

Making sense of tensions in CSR implementation: New cognitive frames for new contextual pressures

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Abstract

In this paper we explore the intensified contextual pressures companies face today and how organisations and their managers navigate the heightened economic versus social value tensions as a result of these pressures. This duality has over time crystallised into two ideal-typical ideologies in the CSR literature, although in practice the margin between them is blurred with many companies displaying behaviours of both as they need to navigate disparate stakeholder interests and pressures. Navigating the economic-social value tensions involves sensemaking regarding fundamental corporate purposes. We first discuss the two iconic ideologies regarding the purpose of the corporation and argue that there is a blurred boundary between what society perceives as ‘right’ and as ‘wrong’ responses of MNEs to new contextual pressures. We identify a set of new cognitive frames that managers and their companies may use in implementing CSR projects, programs and strategies. Drawing on institutional theory and the sensemaking and paradox literature we identify four kinds of responses: *change of CSR portfolio*, *change of CSR strategy*, *change of general business strategy*, and *change of purpose or identity*. This repertoire of possible responses encompasses incremental and transformational changes in a company’s CSR endeavours which can mask layers of ‘right’ and ‘wrong’ responses. We specifically focus on large corporations and their CSR implementation processes. The paper aims to link the company’s responses to society’s emerging new contextual expectations by articulating an extended set of cognitive frames and a repertoire of possible responses. Finally, we discuss the implications of our framework, to reveal trajectories in corporate responses regarding CSR implementation.

1. Introduction

This paper focuses on the CSR implementation tensions due to heightened contextual pressures. We ask how companies navigate such tensions and question the role of organisational purpose in guiding response repertoires. The paper addresses an issue that remains obscured in the CSR field as it is constructed today (Spence 2016), namely, how the boundary has become blurred between what the society perceives as ‘right’ and what it perceives as ‘wrong’ responses of MNEs to new contextual pressures in implementing CSR; that is, which responses society see as contributing to socioeconomic and environmental wellbeing and which are destructive.

Corporations are called today to accommodate both economic and social value creation (Moon et al. 2017; Austin & Seitanidi 2012a, b; Porter & Kramer 2011) as they navigate multiple kinds of tensions in their responses to CSR challenges. Thus, this paper addresses EGOS Subtheme 2 by exploring the role of new contextual pressures experienced by MNEs in their effort to align economic and social value creation. The new contextual pressures and responses to them implicate the responsibilities of corporations to stakeholders and society in ways to which MNEs have yet to adapt (Seitanidi 2008). These contextual pressures may be associated with a company’s industry, various stakeholders (both internal and external) and/or the broader society. Given the challenging sets of contexts faced by CSR-involved managers today, the guiding questions for this paper are:

How do companies navigate the tensions inherent in implementing CSR informed by new contextual pressures? And how does the way they navigate those tensions influence the kinds of responses they consider and enact?

In answering these questions we focus on large corporations and their CSR implementation processes, that is, the decision processes by which their CSR-involved managers craft and implement CSR projects and programmes. We argue that contextual pressures ineluctably lead to decision-making tensions which managers need to make sense of in order to respond accordingly. Companies may respond in several ways, such as adding (or subtracting) CSR projects or fortifying their CSR strategy. Each kind of response yields some sort of value creation (economic, social or symbolic) as perceived by stakeholders. That is, an organisation’s response will be perceived as right or wrong depending on the alignment of the response with the interests and expectations of its stakeholders and the wider society. There are several important issues involved in how and when

CSR tensions emerge, but this paper focuses on how managers make sense of such tensions, given the cognitive frame they adopt.

First, we discuss the two iconic ideologies regarding the purpose of the corporation. We argue that the well-worn duality of profit-maximisation versus social-welfare promotion as the purpose of the corporation and as the objective of value creation underpins such tensions. This duality has over time ossified into two ideal-typical ideologies in the CSR literature. We do acknowledge that in practice the margin between them is blurred with many companies displaying behaviours of both because they need to navigate disparate stakeholder interests and pressures.

Next, we examine how CSR or sustainability sensemaking takes place (e.g., van der Heijden et al. 2010). Recent work has argued that corporate sustainability can be understood via two cognitive frames that managers draw on: a business case frame and a paradoxical frame (Hahn et al. 2014). We extend their analysis by identifying two aspects embedded in their frames, namely, modes of sensemaking (competing or blending) and fundamental purposes of business in society (profit maximizing or promoting social welfare). Juxtaposing these aspects yields a set of four cognitive frames which managers may use in CSR implementation, each with implications for response choices and, ultimately, economic and social value creation.

We then identify four kinds of responses: *change of portfolio*, *change of CSR strategy*, *change of general business strategy*, and *change of purpose or identity*. This repertoire of possible responses encompasses incremental and transformational changes in a company's CSR endeavours which can mask layers of 'right' and 'wrong' responses. Finally, we discuss the implications of our framework, first in terms of response repertoires and second in terms of how our framework may be deployed in a dynamic way to reveal trajectories in corporate responses regarding CSR implementation.

2. Tensions in organisation theory & CSR research

In organisational theory tensions are seen as the result of competing demands that are often opposing. Two theoretical lenses are employed to address tensions: institutional theory views competing demands, deriving from field-level pressures, as contradictory; and paradox theory sees competing demands as complementary and hence interdependent, emerging from the environment (Smith & Tracey 2016). In institutional theory such tensions are addressed by employing

institutional logics.¹ Institutional logics function as the “organizing principles” (Friedland & Alford 1991: 248) or “rules of the game” (Thornton & Ocasio 2008: 112) by which a social domain operates; they serve as “cognitive maps” that “guide and give meaning” to organizational actors’ activities (Scott et al. 2000: 20) (all cited in Smets et al. 2015: 934). According to Smets et al. (2015: 934), logics “are woven into the fabric of regulatory structures, organizational forms, and social norms, and specify which issues to consider salient, which ends to pursue, which means to employ, and which standards to use to define success”.² Three “balancing mechanisms” – segmenting, bridging, and demarcating – enable individuals to maintain multiple coexisting logics and their tendencies to either blend or disconnect in a conflicting-yet-complementary dynamic tension (ibid.). Despite recent developments the mechanisms at the individual (cognitive) or organisational level and the competing or complementary options MNEs have available in selecting their CSR repertoires are still not well understood. CSR implementation is not only embedded in organizational systems but also linked to its external ecosystem and dependent on individuals’ making sense of it. Thus, both paradox theory and institutional theory help in exploring the multi-level aspects of CSR implementation. In the next section we discuss how the literature in CSR/Sustainability approaches the notion of tensions.

