:5) note, "...nowadays companies engage in CSR because they can reap benefits from such engagements." Their position implies that corporate organisations may not be prepared to contribute to CSR when doing so does not enhance the image and profitability of the company. Thus, Kant would not approve of corporate organisations' contribution to social responsibility that is done not because it is good in itself but as a means to the enhancement of their business fortunes. For Kant, deceptive claims by the corporate world that their contributions towards CSR are driven by the need to contribute towards social prosperity, when in fact they are part and parcel of endeavour to enhance their self-interested grip on the market, are immoral not only because the principle that underlie them cannot be universalised as a moral law, but also because they treat human society as if it is expendable.

Corporate organisations may manipulate CSR because they do not freely choose to contribute towards solving society's problems, but because society expects them to do so. Though a corporate organisation is not natural persons per se, it is made up of natural persons whose free choices or lack of them influences its success and relations with society. Kant (Velasquez, 1997: 40) notes that all human beings possess certain moral rights namely that everyone should be treated as a free person equal to everyone else. For him, everyone has a moral right to such treatment, and everyone has the correlative duty to treat others in this way. In light of this, therefore, enforcing CSR would be a violation of the autonomy of corporate organisations to make free choices unhindered by governmental or societal influences whether to or not to contribute towards social prosperity. Thus, the responsibility to engage in CSR can only have moral value in Kantian terms if it is done because it is the right thing to do, and not because government or society demands it, or because it brings about beneficial consequences to the fortunes of the concerned corporate organisations.

By treating humanity as an end, Kant meant that everyone should treat each human being as a being whose existence as a free and rational person should be promoted. This, for Kant, (Velasquez, 2002:99), means that each person's freedom must be respected by treating people only as they have freely consented to be treated beforehand and that each person's capacity to freely choose for himself the aims he will pursue must be developed. Thus, enforcing CSR would be a violation of the freedom of persons that constitute corporate organisations in that it ne-

gates their autonomy to choose whether to or not to contribute towards solving society's problems. In addition, enforcing CSR is tantamount to using owners of corporate organisations as mere instruments for the advancement of the CSR enforcers' own interests, that is, helping in solving society's problems. Since coercion and force negates corporate owners' freedom to choose whether they have to take part in solving society's problems, then enforcing CSR is immoral.

However, the doctrine of Corporate Moral Responsibility (CMR) invokes very difficult but pertinent questions with regard to whether corporate organisations can be rightly accorded a moral status as moral agents. Can corporate organisations be said to be morally responsible for their business practices? Peter French (Shaw, 1999:165) believes that they could be reasonably described as moral agents that can be held morally responsible for their actions. For him, corporate organisations can be moral persons with all the rights, privileges and duties bestowed to such persons (ibid). However, French's ascription of rights, duties and privileges to corporate organisations seems to go too far to the extent of equating them with human persons. Corporations per se cannot be executed or jailed (Simon, Powers & Gunnemann, 1983:87) for their activities though they can be fined for their illegal and immoral business practices.

What is important in French, Goodpaster and Matthew's (1983) ascription of moral personhood to corporations is, however, that they ought to be accountable and morally responsible for their actions which impact on society and the environment at large. They should not engage in activities that are potentially injurious to the society and the environment. This entails that they are morally obligated not to release to the market commodities whose structural defects or shortcomings have a likelihood of causing substantial damage and harm to the environment and consumers. Consumers require sufficient information on the strengths and limitations of using a certain product or service that corporate organisations sell.

For Bowie (1983), the operation of a corporate organisation is not a matter of right but is rather predicated on a binding contract with society. So, "in return for the permission to do business, the society places certain obligations and duties on the business" (ibid: 103). Since, corporate organisations are created by society not only for the benefit of their stockholders but also for the society that permit them to operate, they have a moral obligation, for example, not to cause ecological disasters, air pollution and environmental degradation beyond acceptable levels through their operations. In this regard, De George (1982; 2006) points out that corporate organisations are not only morally obligated to avoid the deposition of toxic and corrosive wastes in water sources, but also are morally obligated to protect the general public who live in the vicinity of the corporation from possible ill effects of the corporations' operations such as explosions or radiation from industrial and factory plants. They also ought not to inflate the virtues of their products for the simple reason of luring customers to buy them. A morally responsible corporation would work towards cultivating morally responsible practices so that it does not harm or endanger consumers and the society in general. Such a corporation is more likely to receive a favourable approval rating from both its workers and society. However, corporate organisations' contribution to social responsibility should be done not because of its desirable economic consequences to the corporation nor because the law says so, but must be done because it is the good thing to do independent of rewards or punishment or other consequences. It has, therefore, been noted that enforcing CSR is not only morally questionable, but also lead to its manipulation for

the realisation of corporate objectives. Corporate organisations are now manipulating an otherwise well-intentioned cause of CSR to further enhance their grip on the market and business fortunes to the detriment of society that is disturbed by the irresponsible business practices on it and the environment.

Conclusion

This paper argued that enforcing CSR is not only immoral but can also lead to its manipulation by corporate organisations for their self-interested motives. Though the paper noted that business in the contemporary world are integrating CSR strategies in their business plans, it argued, that such prosocial endeavours lack intrinsic worth since they are primarily meant to enhance

corporate image not out of a genuine concern for the welfare and well being of society. Two dominant positions on the doctrine of CSR were considered namely the narrow and broader view of CSR. Proponents of the narrow view argue that the only social responsibility of corporate organisations is to make profit. However, the adherents of the broader view have come up with a rival position that argues that corporate organisations have social responsibilities in addition to their economic responsibilities both of which are supposed to be treated as ends in themselves. The paper concluded that corporate organisations might positively integrate CSR strategies into their business models if they were to voluntarily adopt it rather than to be coerced to do so.

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Author

Masaka, Dennis. Dennis Masaka is a Philosopher at Great Zimbabwe University in Zimbabwe. He has a strong interest in carrying out research on political and socio-economic issues that affect humanity in their daily endeavours with special reference to Zimbabwe from the standpoint of philosophy. His paper entitled: 'Moral Justification of Whistleblowing in The Context of Zimbabwe's Economic Crisis' has been published by the Electronic Journal of Business Ethics and Organisation (Finland), and Epistemological Implications of Selected Shona Proverbs published by the Centre for Advanced Study for African Society (CASAS) (co-authored by E.T. Gwaravanda).

Email: masakad2005@yahoo.com

Postal Address: Great Zimbabwe University, Faculty of Arts, Department of Philosophy and Religious Studies, P.O. Box, 1235, Masvingo, Zimbabwe
Telefax: (263) (039) 253504

Consumer Ethics Research: Reframing the Debate about Consumption for Good

Johannes Brinkmann
Ken Peattie

Abstract

Consumer ethics is an underdeveloped specialism of business and marketing ethics, within which most publications have focused on bad rather than on good ethics, and on consumer dishonesty rather than on consumer idealism or consumer responsibility. This conceptual paper explores the latter perspective, and examines how we can seek to understand "consumer social responsibility" from perspectives such as consumer citizenship, political consumerism and consumer decision making. Much of the literature dealing with positive ethical dimensions of consumer behavior is limited to augmentations of conventional models of consumer behavior and the decisions rules that operate within them. This paper argues for the need to move beyond this to create a more radical, holistic and balanced approach to further developing the field that takes greater account of factors such as consumer life-style, moral intensity, and intention development. The paper also demonstrates the interconnectedness of consumer ethics and marketing ethics, and discusses and illustrates this by using the development of Fair Trade initiatives as an illustrative context. This is useful because Fair Trade products represent one of the more established market sectors that depends upon ethically orientated responses from consumers.

Keywords

Consumer ethics, consumer behavior, business ethics, Fair Trade

Introduction

"Business ethics as an academic field deals mainly with moral criticism (or self-criticism) of business behavior. Within a market economy, business behavior is not independent from consumer behavior and consumer acceptance. Perhaps, there is even some justice, i.e. that businesses get the consumers they deserve and vice versa. Rather than criticizing business alone (as consumer activists tend to) or passing on the blame to the market and to the consumers (as businesses tend to) it seems more fruitful to consider issues such as Fair Trade, social and environmental sustainability on the one hand and consumer dishonesty on the other as a shared responsibility of business and consumers..." (Brinkmann, 2004, p. 129, slightly modified). This new Millennium has seen a renewed and intensified interest in issues of business ethics and corporate social responsibility. This has been partly driven by a wave of concern about the conduct and governance of business in the wake of scandals such as Enron, Global Crossing and Parmalat. It also partly reflects a growing interest amongst consumers, policy makers and businesses themselves, in forms of production and consumption which are more sustainable and more ethically orientated. This is typified by a growth in demand for ethical investment products, organic produce and Fair Trade goods.

Marketers involved in the marketing of ethically orientated products, or marketing scholars seeking to better understand this process, are hampered by the fact that the research knowledge base about consumers and their behavior from an ethical perspective is relatively weak (Auger et al., 2003). This is particularly true in comparison to the research base concerning companies and their behavior from an ethical perspective. When we discuss "business ethics", we almost always do so in terms of the ethical conduct of a "business" as an entity. There is therefore considerable overlap between the field of Corporate Social Responsibility (CSR) and business ethics. However, in reality "business" is also a process conducted through a myriad of relationships involving many parties. A discussion of "busi-

ness ethics" could therefore as easily focus on the ethics of the customer rather than of the producer or seller. From a marketing perspective, this should indeed be the starting point, since the marketing philosophy, if implemented properly, should orientate the business and its behavior around the wants, preferences and priorities of its customers. In practice however, this is rarely the case, as Carrigan and Attalla (2001: 563), point out "despite increasing attention to marketing ethics, the buyer side of the exchange process remains under-researched".

If we wish to apply the existing research base to a consideration of an ethically orientated consumption issue (for example Fair Trade or ethical farming practices), a number of specific weaknesses in the existing research base become apparent, including:

1. A narrow and outdated view of what constitutes the ethical dimensions of consumer behavior, particularly in comparison to our evolving understanding of the ethical dimensions of corporate behavior;
2. A tendency to consider consumer behavior from an individualistic perspective, rather than from a collective perspective;
3. An emphasis on understanding the ethical dimensions of consumer behavior by simply augmenting existing models of consumer decision making. This has led to the downplaying of differences between ethically-orientated consumption and more mainstream consumption, and to some ethically important dimensions of consumer behavior being neglected.

Without these weaknesses being understood and corrected as the research agenda for ethical consumption matures, then it will hamper the development of both ethical marketing practice and scholarship. This conceptual article therefore aims to:

- + Explore the weaknesses in the research base on, and our understanding of, the ethical responsibilities of consumers, to develop a more balanced view of consumer ethics which can act as a basis for the future development of the research agenda;
- + Provide some different perspec-

tives on how a concept of “consumer social responsibility” might be framed and understood;

- Illustrate some of the challenges involved in applying an ethical perspective to consumer behavior, and some of the differences between conventional and ethical consumer behavior, particularly by considering the practical context of Fair Trade marketing.

Business and Consumer Ethics: Corporate and Consumer Social Responsibility

“Corporate social responsibility refers to an organization’s obligation to maximize its positive impact on stakeholders ... and to minimize its negative impact. There are four kinds of social responsibility: legal, ethical, economic and philanthropic...” (Ferrell et al., 2002, p. 73).

Several observations can be made regarding our understanding of the parts that the consumer and the company play within the field of business ethics, and the relationship between them. Firstly, the concept of CSR has become widely accepted, and most companies and commentators now subscribe to the view that businesses have moral responsibilities that go beyond meeting the needs of their customers and shareholders. Indeed it could be argued that there is at least thirty years of “widespread acceptance of the idea that a corporation should exhibit socially responsible behaviour” (Holmes, 1977: 433) and that all that has evolved is the concept of what socially responsible corporate behaviour constitutes in practice. For companies, the contemporary CSR agenda requires them to manage relationships with their many stakeholders in a way that meets and balances their various, and sometimes conflicting, expectations and interests. However, the view of the customer that persists within mainstream business scholarship and practice has not changed and evolved in the same way. The view of customers is still largely as amoral, self-interested, rational-economically motivated individuals, with no responsibilities other than to meet their own needs, and honor their end of any bargain with companies. The ‘ethical consumer’ is still treated as an exceptional or abnormal specific sub-type of consumers in the mainstream marketing literature and is the subject of specific books and research papers (see for example *The Ethical Consumer*, Harrison et al., 2005; or Thøgersen, 1999).

Secondly it is worth noting that just as there is a business ethics field that focuses on the ethics of business organizations, there is an emerging research field of “consumer ethics”, which seeks to describe, understand and praise or criticize consumers, for their behavior as moral behavior (as opposed to consumption ethics which tackles the ethics of liberal capitalist economic systems). However, there are some important differences between the two fields. One difference is scale and breadth. Compared to research into business ethics (and marketing ethics) that focuses on companies, there are few publications about consumer ethics (Brinkmann, 2004). In his “state-of-the-art” paper, Scott Vitell claims that consumer ethics has one main theoretical research model, the Hunt-Vitell model and one main empirical research tradition, with the Muncy-Vitell Consumer ethics scale (1992) as a common denominator (Vitell, 2003, pp. 34-35, cf. also Vitell and Muncy, 2005). Vitell’s implicit claim of having invented, developed and dominated this specialty field is probably justified. Another difference is in emphasis and balance. The business ethics literature that focuses on firms concentrates on ways to encourage good ethical behavior amongst businesses and the benefits of doing so, rather than dwelling on corporate misdeeds. By comparison, among the few publications about

consumer ethics, most seem to deal with consumers as the “bad guys” and less with the potential for consumers to act as “good guys”. Part of the reason for this may reflect how the disciplines are oriented. Much of the business ethics literature is ultimately inward looking, and interested in concepts of enlightened self-interest and the “win-win” benefits that may accrue from ethical behavior (Mohr, et al., 2001). In consumer ethics, it is more difficult to make a case for ethical behavior for the good of the consumer (beyond the benefits of a clear conscience, high self-esteem and staying out of jail). The focus therefore tends to be more outward looking the impact of the consumer’s actions on others and particularly on the financial interests of businesses, which perhaps explains the emphasis on negative behavior and negative impacts.

Finally, an interesting concept is that of the “ethical product” that brings together the ethical company and the ethical consumer. The conventional approach to such products is to see the ethical dimensions of a product as an augmentation which can be linked to the product itself, its marketing, the corporation behind it, or even the country it originates from. However, as Crane (2001) points out, there are a number of complicating factors relating to how consumers perceive ethical product augmentations, and about the marketer’s ability to manage the ethical dimensions of a product “when many of the important decisions which shape the perceived ethics of any product offering occur beyond the organizational boundary. Firms which seek to address ethics as a product or brand issue will need to look not only at their own activities but also those of their parents and subsidiaries, and perhaps more importantly, those of firms throughout the value chain”. (Crane, 2001 p. 370). Crane’s conclusion is that there is no such thing as a definitive “ethical product”, but only ethical product attributes and augmentations relating to any number of possible ethical dimensions, which the customer must recognise, believe, value and, ultimately, buy into.

To further develop the field of consumer ethics, it would seem helpful to distinguish between the more established tradition of research into consumer misdeeds and the emerging body of research into consumers as a force for good. The authors therefore suggest the label of “Consumer Dishonesty” for the former, and “Consumer Social Responsibility” (ConSR) as a label for the latter. Within the latter tradition, a few empirical studies have dealt with consumer behavior as voting behavior (see e.g. Dickinson & Hollander, 1991; Dickinson & Carsky, 2005), or more generally with socially responsible consumer behavior in terms of consumer idealism (see e.g. van Kenhove et al., 2001). It is these dimensions of consumer social responsibility (ConSR) that are the focus of this paper, and that will be important for the development of market for ethical products (something which policymakers worldwide are relying on to contribute to the achievement of a number of social goals).

One way to envisage the concept of ConSR could be simply to define it as analogous to the four dimensions of CSR already mentioned above. Therefore it would be “... a consumer’s obligation to maximize his/her positive impact on stakeholders ... and to minimize his/her negative impact. There are four kinds of ... responsibility: legal, economic, ethical and philanthropic...” (Brinkmann 2007, p. 88). This is not unreasonable since an individual has a responsibility to respect the law, and could be viewed as having an economic responsibility to support themselves and/or contribute to their household. Ethical and philanthropic parallels are less clear cut, but still possible to draw parallels, particularly in relation to social norms about behaviors such as honesty or charitable giving. Companies are expected

to behave in a moral fashion partly because society grants them certain privileges (such as a secure legal framework, access to an educated workforce, use of economic infrastructure) and therefore society can have legitimate expectations about how businesses should behave in return. Much the same could be said about individuals, and that just as society grants businesses a license to operate (that can be revoked), so society grants individuals a license to live as free citizens that means abiding by society's rules and expectations.

Using the analogue of CSR amongst producers to understand ConSR amongst consumers provides some helpful insights, but not a complete picture. A key difference in ethical expectations of businesses compared to individuals is probably that our expectations of moral behavior go beyond simple social norms, to reflect the scale and power of large businesses, and the influence that they can wield within society. The same cannot be said for individual consumers, whose individual philanthropic gestures or ethical decisions will be unlikely to have a meaningful impact. However, collectively consumers have the potential to wield considerable power, and when mobilized through the power of the internet or other media they can sometimes combine to wield it very effectively through boycotts or other forms of campaign to promote change (Auger et al. 2003; Clouder and Harrison, 2005).

Same Concept – Different Labels? Consumer Citizenship and Political Consumerism

A concept of ethical consumerism as an approach to consumerism that seeks to meet society's expectations, particularly in terms of collective consumer influence, brings us towards a view of ConSR or consumer ethics that is reflected in publications under the labels of "consumer citizenship" or "political consumerism". Both of these concepts seek to integrate the inward-looking and personally-orientated perspective of the consumer with the outward-looking, publicly-orientated perspective of the concerned citizen, which have traditionally been seen as separate (Korthals, 2000).

Gabriel and Lang (1995) define a consumer citizen as 'a responsible consumer, a socially-aware consumer, a consumer who thinks ahead and tempers his or her desires by social awareness, a consumer whose actions must be morally defensible and who must occasionally be prepared to sacrifice...' As McGregor (2002, pp. 5-7) notes "If people were sensitized to see themselves as consumer-citizens, a sense of morality, ethics and community could emerge again in the world. What is needed instead is to reinvent citizenship ... and... (to) reinvent consumers. Citizens and consumers tend to see themselves in narrow roles... The time is right to merge the notions of consumer-citizenship leading to an opportunity to socialize people to be responsible, socially aware consumers willing to make reasoned judgements and sacrifices for the common good..."

When it comes to "political consumerism", a recent Nordic conference report refers to the following definition (Boström et al., 2005, p. 9, quoting Micheletti et al., 2003): "consumer choice of producers and products with the goal of changing objectionable institutional or market practices. It is based on attitudes and values regarding issues of justice, fairness, or non-economic issues that concern personal and family well-being and ethical or

political assessment of favorable and unfavorable business and government practice. Regardless of whether political consumers act individually or collectively, their market choices reflect an understanding of material products as embedded in a complex social and normative context which may be called the politics behind products..." According to the same authors, there is disagreement amongst researchers in the field as to whether political consumerism has a realistic potential to act as a force for good, or whether ultimately it would be an anachronism, since any consumption increase is problematic because it is unsustainable (ibid., p. 9-10).

Whether there is a difference between consumer citizenship and political consumerism could perhaps be a question of degree and ordering of motives. The consumer citizen aims to change their consumption to do good, the political consumer perhaps seeks to create change for good through their consumption. From either perspective, understanding exactly how ethical dimensions are reflected in consumer decision-making processes is crucial. It is perhaps worth noting that when the effectiveness of collective consumer action is discussed, it has usually been from the perspective of their ability to impact on unethical companies through boycotts (Friedman, 1991), and it is only recently that more attention has been paid to their ability to encourage positive change through patronage or "buycotts" (Friedman, 1996; Duffy et al., 2005).

Understanding Responsible Consumption: A Consumer Decision Making Perspective

Consumer researchers and ethicists alike seem interested in how freedom of choice is handled, how information is handled, and how choices are made, using more or less rational criteria. This commonality of interests explains the popularity of decision-making-process models of varying degrees of complexity in the consumer behavior and the business ethics literatures. This encourages us to conceptualize consumer ethics around an integrated decision making model. As a starting point, an "ethics" model could be used (such as extending the above-mentioned Hunt-Vitell marketing ethics model (1993) to consumer ethics, as suggested by Vitell, 2003). Alternatively a standard consumer behavior model could be used, such as Fishbein and Ajzen's inherently rational 'Theory of Reasoned Action' (Fishbein and Ajzen, 1975; Ajzen and Fishbein, 1980) or its extension the 'Theory of Planned Behavior' (Ajzen, 1991), which are then augmented by including a variable "ethical awareness" or "ethical significance" somewhere in the chosen model (for an example of such an application see Chang, 1998; or for an example that includes a critique of the TPB see Shaw, 2005; and for a comprehensive discussion of such modeling approaches, see Jackson, 2004). A key challenge is to include varying levels of "moral intensity" (Jones, 1991) in such models without either overstating or understating its relative importance. For this reason simply extending the Hunt-Vitell model may not be ideal, and instead there could be benefits in seeking to adapt other models or develop alternative models as a first step towards a future synthesis model which could transcend the usual models of consumer behavior and consumer ethics. Exhibit 1, originally inspired by the Ferrell et. al. 2002 model, represents an attempt to begin such a synthesis.

