Different Approaches Toward Doing the Right Thing: Mapping the Responsibility Orientations of Leaders

by Nicola M. Pless, Thomas Maak, and David A. Waldman

Executive Overview

Responsible leadership is a concept that can help link corporate social responsibility and performance to actions on the part of policy makers and leaders. It may also help to provide a better understanding of the deteriorating reputations of firms and their leaders as perceived by society as a whole and of what might be required from leaders to strengthen the bonds with society. However, the precise manner in which leaders interpret and actually display responsibility is not altogether clear. This lack of clarity coincides with the varying perspectives of responsible leadership that occur in the literature, and it may contribute to the lack of systematic research on how such leadership may ultimately affect firm- and societal-level outcomes.

Based on a qualitative analysis of 25 business leaders and entrepreneurs, we identify four orientations that leaders may use to demonstrate responsibility and implement corporate social responsibility. We show how these orientations vary according to the breadth of constituent group focus and the degree of accountability toward others. Further, we discuss both research and training implications associated with the different responsible leadership orientations.

The modern business world increasingly emphasizes responsible leadership (RL) on the part of executives. Further, the nature and importance of RL is increasingly the subject of academic debate (e.g., Waldman & Siegel, 2008), conferences, and special issues of journals (e.g., Pless & Maak, 2011a). But responsibility is not just a topic of relevance to management practitioners and scholars; it is also important to the public. As such, it could have broader policy implications.

For example, polling statistics show that the public’s trust in business leaders, a concept that is relevant to responsibility, is very low. That is, business leaders face a critical trust gap (Maak & Pless, 2009) that can be measured. The 2009 Edelman Trust Barometer\(^1\) notes that only 17% of U.S. respondents consider information provided by a company’s top leader to be credible, and this level does not exceed 30% in most developed countries. The report thus concludes that, “business must make fundamental changes if it is to regain the license to operate” (Edelman, 2009, p. 3). The 2012 Trust Barometer notes that after a minor recovery “CEO credibility returns to the low of 2009” (Edelman, 2012).

If leaders and their corporations are not perceived as acting responsibly, and are thus not trusted, there is always the possibility of a backlash in the form of pressure put on government officials.

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\(^1\) www.edelman.com
to regulate "responsibility" in a manner that could ultimately cause inefficiencies and slower economic growth. Arguably, the Sarbanes-Oxley Act in the United States represents an example of such backlash.

But what exactly is RL all about? Waldman and Galvin (2008, p. 328) noted that "responsible leadership is not the same concept in the minds of all." Indeed, the actions that might constitute RL are diverse and may be largely dependent on the perspectives of leaders, as well as those who evaluate the actions of leaders. The dictionary defines responsibility in terms of legal, moral, or mental accountability. Furthermore, accountability can be directed toward individual people or to animate (e.g., animals) or more inanimate objects or systems (e.g., an organization, an institution, or the physical environment) (Winter, 1991). In other words, responsibility has multiple bases and can be directed toward multiple objects. With such a definition, there is a potentially broad or even controversial platform upon which responsibility can be perceived and acted on by individuals, including those in leadership positions. In other words, the relevant scope or focus of responsibility is not inherently clear when applied to strategic leaders. Asked simply: To whom are business leaders truly responsible, and for what?

In close interactions with top-level business leaders from both for-profit and nonprofit organizations, we have observed that executives do indeed maintain different understandings of their roles and responsibilities within the boundaries of their respective firms, as well as in society as a whole. Some executives regard their necessary contribution to include serving the needs of shareholders/owners, complying with laws and regulations, and perhaps creating jobs. Others pursue a broader approach to responsibility that includes attempts to satisfy the needs or concerns of all stakeholders who might be relevant to a firm's actions. Moreover, perhaps a relatively small group of others (e.g., social entrepreneurs) believe that it is their responsibility to use business as a force to solve societal problems. We postulate that these differences represent alternative beliefs, values, and perceptual processes pertaining to the meaning of responsibility in their roles as leaders.

