Original Article

Corporate social responsibility: Playing to win, or playing not to lose? Doing good by increasing the social benefits of a company's core activities

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ABSTRACT **Incorporating corporate social responsibility (CSR) in the positioning of corporate brands has become widespread. However, CSR initiatives may be sub-optimal in their long-term effects if they only focus on reducing the costs that organizations impose on society, or if they are not directly related to the company's core business. CSR activities focused on minimizing the organization's societal costs are basically a hygiene factor. They avoid harm but beyond that they are unlikely to produce sustainable benefits for corporate branding. CSR projects that are not directly related to the organization's core business hamper the optimal use of the organization's expertise, which represents a lost opportunity for the firm as well as for society. If organizations want to strategically embrace CSR to achieve a sustainable positioning of their corporate brand and long-term positive benefits for society, CSR initiatives should come forth from their core business processes and focus on**

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the benefits the organization can offer to society, creating a win-win scenario for the organization and for society.

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INTRODUCTION

Companies have massively embraced what has become known as 'Corporate Social Responsibility' (CSR). Mohr *et al* (2001) define CSR very broadly as 'a company's commitment to minimizing or eliminating any harmful effects and maximizing its long-run beneficial impact on society' (p. 47). The number of enterprises that have engaged in projects that fall under this definition has risen to such an extent that Lubin and Esty (2010) speak of a megatrend.

Embarking on CSR can be a promising strategy to enhance appreciation of a corporate brand by different stakeholders such as customers, employees and NGOs (Brown and Dacin, 1997; Gatti *et al*, 2012). Balmer (2001) defines the corporate brand as 'the conscious decision by senior management to distil and make known the attributes of the organization's identity in the form of a clearly defined branding proposition' (p. 281). Recently, Melewar *et al* (2012) argued that in the end, the content of the corporate brand is determined by the interplay between what management decides and what stakeholders accept. This article discusses how management should choose the CSR-related positioning of the corporate brand in order to be successful in this interplay and to achieve the best possible long-term gain in brand appreciation. We do this by building conceptually upon extant definitions and categorizations of CSR, supported by practical examples.

CSR might provide a valuable basis for differentiation, especially in highly competitive markets (Smith, 2003; Du *et al*, 2011). However, efforts by companies to differentiate their corporate brands through CSR are not always successful. For example, when BP decided to reposition itself as an environmentally responsible company, its efforts were plagued from the start by NGOs who highlighted the contrast between the green content of its communications and the traditional, oil-focused thrust of its core process (Balmer, 2010), a situation that was later aggravated by the disaster with the Deepwater Horizon (Balmer *et al*, 2011).

We believe that the extant literature on CSR fails to give clear guidelines to managers in their choice of different types of CSR activities. For example, the definition of CSR from the marketing literature by Mohr *et al* (2001) quoted above is so broad that it could be taken as essentially defining almost everything a company does as CSR. By contrast, the literature on social issues in management generally uses more specific definitions, but tends to emphasize the importance of avoiding harm over the importance of achieving benefits (Swanson, 1995; Orlitzky and Swanson, 2008). For example, Carroll's (1979, p. 500) classic definition of CSR as 'the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time' puts heavy emphasis on obeying the law and conforming to ethical norms. While it leaves space for managers to exercise discretionary CSR activities, these are regarded as less fundamental, less demanded by society, and therefore less important. Similarly, Wood's (1991) definition of Corporate Social Performance is based on the principles of legitimacy, public responsibility and managerial discretion. The first two principles again imply negative duties: corporations should not abuse their power and should limit the damage to society resulting from their core activities. Again, while the final principle leaves space for positive actions based on moral judgments by individual managers, the fact that activities based on this principle are regarded as voluntary does not offer much guidance on which voluntary activities to engage in. What makes things worse is that the term 'voluntary' suggests that society attaches less importance to such activities.

The extant literature thus appears to steer our attention away from where we think that CSR adds the most value: to the corporate brand as well as to society. While it is highly important that organizations mitigate the negative consequences of their operations, we believe that this strategy is insufficient for corporate branding purposes. Surprisingly, little attention seems to have been given to what could make organizations unique in terms of what they could contribute to society based on their own expertise. To fill this gap, we advance the argumentation that the most fruitful types of CSR activities are those that flow forth from the company's core activities and at the same time focus on promoting social benefits. We will back up our arguments with examples from practice.