3. CSR/Sustainability approaches to resolving tensions

One of the frameworks that operationalizes sustainability in theory and in practice is the triple bottom line (Elkington 1997). This framework highlights the three dimensions of sustainability – the economic, social and environmental – and suggests that all three must be prioritised for sustainability to be achieved. Later research on this framework however has clarified the two widely acknowledged perspectives in the literature, namely, the instrumental and the integrative (Hahn, Pinkse, Preuss, & Figge 2014). In the instrumental perspective the economic dimension is explicitly prioritised in implementation over the social and environmental dimensions. In the

¹ Indeed this stream of work seems to unfold in parallel to the paradox literature and scholars have sought to draw observations from their common ground. For instance, Smith & Tracey (2016), whose paper rests at the intersection of paradox and institutional theory, discusses the “complementarities of competing demands.”

² While traditionally institutional complexity has been seen as consisting of contradictory elements, more recent research notes how the field has shifted towards “embracing, rather than resolving, institutional complexity” which “can offer benefits of broader practice repertoires, access to additional resource pools, and enhanced innovation, and work-integration enterprises” (Smets et al. 2015: 935).

integrative perspective the implementation of CSR/Sustainability requires MNEs to address at different levels the interconnected and interdependent economic, environmental and social concerns (ibid.).

More recent work combines CSR and sustainability research with research on sensemaking and organizational paradoxes. Hahn et al. (2014) suggest that corporate sustainability can be understood via two cognitive frames that managers draw on: the business case frame and the paradoxical frame. If the first is employed, managers tend not to deviate from routines, and therefore rely on piecemeal CSR actions and incremental change. In contrast, the use of the paradoxical frame tends to produce bolder responses to sustainability issues, but these are hindered by ambivalence and a sense of prudence. The authors claim that each cognitive framing defines what sense of control managers have in managing sustainability issues as well as how they deal with the riskiness of different responses. Later in the paper we critique and extend Hahn et al.'s (2014) analysis, and open up a set of four cognitive frames that managers may employ in implementing CSR.

Research on organizational sustainability tensions has debated whether these tensions reflect competing demands or a workable co-existence. For instance, Gao & Bansal (2013) argue that the traditional approach to tensions within the sustainability context are underpinned by an instrumental logic whereby decisions on social and environmental investments are driven by instrumental reasons, leading to causal relationships between the firm's financial performance and its social and environmental commitments. The authors argue that in practice one often sees a different type of logic, which they call integrative, whereby corporate social and environmental commitments co-exist with corporate financial performance. This integrative logic is defined as "an approach to business sustainability that recognizes and embraces the contradictions among the financial, social and environmental dimensions of business and seeks solutions for the system of interrelated elements" (ibid: 244). The authors' findings suggest that the integrative logic not only exists in business practice but also shifts the discussion of sustainability tensions from business and society seen as the trade-off between two competing values (essentially a zero-sum game), to a context wherein these values are naturally connected with potential synergies (Gao & Bansal 2013: 251).

Reinforcing the calls for sustainability tensions to be seen as synergistic, Hahn et al. (2016) argue that companies' ambidextrous ability to simultaneously pursue instrumentally-driven as well as morally-driven social initiatives helps them to achieve higher levels of corporate social

performance. The authors distinguish between a balance dimension and a combined dimension of ambidexterity, arguing that both have a positive effect on corporate social performance but each involves its own unique mechanism. The result is a win-win situation. Based on the balance dimension, the instrumental and moral initiatives “compensate for each other,” hence increasing the *scope* of corporate social performance, whereas with the combined dimension, the instrumental and moral initiatives “supplement each other,” hence increasing the *scale* of corporate social performance (ibid.).

Organisational paradoxes are particularly acute in organisations where the social and economic objectives co-exist. Battilana et al. (2015) identified a paradox in hybrid organizations that pursue a social mission via commercial activities. Specifically, the social imprinting that takes place as a result of the founding team's early emphasis on accomplishing the organization's social mission ends up weakening the company's social performance by negatively affecting its economic productivity. To manage this paradox the authors suggest creating groups that negotiate and interact to discuss the trade-offs between the social and economic drivers of the organisation.

CSR/Sustainability sensemaking has begun to acknowledge that the different frames may be associated with MNCs' attempts to make sense of contextual pressures both old and new. The business case frame, associated originally with the clear prioritisation of shareholder value creation (i.e. remaining close to old routines and allowing only incremental change if it aligns with the single economic focus) (Hahn et al. 2014), is no longer a stand-alone option for MNCs. Hence, new contextual pressures, as discussed above, trigger the need for alternative ways of making sense of the role of business in society that are able to address social welfare and sustainability challenges associated with the current politics of identity and polarization. The second, paradoxical frame recognises contradictory forces, embracing them without clear prioritisation (Hahn et al. 2014). This frame allows for the integration of multiple dimensions of sustainability (ibid.), which might otherwise be seen as conflicting. When new contextual pressures emerge, they can affect the cognitive frame selection by pushing either towards a shift in the purpose of the organisation or the exposure of the inauthentic CSR implementation. We take up these ideas in the next section.

4. The role of purpose in corporations and the contested positioning of CSR

The fundamental purpose associated with the legal form of the corporation is profit maximisation and increase of shareholder value. To achieve this purpose, corporations develop strategies and

engage in business practices that may result, intentionally or unintentionally, somewhere along the spectrum of highly harmful consequences, associated with irresponsible behaviour, to highly beneficial consequences, associated with socially responsible behaviour (Campbell 2018). Although awareness of people's ethical obligations has been present for centuries (Carroll 2008; Gavin & Maynard 1975; Davis 1960), in the 1960s socially responsible behaviour emerged as a potential threat to the capitalist ideology (Gavin & Maynard 1975). This posed an early dilemma for companies between pursuing the sole purpose of profit maximisation or the dual and seemingly conflicting purposes of maximising profit and social welfare. Significant efforts since then have resulted in what may be called a 'CSR pacification project' aiming to align social responsibilities with profit maximisation in order to demonstrate that CSR, apart from addressing social obligations, also contributes to profitability. In effect, CSR moved from being seen as a threat to the capitalist system to becoming a powerful mechanism for engendering trust in its potential to foster fairness and even justice in business dealings. Of course, companies needed to balance competing claims prior to the emergence of the current stakeholder era (Carroll 2008), but more recently the previous connector between the words of profit and welfare, that is, 'or' has been replaced with 'and'. That is, the predominant narrative widely accepted by business today is that profitability and social welfare not only should but also *can* be aligned. Nonetheless, CSR continues to be referred as a "contested concept" (Gond & Moon 2011; Moon 2007; Okoye 2009), often masking contradictions, tensions and even paradoxes that at the CSR implementation stage remain unresolved. They then come to the surface when new context-related pressures emerge or intensify.

