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Defining the Socially Responsible Leader: Revisiting Issues in Responsible Leadership

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Abstract
We renew an exchange of letters from 2008 regarding the meaning of responsible leadership, which applies to senior executives of firms as they attempt to engage in corporate social responsibility. An interesting aspect to this discussion is that, depending on one's theoretical perspective, responsible leadership can be defined in multiple, somewhat disparate ways. We use the terms strategist versus integrator to characterize the most common delineation of responsible leader orientations. While the strategist orientation implies the planning and use of corporate social responsibility initiatives for the direct targeting of return on investment, the integrator orientation involves senior leaders' use of corporate social responsibility to serve the interests of a range of corporate stakeholders. Although a divergence of opinion is expressed in our letters, we concur in our conclusion that more research is necessary to better understand these diverse orientations and their effects on organizations.

Keywords
corporate social responsibility, leadership, responsible leadership, ethical leadership

Letter 1

David A. Waldman and Günter K. Stahl
To: Donald Siegel
Foundation Professor of Public Policy and Management and Director
School of Public Affairs
Arizona State University
Dear Don,

There is widespread agreement that corporate executives are expected to demonstrate responsible leadership (e.g., Doh & Stumpf, 2005). It has now been over a decade since our exchange of letters (Waldman & Siegel, 2008), which directly addressed the issue of what exactly it means for leaders to be responsible. We started with the concept of corporate social responsibility (CSR), which had been prominent in management literature for decades. In our exchange of letters in a *Leadership Quarterly* article, we agreed that like other issues associated with strategic management (e.g., policy implementation; see Finkelstein, Hambrick, & Cannella, 2009), the leadership component had been missing from considerations of CSR. We also agreed that this was an oversight since it is the corporate leaders who formulate and implement CSR initiatives. Moreover, we agreed that it is important for leaders to be responsible in terms of serving the interests of shareholders or owners of firms.

However, to a large extent, this is where our consensus ended. In essence, we reached different conclusions regarding what you originally referred to as the "cold and calculating" nature of a responsible leader who relies on a cost/benefit analysis to determine the extent to which CSR initiatives should be pursued, and relatedly, the singular or narrow accountability that leaders should have toward shareholders/owners. In this letter, Günter Stahl will join me in using literature and research that has emerged since 2008 (e.g., Stahl & Sully de Luque, 2014; Waldman, 2014) to provide an updated, joint perspective on responsible leadership. Before proceeding forward, we will first put things in context by defining responsible leadership (RL), as well as the difference between RL and CSR.

Responsible Leadership as a Construct

In a broad sense, we think that you would agree with the following, generic definition of RL: *Responsible leadership is an orientation or mind-set taken by people in executive-level positions toward meeting the needs of a firm's stakeholder(s). As such, it deals with defining those stakeholder(s), assessing the legitimacy of their claims, and*

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Table 1. Strategist Versus Integrator Orientations to Responsible Leadership.

Beliefs, inclinations, or interes**ts**	**Strategist**	**Integrator**
Felt sense of responsibility toward	Stakeholders who are instrumental to satisfying the interests of shareholders	All stakeholders whose interests are affected by the policies and actions of the firm
Accountability in terms of shareholder/stakeholder outcomes	Shareholders only	All stakeholders whose interests are affected by the policies and actions of the firm
Image-building vs. authenticity	High concern for positive image-building that is based on CSR	High concern for authenticity in the pursuit of CSR
Cost–benefit approach to CSR	High concern for strict cost/benefit analysis (i.e., benefit for shareholders) regarding CSR pursuits	Realization that CSR pursuits are long-term, somewhat intangible, and not appropriate for strict cost/benefit analysis
Personal involvement	Not personally involved in CSR efforts and instead delegates to others	Serves as a role model for CSR and is likely to get personally involved

Note. CSR = corporate social responsibility.

determining how those needs, expectations, or interests can and should best be served. With that said, we wish to make three keys points. First, as compared with other ways of viewing leadership, RL is inherently a construct that is targeted toward the executive level.[1] To be sure, there are other leadership constructs that are relevant to RL. For example, servant leadership is all about understanding and adhering to the needs of others, especially immediate followers but also the greater community or context in which the leader operates (Liden, Wayne, Liao, & Meuser, 2014). As compared with RL, we view servant leadership as a behavioral style that is applicable across levels of management. Moreover, as suggested by our definition, RL is an orientation or mind-set which implies beliefs, inclinations, and interests on the part of leaders.

Second, RL is relevant to CSR, but it is not the same thing. As defined by Waldman, Siegel, and Javidan (2006), CSR is all about policies or actions on the part of the firm that appear to advance, or acquiesce in the promotion of some social good, beyond the immediate interests of the firm and its shareholders and beyond that which is required by law. Accordingly, CSR is a firm-level construct. Conversely, RL is an individual-level construct. The basic idea is that it takes leadership to pursue a broader social mission beyond maximizing profits and to realize CSR policies and actions, a perhaps commonsensical notion that until recently, has been largely missing in the CSR literature (Morgeson, Aguinis, Waldman, & Siegel, 2013; Waldman, 2014).

Third and perhaps most relevant to our exchange of letters, based on different theoretical perspectives, an RL orientation can manifest itself in different forms. As an example of one categorization scheme, Pless, Maak, and Waldman (2012) considered what they termed *traditional economist, idealist, opportunity seeker/strategist, and integrator orientations*. The traditional economist (e.g., Milton Friedman) would show little if any concern for the interests of stakeholder groups, even for the purpose of generating financial interests that might be gained through CSR efforts. In other words, the focus is on maximization of shareholder wealth with little or no recognition that a consideration of other stakeholders could facilitate that wealth creation. On the other hand, the idealist is not concerned with shareholder wealth maximization, and is instead, focused on serving the interests of a particular stakeholder group for which the organization was founded. Social entrepreneurs are oftentimes largely idealists in terms of their responsibility orientation.

As shown in Table 1, our prior exchange of letters, as well as the current one, recognizes two primary manifestations of RL as being predominant in the business world: (1) strategist and (2) integrator. The strategist orientation is based on the theory of the firm perspective put forth by McWilliams and Siegel (2001), as well as an economic or instrumental framing of stakeholder theory (Donaldson & Preston, 1995; Margolis & Walsh, 2003). In contrast, the integrator orientation is based more on normative stakeholder theory (Margolis & Walsh, 2003) and ethics-based theories dealing with rights of individuals and groups—and how entities such as organizations have a duty or obligation to take into account such rights (for a summary, see T. M. Jones, Felps, & Bigley, 2007). Along similar lines, the theory of business that was introduced by Donaldson and Walsh (2015) would suggest that the purpose of the firm is to optimize collective value creation for all business participants. They argued that control is exercised to "prohibit assaults on participants' dignity" (Donaldson & Walsh, 2015, p. 197), and accountability pertains to all legitimate business partners, thereby reflecting a normative stakeholder approach.