To guide our readers through our arguments, we have developed a framework offering insight into different foci of firms' CSR. The framework distinguishes between cost-based CSR and benefit-based CSR. On the basis of this framework, we argue how organizations can develop a socially responsible strategy that offers optimal benefits for both the company and society. Our framework may help companies in finding ways to contribute to society more substantially and to translate this into a sustainable corporate brand positioning. In the discussion, we will challenge managers and scholars to redirect their focus on how companies can achieve long-term CSR.

CATEGORIZATION OF CSR ACTIVITIES

In a recent study, Gatti *et al* (2012) identify two foci in business-related CSR literature. On the one hand, the traditional approach focuses on the effects for the company and follows Friedman (1970) in his concern for the bottom line of the organization. On the other, the proactive approach focuses on the effects of businesses for society. The confrontation of these streams has led to studies addressing the business case for CSR, showing that companies may sometimes thrive financially (see Margolis and Walsh, 2003; Halme and Laurila, 2009; Karnani, 2011a) and their corporate reputation may be enhanced (Gatti *et al*, 2012) when investing in CSR. However, given the variety of extant definitions of CSR, and the fact that the concept is sometimes used as a broad container construct, it is debatable whether focusing on the business case for CSR really provides useful insights for managers (Margolis and Walsh, 2003). Following Orlitzky *et al* (2011), it might be more fruitful to identify the circumstances under which CSR activities are likely to pay off. This study hopes to bring a significant contribution.

Literature in terms of Gatti *et al*'s (2011) proactive view focuses mostly on what CSR can mean for society in terms of reducing the company's external costs. These costs pertain to the organization's externalities – the consequences of organizational production that are not mitigated by the organization itself, but left to society (Balmer *et al*, 2007). Firms incur social costs during their production processes, for example, greenhouse gas emissions, high energy usage, oil spills. Some of these costs are borne by the firm, whereas others are not (Siegel, 2009). Examples include pollution, global warming and conditions at a firm's suppliers, such as child labor in textile production, and the disappearance of environments that have value for others, such as untainted forest landscapes. Examples of CSR activities focused on reducing costs include minimizing greenhouse gas emissions and improving labor conditions in its own or its suppliers' premises.

However, firms' contributions need not only to be related to reducing the external costs of their business. As is apparent from the broad definition of CSR quoted at the beginning of this article ('a company's commitment to minimizing or eliminating any harmful effects and maximizing its long-run beneficial impact on society', Mohr *et al*, 2001, p. 47), CSR activities could also focus on the *benefits* of a company's business to society. Firms can engage in finding solutions to social problems that are not directly related to the costs that they themselves impose on society. For instance, UPS earned considerable credits when delivering food and clothes to refugee camps in disaster-struck areas (Hess *et al*, 2002). A recent example is the ING bank in the Netherlands, which asked its customers to light one small lamp in its Christmas tree at Schiphol Airport in the Netherlands with a mouse-click. For every click, bank-insurer ING (2012) donated €1 to UNICEF for the schooling of nomad children in Ethiopia. In this case, there is no link to the external costs ING's activities leave to society. This is a benefit to society sponsored by ING. When using CSR in brand positioning, a fundamental choice must be made: to position the brand in terms of reducing external costs (for example, as a green brand), or to position it in terms of the benefits it delivers to society?

Porter and Kramer (2006, 2011) provide a fundamentally different viewpoint for analyzing CSR activities. They argue that firms should engage in sharing the value they create with their stakeholders. This is possible if companies integrate CSR in their corporate strategy. Such integration is realistic if CSR efforts are closely related to the company's core competencies and expertise, resulting in the most benefit for society (Hess *et al*, 2002). And, importantly for corporate brand management, if an organization's CSR is closely aligned to what the organization stands for, management can position its brand more credibly as being different from competitors (Smith, 2003). UPS's project of delivering food to refugees is a clear example of an organization engaging in CSR activities that are closely related to its core activities, in contrast to ING's (2012) recent campaign. This introduces a second dimension for classifying CSR activities: whether they are central or peripheral to an organization's core activities.