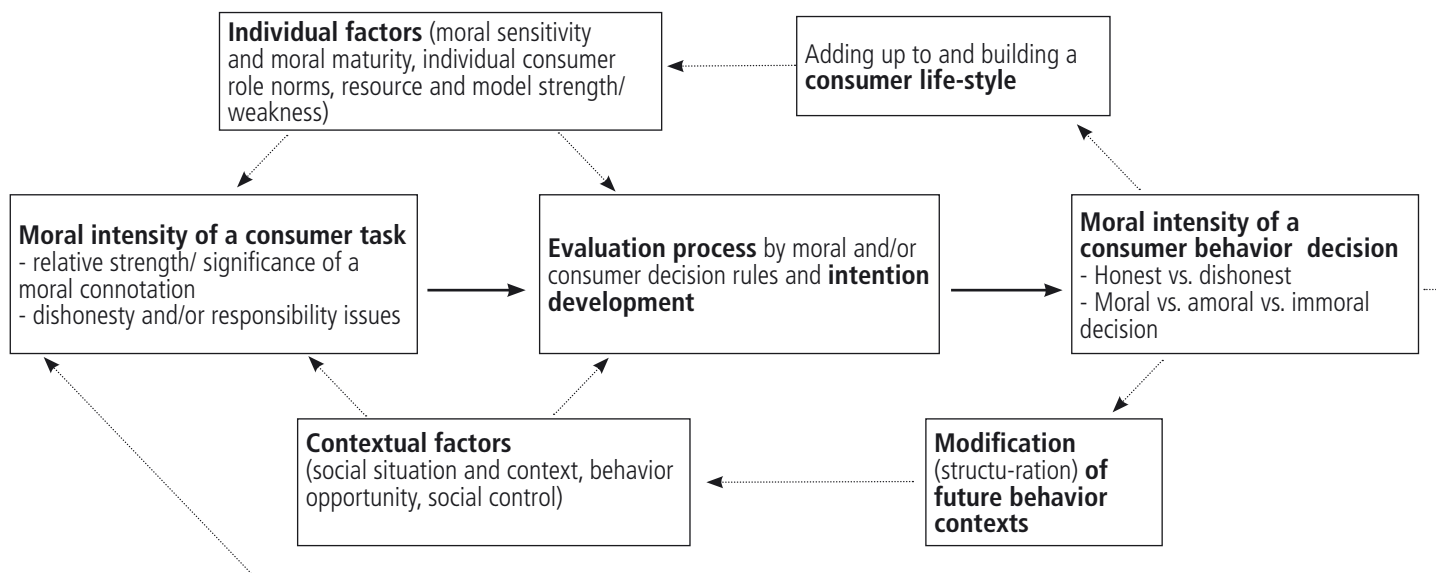


Exhibit #1

The golden rule of reading models applies here, of starting with the dependent variable, in this case a decision and the immediate process preparing it. A typical everyday example could be the consideration of Fair Trade labeled coffee or bananas in a given choice situation. The more deliberately one intends to use one's purchasing (or non-purchasing) behavior as voting, the more reasoning and reflection one would expect to find before the decision (or vote) in favor of "good", or against "bad", companies or countries (cf. e.g. Klein et al., 2002, Sen and Bhattacharya, 2001). Since the morality of consumer behavior is a variable rather than a constant, a concept of ethical or moral intensity is crucial within the model (Jones, 1991, Ferrell et al., 2002, Crane and Matten, 2007). Moral intensity refers to how morally "significant" or "serious" a given task, handling process and situation is. Both actors and outsiders might define, for example, insurance cheating involving insignificant amounts as morally neutral, or buying factory-farmed hen eggs as morally bad. Moral intensity is co-determined by individual moral sensitivity and moral maturity (cf. Brinkmann, 2004, Exhibit #2) and by social-situational contexts, (e.g. reflecting more deeply when buying a gift compared to buying less socially 'visible' products for one's own daily use). Unlike the original Ferrell model, this model repeats moral intensity on the output side of the model, and then links it to the input side via a feedback-loop. This loop allows self-observation by the actors themselves, as well as observation and evaluation by spectators, to focus on the moral intensity of

a decision (low or high; not interesting or alarming; worse than or better than "average") so that every "good" and "bad" ethics decision represents an example which can create and reinforce future moral intensity. As a simple example, leading Fair Trade products typically reproduce on their packaging a story of how Fair Trade schemes have helped particular farmers in poorer countries. Such stories provide a positive reinforcement for consumer about both the value of the purchase and the moral intensity of Fair Trade as an ethical issue and thereby generate consumer involvement with Fair Trade since: "Stories are able to involve, captivate and entertain consumersstories are able to communicate and persuade" (Escalas, 1998: 267). There is also an important narrower feedback from outcomes to a reproduction (or structuration in the Giddens sense) of contexts, and not least an aspect of life-style building by decision-styles and consistencies.

The key element of the model is ethical examination or evaluation, and the development of a conclusion or decision. This box includes all kinds of typical moral philosophical approaches, including clear or implicit deontologist, utilitarianist, or perhaps virtue ethicist or discourse ethicist approaches. While anticipation and evaluation of consumer behavior consequences is only implicitly included in the model (under utilitarianist evaluation), exhibits 2 and 3 provide typological illustrations of the decision rules and for the moral intention components that will operate within the model.

Rule type	Description	Relative importance of morally right-wrong criteria (if applied)
Compensatory	weak ratings on one criterion can be compensated by a strong rating on another one – the alternative with the best summarized ratings is chosen	moral attractiveness (and moral questionability) of an alternative counts relatively, i.e. can compensate weak rankings, but can also be compensated by competing criteria
Conjunctive	minimum acceptability must be present for each relevant choice criterion	minimum moral acceptability must be present and can't be compromised
Disjunctive	minimum acceptability must be present for each relevant choice criterion and exceeded for at least one among them	if minimum acceptability is present for all other criteria the degree of moral acceptability decides
Lexicographic	after ranking the criteria by importance choose the best alternative on the most important criterion	moral acceptability is ranked as highly important and dominates the choice
Eliminative	determination of minimum cutoff for each criterion and remove worse alternatives	determination of minimum moral acceptability and remove unacceptable alternatives

Exhibit #2 How “moral intensity” shows in purchase-decision rules (source: Brinkmann, 2004, p. 135)

	Public motives	Private-social motives	Private-caring motives	Private-hedonism motives
Engagement roots	Political participation	Generated by social networks	Experience and interaction	Feelings and identity creation
Expression	Boycotts, “buycotts”, ethical investing	Group-conformist consumer behavior	Caring consumer behavior which reduces worries	Alternative/ innovative consumption, excitement
Influencability	Media, campaigns	Social network, roots, aspirations	Concrete experience and worries	Fashion, innovations, new self-realization and pleasure

Exhibit #3 A typology of primary ethical shopping motives (source: Etisk forbrug..., 2003, p. 21; authors' table construction and transl. from Danish).

The Interrelationship between Consumer Ethics and Marketing Ethics

Consumer behavior and (consumer) marketing exist in a close and interdependent relationship, with each shaping the other, and it is logical to view consumer ethics and marketing ethics as highly interdependent, too. As an academic subject, consumer behavior is a social science-based specialty field within marketing, which tries to describe, understand and predict consumer decision-making as a function of demographic, psychological and sociological variables as “independent” variables, and perhaps as interacting variables. Based on such knowledge and understanding, marketing can then try to function as an “intervening variable”, between such “independent” variables and “dependent” variables, such as decision-making processes and choices on different levels.

The model in Exhibit 1 suggests that for the consumer marketer seeking to promote responsible forms of consumer behaviour (such as encouraging Fair Trade purchases) there are several potential (and not mutually exclusive) alternatives to explore beyond simply making relatively ethical products, or at least ethical product attributes, available. Consumers can be encouraged to adopt more ethically orientated lifestyles, to recognize the moral intensity of particular types of purchase (particularly agricultural commodities) or to consider the moral dimensions of a particular purchases within their decision making process. Marketers can also work to develop a purchase context within

which ethical products are easily available to provide purchase opportunities and in which social pressures encourage consumers to consider and purchase ethical products. Two key types of intervening variables within consumer behavior models that marketers can manipulate in order to encourage responsible consumption are therefore: situations (such as opportunity, availability and immediate context) and information. In this paper it is more natural to focus on the latter, on consumers' information processing related to where and when they shop, how much of what to buy at what price, which brands, according to which rules, with what post-purchase evaluations, and with more or less “help” from marketing.

Following from this one could reason that desirable ends, such as the promotion of Fair Trade, need to be founded on efficient marketing decisions, with an optimal mix of moral argumentation; theory-based marketing techniques; relevant, reliable data; and relevant models of consumer behavior as consumer information behavior (one could also add that the more moral the marketing appeals, the higher the need for moral integrity or at least moral credibility of such marketing, and in the behavior of the company behind it; see Crane, 2001). In a next step, such “useful” information and models could be grouped by products, consumers and situations which they relate to, and persuasion work could focus accordingly, simply using more or less traditional and sophisticated marketing, for a presumably good purpose.

By combining the various perspectives developed in this pa-

per, we can now apply such a view of consumer behavior and marketing to a practical context, in this case the buying and marketing of Fair Trade products.

Consumer ethics in practice – the case of Fair Trade

Of all the potential manifestations of ethics in consumerism, Fair Trade represents one of the most important. Collapses in global commodity prices have damaged the economies of many poorer countries to the extent that the livelihoods, well-being and independence of an estimated 1 billion people are now threatened (UNCTAD, 2003). Tackling global poverty depends to a large extent on establishing fairer prices for commodity products, and therefore there are clear opportunities to position the purchasing of Fair Trade products as an issue with a high degree of moral intensity within consumers' minds. In the absence of a clear theoretical foundation in the academic literature, multiple more practitioner-led definitions of Fair Trade have emerged, the most widely used coming from the umbrella network FINE: "Fair Trade is a trading partnership, based on dialogue, transparency and respect, which seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to and securing the rights of, marginalized producers and workers – especially in the south. Fair Trade organisations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade."

Curiously this definition does not mention ethics, and makes only a relatively oblique reference to consumers, casting them in a relatively passive role as supporters. It also positions Fair Trade at the very macro level of international trade, and it is here that much of the discourse about Fair Trade takes place (e.g. see Brown, 1993, Rice, 2001 or Leclair, 2002) rather than at the level of the behavior of individual consumers. The reality of Fair Trade is that its success will depend on consumers actively seeking out and purchasing Fair Trade products, at least partially, for ethical reasons. This means that Fair Trade represents a bridge into ethical or even political consumerism because it "...unveils for northern consumers the people, places and relations behind the commodity, helping launch the politically crucial leap from passive consumerism to active engagement" (Hudson and Hudson, 2003: 1).

Although Fair Trade is an important dimension of ethical consumerism, the discussion of ethics in relation to Fair Trade mostly takes place in a very broad, philosophical context (see Sugden, 1999; Barnett, et al. 2005). Relatively little research has focused on linking consumer preferences and behavior to perceptions of the ethical dimensions of Fair Trade consumption, and to clarify exactly what it is the consumer perceives themselves to be 'buying into' (Golding and Peattie, 2005). As Crane (2001) notes, there is relatively little empirical research about what consumers perceive to be "ethical" in Fair Trade products.

In seeking to encourage consumers to consider ethical dimensions in their evaluation and decision making processes for commodity product, Fair Trade acts to reverse the disconnection between producers and consumers that has emerged after many decades of the growth of mass markets, mass production and globalized production and consumption systems in which the marketing process, but little else, has come to connect producers and consumers. Fair Trade seeks to develop new "social bonds" between producers and consumers (Raynolds, 2000; Murray & Raynolds, 2000; Raynolds, 2002; Renard, 2003; Bryant and Goodman, 2004) in a way that will develop a com-

mitment on the part of the consumer to consider the ethical attributes of products and discriminate in favor of those that also benefit the producer. However, much of the research into Fair Trade continues to discuss the benefits to the consumer of Fair Trade consumption, in terms of personal psychological benefits (Gould, 2003) or hedonistic benefits (Newholm, 2005). This limits Fair Trade purchasing motives and behaviours only to a location on the far right hand column of the table in Exhibit 3, and seems to be at odds with the underlying purposes of Fair Trade marketing.

The reality is that Fair Trade consumers will vary in their motivations and their degree of intensity and loyalty towards Fair Trade products. Humphrey (2001: 11) categorizes consumers according to their social conscience and response to Fair Trade as follows:

- + Loyal Fair Traders: Those dedicated to buying Fair Trade or products from marginalized businesses where possible and can afford any price premium.
- + Conscience with Convenience: Those who choose Fair Trade if available nearby but do not go out of their way to specifically buy Fair Trade products.
- + Product First, Ethics Second: Those who buy with a product focus while ethical criteria may swing the choice of equivalent products in favor of the one which will bring social benefits.
- + Product focus: Those for whom ethical criteria have no bearing on the purchasing choice. Some of this group may be deliberately disapproving of ethical claims because of a belief that the free market will deliver all requirements.

Whilst the first of these embodies political consumerism, the second two represent stronger and weaker forms of the consumer citizen. The last category will only tend to contribute to the growth of Fair Trade markets by accident, although this is possible since some research has indicated that certain consumers mistakenly view the Fair Trade label as an indicator of technical product quality.

In considering the influence of information as an intervening variable in the marketing process, Fair Trade marketing presents a different case to either conventional consumer behavior contexts or to many other ethical consumption contexts. Partly this is because Fair Trade is a field in which a key influence on the consumer's decision making process is unusually far-removed from the consumer themselves. In conventional consumer behavior theory, the emphasis is on the relationship between the seller and the customer through the marketing mix that they offer to the consumer. In addition to the mix's conventional "Ps", the market offering will embody elements like the branding and reputation associated with the product and producer and (depending on the market structure) the branding of the retailer supplying the product. In most markets the nature of the means of production, and the identity and nature of contributing suppliers, will be hidden from consumers (although there are exceptions to this, for example means of production signifiers such as "organic" or "hand made" may be used as quality indicators, and some retailers such as UK supermarket Sainsburys have taken to identifying specific farms from which products like eggs and meat originate. Also certain products will highlight the inclusion of specific branded ingredients such as brands of chocolate or alcoholic drinks to act as indicators of quality).

In Fair Trade markets, consumers are provided with information that relates not just to the product the customer consumes, and to the means of production behind it, but also to the structure of the market and the distribution of economic benefits within it. Although the concept of the welfare of "the producer"

is embedded in the Fair Trade market offering, it represents a very vague concept in comparison to issues like the quality of the coffee (which consumers can sample directly) or the branding of the retailer. It is perhaps for this reason that campaigns to promote Fair Trade products from companies such as CafeDirect and the Day Chocolate Company have sought to personalize the concept of "the producer" through marketing communications with a focus on the stories of individual farmers and the benefits they receive from Fair Trade.

Without clarity amongst consumers as to exactly what benefits Fair Trade products provide and to whom, there is the danger that Fair Trade will be positioned in consumers' minds simply as "a good thing". This will leave Fair Trade products vulnerable to competition from a variety of other "good" products with ethical credentials relating to other elements of sustainability (such as organically grown) or to products adopting cause-related marketing linked to other social concerns. Fair Trade marketers need to build a distinct "brand identity" for Fair Trade that clearly embodies its ethical dimensions and social benefits. However, this is somewhat undermined by disagreement within the movement itself as to how the products should be marketed, and how the product category should be grown (Golding and Peattie, 2005).

As Hira and Ferrie (2006) note the market development of Fair Trade is also hampered by issues of consumer and retailer awareness, definition, confidence in certification and question marks about its long-term practical impact within commodity markets.

In terms of situational variables and their ability to provide a context that encourages the consumption of Fair Trade products, there are several developments that are encouraging the growth of the market. Increased availability of Fair Trade products within major retailers, and the development of Fair Trade offerings from established mainstream brands have increased the opportunities for consumers to buy Fair Trade products. However, there are questions over whether the growth of Fair Trade consumption will be best served by working through the existing supply context or whether a more radical challenge to the existing situation and supply context is required. Hira and Ferrie (2006) highlight the distinction in Fair Trade marketing between the radical approach that seeks to transform the trading system through a growth in alternative trade organizations, and the more moderate reformist version that seeks to work within existing channels and structures.

The emergence of schemes such as the Fair Trade Towns scheme within the UK also helps to develop a social context within which Fair Trade products achieve more widespread awareness and in which there is the potential for social and institutional pressures favouring the purchase of Fair Trade products grow. There are now over 240 Fair Trade towns within the UK. For each one:

- + the local council must pass a resolution supporting Fairtrade, and serve Fairtrade coffee and tea at its meetings and in offices and canteens.
- + a range of Fairtrade products must be readily available in the area's shops and served in local cafés and catering establishments (for which targets are set in relation to population) and also be used by a number of local work places and community organizations;
- + a local Fairtrade steering group must be established to ensure continued commitment to Fairtrade Town status, and to attract media coverage and popular support for the campaign.

Each of these dimensions helps to create a place-based context in which citizens as consumers will be encouraged to con-

sider Fair Trade products as a purchase alternative and to consider the ethical attributes of products within their purchase decisions.

Another opportunity for the development of Fair Trade markets is through the promotion of more ethically orientated consumer lifestyles. Although some elements of the literature view ethical consumption as a function of hedonistic self-indulgence, there is also evidence that it forms a part of consumers' self-identity and their social relationships (Schaeffer and Crane, 2001; Szmigin et al. 2007). As such it may be possible to promote the consumption of Fair Trade products as part of a responsible and desirable lifestyle (although authors such as Wright 2004, and Szmigin et al. 2007 question whether consumer lifestyles primarily built around self-gratification can make more than a tokenistic contribution to the creation of a fairer world). To develop more responsible lifestyles our understanding of consumer behaviour needs to move beyond single, isolated purchase decisions which have little meaning or impact (for either purchaser or beneficiary) to understand purchases as patterns and routines. Such concepts of routine development or reproduction can be extended beyond thinking in terms of patterns of decisions to broader concepts of life-style. Life-style denotes how individuals (or households) typically decide, use their freedom of choice and allocate their purchasing power and time, within a range given by their more material living conditions. It is perhaps illuminating that the Norwegian NGO *Fremtiden i våre hender* (Future in our hands) which uses life-style as a key concept in promoting Fair Trade, originates from a publication, *Alternativ livsstil*, which even non-Norwegian speakers can deduce is dedicated to promoting alternative lifestyles.

The role of Fair Trade purchasing in relation to self-identity, lifestyle and consumer behaviour is also interesting in relation to the recent entry of Nescafé into the Fair Trade market for coffee through its "Partners Blend". There is a danger that for some consumers who view their lifestyle and identity as "non-mainstream", and include the purchase of Fair Trade products as part of an alternative lifestyle, the emergence of Fair Trade brands from such major brand names will lessen its attractiveness. There is also a danger that amongst consumers who associate Nestlé with the concentration and globalization of the food industry, and with specific scandals such as Nestlé's marketing of infant formula milk, that their adoption of Fair Trade will be seen as devaluing the concept's ethical credentials. Given that Partners' Blend accounts for less than 0.1% of Nestlé's imports, their critics are concerned that it represents only a token gesture. Similarly recent media coverage accusing retailers of marketing Fair Trade products at premium prices to generate more money for themselves, rather than to give more money to producers, also risks undermining consumer belief in the concept, and in who it actually benefits.

It is ironic that the adoption of Fair Trade products by major retailers and by major brand names, which was once viewed as essential to creating a marketing context in which Fair Trade products could develop, is now seen as potentially posing a risk of a consumer back-lash due to negative media coverage and changes to the informational environment. Returning to the relationship between the ethics and responsibilities of companies and of consumers, and the relationship between them, Nestlé's entry into the market also poses interesting questions about the motivations of different types of company involved in Fair Trade. If Nestlé's involvement is value-led, it poses the question of why and how the company's values have changed, and how its involvement squares with its continuing dominant role in the mainstream market in which many producers are paid at below

subsistence level. If the involvement is motivated as a reaction to a perceived competitive threat posed by the growth of Fair Trade markets and suppliers, then it may be perceived as cynical in a way that is damaging to both the company and the cause. The hope must be that Nestlé's entry into the market helps to broaden the entire category with its marketing expenditure benefiting the Fair Trade concept as much as the brand itself, and that the brand may act as a bridge for relatively conservative consumers raised on Nescafé to move towards Fair Trade coffees generally.

Interestingly, what the entry of Nestlé into Fair Trade markets seems to have sparked off, is a rediscovery amongst Fair Trade businesses of the importance of marketing based on their ethical credentials to place a fresh emphasis on the moral intensity of the issue. After many years of marketing based on an emphasis of the quality of their coffee first, and their ethical credentials second, Café Direct's 2006 media campaigns returned to an emphasis on their ethical credentials as setting them apart from their more mainstream competitors.

Conclusions

This paper has sought to take a fresh look at our understanding of the ethics and perceived social responsibilities of consumers, and the impact they may have on our understanding of the markets for, and marketing of, ethical products such as Fair Trade products. The current limitations of mainstream discussions about ethics and consumption include:

- + a view of ethical consumption as abnormal and apart from mainstream consumption to create a situation in which businesses who are increasingly viewed as having social responsibilities, serve the needs of consumers who are seen as having none;
- + a tendency to view the ethical dimensions of such products as a mere product augmentation, rather than as intrinsic to the product itself. This has led to attempts to understand ethical consumption behavior simply by extending existing models, such as the Theory of Planned Behavior, rather than trying to develop new approaches;
- + the difficulties of disentangling consumer motives between an ethically driven desire to be responsible, and more selfishly orientated desires to feel and to be perceived by others to be socially responsible, or to feel that one has discharged any

ethical responsibilities that go with one's power as a consumer by making token "good" purchases;

- + an emphasis on identifying, segmenting and understanding "the ethical consumer" or "the Fair Trade consumer" rather than understanding the variations in strength, motivation and focus of the ethical concerns of consumers;
- + a discussion that has polarized the development prospects for Fair Trade marketing between traditional ethically-led strategies and strategies based on an emphasis on technical product quality and greater commercialization (Golding and Peattie, 2005);
- + a research tradition that continues to focus on purchases, and on how and why consumers can be encouraged to make purchases, and that continues to focus on either the consumer's buying motivations or the seller's marketing strategy, without integrating and balancing them.