In the remainder of this letter, we will refer to elements in Table 1 as we highlight the distinction between strategist versus integrator orientations regarding RL. Below, we especially focus on (1) paradox theory as a theoretical background for considerations of RL, (2) the distinction between responsibility and accountability, (3) authenticity and personal involvement, and (4) international and cross-cultural perspectives that are relevant to RL.

Responsible Leadership and the Performing Paradox

In their now classic piece on organizational paradoxes and their management, Smith and Lewis (2011, p. 384) considered what they term the *performing paradox* as emanating "from the plurality of stakeholders [of firms] and result in competing strategies and goals." They noted that tensions may surface between what might seem as differing, and even conflicting, demands of varied internal and external stakeholders. When faced with such tensions, leaders have one of two choices. First, they can view the seeming conflict in "either/or" terms, whereby the needs and demands of one set of stakeholders would take precedence over another. Second, tensions can be viewed in "both/and" terms, whereby the needs of seemingly disparate stakeholder groups are simultaneously and harmoniously taken into account.

There is a growing literature suggesting that a "both/and" approach to dealing with paradoxes is the most beneficial for leaders and their organizations (e.g., Waldman & Bowen, 2016; Zhang, Waldman, Han, & Li, 2015). So what does this have to do with RL? We argue that the performing paradox and its management gets at the core of the debate that we witnessed in the 2008 exchange of letters. Specifically, Siegel appeared to argue an "either/or" approach, whereby the right (and only) choice is to focus on shareholders alone, in terms of the target of a leader's primary responsibility and accountability. Without a unitary and directed focus on the interests of shareholders/owners, in Siegel's view, the leader would not be acting strategically, and thus, would be irresponsible. As shown in Table 1, this is not to say that the needs or desires of other stakeholder types should be ignored. However, Siegel argued that they should only be taken into account in a strict cost/benefit sense as an instrumental means to maximize profits (i.e., be responsible to shareholders/owners).

On the surface, Siegel's thinking would make sense, even if we assume that the goal is to only be truly responsible to shareholders/owners. But there are several problems with this perspective. There is at least some evidence that a "both/and" approach (i.e., being both responsible and accountable to stakeholders broadly conceived) actually serves the needs of shareholders/owners better. Sully de Luque, Washburn, Waldman, and House (2008) showed how decision making that assumes equal priorities in terms of serving the needs and interests of multiple stakeholder groups (e.g., shareholders/owners, employees, customers, the greater society) results in stronger firm financial performance, as compared with decision making that takes a more narrow focus on financial or economic issues (e.g., costs, market share, profits). In short, the results of Sully de Luque et al. (2008) would suggest that ironically, a strong and narrow focus on being responsible to the needs or interests of just shareholders/owners does not actually end up serving those interests in an effective manner.

It will likely also not help restore public confidence in our current institutions and economic system that has suffered partly as a result of leaders who, driven by a relentless pursuit of the bottom line, wreaked havoc on their organizations and on society. According to the Edelman Trust Barometer, an annual public trust and credibility survey, trust in business is at one of the lowest levels on record. Edelman has been gathering data on trust around the world for almost two decades; and in 2013 it declared the "crisis of leadership and accountability" as the most significant obstacle to world-wide economic development. Against the backdrop of high-profile scandals involving CEOs of several large companies, the 2013 trust survey revealed that only one fifth of the general public believes business leaders can be trusted and will make ethical decisions. This survey also found that this lack of trust is driven largely by the perception of business leaders making decisions based on greed and lack of caring about a broader community (Edelman, 2013).

This crisis of trust and leadership has not abated since then, but rather has continued to deepen. The 2017 survey, for example, revealed "a global implosion of trust, with CEO credibility at the lowest level ever." Importantly, Edelman observed that "there has been a dramatic change in how trust in companies is established as stakeholders are now placing greater importance on engagement and integrity-based attributes, such as treating employees well, listening to customers and exhibiting ethical and transparent practices." Accordingly, Kathryn Beiser, global chair of Edelman's corporate practice, concluded that "leaders must step up on the issues that matter for society" (Edelman, 2017). Clearly, these findings suggest that to restore faith in the system, leaders must step outside of their traditional roles and demonstrate responsibility and accountability toward a broader group of stakeholders beyond the shareholders.

One might ask why corporations and their leaders should even care about such survey findings. The answer is simple. Corporations and their leaders, and the free market system that both Don and we value, can only exist when society essentially provides the "license" to exist. Without such a "license," the legitimacy of corporations and of the system of market economy at large is in question. Leaders of corporations are largely the primary agents or "foot soldiers" of market-based systems, and as such, it is necessary for them to represent the type of responsible leadership that will provide the assurances that society demands.

Responsibility Versus Accountability

As described in Pless et al. (2012), responsibility on the part of leaders can be distinguished from accountability. The former refers to a felt sense of obligation on the part of leaders to serve the needs or interests of a set of stakeholder(s). Accountability goes one step further in terms of experiencing repercussions in the event that those needs or interests are not well served, as well as committing to taking steps to rectify the situation.

In his early writing, Friedman (1970) argued that organizational leaders should have both responsibility and accountability to shareholders/owners, but not to other groups that might be said to be stakeholders of a firm. Pless et al. referred to such an orientation as "traditional economist." In our 2008 exchange of letters, Siegel stated that "Managers are not directly accountable to society, except to the extent that they must obey all the relevant rules and regulations and abide by the law." On the other hand, as shown in Table 1, Siegel acknowledged that it is fine to have a sense of responsibility toward other stakeholders (e.g., "society"), as long as actions taken in the realm of CSR are instrumental in terms of serving the needs of the only stakeholder type to which leaders should be accountable, that is, shareholders/owners. Accordingly, the strategist orientation that is promulgated by Siegel aligns well with what Pless et al. (2012) referred to as an *opportunity seeker*. Such a leader may recognize the needs and interests of stakeholders broadly conceived, but she/he is (or should be) accountable to only shareholders/owners. In other words, the strategist will perceive an obligation *for* stakeholders broadly conceived, but not *to* those stakeholders. The obligation is to use stakeholders instrumentally to ensure that the needs of shareholders/owners are met.

We purport that one problem with such an orientation toward responsibility has to do with how accountability is conceived. In the organizational literature, accountability has largely been characterized as "the implicit or explicit expectation that one be called on to justify one's beliefs, feelings, and actions to others" (Tetlock, 1992, p. 331). Thus, existing thinking on the nature of accountability is based on expectations and obligations, whereby other people dictate the extent and nature of accountability that is placed upon individuals (Lerner & Tetlock, 1999), that is, the extent to which individuals are "held to account" by others. For the strategist orientation to RL, and in line with agency theory (e.g., Jensen, 2001), this view of accountability would suggest that control mechanisms need to be put into place to ensure that organizational leaders are held to account for performance that would pertain specifically to shareholders/owners.

