

# Strategic corporate responsibility: a theory review and synthesis

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## Abstract

**Purpose** – This article examines how responsibility and strategy can and should be connected in a business organization.

**Design/methodology/approach** – The article offers a review of the field by mapping previous studies according to their strategy and responsibility orientations and, consequently, identifies the classic perspective, as well as the major deficiencies and prevailing research gaps in the literature.

**Findings** – The article contributes to the field of strategic corporate responsibility by reframing the field with a contender perspective that challenges the classic view of strategy and responsibility amalgamation. Together, the classic and the contender perspectives are synthesized to form an integrative perspective that is more holistic than those currently available.

**Originality/value** – The article ends by calling for a reimagining of the relationship between corporate responsibility and strategy to find promising future research avenues and effective business practices suitable to meet the challenges of the twenty-first century.

**Keywords** Review, Sustainability, Business, Ethics, Responsibility, Strategy

**Paper type** Literature review

## 1. Introduction

The phenomenon of responsibility in corporations continues to attract the attention of academics and business practitioners in the twenty-first century. In addition to an increasing body of corporate environmental and social self-reporting (Garcia-Sanchez *et al.*, 2016; Toppinen and Korhonen-Kurki, 2013), policy discourses on business responsibility (Siltaoja and Onkila, 2013) and media representations on the ethics of commercial conduct (Barkemeyer *et al.*, 2010), previous studies have examined how companies can act considerately in social matters, while taking care of the natural environment beyond their legal and regulatory (including economic) responsibilities (for reviews of the field, see Aguinis and Glavas, 2012; Garriga and Melé, 2004; Heikkurinen and Mäkinen, 2016; Lee, 2008; Secchi, 2007; Windsor, 2006; Frynas and Yamahaki, 2016). Moreover, ‘responsible firms are seen as those responding to the needs and desires of stakeholders, not only including shareholders, but also customers, employees, suppliers, governments, and communities’ (Bansal *et al.*, 2015, p. 70). Consequently,

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corporate responsibility can be defined as consideration for others, comprising a diversity of moral acts towards people (including the present and future generations) and the natural environment (including non-humans, such as animal, vegetal and mineral entities), which exceeds the level of legal compliance.

Motivations for these corporate discourses and practices are reported to range from profit-making (Carroll and Shabana, 2010; McWilliams and Siegel, 2001), legitimacy gains (Palazzo and Scherer, 2006; Castelló and Lozano, 2011), and oppression of others (Banerjee, 2008) to having ethical duties (Kolstad, 2007), demonstrating leadership (Rake and Grayson, 2009), cultivating virtuous characters (Ketola, 2008; Solomon, 2003) and even a belief that spirituality should form the basis of business conduct (Pruzan, 2008; Zsolnai, 2010). It therefore goes without saying that managers involved in corporate decision-making find very different kinds of relevance in the phenomenon of corporate responsibility. For instance, the central responsibility of a business organization is to explore new competitive potential (Heikkurinen, 2010; Porter and Kramer, 2006), strengthen political influence to avoid state regulation (Fougère and Solitander, 2009) and address the challenges of sustainable development (Dyllick and Hockerts, 2002; Heikkurinen and Bonnedahl, 2013), as well as to support corporate identity construction (Heikkurinen and Ketola, 2012) and the management ethos (Rozuel and Kakabadse, 2010). These discourses on the strategic relevance of corporate responsibility form an emerging field of study (Brooks, 2005) that has been referred to as *strategic corporate responsibility* (Bowman and Haire, 1975; Burke and Logsdon, 1996; Lantos, 2001; Li, 2012; Orlitzky *et al.*, 2011; Porter and Kramer, 2006; Ramachandran, 2010; Werther and Chandler, 2005).

The lowest common denominator among definitions of strategic corporate responsibility within this field of research seems to be that responsibility becomes strategic in a business organization when social and environmental issues become high priority and when deliberate means for responsibility discourses and practices are in place (Burke and Logsdon, 1996 vs. Brooks, 2005). That is, while corporate responsibility includes all considerate acts towards people and the natural environment in the organizational context beyond the legal minimum, strategic corporate responsibility is – at a minimum – about aligning these considerations with the overall objectives and actions of the business organization. Furthermore, as Bansal *et al.* (2015, p. 6) note, the strategic approach to companies' responsibilities 'comprises activities with long time horizons, large resource commitments, and significant structural adjustments'.

Perhaps the leading interest in making corporate responsibility *strategic* derives from the observation that considering responsibility issues in an imprudent and *ad hoc* manner, such as spontaneous charity towards miscellaneous groups or random recycling of outputs, is likely to be inadequate from the points of view of economy, society and the natural environment. This rationale has led previous studies to suggest a shift towards more holistic (Brooks, 2005; Ketola, 2008; Starik, 1995; Stormer, 2003; van Marrewijk, 2003), analytical (Lahti-Nuuttila, 2000; Martin, 2002; Porter and Kramer, 2002; Sethi, 1975, 1979; Wilson, 1974) and integrated (Benn *et al.*, 2006; Kourula and Halme, 2008) social and environmental contributions. This shift from the remedial and corrective side of actions (often conceptualized as reactive strategies) towards preventive and precautionary ones (such as those that in the literature are referred to as proactive, entrepreneurial and creative) signifies that responsibility must become embedded in the core functions of business organizations and integrated into different levels of organizational strategy (Heikkurinen and Forsman-Hugg, 2011; Porter and Kramer, 2006; Wilson, 1974). Clothing firm Patagonia, for example, has demonstrated such innovativeness by consistently manufacturing its garments in a cutting-edge manner by using largely recycled and organic materials (Husted and Allen, 2007b). As a desired consequence of these responsible efforts, Polonsky and Jevons (2009)

argue that those firms that undertake strategic activities are likely to be viewed more positively by their stakeholders than firms that have only used responsibility tactically and in a piecemeal fashion. Porter and Kramer (2006, 2011) also support this claim.

It thus looks that connecting corporate responsibility and strategy may be highly relevant, not only because of the associated social and environmental contributions but also on grounds of economic viability. However, the question of whether strategic corporate responsibility is truly effective depends on the manner in which strategy and responsibility are linked in an organization (Bansal *et al.*, 2015; Dyllick and Muff, 2016; Porter and Kramer, 2006; Schaltegger and Synnøestvedt, 2002). Accordingly, the research question of the article asks: how corporate responsibility and strategy can and should be connected in a business organization. The article begins with an illustrative theory review of the field that maps previous studies based on their strategy and responsibility orientations. As a consequence, the study identifies the so-called classic perspective on strategic corporate responsibility, as well as the major deficiencies and prevailing research gaps in the literature. The following section reframes the field of strategic corporate responsibility and outlines a contender perspective to merge with the classic one. The article presents an integrative framework for interpreting the converging streams of research and practice. In the conclusion, the article contributes to reimagining the field by proposing the most prominent potential future research avenues.

