THE WHY, WHEN, AND HOW OF CORPORATE SOCIAL RESPONSIBILITY

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Abstract

Reflecting on the question of who is the principal subject of social responsibility in the business sphere, Greenfield sets out a number of common assumptions among practitioners in the field and tries to dismantle them through a critical review of recent literature. Some of his reflections need to be nuanced from an ethical basis and elaborated upon from a practical point of view. Taking as our starting point Greenfield's conclusion *"there is no such thing as business ethics, only ethics of individual business men and women"*, this article aims to look in more depth at the consequences of regulating personal ethics and referring it to an institution. What will happen if we continue with the current approach to CSR? Is there an alternative way of implementing CSR?

Keywords

Corporate Social Responsibility, Business Ethics, Strategy, Corporate Reputation.

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INTRODUCTION: GREENFIELD´S ASSUMPTIONS

This paper is a consequence of Greenfield's stimulating article. Reading *In the Name of Corporate Social Responsibility* (CSR) has stirred up some ideas from the depths. The author defines three groups that defend CSR, but which start out from conceptually different positions. The first group believes that a company is a person with rights and duties. A second group considers the company to be an artificial legal invention that only has two responsibilities given to it by law: to generate profits for its owners and to obey the law. A third group tries to incorporate CSR into a broad vision of the company's stakeholder groups, as a mechanism for enhancing its relationships with them. Regardless of the perspective adopted, for Greenfield, the way in which the term CSR is being used places a dangerous emphasis on the "irresponsibility" of business. For Greenfield, this arises out of the confusion caused by considering the company as a legal person. A legal person is a person, and therefore should be responsible. And as the opposite of responsible is irresponsible, companies that do not act in accordance with the principles of CSR must be acting irresponsibly. For his part, Greenfield concludes that the rules of the game have not changed. He therefore calls for a return to a more authentic interpretation of those rules. In his view, a practical measure would be to '*restrict the ability of NGOs and MNCs to form alliances that supersede governments in defining what is "good" for people*.' He suggests replacing this by (public) education so that individuals are able to discern for themselves what is genuine and what is mere propaganda. At all events, he says that '*its our job as citizens to require reasonable analyses and good answers from those who purport to know what is right or good for the rest of us*.' Finally, he concludes that responsibility is a burden that can only fall upon people, and that it is artificial to place the organisation above its members.

Recent papers by Hemingway and Maclagan (2004), Angelidis and Ibrahim (2004), and Soares (2003) have focused particular emphasis on the question of responsibility (who is responsible for what) and have tried to clarify the boundaries of both business ethics and CSR. Is a corporation an entity in relation to which we can apply the ideas of moral responsibility such as agency, rationality and autonomy? We feel it is appropriate to go against the tendency to view the corporation as the agent. Individuals can, in fact, make a difference. This is one of the points we will deal with at greater length in this article and on which we will base our discussion in order to take Greenfield's reflections (2004) on the relationship between personal ethics and business responsibility further.

But, what is CSR for us? Consistent with Greenfield's view, and basing ourselves on Von Weltzien (2003), Freeman and Liedtka (1991), Hemphill (1997), Smith (2003), Mitchell, and Agle and Wood (1997), we understand CSR to be a set of practices a company may follow in order to improve its relationships with its stakeholders and to **create value.** Moreover, these practices go beyond the formal requirements normally regulating these relationships or any specific laws that may be in place. It therefore implies a set of **voluntary actions**, and a going beyond the company's obligations to each of the members of its stakeholder group. As it emerges at the **free initiative of the company** it can be subject to ethical valuation and treated as a source of differentiation. If the company is forced to follow these practices by legal imperatives, they lose their effectiveness as a **competitive tool.** It is on this proposed understanding of CSR that we shall develop our reflections.

BROADENING GREENFIELD'S ASSUMPTIONS

Greenfield makes an important contribution whose implications need to be nuanced and elaborated. We believe it is appropriate to look in more depth from an ethical perspective at the question of who responsible behaviour can be attributed to. We would also like to look in more depth at the roots of the socialisation of responsibility that CSR brings with it.