Three schools in organization studies explain these tensions and paradoxes, albeit in different ways; see Table 1 for a summary.

---Insert Table 1 about here---

In the **communication school** CSR narratives are used to explain the legitimization process of CSR through public discourse that aims to blend normative and descriptive claims (Lyotard 1984) into a coherent story (Crossley 2000; McAdams 2006) that will capture the audience's attention and draw it away from inconsistencies (Green & Brock 2000). A recent study of institutional CSR narratives suggested decoding the contestation that surrounds CSR by looking into the "discursive

strategies and linguistic devices through which the ambivalences become manifest” (Feix & Philippe, forthcoming).

In the **cognitive/sensemaking school** paradoxical frames are discussed not as narratives but as cognitive templates that assist in making sense of the business-society relationship by sustaining the contradictions inherent in the capitalist-friendly CSR conceptions (Hahn et al. 2014). Often paradox is used as a metaphor, hence there is an absence of conceptualisation or contextualisation of why and how the three aspects of sustainability – economic, ecological and social – are seen as paradoxical. Researchers in this school aim to explain managerial decision making and hence focus on the individual level of analysis, juxtaposing, for example, individual frames by contrasting the 'Business Case Frame' vs. a 'Paradoxical Frame' and examining the consequences of the two frames during sensemaking (Hahn et al. 2014) as part of the decision making process.

The **strategy school** examines profit(ability) and social welfare as distinct objectives of the for-profit company. Historically these objectives were seen as competing, but as suggested above, more recently they are seen as potentially complementary. The primary example of this latter view today is Porter and Kramer's (2011) “shared value” concept. In the strategy school some see the fundamental tensions “stem from the traditions and expectations of economics” and have been developed to demonstrate intellectual positions that aim to generate justifications in debates (Freeman et al. 2018: 6). Examples of tensions that are examined within stakeholder theory are the extent of competition vs. cooperation among stakeholders, perceptions of fairness among stakeholders (Bosse et al. 2009; Phillips 2003), and broad vs. narrow value creation perspectives (Phillips 2003; Donaldson & Preston 1995; Mitchell et al. 1997). Other schools in organization studies discuss tensions and how they may be resolved, but they are not focused explicitly on CSR tensions.

Despite the wide scope and depth of discussions about CSR tensions from multiple perspectives, most of the literature does not discuss the inevitable trade-offs in resolving tensions and assumes that social value can be generated while largely maintaining the status quo of the usual CSR practices.

As a complement to its profit-seeking objective, attending to social welfare arguably is inherent in the social contract between the corporation and the state explicitly and society implicitly, as exemplified in the legal state charter granted to each corporation as a foundational part of its purpose. Fitch (1976: 38) discussed how corporations might “attempt to solve social problems

caused wholly or in part by the corporation” (in Selsky & Parker 2010: 23). This reflects the questioning of the notion of maximizing shareholder value which is now moving into the mainstream of organisation studies:

“The notion that corporations exist to create shareholder value, and that share price is the ultimate measure of business success, has led to mischief on a grand scale. Perhaps this was a useful fiction in the 1980s to break up the bloated conglomerates that had grown too large and sloppy, but it is clear that the theology of shareholder value has outlived its usefulness. With the number of public corporations declining dramatically, in good times and bad, while innovative alternative forms of financing are emerging every year, it no longer makes sense to teach “shareholder value maximisation” as the default mantra of business” (Davis 2018).

This has led to the popular notion of shared value (Porter & Kramer 2011) and the search for ways to reclaim the social responsibility remit of corporations. Porter and Kramer (2011: 64) suggest that “most companies remain stuck in a ‘social responsibility’ mind-set in which societal issues are at the periphery, not the core.” They stress that in order to move from an outdated, narrow approach to value creation, companies need to redefine the purpose of business based on the principle of “shared value,” that is, the creation of economic value “in a way that also creates value for society by addressing its needs and challenges” (ibid.). This calls for changes at all levels and has vast implications for CSR.

“Not only would companies need to redefine their purpose, but managers would need to develop new skills and knowledge, and governments would need to develop new kinds of regulation that allow for shared value to be enacted” (Athanasopoulou & Selsky 2015: 327).

The role of new contextual pressures is significant because they impact the tensions in new ways that inform the CSR repertoires of MNEs. However, that role often remains unexamined.

5. CSR implementation and the role of new contextual pressures

The current context for CSR is now characterized by intense *shareholder* pressures for economic returns, combined with intense *stakeholder* pressures for social and ecological responsiveness. With institutional shareholders demanding maximal short-term returns, and activist shareholders pressing for action on causes large and small, and internal stakeholders pushing for more diversity and autonomy, and various external stakeholders clamouring for action to ameliorate various social and environmental ills, it should not be surprising to find ripe conditions for corporate greenwashing, social irresponsibility, corner-cutting and other nefarious behaviours.

Moreover, critical scholars (Fleming et al. 2013; Zadek 2008) as well as anti-corporate activists have a deep-seated scepticism of *any* corporate claims of social responsibility by corporations. Recent social movements such as Occupy, Los Indignados, the Arab Spring and even more recently, the “me too” movement indicate that such scepticism is spreading in the general population. Finally, the general societal context for CSR, and business in general, is characterized by growing ideological divides and intense cultural polarization driven by movement politics, populism and intersectionality, both on the Right and the Left (Klein 2017: 99-100).

Such issues emerge continually in the form of nascent social movements, amplified by social media, which highlight social problems such as racism, homelessness, opioid addiction, economic inequality, homophobia, sexual harassment etc. These movements and the organizations that arise to represent them (social movement organizations, or SMOs) can and do put pressure on corporations to become involved in addressing the problems (York et al. 2018). This is despite the fact that such social movements:

“make demands that go beyond what is currently required by law. Political transparency and accountability will help to offset the widespread perception that government has been captured by the business sector, and they will empower investors, consumers, employees, and everyday citizens who wish to promote a transition to a sustainable and equitable economy” (Lyon et al. 2018: 17).

