THE DEBATE OVER CORPORATE SOCIAL RESPONSIBILITY

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Corporate Environmentalism

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A s we consider the environment and corporate responsibility, we might recall ecofeminist Ynestra King's (1990) commentary when she suggested:

> The piece of the pie that women have only begun to sample as a result of the feminist movement is rotten and carcinogenic, and surely our feminist theory and politics must take account of this, however much we yearn for the opportunities that have been denied to us. What is the point of partaking equally in a system that is killing us all? (p. 106)

Although King's comments were directed largely to the feminist movement, we might well heed her thoughts as we approach issues of corporate responsibility. As we consider the social contracts under which corporations operate, King reminds us that it is pointless to focus solely on the social system without considering how that system is related to the natural system. Elsewhere she has commented that people are utterly dependent on nature (King, 1989), a dependence often forgotten in our understandings of social systems as distinct from natural systems. As corporations are more responsive to multiple stakeholders, includ-

Two general assumptions undergird this exploration. First, the state of the natural environment is so degraded that the quality of human life is threatened. Environmental problems pervade the earth, so much so that speculation continues over the "end of nature" and many writers express concern with whether humans have so devastated the earth's systems that it will be unable to continue to support life. With the grave projections regarding natural systems, and the future of human life itself, we might argue that any contemporary consideration of social responsibility is, at best, incomplete without the inclusion of ecological considerations. At most, we might argue that a concern with environmental responsibility must be the foundation of any understanding of social responsibility because the potential for the death of (human) life itself makes the environmental imperative primary.

Second, because corporations are such central players in terms of economic force, world scope, political power, and environmental degradation, clearly, we cannot adequately understand environmental concerns without considering the crucial roles corporations hold. A concern for the state of the environment cannot be adequately examined without considering corporations. Corpora-

volved in determining how to adapt to the natural environment or, more specifically, to the pressures they perceive regarding their environmental stances. A variety of stances are evident with elements of both villainy and heroics. Given the importance of organizational actors, it is valuable to consider these varied stances and what might be expected of organizations in the future.

Here, we first give a very brief overview of the relevant recent historical context. Next, we consider some stances corporations are taking toward the environment and how they are related to social responsibility. We report results of an examination of corporate websites in the year 2000 designed to analyze how corporations communicate their environmental stances or present themselves through one significant medium, and speculate what trajectories we might anticipate.

RECENT HISTORICAL CONTEXT

In the United States, the reaction to Rachel Carson's *Silent Spring* (1962) marked the initiation of serious environmental concerns as related to corporate practice. Her rhetorically adroit description of the environmental damage wrought by chemicals resulted in a number of major environmental laws (Frankel, 1998) during the two decades following publication, including such crucial laws as the Clean Air Act of 1970, the Clean Water Act of 1977, and the Superfund (Comprehensive Environmental Response, Compensation, and Liability Act of 1980). These laws changed the ways in which corporations could legally operate. In 1984, a more significant event brought further attention to corporate responsibility. The chemical leak in Bhopal, India, that killed 1,500 people and injured thousands more brought international attention both to the uses of toxic chemicals and to how large multinational companies operate in developing countries. Irrespective of legal issues, Union Carbide faced international scrutiny. Corporations in general, and the chemical industry in particular, responded with voluntary changes to reduce harmful emissions, better release information regarding toxic emissions (some of which was required by the 1986 Superfund Amendments and Reauthorization Act) and work more closely with communities.

In these cases, the intersection of human health and environmental destruction is very clear, yet social responsibility and environmental concerns have not always been considered in an integrated way. Instead, social responsibility and environmental performance have often been considered separately.

A further historical marker was the United Nations–sponsored Earth Summit in 1992. At this historical gathering, governments, corporations, and nongovernmental organizations from around the world met to develop plans for addressing planetary environmental problems. The Earth Summit resulted in a recognition of the United Nations' earlier definition of sustainability. The United Nations World Commission on Environment and Development, chaired by Gro Brundtland, published its report, *Our Common Future*, in 1987. The 1987 Brundtland report is widely credited as proffering the general definition of sustainable development that is widely acknowledged. It defined *sustainable development* as development that meets the needs of the current generation without compromising the ability of future generations to meet their needs (World Commission on Environment and Development, 1987). Since then, critics have dubbed sustainable development an oxymoron, praised the term for its rhetorical ambiguity and range of potential to adapt to varying local conditions (Peterson, 1997), and discussed it widely. While being highly ambiguous, this definition clearly emphasizes the significance of the long-term future. By focusing on the long-term future, important questions are enabled. For example, sustainability issues include how to conserve resources for the future, how to include resources in accounting and planning processes, and how to be responsive to the trends sprouted out of this general concern. As these kinds of questions and issues have become more commonplace, corporations are pressured to participate in these concerns.

The 1992 Earth Summit also resulted in the charter for business within Agenda 21 and the formation of the Business Council for Sustainable Development. A number of leaders of major corporations formed the Business Council for Sustainable Development, which sought to involve business in sustainable development by encouraging voluntary change in businesses around the world. The chairman of the group, Stephan Schmidheiny, wrote *Changing Course: A Global Business Perspective on Development and the Environment* (1992). This book was a strong indictment of business and a

compelling call for voluntary change. In 2002, as the 2002 Earth Summit approached, the renamed World Business Council for Sustainable Development published an updated version, *Walking the Talk: The Business Case for Sustainable Development* (Holliday, Schmidheiny, & Watts, 2002).