The purpose of this article is to outline these different orientations and their implications for the actions and decision-making processes of business leaders and their organizations. We base our work largely on some recent qualitative research. We begin with an overview of different positions on responsible leadership that have been defined by prior literature. Then we examine qualitatively how these different approaches resonate with business leaders and get translated into leadership practices at the firm level. Based on our work, we develop a framework of RL orientations that represents the core narratives of practitioners that were identified from our qualitative data. We conclude that the more precise understanding of RL that can emerge from a consideration of alternative orientations can help guide both research and practical applications. Finally, we reflect on some implications for leadership development and management education.

Responsible Leadership and Corporate Social Performance

Wood (1991, p. 693) defined corporate social performance (CSP) as a "firm's configuration of principles of social responsibility; processes of social responsiveness; and policies, programs, and observable outcomes as they relate to the firm's societal relationships." To date, the discourse on CSP has largely neglected the role of business leaders (Orlitzky, Siegel, & Waldman, 2011). Yet emerging research implies that leadership is essential for advancing an understanding of how phenomena such as corporate social responsibility (CSR) and CSP can be implemented to achieve various aspects of firm- and societal-level effectiveness (Doh & Stumpf, 2005; Maak & Pless, 2006a, 2006b; Waldman, 2011). In other words, success depends on how leaders think about, and ultimately act on, the challenges and demands associated with CSR and CSP.

Carroll's (1979) CSP model introduced a widely used conceptualization specifying the responsibilities of businesses and their leaders toward society along economic, legal, ethical, and discretionary (e.g., voluntary social involvement, such as philanthropy) dimensions. Based on this
definition, a traditional understanding of CSR has developed that has become known as instrumental CSR (Scherer & Palazzo, 2007). For years, researchers have used this approach to examine the relationship between CSP and financial performance of firms (Orlitzky, Schmidt, & Rynes, 2003).

The European Commission recently put forward a broad conceptualization that goes beyond compliance with rules and regulations and voluntary actions. It defines CSR as “the responsibility of enterprises for their impacts on society” (European Commission, 2011, p. 6), and it suggests a specific configuration, namely that “enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders, with the aim of: maximizing the creation of shared value for their owners/shareholders and for their other stakeholders and society at large; identifying, preventing and mitigating their possible adverse impacts.” Our goal here is not to evaluate the worthiness of the conceptualization of CSR put forth by the European Commission. Instead, our purpose is to simply point out emerging expectations in society for CSR as a whole, which may then be relevant to the display of RL in business entities. So in the current geopolitical environment, we may be observing changing expectations and demands on multinational corporations with regard to stakeholder responsiveness, which may affect configurations of CSR/CSP and RL at the upper echelons of these firms.

These different CSR/CSP understandings are also mirrored in prior work on responsible leadership at the individual level. Waldman and Galvin (2008) suggested that responsible leaders embrace different orientations, which they classified according to two basic RL positions: (1) a limited economic and (2) an extended stakeholder view. We concur that different orientations exist, but we believe that they may be more diverse or multifaceted than this simple distinction. To identify and distinguish various potential RL orientations, we first conducted a literature review across research in CSR, CSP, and relevant aspects of leadership.

Based on this literature review, we conclude that an economically oriented orientation is indeed prevalent in the business world (e.g., Waldman & Galvin, 2008; Waldman & Siegel, 2008). The economic orientation is rooted in agency-based, instrumental thinking (Jensen, 2002), or instrumental CSR. Proponents of this position claim that leaders should engage in CSR only “when it is beneficial to the firm” (Waldman & Siegel, 2008, p. 119). However, what is not as clear is whether and how economically oriented leaders consider multiple stakeholder groups. That is, the economic orientation could be quite unidimensional in nature, focusing on responsibility in terms of obeying the law, keeping up with institutional norms pertaining to such things as philanthropy, and so forth. Alternatively, it could be broader, with a strategic emphasis on dealing with the needs or issues of multiple stakeholder groups or entities. Indeed the work of McWilliams, Siegel, and colleagues (McWilliams & Siegel, 2000, 2001, 2002; McWilliams, Siegel, & Wright, 2006; Siegel & Vitaliano, 2007) would point toward this strategic but nevertheless multifaceted approach to executive decision making and CSR. Moreover, additional work stresses the role of key executives (e.g., CEOs) in formulating strategic or instrumental CSR (Siegel, 2009; Waldman, Siegel, & Javidan, 2006).