CSR activities can thus be categorized based on (i) whether they are focused on minimizing the costs imposed on society, or on maximizing benefits to society; and (ii) whether they are linked to the company's core activities, or to more peripheral activities. By combining these two dimensions, we obtain four types of CSR which we illustrate in Table 1.

Table 1 shows how the societal impacts of peripheral or core CSR activities can be either cost-related or benefit-related. Shell's (2010) Eco-marathon, which challenges students to design, build and test energy efficient vehicles is an example of a cost-focused, peripheral CSR activity. It focuses on reducing the costs that Shell's products incur on society, such as energy usage and CO_2 emissions, but it is peripheral to the company's core activities, because Shell does not manufacture vehicles. ING's (2012) donation to UNICEF for the schooling of nomad children in Ethiopia is a benefit-focused, peripheral CSR activity. It focuses on enhancing societal benefits rather than on minimizing the societal costs imposed by ING's activities (banking and

Table 1: Analytical framework for CSR strategies

	Peripheral to the company's core activities	*Central to the company's core activities*
Focus on reducing societal costs	Shell Eco-marathon	GE's Ecomagination
Focus on enhancing societal benefits	ING's sponsoring of schools for nomad children in Ethiopia	Microsoft's New World of Work Philips Health & Well-being

insurance).It is a peripheral CSR activity because education for nomad children is not related to ING's core activities.

GE's Ecomagination program is aimed at creating new, more eco-efficient products and is an example of a CSR initiative related to the company's core business and focused on reducing the costs that the company's products impose on society (Ecomagination, 2012). Microsoft's New Way of Working program is an example of benefit-focused CSR aimed at improving the societal impact of the company's core activities. The program introduces a new digital work style that helps corporate clients to get more out of their information in less time, while enabling employees to choose more freely when and where they work. Microsoft's aim is to shift to software allowing people to work together independently of their location – be it at home or in the office (Rasmus and Salkowitz, 2007; Van Heck *et al*, 2012). The approach focuses at creating benefits for society – increased efficiency as well as increased life satisfaction through reduced work-family conflict (cf. Hill *et al*, 2010) – rather than at minimizing costs created by the organization, and may improve the societal impact of the company's own core activities (producing computer software).

Likewise, Philips has recently made some major strategic changes to streamline its business toward more socially beneficial products. The company has reorganized its health-care sector to 'create a focused and globally leading health care and well-being company' (Philips, 2010). The company's vision is to improve the quality of clinicians' and patients' lives by simplifying the delivery of health care, improving clinical outcomes and reducing health-care system costs around the world by developing meaningful innovations that improve people's health and well-being (Van Halderen *et al*, 2013). For example, Philips has invested in developing innovative medical monitoring devices that can increase the efficiency of the medical system. That is, the company has leveraged its existing expertise to tap into some of the most critical global societal trends (an aging population, rising health-care costs and so on). The Philips example shows how benefit-focused, core activity-related CSR often starts with a strategic rethinking of how the company's *existing expertise* can benefit current or future societal trends.

A MISSED OPPORTUNITY: BENEFIT-FOCUSED CORE BUSINESS-RELATED CSR

We believe that academic research has basically ignored the types of activities in the lower right quadrant of our matrix, that is, the benefit-focused activities linked to a company's core processes. While several authors have advanced the idea that CSR should be linked to the company's core activities (Burke and Logsdon, 1996; Drumwright, 1996; Hess *et al*, 2002; Porter and Kramer, 2002, 2006, 2011; Smith, 2003; Bruch and Walter, 2005), most papers focus on the costs of the firm to society rather than on the benefits for society. For example, Halme and Laurila (2009) describe 'integration' as a type of CSR that is closely linked to the company's core activities, but they mainly define it in terms of the costs of the firm to society, that is, the negative externalities of doing business such as environmental pollution and social exclusion.