A proper understanding of Fair Trade marketing will not come from thinking in terms of a simple consumer/marketer divide, but will require an understanding of how the consumer relates to the retailer, the brand manufacturer and the farmers that supply them. It will also require an understanding of how a sense of responsibility can be developed and divided within the market so that there is an integrated and shared sense of social co-responsibility amongst marketers and consumers. Adding an ethical 'box' into conventional models of consumer behavior to create modified versions of concepts like the Theory of Planned Behavior are doomed to provide abstracted and severely limited insights into ethical consumption. Understanding the nature and potential role of consumers in this process, and the nature of ethical dimensions of consumer behavior will require the development of new perspectives, theories, models, categorizations and research streams. This paper has presented a number of different perspectives on ConSR as partially analogous to CSR; as informed by concepts of the citizen-consumer; as insufficiently explained by augmentations to conventional consumer decision making models; as dependent upon the situational context and the information available to consumers; and as potentially dependent on the evolution of a sense of co-responsibility between marketers and consumers. These perspectives highlight the need for a new research emphasis on, and some new research ideas concerning, consumer ethics and ConSR. They will also hopefully contribute to the momentum that is gathering behind this process.

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Endnotes

- 1 A more appropriate name for this "CES"-scale would be consumer dishonesty scale.
- 2 See yet another paper of Vitell, 2001, with some bridge-building between such theoretical and empirical research. For a discussion of the possible narrowness of the Consumer ethics scale (CES) research tradition see Brinkmann and Lentz, 2006.
- 3 The Hunt-Vitell model fits perhaps even better for morally responsible than for dishonest consumer behavior.

Authors

Brinkmann, Johannes. Professor Johannes Brinkmann works within the Department of Strategy and Logistics at the BI Norwegian School of Management in Oslo. His key research interests involve business ethics, particularly in the context of marketing, consumption and consumer behavior.

Professor Johannes Brinkmann (Principal author for correspondence), BI Norwegian School of Management, Nydalsvn 37, N 0442 Oslo, NORWAY, Office phone +47 06600, Dir. office (cel) phone +47 4641 0457, Email: johannes.brinkmann@bi.no

Peattie, Ken. Professor Ken Peattie is Director of the Centre for Business Relationships, Accountability, Sustainability and Society (BRASS) and is Professor of Marketing and Strategy at Cardiff Business School. His research interests are in sustainable marketing, CSR, business ethics and Fair Trade.

Professor Ken Peattie, Director, BRASS Research Centre, 55 Park Place, Cardiff University, CF10 3AT UK, Tel + 44 (0) 2920 876562, Email Peattie@cf.ac.uk

How to explain socially responsible corporate actions institutionally: theoretical and methodological critique

Ville-Pekka Sorsa

Abstract

There has been little theoretical debate of why companies behave in socially responsible ways whilst descriptive analysis of corporate social responsibility is flourishing. As result, there have been few methodological debates on how to study both what responsible actions are and why companies act accordingly. This methodological and theoretical essay discusses how institutional social theory has been and could be used in explaining socially responsible corporate behaviour. It is explored what kinds of theoretical tools are needed in explaining this behaviour and how various tools can be integrated into one model explaining socially responsible corporate actions. It is argued that researchers should empirically focus simultaneously on normative origins and institutional environments of responsibilities, on power relations determining the particular responsibilities, and on institutional arrangement of corporate actions.

Keywords

Corporate social responsibility, institutions, methodology, social theory

Introduction

Corporate social responsibility (hence: CSR) is among the most popular titles under which several academic debates on describing and explaining economic behaviour and collective business action, and on studying prevailing social norms concerning business, are held. Other popular title under which explanations for such phenomena have been given is economic sociology (see Granovetter, 1990).

In CSR debates, there are different kinds of priorities with different established and traditional disciplines such as business ethics among other management and organisational studies. However, whereas different disciplines are institutionalised with their own theoretical debates, the concept of CSR is far from it. As Valor (2005, 191) has noted, “[e]ven the same author uses different terms throughout his or her papers or in the same paper”. Indeed, the terminology used on similar research questions and subjects is not just pluralist but often inconsistent or even confused in various theoretical debates.

There are various sources for the terminological confusion. Most significantly, different definitions used by public agencies such as European Commission do not necessarily use similar theoretical frameworks and methodological guidelines, which neither gives prospects for comparative analyses nor provides comfortable division of labour between different disciplines. Furthermore, all disciplines have their own established theoretical debates one is expected to take part in. In every case, it is always up to the researcher to decide what kind of theoretical framework of CSR she uses. This doesn’t implicate, however, that one can choose any theoretical framework. Independent of divisions between disciplines, different theories and concepts (1) are indeed suitable for different research settings.

The theoretical field is equally dispersed. When looking at different kinds of theoretical debates on CSR held in sev-

eral academic journals, it is striking how many articles there are just classifying and mapping the field of different CSR theories and different ways how the concept has been used by different researchers (see Garriga & Melé, 2004; Godfrey & Hatch, 2007). There is, indeed, a need for comprehensive classification because the field of CSR studies has not only been poor but very fragmented as well (e.g. Carroll, 1994, pp. 6–14; Margolis & Walsh, 2003; Garriga & Melé, 2004). Classifications are usually either general categorisations of CSR research theories – what is CSR as an object of research – or typologies within specific theory – what is CSR.

To illustrate the former, Frederick (1987, 1998) has classified theories according to the conceptual transition of CSR used in research. First the concept was used as ethical and philosophical term that later transformed into concept of action, the social responsiveness. Secondly, it developed into action-dependent normative concept including both norms and values, and lastly, into the normative framework of entire cosmos. Although this tells us how studies have evolved in terms of theoretical coverage of themes – towards seeing social responsibility as normative duty deeply embedded in social and material reality – it doesn’t tell us what actions are explained with this conception and how.

As for an example of the latter, one of the leading figures in the field, Carroll (e.g. 1999) has classified the contents of the social norm of CSR in different times. The result, the famous pyramid model is now often used in conceptualising CSR in various fields of research. But the historical evolution of social norms concerning business tells us little about how the normative framework of a specific corporation is structured, and why certain responsible policies and practices are formed and conducted in this context. Taking normative social development into account is, of course, a prerequisite to contextualise any relevant empirical CSR study. Yet, it is left unanswered in which ways changing norms affect corpo-

rations.

These kinds of methods of classifications used this far give us little help in discovering how different corporate actions are explained with different traditions of social theory.

Nevertheless, something can be said of CSR: as concept, it refers to some defined specific social relations (the social), with some specific normative foundations (the responsibility), of business (the corporate) (Anttiroiko, 2004). Thus, in broad-brush terms, the research field of CSR includes at least social norms and relations related to business, corporate actions, and corporate organisation. But even with this kind of broad demarcation for CSR studies, the mainstream research within these studies has been only descriptive – there has been very little debate on why companies actually act in socially responsible ways (Margolis & Walsh, 2003; Campbell, 2006)!

In other words, there is little positive research on CSR, the analytical research on why some specified norms lead to some corporate actions. Resulting from prevailing theoretical pluralism, conceptual inconsistencies, and lack of positive research, there is little debate which theories of CSR are best in explaining not only what socially responsible behaviour is and where its origins lie but also simultaneously why companies do act in these ways. For the academic community this challenge is primarily methodological. However, the significance of the challenge is of course different in different theoretical contexts. In this essay I explore how these theoretical and methodological challenges can be tackled in institutional social theory.

The primary focus of this essay is methodological rather than theoretical. It is not discussed which specific institutions affect or determine expressions of specified actions, which interests lead to different courses of action, and so on. It is discussed where these different kinds of theories are located in institutional explanations and how they could and ought to be studied. The point of departure is to ask how institutional social theory could be used in explaining socially responsible corporate behaviour rather than, for instance, why some specific companies act in some specific socially responsible ways.

The first part of this essay briefly introduces the locus of institutional social theory in explaining corporate actions. The second critically discusses how socially responsible corporate action has been explained institutionally by Campbell (2006, 2007a). It is argued that the definition of socially responsible action is dependent on institutional configurations, which makes Campbell's (ibid.) approach incomplete. The third part has its focus on Anttiroiko's (2004) analytical process description of how social responsibility is defined. It is argued that socially responsible action can be beneficially divided into tangible institutional research objects with further methodological considerations. The fourth part of the article is dedicated to building a synthesis on institutional analysis of socially responsible action, and the conclusions section reflects on the advantages of using this model in empirical research.

Institutions, interests, and corporate actions

There are at least two very essential elements to be researched when economic actions, individual or collective, are explained in various disciplines of social sciences: interests and institutions. It can be argued that:

"interests drive people's actions but the social element -- determines what expression and direction these actions will take. Interests can be material as well as ideal --. All interests are social in the following two ways: they are part of the society into which the individual is born; and the individual has to take

other actors into account when she tries to realize her interests." (Swedberg, 2003).

Interest promotes understanding of the strength underlying action: economic interests drive the most actions of companies and various actions of individuals. Interests may especially help to explain why one route of action was taken rather than another. Idea of economic interest also brings a dynamic into the analysis, which differs from the one driven by social interaction. Economic interests are in the background of action, waiting for an opportunity to be realised. The concept of interest also establishes a link not only to the biological side of human beings but to their environment as well. (Ibid.)

Institutions, 'the social element of economic action', may equally help to explain why one route was taken rather than another but they also determine the expression of all routes. Institutions are complex social structures that have achieved a high level of stability and elasticity. According to Scott (2001), institutions can be analysed as having three pillars: regulative, normative and cultural-cognitive. The institutional social conditions for corporate action thus have regulative (rules and sanctions), normative (prevailing norms and values) and cultural-cognitive (knowledge and meaningfulness of action) elements. These structures are embedded in carriers of symbolic systems, relational systems, routines and artifacts. Institutions give the expression and direction to social actions, and they are renewed by actions. In brief, institutions constitute, enable, constrain, and give meaning to economic actions.

Institutional explanations of corporate actions are always 'incomplete'. An institutionalist would argue that:

"while economic behaviours may be embedded in, and regularized through, institutional forms, it is widely accepted that institutional structures and dynamics are not determined functionally but are relatively autonomous (i.e. they have their own 'laws of motion'). Correspondingly, patterns of economic behaviour are not exclusively determined by institutional rules, and neither can they be predictably manipulated through institutional change. From a geographical perspective, it can therefore be anticipated that institutions will routinely be associated with different (economic) effects in different places; that their forms – and certainly their effects – will be difficult to replicate; and that they are unlikely to travel well." (Peck, 2000, p. 76.)

Interests are essential if comprehensive explanations of economic behaviour are wanted. But in case of organisations, which can be interpreted as institutions or multi-institutional structures (see Scott, 2001), interests are always institutionally embedded and framed.

There are two types of institutional frames. Institutional environment refers to "the systems of informal conventions, customs, norms, and social routines (such as habitual forms of corporate behavior, consumption cultures, socialized work practices, transaction norms, and so on), and the formal (usually legally enforced) structures of rules and regulations (for example, laws relating to competition, employment, contract, trade, money flows, corporate governance, welfare provision) which constrain and control socioeconomic behavior" (Martin, 2002). Institutional arrangements denotes "the particular organizational forms (such as markets, firms, labor unions, city councils, regulatory agencies, the welfare state) which arise as a consequence of, and whose constitution and operation are governed by, the institutional environment" (ibid.).

Taken as relational and normative in nature, how could interests and institutions of CSR be studied in these institutionalist terms? Obviously, institutions are the easy part – responsibility is an institution and it belongs to the sphere of normative in-

stitutionalism. A theory of institutions broad enough includes the normative pillar, the norms and values. They can be traced both from institutional environments and arrangements. Valor's (2005) more strict criteria for concept of CSR, i.e. capabilities of causing changes in different systems, can be taken into account with concepts of institutional change and institutional interplay. This theme will be further discussed in the next sections. Interests are more difficult, however. If CSR is about social relations with normative foundations, what part do the interests play? It is possible that this question cannot be avoided if the goal is to develop a comprehensive explanation for CSR based on institutional social theory.

Garriga and Melé (2004) use structural-functional systems theoretical approach of Talcott Parsons as their point of departure in mapping theories of corporate interests explaining socially responsible actions. In this tradition, the society, as well as any individual corporation, is seen as a social system. The type of explanation here is functional – all social actions, such as socially responsible deeds, are meant to fulfil functional requirements of the system, and every such act can be explained according to this purpose. All acts are embedded in different kinds of institutions serving these purposes. In order to maintain its existence, every social system, including companies, has to fulfil four requisites: adaptation (to environment), goal attainment (to establish priorities of actions), integration (to coordinate and maintain stability of internal relationships) and latency (to preserve the core structure of the system).

In the field of adaptation, Garriga and Melé (2004) call CSR theories instrumental. All the theoretical traditions included have economic motives. There are three different instrumental traditions explaining CSR as a means to ensure system's resource provision: maximising the shareholder value, strategies for achieving competitive advantages (2) and cause-related marketing. In explaining CSR with goal attainment, theories of CSR have again three different traditions. Corporate constitutionalism implies that business has significantly power in the whole society and if business is willing to hold this power and set its agendas in the polity it has to act socially responsibly. Integrative social contract theory sees business having macro and micro level social contracts with the community on how they should use their power, and that business must thus comply with social consent. The corporate citizenship holds a view that a corporation itself is a powerful member of community, often holding more economic and social power than governments, and they are expected to act in appropriate ways concerning this position.

Third field sees CSR as a means to promote social integration. Garriga and Melé (2004) recognize various traditions in explaining CSR with necessities of social integration. These theories are issues management, public responsibilities, stakeholder management and corporate social performance. These theoretical traditions have different priorities, but the essential feature of them is to identify specific emerging social issues or relevant actors determining them, and to identify how these issues are handled by the organisation. Here, the position of corporate social performance is normative by further setting the responsiveness as indicator for appropriate responsibility. In the field of latency, theories of CSR are called ethical theories. The theoretical traditions here focused on the "ethical requirements that cement the relationship between business and society" (ibid. p. 60). These theories are normative stakeholder theory, universal rights, sustainable development and the common good approach. Basically these theories claim that business should act in certain ways based on some particular ethical standpoint.

This classification of Garriga and Melé (2004) is problematic and thoroughly flawed. In which system's maintenance CSR studies focus on – is it about requisites of the society, the whole business system or the individual company? Based on the classification given, some socially responsible actions are performing maintenance in different systems. But this choice has to be made and it has several important implications in determining what the corporate interests actually are. In this theoretical tradition, one must ask which system explains socially responsible corporate behaviour and, considering the credibility of any system-based explanation, how these systems interact. Referring to the AGIL scheme Garriga and Melé (ibid. p. 64) argue that "the concept of business and society relationship must include these four aspects or dimensions and some connection among them must exist" and that this must be reflected in every theory. Correct, but unfortunately they instead provide no theory about what kind of systems companies, business system or society are, how these systems interact, and which system explains socially responsible behaviour. (3)

Nevertheless, the lesson from Garriga and Melé (2004) or less flawed applications of structural-functional approach to CSR is that some organisation level institutions are stronger than others as such through the backing of different interests deeply embedded in societal institutions such as profit-making, which may constrain or transform socially responsible behaviour significantly. Thus it is fair to assume that in explaining corporate actions institutionally one must understand the institutional environment providing certain interests that make some corporate institutions more powerful than others. This argument obviously implies that besides studying institutional arrangement-like company case studies one always needs to look at the broader institutional environments – and the other way around.

Institutional conditions and socially responsible corporate behaviour

Campbell (2006, 2007a) has put forth several propositions about which institutions affect and promote socially responsible corporate behaviour (cf. Jones, 1999). This approach requires predefinition of socially responsible behaviour before affective mechanisms can be found. The way Campbell (2007a) defines CSR, as minimum behavioural standard, is perhaps the most intriguing part of his theory. According to this standard a company is socially responsible if it does not knowingly do anything that could harm its stakeholders, and if it does harm to them, it must rectify it whenever it is discovered and brought to its attention. The definition draws a clear line between socially irresponsible and responsible behaviour.

There are many difficulties in operationalising this definition. However, the major problem here is not so much in finding what has been considered harmful or what is the content of social norms towards a company – Campbell (2007a, p. 929) suggests discovering stakeholder-initiated lawsuits and comparative analysis across industries or countries as possible indicators – but in determining what action is considered responsible in cases when each responsible action towards one stakeholder is thought as irresponsible by another. In order to put this point firmly in its context, we must first acknowledge all Campbell's propositions.

Campbell (2007a) recognizes five institutional conditions affecting his analytical minimum standard definition of socially responsible behaviour. Two first propositions consider regulation and monitoring. Companies are more likely acting in so-

cially responsible ways if there is state regulation with effective enforcement promoting such behaviour – especially when companies have been involved in the process of establishing the regulation. This is the case with corporate self-regulation, the second proposition, as well. There is also an institutional interplay here: companies or business act more likely socially responsibly if there is a perceived threat of state intervention.

The third and the fourth proposition concern the informational mediation of social norms. Companies will more likely act in socially responsible ways if there are independent private organisations such as NGOs, social movements, press and institutional investors monitoring their behaviour and mobilize to change it. Socially responsible behaviour will also occur more likely in the environment where normative calls are institutionalised in discussions in business magazines, business schools and various other educational venues. The last proposition concerns participation and stakeholder relations. If company belongs to trade or employer association, which usually are promoting long-term development instead of short-termism, it is more likely to act in socially responsible ways. This will also happen if corporate dialogue with its stakeholders is institutionalised.

Campbell's (2007a) theory implicates that the actualisation of CSR is embedded in various mechanisms and structures beyond basic features of economic environment such as financial performance and competition – which are, nevertheless, equally highlighted by Campbell (*ibid.*). So, CSR is dependent on economic and regulative environment, and institutionalisation of normative calls and communication in this institutional environment. All these regulative, normative and discursive features are rather common in explaining any corporate actions with institutional theory (see Scott, 2001). The advantage of this approach is that by locating structural determinants enabling and constraining corporate action it helps to explain differences between CSR in various industries and countries, especially in cases where same kinds of motivations lead into different actions. In other words, it locates the explanation of why companies, whatever their motivation for CSR is and however it is formed, actually behave according to those norms.

The problem is that the theory is actually very limited in empirical use, which Campbell (2007a) himself recognizes well. The problem here are not the propositions – after all, they affect some corporate behaviour independent of which kind of motivation is in question – but the definition of CSR derived from relation of company and individual stakeholder group, taking neither the preconditions for such relations nor dynamics between stakeholder groups into account. Action is responsible in two different meanings: when corporate managers are not knowingly doing any harm to stakeholders, they act responsibly, and when they do harm, they can rectify their actions, and thus act responsibly. The underlying thought in is that when institutional environment provides knowledge of actions being harmful, the harmful corporate actions are irresponsible, and if action has preceded knowledge, it becomes harmful when harmfulness is acknowledged.

One problem is that in this model one can actually explain socially responsible actions only impartially: it is only explained why some actions become irresponsible and how to turn them responsible. In order to explain the whole issue of responsible behaviour, one has to set the criteria of corporate knowledge and harm a priori to actions. But there is no account of what 'harmful' and 'knowingly' are – or, what enforces responsibility of corporate actions. It is also obvious that it is not always possible to rectify actions: nuclear disasters or pollution leading to an extinction of a species cannot be rectified but only at best

merely compensated to limited amount of stakeholders, and not necessarily at all to the ones who suffered from the harmful actions. Is it so that non-rectifiable actions are not in the sphere of corporate responsibility?

In other words, in this theory, there must always be some account of what kind of norms like 'harm', 'knowingly' and 'rectifiable' are if we want to explain why they make actions responsible or irresponsible, and how they were considered in company management. Thus the definition of CSR and its relevance to action is rather an empirical question than one of predefinition. When these preconditions are defined it seems that the theory could explain corporate actions. But this is the case only when stakeholder interests are not in conflict, in cases when responsible actions are enabled (i.e. when all actions are defined responsible) through entire societal consent.

For example, let's say both owners and employees demand (i.e. set norms companies start to acknowledge) better share of company performance. This is obviously everything but exceptional in capitalist economies. Let's further assume that managers are acting knowingly because these stakeholders are stating their interests; they know that not giving this share to a stakeholder is thought as harmful in society and in stakeholder opinion; they know that their actions are rectifiable by giving more wages or dividends – but which happens only at the cost of the other. In other words, all the institutional preconditions for responsible action are fulfilled. It is obvious that the company cannot but "knowingly harm" other of these stakeholders. What are the criteria of responsibility of action in such cases then? What determines the priorities of stakeholder relations and what justifies actions that are responsible towards one stakeholder and harmful towards another? Unless this question is answered, all actions in Campbell's model are both irresponsible and responsible.

There are two possible answers to issues of definition and justification in institutional terms. Either the institutional framework justifies solution in form of laws or, for instance, binding norms such as stakeholder meeting decisions, or it is due to managers' own consideration (if they are institutionally enabled to do so). In other words, the source of responsibility is always norms or values. So it must be empirically studied how corporate actions were organised: towards whom the company was responsible and towards whom irresponsible, and how total responsibility of the action was achieved. In order to define socially responsible action, one cannot avoid studying both institutional environment and institutional arrangement of corporate actions.

Process description of socially responsible corporate action

Anttiroiko (2004) aims at developing "institutionally oriented" model of how CSR is both defined and realised in case of a single company, the subject of responsibility. This model has its primary focus on explaining and describing how the institutional environment of whole society produces framework of CSR actions instead of merely describing how CSR is produced in actions independently conducted by one firm. CSR is considered a social process in which subject of responsibility becomes the bearer of responsibility when social responsibility is realised. In this model, the action-based interaction of individual organisation and other actors in the societal context is highlighted. (*Ibid.*, pp. 41-42.)

In context of this essay the most interesting part of the theory is the analytical process description of CSR. Before discussing

this description in detail, it should be noted that the separation of stages this process is purely analytical: there is no discussion on to what social realities these 'stages' are related in ontological terms. Anttiroiko (2004) holds the analytical view the stages both define the next stage in the process and directly relate to and affect the subject of responsibility, and it can be thought that each stage has independent properties thus being an empirical research object as such.

In the first stage, the responsibility agenda is set in different CSR discourses used in society, in which company stakeholders are agents among others. The formation of agenda refers to the process in which defining and demanding CSR starts. In several CSR debates the relation of stakeholders to broader normative framework of society has been seen problematic (Blanco & Rodriguez, 2007). Anttiroiko (2004) solves the problem by presenting stakeholders as objects of CSR but also as only one source of CSR agenda. In other words, agenda-setters are not necessarily those who determine the final content of CSR. Agendas are formed in CSR discourses, which have varying ontological, ideological and functional basis.