Several cases of corporate wrongdoing have generated international attention and simultaneously provided strong incentives for corporations to attend to environmental concerns. As corporations and industries strive to remain competitive, profitable, and in good favor with the public and host communities, many perceive a need to show environmental concern but also prefer to avoid added legal constraints. Voluntary changes and environmental programs have often resulted.

While corporate responses to environmental concerns are individualized, theorists have nonetheless conceptualized descriptive themes to group corporate responses in to general stances. These general approaches aim to describe how corporations position themselves, or what stances they adopt. These sets of stances are arranged hierarchically, somewhat historically dynamic, and also conceptualized in stages or phases ranging from more modest approaches to more serious approaches. Here we integrate and summarize a set of descriptive stances, considering the feasibility, potential ironic uses (and abuses), and intersection with social responsibility of each stance. The identified stances also provide a framework through which to examine corporate practices and/or corporate discourse. However, if a descriptive framework is to be empirically useful, it needs to be empirically validated. Certainly, in part at least, corporations explain their environmental stances as they communicate about themselves. One important means of presenting themselves is through corporate websites. We report the results of a field test in which we tested the usefulness of the phase distinctions by applying the framework to how organizations present themselves on their websites.

CORPORATE STANCES TOWARD ENVIRONMENTAL CONCERNS

There are a number of hierarchically conceptual-ized and Benn's (2003) hierarchically arranged stances, although some of their descriptions are adapted both to more sharply distinguish among phases and to integrate additional models. We may view these as historically dynamic, although certainly there are corporations that fit into each of the phases, and it is unclear whether corporations will evolve toward the stronger ecologically sensitive phases. Dunphy et al. distinguish six phases and discuss their intersections with social responsibility: rejection, nonresponsiveness, compliance, openness, integration, and collaboration.

Rejection entails a singular focus on immediate economic gain. In this approach, exploitation of any available resources (employees, the natural environment, government regulations, and communities) should be maximized to enhance profit. There is a conscious rejection of any obligation that does not enhance profit. Although this view may seem somewhat anachronistic, it is warranted from at least one widespread point of view. This approach is sensible and obligatory from the often-cited Milton Friedman (1970/2005) neoliberal economic stance. In this view, corporations or, more realistically, corporate executives are obligated to owners and must act in owners' interests. Corporations are responsible for only one social responsibility, which is maximizing the profits of shareholders (while acting within the relevant legal and ethical societal customs). To the extent that they do not marshal available resources toward this important end, they are not functioning optimally or ethically. In this view, a focus on the environment is considered as illegitimate taxation, taxes being imposed on owners, employees, and customers and then spent on social goods. Such taxation and social expenditure are the proper role not for private enterprise in a capitalist system but rather for government. Friedman (1970/2005) even likens corporate interest in social responsibility such as concern for pollution to socialism.

At first glance, this view may seem somewhat extreme. However, we encounter this perspective routinely as applications of the "bottom line" and "efficiency." In fact, this ideology undergirds practices such as our collective fascination with the stock market, accounting practices, and the way companies survive or fail. As David Korten (1995, 1999) has argued, no single organization can sim-

the trends and pressures they face, certainly their most ubiquitous and significant focus is the pursuit of profit. As long as external practices and reward structures encourage an exclusive or even a strong central focus on profit, it is feasible and practical for corporations to adopt this stance and to remain in this phase.

In its most pure form, clearly corporations uniquely pursuing maximized profits reject social responsibility as they reject environmental responsibility. People, like the natural environment, are viewed as resources. The routine use of terms such as "human resources," the common assumption that employees can "steal" time from companies, and the encouragement to "market" oneself are simple examples of how corporations may be encouraged to adopt rejection as a sensible, feasible stance.

As Friedman (1970/2005) noted, however, corporations need to operate within legal and ethical societal customs. Friedman's position, then, is compatible with stances other than rejection, depending on the operative legal and ethical customs. As the legal and ethical milieu evolves, corporations often adapt accordingly. Corporations are increasingly adopting the less oblivious stances described below. By understanding this need to be compatible with legal and ethical societal customs, then, we can understand how corporations can be encouraged to adopt more environmentally responsible stances while acting in the best interests of owners.

Nonresponsiveness is characterized by a lack of awareness of interests other than immediate financial viability. Rather than actively rejecting a concern for the environment, this stance entails a benign negligence. Rather than an active embrace of Friedman's argument, this stance is characterized by a taken-for-granted assumption that it is only natural that both a compliant work force and a community can be valuable. Environmental consequences, like consequences of corporate behaviors for people, are simply outside the scope of the corporation and not on the corporate agenda.

Like rejection, nonresponsiveness is a reasonable stance in situations where corporations are competitive and profitable and thus rewarded for nonresponsiveness. The legal and ethical environments enabled this response prior to the advent of environmental laws, well-known environmental problems such as the *Exxon Valdez*, and external pressures from public interest groups. Once more,

environmental laws and societal ethical interests began to develop following some of the events summarized above. Corporations, too, turned increased attention to the environment. However, to the extent that laws are not enforced and/or noncompliance does not affect profit, and an unchallenged industry ethos supports nonresponsiveness, this remains a feasible stance. This is particularly significant in smaller companies that are not required by law to comply with environmental regulations. The logic that culturally supports nonresponsiveness is that restrictions should not apply to those smaller companies that cannot afford to comply. Here, the ability to make a profit must be treated as most important. The same logic precludes smaller companies from having to comply with laws we might consider socially responsible legislation. For example, smaller companies are not required to comply with the Family and Medical Leave Act of 1993.