Questions remain as to whether the strategist orientation actually works—even for the express purpose that Siegel would support. In other words, does holding leaders to account for the exclusive interests of shareholders/owners actually work in practice? Let us put this discussion in the context of recent occurrences in the real world of organizations and their leaders. Numerous commentators in the popular press have cited examples of firms in recent times at which leaders have failed to admit mistakes or accept blame for poor financial performance. Instead, they hide or minimize mistakes (Cavuto, 2014).

For example, during the 2008 financial crisis, despite the prescriptions of agency theory, some financial firms such as Lehman Brothers typically did not hold leaders to account for the misery that they caused, at least in part, for shareholders/owners and other firm stakeholders. Instead, top-level leaders in those companies externally blamed the greater economy, government policies, and even the customers themselves (e.g., customers who "frivolously" took on too much debt). In such a context, it should not be surprising that lower level leaders or employees would claim that they should not be held to account either. Moreover, based on the common tendency to defensively attribute problems to external causes (E. E. Jones, 1972), organizational members may deflect accountability by blaming others for performance failures. Or they may simply apologize without taking any corrective actions.

Thus, to better understand leader accountability (and responsibility), we suggest a new direction regarding how some leaders might take personal ownership or internalize accountability toward others. In so doing, we propose a broad perspective on accountability that we refer to as internally assumed accountability. That is, we suggest that externally imposed accountability (i.e., the traditional way of thinking about accountability) is incomplete or inadequate for ensuring leader accountability for performance. A broader consideration of internally assumed accountability would allow us to capture the breadth of how accountability occurs.

For example, the former CEO of British Petroleum, Tony Hayward, was reluctant to assume any personal accountability for his company's mistakes during the Gulf of Mexico oil spill crisis (Lubin, 2010; Wray, 2010). Moreover, although the former Volkswagen CEO Martin Winterkorn took responsibility for the "irregularities" found in diesel engines, he did not admit any wrongdoing on his part, that is, did not hold himself to personally account. Nevertheless, Winterkorn was ultimately forced to resign from his CEO position. Arguably, leaders should "own" such crises and be willing to take personal accountability (Fredberg, 2011). With that said, in the above examples, these leaders were eventually only held to account by their boards of directors by being forced out of their CEO positions. As stated in Waldman and Siegel (2008), and as originally argued by

Ghoshal and Moran (1996), externally imposed mechanisms to hold leaders accountable encourage game-playing to essentially beat the system until performance issues are so egregious that they can no longer be overlooked.

There is, however, an even more fundamental problem with externally imposed accountability mechanisms. Even if we assume that corporate governance and control systems actually work—an assumption that is flatly contradicted by the unending wave of corporate scandals and collapses—and leaders can be held accountable through such mechanisms, they may backfire. There is evidence (e.g., Cialdini, 1996; Tenbrunsel & Messick, 1999) that control and sanctioning systems may actually contribute to undesirable behavior in organizations, because these systems send a signal of mistrust, which can lead to resentment and counterproductive behavior. Also, by communicating that the responsibility for proper conduct rests with the system, not the individual, executives may become "less interested in the desirable conduct for its own sake" (Cialdini, 1996, p. 57). Thus, the external pressure that is generated by control and sanctioning systems may undermine executives' intrinsic motivation to act in a way that is in the best interests of the shareholders/owners or other firm stakeholders.

In the context of organizational ethics, it has been suggested (Kish-Gephart, Treviño, Chen, & Tilton, 2019; Tenbrunsel & Smith-Crowe, 2008; Tenbrunsel, Smith-Crowe, & Umphress, 2003) that when a strong "ethical infrastructure" is in place in an organization—for example, in the form of formal surveillance and sanctioning systems directed at ethical behavior—individuals may no longer rely on their interpretation of what is responsible or ethical. Instead, they will look at the organization to decide what is the right thing to do. Collectively, this research suggests that formal incentive, control, and sanctioning systems that are designed to hold leaders accountable for their decisions and actions may not be the most effective means of promoting responsible behavior, and in fact, may even deter such behavior.

We argue that an alternate viewpoint stressing internally assumed accountability across a broad range of stakeholders can provide a means of realizing a higher degree of leader accountability. In pursuit of that understanding, Pless et al. (2012) identified the integrator orientation of responsible leadership, a term that we also use here. In essence, this orientation stresses both responsibility and accountability toward stakeholders broadly conceived. Although not tested directly, the findings of Sully de Luque et al. (2008) would seem to provide support for positive effects of an integrator orientation on firm financial performance. With that said, we acknowledge that more empirical work needs to be done to examine the short- and long-term effects of both the strategist and integrator orientations to RL.

A distinguishing feature of the integrator orientation shown in Table 1 is that it not only suggests broad accountability (i.e., accountability toward multiple stakeholder groups) but also frames accountability as internally assumed, rather than relying on externally imposed monitoring. As such, it aligns quite nicely with what has been termed duty orientation, which refers to an individual's willingness to serve others voluntarily (rather than imposed by external forces) and to sacrifice one's own benefits for the sake of collective goals (Hannah, Jennings, Bluhm, Peng, & Schaubroeck, 2014). As such, like the integrator orientation to RL, duty orientation reflects one's perceived responsibility to serve an organization and its stakeholders (Waldman & Balven, 2014).

Authenticity and Personal Involvement

In addition to issues with accountability, another concern with the strategist orientation to RL has to do with authenticity. For some time now, leadership scholars have considered the potential value of authentic leadership (e.g., Walumbwa, Avolio, Gardner, Wernsing, & Peterson, 2008), although not specifically as regards to responsible leadership. However, it is not unreasonable to infer that the strategist orientation might be viewed by organizational members and others (e.g., industry analysts) as being pursued for pure image-building reasons, and thus, inauthentic. That is, the leader is only pursuing CSR for instrumental benefits, as opposed to truly desiring to serve the needs of stakeholders other than shareholders/owners.

As mentioned in Waldman and Siegel (2008), the problem is that lower level leaders and other organizational members may not take seriously or fully implement CSR initiatives if their higher level leaders are viewed as disingenuous or inauthentic. In many firms, CSR is still largely decoupled from core business processes and not integrated into the culture (Crilly, Zollo, & Hansen, 2012; Graafland & Smid, 2016; Wright & Nyberg, 2017), playing a predominantly symbolic role. One stream of research in the CSR area which is central to our discussion has explored the degree to which firms' CSR activities are *substantive* (i.e., tangible, measurable, and impactful) or *symbolic* (i.e., "green washing"). In the latter case, the firms' leaders are merely seeking to appear to be committed to CSR (e.g., in the form of corporate credos and mission statements, adoption of voluntary codes like the U.N. Global Compact, and so on), to placate various stakeholder groups or avoid reputational consequences (Donia, Ronen, Tetrault Sirsly, & Bonaccio, 2019; Perez-Batres & Doh, 2014). In other words, leaders who practice green washing are largely in line with the strategist orientation to RL, which would stress image-building as a primary purpose of CSR policies and actions.