Conversely, authors who consider benefit-focused (positive) CSR activities tend to take a much broader perspective than a company's *core activities*. For example, Porter and Kramer (2006) mention several cases of CSR initiatives aimed at social benefits that are also strategically significant to a company, such as Marriott's contributions to education for the chronically unemployed. Such CSR activities indirectly help companies to recruit new, highly motivated employees. However, although such a schooling program fits with the company's strategy, these activities do not aim to improve the societal impact of the company's *core activity,* which is offering hospitality services. In Halme and Laurila's (2009) framework, 'innovation' is aimed at developing products or services that contribute to society, but the authors do not distinguish between benefit-focused and cost-focused contributions of these products and services. In summary, previous research has not systematically considered CSR activities that are both benefit-oriented and aimed at improving the impact of the company's own core activities. Now, why do we consider these activities to be so important?

Clearly, CSR activities focusing on the costs of a firm to society, or those that are not aimed at improving the impact of the company's core activities can also be beneficial for both the company and society. However, we believe they have some important limitations. Activities aimed at reducing societal costs are basically hygiene factors (Herzberg, 1987). That is, if a firm does not engage in them, it is punished, but if it invests in these activities it does not receive extra rewards. In her research, Arvidsson (2010) finds investor relations managers who report that their organizations' primary motivation to engage in CSR is 'that we will not be ranked last when our CSR work is evaluated' (p. 348), suggesting that they focus more on the disadvantages of *not* engaging in CSR than on the benefits of engaging in CSR. Similarly, Handelman and Arnold (1999) find that firms with a positive CSR reputation are not rated higher by consumers than firms that have no CSR reputation at all, whereas firms with a negative CSR reputation are rated lower. Apparently, it is possible to do things wrong in terms of CSR, while at the same time it appears difficult for a firm to *positively* differentiate itself through cost-focused CSR activities.

In the near future, it may even become harder. With the growth of the Internet, it has become much easier to access information about a firm's CSR strategy, and for NGOs to pressurize firms that fail to bear their social costs. Given that in such a context CSR strategies depend upon visibility to be effective, they are not difficult to imitate (McWilliams and Siegel, 2002). In addition, if society considers an issue to be important enough, it will force all firms to comply with its demands regarding the issue (Siegel, 2009). Firms that fail to do so will lose their license to operate and will eventually go out of business. Therefore, whereas firms are punished if they do not cover societal costs, the potential long-term strategic gains of cost-focused CSR strategies seem to be limited.

CSR initiatives that are closely related to core activities may offer important advantages for an organization. First, they are likely to attract much more internal support within the organization, thus potentially making them more effective. If CSR activities are perceived to be outside of the field of competence of the organization, staff may feel that they lack the means and the know-how to achieve the goals of the activities, which may lower their enthusiasm (Olsen and Boxenbaum, 2009). The feeling that the envisaged activities are not part of the company's business may lead to staff demotivation. This is a problem that can occur when firms try to provide a benefit to the societies they operate in by base-of-the-pyramid strategies. The basic idea of such strategies is that the firm markets its products at affordable prices to populations that are so poor that they cannot afford the standard product. Although such approaches could theoretically prove to be a long-term investment, in practice the targeting of a completely new product segment demands considerable adaptations in the way organizations work. As a result, some organizational members might then perceive that they are no longer working in their own business (Olsen and Boxenbaum, 2009). CSR activities aimed at a company's core activities, at the very least, have the advantage that they are more in line with how employees and other stakeholders see the organization, and are thus more likely to receive the internal and external support they need to become successful.

Second, CSR activities focused on the societal benefits of the organization's core activities are most likely to benefit the company because they have the strongest link to customer satisfaction and loyalty. Whereas consumers generally attach some importance to CSR attributes unrelated to the quality of the product they are buying, product quality usually dominates such CSR attributes (Auger *et al*, 2008). However, we argue that exactly this unrelatedness between product and CSR attributes represents an unnecessarily restrictive and even counterproductive assumption. CSR efforts focused on the benefits of the product itself might have much more impact on a company's sales. For example, Microsoft's New World of Work program helps the company claim ownership and expertise regarding a specific social issue, the New Way of Working. Organizations wishing to implement this way of working in their own organization may therefore consult Microsoft, which may eventually lead to Microsoft selling its expertise to the specific organization. Likewise, UPC's activities in distributing goods in disaster-struck areas (Hess *et al*, 2002) showcase their skills in operating in areas where infrastructure is, at least temporarily, less than ideal.

