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INSTRUMENTAL APPROACH TO CORPORATE SOCIAL RESPONSIBILITY

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Corporate social responsibility (CSR) and related concepts, such as corporate social performance, corporate citizenship etc., have become buzzwords both in academic literature and in the business community over the past several decades. The major driving forces behind the increasing popularity of the idea of seeking harmony between business (especially corporate entities, as the term implies) and society are substantial external social and legal pressures and the expectation of corporate management that a socially responsible behavior can be beneficial for the company’s bottom line, at least in the long-term perspective. In fact, the above mentioned driving forces are not totally independent, but rather intertwined.

Research on CSR is extensive and has been carried out within multiple theoretical frameworks. Due to the proliferation of approaches to CSR and the continuing introduction of new terms for describing socially responsible behavior, which are very close in meaning, the field looks eclectic and somewhat disordered, although attempts to systemize it have been made. One of the classifications of CSR theories was proposed by E. Garriga and D. Melé [1]. According to the classification, the main theories of CSR can be divided into four groups depending on the aspects of social reality they focus on: economic aspect (instrumental theories), social power (political theories), social integration (integrative theories), and moral values (ethical theories). Each group of theories provides a specific approach to considering CSR.

In accordance with the instrumental approach to CSR, socially desirable activities can be justified only if they lead to the wealth creation. So, CSR is viewed as an instrument for achieving financial goals. This approach is of particular interest because it allows corporations to align their own objectives with those of the broader society, and thus can be considered self-enforcing, in contrast to, for instance, the ethical approach. At the same time the instrumental approach narrows the range of potential social activities of corporations to those which are beneficial in terms of financial gain. Besides, this approach requires strategic thinking because benefits of CSR are likely to accrue in the long run, rather than follow immediately. A successful application of the instrumental approach can be complicated by the inability of the corporate management to evaluate the return on investment in social causes not only ex ante but sometimes also ex post. Social investment, for example in improving the competitive context [2], may also be discouraged by the free rider problem, especially in non-cooperative business environments.

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