Leaders who claim to be committed to the needs of a broader set of stakeholders but use the firm's CSR engagement instrumentally to maximize shareholder value face the risk that stakeholders will detect their "moral fakery"

(Quinn & Jones, 1995, p. 29) or "moral decoupling" (Pfeffer, 2016, p. 664) and sanction the company's moral deceit. For example, Schons and Steinmeier (2016) found that employees quickly discern when symbolic CSR actions (especially those related to employee relations) are not supported by substantive ones ("cheap talk"), leading them to withdraw their loyalty and support. In contrast, there is evidence that when stakeholders perceive the underlying motivation for engaging in CSR as genuine and authentic, and thus in line with an integrator orientation, this will lead to favorable outcomes such as increased employee commitment and engagement, higher customer loyalty, and so on (Donia et al., 2019; Perez-Batres & Doh, 2014).

Another important point is that leadership in general, and leadership that responds to stakeholders' needs in particular, should not be viewed as emanating from a singular leader. To realize effective implementation, leadership—especially at the upper echelons level—should be viewed as a shared phenomenon, for example, involving an entire top management team (TMT) (Finkelstein et al., 2009; Hambrick, 2007; Pearce, Wassenaar, & Manz, 2014). As an example, Washburn, Waldman, Sully de Luque, and Carter (2018) recently demonstrated the value of examining the congruence of CEO and TMT members' stakeholder values in the prediction of organizational change, defined as tangible change related to internal organization processes, programs, and policies. We argue that to best achieve such congruence, a CEO must demonstrate consistency and authenticity in how the needs of stakeholders are pursued. In short, an integrator, rather than strategist, orientation on the part of a CEO is more likely to inspire widespread CSR efforts.

As a further note, Table 1 points to the potential relevance of personal involvement of executives in CSR communication and activities. A strategist orientation would suggest little such involvement. Indeed, a strategist might delegate a firm's CSR policies and activities to a separate unit or department that is established for this purpose. Conversely, an integrator orientation would see the leader as serving as a role model and getting personally involved. A good example is how Timberland allowed employees to engage in community-related projects on company time, and to some extent, its CEO, Jeffrey Swartz would get personally involved (Primack, 2011). Accordingly, Swartz was acting as a role model for CSR in his own personal communication and actions. Behavior of this nature dovetails nicely with the authentic element described above.

An International and Cross-Cultural Perspective on Responsible Leadership

There is a final point that we wish to raise with regard to the instrumental approach to CSR that is favored by Siegel. The idea that "executive decision-making should be focused exclusively on profit maximization, or more precisely, on shareholder wealth maximization" (Waldman & Siegel, 2008, p. 118) is very much a Western-centric perspective. With that said, even in some Western countries, this notion would be considered an extreme position and unacceptable.

Hall and Soskice (2001), in their seminal work on Varieties of Capitalism, suggests that nations can be divided into two types based on their institutional arrangements: liberal market economies (LMEs) and coordinated market economies (CMEs). LMEs such as Britain, Canada, and the United States feature relatively free-market arrangements and tend to embrace "shareholder value." In contrast, CMEs such as Germany, Japan, and Scandinavian countries are characterized by relatively strong nonmarket relationships, and senior executives are more likely to consider the needs of a broader range of stakeholders, including employees, customers, and wider society, in their decision making. In these "stakeholder capitalism" national models, firms are expected to protect employee rights, collective bargaining tends to be coordinated, and corporate returns tend to be assessed on a long-term basis (Aguilera & Jackson, 2010; Witt & Redding, 2013).

Thus, leaders in CMEs are likely to adopt a more comprehensive approach to responsible leadership, taking into account the claims and interests of a wider range of stakeholders. In short, the integrator approach that was described by Pless et al. (2012) might fit more naturally in a CME context. In contrast, leaders in the context of LMEs might be more inclined to a "limited economic" view, focusing on shareholder-value maximization and embracing instrumental ethics (Waldman & Galvin, 2008; Scherer & Palazzo, 2007). As such, the needs and claims of stakeholders other than shareholders are accorded lower priority and considered only as far as they affect shareholder interests.

Witt and Stahl (2016), in a comparative study of Asian versus Western executives' responsibility orientations toward key stakeholders, tested these assumptions in a sample of 73 top-level executives (i.e., chairmen, CEOs, or presidents of large companies) in three Asian (Hong Kong, Korea, and Japan) and two Western (the United States and Germany) economies. They found that senior executives' "responsibility orientations," that is, their views about the purpose of the firm, the legitimacy of stakeholder groups, and the meaning of social responsibility, varied significantly across institutional contexts. While, for example, executive decision making in the United States seems to be driven almost exclusively by the goal of shareholder value maximization, Japanese CEOs stressed the need to contribute more broadly to society and consider a wide range of stakeholders in their decision making, including employees and their representatives, customers, suppliers, and distributors.

Importantly, Witt and Stahl (2016) considered two dimensions of a leader's responsibility orientation: (1) how salient or important various stakeholder groups are in the mind of a leader and (2) the leader's attitudes toward these stakeholder groups (i.e., whether some groups are evaluated more positively than others). They found that senior executives in all five economies regard shareholders as a key stakeholder group, but in some countries (Germany and Japan) executives expressed a negative attitude toward them and even questioned the right of shareholders to become involved in the running of the company. Most of the CEOs who were interviewed in Germany and in Japan even rejected the idea that shareholders should be treated as the "owners" of the corporation. In contrast, the vast majority of U.S. executives expressed a positive view of shareholder primacy and identified the pursuit of shareholder value as the main, if not the sole, reason for the existence of the firm. These findings suggest that the very meaning of "responsibility"—the question to whom a company or a leader is responsible—varies across cultural and institutional contexts. Thus, the strategist orientation, which is largely premised on the idea of shareholder primacy that is so readily embraced by Don, might be a predominantly North American perspective that is not shared in many other parts of the world. This cultural fact does not make the strategist orientation "right" or "wrong." However, it does suggest that cross-cultural leadership considerations inherently come into play when considering RL orientations.

To end on a consolatory note, all 73 senior leaders interviewed in the above-described study stressed that the shareholders/owners of a company represent a key stakeholder group and that they saw no viable alternative to a capitalistic system of open markets, and neither do we (David and Günter). Accordingly, there is some common ground. What sets us apart from Don and other proponents of shareholder primacy is the belief that firms should practice a more inclusive form of capitalism and broad-based value creation that considers the needs of a wide range of constituents, not just the shareholders. In so doing, firms and their leaders, even in the United States, will achieve a stronger "license" from society to exist in a capitalistic system that is unfettered from regulations and government control.

