A Study on the Dominance of Ethical Driving for Corporate Social Responsibility

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Abstract: For the hot topic of corporate social responsibility, scholars have carried out their research on the economic relationship between economic driving, institutional driving and corporate social responsibility. Nevertheless, there is a gap between the current practice and the cognition of the importance of corporate social responsibility. In order to promote the practice of corporate social responsibility and enrich the current research on corporate social responsibility motivation, this research analyzed the internal relationship of three driving forces of corporate social responsibility, which contains economic driving, institutional driving and ethical driving, by starting with the philosophical issues of firm nature, enterprise genetics and corporate mission. And then, the research discovered and distinguished the different levels of effect and status that the three driving forces had in the process of business development and, after analyzing, found that the ethical driving force is dominant among the threes. Finally, this research reveals that it is important to value the core function of ethical driving, driving the corporate social responsibility to be more sustainable at a higher level.

1. Introduction

In 1924, Oliver Sheldon first put forward the concept of corporate social responsibility in his book Philosophy of Management, holding that business operators meet the internal and external needs of enterprises through various business activities, and the various responsibilities they need to undertake in this business activity are corporate social responsibility, and put forward that ethics is a part of their social responsibility (Ren Tinghai, 2012). Since then, the research on corporate social responsibility has developed rapidly under the joint drive of government, academia and business circles. In 2001, Joseph put forward the idea that corporate social responsibility is jointly promoted by three factors: system, morality and ethics, which also provides a theoretical basis for Mark S. Schwartz and Archie B. Carroll's three-dimensional model of corporate social responsibility, which holds that economic responsibility, legal responsibility and ethical responsibility are three types of corporate social responsibility. At present, its research results are widely accepted and recognized in academic and theoretical circles. Therefore, when discussing the motivation of corporate social responsibility, it is also divided into three categories: economic-driven, institutional-driven and ethical-driven.

Scholars who hold the economic view of corporate social responsibility try to prove that corporate social responsibility has a positive impact on the economic performance of enterprises when studying the relationship between corporate social responsibility and its economic results (Jiang Zhihua, 2011), so as to prove that enterprises can win a good reputation and build a positive image to gain benefits by fulfilling their social responsibility. However, a large number of studies have failed to reach a unified conclusion. Experts who hold the viewpoint of external environmental motivation of corporate social responsibility regard the external environmental pressure of enterprises, such as laws, regulations, policies and systems, as the original motivation for enterprises to undertake social responsibility. Enterprises can get social and environmental support through positive feedback to these pressures. Scholars who hold the view of ethical motivation believe that social responsibility behavior should be subjective and active, and should not be
regarded as a tool to obtain benefits. Enterprises should establish a moral bottom line to regulate all production activities. As an important part of society, enterprises should also bear the responsibility and commitment to stakeholders and establish a moral bottom line to regulate all production activities (Donaldson and Dunphy, 2001). Swanson(1995) and Wood(1991) expounded the role and importance of managers' values in corporate social responsibility decision-making, but the related research failed to clarify what role the three driving forces played in corporate social responsibility and what relationship existed between them, and failed to clarify which driving force has the most important driving force and should have the core position. Clarifying these problems can promote enterprises to take on social responsibility actively, and it is of new significance to the development process of corporate social responsibility at present. The premise of analyzing and solving the above problems is to solve the ultimate philosophical problems of enterprises: Who am I (the essence of an enterprise)? Where do I come from (corporate genes)? Where will I go (meaning of enterprise existence)? The essence of an enterprise is its inherent characteristics. Only by understanding its essence can we know its attributes, characteristics and existing state; The gene of an enterprise plays a decisive role in the development direction and the health of its operation. To clarify the purpose and significance of the existence of an enterprise is to answer the question of “what should be and what should be done”. This study will explain and analyze the role of the three driving factors of corporate social responsibility from these three aspects.