Those SMOs are rarely primary or even secondary stakeholders of corporations, but their social-media amplified voice gives them substantial power in shaping public opinion about the role of business in society. Some of the more socially aware companies, such as Starbucks, have taken notice of their interests and values, and responded, with varying degrees of success, with initiatives that may be considered socially responsible. However, a counter-trend sees populist politicians in a number of countries in recent years voicing full-throated promotion of the economic interests of large corporations and downplaying their social responsibilities. Compounding the complexity of the new context for business in society is that many large corporations are intimately involved in the political sphere, contributing massive amounts in lobbying expenditures in attempts to influence public policies (Lyon et al. 2018).

Regardless of the social movement drivers, these contextual changes are characterized both by the rising intensity of the pressures from the ratcheting up of shareholder and stakeholder expectations and demands to satisfy them, as well as by the content of the pressures which are amplified by the media (whether real or ‘fake’ news) and the ensuing trigger of new social movements. The rising

intensity of new contextual pressures amplified by the media and new social movements call for higher level of MNE responsiveness in their CSR implementation. .

For companies engaging in CSR activities and programmes, the social context outlined above is fraught and can threaten their social-contract based legitimacy and even their existence. In this volatile and polarized era of political outrage and cultural hashtags there is heightened scrutiny by stakeholders of CSR activities when they are publicized (e.g., see Bowen 2014; Barnett 2016). In addition, *non-practices* such as failing to disclose toxic emissions in an industrial process or failing to address workplace sexual harassment, may also be publicized, scrutinized, and judged all too publicly and not necessarily ‘fairly.’ Such scrutiny is amplified by groups that *become* interested stakeholders because of the publicity of companies’ CSR activities.

The intensified shareholder and stakeholder pressures create dilemmas for organizations and their decision makers due to conflicting demands, which some may call paradoxes (Lewis 2000; Smith & Lewis 2011; Hahn et al. 2014) and which we situate as *navigation tensions* in CSR implementation (e.g. short-term profit vs long-term social value creation). From a historical perspective, among both practitioners and scholars, the nature and meaning of CSR has shifted since the 1980s, when the stakeholder concept of the firm took hold.³ Moreover, societal expectations regarding CSR have shifted dramatically over the past several decades. (See Gavin & Maynard (1975) for an early treatment which sounds eerily contemporary.) In general terms, in the 1990s companies merely acknowledged the need for CSR and many initiated exemplary, discretionary projects; whereas today, social and environmental practices are becoming more integrated with the core strategy and operations of an increasing number of corporations, particularly in companies in countries with more individualistic and low power-distance societies (Mohamed Adnan et al. 2018).⁴ Therefore, it seems that companies that decide and act in terms of creating and publicizing exemplary CSR projects are responding to outdated sensemaking and expectations, that is, dwelling in CSR’s past and not thinking about, preparing for, or indeed helping to design and create its future.

³ The received wisdom is that CSR began its ascendancy with the stakeholder concept in 1980s, but Gavin & Maynard (1975) trace this back to the early 1960s, with a similar set of external ‘pressures’ bearing on business as are commonly proffered today.

⁴ That evolution seems to follow the trend in corporate environmentalism (Bowen 2014: 39-40). That is, just as recent developments in corporate environmentalism have “placed green issues in the context of a firm’s overall strategic management” (Bowen 2014: 44, citing Hoffman & Bansal 2012), so we argue that recent developments in CSR theory have placed social issues similarly.

As managers today are experiencing new tensions in navigating the new contextual pressures, it is challenging to make sense of those tensions as they try to steer their companies toward appropriate and effective responses during CSR implementation. The balance can be a fine one particularly when external pressures unsettle organisational practices or routines. Take for example Deutsche Bank and its recent significant reduction of bonuses to its staff with many receiving no bonuses at all – something that ran counter to past practices over many years. On the one hand societal pressure to reduce extravagant bonuses to banking staff and on the other hand, the complaints of those whose bonuses were cut that the rule did not apply to the company's more senior managers (i.e. implementation decoupling; Bromley & Powell 2012) is an example of new tensions that companies need to deal with (Butcher 2019). The counter effect (due to weak unionisation) is to use social media to amplify the discontented voices – as Deutsche Bank's employees have done. This suggests that one of the new contextual pressures is the externalisation of conflict to the public arena using social media to advance interests and challenge power differentials of a private company. In this way social media, largely through its effect on public opinion, becomes an arbitrator of right and wrong. This indicates an extreme fluidity of boundaries of what constitutes a 'right' or 'wrong' response before the 'court of public opinion.' Companies must demonstrate agility and speedy response.

Identifying possible CSR responses based on managers' inclination toward the profit or welfare pressures and how they are inclined to accommodate those pressures in their sensemaking presents an attempt to clarify the full range of options available. In other words, companies are not sure what to do, because the pressures are novel and amorphous. Adding to that complexity is the interrelatedness of social contexts, internal and external to the organisation, which lead to a continuous change of both the organisation and the institutional environment it is embedded in (Athanasopoulou & Selsky 2015). We address each of these 'inclinations' by first presenting a framework of value-driven cognitive frames and corporate responses and then discussing the implications these have in theory and practice.

6. Framework

In this section we clarify and interrelate the components of a new framework for understanding contemporary CSR implementation from a cognitive perspective. We show how new contextual pressures create tensions for companies and managers. These tensions force managers to deal with

the intensified polarisation between social and profit maximisation objectives and essentially influence – via sensemaking – the positioning of the fundamental purpose of the corporation. Managers’ options with regards to the social/profit divide are to either ignore or neutralize the opposition (i.e. the social or economic drives), or whether to integrate, blend or otherwise accommodate the opposition. This process leads to a repertoire of possible responses and ultimately to economic and social value creation. See Figure 1.

---Figure 1 about here---

Sensemaking modes. Drawing on the sensemaking, institutional and paradox literatures, we argue that companies and their managers adopt one of two general modes of sensemaking in navigating the tensions they experience in implementing CSR: a competing and a blending mode. When CSR implementation tensions are seen as *competing*, companies are driven to choose one ideology over the other, which represents a polarizing dynamic. As a result of this sensemaking mode, the fundamental purpose of the corporation is called into question as CSR-involved managers make either/or decisions regarding CSR activities, the effects are revealed to stakeholders, who react with judgements which can be highly polarizing. Conversely, when CSR implementation tensions are seen as *part of a blending* approach, companies try to integrate the ideologies, leading companies to actively change and improve their CSR activities, reflecting an integrative dynamic. Under the blending approach, the combination of social and economic objectives is seen as producing win-win outcomes for all parties involved. What Hahn et al. (2014) call a paradoxical frame becomes in our framework part of a blending mode of sensemaking. Competing and blending are seen as part of an active process of sensemaking (Weick 1995) that CSR involved managers and their companies undergo when faced with tensions that are intensified by contextual pressures. To underline the ‘active’ aspect we label them with ‘ing’ endings.