Ethics of the business vs. Ethics of the business man or woman

Why is CSR a good thing? Why should a company have to implement a corporate responsibility plan? Even assuming that CSR is the way to cure the ills of a sick company, it is being applied with a strange urgency, without sufficient tests, without determining the correct dosage –the approach would seem to be the more the better– and without determining if it is beneficial in all cases or if it has side effects. It is a pharmaceutical invented in the laboratory of commonplaces and tried on guinea pigs with a DNA sequence totally different from that which shapes the modern company. Could there be anything more dangerous?

The symptoms are one thing; the causes another. Here we could follow the usual procedure for a medical diagnosis. That would mean agreeing what measuring instruments will best determine the symptoms the illness manifests; determining whether the symptoms are caused by an illness or an external agent; deciding what therapy to apply and how to apply it; and then specifying the dosage and the duration of the treatment.

Unfortunately ethical ills are not cured by taking a prescription. The rationality involved in human decision-making is not scientific but prudential. Cortina (2000) starts from the position that ethics is a form of knowledge which enables us to act rationally, but that the rationality involved in ethical experience is not of the same sort as when one is aware of a goal and uses this knowledge to bring to bear suitable means to enable that goal to be attained. Ethical rationality is not instrumental. What is explicitly known in moral action is precisely the act that is going to be performed. Ethical knowledge is practical knowledge, a knowledge that accompanies and directs action, guiding the correct use of freedom. The rightness of our actions does not derive directly from their matching a set of universal norms in the way that putting up a building correctly depends on how closely the original plans are followed. The "good" person is not one who moulds his or her conduct so it is a faithful reflection of a universal law. Acting correctly is not defined by rules. The correctness or prudence of our actions cannot be learned from lessons or books. It is not a theoretical question, but a practical one. For this reason ethical knowledge can only be "known" by people who are prudent, who are at one with their values and who are able to hit upon the right solution in every case.

Ethical precepts usually take the form of an imperative proposition regarding an act. But the act should be understood in terms of its human significance rather than its material aspects. To get the right approach it is essential to overcome the idea of morality as a set of propositionally formulated precepts to which people must submit their conduct in a way analogous to how legal rules determine conduct. Indeed, "legalism" is one of the greatest risks for the correct understanding of morality. If one considers the ultimate and definitive point of reference for morality to be precepts it is impossible to avoid the realisation that some precepts conflict with others, and that the lower ones must therefore give way to those above them. This implies a serious legalistic distortion. The question is to express moral values adequately, so that they can offer practical guidance to specific aspects of conduct.

Business ethics is no different from human ethics. We should not draw a dividing line between individual morality and social morality. They are not different moralities. Rather social morality is the expression of individual morality, which is where its origins and foundations lie. All individual moral acts have social repercussions and all social acts individual ones. The divisions drawn between individual ethics and social ethics (of which business ethics is no more than a particularisation to which CSR makes a large contribution) are artificial. There is no positive human quality that does not have a beneficial social impact. At the same time there is no positive quality in a society that does not have its starting point in the individual qualities of its members. We therefore agree with Greenfield (2004) that "*corporations have social responsibilities"* is an empty statement and that the assertion "*if corporations were to behave responsibly, corporate scandals would stop"* is false.

Friedman (1970) states that only individuals have responsibilities and that they have to assume them with their resources and their time. Executives have a duty to maximise profits, and to do so in a way that is legal and ethical. The company, as a tool or invention, cannot be subject to considerations of this kind. In the same way that we say a hammer is good or bad: it will be so to the extent that it meets the purpose for which it was created. Friedman states clearly that *"the executive is a person. As such, he or she may have other responsibilities he or she has taken on voluntarily – a family, belonging to a church, a city, country (...) But in these matters he or she acts as a principal not an agent,"* as opposed to what he or she does in the company: work for someone else. He or she spends his or her time and energy as he or she sees fit, which is not the case when it's the employer's resources that are being consumed. In the historical context in which Friedman wrote his ideas, firms did not integrate their social actions with their business; it was felt that they distracted executives' attention and diverted resources away from the firm's main goal. It is logical to consider it a serious act of irresponsibility to devote oneself to activities other than purely productive ones, no matter how good they may be.

