

Creating Legitimacy and Shared Value with SWONT

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Michael Porter has crystallized his approach to social issues in management with the “Creating Shared Value” framework he recently set forth in the Harvard Business Review with his collaborator, Mark Kramer. Designed to enhance a firm’s prospects for competitive advantage through imaginative social engagement, CSV pushes back against the short-term obsession with quarterly numbers and share price that has undermined the legitimacy of global capitalism. In its quest for legitimacy, CSV also attacks CSR because, unlike CSV, it trades profitability for social responsibility. Despite the rhetorical force of Porter and Kramer’s case, we rely on recent scandals involving supply chain labor standards to show that CSV is ill-suited to handle common managerial scenarios where profitability cuts into social welfare or vice versa. The defect with CSV, we argue, can be remedied by incorporating an inquiry into *Norms*—positive law as well as community standards—into SWOT’s search for strategic opportunity.