

THE CASE FOR CORPORATE SOCIAL RESPONSIBILITY

Henry Mintzberg

In an economy of giant, divisionalized corporations, corporate social responsibility is almost impossible to achieve. Yet, the author contends, corporations must achieve it if our society and economy are to continue and to flourish.

The concept of social responsibility—once known as “noblesse oblige” (literally nobility obliges)—has experienced a vigorous resurgence since the 1950s. As Elbing [19:79] notes, citing references in each case, the concept has been discussed academically by professors, pragmatically by businessmen, politically by public representatives; it has been approached philosophically, biologically, psychologically, sociologically, economically, even aesthetically.

The cynic attributes this resurgence to what he sees as the illegitimate power base of the large, widely held corporation: Social responsibility is a smokescreen to divert attention from the disappearance of direct shareholder control (and some forms of market control as well). The “professional” manager—the individual who moved into that power vacuum left by the departing shareholders—sees social responsibility as a form of natural enlightenment, a reflection of the coming of age of the corporation, if you like. These two positions are, in fact, far less divergent than they seem: each tilts its own way based on similar premises. As Drucker puts the latter case, “to have a society of organizations with autonomous managements [later ‘self-governing’ institutions], each a decision-maker in its own sphere, requires that managers, while private, also know themselves to be public” [18:810-811]. Milton Friedman

begins with a similar premise—that social responsibility reflects a shifting of power into the hands of people less subject to traditional forms of control—but concludes, as a result, that it is a “fundamentally subversive doctrine” [22:126].

Thus sits social responsibility, in the center, attacked from the left and from the right and supported by those who have the most to gain from the status quo of corporate power. Can social responsibility work? Does it work? Should it work? This article summarizes some of the overwhelming evidence that it can’t, doesn’t, and shouldn’t, and then concludes that it must.

Forms of Social Responsibility

In its purest form, social responsibility is supported for its own sake because that is the noble way for corporations to behave. This leads to a posture Sethi [38] has called “social responsiveness”—anticipating and preventing social problems as opposed to keeping up with them (his use of the term “social responsibility”), or doing the bare minimum (“social obligation”). Carried to its logical extreme—what Drucker has called “unlimited social responsibility” [18:349]—social responsiveness postulates that “only business can do it”; in the words of George Cabot Lodge, “Business, it is said, is engaged in a war with the evils of our time, a war it must win” [29:185].

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