Corporate ideologies. Maximizing profit for shareholders and promoting social welfare and environmental health (or ameliorating social and environmental ills) encapsulate long-standing, well-worn cultural and societal currents regarding the role of the modern corporation in society (Reiter 2016). We argued above that those currents are now intensified relative to previous times. Essentially, profit maximization and social welfare promotion become forces pulling at companies’ and managers’ decision-making capacity, creating the navigation tensions discussed above and pressuring them to respond (decide and act) in one direction or the other. They are ideal-type,

competing institutional logics which get embodied in a fundamental corporate purpose, which in turn invokes values and objectives. We believe that social welfare now needs to be considered as a fundamental purpose because of current trends, including growing societal expectations, that lead business to become more (deeply) involved in ameliorating social ills. Recognition of social-welfare promotion has up to now been at the periphery of business culture, but we believe this pole on the ideological continuum is necessary as a marker of potential future developments in the role of the corporation in society.

Cognitive frames. Based on our assessment of the new contextual landscape above, we believe a richer array of cognitive frames than have so far been articulated in the literature is needed to underpin CSR implementation efforts in MNEs. What might a richer array of cognitive frames look like? Perhaps inspired by growing calls for corporations to attend more deliberately to environmental problems, or perhaps by increasingly sharp differences in societal views toward those problems, Hahn et al. (2014) opened up the possibility of an alternative cognitive frame to the standard “business case” frame underpinning sustainability initiatives. They suggested an alternative, “paradoxical” frame and placed the two frames at opposite ends of a continuum. The authors then usefully outlined the different content and structure of the two contrasting frames and drew out important implications. We suggest that in their analysis Hahn et al. conflated modes of sensemaking and the fundamental purposes of the corporation in society. That is, we believe they mixed a content-based frame (business-case) with a sensemaking-mode frame (paradoxical). To build upon their analysis and redress this conflation, we pry apart those two aspects of frames and align them along two nominal dimensions – a mode of sensemaking (competing or blending) and corporate ideologies (profit maximization or social-welfare promotion). See Figure 2.

--Figure 2 about here--

We posit that a cognitive frame in regards CSR implementation consists initially of a mode of sensemaking applied to the contrasting fundamental purposes of the corporation in society. This yields a set of four cognitive frames available as underpinnings for CSR endeavours. As an initial display, we characterize them in contrasting, ideal-type terms in Figure 3.

The important advance in this framework is the acknowledgement of social welfare promotion as a distinct, fundamental purpose of the corporation in society. Our framework extends Hahn et al.’s

(2014) ‘continuum’ by placing social welfare at one end, essentially re-positioning their paradoxical ‘frame’ as a ‘blending’ of attention to financial and social performance.

---Figure 3 about here---

Each quadrant in Figure 3 represents a unique cognitive frame, or CSR sensemaking space. It is a combination of (1) a manager’s or a company’s relative inclination toward the value or ideology of profit or social welfare; and (2) his/her/its inclination toward making sense of that ideology in a competing or blending way. Specifically:

Quadrant I represents the conventional business case for CSR, as described above. The concept of ‘strategic CSR’ (McWilliams & Siegel 2001), grounded in cost/benefit analysis of CSR possibilities based on the profit imperative of the firm, is illustrative here. In this quadrant, blending sensemaking means that a company is likely to retain profit maximisation and allow for a minimum or enough CSR to address the expectations of society but not excel in CSR. Following Hahn et al. (2014), we call this the Business Case frame.

Quadrant II represents the conventional moral case for CSR. Porter & Kramer’s (2011) ‘creating shared value’ is illustrative. Here, CSR is made sense of in a blending way. The focus is on balancing profit and social welfare considerations. Profit seeking is still an important part of the corporation’s ideology but the company is likely to extend its spectrum/integration of CSR, responding to social-welfare pressures. An example is Puma and its CEO, Jochen Zeitz (Groschl et al. 2019), Zeitz had a change of personal mindset over time. It became more complex and included non-business values, allowing Zeitz to develop a much more proactive corporate sustainability engagement that extended beyond business-as-usual. We call this the Moral Case frame.

Quadrant III represents the classic Friedman-esque corporation, which eschews CSR in favour of responsiveness to shareholders. Companies in this quadrant would be the most likely to engage in greenwashing, purely symbolic CSR, and/or corporate social irresponsible activity (Campbell 2007; Bowen 2014). In this quadrant, where profit and social objectives are seen as competing, profit maximisation is prioritised, which means that the company is likely to retain a strong profit-seeking approach, with CSR not being integrated into the organisation’s operations even if such practices as a dedicated CSR department have been adopted. We call this the Traditional Business frame.

Quadrant IV represents what are now perceived as forward-leaning companies that are inclined to add more and more CSR initiatives, while sacrificing profits. In terms of the traditional role of business in society, this is the most far-reaching frame for corporate responses to CSR challenges. In this quadrant, the sensemaking of the tensions leads to the profit objective being seen as competing with social welfare objectives (looking to improve the company's relations with its stakeholders). However, unlike Quadrant III, the priorities are on the latter. Companies in this quadrant so far are unlikely to include large multinationals, but instead today are represented by social enterprises and B-corps, such as Toms Shoes. We call this the Social Enterprise frame.

The above framework illustrates the prototypical kinds of sensemaking spaces that companies may find themselves in as they navigate CSR challenges. For managers involved in CSR implementation, those spaces are cognitive frames subject to ongoing tensions, because they represent competing ideologies along the horizontal axis, and contrasting ways of making sense of those values along the vertical axis. Thus, following Hahn et al. (2014), we suggest that the four quadrants represent ideal types of frames or spaces, and that in their practice CSR-involved managers will try to balance, reconcile or accommodate the contextual pulls toward profit maximization and social welfare (or shareholder and stakeholder responsiveness) in their decisions and actions. Similarly, in practice, CSR-involved managers are likely to try to reconcile or balance their mode of sensemaking short of an unalloyed blending or competing mode.

7. Uses of the framework

The above framework may be used in several ways. In this section we discuss two of them: (1) to display the repertoire of responses available to CSR-involved managers; and (2) to visualise the evolution of CSR in a company over time.