Anttiroiko (2004) recognizes four main CSR traditions in agenda setting. Minimum theory is based on technical norms and shareholderist ideology, and it recognizes only responsibility towards primary functions of a company (i.e. creating profit for shareholders) all other considerations being instrumental. Modern systems theory is based on societal norms beyond regulative norms. It has its ideological basis in concept of sustainability, that is, one subsystem cannot operate narrowly according to its own interests but it has to act according to norms of whole societal system as well. The main functionality here is the management of dysfunctions harmful to society. Communitarianism is ontologically based on community traditions and habits, and any organisation cannot exist without predefined societal roles. Between the two latter agendas, there is social liberalism. The basis is similar to the one of systems theory, but the functional scope is much wider. It is thought that companies have some predefined social roles based on needs of the whole society. Additionally, all these four main discursive traditions include ontological basis of morality, which can be mostly thought as the varying ability to think beyond different institutional limits and act responsibly in the same manner.

Whatever the discourses used, the agenda-setters set the contents for responsibility norms. Here, content refers to some totalities of which subjects are responsible. Six thematic areas are recognized: general humanitarian responsibility, welfare responsibility, political-juridical responsibility, economic responsibility, functional stakeholder responsibilities, and environmental responsibility. Different organisations have focus and interest in these thematic areas in different scales. In practice, the contents are presented more action-specifically than in general norm-level. Anttiroiko (*ibid.*) also interprets Carroll so that these contents are often used as benchmark for corporate moral maturity.

The next stage of the process is the one in which the particular responsibility of a company is formed on the basis of the contents discussed above. The formal definer is the one with actual capability, the power to define the CSR for some actor or group of them. The formal definition occurs either in the public sphere, in strongest form as regulation, or in the organisation itself, mostly as result of social pressures or of self-determination. The same variety reaching from formal to informal and finally to self-determination can be seen in the means the particular CSR is defined in this stage. Here, several schematic means with varying level of abstraction and real effect on corporate behaviour are

recognized. Examples of schemes with high level of abstraction and low level of direct effect are general opinion, consumption behaviour, publicity, social activism, public pressure, and general ethical guidelines of companies and communities. Low level of abstraction and high level of direct effect is found in sanctioning measures and use of power by the authorities, court decisions, legislation, political decision-making, and bi- and multilateral contracts of different organisations.

Finally, CSR becomes actualised. A feedback loop, making CSR a dynamic process, is presented here – the realisation of CSR affects agenda setting. The realisation is internalised as orientation, present in decision-making, and it comes in effect as action, all in which the actor bears one's responsibilities to the society. There are two different types of action in this stage. The first one is preventive action, which is based in social dialogue, ethical recommendations and guidelines, and institutional settings preventing irresponsible behaviour. The second one is reaction to situations in which some responsibilities are neglected or corporate abuse has been observed. Usually these measures include conflicts, public sanctioning and use of force.

To sum up, Anttiroiko's analytical process approach to CSR as process model provides fruitful analytical tools. First, it sees CSR as society-wide normative framework, the CSR agenda having ontological, ideological and functional foundations for corporate responsibility. Secondly, it sets a framework that defines responsible actors and demarcates CSR from other responsibilities – it marks the subject of responsibility, defines the totalities of which this entity is responsible, and reveals the objects this responsibility is related to. Thirdly, it deals with the issue of institutional conditions by looking at mechanisms and actors who transform the expected contents of CSR into socially responsible actions of an individual company. Fourth, it gives an account of socially responsible action as two different types of CSR actualisation with long-term effects on CSR agenda setting.

Separating these four features analytically is, indeed, very beneficial. One can see that there are somewhat incommensurable concepts of CSR, which may explain the difficulty of CSR theory debates. It is possible to deal with the issues of contradictory interests in different stages by taking different levels of impact of different power positions to CSR actualisation into account. All norms depend both on production of knowledge in agenda and content setting, and on the power of agents channelling this knowledge to the company. In brief, the definition of CSR is an empirical question without predetermined form.

The methodological problem (4) is, however, that whereas this description could be interpreted showing the link between institutional environment (two first stages, the normative contents and their discursive production) and arrangement (third and fourth stage, organisational arrangement responsibilities and their realisation), it tells us little about how these relations are embedded and how they interact. The description also tells us in what levels of social realities social responsibilities are relevant – they are produced in society, channelled to companies, arranged as particulars, and realised as actions. But what kinds of institutions are these institutions? This question will be discussed in the last part of this essay.

There are also some shortcomings and inconsistencies in the theory that ought to be included in further analysis. The first one is that socially responsible actions are preventive or reactive only according some discourses. But they could also be positive. Especially in communitarian discourse it is essential to acknowledge that it is imperative to act directly according to some socially expected ways. The second one is that whereas some

actions are determined by the fact that stakeholders happen to have enough power in channelling contents they are interested in into particular responsibilities of a company, it does not explain why and how companies themselves decide to take some contents more seriously than others and choose some actions instead of some others.

How to explain socially responsible corporate actions: institutionalist synthesis

This far the argument goes that any valid research theory capable of explaining socially responsible corporate action must have an empirical account of what socially responsible action is, why companies ought to act accordingly, and why companies eventually act accordingly. The responsibility of actions is based on social norms prevailing in the institutional environment of companies. These norms are formed in society-wide broad discourses and they are channelled to individual companies as varying thematic totalities. Finally, these totalities are transformed into corporate actions that are in nature positive, preventive, or reactive in institutional arrangements, the organisational decision-making to which various institutional conditions and interests affect and in the organisation of activities in which roles of conducting these actions are determined.

How could this model be used in empirical research? Let's focus on an individual company: what is its responsible action and why it acts accordingly. In this context, what do we mean by saying that the institutional environment provides the responsibility norms to this company and how does this environment affect the organisation, the institutional arrangement of company actions?

What kinds of institutions are these environments and arrangements in ontological terms? First of all, institutional environments are not places or any spatially bounded areas, but rather discursive and epistemic communities, whereas institutional arrangements are political-economic institutions whose boundaries are drawn from institutional sources such as national borders or demarcations between different markets.

In case of an organisation, an institutional arrangement, Scott (2001) has proposed that institutions consist of three pillars: regulative, normative and cultural-cognitive. One cannot study institutions without studying the three pillars complementary

to each other. The three pillars differ not only in their ontological terminology but also in the area of social reality they cover – they are hierarchical in their explanatory efficacy. If an action cannot be understood in terms of regulative or normative conditions, it fits the category of cultural-cognitive pillar. In other words, one classifies institutions and studies their interaction the most comprehensive pillar being the benchmark against which institutions are examined: if the institution fulfils the criteria of less comprehensive pillar, it is classified under it. It is worth noting that studying the interaction between different pillars is very case-specific because there is little general knowledge on how they interact and how this should be taken into account in integrated models (Scott, 2001, pp. 212–213).

In case of institutional environment, Heiskala (2003b) recognizes one important type of institutionalism not present in Scott's classification: habitual institutionalism. Its concept of institution is derived from the pragmatists' notion of habit. Habits are reasoned routines that don't necessarily require shared and recognised cultural frames. Whereas cultural frames require knowledge of them, habits may be only preconscious to actors themselves. Habits affect individual and collective behaviour, but may come into actor's knowledge only after researcher's intervention. Habitual institutionalism could be seen as the fourth pillar additional to Scott's three-pillar model (Gronow, 2004). It has the broadest concept of human action included in theory. In case of CSR, however, cultural-cognitive pillar is assumed sufficient in analysing socially responsible action because it relates either knowingly organised action or knowledgeable norms. Corporate actions might be affected by preconscious habits and actions might conflict with them, but this has directly little to do with corporate responsibilities as a collective matter. It is assumed that cultural-cognitive (or discursive) institutionalism is sufficient in covering essential issues in CSR questions.

The institutional pillars, in case of integrated models, are embedded in so-called carriers. In his three-pillar model of institution, Scott (2001, pp. 77-83) recognizes four types of carriers: symbolic systems, relational systems, routines and artefacts. Institutional pillars embedded in these carriers are categorised in Table 1. Carriers being otherwise quite self-explanatory, it should be noticed that especially in organisations, symbolic systems "exist not only as 'widely held beliefs' in the wider environment or as laws that organisational actors need to take into ac-

Carriers	Pillars		
	Regulative	Normative	Cultural-Cognitive
Symbolic systems	Rules, Laws	Values, Expectations	Categories, Typifications, Schema
Relational systems	Governance systems, Power systems	Regimes, Authority systems	Structural isomorphism, Identities
Routines	Protocols, Standard operating procedures	Jobs, Roles, Obedience to duties	Scripts
Artifacts	Objects complying with mandated specifications	Objects meeting conventions, Standards	Objects possessing symbolic values

Table 1. Institutional pillars and carriers (Scott, 2001, p. 77).

count, but also as ideas or values in the heads or organisational actors" (ibid. 79).

Enough said, what is the interaction between institutional environment and institutional arrangement of social responsibility, when looked from the perspective of an individual company? It is argued here that "the four stages" of CSR can be thought as

but the actions are deemed irresponsible, the irresponsibility is happens in the level of CSR contents. Jobs and roles provide more freedom for individuals, but they also bring the individual responsibilities. And they can be thoroughly irresponsible in content. Scripts, the routines without use of power, may also be deemed irresponsible if, for instance, they are not practically

CSR carriers	Institutional Pillars		
	Regulative	Normative	Cultural-Cognitive
CSR Norms embedded in	External rules and laws	Internal values, external expectations	Societal categories, typifications, and schema
Company-specific CSR Contents set in	Internal and external governance and power systems	Societal authority systems	Identities of and in companies
CSR Actions organised through	Internal protocols and standard operating procedures	Jobs, roles and obedience to duties in companies	Scripts of corporate actions and knowledge-channelling
CSR Feedback provided with	Objects complying with mandated specifications	CSR reports, standards	Objects possessing symbolic values

Table 2. The institutional arrangement of corporate social responsibility

carriers and all pillars with special features concerning the internality or externality of institutions, as illustrated in Table 2.

In these terms, the norms determining CSR in the most abstracted level belong to the sphere of symbolic systems. Companies have to obey rules and laws set by the society. These and other expectations are the one side of CSR norms. The other side are the values of companies and their own sanction-backed rules. Both types of symbolic elements demand specific kind of behaviour from companies. What makes these demands CSR demands are either explicit arguments or they imply some totalities that companies "owe to society", "are supposed to take care of", or are in other normative terms demanded to be arranged by the companies. Both kinds of norms, internal and external, are based on categories, typifications and schema, which are the sphere of CSR agendas in the external field and knowledgeability in the internal level.

The company-specific CSR contents are set in relational systems, again internal and external ones. They are CSR contents when they are linked to the CSR norms, and other relational institutions when not linked. Companies make their own decisions in their governance and power systems, but they might also be intervened by public authorities. Corporations have important roles in social regimes and authority systems, and they have their own similar systems. But they are simultaneously objects of the social spheres and regimes. Stakeholders, social movements, labour unions and other agents may contest corporate decisions and actions with their varying level of authority. Companies may share similar CSR norms and authority since they are isomorphic. They might give different meanings to CSR norms and decisions due to different identities despite relational systems being similar.

Socially responsible corporate behaviour is initiated by relational systems, but they are embedded in routines determining positive, reactive, or preventive action of CSR contents. Routines determine which individuals are responsible for what responsibilities, and which responsibilities belong to the collective sphere. The formal routines, such as protocols, give individuals the permission to act in certain ways, and detaches them from individual responsibility – if one acts according to protocol,

inclusive in flows of information.

All these elements – norms, contents, and action organisation – are present in corporate artefacts such as CSR reports. Whereas all previous institutions are reproduced and renewed in collective and individual actions of companies, they also have the possibility to affect the whole agenda setting through not only their actions but also with their dedicated public relations. Artefacts and signals such as awards or reports may be especially powerful signals to customers. The artefacts are independent institutions so that they need not to correspond with or represent corporate actions and practices, and still have effects to the societal sphere. They are one category of individual actions that can be organised through routines.

The implications of this model are manifold. It implies that CSR norms may be conflicted, dispersed, fragmented and paradoxical, and there might not be any homogenous account of social responsibility available – even actions may be responsible towards others and more irresponsible towards others. But at the same time it implies that we can understand these features and compare them commensurably in different societal contexts. It implies that CSR contents are a matter of power, and quite often authority intervention may be the only way to affect companies. After all, all (internal) institutional arrangements are based on the societal context and its relational systems. This might help to understand, say, the difficulty of understanding why globalisation has been such a major topic in some social norms with often quite little effects to demarcations of totalities individual firms are regarding as being responsible of. It also implies that socially responsible actions are organised acts with procedurally fixed interests rather than just random corporate acts.

Among the most important implications is bringing the institutional interplays and hierarchies in explanation. For example, let's assume that in a society where there is, beside weak environmental law, universally accepted practice that majority of votes determines decisions in the social spheres. If 99 per cent of people asked think that a company should not damage the environment even if it happens according to law, then the voice of 1 per cent – that happens to consist of all the shareholders of this company – cannot intuitively make environmental dam-

age irresponsible. But they can, if at the same time the majority of people asked think that shareholders should decide how business is run if the action is legal, and law enables damaging actions. Thus damaging the environment would not be socially irresponsible.

The most important benefit of the model is the possibility to use new vocabularies. In the previous example, the study reveals relative material responsibility deficiencies rather than institutionally bounded irresponsibility. This concept is beneficial in various questions. For example, if all companies are globally expected to pay a certain share of taxes to promote social welfare and development, one can say that most multinational companies have severe deficiencies due to global tax minimisation. In a local level, a company may stop giving free health care to its workers due to cost cuts, whereas health care provision is broadly expected from the company instead of the public sphere. However, whilst these companies intuitively could be called irresponsible as agents since they don't fulfil the expected contents, it is impossible to say that actions related to these would be irresponsible as such. Whereas the tax avoidance requires ultimately strong institutional arrangement and could be called irresponsible, the case of health care non-provision necessarily couldn't. If the deficiency is accepted through relational systems, this company action is responsible.

How about the issue of conflicting stakeholder interests, the main reason for critique towards Campbell? Interests may be the reason why some CSR contents are given priority in relational systems. Financial performance may be considered an obstacle to human relations in a company, sustainability obstacle to short-termism, strong information on home market development obstacle to exports orientation and so on. But there are also internal conflicts of interests, some based on stakeholder claims. Let's assume shareholders and workers want to have a bigger share of company profits, and both claims are deemed legitimate in the societal context. There is obviously a permanent relative deficiency towards both parties. Whatever the company does, there will be deficiencies. These deficiencies can be classified as tolerable and intolerable. If employees will go to strike – a means assumed legitimate in this societal sphere – the responsibly deficiency towards has been taken into the sphere of responsibility in the power relations. The problem is that if the employees are integrated into the decision-making, they also become integrated as the responsible subject. Thus it is essential to bear in mind that in the relational systems one should not only study what one is responsible of, but also to study who exactly are the responsible stakeholders and to whom they exactly are responsible of. These questions are case-specific and empirical in nature.

Conclusions

In this essay it is argued that corporate social responsibility can be studied as institutional construct with an integrative institutional model defining the contents of social responsibilities and explaining the expression of socially responsible behaviour. With this method the researcher is able to capture both the context of action and action itself. All the essential features – what CSR is, why one ought to act accordingly, which mechanisms affect accordingly and how action is organised – of the CSR phenomenon can be studied with institutional model without falling into determinism. There are persisting expectations on business behaviour, persistent mechanisms affecting decisions, persisting routines creating action, all of which affect behaviour but none of which determines it. How much CSR institution,

among other institutions, affects corporate behaviour is, after all, a matter of empirical research.

Further theoretical and methodological discussions should be focused on methods with which to use the model, and on understanding how CSR agendas are formed in the society and how they are channelled into CSR norms, different institutional mediations. It should also be empirically studied how corporate actions reproduce CSR institutions.

This institutionalist model of CSR research provides a convenient division of labour between different disciplines. For instance, in legal studies and political sciences it is easy to address rules, laws, governance systems and power systems. Governance, power and authority systems and regimes are present in public policy and sociological studies, as for the latter are values, expectations, jobs, roles and scripts as well. Organisational studies are able to handle various issues, especially routines. Cultural studies and sociology have expertise on cultural-cognitive pillar and artefacts in general. And of course, the task for geography and business studies is to perform comparative analysis of various kinds with the entire model. All these pieces add up into one single research agenda.

The purpose of this article is to provide critical tools in shifting the focus of CSR studies from descriptive and normative studies of CSR to more analytical and empirically-driven approaches explaining corporate behaviour, especially the socially responsible kind. However, the CSR researcher never works in normative vacuum – researchers are perhaps among the most important agenda-setters. Thus one must ask, not only in methodological but also from normative viewpoint: why should corporate behaviour be explained through this model? Firstly, it provides an account of expected behaviour and tools for organisational development for single companies. In the same time company-level theory helps stakeholders to understand why some CSR claims are, for instance, more effective and which ones less so. It helps the society to see what kinds of roles it gives to companies and how and it thus provides tools for everyone concerned with understanding corporate behaviour. It reveals deficiencies and irresponsibilities of corporate actions.

More generally, the institutionalist model helps to see where and why CSR theory and practice meets or doesn't, which is one important feature of any comprehensive CSR research theory in studying the practice of the day (Haigh & Jones, 2007). It also critically imposes that the theory of how companies ought to act has little significance if companies do not act accordingly, thus the notions of deficiencies and (ir)responsibility. But the same applies to other direction as well: it is of little importance of studying case-analyses of how companies organise CSR practices without looking at why and how they are socially enabled to do it. After all, "the social reality includes actors' perception of it" (Crouch, 2007, p. 530). Companies do know something about what is actually expected of them and it can be studied the expectations are channelled into motivation for action. This is the second reason, the necessity for simultaneous empirical analysis in more fields than one.

There are also analytical reasons. If CSR is regarded as a normative concept capable of changes in the system or of the system, one must have an account how this change occurs. One can address the issue of institutional change in case of all pillars. The institutional change can be initiated by changes in regulation, in social norms and values, in cultural and cognitive frameworks, or in reasoned habits, and confirmed by change in corporate action through so-called bricolage and translation. The approach to institutionalism in this article only scratches the surface and is not meant to address lively debates on institutionalist approaches in

social sciences (see Crouch, 2007, Streeck, 2007, Whitley, 2007, and Campbell, 2007). The sole purpose is to show that CSR research would benefit methodologically from highly developed

institutional analysis. This background could provide research agendas that could fill the role of required academic leadership postulated by Haigh and Jones (2007).

(1) For instance, looking at the essence of only two popular concepts often considered synonyms in today's debates, corporate social responsibility and corporate citizenship, Valor (2005) discovered significant differences in their use. Of these two, CSR considers responsibility having normative foundations and capabilities of making changes in social systems as business, whereas corporate citizenship is merely a description of different established corporate deeds without normative foundations or capabilities for change. These differences are all but merely terminological. Having different views on social foundations of responsible corporate behaviour, they also have different objects of research and provide different kind of information to academic community. The differences are far from being merely terminological.

(2) Strategies to achieve competitive advantages by CSR are divided into social investments, resource and capabilities enhancement, and focusing products to the bottom of the economic pyramid.

(3) There is an obvious reason for the confusion with different systems. Garriga and Melé (2004) claim, referring to thoughts of Donati, that the four functions "have to be understood as four interconnected dimensions present in every social phenomenon" (ibid. p.64, emphasis added). This might be too generalised an interpretation. The branch of Parsonsian theory in question is structural-functional theory, a systems theory. The AGIL scheme is not meant to explain all social phenomena but only ones related to needs of social systems. It has been left unclear to which systems this categorisation of CSR theories actually points and what the systems are like. So, there is no theory in which social relations CSR is embedded. Before using the AGIL scheme models in context of CSR, one must have a theory of systems and their interaction. In fact, Parsonsian theory is in its most useful in discovering different systems – or, to be exact, new systems, established systems and collapsing systems. Perhaps the most intrinsic value of Parsonsian theory is the capability to focus social scientists' view on relevant systems, but not necessarily any specific phenomena. In Parsonsian framework, an essential method of discovering the system is looking at its border-maintenance, which cannot be done but empirically. (See e.g. Heiskala, 2003a.)

(4) The major challenge here is the obscurity of relations between stages. Why should agendas be thought as something turning into thematic contents and not, for instance, as directly related to individual company's responsibilities and actions? The answer to this question is that the process is neither chronological nor causal in nature; it is purely analytical. In fact, the argument of Anttiroiko (2004) does not imply that socially responsible actions are processes – all the 'stages' might affect action simultaneously. They are preventive or reactive actions that have their origins in ordinary usage of power in an organisation. It is just the specific contents and discourses used in them, and the channelling of these contents into corporate actions that are interesting. These are all institutional types that do not require any kind of process description in conducting empirical research. But they require an ontological account of institutions and if they are to be studied and if analytical 'stages' are to be used, their ontological relation to these institutions ought to be clarified.

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Author

Sorsa, Ville-Pekka. Centre for Employment, Work and Finance, Oxford University Centre for the Environment, South Parks Road, Oxford, OX1 3QY, United Kingdom. E-mail: ville-pekka.sorsa@ouce.ox.ac.uk

During the writing of this article, Ville-Pekka Sorsa worked as Junior Lecturer in Social and Public Policy at the Department of Social Sciences and Philosophy, University of Jyväskylä, Finland. He is secretary for Social Theory / Finland research network. At the moment he is DPhil candidate at the Centre for Employment, Work and Finance, Oxford University Centre for the Environment, University of Oxford. His research focuses on pension fund governance, organisation and investment behaviour. Among other broad research interests are economic geography in general, socially responsible investment, sociology of finance, and institutional social theory.