## 2. Reviewing strategic corporate responsibility

This section provides a historically rich account of theory development at the intersection of corporate responsibility and strategy or in the field of strategic corporate responsibility (for a summary see Table I). The conducted review was systematic in the sense that it used key terms for the search, namely 'strategy' or 'strategic' and 'responsibility' or 'responsible', as well as used three major search engines and databases (namely, Google Scholar, Scopus, Science Direct). The search was limited to peer-reviewed journal articles (hence excluding book chapters and monographs), which have the key words in the article title or in the abstract published over the period of 1950-2018[1]. The search was also completed with a snowball sampling to identify the focal sources that discuss responsibility and strategy in the context of corporations.

### 2.1 Strategy

There are several definitions of strategy. This article next reviews the field of strategic corporate responsibility according to the classic division of external and internal strategy orientations found in strategic management literature (Mintzberg *et al.*, 1998; Lee *et al.*, 2001; Johnson *et al.*, 2008; Hill *et al.*, 2014).

*2.1.1 External strategy orientation.* A historical point of departure for reviewing studies on strategic corporate responsibility can be taken from the seminal articles written by Wilson (1974) and by Bowman and Haire (1975). In his article, Wilson (1974, p. 6) claims that:

*If ever social responsibility factors and 'traditional' business needs are to be considered on anything like an equal footing, they must be integrated at that stage of corporate planning that determines strategies, policies and resource allocation.*

This call was picked up upon by Bowman and Haire (1975, p. 54), who concluded that in the task of connecting responsibility and strategy, 'it is necessary to analyze [...] the relationship between the organization and its environment'. These ideas on corporate planning were closely related to Salancik and Pfeffer's (1978) resource dependence theory that reasons that organizations depend on resources that originate from an organization's

| Strategy orientations |   | Responsibility orientations |   |   | Theoretical approaches and underpinnings          | Names of the key contributors (YEAR)  |
|-----------------------|---|-----------------------------|---|---|---|---|
|                       |   | E                           | I | M |   |   |
| X                     |   | X                           |   |   | Corporate Planning, Resource Dependency Theory    | Wilson (1974), Bowman and Haire (1975)  |
| X                     |   | X                           |   |   | Stakeholder Approach                              | Roberts (1982), Burke and Logsdon (1996), Werther and Chandler (2005), Valaz <i>et al.</i> (2007)   |
| X                     |   | X                           |   |   | Market-Based View, Stakeholder Approach           | Ranchhod and Park (2004), van de Ven and Jeurissen (2005), Lin <i>et al.</i> (2015), Saedi <i>et al.</i> (2015), Liu <i>et al.</i> (2015) |
| X                     |   | X                           |   |   | Emergent Strategy, Stakeholder Approach           | Vilanova <i>et al.</i> (2009)   |
| X                     |   | X                           |   |   | Strategic Conversations, Stakeholder Approach     | Miles <i>et al.</i> (2006)  |
| X                     |   | X                           |   |   | Branding Strategy, Stakeholder Approach           | Polonsky and Jevons (2009), He and Lai (2014), Tingchi Liu <i>et al.</i> (2014)   |
| X                     |   | X                           |   |   | Public-Private Partnerships, Stakeholder Approach | Rotter <i>et al.</i> (2012)   |
| X                     |   | X                           |   |   | International Strategy                            | Muller (2006), Manasakis <i>et al.</i> (2018)   |
| X                     |   | X                           |   |   | Quality Management, Global Branding Strategy      | Lamberti and Lettieri (2009)  |
| X                     |   | X                           |   |   | Product strategy                                  | Flammer (2015)  |
| X                     |   | X                           |   |   | Consumer Marketing                                | Lantos (2001)   |
| X                     |   | X                           |   |   | Insurance and Risk Strategy                       | Martinez-Ferrero <i>et al.</i> (2016), Shiu and Yang (2017)   |
| X                     |   | X                           |   |   | Bottom of the Pyramid                             | Ghalib <i>et al.</i> (2009)   |
| X                     |   | X                           |   |   | Sustainable Development Orientation               | Heikkurinen and Bonnedahl (2013)  |
| X                     |   | X                           | X |   | Competitive Strategy                              | Pedersen and Gwozdz (2014)  |
| X                     |   | X                           |   |   | Institutional Theory                              | Van de Ven and Jeurissen (2005)   |
| X                     |   | X                           |   |   | Reputation Strategy                               | Kim (2014), Pollach (2015)  |
| X                     | X | X                           |   |   | Resource-Based View                               | Litz (1996), Russo and Fouts (1997), Branco and Rodrigues (2006)  |
| X                     | X | X                           |   |   | Dynamic Capabilities, Resource-Based View         | Fang <i>et al.</i> (2010), Ramachandran (2010), Gelbmann (2010)   |
| X                     | X | X                           |   |   | Emergent strategy, Resource-Based View            | Husted and Allen (2000, 2007a)  |
| X                     | X | X                           |   |   | Strategic Groups, Resource-Based View             | Toppinen <i>et al.</i> (2012)   |
| X                     | X | X                           |   |   | Stakeholder Approach, Resource-Based View         | Heikkurinen and Forsman-Hugg (2011), Li (2012)  |
| X                     | X | X                           |   |   | Human Resource Management                         | Jamali <i>et al.</i> (2015)   |
| X                     | X | X                           |   |   | Corporate Identity                                | Schmeltz (2014)   |
| X                     | X | X                           |   |   | Awareness Approach                                | Heikkurinen and Ketola (2012)   |
| X                     | X | X                           | X |   | Gender  | Rao and Tilt (2016)   |
| X                     | X | X                           |   |   | Integrated, Cultural Approach                     | Robin and Reidenbach (1987), Reidenbach and Robin (1988), Robin and Reidenbach (1988)   |
| X                     | X | X                           | X |   | Institutional, Cultural and Cognitive             | Athanasopoulou and Selsky (2015)  |
| X                     | X | X                           |   |   | Integrated Strategy, Stakeholder Approach         |   |

(continued)

**Table I.** Previous studies on strategic corporate responsibility

Table I.