Obsession for regulations

As alluded to above, the spirit of CSR strongly defends the establishment of norms, standards, the sharing of experience and a long etcetera of bureaucratic processes that are said to be worthwhile because they lead firms towards a convergence of practices and approaches at the international level. The reality involves much more than codes and practices, so these necessarily end up as merely "good intentions".

For some people, individual ethical convictions lack social value. In society procedures are established to determine what the majority consider to be right. As Greenfield sums it up: "*we, as a society, know the socially responsible thing to do"*. In other words, the "good" is what is social defined as such (a statement which leaves out the concept of human nature). This is what nowadays is called procedural ethics and may be assumed to be the only social ethics that does not infringe the freedom of the individual. The establishment of codes of ethics in the company is frequently based on mere procedural ethics and turns its back on what is objectively good or objectively bad.

Before proceeding we should clarify the difference between ethical principles and codes of ethics. The former have to be discovered; the latter, formulated. When one is convinced that codes of ethics (whether personal or corporate) are the object of a decision by those who should abide by them one falls inevitably into relativism. From this point of view it would be sufficient to learn the code in order to find the good, forgetting that, in reality, virtue has to be acquired. Treviño and Brown (2004) argue that one of the myths that has to be exploded in order to understand the role of ethics in business is that *"ethics can be managed through formal ethic codes and programs"*. Likewise, in the view of Schermerhorn and Dienhart (2004), business ethics is more a matter of personal leadership than codes of conduct.

We agree with Norman and MacDonald (2004) that *"...the future of firms deciding voluntarily to report on their social performance will end up looking very much like the history of firms deciding to bind themselves to a corporate code of ethics. On the one hand, the mere fact that it has produced a social report or a code of ethics tells us very little about a firm's actual commitment to the principles expressed in the documents (...) On the other hand, both types of documents can play a critical role in a firm's serious strategy to improve its ethical and social performance and to integrate this goal into its corporate culture. It is our belief that clear and meaningful principles are most likely to serve firms of the latter type; and that vague and literally meaningless principles like those implied by the Triple Bottom Line are best only for facilitating hypocrisy*". Moreover, by demanding more justification from business people, there is an imminent danger of the "tribunalisation" of the economy. This has its origins in a kind of "remoralisation" that is not ethical per se, but rather moral aggression, that is, a kind of aggression directed against entrepreneurs camouflaged as morality. However, when introducing moral issues into various fields, it is necessary to be aware of the risk of causing resentment.

Given that we need to overcome our conscience every day, the ethical component of the economy should move between the turbulent waters of impertinent moralism and acritical defence; between abstract requirements and premature acceptance of what is. And there are two positions: the optimistic position holds that if people are doing what they like best, then we will be doing what is best for everyone. The pessimists argue that if people really do what they most want to do, they will do what harms other people most. In essence this boils down to the idea that spontaneous action is either constructive or destructive.

Pessimists are afraid of freedom. So they need lots of rules to regulate society. Optimists tend towards anarchy. However, in reality, spontaneity is sometimes good, sometimes bad. The fundamental difference does not lie in spontaneity but in the ordering of the result, more specifically the product or fruit that transcends the activity performed. We play for the sake of playing, but we work to produce. It would not come amiss here to return to some of Friedman's reflections (1966): *"Liberals conceive of man as an imperfect being. And they look upon the problem of social organisation as both a negative problem of preventing bad people from doing bad things and of allowing good people to do good. And of course, good people and bad people can be the same people, depending on who judges them. The basic problem of social organisation is how to coordinate the economic activities of a large number of people,"* assuming that it is necessary to reconcile a natural interdependence with individual freedom.

The risk of accepting as valid the set of recommendations that are being offered by a variety of institutions to promote social responsibility practices among companies is one of the greatest risks that society faces. From a viewpoint that is frank but superficial, certain rules of corporate conduct are being imposed upon us that go beyond what a sense of prudence and ethics recommends. These new *pan-corporate* enterprises, which seek to flood the whole field of social activity, are the most dangerous structures one can imagine. The process of establishing an excessively rule-bound life brings with it the obliteration of both individual and collective freedom. Turning the altruistic concerns and social commitment of the members of the organisation into "phagocytes", channelling the manifestations of employee's sensitivities towards causes that the company supports as an institution, can be an effective way of limiting their freewill.