7.1. Response repertoires

The framework presented in Figure 3 provides a platform for understanding the spectrum of responses companies may engage in as they implement CSR. Corporate responses to the new contextual pressures depend on the levels of resistance or adaptation to societal demands, such as either retaining the old ideology of shareholder supremacy, associated with economic value creation, or moving toward a new ideology of business in society, which might be called stakeholder democracy, associated with socio-economic value creation. However, given the new contextual pressures, MNCs need to develop new types of responses that can be viewed by their

stakeholders and society as ‘right’ as opinion is being formed. We suggest that in order to be responsive to the intensified and changing expectations they face today, companies have several options. That is, each quadrant yields a repertoire of possible CSR practices at the levels of projects, strategy and identity/purpose, with a suggested typical type of change relevant to each quadrant. Used in this way the framework helps us to see different alternatives, depending on which quadrant a manager finds him/herself in. Regardless of whether they ascribe to a competing or a blending sensemaking mode, and whether they lean toward maximizing profit or promoting social welfare, managers with CSR mandates have several response options, as below. Because the tensions experienced are dynamic and accommodations to them are always provisional, contingent, and responsive to contextual pressures, we speak of *change* in the components of the CSR repertoire:

Change the CSR portfolio. A company may make changes in its portfolio of CSR activities and engagements. This may entail changing CSR actions or redesigning a stream of activities within the company to fit its vision of or approach to CSR. For example, it could also involve engagement in one or more cross-sector social partnerships.⁵ Portfolio changes signal a *stand-alone or piecemeal* change, often decoupled from a company’s main business strategy. This is most aligned with QIII. An example is Volkswagen’s recent tampering with emissions reporting in its vehicles. Instead of seeking to invest into further technology to address the environmental challenge of reducing emissions in its diesel vehicles, the company saw such an investment as running counter to its financial performance goals, leading to tampering with the emissions software while avoiding compliance with regulatory standards and hence devising a rhetorical CSR response. This was widely viewed as hypocritical environmental behaviour – essentially corporate irresponsibility.

Change the CSR strategy. A company may change its existing CSR strategy, providing more resources for CSR initiatives. This may involve making CSR a more integral part of operations or community relations, for example. Changing the CSR strategy signals *comprehensive* change. CSR strategy changes are most aligned with QI. An example of such behaviour is the work of tobacco companies on a range of CSR related initiatives such as biodiversity, or their investment in R&D to find ways to minimise the health risks of tobacco use by seeking to develop “cleaner” tobacco-based products. In those cases it is seen that profit can work hand in glove with social welfare, yet

⁵ Cross-sector social partnerships appear promising because they are geared to dealing with the wicked problems generated by turbulent contexts (see Athanasopoulou & Selsky 2015). Crane & Seitanidi (2014: 4) claim that partnerships are “a site for the expression of responsible business and indeed as a critical lens in which to explore the changing nature and extent of business responsibilities for the social good.”

on balance the former drives the process. However, some stakeholders and the general public may perceive such behaviour as greenwashing.

Change the general business strategy. A company may change its overall business strategy, embedding CSR in many or all functions and business units of the organisation. Changing business strategy in the service of CSR signals *embedded* change, which is most aligned with QII. Walmart's emergent low-cost sustainable product strategy is one such example (Spicer & Hyatt 2017). Over the last decade, Walmart has changed its business strategy with a view to sell more sustainable products. This involved gradually shifting away from "customer-facing initiatives aimed at labeling sustainable products" toward "supplier-facing initiatives targeted at improving environmental or social performance without raising customer prices" (ibid: 116). Such a change involves "embedding corporate policy beneath the surface of the corporation by means of new forms of internal controls and associated rewards and incentives" (Roberts 2003: 263-4). A variant on changing the business strategy could also involve change of a company's non-market, political strategy, that is, working to foster CSR in the ecosystem(s) in which it operates (Lyon et al. 2018). This would reflect what Zadek (2004: 127) describes as a 'civil' company which promotes "broad industry participation in corporate responsibility," such as incorporating human rights principles and practices in the company's operations.

Change the purpose or identity. A company may change its fundamental purpose or identity, and/or undertake comprehensive cultural change, in order to embed CSR more deeply in the company. For instance, this could entail a for-profit firm becoming a social enterprise, adopting a hybrid organisational structure (Battilana & Dorado 2010), or securing B-corp certification. It could also involve an entrepreneurial venture starting up as one of those forms. The intention of such a dramatic move could be to spark more social innovation. Such a fundamental change may entail changing the company's legal form or definition (e.g., from a LLC to a charity). Changing the purpose and/or form of a company in the service of CSR is *transformational* change and is most aligned with QIV. One such example is the Interface Company, an American carpet manufacturer. Its founder and CEO, Ray Anderson had a eureka moment when he read Paul Hawken's *The Ecology of Commerce* (Anderson 1998). This started to completely change how Anderson made sense of the role of his company in society. He went on to change the very purpose of Interface by committing to eliminate by 2020 any negative impact that the company may have on the environment by redesigning its processes and its products, engaging in innovative new

technologies, and seeking reduction and even elimination of waste and harmful emissions and in parallel increase of the use of renewable materials and sources of energy.

Although we associate each of the four kinds of change with a specific quadrant above, it is important to note that the entire repertoire of responses is available to managers who find themselves in *any* quadrant.

7.2. A dynamic turn

We argue that a company's placement in a quadrant is subject to change over time. Because today's managers live in volatile environments and their contexts are in constant flux, their sensemaking of tensions in CSR implementation is subject to changing pressures (whether industry-related, stakeholder-related or society-related). Thus, we argue that in practice the two contrasting sensemaking modes outlined above are not the reified constructs implied in Figure 3, but instead are forces pulling managers' thinking on the one hand toward blending or including the other ideology, or on the other hand toward polarizing or excluding the other one.

A framework for illustrating sensemaking of CSR tensions should be able to capture such dynamism. For our framework to do so, the dimensions need to be represented as two sets of "pulls" – one related to the fundamental purpose of the corporation and one related to the CSR sensemaking modes. Having modified the model in this way, our framework can be used to show typical evolutions of CSR in individual companies (see Figure 4).

----Insert Figure 4 about here---

For example, in Figure 4, Quadrant III represents the situation where a company's CSR impulses are suppressed, because its managers seek to satisfy shareholders and because it does not incur reputational penalties in its industry or from the public for its lack of social concerns. In this situation, *CSR hides*. This means that the company employs CSR only insofar as it allows it to conceal irresponsible behaviour. Moving to Quadrant I, here *CSR awakes* because the company begins to open up to CSR endeavours, albeit in a limited, tentative and perhaps experimental way. In Quadrant II *CSR grows*, in the sense that it now becomes not just a peripheral theme but an integral part of how the company thinks and acts, and how it believes it *should* think and act. Finally, in Quadrant IV, *CSR flourishes*. The company transforms itself into a social welfare driven organisation. This may lead to institutional changes towards positive societal impact.