Besides being beneficial for companies, CSR activities focused on the benefits of the company's core activities are also more likely to benefit society. After all, organizations have developed their competencies in their core business and this enhanced expertise enables them to make a real difference to society (Drumwright, 1996). Focusing on this core business might make a much larger difference to society than peripheral contributions in areas where the organization has developed less competence. In addition, in periods of turmoil, such as an economic downturn or a change of CEOs, companies are less likely to cut back on activities that relate to their core activities, making such activities potentially more stable. Therefore, we believe that CSR activities that are focused on achieving benefits to society by improving the impact of the company's core operations have the most potential to create long-term benefits for both the company and society.

OBSTACLES TO OUR THINKING ABOUT CSR

It is surprising how little thought and action has been given to what we believe to be the most promising approach to CSR, and how dominant the focus is on societal costs. We believe that this may be due to two important obstacles to in our thinking on CSR. First, Arvidsson (2010) observes that current thinking about CSR is mainly inspired by a desire to *avoid negative impacts* rather than by the will to make a societal contribution. Of course, the societal struggle over external costs is not over yet, and firms are still fighting with stakeholders over the external costs they impose on society, as witnessed by the recent BP oil spill in the Gulf of Mexico. However, as we argued above, dealing appropriately with these societal costs may prove to be a hygiene factor: if an organization does not bear them, it may be punished. If an organization deals with them adequately, in the long run its potential for positive differentiation from the competition is still limited: in the ideal case the total societal costs will be the same as if the organization had not existed at all: zero – which is not exactly a basis for positive differentiation. Even worse, CSR focused on reducing societal costs may in the long-run even prevent a firm from reaping the reputational benefits from its CSR activities. CSR initiatives commonly shift from being novel and distinguishing to what is normally expected, and then even legally sanctioned. Once they are sufficiently widespread, they stop counting as CSR activities and become normal or required practice (Rivoli and Waddock, 2011). The adoption of such practices may be driven by opportunism rather than by intrinsic motives. Bondy *et al* (2012) observed how organizations closely observe each other's CSR initiatives and are quite prone to copy them. We may already have arrived at a stage where adopting cost-focused CSR may no longer differentiate companies or lead to sustainable competitive advantage (Orlitzky *et al*, 2011). The increased visibility via the social media and the Internet (Smith, 2003) and the pressure of NGOs on irresponsible companies (Baron, 2009) are likely to further level out the competitive landscape, where in the end no one can win by being more responsible, but can lose by being insufficiently responsible.

Positioning cost-based CSR in this way is unlikely to lead to sustainable advantages for the individual firm *vis-à-vis* its competitors, but rather to what we may call the Red Queen effect (Derfus *et al*, 2008). In Carroll's (1871) 'Through the looking glass', Alice finds herself running as fast as she can without advancing at all. The Red Queen then says to her: 'Now, here, you see it, it takes all the running you can do to keep in the same place'. When focusing on societal-cost-based CSR, efforts to differentiate the organization from its competitors are unlikely to succeed in the long run. This is likely to be the case even in situations where positioning on CSR may seem to bring rapid image gain, for example, because the company operates in a sector with highly visible brands. The more promising the image gain appears, the more the competitors will feel compelled not to stay behind (Karnani, 2011b), quickly obliterating any positive differentiation. There are no gains for the winners, just the loss of legitimacy for those who do not keep up with those up front, with an ensuing loss of their license to operate.

The second obstacle is that we have been trained to think of CSR in terms of conforming to norms which reflect our – often western – assumptions about how organizations should operate (Clarkson, 1995; Maignan and Ferrell, 2004). We argue that our focus on these assumptions canalizes our thinking about CSR in an overly restrictive fashion, which prevents us from seeing the good some firms are already doing for society. The experience of the first author at a large electricity distributor is telling. The management had decided that the company should engage in CSR activities more actively, and wanted to check staff opinion on this issue. Much to their and the researcher's surprise, employees rated their own organization's CSR activities much higher than expected. What was going on? Basically, one of the key responsibilities of the organization was to maintain the voltage of electric current to households at exactly 220 V, and to keep the frequency at exactly 50 Hz. If the electricity distributor failed to meet these targets, much electrical equipment could stop working normally. Particularly in hospitals, where people's lives depend on the reliability of both the voltage and the frequency of the electric current, the consequences could be dramatic. It was also illustrative how all staff were willing to ensure that their network would not be affected by the general power failure that was predicted on 31 December 1999. A huge number of employees were present throughout the night of the Millennium to timely intervene to avoid a potential disaster. This example shows that a company can execute CSR in a very different way to our normative assumptions. In this case, the company achieved the very deliverables that it stands for – to ensure a reliable and uninterrupted power supply and to maintain a constant voltage and frequency output.