Letter 2

Don Siegel

To: David Waldman	Günter K. Stahl
Professor of Management	Professor of International Management
W. P. Carey School of Business	Department of Global Business and Trade
Arizona State University	Vienna University of Economics and Business

Dear David and Günter:

As you have astutely noted, in our 2008 exchange of letters on responsible leadership, we agreed that leadership matters in the context of corporate social responsibility (henceforth, CSR). We also agreed that the connection between leadership and CSR has been underresearched. However, we diverged, in terms of how we define "responsible" leadership. I defined "responsibility" in terms of the manager's fiduciary responsibility to maximize profit and shareholder wealth. Let me first be more specific about this definition and its managerial and public policy implications, as well as its implication for leadership.

Strategic CSR and Responsible Leadership

In the 2008 exchange, based on a theory of the firm/strategic perspective, I argued that managers have an obligation to deploy the firm's resources as efficiently as possible. The deployment of these resources should be based on instrumental and strategic thinking in order to maximize the wealth of the firm on behalf of its owners, the shareholders. In my view, leaders should be open and honest about their instrumental/strategic approach to CSR and responsible leadership, more generally, so there is no doubt about their authenticity.

I agree with your assertion that the two RL orientations shown in Table 1, strategist and integrator, are the most prominent RL orientations in today's business world. The pure shareholder primacy (i.e., "traditional economist") and idealist orientations are both atypical. However, I remain convinced that the strategist orientation, rather than the integrator orientation, is by far more appropriate for corporate executives. Thus, I have several concerns regarding your first letter. For example, you raise the issue of authenticity and its relationship to responsible leadership. But I believe that this is a tangential issue, since I see no relationship between a leader's propensity to engage in a particular style of responsible leadership and authenticity (either my type of "opportunity-seeking" leadership and your proposed "integrator" form of leadership). In fact, it seems more likely that the strategist or opportunity-seeking leader would be viewed as authentic, rather than a leader who falsely or unrealistically claims that the firm is advancing societal goals.

I take the word "strategy" seriously, since top-level managers are responsible for formulating and implementing business and corporate-level strategies. They are judged primarily on the success of these strategies by shareholders, Wall Street analysts, and their peers. They are not judged directly, nor should they be, on how they advance societal goals. I believe that well-managed, efficient firms (e.g., Walmart) do more to advance society by providing jobs, low-priced goods and services, and excellent product and service quality.

More specifically, in the context of responsible leadership, my colleagues and I have shown, both theoretically and empirically, that CSR is just another strategic variable (McWilliams & Siegel, 2011; Siegel & Vitaliano, 2007). This does not mean that "responsible" leaders ignore nonfinancial stakeholders. Firms cannot enhance shareholder value without serving customer needs effectively and maximizing worker productivity. These two nonfinancial stakeholder groups, customers and workers, are especially important, and one cannot maximize shareholder value without addressing their concerns. However, it only means "exploiting" them when it is beneficial for the firm to do so.

My strong conviction is that this strategic perspective is healthy, not only for firms but also for society. Corporate leaders should not be diverted from advancing key strategic financial goals of the firm, such as enhancing share price, profitability, and market share. After all, a firm cannot advance societal goals if it declares bankruptcy. In the past 11 years, in the face of additional government regulation, especially in the financial services industry, I have not wavered from that conviction. In fact, I will argue that it is more important than ever for managers to stay focused on profit and shareholder wealth maximization in the face of growing stakeholder demand for firms to be even more "socially responsible." Academics tend to lose sight of how brutal the real world of competition is, where firms face enormous competitive threats from rivals (both domestic and foreign), governments, and even, entrepreneurs and innovators threatening to disrupt their industries. That is understandable, since management professors have largely devoted their lives to studying managers and analyzing a variety of workplace issues that may have little to do with firm performance. Imposing additional "societal" burdens on managers does little to advance their organizations if those burdens are too onerous and not profitable (despite your assurances that the approach you advocate will generate higher profits in the long run).

New Evidence on the Benefits to Engaging in Responsible Leadership

Before I directly address some of your points regarding responsible leadership, it is important to consider how much has changed in the business environment since our 2008 article, as well as in the academic literature on CSR. One important change in the academic literature is that there are more micro-organizational behavior studies on CSR, thanks, in part, to the special issue of *Personnel Psychology* that we coedited with Fred Morgeson and Herman Aguinis, which addressed these topics (Morgeson, Aguinis, Waldman, & Siegel, 2013). For example, Rupp, Shao, Thornton, and Skarlicki, (2013) reported that workers react positively to the perception that a firm is socially responsible. Specifically, they found that job applicants are more likely to pursue a job at a firm they perceive to be socially responsible. The authors also reported that an employee's citizenship behavior is positively associated with perceptions of their employer's corporate social responsibility.

Similar evidence is presented in our forthcoming Oxford University Press book (McWilliams, Rupp, Siegel, Stahl, & Waldman, 2019), including studies that show increasing employee commitment to the socially responsible firm. Vitaliano (2010) finds that large employers designated as being socially responsible have significantly lower labor turnover. Carnahan, Kryscynski, and Olson (2016) reached similar conclusions, based on empirical evidence from lawyers. Korschun, Bhattavharya, and Swain (2014) find that CSR improves a firm's customer orientation and worker productivity.

Thus, I am willing to make a concession, since there is mounting empirical evidence that catering to two key nonfinancial stakeholders—employees and customers—enhances firm performance, an outcome that we both seek. All along, one of my main concerns and skepticism regarding CSR and "responsible" leadership is the additional costs associated with such activities (both actual and opportunity costs). However, it appears that at least in many circumstances, the benefits associated with such activities may be higher than I estimated, thus reducing the associated tradeoffs. Therefore, I am willing to concede that what you refer to as the "both/and" approach may have its virtues. However, I do not view this approach as being inconsistent with my framework.

Despite that concession, I am not willing to concede on your point regarding the desirability of the "integrator" orientation, as opposed to the "opportunity seeker" orientation, which was originally outlined in Pless et al. (2012). As you point out in your section dealing with a cross-cultural perspective on responsible leadership, catering to multiple stakeholder groups is much more common in European nations and Japan, but not in North America. In the shareholder-centric managerial model that I have proposed, accountability is simple, since it can be measured fairly easily in the market. I have no idea how to operationalize what you refer to as "accountability toward multiple stakeholder groups."