| Strategy orientations |   | Responsibility orientations |   |   | Theoretical approaches and underpinnings                 | Names of the key contributors (YEAR)  |
|-----------------------|---|-----------------------------|---|---|--|---|
|                       |   | E                           | I | M |  |   |
| E                     | I | X                           |   |   | Market-Based View, Resource-Based View                   | Baron (2001), Miles <i>et al.</i> (2006), Katsoulakos and Katsoulakos (2007), Heslin and Ochoa (2008), Heikkurinen (2010), Amran <i>et al.</i> (2014), Boulouta and Ptelis (2014) |
|                       |   | X                           | X |   | International Strategy, Institutional theory             | Dentchev (2004), McManus (2008), Ortiz Avram and Kühne (2008)   |
|                       |   | X                           | X |   | Corporate Strategy                                       | Husted and Allen (2006)   |
|                       |   | X                           | X |   | Strategic Fit  | Galbreath (2006)  |
|                       |   | X                           | X |   | Resource Dependency Theory                               | Smith (2007)  |
|                       |   | X                           | X |   | Partnerships   | Husted and Allen (2007b)  |
|                       |   | X                           | X |   | Theory of the Firm                                       | Heinze <i>et al.</i> (2014)   |
|                       |   | X                           | X |   | Externalities-Based View                                 | Siegel and Vitaliano (2007)   |
|                       |   | X                           | X |   | Shared Value   | Maltz <i>et al.</i> (2011)  |
|                       |   | X                           | X |   | Institutional and Innovation                             | Font <i>et al.</i> (2016)   |
|                       |   | X                           | X |   | Legitimacy   | Herrera (2015)  |
|                       |   | X                           | X |   | Insurance and Risk Strategy                              | Filatovchev and Nakajima (2014)   |
|                       |   | X                           | X |   | Sense-making   | Manasakis <i>et al.</i> (2014), Boesso <i>et al.</i> (2015)   |
|                       |   | X                           | X |   | Competitive Advantage                                    | Hanke and Stark (2009)  |
|                       |   | X                           | X |   | Resource-Based Theory, Sustainable Competitive Advantage | Porter and Kramer (2006, 2011)  |
|                       |   | X                           | X |   |  | McWilliams and Siegel (2011)  |

Notes: Strategy orientations: E = External, I = Internal, M = Mixed Responsibility orientations: E = Extrinsic, I = Intrinsic, M = Mixed

environment. These lines of thought also resemble Porter's (1979, 1980) early remarks on the importance of market structure and industry for the success of a firm.

Similar relational interpretations emerged when Freeman (1984) introduced his stakeholder approach, which was broadly used to both describe and prescribe the strategic use of corporate responsibility (Burke and Logsdon, 1996; Roberts, 1992; Vélaz *et al.*, 2007; Werther and Chandler, 2005). The basic idea behind stakeholder thinking is associated with the work of Rhenman (1968), who argued for a broader set of individuals and groups to be included in the decision-making of a firm – not merely the shareholders (Clarkson, 1995; see also Carroll, 1991), as well as with Cyert and March ([1963] 2006, p. 61), who considered a firm 'as a coalition of managers, workers, stockholders, customers, and others'. Moreover, the stakeholder approach proposes that a business organization's success and survival is determined by the extent to which the organization successfully considers the interests of its stakeholders (Freeman, 1984; Freeman *et al.*, 2010). In the field of strategic corporate responsibility, the stakeholder approach has also been applied along with other strategy approaches, namely the market-based view (Ranchhod and Park, 2004; van de Ven and Jeurissen, 2005; Lin *et al.*, 2015; Saeidi *et al.*, 2015; Liu *et al.*, 2015), emergent strategy (Vilanova *et al.*, 2009), strategic conversations (Miles *et al.*, 2006), branding strategy (Polonsky and Jevons, 2009; He and Lai, 2014; Tingchi Liu *et al.*, 2014) and public-private partnerships (Rotter *et al.*, 2012). From an external orientation, Martínez-Ferrero *et al.* (2016) and Shiu and Yang (2017) study the responsibility as an insurance/risk avoidance mechanism, Komodromos and Melanthiou (2014) and Pollach (2015) reputation based on responsibility (Kim, 2014), Razafindrabinina and Sabran (2014) the impact of responsibility on operating performance and Flammer (2015) the product strategy in relation to responsibility.

In the context of international strategy, Muller (2006) has examined whether an organization should develop local or global responsibility strategies and suggested that a decentralized decision-making model is associated with a stronger corporate responsibility performance (Manasakis *et al.*, 2018). To address the related variety of stakeholder claims and gain their trust, Lamberti and Lettieri (2009) provided a framework connected to the quality management and global branding strategy approaches, whereas Lantos (2001) has stressed that in any case the lead role in strategic corporate responsibility should be guided by the principles of consumer marketing. Pedersen and Gwozdz (2014) again base their study on institutional theory.

Despite the differences in these studies on strategy and responsibility, analyzing them against the classic strategy axis of internal capabilities and external market opportunities (Mintzberg *et al.*, 1998) reveals they share something, namely an *external strategy orientation*. Their external orientation to strategic corporate responsibility considers strategizing primarily as an outside-in process. In this 'extroverted' process, the extra-organizational factors are emphasized as the basis of strategic decision-making. Accordingly, customers, consumers, competitors, partners and other external stakeholders – such as non-governmental organizations, industrial structures and institutions, as well as non-human actors – are viewed as steering strategizing. 'Given the range of possible external forces, one might imagine that the range of possible strategies is rather large' (Mintzberg *et al.*, 1998, p. 102). This is particularly true in the strategy work that seeks to align the objectives of the firm with the broader social and environmental goals. That is, the external forces are not limited to the business environment (i.e. to market and industry factors) but also include a range of problems related to the human and natural environments. But what Wilson (1994, p. 13) noted as a deadly sin of strategy making – that the process focuses on the external environment 'at the expense of the internal environment

that is critical in the implementation stage' (as cited in [Mintzberg et al., 1998](#), p. 66) certainly holds for strategic corporate responsibility as well.

*2.1.2 Internal strategy orientation.* Another point of departure for reviewing studies on strategic corporate responsibility can be taken from the ground-breaking studies by [Litz \(1996\)](#) and [Russo and Fouts \(1997\)](#) that introduced the resource-based view to the field. Following in the footsteps of [Wernerfelt \(1984\)](#), [Barney \(1986, 1991\)](#) and [Teece et al. \(1997\)](#), those scholars argue that a firm's internal resources play a crucial role in recognizing the potential of responsibility to facilitate the development of necessary and enduring sources of strategic advantage.

[Litz \(1996\)](#) theorized that adaptive behavior integrating stakeholder interdependency, ethical reflection and issues management forms the key resources, while [Russo and Fouts \(1997\)](#), among others, tested hypotheses on the link between environmental and economic performance, concluding that 'it pays to be green'. In parallel, the meta-analyses by [Orlitzky et al. \(2003\)](#), [Margolis et al. \(2007\)](#) and [Wang et al. \(2016\)](#) also propose that responsibility has a positive influence on corporate economic performance.

In the twenty-first century, the resource-based view has been actively applied in the field of strategic corporate responsibility. [Branco and Rodrigues \(2006\)](#), for instance, claim that in addition to reputational advantage, 'responsible activities may have internal benefits by helping a firm to develop new resources and capabilities which are related namely to know-how and corporate culture' ([Branco and Rodrigues, 2006](#), p. 111). A few years later, the resource-based view was combined with dynamic capabilities ([Fang et al., 2010](#); [Gelbmann, 2010](#); [Ramachandran, 2010](#)), Mintzberg's emergent strategy ([Husted and Allen, 2000](#); [Husted and Allen, 2007a](#)), strategic groups ([Toppinen et al., 2012](#)) and stakeholder theory ([Heikkurinen and Forsman-Hugg, 2011](#); [Li, 2012](#)), all emphasizing the relevance of inter-organizational aspects in connecting strategy and responsibility.