2. Analysis of the Relationship among Three Drivers

2.1 From the Essence of Enterprises-the Commonness of All Enterprises

3. An Enterprise is an Economic Organization

This view holds that enterprises are pure economic organizations that undertake the only economic function, and they provide the economic function of goods and services for the society when they produce and trade. Enterprises can naturally create social welfare in the process of pursuing maximum benefits. This view holds that enterprises only have responsibilities and obligations to shareholders, ignoring their responsibilities to the market and society. Influenced by the viewpoint of classical economics, before 1930s, enterprises were always regarded as productive organizations, and its only function was to seek maximum benefits for shareholders. This has laid a theoretical foundation for economic drive, and also revealed the essence of the enterprise that the enterprise itself and the management of the enterprise making decisions take the economic objectives, completion and maximization of benefits as the premise of its operation and development (Tang Jian and Li Baoping, 2011). Some scholars have questioned whether corporate social responsibility can always have a positive impact on corporate performance indicators or financial performance (Miao Yue, 2012).

4. Enterprises Are Social

In the late 1960s, the dominant position of the economic nature of enterprises began to waver (Su Qian, 2006). With the continuous development of public social thought, economic adventure will produce consequences far beyond the intention or control of the founders, and how to control it becomes the main problem. Drucker, a management scientist, put forward in The Concept of Company that enterprises should have social functions and play a stabilizing and promoting role in the development of society. In the process of production and development, enterprises should not only consider the satisfaction of their own interests, but also take care of the interests of other organizations and groups in society. Stakeholder theory put forward by Starik(1990) points out that the survival and development of an enterprise depends on the quality of its response to the interests of all stakeholders, not just shareholders, and the balance between the enterprise and stakeholders is bound and maintained by contracts. Using this constraint to promote enterprises to realize their social responsibility is also the main reason for the system-driven view. Institutional factors as the
source of external pressure include two aspects: On the one hand, enterprises must comply with the legal provisions and administrative systems formulated by the government in terms of social responsibility, and all economic activities of enterprises must be within the scope of relevant regulations (Xu Tingting, 2014). This external pressure will force enterprises to not only consider economic returns in business activities; On the other hand, the survival and development of enterprises are completed on the basis of various associations with stakeholders in the business process, and enterprises achieve their own economic goals in the process of meeting the needs of stakeholders. If the enterprise behavior violates the principle of mutual benefit, stakeholders will also exert pressure on the enterprise through legal or market channels (Jiang Zhihua, 2011). The ultimate goal of corporate social responsibility is to get more external environmental support, and finally seek the legitimacy of the enterprise. Scholars Yang Dongning and Zhou Changhui (2005), in the process of studying the driving factors of the standardized environmental management system of Chinese enterprises, found that the institutional requirements and corporate culture had a major driving force for Chinese enterprises to consider the impact on the environment in their production and business activities and decision-making process. In China's current social development and humanistic environment, the leading forces that can urge enterprises to consider social-related issues in their business processes are still the subjective driving forces of management and internal related factors such as internal cultural atmosphere and experience accumulation, while the influence and effect of external driving forces are mostly not obvious (Yin Juelin, 2015). In addition, it is indirectly influenced by many factors, such as the subjective will and economic strength of enterprises, the level of relevant government policies, the inherent regulations of enterprises' industries, the economic and humanistic development of the whole society, and the propaganda and advocacy effect of news media (Yin Juelin, 2010).