The rejection and nonresponsiveness stances are grounded in organizational traditions of taking the natural environment for granted. Resources have traditionally not been accounted for, and these stances assume that there will be no change. Moreover, it is a significant investment to change. The move toward the next phase, compliance, requires attention to information systems and may require additional positions, change in culture, added technology, and change in how people perform their duties.

Compliance involves an awareness that negative sanctions can be harmful to the corporation's bottom line. Organizations adopting this approach respond to threats such as bad publicity, community action, and/or legal sanctions. Compliance may involve both adapting to external pressures and attempting to control those pressures. Companies that are compliant, then, follow legal constraints. Moreover, they attempt to adapt to stakeholder expectations to avoid undue criticism.

At a minimum, compliance is encouraged through the desire to avoid the financial cost of noncompliance. Perhaps more important, the reputational cost of noncompliance may be quite high with consumers, suppliers, and shareholders. A now-classic example is the *Exxon Valdez*. The ship spilled 10.8 million gallons of crude oil into the Prince William Sound in Alaska, killing hundreds of thousands of birds and animals along a thousand miles of coast. Exxon was given the largest fine in U.S. history for an environmental

crime and suffered enormous reputational costs. The case now serves as an impetus toward compliance for many companies.

Compliance need not be seen entirely as negative. Porter suggests that well-designed regulation can be responded to with increased innovation, helps create predictability, and helps corporate awareness (Dunphy et al., 2003, p. 46). In turn, this creates better measurement and assessment. Enforcement needs to go hand in hand with regulation to provide the motivation for corporations to change from nonresponsiveness to compliance.

Environmental and social responsibility intersect in that another cost of noncompliance, in a context in which stakeholders value compliance, may be that irresponsible companies have to pay employees more to work for them, while compliance translates into more willing potential employees.

Compliance became increasingly important as environmental laws evolved and public opinion shifted following the publication of *Silent Spring* (Carson, 1962). This continues to be an important stance for organizations to adopt. Compliance, especially with clear legal requirements, would seem to be a minimal stance organizations would adopt toward environmental issues. And this is generally the case, especially with larger corporations (Frankel, 1998). However, to the extent that laws and customs are inadequate to prevent further deterioration of the earth's life-sustaining systems, compliance is an inadequate response. As corporations seek to minimize their costs, they influence governments to minimize legal constraints. Many environmental and employment laws do not pertain to smaller organizations and hence are irrelevant to a large portion of companies and employees.

While it may seem surprising that some organizations would not adopt a stance of compliance, it makes sense that unless enforcement is expected and compliance is rewarded, a company might find that the costs of compliance far outweigh the benefits. Often, compliance minimally entails adding compliance specialists to the payroll, and those specialists are empowered to create change in the organization. For larger corporations, responsibility for a full supply chain and for the product's life cycle and disposal creates the need for more

Openness connotes a sense of a need to both achieve an environmental record and to share information with external stakeholders. In part, this information sharing is mandated by law. For example, Title III of the Superfund Amendments and Reauthorization Act of 1986 requires some publication of emissions information. However, as companies adapted to this public accountability mandate, some went beyond what was required by law (Frankel, 1998). In this way, stakeholders may be less inclined to distrust the organization, and consequently, by sharing information, organizations may avoid legal action as well as informal difficulties such as distrust. Companies may find openness, then, to be feasible as they adapt to their legal and ethical contexts. Monsanto led the chemical industry in voluntarily disclosing its emissions. More and more companies are publishing environmental reports or incorporating environmental performance into their annual reports. With increasing scrutiny, companies may benefit from warding off distrust from potential critics. In doing so, they also increase openness among employees as information sharing becomes more prevalent.

As organizations adopt the stances or phases just described, the environment and associated constraints are implicitly, and often explicitly, assumed to be a problem, a cost, and/or an enemy (Frankel, 1998). Adapting to the environment, from these perspectives, is difficult and intrudes on the purpose of business. More recently, many corporations have adopted stances, or moved into phases, in which concern for the environment becomes an opportunity, a saving, and/or a friend. We turn now to these stances.

Integration is adopted as corporations assume that social and environmental responsibility can pay either immediately and directly, or perhaps in the long run and indirectly. This stance represents a shift from a more defensive posture to an assumption that an environmental focus can be a positive benefit for the organization. Rather than viewing an environmental focus as a cost or imposition, through efficiency savings, a company can realize positive gains from its environmental attention. This is, then, a win–win proactive stance. By attending to the pressures to be more environ-

stance, then, gains by adapting to environmental needs. This approach has the advantage of drawing on a long history of organizational interest in efficiency, traceable at least to Frederick Taylor's (1911) scientific management and continuing through the twentieth and into the twenty-first century. This framework provides a comfortable fit, then, with pervasive managerial history and culture. Companies are able to incorporate a new environmental and social focus within a familiar framework, accomplishing the transition from defensive posture to familiar opportunity and challenge. Efficiency can be gained in part by examining energy use and changing wasteful practices. This approach often evolves to a more systemic process through which continuous improvement and redesign are emphasized, leading to changes in operations, organizational design, and product design. These ongoing changes focus on efficiency as it conserves natural resources and ecosystem health as well as organizational cost savings and human benefits in the long run.