In contrast to the external strategy orientation, the last-mentioned studies share an internal strategy orientation. According to [Mintzberg et al. \(1998, p. 100\)](#), it was the popularity of Porter's work on the external strategy orientation that 'gave rise to a countermovement, based on the internal situation, called the "resource-based view" of the firm'. In strategy research, different internal orientations are related through 'their focus on the sustenance and development of the internal capabilities of firms—the "inside-out" view in opposition to positioning and Porter's previously popular "outside-in" view' ([Mintzberg et al., 1998, p. 277](#)). Studies by [Jamali et al. \(2015\)](#) on the relation between human resources and responsibility, as well as research conducted by [Schmeltz \(2014\)](#) on the role of corporate identity, can be considered to manifest the internal focus. Generally speaking, this internal strategy orientation is considered particularly relevant in turbulent and rapidly changing environments in which firms are unable to change direction in accordance with fluctuating market and stakeholder demands ([Grant, 1991](#)).

*2.1.3 Integrative strategy orientation.* For conceptual purists, internal and external strategy orientations represent fully distinct management philosophies, but they do overlap in theory and in practice too ([Mintzberg et al., 1998](#); [Whittington, 1996](#)). Because of this overlap, the third point of departure for reviewing studies on strategy and corporate responsibility is found in the thought-provoking research conducted by [Robin and Reidenbach \(1987\)](#) and [Reidenbach and Robin \(1988\)](#), who applied a more integrated, cultural approach to making responsibility part of a firm's strategy. They argued that:

*Part of the environmental input is the traditional threats and opportunities to the organization from the environmental. Further, part of the corporate input is the traditional analysis of organizational strengths and weaknesses for attaining business objectives. (Robin and Reidenbach, 1988, p. 31).*

Baron (2001), who comes from more of an economics tradition than Robin and Reidenbach (1987) and Reidenbach and Robin (1988), also used the concept of integrated strategy to highlight the interplay between a firm's external context and internal capabilities. He – alongside Miles *et al.* (2006), Katsoulakos and Katsoulacos (2007), Heslin and Ochoa (2008), Heikkurinen (2010), Amran *et al.* (2014) and Boulouta and Pitelis (2014) – did this by utilizing the stakeholder theory (Freeman, 1984) as a theoretical base. Other scholars in the field have also used market and resource-based views together (Dentchev, 2004; McManus, 2008; Ortiz Avram and Kühne, 2008), international strategy and institutional theory (Husted and Allen, 2006), innovation (Herrera, 2015), corporate strategy (Galbreath, 2006), strategic fit (Smith, 2007), resource dependency theory (Husted and Allen, 2007b), partnerships (Heinze *et al.*, 2014), the theory of the firm (Siegel and Vitaliano, 2007), the externalities-based view (Maltz *et al.*, 2011), sense-making (Hanke and Stark, 2009) and the natural-resource-based view (Hart, 1995; Yin and Jamali, 2016), insurance and risk approach (Manasakis *et al.*, 2014; Boesso *et al.*, 2015), shared value (Font *et al.*, 2016), legitimacy strategy (Filatotchev and Nakajima, 2014) and considered internally or externally oriented strategizing as complementary. Recently, Porter and Kramer (2006, 2011) also analyzed strategic corporate responsibility from both inside-out and outside-in points of views, indicating a step towards a more integrated perspective on strategy. A similar move can be detected in the recent work of McWilliams and Siegel (2011).

This third or mixed or middle way can be referred to as an integrative strategy orientation as it is an attempt to combine the two orientations (internal and external) into a more integrated strategy in which both inside-out and outside-in views are more or less weighted equally. The integrative strategy scholars of strategic corporate responsibility very much seem to follow the advice from Mintzberg *et al.* (1998, p. 282) that 'it is not corrections we need in this field—a focus on internal resources after an obsession with external competition—but a sense of balance between all the appropriate factors'. As noted in strategy research, this kind of orientation 'proposes a model of strategy making that seeks to attain a match, or fit, between internal capabilities and external possibilities' (Mintzberg *et al.*, 1998, p. 24). With its focus on strategizing and strategists who move across organizational boundaries, the 'strategy as practice' lens (Whittington, 1996) can also be deemed integrative. A good illustration of this orientation is the study by Athanasopoulou and Selsky (2015, p. 1468) where different lenses are applied: 'the institutional perspective relates to the external social context, the cultural perspective relates to the organizational level, and the cognitive perspective relates to the individual level'. If examined in detail, however, then most studies claiming to be integrative still lean towards either an external or an internal orientation. This distinction between external and internal could also be thought of as a marketing versus a management point of view (Ketola, 2011) and, therefore, as balancing understandings of what happens both outside and inside the firm (Mintzberg *et al.*, 1998).

## 2.2 Responsibility

Based on the literature review above, it can be noted that previous studies on strategic corporate responsibility exhibit great diversity in their takes on strategy. The internal, external and integrative strategy orientations establish a steady and not overly complex basis for further review of the field. Further insights into what constitutes strategic corporate responsibility can be acquired from looking at the conceptualization of responsibility in more detail. The current research builds on the classic *intrinsic* and *extrinsic* categories found in the value theory of philosophy (Zimmerman, 2010; Rønnow-Rasmussen, 2015), as well as in psychological studies on motivation (Benabou and Tirole, 2003; Ryan and Deci, 2000). On the



individual level of analysis, 'over three decades of research has shown that the quality of experience and performance can be very different when one is behaving for intrinsic versus extrinsic reasons' (Ryan and Deci, 2000, p. 55), and arguably, this difference is also relevant to the organizational level of analysis.

*2.2.1 Extrinsic responsibility orientation.* Interestingly, most studies in the field seem to present the responsibility of the firm as being spurred by external pressures (Wilson, 1974; Husted and Allen, 2006; Lamberti and Lettieri, 2009), particularly from the customer side (Miles *et al.*, 2006; Vélaz *et al.*, 2007). For instance, studying the success of Spanish banks (before the last major credit crisis) led Vélaz *et al.* (2007) to suggest that customers should be the main stakeholders and source of decision-making criteria, while other scholars in the field have argued for a broader inclusion of stakeholders in guiding responsibility practice and discourse.

The rationale offered by Jones (1995, p. 432) that, 'because the costs of opportunism and of preventing or reducing opportunism are significant, firms that contract on the basis of trust and cooperation will have a competitive advance over those that do not use such criteria' holds strong in the field of strategic corporate responsibility. This instrumental view on stakeholder consideration suggests that 'behaviour that is trusting, trustworthy, and cooperative, not opportunistic, will give the firm a competitive advance' (Jones, 1995, p. 432), and hence, companies should take their stakeholders interests into account. Consequently, 'stakeholder theory forms a theoretical foundation in which to analyze the impact of prior economic performance, strategic posture toward social responsibility activities, and the intensity of stakeholder power on levels of corporate social disclosure' (Roberts, 1992, p. 610).