Impressions of Questionable Marketing Practices in Indonesia: The Influence of Gender and Social Desirability Response Bias

Richard A. Bernardi
Keri L. LeComte

Abstract

Our research examines the ethical sensitivity of 90 Indonesian business students (61 male and 29 female) toward questionable marketing practices using self-reported data; however, unlike most ethics research, we control for social desirability responsibility bias. In our research, we found that, when social desirability response bias was not considered, there was a significant gender difference. However, we also found that female students scored significantly higher on our measure of social desirability response bias than did their male counterparts. When we considered both gender and social desirability response bias in our models, the differences in ethical sensitivity between genders were mitigated. Consequently, it is our belief that social desirability response bias contaminates much of the self-reported data that is used in academic ethics research.

Keywords

Marketing Ethical Dilemmas, Social Desirability Response Bias

Introduction

Gatewood et al., (1993) suggest that impressions about a potential employer's environment and reputation of are frequently based on publicly-available information. Bernardi et al. (2002a) found that the proportion of female directors on several companies' boards of directors has increased over the years. The authors suggest that companies are advertising the diversification of their boards in order to appear more credible to their stakeholders and comply with the requirements of the Sarbanes Oxley Act (2002). For instance, one CEO justifies recruiting minorities (Goodpaster, 1991, p. 65) because:

[T]he obvious answer that it is in our best interest to seek out and employ good people in all sectors of our society. And there is the answer that enlightened self-interest tells us that more and more of the younger people, whom we must attract as future employees, choose companies by their social records as much as by their business prospects.

This research is an extension of Bernardi et al.'s (2002b) research that examined the association between a gender and students beliefs about potentially questionable marketing practices. We define questionable marketing practices as those designed to mislead their target market or that advertise adult products when children are the primary audience. Of the six scenarios used by Bernardi et al., five deal with advertising campaigns and/or their timing and suggest questionable marketing practices, which were adapted from Wall Street Journal stories.

Most ethics research employs samples from the United States and indicates the problem of generalizability of the research's findings; consequently, Indonesia provides two interesting contrasts to the United States. While the uncertainty avoidance construct (Hofstede, 1980) for Indonesia (48) is similar to that of the United States (46), Indonesia provides a useful contrast to Bernardi et al.'s sample because of difference in the individualism construct (14 for Indonesia and 91

for the US). Transparency International's (2006) Corruption Index provides another potential contrast between the United States (2.7) and Indonesia (7.3). Transparency International defines its corruption perceptions index as 10 (1) being the least (most) corrupt countries; however, it is not an intuitive measure to have the highest value represent the least corrupt country. Consequently, some research transposes these values (i.e., subtracted Transparency International's values from 10), which results in the highest (lowest) values representing the most (least) corrupt countries. We follow this convention in our research.

Our sample includes 90 Indonesian college students who are all business majors; we believe that this is a relevant sample because college students' attitudes are similar to those of newly-hired college graduates. College students' ethical sensitivity to questionable marketing practices is important as cheating in college associates (i.e., is carried forward) with unethical behavior in the workplace (Sims, 1993). However, unlike most ethics research, we control for social desirability responsibility bias (Paulhus, 1986).

Literature Review

Questionable Marketing Practices

The explosion in computer and video technologies has dramatically increased the exposure rate to forms of corporate advertising. For example, Dalmeny (2003) examined several ways that advertisers use to reach children. One of the most prominent techniques is the use of cartoon and other well-known TV characters; additionally, companies can also use e-mails, online websites plastered with brand names, and computer games. Dalmeny notes that over three fourths of the products marketed toward children contained did not meet government nutrition guidelines and that the amount of food advertising during children's programming was between two and three times higher than that of adult programming. While these media are ideal forums for advertising, they also provide hereto-

fore unthought-of opportunities for dishonesty in advertising. For example, the online availability of college papers and the growing concern of click fraud in online advertising (Grow and Elgin, 2006), which involves false visits to corporations' website advertising.

However, attitudes about how ethical an advertisement campaign is perceived may depend on the target audience. For example, Spain et al. (2002) studied undergraduate attitudes about the placement of smoking advertisements at a time when there were no bans on this form of advertisement. The schools used in the sample were located in states based on smoking rates: Kentucky - highest at 31 percent, Virginia - mid range at 26 percent, and Utah - lowest at 14 percent. Of the students surveyed, 86 percent said they would not place an advertisement in a high school newspaper; however, the same percent said they would place the advertising in a college newspaper. As for advertising smoking in movies, 89 percent indicated they would not place the advertisement in a "G" rated movie; however, 93 percent thought that smoking had a place in "R" rated movies.

Many believe that individuals' ethical behavior "reflect the values and beliefs of their culture" (Buller et al., 1991, p. 768); so that, culture (Hofstede, 1980) can effect one's perceptions of similar events. Prior research found associations between ethics and the cultural dimension of individualism. Hofstede (1984, 83-84) describes the cultural construct of individualism as:

[A] preference for a loosely knit social framework in society. The fundamental issue addressed by this dimension is the degree of interdependence a society maintains among individuals.

Hofstede's (1980) cultural construct of individualism has been found to be negatively associated with Transparency International's (2006) corruption index (Husted, 1999) and managerial concerns about making hard decisions that could result in the loss of a client (Arnold et al., 1999). The level of corporate disclosures increased as the level of individualism for a country increased (Wingate, 1997).

Ethical Sensitivity

Sensitivity to ethical dilemmas and/or cues may be a factor of moral development (Rest, 1979b); Rest explains ethical decision-making using a four-component model: (1) recognizing an ethical dilemma; (2) evaluating the alternatives; (3) making a decision; and making a decision; and (4) acting on the decision (Rest, 1986). For example, Bernardi et al. (2004) proposed three of regression models that follow Rest's four-component model using the DIT and a subject-matter specific version of the DIT dealing with student cheating. These authors found that the models dealing with recognizing an ethical dilemma, making a decision and acting on the decision, which we use in this research, accurately predicted the cheating behavior of students who had cheated in both high school and college. It appears that students have become desensitized to the moral implications of cheating (Baack et al., 2000) and believe that cheating is acceptable when used to compete with their peers (Lane and Schaupp, 1989). Lawson (2004), Sims (1993) and Whitley (1998) indicate that college cheating associates with unethical behavior in the workplace.

Rest's (1979a) Defining Issues Test (DIT) has also been used to measure individuals' sensitivity to the ethical components of scenarios. For example, Bernardi (1994) found that audit managers who scored higher on Rest's DIT detected fraud at a higher rate when provided client integrity data than the managers who scored lower on Rest's measure (i.e., 75 versus 47 percent detection rates). However, Bernardi also found that audit managers who scored high on the DIT but did not receive informa-

tion about client integrity detected fraud at about the same rate as audit managers who scored lower on the DIT (i.e., 54 versus 56 percent detection rates). Additionally, Bernardi and Arnold (1994) found that managers used more conservative estimate of materiality as their scores on the DIT increased. Ponemon and Gabhart (1993) studied the associations between audit partners and managers' level of ethical sensitivity measured on the DIT and their judgments concerning the integrity of a client's management and assessments of audit risk. Ponemon and Gabhart (p. 102) suggest that because of their cognitive skills (wording in brackets added by the authors):

[C]ertain auditors [individuals] may be unable to frame reliable judgments regarding the ethical characteristics of client management [an advertising campaign]. Hence, inability rather than gullibility may explain why certain auditors [individuals] fail to detect obvious warning signs. (underlining in original text)

Gender Differences

Even though many studies report that women are more sensitive to ethical dilemmas, there are those who believe that Rest's model of moral development favors a man's decision making process (Gilligan, 1982). Jaffee and Hyde (2000) examine Gilligan's assertion that there are two moral voices used in ethical dilemmas and that gender plays a role in determining which voice is used. The first voice is a care voice which is "characterized by the desire to maintain relationships and to respond to others' needs" (p. 703). The second voice is a justice voice that is "characterized by considerations of fairness and equity" (p. 703). Gilligan believed that females tended to use the care voice and males the justice voice. Using 180 studies in a mega analysis, Jaffee and Hyde's data indicate that there is no statistical support for the claim that the care and justice orientations are strongly related to gender. In addition, 72 percent of the justice orientation measuring studies and 73 percent of the care-orientation measuring studies showed no statistical significance differences between the genders in moral orientation.

Bernardi et al. (2002) found a significant difference between the genders. Five of their scenarios provided evidence that females reported higher ethical sensitivity. Franke et al. (1997) conducted a meta-analysis of 66 studies and found evidence to support that females do report higher ethical standards. They found that this reporting is even greater when evaluating a non-monetary scenario. Franke et al. (1997) used 66 studies in a mega analysis to evaluate the role gender plays in ethical decision making. They report that women "report higher ethical standards than men in evaluating business practices" (p. 925). While Beltramini et al. (1984) and Peterson et al. (1991) report that female students were consistently more concerned about ethical issues – especially if the issues included a social aspect (Smith and Oakley, 1997). McCabe et al. (2006) found that women tend to be more ethically sensitive about bribery and/or gift giving when it involves receiving something in return than men. Franke et al. data indicate that there were larger gender differences in non-monetary cases. Their study also showed that, while gender differences were relatively small in the areas of collusion and conflicts of interest, women perceived rule breaking and the misuse of insider information as being significantly more unethical than their male counterparts. Female students were more ethically sensitive towards marketing dilemmas than male students (Malinowski and Berger, 1996). Given the results of the cited research, we propose the following hypothesis:

H1: Female participants will perceive the scenarios as being less ethical than male participants.

Social Desirability Response Bias and Culture

Honest responding to survey questions is an essential assumption for all empirical ethics research; however, Randall and Gibson (1990) found that only about one percent of the ethics studies using self-reported data considered social desirability response bias. King and Bruner (1999) also note that social desirability bias has not been employed in the majority of marketing articles over the past 20 years. Social desirability response bias occurs when individuals under-report (over-report) activities that are deemed to be socially undesirable (desirable) (Zerbe and Paulhus, 1987). Nyaw and Ng (1994) suggest that, as individuals tend to respond in a socially desirable manner, the validity of survey-based ethics studies that do not control for social desirability response bias could be brought into question.

Bernardi (2006) found a significant difference between responses for the United States and Australia, Canada, China, Columbia, Ecuador, Hong Kong, Ireland, Japan, Nepal, and South Africa. He also found a significant overall difference between genders and significant correlations between SDRB and uncertainty avoidance, and individualism (Hofstede, 1980). Bernardi et al. (2003) found that as the scores on the IMS desirability response survey increased, so did the tendency to rate scenarios as less acceptable, thus more socially desirable.

Bernardi and Adamaitis look at the effect of social desirability response bias on self reported data on cheating. They provide statistical support that social desirability response bias does contaminate both dependent and independent variables. This means that "socially desirable responding results in lower levels of self-reported cheating" (p. 29). The authors found that those respondents who had a higher intent to cheat in the future also reported a higher rate of cheating. However, for all five countries surveyed, the group of respondents who had the lowest amount of SDRB reported higher cheating behavior than that of the group with the highest SDRB.

H2: Female participants' average score for social desirability response bias will be higher than for male participants.

However, Bernardi (2006) found that male students tended to respond in a less socially desirable manner (i.e., scored lower on a measure of social desirability response bias) than female students. He believes that this finding calls for further research on the notion that females are more ethically sensitive than

males, which may result solely because of the female tendency to report in a more socially desirable manner. Additionally, Rest (1982) indicates that the difference between male and female students' scores on the Defining Issues Test (i.e., a measure of ethical sensitivity) was not significant. These results lead to our final research hypothesis:

H3: Social desirability response bias will mitigate the effect of gender as it relates to ethical sensitivity to the research scenarios.

Subjects and Measures

Questionnaires including the six scenarios were sent to the parents of an international student at our university who knew business professors at two universities in Indonesia. The parents asked these instructors to administer the questionnaire to their classes. Table 1 shows the composition and demographic data for our sample of 90 business students. The Table 1 data indicate that, except for the mean scores on Paulhus' measure of social desirability response bias, there was little variance between males and females students for the demographic data.

Our research uses the same six scenarios that were developed by Bernardi et al. (2002); this research extends this work to an Indonesian sample. Of the six scenarios, five deal with advertising campaigns and/or their timing and suggest questionable marketing practices, which were adapted from actual articles that Bernardi et al. (2002) found in Wall Street Journal.

The final scenario is a management scenario that was included as a control to determine whether a different context would elicit different responses. In this research, our questions examine the students' responses to steps one and three of Rest's (1979b) four-component model. We asked participants to rate their feelings to two questions following each dilemma using a seven-point Likert scale. The scale coded "One" ("Seven") for the most unethical (ethical) response:

1. Do you consider this to be an ethical practice?
2. Do you agree with their strategy?

Social Desirability Response Bias

The Impression Management Subscale of Paulhus' (1986) Balanced Inventory of Desirable Responding (see Appendix C) was used to measure the participants' tendency to respond in a

Table 1. Sample demographics

	Males	Females	Total
Sample Composition	61	29	90
Age	20.6 (1.0)	20.8 (1.3)	20.7 (1.1)
College level	2.9 (1.1)	3.0 (1.3)	2.9 (1.1)
Undergraduate GPA	3.3 (1.0)	3.3 (1.1)	3.3 (1.0)
GPA in Major	3.4 (0.8)	3.4 (1.0)	3.4 (0.8)
SDRB	5.4 (3.1)	7.8 (3.9)	6.1 (3.5)
Coding: X.X Mean (Y.Y) Standard Deviation College level Freshman (1), Sophomore (2) etc. SDRB Average Social Desirability Response Bias Score.			

socially desirable manner. The impression management portion of the BIDR is a 20-item subscale that had the overall highest correlation with seven other social desirability measures reported by Randall and Fernandes (1991). Paulhus' Impression Management Subscale (IMS) is a 20-item subscale that asks participants to respond to 20 statements on a seven-point Likert scale that uses one as 'strongly disagree' and seven as 'strongly agree'. The IMS reverse codes every other response; for example, the first two questions on the IMS are:

1. Sometimes I tell lies if I have to.
2. I never cover up my mistakes.

If a participant were to respond to the first statement in a socially desirable manner, they would respond on the strongly disagree side of the Likert scale as telling a lie is not a socially desirable behavior. Similarly, if a participant were to respond to the second statement in a socially desirable manner, they would respond on the strongly agree side of the Likert scale as covering up one's mistakes is not a socially desirable behavior.

Data Analysis

Overview

It is important to remember that lower (higher) average rankings are indicative of students having a heightened level ethical sensitivity (not being sensitive) to that marketing scenario. Overall, students viewed the practices in scenarios one and two as the least ethical and the practice of advertising a new major well ahead of the construction date of the required facilities to support the major as the least offensive (Table 2). Students had

only slightly lower views of the "Made in America" and "Way to an A" campaigns. Surprisingly, marketing adult products during times when children were the primary viewers was not perceived as being unethical.

Gender and Perceptions (H1)

For our first survey question in each scenario "Do you consider this to be an ethical practice?", male students rated four of the six scenarios as being more ethical than female students. Male students thought that the 'Made In' and 'TV Ads' were less ethical than female students impressions. However, the only significant difference between male and female opinions was for the 'Tuition' scenario ($p = 0.07$) if one does not consider social desirability response bias (SDRB) in the model. When SDRB is also considered as a covariate, gender is no longer significant ($p = 0.71$). For the 'Kooky Kola' scenario, considering SDRB in the model actually resulted in gender being significant ($p = 0.07$).

Social Desirability Response Bias (H2)

Paulhus' Impression Management Subscale (IMS) is scored first done for the odd numbered questions and then for the even numbered questions. Paulhus indicates that participants who respond with either a one or two (six or seven) on odd (even) numbered questions are responding in a socially desirable manner. Responses from three through five are not considered socially desirable on either set of questions. A participant's score on Paulhus' IMS is the sum of the socially desirable responses for the two sets of questions. The data support hypothesis one; female participants' average score of 7.8 (Table 1) was signifi-

Table 2. Differences in scenario responses by gender and SDRB

Question 1: Do you consider this to be an ethical practice?						
	Tuition	Air & Space	Made in	Easy A	TV ads	Kooky Kola
Means:						
Male	3.21	4.25	4.54	4.15	4.37	3.75
Female	2.45	3.79	4.97	3.93	4.66	3.07
Difference	0.76	0.46	-0.43	0.22	-0.29	0.68
Regression-1						
Only Gender	0.07	0.26	-0.31	0.59	-0.53	0.16
Regression-2						
SDRB	-0.71	0.10	-0.24	0.97	-0.20	0.07
Gender	0.11	0.11	-0.18	0.60	-0.31	0.05
Question 2: Would you agree with their strategy?						
	Tuition	Air & Space	Made in	Easy A	TV ads	Kooky Kola
Means:						
Male	2.34	3.67	4.92	3.39	2.65	2.43
Female	1.66	3.76	4.79	2.62	2.00	1.48
Difference	0.68	-0.09	0.13	0.77	0.65	0.95
Regression-1						
Only Gender	0.02	0.84	0.77	0.04	0.06	0.00
Regression-2						
SDRB	-0.68	-0.04	-0.02	0.14	0.07	0.47
Gender	0.03	-0.64	-0.62	-0.11	0.87	0.00
Highlighted Areas: Gender changed its significance when SDRB was added to the model.						

cantly higher ($p = 0.00$) than the average score of 5.4 for male participants.

SDRB, Gender and Perceptions (H3)

For our second survey question in each scenario "Do you agree with their strategy?", male students indicated they agreed with the strategy in five of the six scenarios at a higher level than female students. While male students disagreed with the 'Air and Space' advertising more than female students, the difference was not significant. The difference between male and female students was significant for four of the five scenarios: Tuition ($p = 0.02$), Easy A ($p = 0.04$), TV Ads ($p = 0.06$) and Kooky Kola ($p = 0.00$). When SDRB is also considered as a covariate, gender was no longer significant in the Easy A ($p = 0.11$) and TV Ads ($p = 0.87$) scenarios.

Conclusions

Our research provided evidence that gender differences found in the United States regarding sensitivity toward ethical dilemmas translates over to Indonesia. The main conclusion of our research is that the effect of gender is mitigated when social desirability response bias is controlled for in ethics research. Prior to controlling for social desirability response bias, our findings support the conception that gender plays a role in sensitivity toward ethical dilemmas where females report more sensitivity than do males. Our data indicate that females only thought that the 'TV Ads' and 'Made in' practices were more ethical than males and only agreed with the "Air & Space" strategy more than males; however, none of these were statistically significant. An important finding is that we also found that females do report higher social desirability response bias than do males. There was one dilemma ('Tuition') where gender was significant under our first research question. However, once social desirability response bias was taken into consideration, gender was no longer significant. Under our second research question, four of the six scenarios showed significance in regards to gender. Once social desirability was added to the equation for these, gender remained significant for only two of these questions.

Our research provides evidence of social desirability response bias contamination in studies that could potentially be used by students and professionals. Thus, our results support the need for social desirability response bias testing in scholarly research (Bernardi, 2006; King and Bruner, 1999; and Randall and Gibson, 1990) in order to ensure the accuracy of information being provided to the academic and professional world. We also found that Indonesian women had a higher score on Paulhus' measure of social desirable response bias. Even though research from the United States or Indonesia finds evidence that women respond in a more socially desirable manner, one could attribute this evidence to a localized affect in one or two societies. However, our finding along with Bernardi's (2006) data provide evidence that this phenomenon occurs consistently across 12 countries whose cultures and geographic locations vary considerably.

Our research indicates that controlling for gender without controlling for social desirable responding does not present a complete analysis; we believe that ethics research should either

control for both gender and social desirability response bias or stop reporting gender differences. Consequently, our research provides an opportunity for future research into the reasons and/or causes of why women respond in a more socially desirable manner. Our research also suggests that past research indicating a significant gender difference should be replicated to determine whether an actual gender effect is present when one controls for social desirability response bias.

Alarming, the literature (Lawson, 2004; Sims, 1993) indicates that cheating in college, which associates with dishonesty in the workplace, has increased to pandemic levels. Lysonski and Gaidis (1991, p. 148) believe that "schools may be inadvertently overemphasizing technical training and ignoring ethical considerations". The Ethics Task Force for the Association to Advance Collegiate Schools of Business (2004, p. 14) encourages schools to demonstrate both a currency in and a commitment to ethics "throughout their academic programs." This suggests that the across the curriculum approach towards ethics coverage, which most business schools use, provides an excellent venue for addressing the importance of the ethical issues studied in research. Specifically, the core marketing course should address questionable marketing practices such as the ones studied in this research. However, for the across the curriculum approach to be effective, all business disciplines must commit to emphasizing ethics in their business core courses otherwise the synergy of this approach is lost. An across the curriculum approach to covering ethics essentially means that each of the ten core business courses should incorporate approximately four hours of ethics coverage to achieve the same coverage as a separate business ethics course.

There are at least two limitations to our research. Our first limitation is that the differences we found could be the result of the scenarios we used. Students from Indonesia may not be exposed to the same level of TV advertisements and/or online term papers as students in Bernardi et al.'s (2002) study. Future research should examine what marketing practices might be defined as questionable in other societies in addition to testing the current scenarios to determine whether or not our findings can be generalized to other populations. Second, while the sample was taken from two Indonesian universities, the students at these universities come from several provinces throughout Indonesia. Consequently, we believe that these students are representative of the Indonesian students and entry-level business professionals; however, our results may not be generalizable to other cultures.

While Indonesia provided a useful contrast to Bernardi et al.'s sample because of difference in the individualism construct, these studies used samples at the extremes of the individualism spectrum (See Figure 1). Future research should examine the marketing practices in other countries such as Denmark, Ireland, Japan, the Philippines and Venezuela, which provide good distributions for both individualism and uncertainty avoidance and nearly a dichotomous distribution for corruption. The addition of these five countries would contribute to the breadth of coverage for Hofstede's constructs of individualism and uncertainty avoidance, which are frequently noted in ethics research.

