Towards Critical Performativity in Corporate Social Responsibility Research

A critically-reflective approach to practice

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Abstract

Corporations have by and large acknowledged the importance of being perceived as socially responsible and invested heavily in communicating their CSR activities. There is however frequently a misalignment between image and actions where businesses do not live up to their self-proclaimed standards and societal expectations. This calls for critical research on the substance of CSR to uncover such misalignments.

Scholars associated with the CMS movement have addressed such issues to disclose the ‘dark side’ of corporate behaviour ‘hiding behind the mask of CSR’. However, this stream of research has so far mainly focused on pointing out problems, not on suggesting solutions.

Inspired by the concept of ‘critical performativity’, we aim to advance critical research on CSR by developing a conceptual framework for a CSR agenda that builds on stances of affirmation and care to identify problems of injustice, pragmatism and potentialities when drafting solutions, and a normative stance when devising principles.

With our framework we seek to overcome shortcomings of current CSR practice - being overly superficial and instrumentally abused - and a CMS debate, which is often disconnected from the constraints of business life.

Keywords: corporate social responsibility (CSR), critical management studies (CMS), critical performativity, performativity debate
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Introduction

Corporations are undeniably an inherent part of society. This embeddedness brings about the responsibility to behave according to societal norms. Scandals stemming from irresponsible corporate behaviour however have frequently shaken up this relation and led to decreasing trust and resistance from stakeholders and civil society. In order to communicate their accordance with societal norms most corporations have devoted considerable resources to devise and most importantly communicate their Corporate Social Responsibility (CSR) strategies (cf. Basu & Palazzo, 2008). The communication of intentions however does not necessitate its realisations; in other words there is often a misalignment between image and actions (Weaver et al., 1999). The recent oil spill in the Gulf of Mexico is a case in point. Over the years the oil industry and amongst them BP had sought to build up an image of a green and responsible company while e.g. still deep-water drilling for oil in ecologically sensitive environments, continuously lobbying against stricter environmental and safety regulations, and, as allegations by the U.S. government underline, without taking sufficient precautionary measures for environmental protection (Der Spiegel, 2010). Another example of such ‘corporate greening’ (Crane, 2000) is the Fast Food giant McDonalds which, after being criticised for its products’ detrimental effects on health, started a re-branding campaign portraying itself as environmentally friendly using the colour green in their logos, however without changing much about the nutritional value of their core products (Chicago Tribune, 2009; Green Life, 2004).
Yet another well-known corporation emphasizes on its website that “Integrity and honesty are at the heart of our business. We expect our people to maintain high ethical standards in everything they do, both in their work for the firm and in their personal lives.” This corporation, which claimed to be doing ‘god’s work’, is no other than the investment bank Goldman Sachs which has recently been legally charged by the SEC for systematic defrauding of clients (SEC, 2010).

These exemplary cases show a considerable gap between image and actions where CSR was instrumentalized for PR purposes with the intention to merely increase profits, rather than benefitting societal welfare (Laufer, 2003; Sims & Brinkmann, 2003). They have been encouraging researchers to critically investigate CSR activities. In particular scholars associated with the critical management studies (CMS) movement have attempted to disclose the ‘dark side’ of corporate behaviour ‘hiding behind the mask’ of CSR (amongst others Banerjee, 2008a; Boje & Khan, 2009; Frankental, 2001; Khan et al., 2007). These authors mainly criticise the dominant instrumental, economic approach to CSR by arguing that it is constructed by businesses as a façade which conceals underlying ideologies that need to be disclosed to assess their power to cause good or perpetuate harm (Gond et al., 2009).

However, we argue that the majority of critical research targeting CSR has failed to provide a basis to further develop its critical analyses towards providing pragmatic suggestions for combining socially acceptable behaviour with economic constraints. If ‘solutions’ are developed by scholars of CMS, they are typically based on idealised perceptions of the corporation’s role in society. Scholars propose a more or less radical paradigm shift, and thereby turn a blind eye to the prevailing economic conditions and concomitant constraints, such as the need to be profitable to stay in competition (see critically e.g. Banerjee, 2008a; see also Crane, 2000). We argue that too many of such critical approaches draw inspiration from the concept of anti-performativity (Grice & Humphries, 1997). With an anti-performative stance, CMS researchers resist to ‘develop and celebrate
knowledge which contributes to the production of maximum output for minimum input and that involves inscribing knowledge within means-ends calculations’ (Grey & Willmott, 2005, p. 17). Anti-performative research takes issue with such technical aspiration by arguing that it potentially leads to an unreflective ‘naturalisation of knowledge’, i.e. management theory being involved in a double movement of constructing organizational reality and rationality while effacing the process of construction behind a mask of science and ‘naturalness’ (Fournier & Grey 2000).

Such a standpoint however creates ‘remoteness from the real world’ (Calás & Smircich, 1999, p. 659) when not taking into account economic constraints such as profitability and the complex power dynamics of markets to which corporate decision-making is exposed (cf. Margolis & Walsh, 2003). In this sense, we argue that if suggestions of CMS research remain strictly anti-performative they are likely to be accused of providing more utopian than realistic orientation for corporate behaviour (Scherer & Palazzo, 2007, p. 1105). Consequently some scholars of CMS have recently begun to admit that CMS must become more pragmatic, engaging seriously with their objects of critique (Spicer et al. 2009; cf. Hotho & Pollard, 2007; Kuhn & Deetz, 2008; Philips, 2008). Spicer et al. (2009: 545) have argued that CMS needs to ‘learn’ appreciating the contexts and constraints of management, which involves asking questions about what works, what is feasible, and what those addressed perceive as relevant. Such ‘critically-performative’ approaches have however not yet been applied explicitly to the CSR debate (cf. Scherer & Palazzo, 2007: 1097). Inspired by the notion of ‘critical performativity’ (Spicer et al., 2009), we seek to make a contribution to critical CSR research by connecting it to a pragmatically oriented stance of CMS.