Following the logic of stakeholder guidance that translates into customer and shareholder value, corporate responsibility has come to be discussed in terms of its instrumental economic value (Dentchev, 2004; Heslin and Ochoa, 2008; Husted and Allen, 2007b; McWilliams and Siegel, 2011; Polonsky and Jevons, 2009; Porter and Kramer, 2006; Ramachandran, 2010) and considered inseparable from profit maximization (Werther and Chandler, 2005). In other words, the field of strategic corporate responsibility has been broadly influenced by the question Bowman and Haire (1975, p. 49) posed in the 1970s: 'What benefits accrue, and at what rate if one goes beyond the point of doing what is required?'

As above, when corporate responsibility is viewed as the means to deliver a profit-maximization strategy motivated by self-interest and not by a conception of moral responsibility (Baron, 2001; Lantos, 2001), an organization can be described as having an extrinsic responsibility orientation. In studies of motivation, extrinsic 'refers to doing something because it leads to a separable outcome...[not] because it is inherently interesting or enjoyable' as in the case of intrinsic motivation (Ryan and Deci, 2000, p. 55). In philosophy again, the 'extrinsic value has been characterized mainly as what is valuable as a means, or for something else's sake' (Rønnow-Rasmussen, 2015, p. 29, see also Zimmerman, 2010). The term extrinsic can hence be used to communicate that stakeholders hold instrumental or extrinsic value for an actor, which in this case is the business organization. At its simplest, the extrinsic responsibility orientation assumes responsibility and consideration for others as a means of something else in decision-making. In this sense, the word *strategic* is being narrowed to reflect the underlying value assumption of economic utility. To demonstrate this, for instance, Burke and Logsdon (1996, p. 496) suggested that responsibility is strategic 'when it yields substantial business-related benefits to the firm, in particular by supporting core business activities and thus contributing to the firm's effectiveness in accomplishing its mission'. Accordingly, the ultimate measure of the

strategic benefits derived from corporate responsibility according to the extrinsic orientation is the value they create for the firm. In addition, if value creation is defined as 'the readily measurable stream of economic benefits that the firm expects to receive' (Burke and Logsdon, 1996, p. 499), then this commonly deployed orientation in the field can be described as extrinsic. In practice, however, the reasoning underpinning strategic responsibility is often mixed (Husted and Allen, 2000; Muller, 2006).

*2.2.2 Intrinsic responsibility orientation.* While most studies in the field of strategic corporate responsibility take the extrinsic responsibility orientation as given, some studies do not specify what they mean by responsibility but treat it synonymously with other related, but at least as vague, concepts such as corporate citizenship and corporate social opportunity (McManus, 2008). A few, however, use an explicitly different assumption about the value of responsibility (Heikkurinen and Bonnedahl, 2013; Heikkurinen and Ketola, 2012). This alternative, corresponding to the classic distinction in value theory (Zimmerman, 2010; Ronnow-Rasmussen, 2015), is an intrinsic responsibility orientation. In contrast to an extrinsic responsibility orientation, an intrinsic orientation is characterized in terms of the value that the consideration of others holds in itself and/or for its own sake. There may be, for instance, moral, spiritual, symbolic, aesthetic or cultural foundations underpinning the idea of intrinsic value in the world (DesJardins, 1998; Heikkurinen and Mäkinen, 2016). A case in point is that:

*If one thing derives its goodness from some other thing, which derives its goodness from yet a third thing, and so on, there must come a point at which you reach something whose goodness is not derivative in this way, something that 'just is' good in its own right, something whose goodness is the source of, and thus explains, the goodness to be found in all the other things that precede it on the list. (Zimmerman, 2010, p. 1).*

In the field of strategic corporate responsibility, for Ghalib *et al.* (2009), eradicating poverty by creating opportunities for the poor seems to hold such intrinsic value. They developed their ideas based on Prahalad and Hamel's theorizing known as the base of the pyramid. Heikkurinen and Bonnedahl (2013), as well as Ketola (2010), again consider sustainable development and the natural environment as ends in themselves and recommend a sustainable development orientation to strategic decision-making. Furthermore, in the so-called awareness approach, the intrinsic responsibility orientation is taken to a transcendental level and there is no functional purpose at all to being responsible (Heikkurinen and Ketola, 2012). According to Heikkurinen and Ketola (2012), responsibility is endogenous and its own final product that organizes meaning in the corporation. In the context of strategic corporate responsibility, an intrinsic responsibility orientation signifies that consideration for others as an end is emphasized as the basis of action.

In management studies, this ethical register of theory building often tends to be overlooked (Ezzamel and Willmott, 2014) because it is largely the case in the field of strategic corporate responsibility. However, it seems quite sensible to consider intrinsic value too. Robin and Reidenbach (1987), for instance, explicated this by noting that because business is a human activity, it must also be evaluated from a moral point of view. In his study, *Groundwork of the Metaphysics of Morals*, Immanuel Kant ([1785] 1993, p. 30) popularized the departure from a solely extrinsic value orientation when suggesting in his categorical imperative that humans are not only instruments, as follows:

*Act in such a way that you treat humanity, whether in your own person or in the person of any other, never merely as a means to an end, but always at the same time as an end.*

But the idea of intrinsic value in management studies does not have to be limited to humans. Following the rationale of Purser *et al.* (1995) and Heikkurinen *et al.* (2016), the intrinsic

value orientation does not have to make a distinction between humans and non-humans, but can treat everything as inherently valuable. As 'this claim is taken to distinguish "deep" or "biocentric" ethical theory from their more traditional "shallow" and "anthropocentric" counterparts' (O'Neill *et al.*, 2008, p. 114), the proposed intrinsic responsibility orientation not only challenges the instrumental economic rationale of the extrinsic responsibility orientation, but also the strict anthropocentric paradigm of strategic management.

*2.2.3 Integrative responsibility orientation.* The field of strategic corporate responsibility also has cases bordering the intrinsic and extrinsic responsibility orientations. Van de Ven and Jeurissen (2005, p. 315), for example, attempted to combine both orientations and concluded:

*Are we not prioritizing the self-interest of the firm above all other stakeholders interests, and hence, above moral duties that override self-interest? In a way we are, but only in so far as we want to acknowledge that every functioning system has to reproduce itself in order to be able to comply with whatever duty is imposed on it ('ought implies be'). Only if morality is best served by the immediate termination of business activities does this prioritization lose its validity.*

The above quotation highlights that it is certainly a challenge for managers to accomplish these twin objectives when designing strategic responsibility initiatives (Bhattacharyya, 2010). This, however, does not exclude the idea that intrinsic and extrinsic responsibility orientations could coexist. For example, in the study by Rao and Tilt (2016), signals of considering gender equality as intrinsically important can be detected even if it not explicated.