Governments, for their part, are busy pushing through laws that regulate these practices and, which at the same time, open up new options for consultancy firms, which have struck upon a rich new seam of work in the shape of companies' new "triple bottom line" reporting requirements. With a remarkable lack of caution, firms are accepting without question one of the most effective currents of aggression they could face: that of questioning their activity, placing their mission under suspicion and dragging anti-business activities out of them, that destroy such value, however great or small, as they might be creating. It is no coincidence that anti-globalisation groups and the most pugnacious NGOs are behind the institutions that are defending CSR most vehemently. Many of them must be rubbing their hands together in delight at firms' passivity.

We should not, however, overlook the fact that certain social actions might bring benefits to the company performing them. These benefits are often largely intangible, but quantifiable, and some companies unequivocally attribute benefits such as building a brand, improving their reputation, or improving the employment climate to their social practices. These practices produce benefits that have an impact on some organisations and not on others. They constitute a source of competitive advantage for those companies that have been able to exploit them. The moment that these social codes and practices are articulated in ordinary legislation, as Greenfield proposes, this ability to create value is automatically lost.

Recent activities carried out by firms in fields that are traditionally a long way from their interests, such as those involved in Corporate Social Responsibility, may result in a rethink of their social mission. The fact that the company is concerned about, and makes the effort to channel, the ethical manifestations of employees and other stakeholder groups may be the start of a process of institutionalisation that ends up by undermining the scope for personal action by those with whom it relates. Is CSR subsidiary to personal ethics or should personal ethics be subsidiary to corporate responsibility? Can an individual leave in the hands of the institution the possibility of being responsible for the results of his or her actions and decisions? What comes first, the company or the person? These are issues we will look at in more detail below.

We have also observed that crucial, widely accepted assumptions have become a commonplace of CSR:

- Forums are productive because they allow the "good" to be discovered democratically.

- CSR is always good, so everyone should practice it.

Both statements are so commonplace that they have ended up being accepted without a prior reflection on their implications.

INSTITUTIONS AND PEOPLE

Man's link to some form of institution has been a constant factor throughout history. It is as though he was not intended to travel alone and the support of others has always been essential in order for him to achieve his individual goals. Belonging to a reference group can help make people's efforts effective, while providing the desirable reassurance of not being mistaken, even if it is only because there are others travelling along the same path.

When an organisation sets itself up as being the legitimate repository of knowledge of what is good for others, other people come to consider it an institution, a reference to follow, a model to emulate in the exercise of a series of practices. This fact, which we can call *"institutionalisation of people"*, also happens when a company, in pursuing CSR, makes itself a focus of attention for all those who relate to it.

The "institutionalised" man

In the case of a corporation, institutionalisation brings with it a series of dangers. These include the usurpation of personal ethics, leading a rule-based life, and in short, the loss of authenticity and spontaneity. One characteristic of all institutionalised forms is that they have their own culture: their symbols, their terminology, and their conceptual schemes. The practices of CSR have become a fundamental component of the culture defining the corporate essence of each institution, as they make explicit the way in which the institution understands its mission and its commitments to and with the community in which it operates. It is true that in order to "economise", to save time and avoid the need to rethink over and over again, we tend to set out from a series of fundamental principles we take to be valid and unquestioned. People tend to assume certain "conventions" closely linked to the styles current in the institution to which they belong, and which arise from other people's accumulated experience and are formulated as principles. Formulating them in this way results in simplifications. They become the distilled essence of prior praxis, decanted in a continual exercise of synthesis. These practices are incorporated into the cultural heritage a group of people shares, conditioning the way they act, see reality and even how they interpret themselves. These principles come to form the base on which the feelings of the members of this "cultural community" rest.