Our paper is organized as follows. In the first part we will briefly review mainstream perspectives on CSR and subsequently assess CMS’ contributions to the field. We argue that most critical research on CSR does not contribute solutions on how to improve corporate behaviour. Based on our critique we propose that critical performativity might offer a suitable
way out of the impasse of either being overly functionalistic - in our words ‘hyper-performative’ - or using a too rigid anti-performative approach. We divide our critically performative approach to CSR into three key ‘frames’ of engagement for critical researchers, namely principles when identifying problems, principles when finding solutions and principles when devising guidelines.

Rather than focusing on the outcomes of CSR activities, we describe the underlying processes leading to such activities, in which managers are the influential protagonists. Accordingly we define CSR as ‘the process by which managers within organizations think about and discuss relationships with stakeholders and their roles in relation to the common good’ (Basu & Palazzo, 2008, p. 124).

More specifically, we apply a stance of affirmation and care to identify problems of irresponsible business conduct, which is portrayed as CSR. In other words, we propose to take an affirmative stance and location at close proximity to the object of critique in order to identify potential points for revision (close to the corporation’s business model and day-to-day operations and within the manager’s mindset). Moreover we highlight the need to strike a balance between criticism and care for those criticized in order to provide space for the respondents’ views. Subsequently, we bring forward a stance of pragmatism and potentialities when drafting solutions for a socially responsible business conduct. Rather than dealing with organizations as integrated systems, we view them as a collection of processes, people and institutions, and we underline the need for small communicative interventions focusing on particular parts within the organization. Potentialities establish a sense of what could be achieved in the future by conceptualising latent possibilities (heterotopias). We apply a normative stance when devising principles and guidelines of a socially responsible business agenda.

As such, we will critically discuss mainstream approaches both of CSR and CMS by offering a theoretical approach that addresses and seeks to resolve both shortcomings of
current CSR theory and practice – being overly superficial and instrumentally abused - and a CMS debate, which is often disconnected from the constraints and dilemmas of business life.

**Broad perspectives on CSR**

Over the last few decades, a diverse literature on CSR has evolved, without reaching consensus on a precise definition thereof (Scherer & Palazzo, 2010). Despite Votaw’s early claim that CSR means “something, but not always the same thing, to everybody” (1973, p. 11), several characteristics are recurrently appearing in mainstream approaches to CSR. Scholars, which have reviewed the literature, show that an approach to CSR based on the economic theory of the firm represents a significant part in the current debate (Garriga & Melé, 2004; Margolis & Walsh, 2003; Scherer & Palazzo, 2010).

Such an *economic* approach to CSR is based on three premises (cf. Scherer & Palazzo, 2010): (1) there is a clear separation of the role of business and that of governments (Friedman, 1962; Henderson, 2001), (2) corporations have to maximize their profits and managers have fiduciary responsibilities to the shareholders, above all other stakeholders (Friedman, 1970; Sundaram and Inkpen, 2004), and (3) social and environmental responsibilities are justified on purely economic grounds, i.e. they are considered appropriate only when their underlying motivation is the attainment of superior financial performance (Mackey et al., 2007; McWilliams & Siegel, 2001); a strategy which Jensen (2002, p. 235) has labelled ‘enlightened value maximization’.

Following these basic premises, many scholars of CSR have been developing an *instrumental* approach to CSR, which seeks to establish and assess the value-creation potential of socially responsible activities (see, e.g., Jones, 1995; Kotler & Lee, 2004; McWilliams et al., 2006; Porter & Kramer, 2006; see critically: Scherer & Palazzo, 2010). They are searching for the ‘business case’ of CSR, and construct CSR through a cost-benefit perspective (amongst others Bhattacharya & Sen, 2004; Kotler & Lee, 2004; McWilliams et
Management magazines such as ‘The Economist’ (January 2005) or ‘Harvard Business Review’ (December 2006) help in propagating this approach among practitioners by emphasizing the value creation potential of CSR based on a purely strategic and ‘business case’ understanding of social responsibility. Several scholars have in this sense attempted to find a correlation between corporate social activities and financial performance – however without presenting persuasive results (Orlitzky et al., 2003; for critical reviews see Margolis & Walsh, 2003; Walsh et al. 2003).

With regards to the often-discussed stakeholder approach to CSR (Freeman, 1984), Mitchell et al. (1997) argue that often the various corporate stakeholders such as employees, civil society or governments, are considered in decision making only in as much as they are powerful and able to positively or negatively influence the profit of the corporation, independent of the legitimacy and urgency of their claims. As such, this perspective similarly contributes to instrumentalist thinking, which is synonymous with profit maximization (see critically Garriga & Melé, 2004; Jones, 1995).

From a critical, ‘society’ instead of ‘corporate’ perspective, instrumental approaches to CSR have several limitations (cf. Gond et al., 2009): First, instrumental CSR bypasses normative questions, such as what should corporations do if contributing to society or stakeholder interests does not contribute to profits (Scherer & Palazzo, 2007). A number of scholars argue that concepts of CSR, which reduce the social responsibility of business to another economic ‘success factor’ are not able to define a normative framework for the role of business in society which helps to critically question whether certain business activities are acceptable or not and contribute to the overall welfare of society (Scherer & Palazzo 2007; see also Donaldson & Preston 1995; Matten & Crane 2005). Second, a purely instrumental view is likely to promote corporate opportunism (Dunfee & Fort, 2003) with CSR engagement switched on or off depending on its value creation potential for the corporation, stopping ethics when it stops paying (Weaver et al., 1999). Third, instrumentalism could alter
the substance of socially responsible behaviour, replacing what might really be required or valued by society with that which finds ready acceptance in a business sense (Shamir, 2008). As such, a purely economic view of the firm would implicitly reject the idea of an intrinsic motivation for corporate responsibility (Margolis & Walsh, 2003). The ‘strategic’ view of CSR also suffers from the same limitations. If behaving in a socially responsible manner is indeed a competitive strategy, it is limited in the amount of competitive advantage it can generate because the very visible nature of these practices makes it easier for competitors to develop similar strategies (see critically McWilliams & Siegel 2001; Banerjee, 2008a).