8. Discussion

In responding to the track call, in this paper we revealed a hitherto hidden set of cognitive frames available to CSR involved managers and their companies. We argued that this new set of frames is responsive to, and makes sensible, recent societal trends toward expectations of expanded corporate involvement in addressing social and environmental ills. At the end of the second decade of this volatile century, any and all corporate actions that have a public profile are immediately judged by external observers – primary, secondary and fringe stakeholders, and the general public – through the mainstream and social media. Subject to unexpected swings due to fake news and a (heightened) politicization of everything, their reactions are difficult to predict and may be both positive and negative, depending on the standpoint of the particular stakeholder and its expectations. Thus, the traditional markers between ‘right’ and ‘wrong’, or ‘good’ and ‘bad’ actions by companies are blurred, presenting them with dilemmas about the appropriateness of their actions and reactions, in other words, their responses. These responses to intensifying contextual pressures are the enactment of corporations’ sensemaking of the tensions between profit maximisation and social welfare and particularly whether they reconcile the tension between these two ideologies in a blending or competing way. Our focus has been on CSR implementation within that context of complexity, exploring how managers with CSR mandates make choices and decisions among a repertoire of CSR options. Their choices have implications for different stakeholders and hence, consequences for what is considered (by those very stakeholders) as right and wrong. Yet, not all MNEs adapt to the new contextual pressures in the same way; instead their responses are contingent on the contextual limitations and opportunities they perceive or construct. They also do not consistently engage in what might be perceived as either right or wrong responses by their stakeholders. Our paper suggests that higher levels of adaptation might be required as companies change practices or even their very purpose. On the other hand, the level of adaptive capacity of MNCs in many micro and counter micro public moves is likely to have long-term knock-on effects on the responses of these companies’ customers and hence the survival of companies. Corporations no longer have the luxury to ignore such pressures, particularly when they come from their customers. Companies have to step up and admit fault or step down. We saw the former happening with Siemens accepting their mistake when found guilty of systematic corruption and the latter when NewsCorp denied responsibility and had to eventually fold their operations.

The implications of the different degrees of CSR changes suggested in this paper may be evaluated in terms of value creation. For instance, under a blending sensemaking mode, companies may engage in social innovations that create shared value or new kinds of it (Quadrant II). Under a competing sensemaking mode, companies may reduce their CSR commitments in attempts to increase value only to shareholders (Quadrant III) or increase them so substantially that new types of organization or governance are needed (Quadrant IV). While those in Quadrant III appear to hold the least potential because positive profit-making may be cancelled out by negative social welfare, leading to net low value creation, companies in Quadrant II appear to hold the most potential for social value creation embracing the long-term view of CSR. Still what exactly that value creation involves, how, when and who could and should measure it are things that future research needs to tackle. Different responses have differential implications for minimal or maximal, episodic or sustainable social change. As discussed above, the CSR responses companies enact and display are inevitably judged by relevant stakeholders; for instance, they may judge responses as authentic or inauthentic, effective or ineffective, conventional or innovative, balanced or unbalanced, etc.

The above four types of responses to CSR (i.e. change the CSR portfolio, change the CSR strategy, change the general business strategy and change the purpose or identity) are *proactive*. However, companies also have a set of *reactive* responses. That is, they could do nothing, and in fact many do. For instance, they can ignore external and internal pressures or react by counteracting them in some way or engage in symbolic corporate responsibility (adapting Bowen's (2014) term for responsible-looking texts that confer approval by stakeholders). This may be done by de-coupling intention and rhetoric on the one hand from actual practices on the other hand (Bromley & Powell 2012).

9. Contributions and conclusion

This study contributes to our understanding of patterns of enactment via managerial sensemaking in regards to CSR and its implementation. We have offered a novel framework for understanding CSR practices in terms of the underlying contextual forces and factors influencing those practices and the spectrum of tensions they engender in CSR-involved managers. The result is a set of new cognitive frames and their associated responses to today's turbulent social context of CSR, with implications for value creation which we have discussed only briefly. Highlighting the tensions

experienced by managers in large corporations in implementing CSR helps us to appreciate the fraught, contested position of CSR research today – suspended between normative and instrumental perspectives – and may provide guidance for those managers trying to navigate this contested terrain.

The framework we developed could be further extended by drawing on individual level theories of values and moral development and mapping them onto corporate behaviours. In the same way that individuals are placed at a different stage of moral development based on their maturity (Kohlberg 1982), so could organisations, considering that their corporate ideologies as mapped in Figures 3 and 4 are essentially manifestations of a company's stage of moral development (with Quadrant IV representing the highest stage of moral development a corporation could reach). Finally, future research could engage in assessing social value creation more concretely. Future research could help equip CSR scholars with the tools to allow more nuanced understanding of the connection between the MNEs' repertoires of action and socio-economic value creation.

Our paper is not without its limitations. Our focus and associated examples have been from large, well-known publicly visible firms. Arguably, such companies face the tensions that arise from contextual pressures more intensely than smaller organisations due to their visibility and the backlash associated when their behaviour is misaligned with societal or stakeholder expectations. For instance, note what happened with Volkswagen's emissions scandal and the visibility that the enactment of the company's poor 'sensemaking' of the ideological tensions led to (Hsu 2019).⁶

Our analysis of the management of CSR implementation tensions carries implications regarding prospects for social change and for corporate involvement in public issues and societal problems. These include issues concerning corporate power, complicity in setting the 'rules of the game' through massive lobbying expenditures (Lyons et al. 2018: 10) and *creating* societal problems that the tension-filled field of CSR then seeks to ameliorate. Moreover, our identification of the Social Enterprise frame (Quadrant IV) opens the possibility of companies exiting the traditional business form, with profit maximization as the clear first priority. This possibility may provide an early

⁶ Sequelae are inevitable. VW's current "Rebirth" marketing campaign is "meant to hammer home the notion that a company recently caught cheating is now embracing environmentalism and setting aside what it calls 'self-interest'." However, "the campaign was seen as less contrite than other corporate confessionals... [I]t was likened to a poorly received mea culpa from BP that showed its unpopular chief executive pledging to clean up an oil spill in the Gulf of Mexico over a soundtrack of squawking sea gulls" (Hsu 2019).

indication of the (partial?) failure of the institution of business as currently constructed to keep up with evolving societal demands. As Davis (2018) argues:

“...Sometimes a for-profit, shareholder-owned corporation is the best approach [for accomplishing the ends of management], but sometimes it might be a nonprofit organization, a social enterprise, a government policy, an open-source software program (like Linux), a social movement, or an entirely new form of collaborative action. We live in an era in which one Facebook post on the day after an election could bring a half-million women (and other people) in pink hats to Washington on the same day. The range of ways of getting things done through collaboration (that is, ‘management’) has never been broader, and it is needlessly limiting to start with the assumption that any solution will eventually pass through a public corporation” (Davis 2018).