Note that the above differentiation is largely a matter of degree. At its core, the economic orientation specifies explicitly that the obligation to engage in CSR exists only if there is “a clear and directly foreseeable return on investment” for shareholders (Waldman & Siegel, 2008, p. 119). Research on the relationship between CSP and financial performance is not altogether clear. McWilliams and Siegel (2000) reported that CSR has a neutral impact on financial performance. However, based on a meta-analysis of 52 studies, Orlitzky and colleagues (2003) concluded that there is a positive but highly variable relationship between CSP and financial performance (CFP) at the firm level. Orlitzky (2011) conducted a more recent meta-analysis, specifically examining the social construction of knowledge in CSP-CFP.
studies as a potential contingency factor. His findings suggest that variance in published CSP-CFP findings can be explained in terms of differences in institutional logics among three subdisciplines in the study of organizations (as represented in journals of economics, business and society, and general management). But overall, Orlitzky (2011, p. 428) noted that “across all three domains of institutional logics the published studies indicate a positive relationship between CSP and CFP.”

For an individual leader, it may be difficult to show, ex ante, that the company’s engagement in socially responsible activities will have a positive effect on the economic bottom line (except perhaps for cost-saving initiatives in the form of efficient use of water and energy). Nevertheless, on the basis of an economic orientation, the obligation of executives is limited to deploying “resources as effectively as possible, based on instrumental thinking, in order to maximize the wealth of the firm” (Waldman & Siegel, 2008, p. 126) and its value for shareholders. For example, investment in corporate social projects might contribute, directly or indirectly, to profit maximization (Husted & De Jesus Salazar, 2006). By contrast, prior instrumental thinking has not specified the extent to which strict cost-benefit analyses, which are more accurate in the shorter term, should come into play when making considerations regarding CSR initiatives.

We should further note that according to a more constrained economic position, it is logically impossible to maximize value in more than one dimension (Jensen, 2002). Because socially responsible behavior, by definition, must be tied to the pursuit of maximizing shareholder value, it is considered legitimate only if it is based on, and driven by, economic principles and firms’ self-interests (Waldman & Siegel, 2008). Only then can it lead to the creation of jobs and tax payments (Friedman, 1970). Shareholders are considered as the only relevant stakeholder group that enters into contractual agreements (Jones, Felps, & Bigley, 2007), and a dependent relationship with the firm is based on principal-agent theory (Friedman, 1970; Jensen & Meckling, 1976). The assumption is that if we all act in our own self-interest, and free market principles are instituted, there will be an increase in the wealth of the overall society (Freeman, Harrison, & Wicks, 2007).

The stakeholder view may not be as simple as outlined in prior work in the literature. For example, a leader with an idealistic or altruistic orientation could view the purpose of business as not to maximize profit but rather to create value for society, even if the business incurs a loss (Baron, 2007). The performance focus is thus again narrow. However, in this case, the focus is not economic, but instead is based on the creation of social value for society. From an economic perspective, this engagement appears irrational and even dangerous or irresponsible (Husted & De Jesus Salazar, 2006). The motivation for this form of RL often comes from a sense of a calling to serve others, generally based on strong values (Hemingway, 2005) that may be rooted in spiritual sources or the desire for “social satisfaction or warm glow” (Baron, 2007, p. 715). Relevant stakeholders are people in need, whose social claims should be recognized and served (e.g., oppressed groups, children, the natural environment).

A more integrative approach to stakeholders and RL would argue that leaders should first recognize the complexity of a global, interconnected business context that is characterized by a plurality of stakeholder interests with diverse and conflicting values and demands (Maak & Pless, 2006b; Pless, 2007; Pless & Maak, 2011b). Leading responsibly in such an environment means ensuring principle-driven and ethically sound behavior both at home and abroad, taking a strong stance on human rights issues, contributing actively to solving the global environmental crisis, and expressing genuine regard and care for the interests and needs of all legitimate stakeholders (Maak & Pless, 2009; Pless, Maak, & Stahl, 2011). Behaving responsibly is understood neither as a derivative obligation nor as a calling, but basically as the right thing to do to generate value for business and society. Leaders with such an orientation make decisions guided by “traditional morality” or strong concern for others over self-interest (Jones et al., 2007, p. 141), embrace multiple stakeholder interests and claims, and contribute to achieving a leadership goal of
optimizing value across different bottom lines (profit, social value, environmental protection). Rather than maximizing shareholder value or social profits (Husted & De Jesus Salazar, 2006), they focus on what they perceive as balanced, sustainable value for business and society.

