Embedded Versus Peripheral CSR From the Perspective of CSR Professionals

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This response is being written primarily from the perspective of the Boston College Center for Corporate Citizenship and insights derived from extensive interactions with its members. This enables a different perspective on the focal article by Aguinis and Glavas (2013) than one primarily based on macro/micro distinctions in academic scholarship.

Some Concerns About the Embedded–Peripheral Distinction

Briefly, Aguinis and Glavas's primary distinction is between embedded and peripheral corporate social responsibility (CSR), especially the extent to which CSR activities are integrated into an organization's ''strategy, routines, and operations.'' They argue that if *all* of the characteristics of embedded CSR are not present then CSR is not truly embedded, but peripheral, and thus, inauthentic and likely to evoke negative responses from employees and consumers.

Some assumptions apparently underlying the authors' distinction are troubling from the perspective of CSR practice. One is that the distinction drawn between embedded and peripheral CSR is very stark. A second is that, apparently, no matter the size of the company, from very small to global, it is possible to give it one label with regard to its CSR activities. Another is that only certain types of activities are considered embedded and others are excluded rather than considering the degree to which any CSR activity might be integrated into the operations of a company or integral to its culture.

These issues inform our commentary, which focuses on three questions. From the perspective of CSR practice, how meaningful is the embedded–peripheral distinction? Is the authors' distinction likely to result in better social and business outcomes? Is it possible to state with assurance that CSR can be fully embedded in a very large, cross-industry, global company (as the authors have characterized General Electric [GE], International Business Machines [IBM], and Intel)?

The Meaningfulness of the Embedded–Peripheral Distinction From a Corporate CSR Perspective

From a corporate perspective, how meaningful is the embedded–peripheral distinction? We will address three aspects of this question, what it means to say that something is embedded or not, whether the distinction advanced by Aguinis and Glavas is crucial for employees to experience their work as meaningful, and the ability of organizations to carry out embedded CSR comprehensively.

What Counts as Embedded CSR?

From a corporate CSR perspective, the limitations that Aguinis and Glavas place

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on embedded CSR seem overly rigid. For example, they state that activities such as philanthropy and volunteering are peripheral because such activities may not be part of an organization's strategy, routines, and operations. However, many CSR professionals argue that such practices are central to reinforcing firm core values, earning and maintaining the license to operate, developing high-potential employees, team-building, and brand promotion, and, as such, they are embedded almost by definition.

CSR professionals might also question several of the examples Aguinis and Glavas described. For example, CSR professionals would likely believe that transferring a ''large stake'' of ownership, as was the case described by Arya and Zhang (2009) about a company operating in South Africa, is connected with the daily operations of the firm because the stakeholders receiving firm equity would gain considerable agency over the operations of the company as shareholders. Further, the authors suggest that because the work of the Petco Foundation is separate from the Petco corporation, CSR at the Petco Foundation is only peripheral. However, corporate foundations are typically run by officers of the corporation, and the corporation and sometimes its customers fund these foundations. In the Petco Foundation case, a business context issue is being addressed and the philanthropy addresses business goals (new customers, consumer perception, trust, loyalty, etc.), therefore CSR can be considered embedded. Finally, Aguinis and Glavas suggest that eco-efficiency initiatives to reduce energy use are peripheral because they are not necessarily tied to an organization's strategy and core competencies. But perhaps they are embedded, if eco-efficiency is part of the organization's routine operations and it is implemented in a way that fosters core values. The reduction of waste and stewardship of natural resources have come to be part of routine operations and core capabilities for individual business people and companies alike.

Is Embedded CSR Necessary for Work to Be Meaningful?

Aguinis and Glavas suggest that embedded CSR tends to create meaningfulness *in* as well as *at* work (Pratt & Ashforth, 2003). They also suggest that CSR that is (only) peripheral is not likely to have this kind of impact but, perhaps, may lead to adverse effects such as reduced commitment. Implicitly, if not explicitly, this suggests that (only) employees whose daily work includes recognizable CSR activities as defined by the authors are likely to find meaning from the organization's CSR activities.

Meaningfulness associated with CSR is certainly important. The Center's experience and its survey data make evident that both work tasks and volunteer activities that allow employees to express personal values, reinforce firm core values, and make meaningful contributions to solving social problems are very important to CSR professionals—and many others—though they typically do not distinguish between meaningfulness *at* work or *in* work (Pratt & Ashforth, 2003). The experience of the Center is that often a large number of employees get enhanced meaning out of their jobs simply because their firm invests in CSR programs even if the programs are not directly related to the employees' work roles. Many employees at a wide range of companies have jobs that don't relate to firm core competence; think of administrative assistants at engineering companies, for example, or human resources personnel in manufacturing companies. Socially responsible companies use multiple types of CSR programs (such as good environmental stewardship, paid volunteer time, matching gifts, and philanthropy) to reinforce core values in ways that all employees can appreciate. Often it is the employees who are most removed from the CSR missions who value these opportunities the most.