5. Enterprises Have Three Attributes in One

This view holds that an enterprise is an organization with three attributes: production, transaction and society. Different scholars hold different views on the primary and secondary status of its economic and social attributes. Some people think that the economy and sociality of enterprises exist at the same time but are separated from each other. Enterprises' performance of responsibilities in economic and legal aspects is the basic requirement of economic organizations, while corporate social responsibility is the behavior category that transcends the economic attributes of organizations and realizes their role as social organizations. The responsibility behavior performed by enterprises as economic organizations should include economic responsibility, social responsibility and moral responsibility to promote the achievement of other social goals, among which economic responsibility is the basic responsibility of corporate social responsibility (Carroll, 1991); Another part of scholars believe that economic function is the basis for enterprises to play their social functions, while social function can give enterprises a clear direction to better play their economic functions (Li Weiyang, 2010). This view is also a response to a question that has always existed: Since economic drive provides the premise and guarantee for the survival and development of enterprises, why can't the promotion of economic benefits make enterprises have more willingness to undertake social responsibility? Since the rules and regulations have been continuously improved and the social repercussions have become increasingly strong, why is it still difficult to curb the phenomenon that enterprises ignore social responsibilities in society? The reason is that if the enterprise takes the maximization of economic benefits as the premise of survival and development, it will refuse the social responsibility behavior that needs to pay the cost. In order to promote it to undertake social responsibility, it can really use inducement, but once the benefits are satisfied or not attractive enough, the enterprise will give up the social responsibility behavior. Therefore, the driving force of economic drive lacks sufficient impetus and durability. At this time, the existence of the system provides a constraint for the development of the economy, which restricts the enterprises from taking egoism as the principle in the process of pursuing interests, but considers and balances the interests of other social organizations and sets the bottom line for enterprises. However, there is no “perfect” system in the world. People without moral
constraints will regard not breaking the legal system as the highest standard of behavior, and look for loopholes in the rules in order to gain more self-interest. Ethical drive is different from economic drive. It doesn't regard corporate social responsibility as a tool of enterprises, but from the perspective of value judgment, as one of the social components, it is “doing the right thing” for enterprises to undertake social responsibility. Ethical drive is also different from moral drive, which not only stipulates the bottom line of what enterprises can't do, but also gives enterprises clear guidance on what they should do, which provides a more comprehensive guidance for what kind of behavior enterprises should take and what systems they should follow to meet the requirements of their social nature (Sun Yinghou, 2012). Fuller said that morality makes law possible. System is the external manifestation of ethics, and the improvement of ethical standards should be reflected through the perfection of system. Therefore, ethics drive provides a guiding role for system drive, that is, the level of ethics determines the level of social system standards, ethics is the highest state pursued by system, and system is the bottom line of ethics. Ethics provides health care for enterprises' pursuit of economic goals, that is, it regulates the permitted scope of economic behaviors through ethical factors, ensures that enterprises' economic behaviors are carried out on the basis of not harming human beings, society and environment, and fills in the areas that cannot be regulated by the system or the loopholes in the system itself.

The ethical driving factor's commitment to corporate social responsibility is a long-term, continuous internal driving force. Combined with the above, due to the deficiency of the two driving factors, the ethical motivation should be regarded as the important and primary driving force. Therefore, the system provides specific implementation criteria for the development of enterprise economy, clarifies what enterprises can't do, and plays a binding role in the behavior of enterprises; Ethics is the source of the three driving forces, which not only provides the basic principles for the formulation of the system and the direction for the economic development of enterprises, but also ensures that enterprises do the right things, not just do things in the right way.

![Fig.1 Force Diagram among Three Drives](image)