Once companies manage to implement benefit-focused, core activity-related CSR, they may go far beyond *a license to operate* toward *a plea to operate*, because the organization offers a positive contribution to making society a better place. That is, society will then not merely *tolerate* a company by allowing it to conduct its core business, but actually *appreciate* the company's core business as a valuable societal contribution.

While the societal benefits of a company's core activities might not always be obvious, we believe that there is a hidden potential for most companies to target their core activities more on benefit-focused CSR. Several companies have already started to do so. General Electric has started to use its technological expertise to develop innovative solutions to health care (Healthimagination, 2012). However, this does not mean that every company's activities can be seen as delivering benefits for society. It would be unconvincing if a candy factory positioned itself as a company that does good for society for the very reason that their products improve our short-term well-being while eating them. Likewise, an oil company will not get away by claiming that its products are good for society just because their products offer mobility. External stakeholders are likely to perceive these attempts to frame CSR activities as window dressing. (Berrone *et al*, 2009). After all, intrinsic motivation is seen as an integral element in CSR (Wood, 1991).

CSR: From hygiene factor to strategic asset

The examples above illustrate how CSR can be much more focused on *core activities* and societal *benefits*. As Peloza and Shang (2011) argue, CSR activities can be inherent in brands. However, from their review it is clear that very few academic studies focus on CSR activities related to products (core activities), and if they do, they focus on cost-based CSR such as reducing energy consumption and waste, and avoiding chemical residues. We plead for a focus on the societal *benefits* associated with the company's products, as these offer potential for more sustainable long-term positioning of the firm and what it produces. A *conditio sine qua non* of realizing the potential of a company's product or service is that it becomes truly embedded in the organization's long-term strategy, activities and culture. If this is not the case, companies' CSR activities are likely to be dismissed as window-dressing.

Hence for companies, it is important to carefully consider the full consequences of their benefit-focused core activity-related CSR. This is not an overnight process, but requires the strategic alignment of all an organization's different functions (CSR, marketing, innovation, R&D). To take the Philips and General Electric examples, their focus on health and well-being is not merely a clever branding strategy. It is a long-term journey during which investors need to be convinced, research needs to be intensified, networks with experts, patients, governments and health-care institutions need to be built, and, very importantly, employees need to be able to understand and support the company's new focus. If organizations manage to do so, their benefit-focused core activity-related CSR becomes a platform to win, instead of a means not to lose.

DISCUSSION

In this study, we propose that managers and scholars reconsider their current thinking about organizations' CSR strategies. We do not claim that organizations should refrain from bearing the costs they otherwise might leave to society. This should be a natural starting point. However, organizations as well as management scholars should realize that such cost-based CSR is a hygiene factor: they are punished by doing wrong, but they do not really prosper by doing right (Herzberg, 1987). Therefore, we propose a two-step strategy: first, a company should focus on securing its license to operate by addressing the costs of its operations to society. But as soon as the societal costs have been adequately addressed, firms should focus on what they can positively contribute to the societies in which they operate. The specific added value of firms is the experience they have built up in their core processes. Therefore, a firm's contribution is most credible, and most likely to succeed, when it takes as point of departure the potential that its core activities carry for making society a better place.

