

Contrasting Models of Corporate Social Responsibility:
Overcoming Management Myopia by Taking the Long View

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David Millon's astute observations concerning the relative merits of two prevalent perspectives on corporate social responsibility ("CSR") offer an important and timely contribution to current debates over what obligations corporations owe to non-shareholders. First, Millon deconstructs the consequences for CSR of a conventional view of the corporation as composed of different and competing constituencies such as employees, consumers, creditors, etc. that may hold conflicting interests at a given point in time. Because any conflicts are most often resolved in favor of shareholder value over other social values—an outcome shaped more by bias and sustained by custom and culture than supported in law—CSR may suffer. Next, he constructs a view of the corporation as something more than the aggregate sum of different constituencies with competing interests and considers the consequences for CSR. Understanding the corporation as a singular entity may stand to better serve CSR because ultimately there is a common interest in sustaining the corporate entity's long term survival. By adding these temporal considerations to the debate in advocating a sustainability approach to CSR, Millon seeks to overcome the vexing normative questions that often arise over what weight the various interests of competing constituencies should be accorded. Provided any social or environmental interests that are elevated above the immediate interests of shareholders by management will eventually inure to the benefit of the corporation's long term viability there may be greater potential for CSR to play a more robust role in managerial decision making. In accord with Millon, this commentary submits that managerial vision may become less myopic as a greater appreciation for the interrelationships between multiple constituent interests, the contexts in which a corporation operates, and the consequences of its operations in various contexts can be better cultivated from the vantage point of the longer term perspective that a sustainability approach to CSR would require. It is also argued that Millon concedes, perhaps too quickly, the limits of a sustainability approach to CSR for fully satisfying the corporation's responsibilities to society as over time social norms shift and consumer expectations escalate. While the sustainability approach to CSR's emphasis on long-term economic interest as the baseline against which to identify obligations would not require industry to be as proactive as a CSR approach rooted in ethical considerations would, it nevertheless may provide a promising start for creating new possibilities and informing practical legal reforms. However, what remains unclear is precisely how to delineate time horizons as they pertain to shareholder value and corporate investments in other social values. In the meantime, Millon's effort to encourage more serious consideration of the long term view is long overdue and adds an important dimension to the CSR debate.