In the economic approach to CSR, the market and consumers as its constituents thus decide upon the ‘usefulness’ of CSR activities, rather than those being affected by a particular corporate action or wider external effects. Neoliberal economists might propose that such consumer influence is a democratic, market-driven ‘voting-by-feet’ which potentially enforces socially desirable corporate behaviour (see e.g. von Mises, 1952). This proposed dynamic however marginalizes those legitimate stakeholders, which are not considered in this decision-making process, due to their (financial, geographic, or other) inability of being a consumer. Further, where the consumer and the market decide on the value of a CSR activity, i.e. buying more products of a company, which they perceive as socially responsible, corporations are likely seduced to build up such a favourable image. This image, in consequence, can manipulate consumers’ ability to make autonomous and informed decisions, given the impact of marketing and e.g. product labelling on them (Klein, 2001). As such, as long as the ‘responsible’ image is kept up, the impact might often be masked by instrumental CSR activities that attempt to create a façade of social responsibility to hide doubtful or unchanged business practices (Basu & Palazzo, 2008).

Accordingly, responses of corporations to societal pressures can often be easily decoupled from normal, ongoing organizational activities. They create a considerable gap between rhetoric and action, which has been framed as greenwashing (Sims & Brinkmann,
2003) or window-dressing (Meyer & Rowan, 1977). Moreover, abuses of the ‘CSR’ and ‘responsibility’ frame can have negative spillover effects on the credibility of those corporate initiatives which are actually honest and candidly meant to further societal goals (Weaver et al., 1999), such as corporations engaging in explicit self-regulation or partnerships with civil society (Scherer et al., 2006).

We argue that this calls for corporate behaviour to be studied critically in order to uncover and deconstruct possible misalignments between rhetoric and action. Notwithstanding, this research must also reconstruct what it has deconstructed in order to propose ideas, which pragmatically integrate socially acceptable behaviour and the prevailing economic conditions.

Thus far, we have critically reviewed instrumental approaches to CSR and pointed out general limitations and criticism. In conjunction with the rise in popularity of CSR among corporations, a line of critique has evolved from within the critical management studies (CMS) movement scrutinizing the downsides in particular of the prevailing instrumentalist approach to CSR. In the following section, we sketch the main ideas of CMS and subsequently scrutinize existing CMS research on CSR.

**Existing critical positions on CSR**

CMS scholars have attempted to disclose the reality of corporate behaviour ‘hiding behind the mask’ of perceived CSR rhetoric and unveil it as a management ideology, which serves corporate interests above all. This attempt of denaturalization involves deconstructing the reality of organizational life or ‘truthfulness’ of organizational knowledge by exposing its unnaturalness or irrationality (Fournier & Grey, 2000).

CMS rests on postmodernist ideas of the so-called Frankfurt School Critical Theory and critical realism (for an overview of different theoretical approaches to CMS, see Alvesson et al., 2009). The purpose of CMS is to uncover sources of domination, alienation,
exploitation, and repression by criticising the existing social structures with the intent of changing them (cf. Gioia & Pitre, 1990). Major attention is given to the ways that power-holders (e.g., management) influence structuring processes that become part of a reified, taken-for-granted way of seeing organisations and ultimately society. Critical theorists look at the ways these reified institutions affect human action (Putnam, 1983). Thus, we can understand CMS as ‘a branch of management theory that critiques our intellectual and social practices, questions the ‘natural order’ of institutional arrangements, and engages in actions that support challenges to prevailing systems of domination’ (Cunliffe et al., 2002, p. 489).

CMS seeks to deconstruct reified technical knowledge (Habermas, 1968) that is by and large based on a positivistic research approach and accepted due to its value associated with producing results. Rather than performativity, CMS proposes emancipation: ‘the process through which individuals and groups become freed from repressive social and ideological conditions, in particular those that place socially unnecessary restrictions upon the development and articulation of human consciousness’ (Alvesson & Willmott, 1992, p. 432; cf. Grice & Humphries, 1997). A CMS inspired research agenda intends to identify how goals like emancipation, social justice, ecological balance, community and human development, can be integrated within the governance of economic activity (Alvesson & Willmott, 2003).

With regard to CSR, CMS scholars accuse CSR initiatives not to be motivated by what they often pretend to stand for (i.e. the aforementioned social justice, ecological balance, etc.), but rather by a desire for an increase in financial returns, the goal to develop a compliant workforce, to encounter less obstacles obtaining planning permission, more amenable customers, etc., in other words to ‘abuse’ CSR as another factor in the production function (amongst others Banerjee, 2003; Banerjee, 2008a; Boje & Khan, 2009; Frankental, 2001; Khan et al., 2007). Thus, such a critical perspective examines and investigates how corporate ‘socially responsible’ activities, values, and ethics might for instance lead to deception (Lantos, 1999) or perceptions of consumer manipulation (Wicks, 2001).
A bulk of CMS-influenced critique is based on the argumentations that despite its emancipatory rhetoric, CSR, business ethics and sustainability are merely a form of rhetoric which disguises narrow business interests serving to curtail the interests of external stakeholders and intended to legitimize the power of large corporations (Banerjee, 2008b, p. 52). This rhetoric created by corporations nurtures the relationship between business and society based on corporate interests, not societal interests (Windsor, 2001). An image is produced, which serves first of all the corporation’s interest by providing e.g. ‘growth opportunities’ (Banerjee, 2003). If such growth opportunities converge with genuine societal benefits, society gains; what happens if environmental and social issues do not result in growth opportunities or when there is a clash of objectives and interests on how companies ought to deal with tradeoffs and dilemmas is not very well documented in the literature on CSR (cf. Margolis & Walsh, 2003).