This strategy implies a departure from the current way of thinking about CSR. Both scholars and practitioners tend to judge organizations' CSR by normative lists of criteria that have been growing in the literature and in practice, to which organizations are supposed to conform, and that reflects current values in western societies (Clarkson, 1995; Maignan and Ferrell, 2004; Martin *et al*, 2011). CSR activities that are favorable to the corporate bottom line still are like forbidden fruits: economically they are attractive, but ethically managers and scholars often feel uneasy about them (Drumwright, 1996; Margolis and Walsh, 2003; Porter and Kramer, 2006). Instead, both society and firms engaging in CSR may be better off if firms relate their social responsibility to their core activities. Du *et al* (2011) report a telling example of a highly successful case of a toothpaste producer engaging in promoting children's dental health care in inner city neighborhoods. Interestingly, participants also grasped the concomitant business motives (for example, 'it's a form of marketing not only to get their products out but also to help the community') but were able to reconcile these with the genuine concern motives, commenting that it was a win-win situation (Du *et al*, 2011, p. 6).

So, is what we are suggesting in fact simply customer orientation, the idea that an organization should focus on serving its customers well? (cf. Levitt, 1960). It is definitely broader. Of course, a firm should serve its customers well, because without customers a firm would not be able to serve its other stakeholders. However, the organization's clients also fulfill other roles in society, like being employees or investors. For instance, if Microsoft is serious about its clients becoming more effective and efficient through their New World of Work program, they contribute to an increase in overall productivity, and a lower dependence on the exact location where people happen to work (Van Heck *et al*, 2012). This, in turn, has consequences for how people organize their personal lives, for example, by allowing parents to take their children to school after first doing some work at home, and going to work after the rush hour, thus reducing their own CO_2 footprint (Kossek *et al*, 2010) and creating a better balance between work and private life. The freedom to choose where to work, at home or at the office, has significantly reduced feelings of conflict between family and work requirements (Hill *et al*, 2001, 2010; Kossek *et al*, 2006), increasing employees' life satisfaction (Adams *et al*, 1996; Hill *et al*, 2010).

One may wonder: 'is this still CSR?' Our answer is a definite 'Yes'. After all, CSR implies that organizations act affirmatively for social well-being (Wood, 1991). Benefit-focused core business-related initiatives fit the second part of Mohr *et al*'s (2001) definition of CSR as 'a company's commitment to minimizing or eliminating any harmful effects and maximizing its long-run beneficial impact on society' (p. 47). Ven (2008) argues that the presence of a direct link between a social issue and the core competencies of the organization allows us to credibly argue that the issue is understood to be part of the organization's corporate responsibility. Once organizations have borne their societal costs, we think they should focus on the benefits they can offer directly and indirectly to society through their core activities. We believe that providing benefits is a much more convincing way of contributing to society's well-being than merely minimizing or eliminating any harmful effects.

Suggestions for further research

Our proposal for focusing on core process-related CSR activities implies a shift from a view of CSR as a stakeholder-induced add-on, of which the business relevance is the subject of much discussion and hypothesis testing (Margolis and Walsh, 2003; Aguinis and Glavas, 2012) to the core process of the organization. In the end, it focuses our attention to the very core reason why an organization exists. It is no longer about whether and how to respond to previously articulated concerns of external stakeholders, and no longer about being responsive to external obligations (Smith, 2003), but about the organization itself setting the standards and setting the agenda based on a thorough assessment of what it can mean for society. This raises important questions for further research: when and to what extent are organizations willing and able to make such a thorough assessment of the meaning of its core activities to society? Organizations should critically assess the potential consequences of what they deliver to society, not only to their direct customers, but also what the effects of customers using their products and services have upon others in society. For instance, Microsoft's New Way of Working may result in cost savings for Microsoft's direct customers (Van Heck *et al*, 2012), but the flexibility that its customers' employees derive from choosing when and where they work, enabling them to establish a more favorable work-life balance, is much more important from a societal point of view (Hill *et al*, 2010). However, recent research among large organizations still shows a highly reactive pattern of responding to external pressures as if they were merely Public Relations issues, without much tendency to incorporate CSR deeply into their core processes (Bondy *et al*, 2012). Du and Vieira (2012) suggest that exactly this emphasis on the business case prevents organizations from deriving more substantial benefits – including gaining legitimacy – from their CSR efforts.