Figure 1. Hofstede's cultural constructs and Transparency International's corruption index

Individualism (1980, 222)									
	VN (12)								
	IN (14)		PH (32)	JA (46)		IR (70)	DN (74)		US (91)
01 – 10	11 - 20	21 - 30	31 – 40	41 - 50	51 - 60	61 – 70	71 - 80	81 - 90	91 - 100
Uncertainty Avoidance (1980, 165)									
				PH (44)					
				US (46)					
		DN (23)	IR (35)	IN (48)			VN (76)		JA (92)
01 – 10	11 – 20	21 – 30	31 – 40	41 - 50	51 - 60	61 – 70	71 - 80	81 - 90	91 - 100
Corruption Index (2006)									
		JA (2.4)					PH (7.5)		
		IR (2.6)					IN (7.6)		
DN (0.5)		US (2.7)					VN (7.7)		
0.1 – 1.0	1.1 – 2.0	2.1 – 3.0	3.1 – 4.0	4.1 – 5.0	5.1 – 6.0	6.1 – 7.0	7.1 – 8.0	8.1 – 9.0	9.1 – 10.0
Values in parentheses are the constructs for individualism and uncertainty avoidance or the country's corruption index.									
Highlighting indicates countries used in this study and Bernardi et al. (2002b).									
DN	Denmark			JA	Japan		VE	Venezuela	
IN	Indonesia			PH	Philippines				
IR	Ireland			US	United States				

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Appendix A

Background questionnaire

My current level is (Circle one)	Freshman	Sophomore	Junior	Senior	Other: _____
Gender (Circle one)	Male	Female			
Age: _____					
My current overall GPA is:	Less than 2.0 Less than 'C'	2.0-2.49 About a 'C'	2.5-2.99 'C+' to 'B'	3.0-3.49 About a 'B'	3.5-4.0 'B+' to 'A'
My current GPA in major is:	Less than 2.0 Less than 'C'	2.0-2.49 About a 'C'	2.5-2.99 'C+' to 'B'	3.0-3.49 About a 'B'	3.5-4.0 'B+' to 'A'

Appendix B

Survey questionnaire

Scenario 1 (Tuition)

After some extensive a greater amount of prestige. The university is making this raise in tuition without making any other advancements or changes to the current facility or curriculum. The University is not planning on changing their tuition policy and will continue to make students pay more for the same education they would have got at the old price.

1. Do you consider this to be an ethical practice?

Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
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2. Do you agree with their strategy?

Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
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Scenario 2 (Air & Space)

A university located in northern Indonesia has just received a large contribution from one of its richest Alumni. The university plans to build a state-of-the-art facility for its new Air and Space major. Construction on the new facility has already begun but the facility will be completed for another two years. Admissions of new students. Admissions have begun advertising in every video, handbook and pamphlet for the new program saying, "Construction has already begun, and it will be completed soon so reach for the stars at our university."

Scenario 3 (Made in)

John is the advertising manager for a clothing company that advertises their clothing as "Made in Indonesia" to appeal to a target market that objects to using foreign production. However, the company only assembles the clothing in Indonesia most of the materials that go into the construction are made in foreign countries. Regardless of the origin of the materials, the company will continue advertising its clothing as "Made in Indonesia".

Scenario 4 (Easy A)

M.J. is the marketing VP for Term Papers Etc., a new web-based company that offers complete papers of all topics available for a nominal fee. This company advertises to the college market by calling themselves the "Way to the Easy A" The company uses a disclaimer stating that the papers are to be used for research purposes only and is not to be used to replace actually doing the work. This disclaimer, however, is in very small print in a remote section of the web site. The company continues to advertise in this manner to boost profits and college student popularity.

Scenario 5 (TV ads)

Daytime television programming in the afternoon is usually geared towards younger children and adolescents who have just come home from school. During these youth-oriented programs, advertising that clearly appeals to an adult audience is aired. As a result, children are exposed to the products and become familiar with catchy slogans and/or jingles, further promoting the adult products. This television station has no intentions of changing the time slots of their current advertising and the schedule will go on uninterrupted.

Scenario 6 (Kooky Kola)

Kooky Kola Company produces millions of cans of cola each day. It was recently discovered that there have been traces of a toxic chemical in the machinery used in the production of the cola. This chemical has been found to be fatal in humans if it is digested in large enough doses but the chance of anyone being severely harmed by the cola is only 2%. The cost of new machinery is too much for the company right now and since it is believed that it would be very unlikely if anyone were to be harmed by the levels of the chemical found so far the company will go on with production and distribution as usual.

Appendix C

Paulhus' Impression Management Subscale

1	2	3	4	5	6	7
Not True			Somewhat true			Very true

1. Sometimes I tell lies if I have to.
2. I never cover up my mistakes.
3. There have been occasions when I have taken advantage of someone.
4. I never swear.
5. I sometimes try to get even rather than forgive and forget.
6. I always obey laws, even if I'm unlikely to get caught.
7. I have said something bad about a friend behind his/her back.
8. When I hear people talking privately, I avoid listening.
9. I have received too much change from a salesperson without telling him or her.
10. I always declare everything at customs.
11. When I was young, I sometimes stole things.
12. I have never dropped litter on the street.
13. I sometimes drive faster than the speed limit.
14. I never read sexy books or magazines.
15. I have done things that I don't tell other people about.
16. I never take things that don't belong to me.
17. I have taken sick leave from work or school even though I wasn't really sick.
18. I have never damaged a library book or store merchandise without reporting it.
19. I have some pretty awful habits.
20. I don't gossip about other people's business.

Authors

Bernardi, Richard A. Professor of Accounting at Roger Williams University, is a retired Air Force lieutenant colonel who flew B-52s and FB-111s. Dr. Bernardi received a PhD in Accounting from Union College in 1992. He has published over 80 articles as well as receiving Teaching Excellence Awards from Roger Williams University and the State University of New York.

LeComte, Keri L. A graduate of Roger Williams University's Honors Program; at graduation, she was one of the first twelve recipients of the President's Core Value Medal. This research is an outgrowth of her honors thesis. She is currently working in Student Programs and Leadership Office at Roger Williams University.

Scope of Action as Scene of 'Everyday Drama'

A study in a Finnish newspaper. An institutional and critical perspective to the interpretation of empiric material.

INVITED AUTHOR

Paavo Lintula

Abstract

Occupational psychology deals with the work of an individual person with all its characteristics and implications, but refrains from meddling with the structures and dynamics of the employer organization. Organizational studies, on the other hand, are very little concerned with the work of a single employee and its impacts on the individual. This paper describes how the 'grey area' between the disciplines can be covered by integrating the action regulation theory, an approach of occupational psychology, with the institutional and critical perspective of organization studies. Scope of action, the pivotal area of the action regulation theory, is examined with results derived from an ethnographic study on the scope of action of journalists. As both the business and the subject of the study were experiencing a transitional stage, an institutional perspective

is applied in the analysis of the results when describing the present state. The results are analysed from a critical perspective in order to achieve the emancipatory aim of the study. The paper is an example of how problematic dichotomies in organizational studies and the organizational dynamics they contain are viewed within the framework integrating occupational psychology and organizational theory. There are two dimensions in the scope of action of journalists: editorship and context of action. The emancipatory approach of the paper distinctly highlights power that is institutionalised into the context of action, as well as the many forms in which power is exercised.

Keywords

Context of action, critical perspective, editorship, institutional perspective, scope of action.

Introduction

Critical Management Studies (CMS) is a comparatively young discipline, although it has its roots in the 1930's, in the critical theory of the Frankfurt School, which was based heavily on Marx, and it has been said that all critical studies still refer to Marx at some point (Parker 2002: 125-28). Parker (2002: 115-17) sees that the achievements of the CMS have remained on a theoretical level, as there are few empirical studies conducted, in which a critical approach has been applied. Parker (2002: 120-22) also sees that there have been difficulties within the CMS, regarding attitudes towards practical research: It has been feared that criticality may suffer, if changes approved by management are accepted as such (cf. Fournier and Grey 2000). Alvesson and Sköldböck (2000:128-30) have identified the same problem and suggested a 'minimal version' of critical studies, one with few ambitious objectives of change. Alvesson and Deetz (1996; 2000: 130-41) consider the small amount of empirical research to be the greatest shortcoming of the CMS, and also Thomas (1999), as he addresses the distortion of the stakeholder theory, calls for further empirical studies with a critical approach.

A Finnish newspaper organization and its dynamics as a research subject appears both topical and interesting in many aspects: In the aftermath of the 1990's depression, Finnish newspapers were hit by a severe decrease in newspaper advertising and a loss of subscribers, which weakened profitability, and recovery from this has taken more than ten years — in advertising volume, the level of 1990 was not reached until 2004. The long-lasting financial recession of the papers offered good premises for managerialisation to spread also in newspaper organizations.

This article is based on a study, which by its own small contribution amends the relative lack of critical empirical research*. The study was inspired by CMS, and the author deals with their subjects based on experiences they gathered from the theoretical reflections of the study, as well as from the analysis of the fairly extensive empirical material. The aim of the study in question was to analyse from a

critical perspective, how Finnish newspaper editors, as typical semi-professionals (e.g. Beam 1993), build and safeguard their professional identity and their occupational image within the dynamics of a newspaper enterprise organization (Beam 1993; Gade and Perry 2003; Pollard 1995; Russo 1998). The starting point of the study was the viewpoint of an 'ordinary' agent, a newspaper editor.

The ownership of Finnish regional newspapers has during the last couple of decades been concentrated in the hands of media conglomerates, as regional owners have given up their possessions. At the same time, local ownership and management have been replaced by professional managers trained to technical-rational thinking, and managerial fads have rapidly been applied with the help of consultants: A change of eras has occurred in regional newspapers within ten years. Technical development has created a situation where the boundaries of different media and also their agents are blurred; this so-called media convergence creates pressures in the job descriptions of editors in the traditional print media, when a media conglomerate owns both print and electronic mediums.

A detailed analysis of the results is, due to the specific nature of circumstances, relevant only in Finnish publications, but the author feels that this study also bears general interest. The author began to take interest in writing the article, as recent literature on organizations seemed to be focused on the same basic questions, which caused them headaches during the entire research process: Solutions concerning theoretical basic assumptions and the paradigm of the research are not 'just theoretical' contemplations, but also choices that pester the researcher during the practical research process, as the researcher has to take a stand regarding the pivotal dichotomies of organizational research, such as structures-agents; determinism-voluntarism; descriptive-prescriptive; and organization-individual (Kelemen and Hassard 2003; Reed 1996; Reed 2003; Tsoukas and Knudsen 2003; Westwood and Clegg 2003). In addition to this, some recent publications concerning the problems of the institutional approach appealed to the author, and encouraged the writing of this article.

The material for the study was gathered in a Northern Finland newspaper, established in 1899. The circulation of the paper exceeds 80000, making it the fourth largest daily newspaper in Finland. Since the 1950's, the paper has been politically independent. The company employs approximately 300 persons, about 100 of whom are editors. The financial output of the paper has, after the 1990's long-lasting and deep depression in the newspaper business, again been excellent — the paper has been and still is one of the most profitable in Finland.

The last incentive to writing this paper was given by an article by O'Leary (2003), 'From paternalism to cynicism: Narratives of a newspaper company', which fell in the hands of the author only when the study was already in the revision phase. The subject of O'Leary's research was the Courier (a pseudonym); the size of the newspaper is not revealed in the article. Based on the text, it can be concluded that the paper is regional, but being led under new management towards national level. The article is interesting for several reasons. Despite great differences in both size and culture regarding the operational environment, O'Leary's subject corporation seems to have been undergoing a transitional stage quite similar to the one that the corporation this study focuses on, and one could almost unambiguously end up in O'Leary's narrative constructions: paternalism, profit, career and cynicism.

Like O'Leary's newspaper, also the subject company of the author had, two years prior to the beginning of the study, for

the first time in its history, contracted a professional manager, one not belonging to the owning families, and also one with virtually no experience in the newspaper business. The managing editor, who soon afterwards took over the management of the editorial office, came from a major national newspaper and was considered 'a top expert in his field'. As head of marketing, the new managing director hired his former employee, who also was a novice in the business. In the board of directors representing the owners, a total change of generations occurred: While the members of the former board of directors had served in their positions for decades, the most senior member in the present board has taken his place only in 1997. According to the 100-year history of the company, the management of the corporation relied earlier more on intuition rather than calculations, more on emotion than reason. The new management started to talk about profitability, efficiency, strategy, customer orientation, growth etc. The new managing editor begun to emphasise national visibility. The new management started also cutting off 'the slack': The first lay-offs were carried out, as 40 persons were fired for 'productional reasons', although the profitability of the paper remained one of the best in the country. The new management started an extensive project carried out by consultants, which included strategy and commitment training for the entire staff. So many similar events took place in O'Leary's subject company, that without effort one comes to think of a phenomenon of institutionalisation, one called isomorphism by DiMaggio and Powell (1991a; 1991b), which crosses even national borders.

The subject of the study was selected on the basis that it was considered one of the last regional papers, whose ownership had not – yet – been transferred to national media chains. The newspaper was seen to represent regional identity and to be more of an institution rather than a business. O'Leary comments on the same matter:

The paternalism narrative depicts the Courier [pseudonym] as a social institution and not as a profit-making organization, one in which there is a sense of continuity (and discipline) that arises from employing generations of the same family.

As the study started, it however became apparent that it had fallen on a transitional stage: The institution was turning into a business, exactly in the manner described by O'Leary. In terms of institutional perspective, the sources of legitimacy were changing: Legitimacy had been founded on ideological and regional interests, but after being affected by the phenomena of the 1990's, it now seeks foundation in technical-rational thinking. In a transitional stage between eras, the professional thinking and interests of journalists meet with the new objectives and working methods of the host organization, in a way that is interesting from the viewpoint of organizational research: The professional culture of journalists, born in a paternalistic institutional context, may not easily give in to technical-rational "managerialisation" — the interested parties do not share a common language (Alvesson and Berg 1992: 182-83). It remains yet to be seen, to what extent the practices of the new era are purely ceremonial, but it is unlikely that tensions can be avoided (Meyer and Rowan 1977).

Scope of Action

Already during an early phase in the study, it could be seen that the different disciplines do not easily cross their set boundaries: Regarding the expectations and interests an individual has of his/her work, organizational studies merely settle for giving a summary of studies in occupational and organizational psy-

chology. Marsden and Townley (1996) state this to the point: 'Organization theory is essentially theory of, and mostly for, management; it has much less to say of and for those who are managed.' As early as in 1980 (231-35), Watson warned about concentrating on systems, structures and cultures on a general level, seeing that this would lead to a loss of touch with the working individuals and their problems. Clark (2000: 82), on his behalf, remarks that - - 'far too many of the case studies in strategy are from the perspective of the storyteller (e.g. the chief executive and the academic) therefore overplaying the capacities and freedom of movement available to most persons.' As this study focused on the viewpoint of an 'ordinary' agent, when addressing the questions that directly concern the work of an individual, the author decided to rely on studies in occupational psychology, in particular the German-originated action regulation theory (Aronsson 1983; Aronsson and Berglund 1990; Frei and Udris 1990; Hacker 1986; Ulich, 2001). As the structures and dynamics of an organization, power in particular as the most essential, are scarcely addressed in occupational and organizational psychology, the author aimed to cover the 'grey area' in the field by combining the organizational-theoretical and occupational-psychological approaches (Figure 1).

The concept of scope of action in the action regulation theory starts from the expectations an individual has of his/her work, the characteristics of good work (Volpert 1990), and these formed the basis for a set of leading questions for the first interviews in the empirical study; opening the interviews with themes that were familiar to the journalists proved helpful in getting started and in creating a positive atmosphere for the conversations.

According to the action regulation theory, there are two leading principles concerning the work of an individual: the hierarchical structure of work and feedback (Volpert 1979). The hierarchical structure of work means that a person's job should include tasks on the lowest, or sensorimotor level (routine); on the middle, or practical level; as well as on the highest, or intellectual-creative level. When a job is learned, it can be mastered on the lower levels, enabling capacity on the higher levels to be released for the benefit of learning new things; this being the key to all learning. Feedback refers to an ongoing process of comparing the work and the results of action with the goals, and also, to a possibility to make corrections when necessary.

Figure 1 shows the scope of action at the intersection of the objectives, interests, duties and responsibilities of both an organization and an individual, which often are in conflict (Leitner 1999; Ulich 2001: 175, 190). Volpert (1990), among others, states that by arriving at his social point of reference, he reached an area that can be called the boundary between the immediate

scope of action of an individual and the area of the interests of an organization, which is where the theory stops. This 'no man's land' and its use as an aid in analysing organizational dynamics lies in the focal point of this study.

The scope of action includes the following elements, which all influence one another: The phylogenetic need of an individual for autonomy; the material element; the self-expressive dimension of work, concerning intrinsic satisfactions; and the impact work has on identity. Daudi of the organizational researchers has used the term scope of action, and he has described it as the phylogenetic strive of an individual for freedom of action and for the pursuit of his/her own interests (Daudi 1984: 163-64, 286-88). As strategic means in these endeavours, the individual resorts to hiding his/her predictability and to coalitions that are beneficial in the prevailing circumstances. Daudi also sees the scope of action as an instrument of power: It is used as a tool and an object of trade when bargaining for benefits with other interested parties in the organization (Daudi 1984: 342-43). Borrowing the term scope of action from Daudi, Holmer-Nadesan (1996) applies it, as she analyses the struggle of individuals who strive to protect their identity under pressure created by several conflicting discourses.

Watson (1980: 64-8) does not use the term scope of action, but he distinctly highlights the material element the scope of action includes. He sees a conflict of principles between employees and employers: Employees sell their labour and give up their personal autonomy for the compensation offered by the employers, and do this while trying to minimise effort and to maximise personal payback. Employers, on the other hand, attempt to maximise their payback by utilizing the potential they pay for as efficiently as possible. Watson draws attention to two different types of contract. The official contract of employment (explicit contract) covers only matters that are most relevant at the time the contract is made. The contract evolves as new practices are established, yet changes in it are explicitly agreed upon only rarely. As time goes by, the employee starts to interpret that the non-material benefits of the work (among others autonomy, mental satisfaction, breaks, a possibility to attend to personal matters) are included in the contract. Thus, an implicit contract is formed, it in a sense being the expression Watson uses for describing the subjective scope of action of the action regulation theory (see Figure 1).

The action regulation theory focuses explicitly on the self-expressive aspects of work. The questions concerning identity and work have been extensively covered by Casey (1995), Knights and Willmot (1999: 52-4), as well as Thompson and McHugh (1995: 327-58) among others, and from the perspective of occupational cultures in particular, by Trice (1993) and Van

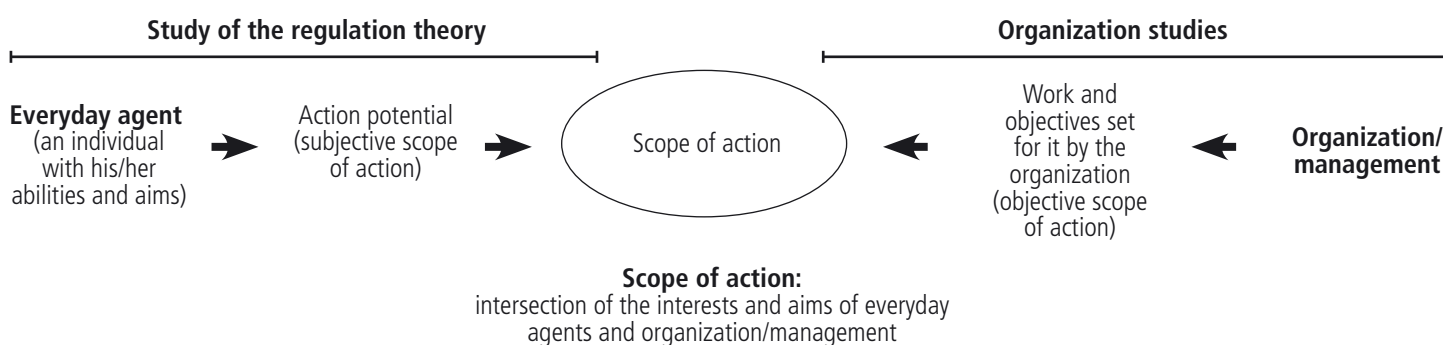


Figure 1. The focus of the study

Maanen and Barley (1984), to mention some. The wide array of problems concerning identity can be addressed here only when it comes to the professional identity of journalists, as it appears in the empirical study.

Academics skirting the scope of action

Some well-known scholars in organizational studies can be interpreted as referring to the scope of action, although different expressions are used. Clark (2000: 83) states that '...are [the case studies in strategy] therefore overplaying the capacities and freedom of movement available for most persons'. Hardy and Clegg (1996) skirt the concept as they reflect on power: 'The gap between the capacity to labour and its effective realisation implies power and the organization of control. The depiction of this gap is the mainstay of some Marxian traditions of analysis, particularly of alienation. ... Management is forever seeking new strategies and tactics through which to deflect discretion'. Also Grint (1991: 131-32) recognizes the scope of action in the relations between the management and those who are managed: In order to gain power, the management must lead those who are managed into action, and this provides those who are managed with an opportunity to interpret their circumstances and interests when they decide on their actions. It is interesting to notice, that scholars in the field of critical discourse analysis also refer to the scope of action in their own way (Fairclough 2005; Phillips 2003). As Phillips states: 'The result of these limits of discourse [one discourse against another] is a substantial space within which agents can act self-interestedly and work towards discursive change that privileges their interests and goals'. Fairclough, on his behalf, mentions 'the latitude available within the 'pattern' of organization for variation in habits of action'.

Also Reed (1997) implicitly refers to the scope of action, as he writes on social agents and '...their attempts to defend or enhance their assets within enduring hierarchies of economic, political and social power'. In the previous quote, Reed hits the core of the organizational dynamics included in the scope of action: People strive to retain their scope of action or to widen it, and in these pursuits they are faced with the interests and objectives of the organization, and also with the notion that an increase in efficiency is a built-in feature of the capitalist system (Watson 1980: 67).