For instance, the often-purported empowerment of stakeholders might lead to conflicts or deceitful outcomes due to fundamentally opposing agendas, e.g. the clash between mining companies and indigenous communities (Banerjee, 2001). Banerjee (2008b) argues that these ‘stakeholder consultations’ take place under drastically unequal power relations. Tatz (1982) for instance exemplifies that aboriginal communities are the receivers of consultation. Aboriginal people are talked to about the decisions arrived at (1982, p. 176), instead of being included into an inclusive dialogue.

In a similar vein, Boje and Khan (2009) analysed Nike’s branding efforts related to the anti child labour program in Pakistan. They argue that branding the project for CSR purposes led to a ‘subalternalization’; which means that the workers for which the programs are designed “…are central to the initiative but in terms of having their voice heard and their interests fairly represented and realised they become ignored” (Boje & Khan, 2009, p. 11).

Nike branded itself using their program against child labour but in that process paid no regards to what workers’ actual concerns have been. CSR has been instrumental in
establishing Nike’s socially responsible image as it is perceived by many consumers (see Zadek, 2004) paradoxically to the disadvantage of the ones who are the alleged benefactors. Thus, critical strategy researchers would suggest that the interests of all legitimate stakeholder groups of an organization have to be taken into account when corporate agendas are exercised and that this should be done in an unbiased way, i.e. without granting one or another group systematic priority because of its potential power to sanction specific corporate activities (Scherer & Palazzo, 2007, p. 1104).

Along with socially responsible behaviour, CMS researchers are concerned with corporate environmental strategies. As an example, several researchers have pointed out, that the so-called ‘greening’ of industries in developed countries has, in many cases, been achieved at the expense of developing countries to which polluting industries were relocated (Escobar 1995; Goldsmith 1997). At the same time, many corporations are able to realize substantially higher price mark-ups due to their favourably perceived green image while environmental pollution in their value chains is severely affecting developing countries (e.g. Frynas, 2005).

Banerjee (2003, p. 162) argues that the same companies which are on the one hand commonly targeted by nongovernmental organizations (NGOs) and indigenous communities because of their negative environmental and social impacts are on the other hand leaders in espousing their socially responsible triple bottom line principles and commitments to sustainability. Such firms aim to be perceived as ‘ethical’ by unleashing ‘a flood of public relations rhetoric…invariably short on specifics and long on generalities, magnanimous in promises and stingy accomplishment’ (Sethi, 2003, p. 45, cited in Basu & Palazzo, 2008).

As such, ‘social performance’ reports of many corporations, showcasing the ‘positive’ achievements of their social responsibility in selected issue areas such as diversity in the workforce, may deflect attention from the grim realities of their environmental performance.
The most prominent example of the divergence between glossy social rhetoric and action is the case of Enron. Enron symbolises

“…the ultimate contradiction between words and deeds, between a deceiving glossy façade and a rotten structure behind, like a definite good-bye to naive business ethics. Enron ethics means (still ironically) that business ethics is a question of organizational ‘deep’ culture rather than of cultural artefacts like ethics codes, ethics officers and the like” (Sims & Brinkmann, 2003, p. 243).

Roberts (2003) highlights this mismatch between rhetoric and action by arguing that much of corporate ethics can be seen as no more than an unsubstantiated appearance. Often corporations direct extensive resources to the production of representations, which embellish what is legally required anyway, while other harmful operational practices continue unaffected. For example, it has been documented that tobacco companies, akin to organizations of many other industries, spend significantly more on engaging in corporate image campaigns which advertise their philanthropic efforts than on the philanthropy itself (Palazzo & Richter, 2005). Thus, ‘tobacco CSR’ uses a philanthropic, favourable image, which is disconnected from the companies’ core business activities to divert attention from their questionable business agenda when for instance lobbying against stricter legal regulation to protect children from smoking.

‘Ethical sourcing’ is another case in point for the misalignment between image and actual business conduct. The intention of ethical sourcing is to add value and improve the living conditions and wages of rural farmers from developing countries. A number of authors have however criticized the low prices paid to coffee farmers in relation to the premium prices, which are commonly accepted by customers of stores such as Starbucks (Levy, 2008; Blowfield, 2003; Kolk, 2005). Whereas the largest amount of the value added is hence likely to be realized at the respective retailers, the higher income for farmers often represents only a
tiny fraction of the increased price premium that retailers charge their customer for the perceived ethicality of the product (Levy, 2008, p. 947).

Our intermediate conclusion at this point is that CMS plays an important role in critically investigating corporate CSR strategies and activities as corporations often devise various environmentally and socially responsible initiatives, which however do not affect actual business conduct. They are rather used to build up a favourable image for consumers and other stakeholders with the goal to merely increase profits. We argue that not always, but too often, the public is not sufficiently able to identify such ‘false naturalization’.

As we have illustrated, CMS scholars have been studying the divergence of a glossy façade and actual business conduct. This debate has however largely refrained from proposing any conclusions on how to actually combine socially responsible behaviour and business conduct. We argue that this is mainly due to the overly anti-performative stance of most CMS research, which shies away from proposing solutions that might benefit the generation of profits and means-ends purposes. In the next section we further substantiate our criticism of CMS research on CSR before we introduce the concept of critical performativity.