In sum, while the economic versus stakeholder distinction provides a basic foundation from which to identify executive orientations relevant to RL, there may be more nuanced distinctions that could be formed. Accordingly, the overall goal of the remainder of this article will be to systematically map out various orientations that can come into play as executives take on the RL role. We use an inductive normative approach, as outlined by Margolis and Walsh (2003), which requires as a starting point a systematic descriptive inquiry into the RL orientations of leaders. The purpose of this approach is not to identify "better" or "worse" approaches to RL, but rather simply to understand how business leaders view RL in their own words or actions. In this sense we follow an interpretive tradition and study different meanings of responsible leadership (Morgan & Smircich, 1980) while attempting to set aside subjective normative assumptions (Orlitzky, 2011). Qualitative methods and accompanying content analyses represent an appropriate methodological approach in exploratory research of this nature (Crane, 1999). Thus, our ultimate objectives are two-fold: (1) to categorize the orientations of business leaders with regard to social responsibility and RL, and (2) to build a foundation for future research for the purpose of moving toward an understanding of how leaders can navigate RL to enhance organizational, and even societal, effectiveness.

**Content Analysis of Interviews and Speeches**

We collected data for 25 top-level business leaders and entrepreneurs (see the Appendix) from different industries and countries. These individuals had either gained a public reputation for being associated with firms that some analysts might consider to be strong in terms of CSR (e.g., Anita Roddick of the Body Shop and Jeffrey Swartz of Timberland) or were CEOs or chairs of companies that actively engage in CSR (e.g., Peter Brabeck-Letmathe of Nestlé and Paul Polman of Unilever) but were less well-known for such actions. The data came from a variety of publicly accessible sources, including interviews, speeches, blogs, and autobiographical books, which we then used to form a basis for understanding the different potential configurations of RL. Interviews, speeches, and blogs were retrieved from the Internet, and three narrative interviews were conducted in person. Audio/video files of speeches and interviews that were retrieved from the Internet, as well as the personal interviews, were transcribed.

We employed a content-analytic approach based on methodological guidelines provided by Krippendorff (2004), Neuendorf (2002), and Weber (1990). In a first step, two researchers independently scanned the data for text that indicated specific responsibility statements that were relevant to either economic or stakeholder positions. In a second step, following a preliminary examination of the narrative material, these researchers developed a set of leader categories. The categories, described further below, thus emerged from extant theory or literature (summarized above), in combination with our inductive analysis of the data. We checked the reliability of the coding by independently applying the category system.

**Categorization of Responsible Leadership Orientations**

As shown on the x-axis in Figure 1, among these leaders, we observed differences in terms of breadth of constituent group focus. Business leaders with a narrow focus try to ensure that their companies take into account, and create value in, one domain of business or society to serve a specific constituent/stakeholder group. Either they work in a singular manner to increase economic performance to maximize value for the company's shareholders/owners, or, as in the case of many social entrepreneurs, they focus on the creation of social value for specific stakeholders in need, or society as a whole. In contrast, business leaders with a broad focus try to understand and deal with
the needs of multiple constituent or stakeholder groups. Accordingly, both opportunity seekers and integrators are likely to take into account a broad range of constituent/stakeholder groups in their decision making.

On the y-axis in Figure 1, we feature differences in terms of degree of accountability toward others, beyond shareholders/owners. At a low level, leaders feel predominant (or even exclusive) accountability toward shareholders/owners. The underlying understanding is that the purpose of business is to maximize profit (whether narrowly in the short term or over a longer term), with accountability directed toward shareholders/owners. Leaders with such values may believe that they need not feel accountability to other constituent groups since this is the responsibility of government action, which is paid for through tax revenue that results from an efficient free-market system (Friedman, 1970). In other words, there is an implicit assumption that profit maximization, and the concomitant accountability to shareholders/owners, in and of itself is beneficial for society.