Many organizations adopted this stance during the 1990s as environmental management systems were promoted and found to be successful in many instances. Corporations realized dollar savings as waste was reduced and efficient systems introduced. Total quality environmental management could be readily adopted by organizations that were familiar with total quality management systems. ISO 14000 voluntary certification was widely adopted. Organizations, then, found many isolated opportunities for savings. For example, by plugging holes in water pipes, adding heating insulation to buildings, or purchasing more fuel-efficient vehicles, companies were able to save resources and money. They also began to adopt more comprehensive systems to yield greater efficiencies. Clearly, this phase is feasible for organizations to the extent that they are able to identify and benefit from opportunities to improve efficiencies. They are able to continually improve their use of energy, waste, and operations so that the natural environment and their profits both benefit. As more companies in more industries reap these benefits, the stance becomes increasingly desirable and necessary among competitors, suppliers, and customers. The approach can lead to major changes in technologies, cultures, organizational structures, and operations. The feasibility is predicated on the familiar framing of efficiency. Some user pay policies toward pollution as well as increased

competition, familiarity with continuous improvement systems, and the obvious benefits encourage the efficiency stance. As efficiencies are gained, it may become limiting to continue to identify and benefit from increased efficiencies. In other words, it becomes increasingly difficult to continue to become continuously more and more efficient because the simplest and most cost-effective changes have been identified. Added efficiencies are often less feasible and less cost-effective.

As organizations adopt these environmental management systems, the inherent link between environmental and social issues becomes increasingly evident. After finding isolated areas for improved efficiency, organizations often find they are more successful when environmental systems are integrated with training, empowerment, teamwork, and reward systems. Dunphy et al. (2003) point out that to attain maximum ecological efficiency, a positive use of human resources is necessary. Committees, teams, organizational cultures need to implement participative systems that integrate human and environmental concerns with bottom line efforts. Moreover, internal and external groups need to work together through an ongoing process to identify and implement improvements.

This trend toward a win–win and integrated systems approach to efficiency requires and animates change in the social system. As organizations strive for integration, environmental concerns may be moved further into the central core of the organization. This suggests that environmental concerns are integrated into strategy. For example, rather than focusing on efficiencies in the production process, a strategic approach sometimes entails considering whether a different product should be produced. In other cases, a company may strategize to position itself as an environmental leader. British Petroleum strategically adopted the term "beyond petroleum" as one facet of its strategic positioning. Awareness of planetary limits, global warming, and resource exhaustion can be turned into strategic business opportunities and competitive advantage. Corporations that have successfully integrated environmental management systems have realigned human systems to fully benefit from participatory engagement.

Corporate citizenship, advanced human resource strategies, and innovative and environmentally benign products are treated as profitable strategic choices. They also become integral to a

corporation's identity. Environmental considerations become integral to strategic positioning. Here, the sense that environmental consideration can be a benefit rather than a cost is extended. Organizations may include environmental concerns into their mission and vision statements. They then consider the environment throughout their operations as they bring operations into alignment with mission and vision. This may entail positioning the company as an industry leader in environmental concern. For example, BP successfully positioned itself as the leader in the petroleum industry. Companies may develop innovative services or products for new evolving markets. This stance entails understanding ecological threats and opportunities as resources for competitive advantage. It involves more risk taking and investment in the future. Here measurement systems are aligned with goals. Performance indicators for all aspects of the organization are included.

Integration as strategic proactivity has become increasingly meaningful as corporations attend to evidence suggesting that customers in some markets want to see corporate environmental performance. A PriceWaterhouseCoopers 1999 Millennium Poll showed that two of every three citizens wanted companies to go beyond their traditional goal of maximizing shareholder value to consider broader societal goals (cited in Dunphy et al., 2003, pp. 39–40). This response revealed that the cultural environment is clearly conducive to corporate sustainability practices. Some corporations have benefited from this by adopting product differentiation strategies to adapt to these particular markets. There are inherent limits here as industries shift and product differentiation becomes difficult when everyone is doing it the same way.

Again, a company adopting the integration stance incorporates environmental concern into its basic purpose and direction. In implementing its strategy, environmental concern is integrated into its operations, decision-making, and measurement systems. This stance may well entail an environmental management system but incorporates this system into its strategic direction. Adopting an integration stance, then, may range from considering environmental management systems, to integrating environmental concern

relationships may encourage a stronger stance—collaboration.

Collaboration may be developed through any number of processes. However, it is logical to anticipate that, in the process of developing strategy, the vision and mission statements are involved, and in implementing strategy, corporations often need to consider their relationships not only with employees, but with their external stakeholders. As they adopt a stance that is strategically proactive, then, they may go further by advancing stakeholder relationships. These collaborative relationships take many forms such as partnerships, committees, project collaboration, marketing to the green consumer sector, encouraging environmental and social responsibility among suppliers, citizen advisory groups, or various suggestion systems.