The shareholder primacy model is a key reason for the success of American firms in numerous industries. The strong performance of many American companies (and of the American economy) over decades could easily be attributed to a strong emphasis on shareholder primacy. To disabuse me of the notion, I would need much more clarity on how a firm would actually demonstrate and measure "accountability" to stakeholders (beyond shareholders), as well as additional empirical evidence on how advancing societal goals is beneficial to the firm.

Changes in the Macro Environment for Corporate Leaders

The business environment has also changed considerably since our 2008 article. First, at least in the United States, there is mounting regulation, especially relating to health care (e.g., the Affordable Care Act), financial services (e.g., Dodd-Frank), and the environment (e.g., President Obama's Clean Power Plan). It is important to note that additional regulation actually makes it harder for firms to be socially responsible. As noted in McWilliams and Siegel (2001), CSR is typically defined as "actions that appear to further some social good, beyond the interests of the firm and that which is required by law." The latter phrase serves to underscore the point that CSR means going *beyond* obeying the law. The additional cost of regulatory compliance means that firms have less to "invest" in CSR and other responsible leadership initiatives. Existing investments in responsible leadership need to be even more carefully scrutinized and evaluated.

On the other hand, there is a countervailing force caused by the fact that capitalism is also under assault on many fronts, especially from those who assert that there is growing income and wealth inequality. The common narrative is that the financial crisis was caused by market failure and excess "greed," rather than government failure (e.g., the failure of Fanny Mae and Freddy Mac, as well as the disastrous Community Reinvestment Act, which encouraged banks to make loans to non-credit–worthy individuals). This undue and unwarranted emphasis on the consequences of market failure has led to greater scrutiny of corporate behavior. Such greater scrutiny means that the benefits to the company from engaging in CSR, and the type of responsible leadership you advocate, are higher now than they were before the financial crisis. In sum, while I still believe that the shareholder primacy model is superior to what you refer to as a more inclusive form of capitalism, I must admit that the returns to engaging in this alternative approach have risen since our original correspondence.

Letter 3

David A. Waldman and Günter K. Stahl

To: Donald Siegel
Foundation Professor of Public Policy and Management and Director
School of Public Affairs
Arizona State University

Dear Don,

We appreciate your response to our first letter. In the current letter, we want to (1) respond to some of your arguments and (2) provide a research agenda that could move the topical area of responsible leadership (RL) forward.

Regarding your arguments, there are three issues with which we take umbrage. First, allow us to more specifically and clearly define what we mean by authenticity, and how our definition clearly deviates from your own interpretation. Authenticity is not simply about making "claims" about the advancement of societal goals or what you term as "catering" to stakeholders of firms. Ironically, this is something that the strategist is likely to do in an attempt to "greenwash" or mislead and even make false claims about his or her firm's environmental practices or products (Lyon & Montgomery, 2015; Willness, 2019). In contrast, the integrator would not rely on claims, but instead, stress consistent actions taken to serve the interests of stakeholders over time. As such, she or he would demonstrate authenticity.

Second, we agree that executives should be judged by the success of their strategies, and that the judges should include shareholders, Wall Street analysts, and peers. We will even go so far as to grant that such success should be framed primarily in financial terms. It goes without saying that a firm cannot sustain itself over time without financial success. However, do you really know that the strategist orientation is more likely to achieve sustainable financial success, as compared with an integrator orientation? We understand that in a theoretical sense, you have framed your logic to point toward the superiority of the strategist orientation. But what exactly is your empirical evidence? We return to these questions below as we attempt to outline a research agenda for RL.

Third, we are deeply concerned by your consideration of what appropriate actions toward stakeholders (e.g., workers and customers) are all about. Specifically, you suggest "exploiting them when it is beneficial for the firm to do so." Our hope is that you are using the term "exploit" in a purely metaphorical sense, but our fear is that you are more toward the literal end of the continuum. Indeed, a strategic perspective would suggest totally conscious or intentional pursuits to "exploit" stakeholders. The problem with this notion is that ironically, it actually runs counter to your stated concern regarding the "assault" on capitalism. For reasons that are too extensive to go into here, we agree that there has been a crisis of confidence in our current institutions and market-based economic system. We believe that to restore public confidence and trust in the system, leadership is absolutely crucial. Executives are key agents of the capitalistic system, and their actions are always under scrutiny and interpretation on the part of members of society. If the norm is for executives to consciously exploit and manipulate stakeholders, the disenfranchisement from the economic system and the "assault" on capitalism will only get worse, since people tend not to appreciate such exploitation. Similarly, you cite work showing the relationship between employee perceptions of firm CSR commitment and employee outcomes. Do you really think that this relationship will be optimized when employees (as well as members of society who vote) believe that they are simply being exploited or that greenwashing is occurring (Willness, 2019)? We have our doubts.

Toward a Research Agenda

One thing that should be clear from this exchange of letters, currently and in 2008, is that we both put forth a lot of normative thinking and ideas regarding what executives should or should not do. Much of what we both suggest is based on theory; for example, a theory of the firm versus a theory of business (Donaldson & Walsh, 2015). However, what should be painfully obvious is that neither side on this discussion has much empirical evidence on which to base their arguments. Accordingly, in the remainder of this letter, we will put forth a research agenda that could ultimately provide evidence regarding alternative approaches to RL and their effects on organizations.

Measurement. As a starting point, to the best of our knowledge, there is no clear measure of RL in the literature. With that said, there are existing measures of the extent to which firms engage in CSR, for example, as perceived by employees (cf. Akremi, Gond, Swaen, de Roeck, & Igalens, 2018). But such measures do not directly tap aspects of individual leaders, which then begs the question: How and what on the part of leaders should be assessed in measures of RL? Based on our earlier definition of RL in Letter 1, we do not view RL as a behavioral style, along the lines of constructs such as servant or visionary leadership. Instead, we view RL as an orientation or mind-set. In line with our generic definition of RL, a mind-set is a "mental framework that guide how people think, feel, and act in challenging achievement situations" (Heslin & Keating, 2017, p. 370). Mind-sets are present in other conceptual space, such as global mind-set (Javidan, Bullough, & Dibble, 2016) and paradox mind-set (Miron-Spektor, Ingram, Keller, Smith, & Lewis (2018). Thus, as portrayed in Table 1, we suggest that RL measure development efforts might attempt to construct separate measures of strategist and integrator mind-sets with regard to RL.

Antecedents of RL. It would be interesting to determine the antecedents of both strategist and integrator mind-sets, and we have three specific suggestions. First, in line with prior upper echelons research (e.g., Finkelstein et al., 2009; Hambrick, 2007), proxy variables such as educational background might be predictive of RL mind-sets. For example, we would expect a more economic or financial educational background to be predictive of a strategist mind-set on the part of executives.