The Ability to Carry out Embedded CSR

The authors suggest that embedded CSR ''relies on an organization's core

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competencies.'' Although the competencies are core for the organization's main business, the authors do not comment on particular competencies associated with carrying out CSR well. Even if CSR is a primary purpose of the company according to the authors' definition, it may not be clear how to maintain commitment to a social purpose beyond profit making, as Ben and Jerry's sale to Unilever (Page & Katz, 2012) makes evident.

As Page and Katz (2012) comment, Ben and Jerry were advised that because their company was publicly held, they were required by corporate law to maintain the best interests of shareholders. Thus, they believed that they had to sell the company to the highest bidder even though they didn't want to. Ben and Jerry's have recently become certified as a B-Corp, which puts into their incorporation documents their social mission as well as their profit-making purpose. They are the first wholly owned subsidiary to do so. The move was fully supported by their parent company, Unilever.

This may be a fairly extreme example, but it makes an important point. Sometimes companies, even companies considered icons of CSR or that have taken steps to register as B-Corps, can feel compelled to act against their core values and higher social purpose, despite their wish maintain a strong CSR purpose. Maon, Lindgreen and Swaen (2009), among others, show that determining the particular CSR values on which a company wishes to focus is not always easy. Further, it is sometimes very difficult in large corporations to carry out some tasks that seem irreconcilable, such as, say, ''maintaining a high CSR profile and engaging in offshore outsourcing'' (Park & Hollinshead, 2011, p. 192), or, more generally, determining how to operate responsibly when profit and the public good may conflict (Karnani, 2012), at least in the short term. Aguinis and Glavas do not indicate that failures of CSR may sometimes be due to complexity and the competition of worthy interests.

Is the Authors' Distinction Likely to Result in Better Social and Business Outcomes?

From a corporate perspective, rather than a distinction between embedded and peripheral CSR, the real question is whether the company intends a substantive (as opposed to purely symbolic) outcome, whether its commitment is sufficient to achieve that outcome, and whether its employees, customers, and suppliers share that commitment. This speaks to consumers' likelihood of patronizing companies with CSR more broadly defined than the embedded category of Aguinis and Glavas. The authors suggest that ''when CSR is not perceived to be genuine (e.g., greenwashing), the effect on consumers is negative.'' However, based on the Center's experience, being genuine is not associated as much with whether CSR is embedded according to the authors' definition as whether it is authentic and sincere. Consumers need to see logical issue alignment, a sincere commitment of real resources for a cause that is congruent with the brand, and investment in CSR over time (Thomas, Fraedrich, & Mullen, 2011).

Research in marketing suggests that consumers' perceptions tend to be complex and nuanced, not simply based on black and white categories such as embeddedness (Ellen, Webb, & Mohr, 2006; Sen, Bhattacharya, & Korschun, 2006). Further, at least in instances where consumers pay attention to CSR, Barone, Miyazaki and Taylor (2000) found that consumers' responses to companies depend on both the companies' perceived motivation for CSR and trade offs regarding price and performance. It seems unlikely that a distinction like embedded versus peripheral is salient to consumers.

Can CSR Be Truly Embedded in a Global Corporation? Does This Matter?

Aguinis and Glavas use their description of embedded CSR to describe the mechanisms

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that they believe cause the success of CSR initiatives at GE, IBM, and Intel. However, it is relatively easy to question their more or less explicit labeling of these companies as fully embedded CSR successes. While we could raise issues associated with all three companies simply because of their size, diverse operations, and global scope, we will only focus on GE, with the intent of suggesting some of the complications associated with the concept of embedded CSR in a company that operates in 150 countries and has more than 300,000 employees and multiple businesses (http://www.csrwire.com/members/12926-General-Electric-Company).

The authors suggest that GE has used its core competencies, especially ecomagination, ''to have an impact on environmental and societal issues worldwide.'' Further, they argue that ecomagination is both a major part of the company today and GE's most ''strategic investment.'' However, the single most significant contributor to GE's financial performance is its capital division. Ecomagination is a relatively small division (around 12% of total revenue) with a very high profile and low margin. Further, though the work done in GE's alternative energy business is important, this is not the company's primary work or profit source.

According to the authors' criteria, CSR is not fully embedded throughout GE. Despite this, it is evident that ecomagination is a source of tremendous pride to GE employees, and it is a way of identifying GE as a socially responsible company to customers and other external stakeholders.

In conclusion, from a CSR practice perspective, embeddedness is very likely less important than sincerity, fit, and enduring commitment to the impacts of a company's CSR practices on its employees and its customers. The careful distinctions that foster scholarly progress do not always translate to practice. In the case of CSR, this may be a good thing, one that opens ongoing opportunities for conversations between theory and practice and encourages developments in both.

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