Because there are often trade-offs between the economic, social and environmental aspects of a business enterprise (Figge and Hahn, 2012; Hahn *et al.*, 2010), in some decision-making situations, firms and managers must choose to follow one orientation or the other. For example, in its mildest form, an individual manager or firm may have to decide whether to enhance sociocultural well-being and reduce environmental harm, even if doing so does not deliver increased economic returns or enhance competitive potential. 'Trade-offs at the societal level [again] refer to conflicts concerning the contribution of companies to a more sustainable society at large' (Hahn *et al.*, 2010, p. 221). This can, for example, include addressing the harmful impacts of economic growth on the natural environment or the problems of accumulating economic capital on social equity in time and place (Heikkurinen and Bonnedahl, 2013). Furthermore, a solely extrinsic responsibility orientation in terms of strategic corporate responsibility can also be inadequate, because firms might withdraw from their responsibilities during a recession or in anticipation of economic difficulties (Bansal *et al.*, 2015). That inadequacy calls for at least an integrative responsibility orientation.

### 3. Reframing strategic corporate responsibility

To the extent that the external and internal strategy orientations merge over time to build an integrative orientation, a similar merging of extrinsic and intrinsic responsibility orientations can be observed in related fields, particularly in business ethics and sustainability management. In a recent typology developed by Dyllick and Muff (2016), the emergence of an integrative responsibility orientation is well documented. These 'different outputs discussed in the literature are "integrating economic, ecological and social value creation," "creating value" and the "re-emergence of social purpose"'. (Dyllick and Muff, 2016, p. 161). In the field of strategic corporate responsibility, similar developments can be observed (Table I).

### 3.1 *The classic perspective*

Because of the dominance of some early management scholars (Freeman, 1984; Friedman, 1970; Jensen, 2001; McWilliams and Siegel, 2001; Russo and Fouts, 1997) and the influence of well-known strategy theorists (Porter and Kramer, 2006, 2011), the field of strategic corporate responsibility has developed along the lines of extrinsic responsibility orientation. Despite these authors' approaches to the means of responsibility differing greatly, they tend to share a view on the end of responsibility, which is the provision of economic utility to the firm. This shared instrumentalist view on how strategy and corporate responsibility can and should be connected has importantly fostered continuity in the field, which has in turn enabled strategic corporate responsibility literature to gain prominence among mainstream business scholars. Consequently, the extrinsic responsibility orientation could be considered a worthwhile step in the institutionalization process of the field. Paradoxically, however, strategic corporate responsibility scholars largely share the same theoretical groundings with the mainstream business scholars that they have eagerly tried to escape. That is because both bodies of literature are linked to the legacy of Friedman's (1970) shareholder theory and Jensen's (2001) enlightened self-interest, where the role of the corporation is first and foremost economic (Heikkurinen and Mäkinen, 2016). Nevertheless, the premise that firms are merely self-interested, benefit seeking economic actors that can engage in good deeds if, and only if, doing so brings wealth to the corporation, is increasingly being challenged by both the practice and theory arms of business management (Dyllick and Muff, 2016). Moreover, this increased responsibility is not only extrinsically driven, in that the public and stakeholders expect ethical behavior from companies, but many firms themselves actively propose this new, politico-ethical role for business organizations (Heikkurinen and Mäkinen, 2016; Scherer and Palazzo, 2011).

Nevertheless, previous strategy studies have largely focused on a perspective that emphasizes the role of markets and industry (following Porter, 1979, 1980; 1985) and of stakeholders (Clarkson, 1995; Freeman, 1984; Savage *et al.*, 1991; Freeman *et al.*, 2010), that is, the external pressures and contingencies apparent in the context in which the organization operates (Mintzberg *et al.*, 1998). Concerning the definition of corporate responsibility, again the majority of studies in the field have limited themselves to discussing responsibility in terms of its instrumental economic value and competitive potential (Baron, 2001; McWilliams and Siegel, 2001; Porter and Kramer, 2006). For example, according to McWilliams and Siegel (2001), the ideal level of responsibility can be determined by a cost-benefit analysis, suggesting that companies should act responsibly if there is evidence doing so will generate increased economic returns.

To make better sense of the field, the current study will use the term *classic* here to refer to the group of studies and scholars that share a set of characteristics that can be designated of the highest quality and outstanding among their kind over a period of time. Based on the review conducted (Section 2), the classic perspective in the field of strategic corporate responsibility can be seen to have two main characteristics. First, the extrinsic responsibility orientation holds that a firm does, and should, engage in business activities that enhance sociocultural well-being and reduce environmental harm, if doing so results in increased economic returns or enhanced competitive potential. In other words, corporate responsibility is considered to have a mainly extrinsic value and is seen as a means to deliver something else, a utility that is translated into the economic utility of the firm.

Second, in terms of the strategy orientation, the classic perspective is found to be less clear, as both external and internal strategy orientations are strongly present in strategic corporate responsibility theory and practice. Accordingly, the classic strategy orientation could best be described as integrative. However, and similarly to the field of strategy

(Mintzberg *et al.*, 1998), a leaning towards the external strategy orientation might be discerned in the review if the number of studies is considered (Table I). However, it is important to note when outlining the classic perspective that there were several reference points to stakeholders, the stakeholder approach (Freeman, 1984) and stakeholder theory (Freeman *et al.*, 2010). The effect is that the strategy orientation can be considered somewhat integrative because stakeholder thinking has a capability to cater to both internal and external aspects through a variety of stakeholders both outside and inside the organization. However, the stakeholder approaches also vary in their external and internal orientations depending on whether the external or internal stakeholders are given center stage in steering decision-making about corporate discourses and practice.

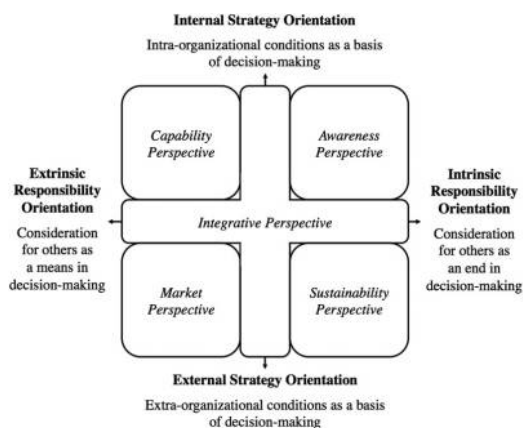
Despite the classic perspective's dominance, strategic corporate responsibility should not be reduced to, or confused with, instrumental responsibility (Brooks, 2005) or stakeholder thinking (Freeman, 1984; Savage *et al.*, 1991; Clarkson, 1995; Freeman *et al.*, 2010). In fact, 'the instrumental logic of contemporary corporate engagement with sustainability, driven by stakeholder pressures, is a key obstacle when aiming for 'truly' sustainable supply chains' (Gold and Schleper, 2017). In a similar way that a stakeholder approach can be instrumental or normative (Donaldson and Preston, 1995), strategic corporate responsibility can be egoistic or altruistic and also driven by extrinsic or intrinsic motivations. The integrative strategy orientation combined with extrinsic responsibility orientation merely represents the typical perspective. In a more inclusive perspective on connecting strategy and corporate responsibility (Brooks, 2005; Ketola, 2008; Starik, 1995; Stormer, 2003; van Marrewijk, 2003), the word *strategic* indicates that responsibility 'should be considered as an integrated practice across the organization and should not be thought of as the domain of any particular function' (Brooks, 2005, p. 403). The important point here is that this definition of strategic corporate responsibility is inspired by the intrinsic responsibility orientation, unlike the classic definitions, such as that proposed by Burke and Logsdon (1996, p. 496).