A corporate interest in efficiency often evolves into cooperative relationships with suppliers and consumers as stewardship of the product life cycle is examined. Industrial ecology approaches include a variety of organizations that operate symbiotically to benefit all. Following the 1984 Bhopal disaster, chemical companies often created community councils as a means of better cooperating with the local communities in which they operated. Companies may form partnerships with nongovernmental organizations, collaborate to provide community resources such as green spaces, cooperate with regulating agencies, or employ any variety of collaborative forms.

The six phases just described are highly consistent with Friedman's perspective. Rejection and nonresponsiveness assume that environmental concerns are irrelevant to organizational purposes. Compliance, openness, integration, and collaboration attend to the legal and societal context within which an organization must operate. Integration and collaboration maximize the organization's interests in profit by adapting to internal and external interests in environmental concerns. Although there is a general trend moving from rejection toward collaboration, all of these phases are currently feasible, and various organizations do align themselves with each phase.

Nevertheless, many observers articulate an urgent sense that these approaches are insufficient to avert coming disaster. As long as growth is primary, one can imagine an end of needed natural

The transition to sustainability implies a truly different set of assumptions about the corporation and its role in the world. Moving to more of a systems-based approach and the need to consider how actors affect each other leads to an approach where the best interests of single corporations are not the sole focus. Instead, an understanding of the implications of the environmental crisis leads to an understanding that the well-being of all people, and the biological systems that support them are mediated through organizational activities. For example, Donaldson (2005) claims, "It seems reasonable in such instances, then, to place the responsibility not upon a single class of agents, but upon a broad collection of them, including governments, corporate executives, host-country companies and officials, and international organizations" (p. 132).

Sustainability may be described as the most ideal of the approaches. This phase suggests an internalized ideology of working for an ecologically sustainable world, often by promoting positive practices in society generally. Commitment includes support for a viable planet and a just, equitable social world as well as human fulfillment. The primary focus becomes sustainability with the more technical aspects of environmental problems serving this focus. A more holistic sustainability approach also includes social concerns, corporate citizenship, reputation, and performance as defined through a sustainability lens (Laszlo, 2003). As Laszlo explains, "Managers will need to experience the world differently, as human beings connected to the world around them and not only as professional managers" (p. 27). Organizations are considered to be moral entities with significant roles to play in maintaining ecological integrity.

Here, corporations become aware of the importance of adopting a broader role in moving toward a sustainable world. Callenbach, Capra, Goldman, Lutz, and Marburg (1993) contrast environmental management (which is consistent with the previously described stances above) with sustainability when they suggest that

> [e]nvironmental management is associated with the idea of coping with environmental problems for the benefit of the company. It lacks an ethical dimension and its main motivations are legal compliance and improvement of the corporate image. Ecomanagement (which we have labeled sustainability), by contrast, is motivated by an ecological ethic and by a concern for the well-being of future generations. (p. 62)

They go on to clarify, "Shallow environmentalism tends to either accept by default or positively endorse the ideology of economic growth. Deep ecology replaces the ideology of economic growth with the idea of ecological sustainability" (p. 62). As corporations move toward sustainability, they recognize that "unlimited economic growth on a finite planet can only lead to disaster" (p. 63). They see themselves as part of an interdependent ecological system where each organization may be most important and meaningful in its role of participating and facilitating the health of the whole and of the long term. This stance, then, adopts a different vision and assumption. It represents (or can represent) a shift from neoliberalism and calls for transformation more than incremental shifts. From this view, economic value for shareholders is not the dominant purpose of corporations. One commonly touted exemplar here is Ben & Jerry's, widely known as a company that espouses product, social, and economic missions (with the environmental mission incorporated into the social mission).

While corporations adopting (or trending toward) this stance may engage in many of the practices associated with compliance, openness, integration, and collaboration, sustainability implies an enhanced understanding of environmental concerns as a systemic issue that needs to be addressed in new ways. Typically, sustainability entails partnerships and interactions with a wide variety of stakeholders (e.g., Global Forest Watch gives information to Ikea to facilitate Ikea's interest in purchasing wood products from companies that harvest trees sustainably). There is a fundamental reconsideration of products and production processes (e.g., Interface is well known for having substituted the newer service of maintaining floor coverings for the older product—carpets). Sustainability requires a transformation of operations involving stakeholder participation. Both internal and external stakeholders are far more involved as organizations are realigned to focus on sustainability. Organizations are often developed into learning organizations. Organizations not only advocate transparency but also create meaningful alliances and partnerships with a wider array of stakeholders. Ecological sustain-

ability is treated as a key criterion for all business activities. Full cost accounting, in which the environmental and human costs are incorporated into accounting systems, is another key change. This may entail creating different products, a new industry, and/or collaborating with a variety of organizations to create an interdependent community to enhance sustainability. Industry, government, and communities evolve through collaborating for sustainability. At best, human and natural systems are necessarily integrated.

These descriptive phases are heuristically valuable in identifying corporate responses to environmental issues. It remains to be seen whether they are empirically useful. If so, they may be valuable for examining corporate practices and discourse, understanding how corporations adopt environmental interests, tracking shifts over time, and considering ways in which environmental and social stances do and do not intersect in practice. Here, we report an initial examination of corporate discourse as evident on corporate websites conducted in part to explore whether the stances described are empirically identifiable in corporate discourse. Another purpose was to begin to explore the relative proportions of companies expressing the various stances. Finally, we were interested in testing the common assertion that larger companies are able to attend more to environmental concerns while smaller companies are not, due to lower compliance requirements and fewer resources.