**Shortcomings of present critical approaches to CSR**

We have shown that CMS research has called attention to the ‘dark side’ of mainstream CSR and disclosed a gap between corporate image and subsequent action. In most of the CMS studies on CSR, corporations are stigmatized as the ‘bad guys’ and are called on to stop manipulation and exploitation (Scherer & Palazzo, 2007, p. 1103). In too many cases however the stage is left prematurely. CMS scholars tend to not provide constructive proposals on how to remedy their previously raised shortcomings (see for exceptions Hotho & Pollard 2007; Clegg et al., 2006). CMS scholarship has thus in the main little or no effect on what organizations actually do (Parker, 2002: 115).
We argue this is because much of CMS oriented research does not sufficiently acknowledge the economic constraints to which corporate decision-making is exposed and tends to withdraw from engaging with practitioners and mainstream management theorists who are confronted with the need to run a business in a competitive market (cf. Spicer et al., 2009). As such, it sidesteps the implications of profit making prevailing in market societies and promotes the emancipation from such profit motives and societies which leads to a rather utopian conception of the coordination of business activities (Scherer & Palazzo 2007, p. 1097). For many advocates of CMS, the world of management is a violent and unending catastrophe of repression, dependence and domination. Some go as far as to argue that organizations in general have to be seen as psychic prisons, discursive traps, labour camps, monuments of human stupidity and irrationality (cf. Spicer et al., 2009).

CMS scholars are likely able to tell us what is going wrong in our organizations (they are capitalist, managerialist, patriarchal, imperialist, technocratic, etc.). Though, when asked to outline an alternative, they often propose rather utopian and idealised solutions of business’ role in society (Spicer et al., 2009, p. 542). Usually a comprehensive interpretation of a specific problem is presented, e.g. in the study of Boje and Khan (2009) on Nike’s anti-child labour initiative, yet these studies do not place enough emphasis on respective solutions. Scholars raise questions, which point towards a direction but do not define a precise agenda for further research (see also e.g. Frynas’ (2005) study on the questionable developmental impact of oil companies’ CSR initiatives in Africa). Ultimately, the question of how business management that is proposed to be based (exclusively) on unlimited stakeholder discourse, mutual understanding, agreement and harmony can be realized without jeopardising the company’s ability to stay competitive in the market has not been acknowledged (Scherer & Palazzo 2007, p. 1105).

Banerjee (e.g. 2008b) for instance argues for a radical paradigm shift on a macro level, which would entail assigning the corporation a different role in society, however without
outlining that envisaged role in a comprehensive way. Banerjee (2008a) further argues that it is unlikely that any radical revision of CSR will emerge from organizations given how discourse between corporate actors and civil society is constructed at higher levels of the political economy. This attitude however does not engage in reflective reconstruction but deprives managers of responsibility and generally stigmatises them as unethical and unwilling to change.

Critique is an important and valuable, if not essential function of scholarship and it is crucial to know where corporate behaviour should not lead to. However, without any propositions of alternative approaches the debate is stuck without achieving any progress (Phillips, 2008). It tends to view and examine the world in an overly pessimistic sense without seeking positive forward-looking change. It thus runs the danger of being trapped in a negative dialectic that aims at ceaseless critical questioning instead of putting forward a positive social programme (critically: Banerjee, 2008a).

So why does CMS so persistently refrain from proposing solutions?

CMS is confronted with the dilemma that on the one hand it is programmatically action-oriented in terms of criticising actual business practices, but on the other hand intellectually needs to resist the translation into performative knowledge to preserve its potential for emancipatory critique (Fournier & Grey, 2000; Zald, 2002). CMS seems to be caught up between the desire to radically transform management and the fear that, through engaging with management practice and its discourse, it might become implicated as a servant of the capitalist project (Fournier & Grey, 2000; Parker, 2002).

CMS scholars who disclose detrimental effects of managerialism and technical knowledge are careful to avoid generating knowledge, which could potentially become the new dominating ‘truth’. They are afraid of producing performative knowledge, which originally was intended to emancipate the suppressed; put differently, new knowledge that
could possibly control the emancipated. Stuck in this dilemma, CMS becomes utopian as it envisages a ‘no place’ – an idealized world, city or state of affairs (Kumar, 1991, cited in: Spicer et al., 2009).

Moreover, CMS scholars fear that their critique could reinforce dichotomies by naming the opposite and thereby confirming the existence of what is unmasked. These anxieties lead to a bifurcation. Criticism and practice reach an impasse, which has led to an anti-performative stance in CMS (Hotho & Pollard, 2007). Criticising just for the sake of it however naturally leads into a cul-de-sac in which the ‘enemy’ is battled with the same old weapons (Latour, 2004). Authors of the CMS movement have realised this and began to argue that proponents of such an anti-performative CMS should be ‘alert to the dangers of becoming too introspective and self-regarding’ (Grey & Willmott, 2002, p. 412). Grey and Sinclair (2006) have argued that the exclusionary language and esoteric concerns of a majority of CMS propositions make it outright unsuccessful in engaging even its own sympathisers, students and colleagues, let alone a broader public.

Even though Grey and Willmott (2005) agree that an ‘anti-performative’ orientation should lie at the heart of CMS, they clarify that CMS should not involve an antagonistic attitude towards all forms of ‘performing’, but only to those forms of action in which there is a means–ends calculus that pays little or no attention to the question of ends. Other authors have picked up on this and proposed suggestions on how to critique and at the same time put forward solutions (e.g. Cunliffe, 2004; Hotho & Pollard, 2007). This does not induce an abandonment of the critical edge but rather the acknowledgement that managers are confronted with difficult (ethical) dilemmas when normative and instrumental objectives do not align (cf. Margolis & Walsh, 2003).

Consequently, we argue that efforts need to be directed to connect CMS to the conditions of the market economy. A crucial distinction in this regard is between profit making and profit maximization – with the societal side effects of the latter that we have
highlighted earlier. Considering this distinction we call for critical research on CSR, which acknowledges profit making as the sine qua non to survive in a competitive market. In the subsequent part we will outline such an approach and propose a framework, which aims at reconciling critique and practice.

**Extending CMS – towards critical performativity**

As CMS has expanded, some scholars have consequently begun asking what holds the project together, what it is trying to achieve, and whether it is actually achieving these aims (Clegg et al., 2006; Grice & Humphries, 1997; Hotho & Pollard, 2007; Spicer et al., 2009; Thompson, 2004). Only few studies have examined why critical approaches to CSR as we have outlined above have not been able to achieve their initial objective, i.e. provoking organizational change to foster societal welfare (cf. Scherer & Palazzo, 2007).