### 3.2 *A new frame for the field*

As a result of the analysis, an overarching perspective is identified, namely the classic perspective. However, this article suggests that, if it continues along the same lines as in the past decades, the field of strategic corporate responsibility may begin to suffer under the influence of that classic perspective. This is because its powerful foothold might constrain the development of alternative and non-mainstream theorizing, and after all, the classic perspective does somewhat support the mainstream economic and business ends of profit, growth and competitiveness (Friedman, 1970; Jensen, 2001) even though the means might have become more sophisticated (Banerjee and Bonnefous, 2011). To forestall the progression towards an exclusive understanding of strategic corporate responsibility, this study constructs an integrative framework that signifies a more inclusive and holistic view of the relationship between corporate responsibility and strategy. An outcome of the study will be to outline a contender perspective to challenge the classic point of view.

The new framing of the field of strategic corporate responsibility presented in Figure 1 is derived from the two opposing strategy orientations and two responsibility orientations deployed in the literature review. When combined in a matrix-like frame, four archetypical perspectives emerge.

Because the content of the upper-left quadrant presents intra-organizational capabilities as the basis for connecting responsibility and strategy (Branco and Rodrigues, 2006; Fang *et al.*, 2010; Heikkurinen and Forsman-Hugg, 2011; Husted and Allen, 2000; Husted and Allen, 2007b; Litz, 1996; Russo and Fouts, 1997; Ramachandran, 2010) and is rooted in the



**Figure 1.**  
New frame for strategic corporate responsibility

theories of the resource-based view and dynamic capabilities (Barney, 1991; Teece *et al.*, 1997; Wernerfelt, 1984); the quadrant can be said to encapsulate the *capability perspective*. In contrast, the content of the lower-left quadrant stresses the role of competitive markets and the structure of industry in connecting responsibility and strategy (Bowman and Haire, 1975; Lamberti and Lettieri, 2009; Lantos, 2001; Muller, 2006; Polonsky and Jevons, 2009; Ranchhod and Park, 2004; van de Ven and Jeurissen, 2005; Vilanova *et al.*, 2009; Wilson, 1974), and these literatures are rooted in industrial organizational or market-based views (Caves and Porter, 1977; Porter, 1979, 1980, 1985), organizational ecology (Hannan and Freeman, 1977), resource dependence (Salancik and Pfeffer, 1978) and the stakeholder approach (Clarkson, 1995; Freeman, 1984; Freeman *et al.*, 2010; Rhenman, 1968; Savage *et al.*, 1991); the quadrant can be said to encapsulate the *market perspective*.

It should be noted, however, that the stakeholder approach also extends to the capability perspective through the inclusion of internal stakeholders in connecting responsibility and strategy (Burke and Logsdon, 1996; Roberts, 1992; Vélaz *et al.*, 2007; Werther and Chandler, 2005). Many studies in the field have utilized both capability and market perspectives in connecting responsibility and strategy and, therefore, fall between the two archetypes (Baron, 2001; Dentchev, 2004; Galbreath, 2006; Hanke and Stark, 2009; Heikkurinen, 2010; Heslin and Ochoa, 2008; Ortiz Avram and Kühne, 2008; Husted and Allen, 2006; Husted and Allen, 2007b; Katsoulakos and Katsoulacos, 2007; McManus, 2008; Miles *et al.*, 2006; Perrini *et al.*, 2007; Porter and Kramer, 2006; Reidenbach and Robin, 1988; Siegel and Vitaliano, 2007; Smith, 2007).

With this framing, there are two newcomers from beyond the classic perspective. Because the perspective of the upper right-hand quadrant emphasizes the inner experience and metaphysical potential of organizations through identity and ethics in connecting responsibility and strategy (Heikkurinen and Ketola, 2012; Robin and Reidenbach, 1987; see also Gustavsson, 2003; Gustavsson, 2005; Pruzan, 2001b) and is rooted in theories of ethics (Aristotle, [348BC] 1985; Kant ([1785] 1993; von Wright, 1963) and spirituality (Pruzan, 2001a; Wilber, 2001; Zsolnai, 2010), the quadrant could be described as encapsulating the *awareness perspective*. The content of the lower right quadrant emphasizes the biophysical limits of economic action and organizational behavior in connecting responsibility and strategy (Heikkurinen and Bonnedahl, 2013; also Bonnedahl and Eriksson, 2011; Málovics *et al.*, 2008), eradicating poverty (Ghalib *et al.*, 2009), securing human rights (Welford, 2002), preserving local culture (Bergsteiner *et al.*, 2016) and is rooted in the literature on sustainable

development (Daly, 1996; Welford, 1997), including the global responsibility for the sociocultural challenges (UNDP, 2012; UN, 2015; Yunus, 2007); accordingly, the quadrant encapsulates what is termed here the *sustainability perspective*.

### 3.3 *The contender perspective*

‘Strategic planning has become very complex in practice as the traditional political and economic factors to be taken into account have now been accompanied by environmental factors’ (Ketola, 1998, p. 108). ‘What is rarely done, however, is to look at the relationship of business and society the other way around, by asking how business can contribute effectively to solving global challenges. Such an outside-in perspective may be the crucial step needed for business to move to full-fledged or true sustainability’ (Dyllick and Muff, 2016, p. 162). It is easy to agree with Dyllick and Muff (2016, p. 168) that this ‘shift in organizational perspective, from inside-out to outside-in, will allow a company to develop the strategies and business models needed to make relevant contributions to overcome societal and planetary challenges, thereby contributing to the common good’. This line of reasoning connects to the sustainability perspective and makes up the first half of the contender perspective. It has already progressed in its institutionalization journey with a separate stream of literature and journals (e.g. Business Strategy and the Environment, Organization and Environment). In practice, the purely economic logic has been challenged with international standards like the Global Reporting Initiative (GRI) for sustainability reporting or the draft standard of the International Integrated Reporting Initiative (IIRI) for integrated reporting, the ISO 26000 guidance on social responsibility, the ISO 14001 standard and accreditation system on Environmental Management Systems, the Social Accountability 8000 (SA 8000) standard and accreditation scheme, numerous special accreditation schemes like the Marine Stewardship Council (MSC) or the Forest Stewardship Council (FSC) and new accounting standards from the Sustainability Accounting Standards Board (SASB).