5.1 From the Perspective of Enterprise Gene-Enterprise Characteristics

Noel M. Tichy, a professor at the University of Michigan Business School in the United States, described an enterprise as an unnatural organism with its own genetic code just like an organism, and the genetic code of the enterprise itself was named enterprise gene. The gene of an enterprise determines its shape, development path, development potential and other characteristics, as well as its scale, type, healthy operation and orderly development. Professor Tichy believes that corporate genes have two main elements, one is the decision-making structure, that is, which decisions will be made and how to make them; The second is social structure, that is, how people get along with each other, how to support and respect each other, and how to deal with conflicts; The integration of the two elements constitutes the operating mechanism of the enterprise. The mechanism provides the functions of self-development, education and feedback, and implants the genetic code of the enterprise into the organization. These two elements are projected into the enterprise, that is, the enterprise system and culture (Noel, 2002). From the aspect of enterprise system, the decision of how to bear or how much social responsibility is made by the enterprise leaders. Although there are essential differences between organizations and natural persons between enterprises and their
leaders, they are inseparable on the issue of corporate social responsibility cognition. According to
the different organizational system forms, enterprises can generally be divided into three categories:
sole proprietor system, partnership system and company system. For sole proprietorship enterprises
and partnership enterprises, the ownership and management rights of enterprise leaders are unified,
and they bear unlimited responsibilities, and all profits of enterprises are owned by enterprise
managers. There is a great degree of isomorphism between enterprise leaders and enterprises, and
the attitude and behavior of enterprises towards the responsibility problem actually reveals the
attitude and behavior of leaders towards the problem. From the collective point of view,
stakeholders cooperate with each other to achieve a long-term benefit or win-win situation.
However, from the individual point of view, each interest individual or group does not cooperate or
only make cooperative behaviors beneficial to its own side in order to gain more short-term benefits
(Liu Changxi, 2009). Driven by direct interests, absolute interests and maximum interests, business
leaders will first attach importance to their role in enterprises, and then pay attention to their role as
members of the public. When there is a conflict between them, even business leaders will choose
the former and give up the latter. In 1981, the organization of American Business Roundtable put
forward the requirement of “serving both private profits and public interests”, which reflected that
enterprises are not only economic organizations pursuing shareholders' profits, but also social
organizations serving public interests. However, the conflicts and contradictions between these two
identities require enterprises to make a balance (Li Weiyang, 2010). Leaders are not only the
important decision-makers of enterprises, but also the components of the public. When leaders face
the dilemma of conflict between the interests of enterprises and society, their own ethical level and
value system determine their final decision. Therefore, different enterprises will have different
enterprise characteristics in the cognition of corporate social responsibility. Scholar Jiang Zhihua
(2011) conducted an interview survey on the motivation of corporate social responsibility in China,
and found that the views and cognition of corporate social responsibility by enterprise managers
have a great influence on whether enterprises are willing to undertake social responsibility or how
much they should undertake. At present, the ethical motivation of corporate social responsibility has
become an important factor driving enterprises to undertake social responsibility in China, and its
driving role takes precedence over institutional driving and economic driving.

5.2 From the Perspective of the Significance of Enterprise Existence-Enterprise Mission

1). What kind of mission does the enterprise have
The “production unit that maximizes the efficiency of input and output” in neoclassical
economics, the “organizational production mode using collaborative labor” in Marxist economics,
and the “institutional arrangement for saving transaction costs” in new institutional economics all
reveal the important role of enterprises in creating social value and enhancing social welfare (Pan
Yulei, 2005). The value chain theory put forward by Michael Porter also points out that the task of
enterprises is to create value. He believes that the overall operation of an enterprise is composed of
each independent and specific branch behavior with different properties and functions (Wang
Qinggang and Xu Xinyu, 2016). Drucker, a master of management, also pointed out that the value
of enterprise existence is to create performance, to grow employees and to shoulder social
responsibilities. Therefore, the significance and mission of the existence of enterprises is to create
value for the society more effectively. However, what kind of value enterprises should create has
not been clarified, but looking at relevant research, value creation can be summarized into the
following categories: First, the creation of the enterprise's own basic value, such as reducing the
uncertainty of enterprise development, stabilizing the business environment, and promoting the
sustainable development of enterprises, such as product development, reputation improvement, and
income growth; Second, the value creation of stakeholder groups, by providing good human
resources policies and avoiding infringing on the rights and interests of stakeholders, to achieve
better access to relevant resources and achieve a “win-win” situation; The third is the creation of
social and environmental values, such as promoting employment, reducing costs or losses through
resource sharing, increasing social welfare through taxation, and reducing negative environmental
impacts. However, these three kinds of value creation processes occupy different dominant positions in different periods of the enterprise growth cycle. In the early stage of enterprise development, it is urgent to obtain initial funds, formulate and implement business plans to ensure the survival of enterprises. At this time, the main mission of enterprises is to create the first kind of value, and the role of economic driving force is more prominent. After entering the growth period, economies of scale have appeared in the business process. At this time, the business objectives of enterprises have changed from striving for survival opportunities to accelerating the growth of market share. Factors such as high-quality employee resources, supplier pricing, and relationship with consumers all directly affect the rapid growth of enterprises (Wang Qinggang and Xu Xinyu, 2016). Therefore, the main mission of enterprises at this stage is to create the second kind of value, and the system-driven role is more prominent. When the enterprise enters the mature stage, it will face the saturation of the market, the narrowing of product differences and the increase of enterprise influence, which can provide more employment opportunities for the society and increase social welfare through more taxes. Therefore, at this stage, the enterprise created the second and third value at the same time. However, because enterprises need to create more attractive values for stakeholders, the consumption of social and natural resources will increase, and the short-term interest demand of enterprises to create values and the requirements of social and natural environment for sustainable development of enterprises are prone to conflict. Therefore, whether, how and how much social responsibility enterprises should undertake depends on the cognitive level of corporate social responsibility of enterprise managers (Diao Yufan, 2013). At this stage, the ethical driving force plays a decisive role, which constrains and balances the pursuit and satisfaction of enterprises' own interests and the realistic requirements of social and environmental sustainable development.