When the principles that govern life within this institution are no more than a set of general concepts, they open up many possible paths for individuals to follow, allowing them not only to interpret their applicability and validity in each case, in each life situation, but also to contribute by creating new formulations. However, when these principles are carved in stone, they end up turning into a burden, and rather than serving as an aid, oppress people, as they allow little scope for personal initiative to adapt them to concrete and real situations. It is not unusual that in an atmosphere like this individuals should tend to belittle all that is unique about them and magnify those aspects that define them as members of the group who are uniform with the rest. And after committing this violence against themselves again and again, they will give up on the task of forging their personality, thus fracturing their authenticity.

The members of the institution end up playing a role defined by the demands of the institution. Like good actors they need to avoid their personality showing through in their performance. What is important –"the good"– is that the character assigned to them –the same for all– is presented before the others in the purest form possible, without the actor's degrading his role by letting his own personality show through. The "member" is expect to mimic the model provided, negating himself so the character can shine. This leads to a kind of "biographical dictatorship" that imposes a permanent curfew on the individual's most authentic feelings and thoughts.

SO, WHY PROMOTE CSR?

Does it make sense to promote CSR in our companies? What real benefits does it bring? The firm is not doing any more than it used to: the social audits reflect the same things that were being done before, but presented in a different way. Intensive training schemes are nothing new. Nor is the idea of offering packages with social benefits. Simón, Martínez and Agüero (2005) show how, for years, firms have been promoting corporate voluntary work and have been concerned with the reliability of suppliers, to give just two examples. So what does CSR bring with it? In fact, in many cases it has nothing to offer. The company was already socially responsible, although it did not say so expressly. Its social responsibility was only apparent through employee satisfaction, its standing in society, the loyalty of its customers, the commercial success of the business. It is not that the company wants to cheat us with these new and artificial reports. It just tells us about what it has been doing all along in a new way to suit our tastes. It is an aesthetic rather than an ethical question.

For some people, CSR is how firms can contribute to achieving a better society and a cleaner environment. They therefore integrate social and environmental concerns in their commercial operations and their relationships with their stakeholder groups. What underlies these good intentions is the belief that business activity does not contribute to society and the environment but destroys it. They consider it a lesser evil, and so aim to divert outside attention away from business activity. If this is so one should ask whether the firm is responsible for all the ills of mankind. Is there a "butterfly effect" in firms' actions? But also, CSR, as everyone understands it, rules out the presumption of innocence from the start. Companies are charged with demonstrating that they are clean and have to meet the costs of responding to accusations from groups who have been socially legitimated by organisations whose interests are often obscure. This implies we are witnessing a phase of business persecution. Production is in itself bad. To counter this current, the firm has once again to take up the task of explicitly stating what it really does, without being ashamed of its essential nature. Those measures intended to disguise in some way its true function will sooner or later have a negative impact on the company by submerging it in an environment in which it does not belong. Friedman (1966) was aware of these risks when he said that: *"If businessmen have a social responsibility other than obtaining maximum returns for shareholders, how are they to know what it is? Can a few self-appointed individuals decide what is in the social* *interest?"* While CSR is not aimed at facilitating what is considered the principal mission of the firm – to generate profits by creating value – it will be relegated to a secondary, and at times artificial, position.

However, we cannot simply condemn CSR, despite what might appear to be convincing arguments in the preceding paragraphs. Assuming there is a danger of falling into particularism, lack of focus and inconsistencies for defending causes unrelated to the business. The first step that needs to be taken would not be to "*require reasonable analyses and good answers from those who purport to know what is right or good for the rest of us"*, as Greenfield concludes, but to remind these illuminati that their role is secondary, consultative, because the real protagonist of business action is the business man or woman.

CSR not only groups together codes and standards of all types, it also encompasses a variety of social actions undertaken by companies. As Prahalad (2004) says, in numerous instances, business social action has brought about a tangible and quantifiable improvement in the community. This implies that if the company in question had not carried out these actions in the community these improvements would not have been achieved, at least not on the same timescale. Nevertheless, CSR has appropriated these actions as they improve people's lives and the environment, due to an insulting effort to delimit good business conduct.