AN EXPLORATORY EXAMINATION OF CORPORATE DISCOURSE

In this examination, we empirically identified how organizations that are directly related to environmentally hazardous businesses express or do not express their concern about the environment through company webpages. We chose energy-related companies because energy is indispensable for our life, and in order to produce energy we have to use natural resources including, but not limited to, petroleum, natural gas, coal, water, and wind. Not only the ways we consume energy (e.g., emission of exhaust gas) but also the consumption of the natural resource itself is harmful to the natu-

of the relationship between the natural environment and the companies that provide energy. The organizations dealing with energy are responsible for acknowledging and diffusing this understanding. Here we examine how they exhibit their stance toward environmental concerns through the company webpages.

Websites provide a relatively easy and financially reasonable method to offer information to a wide audience. Along with increasing private use of computers, more and more companies use websites to present themselves to multiple audiences. The company webpages often include company profiles, activities, and financial information, which seem to be primarily for convenience of their stakeholders. Webpages, then, have become an important medium through which companies express themselves. We examined websites with several questions in mind.

First, we asked whether there is a relationship between company size and the expression of environmental concerns. Second, we sought to describe how companies comment on the environment. Specifically, we sought to determine whether the environmental stances identified above are identifiable on webpages and, if so, how prevalent is each stance. Finally, we sought to discern to what extent companies follow their stated stances with actual behaviors, or environmental action.

Methodology

Sample

Companies were systematically selected from the *Standard & Poor's Register of Corporations, Directors, and Executives* (Standard & Poor's Corporation, 1999). Companies were selected from an index of Standard Industrial Classification (SIC) numbers, which refer to particular industrial categories. The SIC indexes used for this study were 4911 (electric services), 4922 (natural gas transmission), 1382 (oil and gas field exploration services), and 1311 (crude petroleum and natural gas). Some companies are indexed with two or more SIC numbers according to their multiple business fields. Those companies' names appear under all the SIC category indexes in which they are involved.

For each SIC number, companies are listed in

selected and did not mention a web address, a researcher telephoned the company and asked for the web address. If a company reported not having a website or did not respond, the next company on the list was selected. Ninety-one web addresses were collected (16 from the list for SIC 4911, 5 from 4922, 12 from 1382, and 58 from 1311). Seven companies among the 91 total companies were not analyzed due to technical problems such as printing failure or access problems. A total of 84 company webpages were examined.

The demographic data of each company, such as location, businesses in which they are involved, annual sales, and number of employees, were collected from Standard & Poor's Corporation (1999, vol. 1), which listed these data under each corporation's title. Because one of the purposes of our inquiry was to explore the relationship between company scale and concern about the environment, the number of employees, sales results, and the number of SIC numbers were noted. Since each SIC number represents a business category, the companies with more SIC categories are involved in broader activities. This could be indirectly interpreted as another measure of the size of the company.

The companies examined were located in 25 U.S. states and four foreign countries (Canada, Scotland, Australia, and Switzerland): Texas ($N = 21, 25\%$), Canada ($N = 10, 11.9\%$), Colorado ($N = 7, 8.3\%$), California ($N = 6, 7.1\%$), Oklahoma ($N = 5, 6.0\%$), and Utah ($N = 4, 4.8$); three (3.6%) companies each in Illinois and Alabama; two (2.4%) companies each in Wyoming, Michigan, Pennsylvania, and Louisiana; one (1.2%) company each in Hawaii, Kansas, Connecticut, Arizona, Kentucky, Delaware, West Virginia, South Dakota, North Carolina, Missouri, Nevada, Ohio, Massachusetts, Indiana, Scotland, Australia, and Switzerland.

Coding

To develop a coding scheme, first we distinguished companies that mentioned the environment in some way from those that did not mention it at all. Second, their points of reference to the environment were examined and categorized as primary (main concerns) or secondary (indirect or implicit mention, e.g., environmental protection as a facet of corporate social responsibility or products as environmentally safe).

Third, the stance, or posture, with respect to environment was coded. We assumed that rejec-

tion and nonresponse were indicated by no mention and did not differentiate between these two stances. Compliance was coded by some mention of abiding by legal regulations concerning the environment. Openness was identified by the inclusion of environmental information such as emission information, or by hazard acknowledgment. Integration was evident when a company mentioned its practice of considering the financial bottom line and environmental commitment to be integrated. Some also included a social interest in such statements. At a minimum, these websites expressed a win–win orientation toward the company's interests and environmental concerns. Collaboration was evident when projects or partnerships with environmental groups, communities, or government were included. Sustainability was identified by appeals to a planetary ethic, a long-term outlook, or a recognition that past or even current policies may not be enough for a better future. This includes environmental concern beyond surrounding communities and at a global scale. When websites evidenced more than one of the stances, we coded the website as fitting the strongest of the stances that were represented. Finally, in order to examine whether companies provided evidence of actions taken in conjunction with their environmental stances, each website was coded for whether or not an environmental action was specified.