2). Analysis on the motive force of continuously undertaking social responsibility

Production, transaction and contract are the eternal themes of enterprises. However, this is the definition of what an enterprise is, but it ignores the problem of what an enterprise should be. The thinking mode of enterprises is: “The economic base determines the superstructure. How to create value without pursuing interests. How can we create benefits for society without economic benefits?” It seems reasonable, but why do many enterprises in society still refuse to take social responsibility after gaining huge profits? As a matter of fact, the economic base is of vital significance and function to the superstructure, but it is not the only decisive factor of the superstructure. Enterprises' pursuit of economic profits is the “id” behavior in the initial stage of its emergence, which has the original power driven by economy. With the development of enterprises, the expansion of scale and the entry into the “self” stage, the binding force driven by the system begins to stand out. Enterprises are not only supervised by the government and the public as in the early days, but also respond to the responses of more social groups. At the same time, the system can only require enterprises not to undertake social responsibilities “too little”. Driven by the lure of more interests, enterprises will look for loopholes or imperfect areas in the system to achieve their goal of pursuing interests. Therefore, the “superego” role of enterprises can only be awakened by ethical drive, and only by continuously improving and building the ethical level and system of enterprises and leaders can the social responsibility of enterprises be truly implemented. If the minimum standard of corporate social responsibility is regarded as a horizontal line, economic drive and system drive can only ensure that the social responsibility undertaken by enterprises is not lower than the required minimum standard. In order to implement corporate social responsibility behavior, system drive is only the bottom line guarantee of corporate social responsibility behavior, and can only restrain and require enterprises to complete the basic social responsibility content that they must complete. In order to make enterprises stride over the “bottom line” in undertaking social responsibility and move towards a longer-term direction and higher level, in addition to playing the original guiding role of economic drive and playing the role of system drive in guaranteeing the bottom line of corporate social responsibility behavior in the process of enterprise development, it is also necessary to let ethical drive play its role in the process of enterprise and society development, so as to seek the long-term development of enterprises and the sustainable development of society.
6. Conclusion and Prospect

Since the reform and opening up, our society has entered the transition period from planned economy to market economy. The pursuit of economic interests has become a generally accepted criterion for enterprise managers. However, the requirements of enterprises in today's society are not limited to economic responsibility, but also to meet the requirements of system and ethical responsibility. In different stages of enterprise development, the rational use of the three drives and a clear understanding of the dominant position of ethics drive can help enterprises to know their behavior “bottom line”, understand their action “goal”, ensure the economic, transaction and social value of decision-making, and truly realize and complete the mission of creating value for enterprises.

This study expounds the internal relationship between ethical drive and the other two drives, and points out their dominant position. Ethical driving factor is a complex dynamic system. This study thinks that it can be expanded from the following aspects in the future: First, further explore its category and content in detail. At present, the conceptual research on ethics-driven is still vague, and a large number of conceptual statements come from professional fields such as psychology and medicine, lacking ethical characteristics in the enterprise environment. Second, measure it carefully. There are still differences in the academic circles on how to quantify the ethical driving factors. How to interpret the ethical driving factors that can affect the social responsibility commitment in the enterprise environment, and whether the internal relationship between these driving factors can be deeply discussed and analyzed have become the aspects that need to be strengthened in the future. Third, the comparative study under different cultural backgrounds. Through comparative analysis and research, we can have a deeper understanding of the impact of ethical drive in the implementation of corporate social responsibility. In a word, enriching this topic in any field can provide correct guidance for better understanding and explaining the driving factors of corporate social responsibility and better management practice in the future. Only by clarifying the leading role of corporate social responsibility ethics and applying it to the practice of corporate social responsibility can we better promote the process of corporate social responsibility.

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