The previous notions of both Reed (1997) and Watson (1980: 64-8, 115-16) can be reduced, using the concept of the scope of action, as following: People try to maintain and widen their scope of action – whether in terms of the instrumental (pay check, working hours, strain) or the self-expressive (job satisfaction, personal challenges and development) value of their work (see also Fox 1980). In this, they are met with organizational control: An organization accepts only those changes in the scope of action which improve efficiency and thus increase the financial outcome of the company. Volpert (1990) states that organizations are oversensitive to workers' aspirations for expanding their scope of action. He talks of a paradox in the discourse on motivation: Initiative and enterprise are emphasised, yet when individuals start to show these qualities, they are met with a constraining reaction on the behalf of the organization, as the qualities are seen to pose a danger when it comes to coordination (read: supervision). According to Volpert, capacity of action is created, while at the same time obstacles for action are set.

The scope of action is a particularly sensitive area for companies undergoing a transitional process. People put up resistance, when they feel that changes – along with possible threats – are aimed at the scope of action they have secured for themselves

during the course of their employment. (Daudi 1984: 321; Watson 1980: 236-38, 252-57). Watson (1980: 253) sees this as natural, although resistance to change in the lower levels of an organization is often considered as neurotic behaviour or irrational conservatism. An organization responds to individuals' pursuits of widening their scope of action by supervision, which relies on power. In the intersection of organizational and individual interests, the scope of action also is an arena for power struggle, expressively described by Daudi as 'the power of the discourse, and the discourse of the power' (Daudi 1984: 336). No matter how adverse the conditions, people have nevertheless always shown amazing persistence and ingenuity, when it comes to taking hold of their scope of action — no wonder this is also the case in modern organizations (Holmer-Nadesan 1996; Salaman 1979: 146, 151). Even the most sophisticated methods of control have their weaknesses: Rules are required in supervision, but these can never cover all instances, thus leaving room for adaptation, which people take advantage of in order to expand their scope of action (Clegg 1998; Grint 1991: 131-32; Hardy and Clegg 1996).

The scope of action is not static: If an organization takes back an expansion in the scope of action of an individual, a search for new boundaries begins instantly. The scope of action is also relative: That which constitutes as a wide range of freedom of action by some is considered limited by others. Also, people in different life situations and ages have different notions of their scope of action; and the overall state of the organization (mergers, re-engineering, and changes in general) also affects the ways in which threats concerning the scope of action are experienced. Depending on the interpretation of situations and the threats they pose, people favour either the collective or the individual scope of action (Daudi 1984: 208-10).

Basic assumptions and method

In the study this paper is founded on, the basic assumptions, or the paradigm, were selected based on the purpose and the aims of the study, as well as on the orientation of the researcher (Tsoukas and Knudsen 2003). According to Mills (2001), Morgan, who emphasises the incommensurability of paradigms, has also identified an 'osmosis' between paradigms, as a researcher moves in his/her 'intellectual universe'; yet the researcher must state his/her position clearly for the sake of the academic community and the readers.

Guba and Lincoln (1994) regard ontology, epistemology and method as links in the chain of basic assumptions and as the logical order of selection, the first link in any case being the purpose and the aim of the study (Kelemen and Hassard 2003; Scherer 2003; Westwood and Clegg 2003), which include the question: Whose point of view is applied while conducting the study? (Jermier 1998; Wicks and Freeman 1998). The article by Adler (2002) on the matter is aptly named 'Critical in the name of Whom and What'. Also, the concept of human nature as it is defined in the study must be added to the chain (Burrell and Morgan 1979: 6). The deduction pattern of the author is shown in Figure 2.

The aim of the study was emancipatory from the viewpoint of journalists: It focuses on the ways in which an organization with its structures, practices and power mechanisms either restricts the scope of action of journalists, or prevents them from realizing that they themselves contribute to the 'freezing' of practices that are unfavourable to them.

Neither understanding nor the emancipation that follows it can be attained, if the present state is not described and ana-

lysed. An institutional perspective proved indispensable for getting a hold of the practices and beliefs established during the 100 years of the company. It may be typical for the practical phase of the research process that empiric research and theory intertwine: The institutional perspective was applied to support the theoretical construction only after the first weeks of observation, as mentions of the institutional character of a regional newspaper kept coming up in literature concerning the subject enterprise. A regional newspaper enterprise seemed however to fit well in the criteria set by Hatch (1997: 83), regarding the use of an institutional perspective in organizational studies: There are significant barriers to entry in the business, it is controlled by few major agents, and its operations are regulated by laws or other public norms that are commonly accepted. After the study was conducted, confirmation for the usefulness of the institutional perspective was provided by an article by O'Leary (2003), which gives an example of the isomorphism of the institutional perspective (DiMaggio and Powell 1991b), and also an example of a regional newspaper as a 'social institution'.

The purpose of the study, as well as the position of the subjects, directed the author towards a critical perspective: Critical management studies traditionally start from the viewpoint of others than those in the managing positions – and usually of those, who in one way or another are in a subordinate position, and also, often unaware of it themselves (Adler 2002; Johnson and Duberley 2000: 129; Nord 2002). As Jermier (1998) puts it: "Thus, the inescapable question for a critical theorist is: Whose side are you on?". Antonacopoulou (1999) reduces the CMS to one common nominator: - - - 'despite the reflexive mode of the critical approach, one element has remained unchanged within critical theory over the years, its focus on people.'

The ontology of the study is critical realism (Ackroyd and Fleetwood 2000; Clark 2000: 76-5; Fairclough 2005; Sayer 2000: 11-2). According to critical realism, even the social reality and the causal forces it contains exist independent of us, yet people by their actions can have an impact on the structures. Causality does not stand for a direct cause-effect relationship, because several interfering variables, the actions of the agents as the most important, affect the consequences. Critical realism seemed to be well suited for the purposes of practical organization studies, particularly when a specific point in time is concerned: People enter as agents into an organization, where structures and relationships often go back a long time (Ackroyd and Fleetwood 2000; Johnson and Duberley 2000: 150-75; Reed 1997). The ontologies of the critical and institutional perspective do not conflict with critical realism: They all explain the evolution of structures in their own way, yet up to this point institutional studies have shown little interest in raising an awareness which would aim at creating changes in the structures (Guba and Lincoln 1994; Reed 1997; Willmott 2003). The material impacts of social structures cannot be ignored in studies which focus primarily on agents, and these material impacts reflect the realistic ontology: One who has been fired can hardly regard the organization only as a discursive creation (Ackroyd

and Fleetwood 2000; Tsoukas 1994).

The epistemology of critical realism emphasises the notion, that the social world is constructed in an open system, where positivist methods, which are based on law-like regularities, do not apply. Due to the emancipatory nature of the approach, a researcher who applies critical studies assumes and makes public the values that are being advocated while interacting with the subjects. (Adler 2002; Alvesson and Deetz 2000: 1-3, 131-34, 151-53; Jermier 1998; Johnson and Duberley 2000: 190-92; Watson 1980: 226-27; Wicks and Freeman 1998). Social phenomena are born of the meanings people give them, and they cannot be measured by any scale. The phenomena can be described and explained, and being dependent of conditions and contexts, also understood to some extent. The ontology of critical realism rejects naïve realism but also the post-modern interpretation: A social reality does exist, and it is socially constructed but not merely socially constructed (Ackroyd and Fleetwood 2000; Fairclough 2005; Fleetwood 2005). Based on this notion, subjectivist epistemology can, according to the conception of reality in critical realism, be connected to realistic ontology, contrary to the 'orthodox' definition of the paradigm by Burrell and Morgan (Johnson and Duberley 2000: 179-90).

The epistemology of the study leads to an idiographic method (Burrell and Morgan 1979: 1-7; Guba and Lincoln 1994). The method of collecting material that was regarded as best suited for the study addressed here was ethnography: Following the old ethnographic tradition, the researcher took to the field in order to look around and ask questions (Alvesson and Deetz 2000: 75-6; Atkinson and Hammersley 1994; Thomas 1993: 10-2).

Theoretical reflections on the basic assumptions of the study, together with feedback from the field work, led to the basic construction, or the paradigm, shown in Figure 2 (Guba and Lincoln 1994; Johnson and Duberley 2000: 8-9, 68; Kelemen and Hassard 2003; Mills 2001; Tsoukas and Knudsen 2003). Also in this case, one must take into account that researchers do not end up in their paradigms objectively; they cannot escape their scientific 'penchants' (Mills 2001) or personal biographies, which at least subconsciously have an impact on the study due to the values and attitudes they contain (Alvesson and Deetz 2000: 3; Johnson and Duberley 2000: 175-79; Tsoukas and Knudsen 2003). When constructing the paradigm, I found that power, emotions and trust are not among the topics that attract most attention in organizational studies; when supplementing to these topics, the author has been 'do-it-yourself men' (Tsoukas and Knudsen 2003: bricoleurs). My sources, when dealing with the problematics of power, have among others been Clegg (1998), Daudi (1984), Grint (1991), Hardy and Clegg (1996), Mumby (2001), Salaman (1979), Seier (2001) and Watson (1980). Regarding emotions, the author has turned to Fineman (1996) and Freese (1990), among others. The basics of trust have been acquired from articles in compilations by both Kramer and Tyler (1996) and Lane and Bachmann (1998).

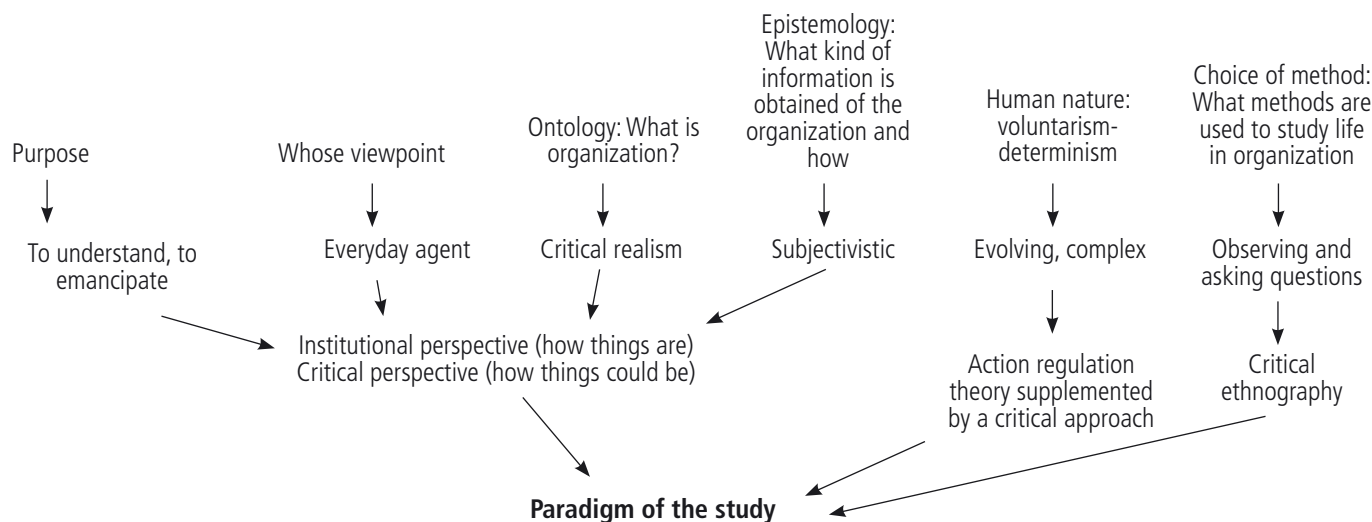


Figure 2. The deduction chain of the paradigm

The empirical study

Due to the emancipatory purpose of the study, the approach that was applied was critical ethnography, such as described by Thomas (1993), for example. Also Alvesson and Sköldbberg (2000: 135-45), relying heavily on Thomas, have laid the basis for the approach used. Alvesson and Sköldbberg present the triple hermeneutics applied also here: Simple hermeneutics being the interpretation of a person of him/herself and of the social reality shared by individuals; double hermeneutics being the interpretation of a researcher when striving to understand the reality as interpreted by individuals for themselves; and triple hermeneutics including, along with the previous, a critical interpretation of unconscious processes, ideologies and power relations – the chapter usually missing in the agenda of the mainstream studies.

Fieldwork in 2004 consisted of observation, interviews and discussions in several kinds of contexts. Also written material was used, the 100-year history of the company being the most fruitful among it, as it presented concretely the institutional character of the newspaper. Other written material to be mentioned included staff magazines, annual reports, business brochures, staff registers and publications regarding the newspaper business.

The primary observation period lasted for six weeks, but the actual presence on site was extended due to interviews and discussions. Considering the long professional career by the author in newspaper enterprises, the observation period can be regarded sufficiently long for the purposes of the study. For comparison and specifications, another regional newspaper was observed for two weeks. The observation started by monitoring the morning meetings of the editorial office and continued until the evening. Due to the tragic terrorist attacks in Madrid (March 11th, 2004), as well as during some other hectic news nights, the observation sometimes went on late into night. The days included several discussions with journalists at work: by the coffee machine, at lunch, in the smoking room; with a cultural reporter in a town orchestra concert; as well as with some journalist informants on 'no-man's land' in the evening. The observations were recorded in a diary.

The interviews were semi-structured theme interviews, and they took place in the conference room of the newspaper com-

pany. There were nine journalists interviewed, representing different age groups and both sexes. The interviews that were taped were conducted twice: For the first time, at the end of February in 2004, for the second, in October 2004. Both interviews lasted for approximately one and a half hours.

The 'catalytic' leading questions for the first interviews were created on the basis of the characteristics of good work (Volpert 1990) as presented in the action regulation theory, but previous observation had already supplemented to the outline based on the theory (on the significance of theory in ethnographic organization studies, see e.g. Ackroyd 2004 and Alvesson and Sköldbberg 2000: 135-36). The leading themes constituted of autonomy, feedback, command of work as a whole, variation and versatility, the social and collegial aspects, as well as the meaningfulness of work and learning (Ulich 2001: 104-18, 189-95; Volpert 1990). From outside the theory, mainly from the sociology of work, pay check and material factors (Fox 1980; Watson 1980: 64-8), continuity of work (Herriot et al. 1998: 39) and emotional factors (Fineman 1996; Frese 1990; Volpert 1990) were added to the initial themes of the discussion. The selected themes helped in getting the interviewees in touch with the topics of the study with ease. The fact that the interviews could be conducted during working time obliged to speed up the interviews with solid preparation.

The first interviews were transcribed from the recordings, cleansed of so-called expletives, and sent to the interviewees for checking. The second interviews were led with the help of a loose 'manuscript', with both general and personal questions, where conclusions drawn from the observations played a significant role. In the general part, the interviewees were informed of the things which, in one form or another, had come up in all interviews during the first set, and these topics were discussed. The personal part concentrated on examining more profoundly those topics that had come up only in the interview of the person in question, or had come up in a way which differed from the others, and therefore required specification.

As described, the first interviews were begun theory-originated, but towards the end, the emphasis shifted on topics brought out by the interviewees. The form and content of the second interviews varied considerably depending on the person. The second round of interviews proved absolutely necessary for several reasons: The interviewees were given clear feedback on the first

interviews, which further improved the confidential atmosphere for discussion that had been established; new topics that had proved essential could be examined closer, supplementing to the choice of topics based on theory; during the second time, the researcher could make further observations of the facial expressions and tones of voice of the interviewee, as topics previously addressed were brought out in new light and also catalytically, confronting the opinions of the interviewee with those presented by others. The second set of interviews was also transcribed, and comments were asked either by e-mail or by phone. No substantial corrections were made by the interviewees. In the newspaper selected as the reference subject, seven interviews were conducted; for these the leading questions were constructed based on the experiences gained during the interviews in the primary subject company. Almost 500 sheets of written material were gathered by the interviews altogether.

From interviews to themes, from themes to categories

The abundant material acquired by the interviews and observation remained for a long time 'one grey mass', refusing to unfold. Through persistent listening and reading, the statements started little by little to find their place in specific topic areas, addressed by working titles in the early phase, and as time went by, in groups which could be called themes. Forgetting the several weeks of 'desperation', the author could write that 'the themes, problems and questions that were interesting from the viewpoint of the study were relatively quickly and clearly discovered in the material'.

The following 19 themes were identified in the material:

Autonomy	Ownership
Company image and changes in it	Possibilities to have influence
Economical depression	Producer and outsourcing
Editorship (the 'mission' of a journalist)	Power (discourse of change, economical depression, incentives)
Emphasizing national perspective	Professional pride
Feedback on work	Scope and potential of action (of job description)
Growth	State of the press
Identity as a non-official	Tendency towards entertainment
Isomorphism of the newspapers	Trade union of journalists
Micro politics of power	

Themes were combined and some titles were changed for more descriptive ones. Figure 3 shows the themes and sub-categories, which merge into two main categories describing the scope of action of journalists. As can be seen in the figure, the themes could be divided according to the way they affect the job and working, either directly or indirectly: The former was called editorship, the latter, context of action. The main category of editorship was formed, when the themes directly relating to work had been separated into two groups, which were called the sub-categories of professional identity and characteristics of good work, while their qualifiers were called dimensions. The title 'editorship' was born in a manner typical to field work: Expressions gathered under the working title "mission" began to take on concrete and cohesive content during the analysis of the material, but the common nominator was still missing. As the interviews were time and again interpreted, an answer given by

one of the interviewees begun to feel increasingly important. When asked of commitment, the journalist replied: 'It definitely is the editorship I'm most committed to'. It did not take long before editorship was the only 'correct' title for this main category!

Out of the ten themes grouped in the main category of context of action, five sub-categories were formed: (1) the depression of the 1990's and its after-effects, (2) the ownership of newspaper enterprises, (3) interpretations of the newspaper business and the state it is in, (4) power, and (5) producers and outsourcing as fads.

Interpreting the results

Editorship

The characteristics of good work -sub-category of editorship corresponds to the established concept of the scope of action, which in the action regulation theory is referred to by the German terms *Handlungsspielraum* and *Tätigkeitsspielraum* (Hacker 1986; Ulich 2001). *Spielraum* as an expression is, linguistically speaking, to the point, as it translates literally as room for manoeuvre. The terminology, however, is miscellaneous: Expressions *Freiheitsgrad der Handlung*, or freedom of action, and autonomy (also in Germany) are used, although autonomy is one of the dimensions of the scope of action (Hacker and Richter 1990; Oesterreich 1997; Semmer 1990; Ulich 2001: 191-95). In occupational psychology, the word control is internationally used (also in the form job control), and in the same meaning as the widely understood scope of action (Frese 1989; Johnson 1989; Miller and Birnbaum 1989; Oesterreich 1999).

Investigating the connection between the strain of work and stress, Karasek (1981, 1990) refers to the same concept by the expression job decision latitude. The characteristics of good work -sub-category, illustrated by the previous different denominations, comes in the case of the study very near the situation, where the subjective and objective scopes of action coincide: The journalists are happy with their expectations regarding their work, as well as with the working conditions, not counting feedback, the handling of which had reached a deadlock situation in the subject company.

As to feedback, three different types could be clearly distinguished: feedback from the management, the colleagues and the readers. The two latter can be passed by mentioning that both were seen to come up very rarely. Considering the fact that the paper has more than 200000 readers, it was amazing that the journalists felt that they hardly received any feedback from them. This is a good example of the ceremonial nature of certain things, for the staff magazines bursted for several years with articles emphasizing customer orientation. Feedback from the colleagues was scarce – and not too heartily missed either. This seems weird, as it is generally believed that in expert professions feedback and support from the colleagues is particularly important. When more profound inquiries were made in the matter, it did however come up, that feedback and support from the colleagues is received within the closest work community during the course of work routines – and it is so natural, that mentioning it is overlooked even when asked. Feedback from the colleagues is, however, by no means extensive, leaving an obvious source for enriching the work untapped.