Procedures

Two researchers independently examined and then coded webpages. When differences were identified, researchers discussed the coding and reached consensus. The one difference that occurred regarding environmental mention was resolved by one researcher agreeing she had missed a mention that was on a website. Two differences in coding whether mention was primary or secondary were resolved through discussion. The five differences on stance were more difficult to resolve and, with one exception, were categorized as Other. In other words, coders agreed that several of the webpages were not appropriately coded into any of the stance categories.

Results

Of the 84 websites analyzed, 39 (46.4%) mentioned the environment in some way and 45

(53.6%) did not. Of those websites that mentioned the environment, 28 (71.8%) treated the environment as a primary subject, and 11 (28.2%) treated the environment secondarily or indirectly.

In order to examine the relationships between company size and expression of involvement in environmental issues, company size was analyzed by considering sales, number of employees, and number of SIC categories. Each of these indices was related to whether or not the environment was mentioned. Descriptive results are displayed in table 22.1. These results indicate that on all three indices, in general, companies that mention the environment are larger than those that do not.

Because the distributions were non-normally distributed, Mann-Whitney's nonparametric test was employed to examine the relationship between size and expression of environmental concern. This test ranks the observed values and compares the mean ranks of the two groups. The higher the mean rank, the larger the values are. However, in the sense that it does not include the amount of difference in values, it is not influenced by the non-normal distribution of values. The mean ranks and statistical results are displayed in table 22.2. All differences are significant at or below the .01 level. These results indicate that larger companies more often mention the environment in their websites.

We tested for a relationship between size and whether the environment is treated as primary or secondary. Table 22.3 displays the descriptive statistics for sales, number of employees, and the number of SIC categories in relation to whether

the companies expressed direct or indirect concern about the environment. Due to the non-normal distribution of values, the Mann-Whitney nonparametric test was used to test for differences. These results, displayed in table 22.4, indicate that companies that mention the environment in an indirect or secondary way are generally smaller than companies that mention the environment as a primary issue on their websites.

We probed the websites that mentioned the environment further to examine the stances portrayed. Results are displayed in table 22.5. Given the small number of company websites that could be clearly and reliably interpreted using our framework, inferential statistics were not computed. The proportions illustrate that, in general, in this very

TABLE **22.2** Mean ranks for mention or not mention of the environment by size

Environmental mention	N	Mean rank	Sum of ranks	Mann-Whitney
Sales				441.50*
No mention	42	32.01	1344.50	
Mention	37	49.07	1815.50	
Number employees				411.50*
No mention	43	31.57	1357.50	
Mention	36	50.07	18.02.50	
SIC number				605.00*
No mention	45	36.44	1640.00	
Mention	39	49.49	1930.00	

*p < .01.

TABLE **22.1** Sales, number of employees, and number of SIC categories by mention of the environment

	Mention	Not mention
Sales		
Mean	3,343.82	265.23
Median	276.32	33.45
Number of employees		
Mean	14,754.08	657.79
Median	995.50	50.00

TABLE **22.3** Sales, number of employees, number of SIC categories by primary/secondary environmental mention

	Primary mention	Secondary mention
Sales		
Mean	4,203.54	211.18
Median	447.37	70.68
Number of employees		
Mean	19,385.50	458.22
Median	2,270.50	170.00

TABLE **22.4** Ranks and Mann-Whitney statistics for primary or secondary mention

Primary/secondary mention	N	Mean rank	Sum of ranks	Mann-Whitney
Sales				
Primary mention	26	21.75	565.50	
Secondary mention	11	12.59	137.50	
Number of employees				53.5*
Primary mention	27	21.02	567.50	
Secondary mention	9	10.94	98.50	
Number of SIC categories				122.5
Primary mention	28	21.13	591.50	
Secondary mention	11	17.14	188.5	

*$p < .02$.

small sample of companies that mention the environment in one industry, there is some evidence that the stronger stances are more common than the weaker stances.

For some organizations, the environmental stance was further supported by environmental actions. Twenty-two (57.9%) reported at least one environmental action they had taken (for example, designating and developing acres for wildlife protection). Sixteen (42.1%) did not mention any actions while 1 was not codable.

Discussion

These results suggest that a slight majority of energy-related businesses that had websites did not mention the environment. Further, they support common contentions that larger companies more commonly express their concerns about the environment. In addition, larger companies generally

TABLE **22.5** Environmental stances portrayed on websites

Stance	N	%
Compliance	5	12.8
Openness	2	5.1
Integration	8	20.5
Collaboration	7	17.9
Sustainability	9	23.1
Other	8	20.5

comment on the environment more directly while smaller companies tend to mention the environment more indirectly. These findings suggest that larger companies are more likely to take advantage of the opportunity to portray a positive image of themselves by expressing their concern for and involvement in environmental protection.

The stages or stances described here are only partially identifiable empirically in corporate self-presentations on websites. Of those websites examined, 20% included environmental self-presentations that were not entirely consistent with the stances theorized as evidenced in our "Other" category. This suggests a far broader array of actual corporate expressions than the framework suggested. We infer that corporations are creative, face unique situations, and address those situations with unique perspectives.