If the company makes a donation to charity, for example, it is making it harder for its stakeholders to decide for themselves what use to make of their funds. The nexus of union between the stakeholders and the company is the latter's business activity. That is what makes them stakeholders. Each of them may, and indeed should, have their own social goals, and it is not the company's place to impose a particular direction upon them as to how they express their altruistic preferences. This point leads us to argue in favour of the inclusion of social action practices as an integral part of the company's strategy. As Austin (2004) states, there are numerous examples of CSR actions that have brought value, have helped the company perform more efficiently, and have improved its relations. Therefore, only insofar as social action contributes to achieving business goals and makes the company more attractive to stakeholder groups, CSR will have the impact we have never denied it has. Otherwise it will be a tool of *ethical monopoly.*

WHEN IS CSR APPROPRIATE?

In our view, the CSR should be treated in the same way as financial information. Nobody forces a company to list itself on the stock market, but if it does (normally in order to access capital markets, with all the benefits that that brings), it must be transparent about how it uses its resources. Similarly, it is not essential for a company to undertake social action. However, if it does, it should be committed to providing truthful and useful information so that stakeholders can freely make up their mind about the extent to which they want to be involved with the company.

CSR will be understood and assumed differently according to the degree of maturity of the company to take on the commitment this kind of action requires. To determine this degree of maturity, Martínez, Simón and Agüero (2003) recommend that companies reflect on the pros and cons of CSR. To facilitate this analysis they have identified three drivers or catalysts of social action in companies:

- The degree of competition in the sector
- The strength of the corporate values
- The degree of sensitivity to social problems.

These drivers serve as indicators to management enabling them to diagnose its situation. Will these practices be sustainable over time? How will they impact the company's strategy? Do they arise out of a serious commitment or need on the part of the company? Every company has to make an effort to get to know itself and know if it is in a position to implement CSR or if it should take preliminary steps. It will be positioned on the "map" reproduced below depending on the score it obtains after analysing each of the cited parameters.

		DEGREE OF COMPETITION			
		Low		**High**	
STRENGTH OF THE CORPORATE VALUES	**High**	**Scenario 1**	**Scenario 2**	**Scenario 3**	**Scenario 4**
	Low	**Scenario 5**	**Scenario 6**	**Scenario 7**	**Scenario 8**
		Low	**High**	**Low**	**High**
		DEGREE OF SOCIAL SENSITIVITY			

Source: "La Acción Social de la Empresa: el caso español y latinoamericano".

The authors identify eight scenarios describing positions in which a company may find itself. They say that it is only possible to determine with certainty the two scenarios in which the generation of value by means of social action can be determined in advance: the first, scenario 5 (highlighted in red), where the authors recommend waiting and not initiating any social action due to the low score obtained on all the drivers. If there is not a high degree of competition in the sector, society is not sensitised and, moreover, the company does not have a bedrock of corporate values, what is the use of implementing a CSR plan? The second scenario, scenario 4 (highlighted in green), in which the factors identified as generating value are entirely favourable, reveals an opportunity for the company. In a highly competitive sector, where society is highly sensitised and the company has a personality comprising a solid bedrock of corporate values, it is an opportunity to stand out from the crowd. In this case the authors' recommendation is to implement a social responsibility plan without delay: *the company should do it, can do it, so it does it.*

In the case of the six remaining scenarios (1, 2, 3, 6, 7 and 8), the company would have to aim for a balance between the three factors to ensure success. Only by carrying out an in-depth internal and external analysis of the company will it be possible to determine its position in the framework above. The diagnosis will arrive at a conclusion on whether or not the company should initiate or continue with a CSR plan, or if, on the other hand, it should give up one it has started.

HOW SHOULD A FIRM GO ABOUT CSR?

The fundamental pillar is voluntary action focusing on the business objective so as to generate quantifiable returns for the company. Husted and Allen (2000), have identified the following basic characteristics as being the necessary conditions to avoid CSR's having a perverse effect.