Philips (2008, p. 71) for instance has agreed that critique represents an important and valuable function of scholarship. However, he argues that such critique can only be one step of a three-legged process of thought. The other two legs are the suggestion of a positive alternative and consideration of comparative practicability. Thus, critique is to be followed by a positive outline directing others toward reasoned and reasonable alternatives or amendments to the theory or concept in question as well as some consideration of the likely practical outcomes of instituting the proposed alternative (Philips, 2008; see also Hotho & Pollard, 2007; Clegg et al., 2006).

The question is raised how CMS can become more socially relevant, and at the same time, CSR can become more critically reflective. There is a need to reconcile the hyper-performative stance of most CSR research with the overly anti-performative approach of most CMS studies. A socially relevant CMS would therefore transform towards not being dogmatically ‘anti-management’. Instead, CMS should no longer indulge in the utopian project of eliminating hierarchy, removing specialist divisions of labour or even abolishing
the separation of management and other forms of work. Rather, its aspiration should be to foster the development of organizations, in which communication (and productive potential) is progressively less distorted by socially oppressive, asymmetrical relations of power (Alvesson & Willmott 1996, p. 18). As such, CMS could proactively contribute to the promotion and development of a CSR agenda, which is not instrumentally abused by corporate interests, but aims at fostering societal welfare and more collaborative, responsive and ethical ways of managing organizations.

In the following, we develop a framework of critically reflective CSR, which draws inspiration from the concept of critical performativity of Spicer et al. (2009). They suggest an active and subversive intervention into managerial discourses and practices. As such, critical performativity moves beyond the cynicism that pervades CMS (cf. Kuhn & Deetz, 2008). It does so by recognizing that critique must involve an affirmative movement alongside the negative movement that seems to predominate in CMS today, taking seriously the life-worlds and struggles of those engaged with it (Spicer et al., 2009, p. 538). Thus, ‘performativity must be understood not as a singular or deliberate act but, rather, as the reiterative practice by which discourse produces the effects that it names’ (Butler, 1993, p. 2).

**A CSR-concept based on critical performativity**

In the remainder of this paper, we present a framework comprising those aspects which are important for a critically performative approach to CSR, without abandoning the original purpose of CMS: Put differently we seek to uncover sources of domination, alienation, exploitation, and repression by criticizing the existing social structures with the intent of changing them (cf. Gioia & Pitre, 1990). Our model thus reflects the core purpose of CMS, but goes a step further to incorporate elements of critical performativity.

We portray CSR not as any specific ‘ethically desirable outcome’, but rather as an ‘ethically desirable process’ of engagement between critical researchers and management. We
describe the underlying processes leading to such outcomes, and see managers as key protagonists shaping this debate. Therefore, we define a critical performative CSR as\textit{the process by which managers within organizations think about and discuss relationships with stakeholders and their roles in relation to the common good} (Basu & Palazzo, 2008, p. 124). Three frames of principles are outlined, which CMS scholars need to consider when approaching corporate behaviour, developing a CSR agenda and engaging in daily ‘CSR-practice’ as a process of management interaction (see figure 1). These frames guide practice when

- Finding and identifying (structural) problems of socially irresponsible business conduct, such as systematic domination or exploitation of workers;
- Finding solutions to these problems;
- Devising long-term guidelines and policies for a corporation’s stance towards CSR, e.g. being incorporated in a code of conduct.

First of all, problems of ‘unethical’ or ‘irresponsible’ corporate behaviour need to be uncovered (e.g. continuous exploitation of workers hiding behind certified factory audits). Second, solutions to these problems need to be developed, which are on the one hand based on the previous critical analysis and on the other hand oriented towards their feasibility and effects of their outcomes (e.g. increasing employee participation and engagement in

\begin{figure}[h]
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\includegraphics{image.png}
\caption{Frames of critically performative CSR}
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multistakeholder dialogues). Third, these solutions need to be in line with guidelines that represent the long-term direction a corporation wants to go with its approach to CSR (e.g. developing a normatively based code of conduct and specific policies).

Within such a critically performative approach to CSR, stances of *affirmation* and *care* are applied to identify problems of injustice. An affirmative stance to the contexts and constraints of management and a location at close proximity to the object of critique is mandatory in order to identify potential points for revision (close to the corporation’s business model and day-to-day operations, within the manager’s mindset); ‘Ethics of care’ should underpin the search for a balance between criticism and care in order to provide space for the respondents’ views and seeking to challenge them by engaging in a critical dialogue and reflection upon it.

Stances of *pragmatism* and *potentialities* come to the fore when drafting solutions. They necessitate asking questions about what works, what is feasible, and what those that are addressed perceive as relevant. Rather than dealing with organizations as integrated systems, we conceptualize them as a collection of processes, people and institutions. The emphasis lies on small interventions and transformation inspired by communicative action focusing on particular aspects within the organization (see also Fung, 2005). While envisioning a future, a sense of what could be achieved is created through engaging with latent possibilities, so-called heterotopias. Finally a *normative stance* is applied when devising principles and guidelines on how problems should be approached. As such, spaces are created in which individuals have room for ‘micro-emancipation’ (Alvesson & Willmott, 1992) and criteria are developed to establish and guide good forms of business conduct. Table 1 summarises the different stances applied in our framework.
Frame 1: Engage with the objects of critique – Principles for identifying problems