Second, personal values may be predictive of RL mind-sets. For example, self-transcendence and self-enhancement represent two basic value dimensions of the Schwartz (1996) values typology. Self-transcendence includes the values of universalism and benevolence, which involve a genuine concern for the well-being and enhancement of others and the natural environment. Self-enhancement, on the other hand, is associated with the values of achievement and power, which indicates "the extent to which a person is motivated by self-interest" (Egri & Herman, 2000, p. 573). Indeed, personal values can differentiate leaders in the environmental sector from those in other sectors. Specifically, Egri and Herman (2000) found that leaders from the environmental sector scored significantly higher on self-transcendence, than a comparison group of leaders from other sectors.

Along similar lines, a paradox mind-set (Miron-Spektor et al., 2018) might be predictive of RL mind-sets, albeit in an opposite manner. If one is energized by, and able to cognitively deal with, paradoxical tensions, it would seem more likely that the individual will have an integrator mind-set. Such a mind-set involves bringing together or harmonizing the seemingly contradictory needs of diverse stakeholders, which is likely to necessitate a paradox mind-set. Conversely, the more linear or "either/or" focus of a strategist mind-set would seem to run counter to a paradox mind-set (Waldman, Putnam, Miron-Spektor, & Siegel, 2019).

Third, the emerging field of organizational neuroscience (e.g., Waldman, Wang, & Fenters, 2019; Waldman, Ward, & Becker, 2017) might hold promise for identifying the likelihood of a strategist versus integrator mind-sets. For example, the default mode network of the brain has been associated with ethical ideology and behavior on the part of leaders (Waldman, Wang, Hannah, & Balthazard, 2017). It follows that the default mode network might also be predictive of an integrative orientation to RL. However, Boyatzis, Rochford, and Jack (2014) argued that the simultaneous activation of default mode and task positive networks in the brain is likely to be predictive of highly instrumental, strategic, and even Machiavellian thinking and behavior. As such, this form of brain activation might be predictive of a strategist mind-set.

CSR Actions and Outcomes. There are different ways of categorizing actions or outcomes that are characteristic of social responsibility. For example, Waldman, Siegel, et al. (2006) considered both social and strategic sorts of CSR actions on the part of firms. It is likely that strategists will push their organizations to simply integrate CSR considerations into existing business planning and models. However, integrators may be more innovative and long-term with their approach to CSR. For example, they may work with other organizations (e.g., NGOs and community-based groups) to address social and sustainability issues, as well as develop new business models to promote sustainability.

Clarifying the Relationship Between Responsible and Irresponsible Leadership. Our main focus in this exchange of letters has been on responsible leadership (e.g., as manifested in a leader's engagement in CSR), but we also alluded to instances of irresponsible leadership (e.g., frequent scandals featuring top executives who pursued personal gain at the expense of shareholders, other organization stakeholders, and society at large). One important question—and direction for future research—is whether or not leaders can be responsible and irresponsible at the same time. Stated another way, do responsible and irresponsible leadership reflect opposite ends of the same continuum, or do they represent different dimensions? There is some evidence (Stahl & Sully de Luque, 2014; Waldman & Balven, 2014) to suggest that responsible and irresponsible leadership are distinct, orthogonal concepts; and that corporations and their executives might engage in responsible and irresponsible activities simultaneously. From a stakeholder perspective, it may be that an executive might act responsibly toward one stakeholder group but is neglectful or even damaging to another.

It is challenging for managers to prioritize the potentially limitless number of stakeholders that an organization needs to consider (Devinney, 2009; Waldman & Balven, 2014). As a result, a manager may make an effort to meet the needs of a particular stakeholder group, which she or he perceives as key to organizational success (e.g., shareholders), while neglecting or even damaging other stakeholder groups (e.g., employees). To give one famous (or infamous) example of how leaders might engage in responsible and irresponsible activities simultaneously: Former Enron top executives Jeffrey Skilling and Kenneth Lay donated millions of dollars for charitable causes, while at the same time engaging in large-scale accounting fraud that wiped out billions of dollars in stock market value and eventually led to the collapse of Enron. Obviously, both shareholders and employees were negatively impacted.

There are both theoretical grounds and common-sense reasons why leaders would engage in these seemingly contradictory and antagonistic activities. For example, research on "moral self-licensing" (Merritt, Effron & Monin, 2010; Ormiston & Wong, 2013) suggests that good deeds, like charitable giving, can liberate individuals to engage in behaviors that are irresponsible, unethical, or otherwise problematic. One avenue for future research is to explore possible interdependencies, tradeoffs, and reciprocal influences between responsible and irresponsible leadership. Another potentially fruitful avenue of investigation is to examine which individual, organizational, and societal factors drive RL behavior, and which factors are associated with irresponsible leadership.

Stahl and Sully de Luque (2014) distinguished between two dimensions or types of responsible leadership behaviors, "doing good" (i.e., decisions and actions taken by leaders to meet the legitimate demands of stakeholders) and "avoiding harm" (actions to avoid harmful consequences for stakeholders), and show that they represent conceptually distinct categories, with different motivational bases and antecedents that predict them. The "avoiding harm" dimension overlaps to some degree with legal behavior, meaning that an executive may engage in responsible behavior (or refrain from irresponsible behavior, such as employment discrimination) in order to reduce legal and reputational risks. In contrast, most activities that fall into the "doing good" category (e.g., engagement in philanthropy or CSR) are discretionary and not mandated by the law—and thus, are in line with the McWilliams and Siegel (2001) definition of CSR. An executive may engage in these activities for a variety of reasons (e.g., because they support the company's strategy or simply because they are consistent with her or his own moral values). In sum, more research is needed on the motivational drivers and psychological mechanisms behind responsible and irresponsible leadership.

Financial Outcomes. Like Don, we realize that leaders at the upper echelons of organizations are ultimately judged on the extent to which their firms are able to sustain performance over the long term. Unlike Don, we propose that such sustainable performance is more probable for integrators, as compared with strategists. As already suggested, the evidence to date for either argument is meager. Sully de Luque et al. (2008) provided some limited evidence suggesting the viability for the integrator mind-set in relation to firm financial performance but certainly more work needs to be done. Moreover, in line with previous work (Hambrick, 2007; Washburn et al., 2018), a more fruitful avenue of investigation might be to examine the RL mind-set configuration of an entire top management team, rather than simply focusing on the CEO.