Organizations that really want to focus on a benefit-focused core process-related contribution to society need time to develop such a strategy and to do the necessary R&D. Investors may not always be willing to grant the organization the time to do so. The pressure to produce short-term financial gains may be an important factor influencing the degree to which a company is willing to engage in benefit-focused core process-related CSR. The empirical question is whether companies that choose to engage in this kind of CSR perform better in the long run (both for themselves and for society) and are more successful in their corporate brand than firms that choose to follow the business case of CSR as discussed above. Longitudinal studies would be needed to examine the effects of investments in different types of CSR on indicators like financial performance, brand value and community development indices.

A more benefit-oriented core process-related approach to CSR also has implications for organization members' motivation to contribute. In their review of extant CSR literature, Aguinis and Glavas (2012) point to the importance of values and concerns with social issues as motivators of organization members, but how and to what extent can employees be stimulated to think beyond the box of the company's short-term business case to design a truly beneficial CSR strategy?

Another issue for further research would be to examine the distinction between societal costs and societal benefits. We have provided a clear guideline to distinguish between the two: if the optimum that can be achieved is equivalent to the situation in which the company never existed, as is the case with environmental pollution or child labor, we are dealing with costs to be minimized. However, this distinction may be less clear-cut for external costs that arise downstream in the organization's value chain. Whether or not we have a cost, that is, a loss to be avoided or a benefit to be gained, may depend upon our point of reference (Kahneman and Tversky, 1979). For instance, is a food marketing company that encourages its consumers to choose smaller portions (Chandon and Ordabayeva, 2009) helping to reduce obesity, or is it reducing the external costs of its marketing of energy-rich food? Likewise, are Volvo's pioneering efforts in car safety (Urde, 2003) a contribution to the society, in terms of more safety on the road, or a reduction of its own externalities, in terms of fewer casualties due to driving cars produced by this manufacturer? The key question here is how do stakeholders view these issues, and at a more macro level, what drives changes in such perceptions?

Recommendations for managers

The implications for managers are twofold. First, they have to develop a vision for value creation and then implement this vision in the organization's operations (Lubin and Esty, 2010). The first step is a careful reflection on what the organization can most fruitfully contribute to society. The second step consists of carefully communicating to the workforce how they can effectively help in the organization's contribution to society.

The challenge for managers is to consider the positive societal consequences of the use of their products. Aligning CSR to the organization's mission statement might be a good starting point, but should be followed by developing a strategy to integrate CSR in the organization's branding. Mission statements are flexible, more flexible than the accumulated skills and knowledge in the organization. Therefore, these competencies should form the point of departure (Hess *et al*, 2002). Strategic thinking means considering the contribution an organization could effectively make to society based on this reservoir of skills and knowledge. This contribution does not just include the direct benefits of product sales for consumers, but also includes the positive changes to customers' lives resulting from buying the company's products or the positive changes to our society resulting from using the products. For instance, in the Microsoft example, the CSR element is not saving costs for clients but improving the work-life balance of the employees of Microsoft's clients.

Therefore, rather than arguing that an organization's CSR should reflect its mission, we argue that an organization's mission should be carefully crafted after the organization has made a well-balanced choice of the CSR it wants to embrace to achieve a sustainable positioning of its corporate brand. After all, such a process will give an organization a deeper reason for existence. The organization's contribution to society becomes the reason why stakeholders welcome its existence, rather than accepting it because it 'gave something back'. An organization's mission statement should thus reflect its CSR strategy, and this strategy should follow from the most profound benefit the organization can and wants to deliver to society, given its accumulated skills and knowledge.

Resonance with employees is more likely if their skills and knowledge, directly or indirectly, help to achieve the envisaged contribution to society. The role of management is to communicate this carefully and to ensure that all staff are able to walk the company's talk. Employees' perceptions of visionary leadership are key to making a CSR strategy a success (Aguinis and Glavas, 2012). It may be tempting for managers to choose highly ambitious goals or to exhort employees to contribute by setting high targets. We would like to dissuade managers from doing so. If the firm is found to make promises it cannot keep, reputational harm is imminent (Lubin and Esty, 2010). At each stage of this process, management should communicate how the envisaged contribution to society can be achieved. By carefully monitoring and guiding the acceptance of the organization's CSR positioning, the CSR strategy will take root among the workforce, creating a more solid barrier against copying by competitors, which, in turn, will help to ensure an enduring distinctive positioning of the corporate brand, creating a win-win scenario both for the organization and for society.

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