**Affirmation:** Researchers should study their targeted phenomenon with an affirmative stance by paying close attention to the perspective of the object under critique. Studies should proceed from drawing on the individuals’ points of view in order to identify liberating potential. Approaching a phenomenon in such a way, critique would not abstract from empirical reality and risk imposing one’s idiosyncratic understanding. Being affirmative means to be cautious about assuming ‘that one’s object of study is known and understood prior to it being encountered’ (Clegg et al., 2006, p. 13). In practice, such a stance entails being close to the day-to-day operations of a corporation, its execution of CSR ideas and programs and awareness of managers’ mindsets. A critically performative researcher needs to ask what the daily issues are in which a (CSR) manager is tangled up and what effects these issues have on stakeholders. In addition, a researcher would seek to acknowledge the power dynamics and political forces with which a manager is confronted in her decision-making. The logic is to proceed from close observations of managers’ practices and experiences and then expand horizons through selective and informed critical constructive questioning. Such an undertaking acknowledges the skills and capacities of managers and how they have been and can be used to approach problems. It is mandatory to detect the forces that drive managers’ actions and the cues for certain behaviour. A researcher needs to listen to the

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<th>Characteristic</th>
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<td><strong>Affirmative Stance</strong></td>
<td>Location at close proximity to object of critique in order to identify potential points for revision</td>
</tr>
<tr>
<td><strong>Ethics of Care</strong></td>
<td>Providing space for respondents’ views, but also seeking to subtly challenge them</td>
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<tr>
<td><strong>Pragmatism</strong></td>
<td>Working with particular aspects of an organization</td>
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<td><strong>Potentialities</strong></td>
<td>Creation of a sense of what could be by engaging in latent possibilities in an organization</td>
</tr>
<tr>
<td><strong>Normative Stance</strong></td>
<td>Systematic assertion of criteria used to judge good forms of organization</td>
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</tbody>
</table>

Table I: Elements of critical performativity. Source: Spicer et al., 2009, p. 546.
actors’ voices, and not only prescribe behaviour from a vantage point far removed from empirical experiences.

Notwithstanding, this approach does not imply reversed tables in that a manager tells a critical researcher what her problems are, which are then taken at face value by the researcher, but that both engage in a constructive dialogue establishing sources, cues and dynamics of problems. In sum, proximity means moving down from an external macro perspective to a close empirical observation and interaction to establish a dialogue instead of two juxtaposed monologues.

**Ethics of Care:** The challenge for a critical researcher is to find a balance between criticism and ‘care’ for the ones being criticised. Whereas anti-performative CMS mostly relies on an oppositional stance, a critically performative stance rejects the stereotyping of managers that do nothing else than exploit their subordinates and dominate others. Rather, it attempts to encourage critical reflection of the manager herself, and taking serious and into consideration her’s and the researcher’s life-worlds and objectives.

This approach seeks to provide spaces for respondent’s views, but also subtly challenges them by establishing a constructive dialogue, where the parties involved can put forward their perspectives on specific issues to contribute to a joint agenda setting (Greenpeace being more likely to enter a corporation via the main entrance than via the chimney). For some, this might involve engaging in a serious, open and non-determined dialogue with mainstream theories as well as practitioners (Anthony, 1998; Spicer et al., 2009; Watson, 1994). Conclusions need to be arrived at considering both parties’ points of views, neither only the one of the criticizer nor only the one of the criticized. Such a strategy of critique involves contention from the inside, and abandons ‘attack’ from the outside. This process involves challenging participants by encouraging them to question themselves and consider the (negative) consequences of their actions such as environmental destruction,
gender domination, and excessive consumerism. But it also involves willingness and openness by the researcher to be challenged and have their views called into question by those that they are studying. It includes listening to and engaging with ‘common mainstream theories’ and frameworks which are usually taught at business schools and used by managers, but at the same time encouraging critical and self-reflective questioning of the often ‘taken-for-grantedness’ of those theories and management practices. It also includes those who are being studied into conversations about research results and thus listening to people struggling with the difficult task of making organizations work (Spicer, 2009, p. 548).

Ethics of care means taking into account that managers may feel profoundly ambiguous about their own managerial roles, for instance a CSR manager making decisions about a PR-campaign that knowingly leads to a rhetoric which is diametrically in contradiction with actual business practices, or e.g. attempts to cover unethical practices by showcasing some philanthropic activities. A critically performative researcher would thus help managers deal productively with that ambiguity – productively, that is, not from the point of view of maximizing shareholder wealth, but from the point of view of the managers’ personal development and role in an organization – helping them to make more reflective choices (Adler, 2002, p. 391).

Frame 2: Discuss and ponder the problematic areas – Principles for finding solutions to the problem

Pragmatism: A critical performative approach rejects attempts to present dominant organizations as totally integrated, all-powerful, singular entities (Latour, 2005). Pragmatism means to work with specific aspects of an organization and treat particular issues along a corporation’s value chain or within its CSR agenda. Organisations should not be seen as integrated systems but as a collection of processes, people and institutions. These pieces should be dealt with not holistically but by having small and focused interventions. A
critically performative approach would treat organisations as a complex of different logical institutions comprising a plurality of actors with different interests that are constantly pulling themselves apart. This stance views organizations in a piecemeal way and thus necessitates management by making incremental incisions into particular processes.

One potential tactic for pursuing such a modus operandi is ‘applied communicative action’. This requires researchers as much as practitioners to create spaces where stakeholders with an interest in specific issues may be involved in debate and dialogue. An example of increasing popularity is the exploration of deliberative processes in multi-stakeholder fora, such as the United Nations Global Compact (UNGC) - the largest multi-stakeholder CSR initiative in the world. The UNGC aims to engage businesses for societal goals along 10 principles of human rights, labour standards, environmental protection and anti-corruption (see www.unglobalcompact.org). Initiatives like this bring together stakeholders like companies, regulators, industry experts and civil society around contentious aspects of corporate activity. These fora create spaces where different groups can engage in meaningful and affirmative dialogue that challenge and unsettle the views of the other participants. They also allow for selecting specific issues/problems, which have been identified and evaluate solutions by their practical consequences both for the corporation and for society.

