

A New View of CSR: “Company Stakeholder Responsibility”



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Threefold Purpose



- Suggest that we end all discussions of “the social responsibility of business”.
- Suggest that we replace “corporate social responsibility” with “corporate stakeholder responsibility”
- Give some practical suggestions about how this idea of “corporate stakeholder responsibility” can work

Myths of the CSocialR Debate

- It is only shareholders or “owners” that really count.
- We can clearly distinguish the “economic” aspects of business from the “social” aspects of business.
- Focusing on “social” aspects of business is not a way to create value.
- Always focusing on “social” aspects of business creates value.

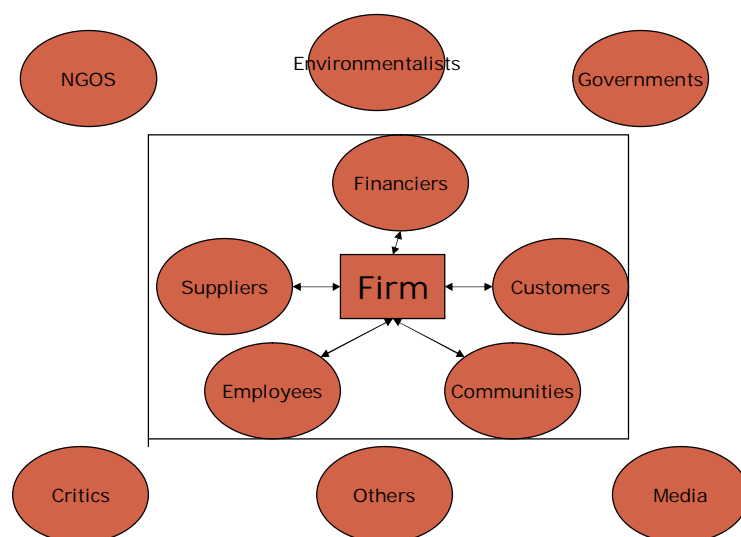
The Reality: We Have a Better Way

- Business is about the creation of value for stakeholders. Value has economic, social, political, technological, and other aspects to it.
- Separating “business” from “social” is a mistake. It marginalizes “social” and gives business and capitalism a bad name, as “anything goes”.

Features of the Stakeholder View

- ◆ The entrepreneur or manager puts together a deal that simultaneously satisfies multiple stakeholders.
- ◆ Each stakeholder is important for the deal to be sustainable.
- ◆ Other stakeholder relationships may well be important in so far as they influence the primary ones.

Definitional and Instrumental Stakeholders



Corporate Stakeholder Responsibility

- 4 Levels and 10 Principles
- Interesting Question of “Reciprocal Stakeholder Responsibility” (Goodstein and Wicks)

Corporate Stakeholder Responsibility: Four Levels of Analysis

- The Basic Value Proposition
- Principles for Sustained Stakeholder Cooperation
- An Understanding of Broader Societal Issues
- Ethical Leadership

The Basic Value Proposition

- How does this company make its stakeholders better off?
 - Customers and Consumers
 - Employees
 - Suppliers
 - Communities
 - Shareholders
- What is the impact of our combined actions on other stakeholders?

Principles for Sustained Stakeholder Cooperation

- Where are the major tradeoffs that we have made among stakeholders?
- What are we doing to improve the tradeoffs for each stakeholder?
- What principles or values are we committed to so that stakeholders will continue to support us and do business with us?

An Understanding of Broader Societal Issues



- Are we going along with or against the key trends in society?
- Are we helping to build / restore confidence in business, or are we part of the problem?

The Corporate Stakeholder Responsibility Mindset: Ten Principles



(1) Stakeholder interests go together over time.

The Corporate Stakeholder Responsibility Mindset: Ten Principles



(2) We need solutions to issues that satisfy multiple stakeholders simultaneously.

The Corporate Stakeholder Responsibility Mindset: Ten Principles



(3) Everything that we do serves stakeholders. We never trade off the interests of one versus the other continuously over time.

The Corporate Stakeholder Responsibility Mindset: Ten Principles



(4) We need to have a philosophy of voluntarism, to manage stakeholder relationships ourselves rather than third parties such as governments.

The Corporate Stakeholder Responsibility Mindset: Ten Principles



(5) Stakeholders consist of real people with names and faces and children. People are complex.

The Corporate Stakeholder Responsibility Mindset: Ten Principles



(6) We need intensive communication and dialogue with stakeholders—not just those who are friendly.

The Corporate Stakeholder Responsibility Mindset: Ten Principles



(7) We need to generalize the marketing approach.

The Corporate Stakeholder Responsibility Mindset: Ten Principles



(8) We negotiate with primary and secondary stakeholders

The Corporate Stakeholder Responsibility Mindset: Ten Principles



(9) We constantly monitor and redesign processes to make them better serve our stakeholders.

The Corporate Stakeholder Responsibility Mindset: Ten Principles



(10) We act with purpose that fulfills our commitment to stakeholders. We act with aspiration towards fulfilling our dreams.

CSR is Alive and Robust



- Corporate Stakeholder Responsibility makes the arguments connecting “business” and “ethics” and “social” moot.
- CStakeholderR is practical, and leads to a more robust idea of value creation.
- CStakeholderR is the essence of capitalism as a system of social cooperation and value creation.

Company Stakeholder Responsibility: "The Problem of Competitiveness"

- How much value is it possible for human beings to create?
- Enterprise can create value, but states can only distribute value.
- States can make it more or less easy to create value.
- The only job of the executive is to create as much value for stakeholders as possible.

Company Stakeholder Responsibility: "The Problem of Competitiveness"