The results presented here also demonstrate that the level of concern for the environment is quite high among those that articulate an environmental concern. Only approximately 13% expressed their involvement in a passive way, or as compliance. More than 20% actually expressed an environmental stance that indicated a sustainability focus, the most ideal of the stances. The integration and collaboration stances are indicative of organizations that have turned the corner in terms of considering the environment as an opportunity rather than a cost. It appears that, of those companies that do express their environmental interests, most adopt perspectives consistent with stronger stances rather than merely with compliance and openness. In the future, it will be important to track changes over time in corporate stances and practices. Here we have provided one description of how a sample of mainly U.S.-based companies in energy-related fields described themselves through one medium in the year 2000. Future research should revisit these companies while also observing more general trends. By tracking general trends, we can both monitor changes over time and provide a positive impetus for corporations to change.

As scholars develop the ability to systematically analyze web discourse, we can overcome some of the limitations of the empirical work reported here. In our development of a category system to systematically code websites, we privileged environmental stances in our framework and thereby failed to fully examine one of our key claims—that corporations' environmental and social responsibility are inextricably related. Our category sys-

tem also failed to account for a high percentage of our data. Clearly, more comprehensive frameworks need to be employed so that the data are accounted for and so that environmental and social responsibility may be empirically examined together. Method triangulation will be valuable in better understanding how corporations enact their stated stances and how they produce the discourse that is analyzed by examining websites. It will be useful to systematically analyze and compare discourses of social and environmental responsibility across several variables such as industry, national location, reputation, performance, and so forth. Although systematically coding and comparing is valuable, scholars also need to attend to the particular situations and practices better identified through in-depth case studies.

FUTURE TRAJECTORIES

It seems clear from contemporary writings on corporate environmentalism, from past case studies, and from our examination of corporate websites in the energy field that corporate stances toward the environment are varied.

As several authors have noted, stances such as rejection and nonresponsiveness are prevalent among corporations and also evident in an absence of commentary on environmental matters in more than half of our sample of energy-related company websites. There appears to be a relationship between company size and whether and how company interest in the environment is expressed. Both regulations and public pressure have focused almost exclusively on larger companies. One key future consideration is how a wider range of companies can be encouraged to enhance their environmental awareness and response. Clearly, this is difficult within an assumptive base that adopts profitability as the single overriding interest because the prevailing logic holds that smaller companies cannot afford to be environmentally responsible. Where environmental concerns are costly, this assumption is sensible. By attending to opportunities for integration or efficiency gains, smaller companies may be able to identify ways to adopt more environmentally friendly stances. Simultaneously, the regulatory environment could encour-

toward, the environment. A sizable portion of the websites we examined did address environmental concerns. Of those, the majority addressed the environment in a positive way rather than simply as a necessary cost. Some corporations are, it appears, engaging in integrative, win–win strategies while others are adding collaborative relationships to enhance their environmental records. Finally, a portion of corporations articulated visionary sustainability statements. This is particularly encouraging and suggests that the stages identified in the literature on corporate environmental stances may be useful as a means of describing and comparing corporate self-representations. More important, it suggests that some corporations are speaking in ways that may facilitate modes of adaptation beyond the confines of Freidman's profitability imperative.

Caution is, of course, warranted because corporations may well exaggerate or even misrepresent themselves through their self-presentations upon which researchers depend. Our examination also revealed that 60% of the websites that included the environment also included reports of actual actions or behaviors in support of their environmental claims whereas 40% did not (unpublished data). This suggests that a sizable minority of companies making environmental claims did not also describe specific behaviors to support their claims, calling the veracity of their environmental talk into question. Of course, there may be contradictions between claimed behaviors, actual behaviors, and patterns of behavior that contribute to a particular environmental stance. Nevertheless, by asserting environmental claims, organizations certainly expect to be pressured to act consistently with their assertions. As more organizations articulate stances that more closely approximate sustainability and grapple with new approaches, we can anticipate ongoing efforts to continue to shift toward more sustainable ways of operating. As described by Dunphy et al. (2003), the stronger environmental stances are inextricably dependent on more equitable and humane internal and external social practices. The integration, then, of social responsibility and environmental responsibility should become increasingly evident.

Given evidence regarding importance of organizations as actors and the variety of (villainous and

as social systems and natural systems continue to coevolve largely through processes mediated by organizations. David Korten (2005) joins a procession of visionaries who identify alternatives to the status quo. He contrasts what he calls the "suicide economy" with "economies for life." In his view, because there have been so many cases of corporate corruption within the global profit-driven economy in which ownership and power are decoupled from obligations to people and place, a shift toward local economics is beginning. These new economies are based on personal responsibility, local ownership and markets, and values that encourage equity and democracy. His description makes clear that sustainability requires a change in the basic economic structure because, as he has argued (Korten, 1995, 1999), individual corporations must adapt to the economic structure within which they operate. As long as the economic structure rewards the destruction of people and the environment by rewarding profit and delinking owners from the destructive practices that corporations engage in, progress toward social and environmental improvement will be incremental and inadequate. By linking owners with the full consequences of their decisions, argues Korten, life-enhancing values would guide financial decisions. His provocative description of life-sustaining economies embedded in local communities provides a guideline for transforming the "rotten and carcinogenic" pie Ynestra King warns us about.

It also reminds us that the trend toward sustainability is a realistic potential future trajectory that is sought by a variety of current initiatives. Corporations will take on very different forms as sustainability initiatives continue. However, as the stances organizations take toward environmental concerns shift toward the sustainability end of the continuum, the trajectory toward sustainability is encouraged.

NOTE

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