“[B]usiness behaviour and performance embodies, codifies and in many ways reinforces our own ambivalence as to how we trade off personal and collective interests, both now and into the future” (Zadek 2008: 295-296). On that basis, corporations are often seen as complicit in creating societal problems that CSR seeks to ameliorate. The power that corporations have to do so is highly criticised, with some scholars (e.g., Friedman) advocating a minimal CSR position to “...naively ignore the role business leaders play in creating those very rules of the game. Business does not simply keep its nose out of politics—it is actively involved, to the tune of roughly \$2.6 billion a year in lobbying expenditures” (Lyons et al. 2018: 10). On the other hand, that same power that might be a force for harm can also be a force for good.

Finally, we speculate on the future of CSR research and practice based on what we see in current trends. The mainstream prospect is for a positive, progressive trajectory, namely, that the future will follow the trends of the past several decades, with corporations producing more CSR and more integrated with the overall business strategy, “not... simply engaging with stakeholders, but in making stakeholders partners in a new social reality that requires intersectoral collaboration towards common goals in order to create shared value between business and society (Porter & Kramer 2011)” (Athanasopoulou & Selsky 2015: 352). This is the usual underlying normative assumption in conventional, non-critical CSR research.

However, given recent developments in politics, society and culture over the past several years, such as the rise of economic and cultural populism and the unabashed promotion of corporate interests by high-level politicians in a number of countries, it is no longer clear that CSR will continue its historic progressive, upward trajectory. Therefore, it is important for researchers to remain open to consider CSR-related changes undertaken by firms in a negative as well as a positive direction, implying the possibility of regressive as well as progressive social change. If the

former case were to eventuate over a period of time, the critical theorists who impugn the legitimacy of the CSR field as it is constructed today (e.g., Fleming et al. 2013) would have been proved right.

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Table 1: Schools of thought on CSR as a contested concept

CSR School of thought	Method	Example - Tensions addressed	Representative authors
Communication School	CSR narratives	Legitimation of CSR	Lyotard (1984); Crossley (2000); McAdams (2006); Green & Brock (2000); Feix & Philippe (forthcoming)
Cognitive School	CSR frames	Decision making in CSR	Hahn et al. (2014); Hahn et al. (2018)
Strategy School	CSR perceptions	Stakeholders Competition-cooperation, fairness, economic/social value creation	Mitchell et al (1997); Porter & Kramer (2011); Phillips (2003); Freeman et al. (2018)

Figure 1. Nomological net of constructs



Figure 2. Authors' modification of Hahn et al.'s (2014) conceptualization of cognitive frames

Hahn et al. (2014):



Authors' modification:

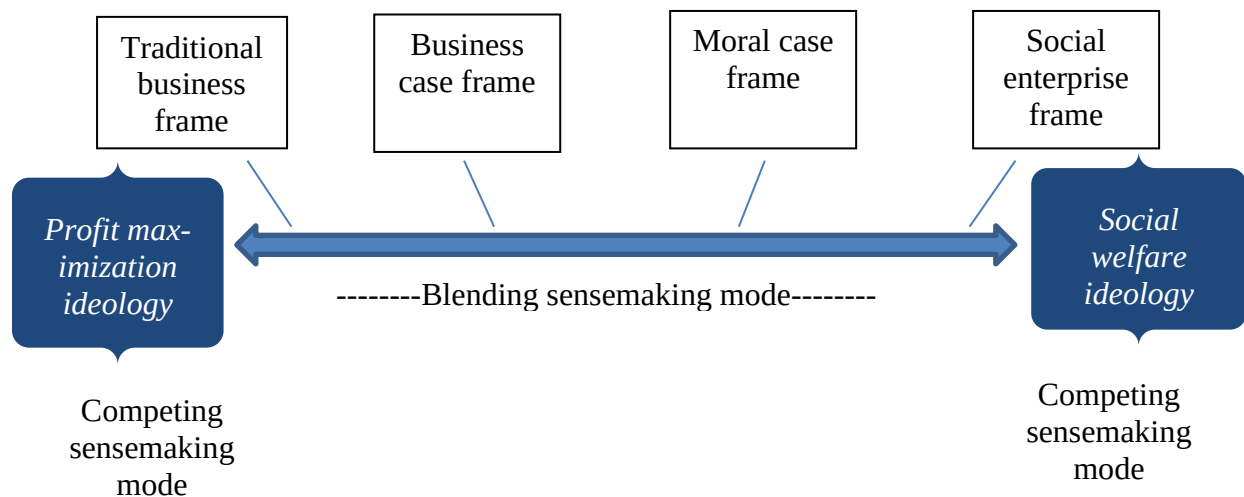
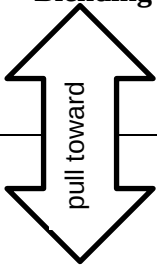


Figure 3: Modes of CSR-implementation sensemaking and corporate ideologies

SENSEMAKING MODE	CORPORATE IDEOLOGIES	
	Profit maximization	Social welfare
Blending	I – Business Case frame Minimum/Enough CSR for Profit Seeking	II – Moral Case frame More CSR, Keep Profit Seeking
	III – Traditional Business frame Less CSR, More Profit Seeking	IV – Social Enterprise frame More CSR, Less Profit Seeking

Figure 4: A dynamic understanding of CSR sensemaking modes and corporate ideologies

SENSEMAKING MODE	CORPORATE IDEOLOGIES	
	<i>profit maximization</i>	<i>social welfare</i>
	I – Minimum/Enough CSR for Profit Seeking <i>CSR awakes</i>	II – More CSR, Keep Profit Seeking <i>CSR grows</i>
	III – Less CSR, More Profit Seeking <i>CSR hides</i>	IV – More CSR, Less Profit Seeking <i>CSR flourishes</i>