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Watching the CSR Debate Unfold Online

As the NCG staff member who manages [our Twitter feed](#), I also follow the conversations that develop in the Twittersverse (sigh, yes, I said it).

One of the conversations I follow is the [#csr](#) thread. For those of you new to Twitter lingo, the hashtag (#) is a way to mark your tweet so that if a reader wants to search for information on a particular subject they simply search for its hashtag.

In the case of corporate social responsibility, that hashtag is #csr.

It was one week ago that the #csr thread was a-buzz regarding a Wall Street Journal article entitled "[The Case Against Corporate Social Responsibility](#)," written by associate professor of strategy at the University of Michigan **Dr. Aneel Karnani**.

And when I mean, a-buzz, I mean the link to this article was being re-tweeted like wildfire. In a 12-hour period I saw almost 30 tweets on the article, which is unusual for a conversation hashtag (in my own experience). I mean, sure when there's a popular article or report it will get several tweets, but 30 in 12 hours, that's a lot.

And that was just the tip of the iceberg.

By the 24-hour mark the number of tweets had risen to approximately 90.

Here's a sampling:

1:09 am [davidcoethica](#): The Case Against Corporate Social Responsibility – <http://3bl.me/gwmb4> #csr

4:00 am [waynenorman](#): "It's the regulations, stupid." RT @davidcoethica The case against #CSR – <http://3bl.me/gwmb4>

11:49 am [ebharrison](#): Is corporate social responsibility fundamentally flawed? That case leads WSJ special section today <http://bit.ly/9OSDC7> #CSR #envirocomm

2:55 pm [GreenSolitaire](#): Wow the #wsj about 5 years behind on #csr and corporate #sustainability <http://bit.ly/9wvYSx> still arguing the business v moral case.

5:42 pm [elainecohen](#): New on the #CSR Reporting blog: my response to #wsj case against #CSR <http://bit.ly/dwvaOc>

7:26 pm OKL: A Zinger: CSR Now Seen As ?Potentially Dangerous? <http://bit.ly/9JuFMa> In response to WSJ's :<http://bit.ly/conoVC> #CSR

Them's Fightin' Words

As you can see it didn't take long for CSR advocates and practitioners to begin responding with counter arguments.

In fact there were a few articles, blog posts and 260 comments on the WSJ article itself, all taking the case against CSR to task.

In his response published in [The Chronicle of Philanthropy](#), **Scott Henderson** Managing Principal of [CauseShift](#) argued that Dr. Karnani's argument "expose[s] the futility of an ideological debate pitting the free market against the common good as if they were wholly separate entities."

Scott continues:

This is not a hypothetical conversation. The world is full of real problems that threaten the corporate sector.

We face unconventional threats and irregular enemies, and we spend enormous sums at home and abroad for a semblance of security in which to conduct business...Dr. Karnani's argument relies on an obsolete framework that assumes the free market requires managers to maximize profit and create enduring value for shareholders regardless of the corporation's social impact. While this has defined the debate for the previous century, it will not and cannot define the future because of one undeniable fact: profit and shareholder value are not created in a vacuum.

Beyond Business founder and blogger **Elaine Cohen** took issue with what she called Dr. Karnani's "short-term vision."

"Many generally believe that shareholders want to maximize SHORT-TERM profit at almost any expense (though there is a growing body of evidence that this is not the case) whilst CSR is by definition focused longer-term. Yes, there is an element of sacrificing short-term profit for greater long term profit, which continues to be in shareholder real interests. Talk to Ray Anderson of Interface, Stuart Rose of Marks and Spencer, Jeff Immelt of GE and many others, and they confirm that CSR-type activities repay themselves many times over. How can a professor of STRATEGY be so hooked in the short-term vision box?"

And [Cause Capitalism](#) blogger **Olivia Khalili** countered that maximizing shareholders profits isn't the only consideration a business has.

"This argument is untenable because in reality businesses are judged by more than shareholders—namely consumers. And increasingly, consumers are choosing not to support companies that exploit the environment, employees, suppliers—even customers' own health."

Olivia's point reminds me why I was even following this entire online conversation: *Firms of Endearment*.

Two years ago [Firms of Endearment](#) co-author **Raj Sisodia** [spoke at NCG's Corporate Philanthropy Institute](#). The book (one I enjoyed and I'm not usually a non-fiction reader) gave several examples of businesses who were making profit and ensuring all stakeholders were satisfied (customers, employees, shareholders and communities they existed in).

Making Business Better

Exploring the nuances of the debate, looking at both where the article brings up issues that both "rankle, and others that well underline today's complex market," is [In Good Company](#) blogger **Aman Singh**.

Aman reached out to several CSR professionals, such as **Dave Stangis**, Campbell Soup's vice president for CSR, to get their opinion.

'Via email, Stangis acknowledged that he agreed with Karnani about aligning business with social value but saw why he had managed to rankle many.

"Corporate Social Responsibility isn't about giving money away and adopting the latest cause of activists. CSR and sustainability are approaches to business operation and execution that build employee engagement, improve environmental performance, create positive social impacts, enable operational efficiency, reduce cost, foster innovation, strengthen relationships with customers and consumers and ultimately... create business advantage." '

Aman's blog post looks at several of the points made in Dr. Karnani's article. In fact, if you're looking for a place to start after reading "The Case Against Corporate Social Responsibility, I'd start there.

Is It A Zero Sum Game?

So, do businesses have to choose between profits and CSR? Can they have their cake and eat it too? It's a provocative debate to say the least.

And one I'll continue to follow it online.

Read "The Case Against Corporate Social Responsibility" [online](#).

Read Scott Henderson's Chronicle of Philanthropy article "[In a Connected Society, Corporations Must Focus on the Social Good.](#)"

Read Elaine Cohen's blog post response to the WSJ article [online](#).

Read Olivia Khalili's blog post response to the WSJ article [online](#).

Read Aman Singh's blog post response to the WSJ article [online](#).

About the author

Marisela T. Orta is NCG's Communications Associate. She manages the NCG's [website](#), blog and [Twitter feed](#).

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