But the mere presence of an external orientation towards strategizing is considered inadequate unless complemented with a shift in values (Ketola, 2008; Heikkurinen and Bonnedahl, 2013; Dyllick and Muff, 2016), that is, the inclusion of intrinsic responsibility orientation. While the intrinsic responsibility orientation has not been explored in great depth in the field of strategic corporate responsibility, related perspectives have already appeared in other fields. Schmidt-Wilk *et al.* (1996), for instance, obtained interesting results studying developing consciousness in organizations by means of meditative practice. Pandey and Gupta (2008) delineated a collective consciousness view of business organizations and their progress, while in a comparable fashion, Young (2002) applied Ken Wilber’s spectrum of consciousness in the organizational context. In addition, there is a broad range of studies in business ethics that build on non-utilitarian moral theory (mostly virtue ethics and deontology) creating a sturdy theoretical backbone for the intrinsic responsibility orientation.

It is therefore the combination of the awareness and sustainability perspectives that has the most potential to move the field forward. The main difference between the contender and the classic perspective is their responsibility orientation. The contender perspective posits that a firm does, and should, engage in business activities that enhance sociocultural well-being and reduce environmental harm, even if doing so does not generate increased economic returns or enhance its competitive potential. This contender perspective, however, is demanding and, given the current state of most corporate discourses and practices, is unlikely to be widely adopted within the next few

years. Nevertheless, even framing the field of strategic corporate responsibility anew to cover four archetypical perspectives tends to encourage reflection among practitioners. In addition, this contender perspective that complements the classic perspective, offers a vital multifilament understanding and scholarly examination of the phenomenon of strategic corporate responsibility. Covering four, instead of one or two, quadrants certainly provides a more complete view of the field than was previously available.

### *3.4 Integrating the perspectives*

Accordingly, it may be worthwhile to begin exploring a synthesis, the integrative perspective on strategic corporate responsibility that could bridge the contender and classic perspectives. It is not merely strategy orientations that tend to be integrative in practice; responsibility orientations often are too. At a single point in time, of course, an organization must choose between either of the perspectives. However, with an extended time horizon, an organization and its people make decisions that are inspired and motivated by both extrinsic and intrinsic value in the consideration of others. Therefore, it is of vital significance to also acknowledge and foster the intrinsic responsibility orientation.

In summary, according to the integrative perspective, the consideration for others is not (and should not be) limited to either instrumental or non-instrumental rationales, but the extrinsic and intrinsic orientations should be considered complementary. For those others whose destiny is to be affected by corporate decisions, the question of how equally the extrinsic and intrinsic responsibility orientations manifest in organizations is, of course, of central importance. In providing a broad bridge between the two orientations, integrative perspectives also vary in their share of intrinsic and extrinsic responsibility. It is therefore important to note that organizational decision-making cannot be fully freed from the instrumental rationale; and perhaps nor should it be. Be that as it may, it is exactly this strongly prevalent extrinsic responsibility orientation that confirms that the corporation should not be the main responsible actor in a society. The limitations of the corporate mode of organization determine that the state and other governmental entities maintain a key role in ensuring that the needs of the present and of future generations, will be met. The responsibility of the corporation is surely a necessary but not a sufficient condition in ensuring just and ecologically viable societies.

## **4. Conclusion**

This article examined how responsibility and strategy can and should be connected in a business organization. Based on a theory review, the study illustrates four archetypical perspectives that each link responsibility and strategy differently. These perspectives vary according to their strategy orientation (external-internal) and responsibility orientation (extrinsic-intrinsic). The study also identified a classic perspective on strategic corporate responsibility, which is characterized by an extrinsic responsibility orientation and integrative strategy orientation, most commonly applied as the stakeholder approach. The proposed four perspectives on strategic corporate responsibility constitute a new conceptual frame for the field. That frame exposes the main research gaps in the literature in the domain of intrinsic responsibility orientation, which was outlined as the contender perspective. To reimagine the field, the article proposes that the classic perspective is complemented with the contender perspective to form the integrative perspective on strategic corporate responsibility. And this is also a very fruitful direction for future research.



To reimagine the connection between corporate responsibility and strategy based on the extrinsic *and* intrinsic responsibility orientations is of particular importance for sustainable and ethical business conduct because the classic perspective does not consider those stakeholders who are crucial in terms of ecological and social justice (e.g. the poor, future generations and non-humans) as salient stakeholders (Agle *et al.*, 1999; Mitchell *et al.*, 1997). When viewed from the extrinsic responsibility perspective, present-generation people with low purchasing or negotiating power, that is, fringe stakeholders (Hart and Sharma, 2004), have little or no influence over managerial decision-making. While some non-governmental organizations successfully serve as a mouthpiece for non-salient stakeholders and have created environmental- and sociocultural-related turmoil around businesses (O'Rourke, 2005), the critical stakeholders are not as active everywhere as they are in some Western societies. Consequently, these weak and isolated stakeholders might have to more or less submit to corporate actions because they lack power, legitimacy and urgency from the conventional perspective, as empirically demonstrated by research, including that of Banerjee and Bonnefous (2011).

The classic perspective also tends to ultimately leave responsibility (that exceeds legal compliance) to actors outside the organization (Heikkurinen and Ketola, 2012). This is because even though a firm itself takes responsibility for an initiative, it still ultimately requires a response from the marketplace that contributes to the traditional economic aims of the corporation (Heikkurinen and Bonnedahl, 2013). In other words, consideration for others must pay off somehow, or at least not adversely affect the bottom line. The classic perspective can, therefore, be viewed as outsourcing the ethical consideration to mainly external stakeholders and ultimately to the market. At its simplest, it does not appear suitable to deal with the fact that future generations are neither present in the markets, nor can they present their claims in any conventional stakeholder setting (Gardiner, 2002); that is, the concerns of the present tend to take precedence over the legitimacy of the unborn. As Stormer states, 'In the light of complex empirical realities and the new mandate for business, we must travel beyond a stakeholder model of the firm to an inter-systems model of business, redefining the purpose of the firm and taking the interrelatedness of systems and the nature of emergent properties in complex systems into account' (Stormer, 2003, p. 288). This is the way of the integrative perspective.

#### 4.1 Compliance with ethical standards

- The author declares that they have no conflict of interest.
- This article does not contain any studies with human participants or animals performed by any of the authors.

#### Note

1. Articles with a reference to strategy in their title and/or abstract, yet having no or little discussion about the terms in the actual manuscript, were removed from the data. It is also worthwhile to note that even if the theory review is rather comprehensive, it is not fully exhaustive. In fact, the purpose of review is not to include and describe all existing studies in the field but rather to illustrate the breadth and depth of current state-of-the-art theory, as well as highlight the existing research gaps for advancing the field.

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