It should be undertaken voluntarily

This is obvious, but is frequently forgotten. If it is not voluntary, it is not free; and what is not done freely, is outside the scope of ethics. Martínez (2002) says that *"if people are obligated to give help, if they are mobilised by an appeal to their feelings of compassion and perhaps guilt, the results of the actions may well be the same as if it were performed voluntarily, but all personal responsibility will vanish"*. We agree with Weltzein, H. von (2003) that self-regulation is the best mechanism of control: *"Social responsibility starts where the laws leave off (...) To be socially responsible means not only fully complying with legal obligations, but going beyond compliance by investing more in human capital, the environment, and relations with stakeholders. If, by definition, CSR means going beyond legal obligations, how can CSR be turned into regulations? This apparent contradiction is not just an indicator of how diffuse this area is, but also reflects the perspective of those who perceive that the principles relating to CSR are the start of a genuinely fundamental shift towards future legislation on CSR."*

It should be proactive

We can wait for NGOs and other groups to give us their suggestions. But although less frequent it is more effective to look for those areas of activity that are best aligned with the brand the company represents. This means devoting time and resources to doing work whose outcome would be obtained over long time horizons, and there will be members of the organisation that reasonably think this diverts resources that could give a more immediate and more viable return.

However, not all causes are the same. They are not all attractive to companies and not all potential partners are able to do things well and show results. Strategic alliances with organisations close to the social problems in question reduces the risks involved and makes actions more effective (Austin, 2000). What the company has to do is know what to look for. It can leave the actual doing to others.

It needs to be aligned with the company's strategy

It must be designed, executed and evaluated in line with strategic criteria, following the same guidelines as for any other vital interests of the company. It must also be integrated with the organisation's mission. It should not be a sham, or a set of tasks that diverts the organisation away from its core business activities. Rather it should reinforce and catalyse them. It should therefore respect the criterion of centrality that measures the degree to which the cause being supported matches and harmonises with the company's activities, products and services.

It should be visible

Customers, shareholders and employees are entitled to know about the activities of the company they are buying their products from, in which they invest their money, and for which they work. Very often it is said that the right thing to do in these ethical matters is to apply the maxim "don't let your right hand see what your left hand is doing", highlighting that the good has to be sought after for the attractiveness of the good itself. Intentions are important and it is obvious that the good that is generated indirectly to satisfy particular needs from the moral point of view is less good (so to speak) than that which is pursued out of conviction, that the instrumentalisation of ethics is a bad thing. But this obsession with keeping a low profile is applicable to people, not to organisations, as these are a means to an end. Of themselves, they are artefacts or tools, and they can be good or bad only insofar as they fulfil effectively and efficiently the purpose for which they were created. Communication of what they do in terms of social action is as important as financial transparency in the stock market. It is essential in order to allow the investor to make free and rational decisions.

CONCLUSION

This article has sought to argue that companies cannot be forced to follow CSR practices. CSR only makes sense when it emerges at the free initiative of the company and the latter can use it to improve itself. To do otherwise, as Friedman has pointed out (1970), would be to *“abandon our model of a free society and move towards the corporate state.”*

CSR aims to go beyond the scope of private activity to convert doing (communicating) something for the public into a public service, which is different. This has meant that CSR has found strong defenders and detractors who deny everything to do with the social nature of the firm. In our view, the error lies in raising corporate social action to the level of public policy, not in doing it. It is one thing to be a social actor, in the sense of performing an action, and another to be an actor acting a role. We clearly would not wish to question that the company go beyond the walls of the factory. What we do consider doubtful is that there is just one recommendable and regulatable way for it to do so.

Fortunately we believe that common sense will eventually be restored in day-to-day practice and that businesses will continue to be run the way they see fit. Social actions, speeches and balance sheets may be necessary because everyone does them and the resources will need to be found, as far as is possible. But I do not know many business people willing to provide funds for particular activities indefinitely for the sole reason that external agents feel they should, unless of course, they are legally required to do so.

Mixing strange adjectives and flourishes with business will do nothing but bore the public. Fortunately, the public thinks for itself and prefers to make up its own mind about how responsible any individual or company is, rather than sitting down and being lectured to about how committed the company is. Speeches tire, or rather bore, and tend to water down any advantage there might initially have been.

It would bring much health to the company to extricate itself from miscellaneous forums and meetings where it is invited to contemplate what others want it to be rather than contribute to fully leveraging its value-generating potential. We will also pat ourselves on the back for those organisations that voluntarily undertake social action, but we will recommend that if they do, it is to be hoped that they do it well. We already have enough experience to know what works and what does not.

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