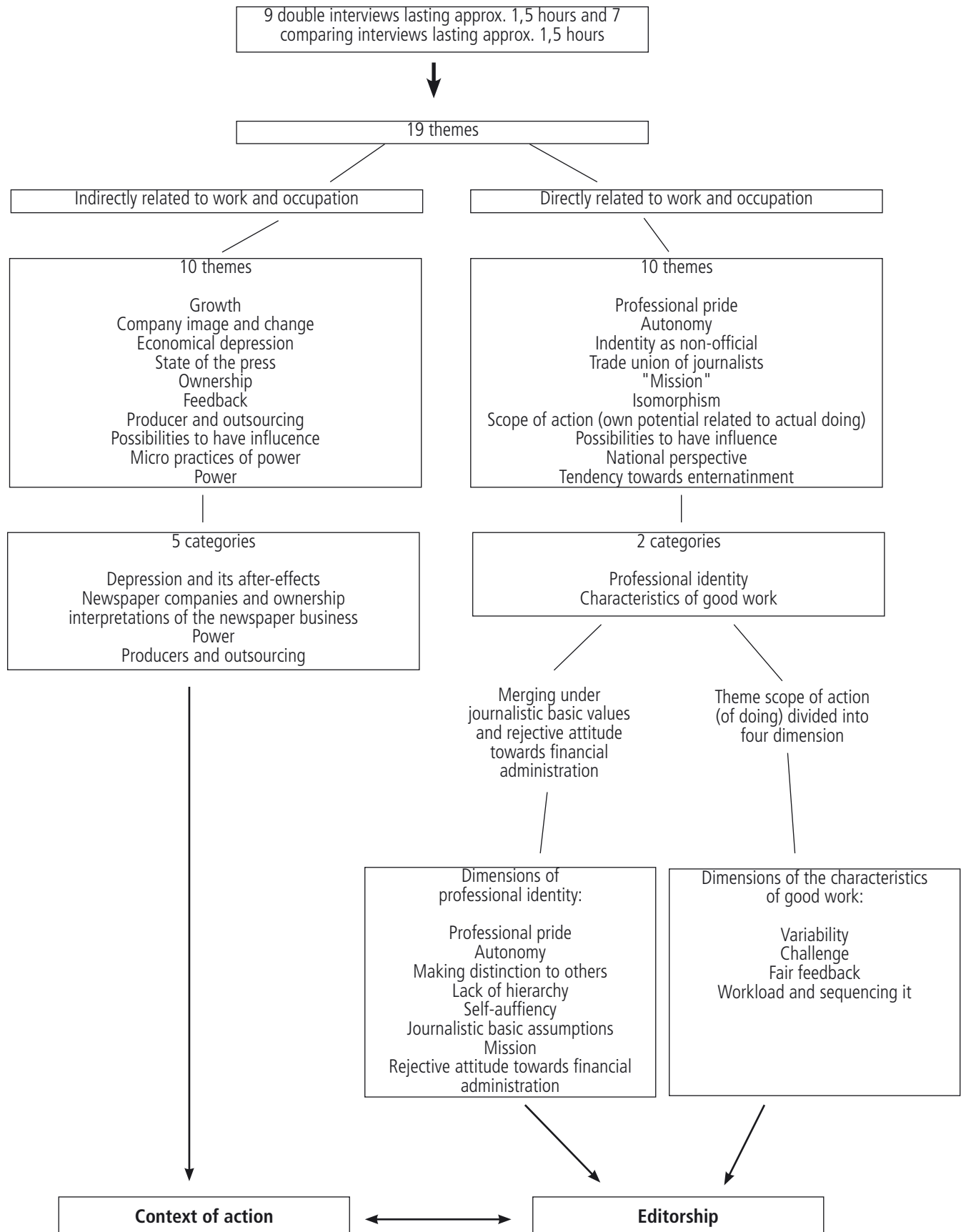


Figure 3. From themes to categories

On the other hand, when it comes to feedback given by the management, the study did provoke some thoughts. Two significant features could be noticed regarding problems related to feedback. First, that some academics see feedback, along with autonomy, independent of other factors, meaning that a 'surplus' of positivity in other factors does not compensate for the weakness of autonomy and feedback (Ulich 2001: 104-08). Secondly, feedback proved not only to be feedback on work, but a form of exercising power. In the morning meetings, which were called 'morning devotions' by one of the interviewees, brickbats and bouquets were handed out – and mostly brickbats. Those giving the feedback, the managing editor and his closest assistants, could, by formally evaluating the work, and in a 'neutral' way, show to whom the right to be right was institutionalised (Alvesson and Deetz 1996; Clegg 1998; Hardy and Clegg 1996; Marsden and Townley 1996; Seier 2001). At the same time, the content of the newspaper and the manner in which it was edited could be directed as wanted, without having to make specific decisions that could have aroused criticism or at least conversation. When giving nominal critique on the stories, the management of the editorial office could also, cloaked in the guise of criticizing the story, express their opinions on the journalists (the so-called face value). The journalists did not name this to be a question of power – and 'power is most effective when it is unnecessary' (Hardy and Clegg 1996). Irritated facial expressions and emotional comments revealed clearly, that the journalists sensed the exercising of power, which was hidden in the guise of feedback, the manoeuvring of their work, and an attempt to make them vie for favour. The meetings were educational also in other ways: As important as it was to listen to what was said and who said it, it was to see who never said anything, what were the expressions like on the faces of those listening to what was said, and who were not present – ever.

Another problem area concerning the way editorship was experienced was the dimension of journalistic basic assumptions. Some of the journalistic basic assumptions or values are based on institutionalised rules and practices: The Freedom of the Press Act, international guidelines and ethical norms, and in Finland, the Council for Mass Media with its resolutions form the basis for the good professional practice for journalists. The good journalistic practice includes specific features depending on the type of the newspaper, as well as on the regional and other agendas of a paper. The journalists in the subject paper saw, that the paper has, during the past few years, clearly and intentionally been led in three directions, which are criticised by the journalists: The paper is being turned into a more entertaining one, nationality is emphasised at the expense of regionality, and appearance, at the cost of content, has become a way to please the readers. If the conflicts concerned only factual matters, they could be resolved through discussion. The problem, however, is more profound: The conflicts are not merely 'technical', for resisting the tendency towards entertainment and superficiality is, for journalists in regional newspapers, one aspect in building their professional identity, and to this end, a distinction is made between the home paper and others, mainly afternoon papers and tabloids (Russo 1998). When it comes to the identity of the journalists, the management can hardly create changes by, for example, instilling a new organization culture (Alvesson and Berg 1992: 182-83). When the conflict is prolonged, there is a danger of a phenomenon that can be compared to alienation, which Richter (2003) calls 'inner resignation' (orig. German: *Innere Kündigung*).

No problems were noticed regarding autonomy, which is often described as the most important goal for journalists (Beam

1993; O'Leary 2003; Pollard 1995; Russo 1998). Even if this were true, we must remember that journalists, to start with, perceive their autonomy within the framework of their own professional culture and the institutionalised traditions of the paper. As stated in the previous paragraph, autonomy can also be restricted by feedback inconspicuously, in a manner which resembles brainwashing. Journalists throughout the world are particular of their autonomy also when it comes to the marketing department and any attempts to interfere by outside forces (Gade and Perry 2003; O'Leary 2003). In the case that was studied, the journalists felt that both the management of the paper and the journalists had been able to maintain their freedom of action well in this aspect.

Disregarding other details, it can be concluded that, apart from the problems addressed previously, the journalists were content with the way their editorship was realised, and this was confirmed by a limited survey for the interviewees, conducted during the study, in which also commitment that had become a fad was studied. No-one admitted being committed to the publishing company, and only few to the paper. Everyone stated that they were primarily committed to their work, and after that, to their work community. In this study, job satisfaction was the result of three interrelated factors: satisfaction from work, professional pride, and sense of duty, which came up distinctly during observation, and which O'Leary (2003) in her study has called 'a greater sense of responsibility'. Referring to the lately popular discourse on trust, it must be stated that this feature, persistent in Finnish working life, is more than readily interpreted as trust by the management (Sievers 2003).

Context of action

According to the study, editorship is the scope of action, which the journalists themselves strive for: To be allowed to express oneself without restrictions from the organization or any outside forces, and also in reasonable conditions and under tolerable working pressure – while being paid once a month for this self-expression (cf. Daudi 1984: 309).

Editorship is however also dependent on structures, which in this study were called context of action as the second main category. Context of action refers to the structures and practices, which limit the scope of action wanted by journalists, but also create premises for action. The context of action is an extensive complex, which includes the branch of business the company operates in and its business logic; the publisher organization with its resources, relations and practices; and the editorial office of the newspaper as a sub-organization within the publisher organization.

Within the context of action, also present time phenomena were addressed; of these, the 1990's depression of the Finnish economy surprisingly became one of the most important findings in the study. The depression came up already during the first interviews, although by economical indicators, the depression should have been passed no less than ten years earlier, and in the 100-year history of the subject company, published in 1998, it is stated that 'the paper got through the depression with only a scare'. Depression with its causal forces is a typical example of such a social phenomenon, as described by the terms of critical realism: The events it causes and the way they are experienced depend on the substratum the context provides. The journalists saw that the depression had been used as a deterrent and an instrument of power at least in the following 'actions for securing efficiency and profitability': The selling of copyrights to the publisher company (to ease the exchange of stories between papers), outsourcing projects (a producer system, where

producer-journalists can easily be 'persuaded' to become entrepreneurs), and the first lay-offs in the history of the company in 2002. Although no journalists were laid off, they were led to understand that 'the depression can come again, and in that case also the strength of the editorial office must be considered.' The selling of copyrights (and also those of the future generations of journalists), which had been established as a part of professional identity in Nordic newspaper culture, for a small lump sum compensation was explained by the elected representative of the journalists, using the typical defence mechanism of rationalisation: 'We didn't want to slow down the development.' To be labelled as resisting development belongs to the managerial rhetoric, which is used to fend off potential inquiries as to from whose viewpoint 'development' is defined, by provoking guilt beforehand (Salaman 1979: 171-82).

The depression was an instrument of power that could be easily identified. In several micro practices, however, power was hidden – also from the journalists (Clegg 1998; Daudi 1984: 340-42; Seier 2001), and some of those micro policies are mentioned here. The incentives system based on individual rewards that had been applied was, according to the interviewees, based on a favourite system, and it disregarded the fact that the paper is every night the result of collective work – and wage has forever been used as an instrument of power. Many decisions on financially insignificant matters (turning down dictating machine - and other small acquisitions, postponing the acquisition of graphics programs which would make working easier, skimping in educational expenses) were among the things where it was nice to show and wield power – although at the same time, the paper, which was among the most profitable in Finland, had paid hundreds of thousands of euros to consultants for a strategy project, and bought small printing houses and free distribution papers for a million euros. The latter strategy for growth, "the one which was agreed on together", had been named as a prerequisite for the strategy project by the management (Alvesson and Deetz 1996; Knights and Morgan 1991; Levy et. al. 2003; McAuley et al. 2000).

The last-mentioned of these is related to an essential aspect of the context of action: What is the business logic in the business in question and who defines it? It came up in the study, that business logic and the basic forces affecting it were not even addressed when strategy was discussed. Although the core of the business logic of a regional newspaper is market dominance, nothing was spoken of it, nor threats aimed at it. Also the journalists had institutionalised the interpretation of the business, along with the definitions of strategy, to the sovereign competence and authority of the management (Alvesson and Deetz 1996; Knights and Morgan 1991).

In the study, it was unambiguously perceived, that journalists are not even interested in taking part in the interpretation of the business and the potential changes in it. Thus, the journalists did not realise themselves, that the context and its interpretation play a crucial role regarding their own scope of action. In the terms of the study, it is a question of the dichotomies structure-agency and determinism-voluntarism. Context is an important intermediating and influencing mechanism, because people perceive their context and the possibilities and limitations of action it provides within the framework of their individual interpreting resources: There is a certain amount of freedom of action, but people's capability to see 'how things could be' instead of 'how things are' varies greatly (Cruickshank 2000; Sjöstrand 1993a).

The study reflected on the reasons why journalists, voluntarily, leave all interpretation of context to the management, and

by doing this give up a significant part of their scope of action – and the determining of the future prerequisites of their job. One reason for this must be the contempt of all economical and administrative matters, or bureaucracy, by which professionals prop up their occupational identity (McAuley et al. 2000). Other reasons can be sought in the defence mechanisms of identity; features of rationalisation, denial, rejection and even intellectualisation could be detected (Aronsson 1990; Casey 1995 *passim*; Sjöstrand 1993b). Defence mechanisms, referring to discussion on burn-out, are also a resource: People can use them to maintain a feeling of control (Aronsson 1990). The author, however, started to call this even somewhat fatalistic attitude 'the Willmott phenomenon', as he had during the course of the study come across an article by Willmott (2003), where he writes: 'Employee hostility towards, or scepticism about, participation schemes is then viewed, from the standpoint of critical science, not as evidence per se but, rather indicative of institutional relations of dependence in which employees have been historically excluded from participation in key decisions.'

Discourse of change, a phenomenon churning in most enterprises these days, was classified under the context of action and its category of power. Despite the wide usage of the word discourse, it is ill-suited in this case, as there is only one active party in the discourse: The management talks and the journalists listen (as expressed in the study, 'take blows hanging in the ring ropes'). Discourse of change resembles a Tibetan rosary: It does not begin or end anywhere. Discourse of change does not even want to deal with concrete issues: A consensus could be reached by dialogue, but this would mean losing the key element in the discourse of change – power. The needs for change are explained or specified no more than the actions – one simply must change; like putting a number on people's backs as in a race and telling them to run for their lives without telling them in what direction or for how long, running only for running's sake. One of the interviewees expressed the discourse of change and the power included in it to the point:

It seems to be the goal that everyone stays on their toes, and at the same time this everyday work is being turned into such extreme business, that only a chosen few have the knowledge necessary even to master the terminology...

The statements of the management in staff magazines, annual reports and interim reports contained also typical banalities in consultant jargon, which, according to journalists – like all professionals in general – belong in 'semi-journalistic' publications of economic entertainment, if they must belong somewhere:

We can't turn back the clock.

We must run faster to even stay in this place.

The rest of the world won't stop if we hit the brakes.

The slow get eaten by the quick.

The only thing that is permanent is change.

If you don't grow, you die.

The interpretation of the context of action is an essential aspect of power. As Mumby (2001) states:

Sense making is not simply the product of mutually shared assumptions and interpretive procedures, but rather is shaped by the political context in which it occurs. Sensemaking and the creation of intersubjective structures of meaning exist in a dialectical relationship with organizational relations of power. Organizational power is defined in terms of the ability of individuals and groups to control and shape dominant interpretations of organizational events.

Quoting another scholar, Mumby writes:

One of the most interesting features of this research [Gephard 1992] is the extent to which dominant, institutionalized mean-

ings appropriate and thus neutralize alternative, oppositional interpretations of events.

There seems to be an unwillingness and also incapability institutionalised in the professional culture of journalists even to attempt the oppositional interpretations mentioned in the previous quote. In this way, the power of the management preserves and grows within the institutionalised everyday routines that are accepted without question.

Context of action and voluntarism

The action regulation theory, which plays an important role in this study, includes a clear definition of the human nature: An individual is capable of development and evolves in and by his/her work. The paradigm of radical humanism by Burrell and Morgan, which forms the foundation for the critical organization studies, is weighted towards voluntarism in the voluntarism-determinism dichotomy (Burrell and Morgan 1979: 6, 32-3). It is interesting to see that for example Grint (1991: 17) uses the dichotomy deterministic-interpreting; is the word interpreting chosen, because voluntaristic has felt too strong in the present-day working environment? Although this study is emancipatory in its aims, even the term interpreting for describing people's pursuit towards preconditions for self-determined action seems bold in the light of this study.

In a key role regarding voluntarism lies the prevailing context, in which people's active actions take place (Cruikshank 2000). The agents can influence structures that limit action and create possibilities for it, both discursive and non-discursive, through their context, which is the organization and its relations (Ackroyd 2000; Ackroyd and Fleetwood 2000; Fleetwood 2005; Porter 2000; Pratten 2000; Reed 1997; Reed 2003). Research supports the usefulness of critical realism in this kind of a study: 'People make their own history but not in the circumstances of their own choosing' (Sayer, quoting Marx, 2000: 115). Different theories in practical research use different expressions for structures which appear similar, according to their approach: According to the critical theory, social structures are man-made constructions, but as time has passed, they have petrified (historical realism) into ones sustaining an imbalance in social power relations (Guba and Lincoln 1994; Willmott 2003); critical realism comes near the conceptions of the critical theory, but does not carry as distinctly the political stigma of the critical theory, which dates back to the 1930's — with its layered ontology, it focuses on the causal relations of institutionalised social structures, intermediating mechanisms and people's experiences (Clark 2000: 68-82; Sayer 2000: 11-20; Tsoukas 1994); according to the institutional perspective, structures are the result of institutionalisation — people act as they are supposed to act (Scott 1995b; Sjöstrand 1993a; Sjöstrand 1993b), whether the underlying construction mechanism of institutionalisation is regarded as either coercive, normative, cognitive or isomorphic (DiMaggio and Powell 1991b; Scott 1995a: 33-62; Sjöstrand 1993a; Sjöstrand 1993b).

Addressing the problem areas of the institutional perspective, Sjöstrand (1993a) poses the challenging questions: 'Is an institution an organization or a system of rules? Does it correspond with ideas of human freedom of action or with more deterministic views?' Also Reed (2003) is sceptical, seeing that realism easily emphasises social structures at the expense of the individual. As all organizations are also institutions in a certain way, Sjöstrand's question can be specified based on this study: What chances do people's voluntaristic actions have in the practices of organizations that are thoroughly institutionalised and under the pressure of managerial rhetoric? Sjöstrand (1993a) joins the

critical view in drawing attention to the way people act within an institutionalised environment: People believe that they are individual actors (cf. Willmott 1993).

As the study started from an emancipatory purpose, it is not easy to get a grasp on the voluntarism-determinism dichotomy. One question, rarely brought up by scholars, cannot here be elaborated further either: To what extent do people really want, despite their alleged phylogenetic need, to do more than what is necessary, i.e. to fulfil the obligation of their explicit contract in order to ensure sustenance for themselves and their families? More than twenty years ago, Fox (1980) stated, that to the great chagrin of sociologists, work for most workers is an instrumental activity, which does not play a major role in their lives and in their self-expression.

A pointless circle of contradictions is also often created: Some claim that people don't even want to participate, and others claim that no difference can be made by participating anyhow.

Conclusion

In the original study, the scope of action of journalists was examined extensively and from several different perspectives within the theoretical framework, and the results of the empirical study were analysed in detail. The study was emancipatory by nature, and it aimed to provide journalists with resources for interpretation, particularly in the dialogue on the context of action with the management of the paper. The application of the results in this aspect has started actively: The author has been asked to act as opening speakers in several regional journalists' meetings. Is the fate of critical research also on a more general level depicted in the fact that no requests have been made by the management of newspaper companies (Fournier and Grey 2000; Parker 2002: 128-33)?

Within the frame allowed by this article, the author has been able to present only those observations, which are interesting from the viewpoint of organizational studies in general, and in particular, from the viewpoint of critical research. The journalists are very happy with their actual work, and their scope of action more or less corresponds to the action potential as evaluated by the journalists themselves. Autonomy, the dimension valued most by professionals themselves, is indeed realised well according to the own estimate of the journalists, but the study showed that it is realised within the 'institutional tube' of the context of action. Journalistic basic values are essential elements of professional identity, now about to end up in conflict with the technical-rational policy of the management. Another problematic dimension of editorship is feedback, made particularly problematic by its use as an instrument of power: The power is hidden in 'objective and neutral' criticism.

When editorship, from the perspective of the journalists, is realised well on the average, does it compensate for deficiencies in the other main category of the scope of action, the context of action (cf. Ulich 2001: 104-108)? The journalists themselves are more or less content, but a scholar examining the situation from a critical perspective cannot be, because he does not focus on what is but what could or should be (Jermier 1998): Editorship and context of action cannot be separated, they need each other. By leaving the interpretation of the context of action voluntarily and entirely to the management, the journalists settle for pursuing editorship within the limits assigned to them by the management — when some of the informant journalists realised this, we began to call the phenomenon 'the doctrine of predestination' when with them. This institutionalised and one-sided right of interpretation includes, hidden and invisible, also

power — power being most effective, when it is not even noticed (Daudi 1984: 234; Hardy and Clegg 1996; Mumby 2001). The interpretation of the context of the subject enterprise echoed a description by Knights and Morgan (1991) in their article on strategic discourse: The management of a newspaper enterprise interprets threats in the business, and based on this creates strategic questions, which no-one else can answer but themselves; other parties remain in the role of spectators.

The interpretation of context is important from the point of view of the journalists, because the resources of a newspaper enterprise are allocated on the basis of the interpretation of the prospects for development and the strategy process that is based on it: how much is invested in the paper and how much in other operations; what kind of salaries can the company afford to pay; how much is invested in the education and working conditions of journalists; will resources accumulated during fat years be saved for lean years; is there capital and willingness to fight people's burn-out before it hits, by striving for Volpert's (1990) notion of 'human-friendly work'?

When examining the context of action and the way journalists relate to it, we arrive at the basic questions of critical research. If the journalists themselves are more or less happy with their work and their scope of action, why seek interpreting resources for the dialogue promoting change? When we look for answers for the question, the weakness of the critical studies conducted so far is revealed: Research conducted within the walls of academic chambers, being often valuable per se, has mainly been conceptual, paying very rarely attention to the needs and opportunities of an 'ordinary' agent (Alvesson and Deetz 1996; Alvesson and Deetz 2000: 207-10; Clark 2000: 82; Marsden and Townley 1996).

As Antonacopoulou (1999) states, critical studies focus on people. But what is it that people want or have been led to want — as asked already by the Frankfurt School (Macey 2000: 139-40)? Critical researchers should not draw on questionnaire studies on job satisfaction, which have been repeated for decades (Frese 1990; Fineman 1996), but they must lay their basis on what they think is right (Jermier 1998; Wicks and Freeman 1998). Researchers must not settle for merely recording what they hear, they must be able to bring out even that which the subjects are unable to express in words: A critical researcher must make heard the voices of those who have been silenced and those who keep quiet.

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One of the most important basic assumptions is, whether human-friendly work, development and self-expression have value per se, or are they pursued only if they are believed to improve efficiency (Schallberger 1990; Volpert 1979). The action regulation theory and the critical theory meet in the notion, that the former very explicitly (Karasek 1979; Kohn 1980; Oesterreich and Volpert 1999; Ulich 2001: 145-48, 467-72; Volpert 1982) and the latter at least implicitly (Adler 2002; Alvesson and Deetz 2000: 8-9; Alvesson and Willmott 1996: 37-40, 188-91; Jermier 1998; Thomas 1993: 3-9) believes, that positive experiences people have in work have a positive influence on both their physical and mental well-being, and also on their lives as well as their inputs as individuals who build the society.

Another important question is, whether we consider acceptable organizations' aspirations to change people with the commitment jargon included in corporate culture, strategy projects, lifetime learning and other managerial fads: Can 'Systemwelt' colonise the 'Lebenswelt' (Burrell 1994; Jermier 1998)? This is one part of the contemporary phenomenon, which Alvesson and Deetz (2000: 209) call 'managerialisation of the world', and to which they see critical research to be an antidote.

Managerialisation is one element in the discourse, in which the themes include globalisation, competitiveness, productivity, job enrichment, change, lifetime learning, TQM, QWL, and so forth (Alvesson and Deetz 1996). Managerialisation, which has taken over also the public government, is a breeding ground, where the social and financial elite have a typical hegemony (Alvesson and Deetz 2000: 87-8; Hardy and Clegg 1996; Mumby 2001). Hardy and Clegg (1996) write:

' - - - where a structure of power relations is fully legitimized by an integrated system of cultural and normative assumptions' (Hyman and Brough 1975: 199). According to this view, the ability to define reality is used by dominant classes to support and justify their material domination, thus preventing challenges to their position.

Even the study on a small enterprise presented here gives us full reason to repeat the previously asked question: What are the prerequisites for the voluntary action of an 'ordinary' person under the pressure of the 'iron cage' of the contemporary time? Critical organization studies can answer the question in two ways: either by raising hands up in the air, or by feeling even more relevant than before!

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*The Doctoral Thesis of DscEcon Paavo Lintula (2005), Supervisor Professor Tuomo Takala, University of Jyväskylä, School of Business and Economics, Management and Leadership.

Author

Lintula, Paavo. DScEcon. Email: paavo.lintula@dnainternet.net.