For instance, in a recent multi-stakeholder meeting of UNGC participants - the UNGC Leaders Summit 2010, which was attended by one of the authors of this paper - attendees were asked to discuss what actions in which part of their organizations and value chains stakeholders can take to accelerate change towards more responsible business practice (see www.leaderssummit2010.org). Moreover side events along the main meeting, organized by various stakeholders such as business participants, governments, NGOs like Oxfam International or WWF, or academia, focused on specific issues. Thus, topics included how to work against corruption along the supply chain, or how to operationalize human rights when doing business in developing countries.
A critically performative stance would thus not emphasize immediate radical change of the entire organization, but select specific aspects, practices of business conduct, and encourage step-by-step change as well as continuous improvement.

**Potentialities:** A performative CMS engages in creating a positive vision of the future. Rather than dealing with actualities and proposing business-as-usual answers to identified problems, it proposes potentialities as part of possible solutions that encourage positive organizational change. This creates senses of what could be, and stimulates talk about potential futures and what could be possible in certain situations by engaging latent possibilities in an organization, so-called heterotopias. Engaging with potentialities of an envisioned future involves moving beyond criticizing contemporary management practices that actually exist and shape behaviour. It requires envisaging the organization to come, rather than focusing on rejecting the organization that currently prevails.

Imagining and discussing potentialities stimulates what Eccles and Nohria (1992, p. 29) describe as ‘the way people talk about the world has everything to do with the way the world is ultimately understood and acted in’. As much as social science theories in general, as posited by Ferraro, Pfeffer and Sutton (2005), we argue that potentialities can become ‘self-fulfilling’ when the language and propositions they promulgate affect how individuals see and understand themselves and their world (Ferraro et al., 2005). In this sense, the way organizations and their members behave, is not given, but socially constructed (Berger & Luckmann, 1966).

In terms of CSR, potentialities pinpoint positive scenarios about business’ role in society. The objective of performative CMS in this regard is to ensure that potentialities become common practice to the extent that people, acting on its ideas and underlying assumptions, introduce practices, routines, and organizational arrangements that create conditions favouring those ‘ethical’ outcomes made e.g. in the created ‘heterotopias’. These
heterotopias normatively describe how people and organizations *ought* to behave according to the envisaged future, not just how they *do* behave. A language of responsibility plays a key role as it can evoke certain associations, motives, and norms. Language does not represent but rather constructs realities. Thus, articulated future scenarios of what could be may become common practice when its language constructs and shapes individuals’ identities and realities.

A very recent example of language-in-use was again the UNGC Leaders Summit 2010. The language used in the discussions during this meeting centred on future advances in global integration, poverty reduction, protection of our planet and peace. It urged the corporate sector to commit to building ‘a new era of sustainability’. The UNGC pragmatically frames such potentialities as a ‘tipping point’ and asked participants of the meeting to imagine what actions stakeholders can take to accelerate change towards this tipping point, defined as the point at which a majority of companies around the world integrates responsibility in its decision making and core business strategies. Then, it would be constructed as common practice, rather than a voluntary add-on.

**Frame 3: Creating a vision -Principles when devising guidelines**

A normative stance involves the development of applicable criteria used to make ethical judgement in day-to-day business practices. These criteria underpin and lead management practices, while at the same time reduce the constraints that people in organizations face giving them more latitude for initiatives and self-determination. For a CSR agenda, a normative stance needs to be taken when e.g. developing a Code of Conduct or policies that aim to emphasize a ‘should be’ stance of responsible business practice.

Codes of conduct can be seen as a ‘tool’ of CSR management outlining desired and expected values and behaviour for the members of an organization, i.e. a company (Crane & Matten, 2004). With a normative stance, these Codes of Conduct should have a clear value orientation, instead of a compliance orientation of following established laws and regulations.
Such voluntary codes of conduct provide enhanced organisational practice and employee guidance by providing guidelines on how to behave ethically and solve conflicts of interest.

Also, codes of conduct have been widely adopted as they are considered to be *good managerial practice* and part of stakeholder management (Adam & Rachman-Moore, 2004). Notwithstanding, the mere existence of a code of conduct is not to be mistaken as a guarantor for ethical behaviour, while CSR can only acquire substance through behaviour. Though, the role of a critically performative researcher should be to encourage the development of such normatively oriented codes of conduct, and then to critically ‘watch over’ its organizational implementation.

**Conclusion**

In our paper, we have developed a conceptual framework for a critically performative approach to CSR by infusing CMS with a pragmatically oriented stance. We have outlined that both ‘mainstream’ approaches to CSR and CMS have several shortcomings. On the one hand, CSR is often superficial and instrumentally abused in a way which merely leads to another business case and an increase in corporate profits and ‘greenwashing’ rather than the promotion of societal goals. On the other hand, CMS is, albeit its critical scrutiny of exploitation, domination and injustice, not sufficiently able to provide performative solutions; it unveils problems, but due to its anti-performative orientation usually escapes into utopian suggestions of the role of business in society.

As an alternative we have introduced the idea of critical performativity (Spicer et al. 2009) which appreciates the contexts and constraints of management, which involves asking questions about what works, what is feasible, and what those addressed perceive as relevant. We have connected key elements of a CSR agenda with a critical stance and developed a three-legged framework of critically performative CSR. This framework intends to guide
critical scholars when they engage with management and approach respective CSR agendas of corporations.

After all, we do not seek to argue for CMS to give up any of its core demands, such as eliminating exploitation, suppression and domination in society, but rather intend to show that the process how to get there needs adjustment. In other words we need to acknowledge the constraints businesses are faced with and based on this develop sensible and feasible solutions. Critique in the form of deconstructing naturalised institutions is undoubtedly important, but must be followed by constructive suggestions of alternatives.

By doing so, we hope to contribute to a debate about how to fruitfully connect two streams of research, which we believe ultimately have the same objectives – to improve ethically sound business conduct in responsible organizations that would benefit all members of society equally.
References