Connecting Responsible Leadership to the Context. Responsible leadership does not occur in a vacuum but is contingent on aspects of the context within which leaders act and make decisions (Athanasopoulou & Selsky, 2015; Stahl & Sully de Luque, 2014). While individual-level factors are critically important to consider in understanding what drives or hinders the adoption of socially responsible practices by leaders, they must be integrated in a multilevel perspective that takes into account the profound impact of aspects of both the proximal context (organizational characteristics, such as mission and core values, "ethical infrastructure," and so forth) and the distal context (the broader institutional and cultural environment, legal system, corporate governance regulation, etc.) that may promote or constrain responsible behavior on the part of executives. For example, differences in cultural values shape expectations of acceptable and unacceptable leader behavior, placing constraints on the types of leader behavior and characteristics endorsed in a society. In a study of 561 firms based in 15 countries on five continents, Waldman, Sully de Luque, Washburn, and House (2006) examined the relationship between CSR orientations of top management and cultural value orientations at the national level. They found that CEOs in countries with high institutional collectivism and low power distance were more likely to foster behaviors on the part of executives that are associated with three aspects of responsibility orientations: concern for shareholders, concern for stakeholders, and concern for community/state welfare.

In addition to cultural values and practices, aspects of the institutional context within which companies and their managers operate are likely to play a role in determining executives' responsibility orientations. Differences in business systems, legal context, the nature of regulation, and the likelihood of enforcement pose specific constraints and opportunities that may promote or hinder responsible leader behavior (Matten & Moon, 2008; Witt & Stahl, 2016). To gain a better understanding of these contingencies and shed light on the multilevel drivers of responsible leadership, researchers need to think more broadly about responsible leaders as embedded within groups and organizations, as well as organizations embedded within societal, cultural, and economic contexts (Morgeson et al., 2013). In particular, the lack of attention to context in existing studies on responsible leadership calls for research investigating person–environment interaction effects (e.g., Kish-Gephart, Harrison, & Treviño, 2010). This requires greater clarity concerning how contextual factors moderate individual difference effects.

Finally, since the main focus in this exchange of letters has been on the executive level, it seems important to recognize that the organization's senior leaders, particularly the CEO, are active players in shaping the organizational context, including effects on other top management team members (Washburn et al., 2018). Within the literature on responsible leadership, there have been few attempts to examine the interplay between certain leader attributes and aspects of the organizational context, such as the trickle-down effect of leader personality or values on the "ethical infrastructure" of the organization (e.g., Zona, Minoja, & Coda, 2013), and this represents an important direction for future research.

Additional Research Considerations. We view the above research directions as constituting a good starting point for empirical research on responsible leadership. With that said, some additional research questions come to mind. First, how might an RL mind-set interact with other, more traditional leadership constructs? For example, perhaps an integrator mind-set combined with visionary leadership might provide the best prediction of both CSR and financial outcomes. Thus, researchers might examine the interaction of integrator mind-set and visionary leadership. Second, does global context serve as a moderator in understanding the effects of alternate RL mind-sets? For example, societal culture might interact with RL mind-set in the prediction of outcomes.

Conclusion

In this letter, we have countered some of the arguments that Don advanced in his Letter 2. But perhaps more importantly, we have put forth a research agenda that needs to be undertaken before any of us can provide definitive answers regarding the viability of alternative forms of responsible leadership. We look forward to seeing this research agenda come to fruition.

Letter 4

Don Siegel

To: David Waldman	Günter K. Stahl
Professor of Management	Professor of International Management
W. P. Carey School of Business	Department of Global Business and Trade
Arizona State University	Vienna University of Economics and Business

Dear David and Günter:

I enjoyed reading your response to my previous letter. I will now respond to the three issues you raise in your third letter. The first is authenticity, which I still see as being orthogonal to the choice of leadership orientation. For example, I am not assuming any type of inauthenticity by the leader who (properly) engages in strategic CSR. A person who you would refer to as a strategist/opportunist can be just as authentic as an integrator. In fact, given that the integrator claims to serve multiple stakeholder groups, it seems more likely that inauthenticity would result under that scenario. Either way, I still do not understand why authenticity is germane to this discussion. Finally, although I claim modest expertise on the subject area of leadership, it seems to me that integrity plays a far more important role in leadership than authenticity anyway, especially when leaders make multiple claims to be "responsible."

Your second point is that we lack systematic empirical evidence to determine whether firms that pursue the strategist orientation do worse or better than firms that follow the integrator orientation. That is true, but what I do know from my own empirical work on CSR (Siegel & Vitaliano, 2007) is that it is profit-maximizing for firms to pursue what I call "strategic" CSR. With that said, until we have more empirical results to enable us to discriminate between the long-term performance of firms that pursue the strategic approach, versus those pursuing the integrator approach, the jury is indeed still out.

On your third point, I did use the word exploit, which may have been an unfortunate choice of words. Please note that I specifically placed that word in quotes ("exploit"). By "exploit," I mean that the manager is determining how to produce a good or service or use a resource to maximize profit and or/efficiency. For example, for the consumer (next to shareholders, the most important stakeholder group) this means that the firm is satisfying demand and adding greater value for a particular product or service than a similar product or service offered by a rival firm. Specifically, a firm may decide to add an additional "social" attribute or feature to its product, such as a hybrid engine in a car. This social feature may be valued by some consumers and even by other stakeholders.

These decisions, like all managerial decisions, should be subject to a cost/benefit analysis. That is, firms must simultaneously assess the demand for the social attribute and the cost of satisfying this demand. The same can be said for other investments that the firm is contemplating that may appeal to other stakeholder groups. For instance, employees may wish to see the firm undertake certain environmental investments. It is up to managers to determine whether it is optimal for the company to "exploit" this demand for environmental social responsibility. That will involve determining whether the benefits associated with catering to this stakeholder demand (e.g., higher employee productivity, lower employee turnover, and enhanced consumer and investor demand) exceed the costs of pursuing these environmental investments. "Exploitation" of consumer and stakeholder demands for responsibility may be central to the profitability of the firm, which should be the ultimate goal of any strategy.

Finally, I enjoyed reading your proposed research agenda on responsible leadership (RL). You have identified some highly fruitful areas of research. There is not much that I can add, except to note an area of concern and a new avenue of research. Specifically, my concern has to do with the role of managers in RL. When analyzing the antecedents and consequences of RL, it is important to make sure that researchers are assessing the correct manager. Let me explain. One of my concerns about empirical research on CSR, which would also apply to research on RL, is that many large firms are highly diversified. Thus, some divisions of these firms (and therefore, some divisional managers) may be acting responsibly, while others are not. There is a real aggregation problem if we are just assessing CEOs of large publicly traded firms. In some instances, it may be more appropriate to go below the firm level (to the plant or division levels). This is especially important when we start analyzing performance. Finally, to your list of additional areas of research on RL, I would add assessing the importance of corporate governance in RL. In theory, corporate boards are supposed to monitor aspects of CSR and ethics, which are obviously related to RL.

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Note

1. In addition to the executive level, we focus on consideration in this exchange of letters to profit-based organizations. We leave it to future authors to consider responsible leadership for governmental, nongovernmental, and not-for-profit organizations. It should be noted that the "idealist" orientation that was described by Pless et al. (2012) largely takes into account how the responsible leadership concept might apply to these other types of organizations.

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