As depicted in Figure 1, other leaders may perceive their own accountability to go beyond shareholders/owners and profit maximization (Donaldson & Dunfee, 1999). Note that although both opportunity seekers and integrators have a broad breadth of constituent group focus, only integrators perceive a higher degree of actual accountability toward others, that is, beyond shareholders/owners. In contrast, opportunity seekers, while devoting attention to a broad range of constituent/stakeholder groups, maintain predominant accountability to shareholders/owners.

In sum, the above discussion creates a conceptual space for locating four different RL orientations: (1) traditional economist, (2) opportunity seeker, (3) integrator, and (4) idealist. We should note that in prior work, issues of RL dimensionality that may be driving CSP, such as those considered in Figure 1, have not been clearly delineated. Thus, the focus of CSP research has been based on the fundamental premise that the motivation for responsible actions on the part of the firm is primarily profit maximization (Paul & Siegel, 2006) and is transactional based on social contract and moral agency (Wartick & Cochran, 1985). In this sense, the idealist and integrator orientations—driven by traditional conceptions of moral intentions—that we observed in our data for actual leaders present a new perspective and may broaden the discussion of CSP and its implementation. For example, Roddick (1991, p. 7) described herself as driven by values, a sense of community, and a passionate belief “that business...can...be a powerful force for good.”

The idealist and integrator orientations are in line with traditional ways of moral thinking. Proponents show strong, broadly conceived concerns for others. This outlook is rooted in moral values and principles representing different philosophical theories, such as virtue ethics, Kantian principles, and the ethics of care (see Jones et al., 2007), or religious beliefs. Leaders with such orientations are skeptical of the market’s or even government’s ability to provide socially optimal outcomes. Instead, they perceive a business leader’s responsibility in broader terms—that is, to consider the needs of nonbusiness stakeholders to be legitimate and even morally relevant. In contrast, as suggested earlier, proponents of the economist and opportunity-seeker orientations have a different...
idea of what business leader morality is all about. They assume that in a free-market system, if business leaders act as good agents in the interests of shareholders/owners, overall human welfare is attained (Heath, 2006; Jones et al., 2007; Marcoux, 2003). Our findings are further summarized in Table 1, which distinguishes leadership characteristics, stakeholder relations, and strategic emphasis for each of the above RL orientations.

### Narrow Focus: Traditional Economists and Opportunity Seekers

Beginning with what we term the traditional economist we observe an orientation of short-term economic value creation targeted toward shareholders. An individual emphasizing this thinking is likely to be risk-averse, highly rational and analytic (e.g., an emphasis on strict cost-benefit analyses in the determination of CSR initiatives), compliance-oriented, and somewhat autocratic or rule-based in his or her approach to leadership (Sully de Luque, Washburn, Waldman, & House, 2008). We would expect to see little commitment to CSR on the part of a leader with the traditional economist orientation, who at most would tend to follow industry norms regarding CSR actions and expenditures.

The opportunity seeker is also oriented toward economic purposes and engages in social responsibility for instrumental reasons based on a belief that CSR leads to higher financial performance and business growth and ensures business sustainability (Orlitzky et al., 2003). In contrast to a traditional economist orientation, the opportunity seeker pursues social responsibility as part of the strategy of longer-term value creation with the aim of realizing competitive advantages (e.g., new market opportunities, a better reputation, and long-term brand insurance). This is exemplified by the following quote by GE’s Jeff Immelt:

“We are investing in environmentally cleaner technology because we believe it will increase our revenue, our value and our profits... Not because it is trendy or moral, but because it will accelerate our growth and make us more competitive.” (Economist, 2005)

To achieve these goals, leaders with an opportunity-seeker orientation attempt to understand and address a broader set of key stakeholders (e.g., clients, customers, employees, local communities), realizing that such actions can prove to be of ultimate benefit to the firm and its shareholders (e.g., Brabeck-Letmathe’s 2009 observation that “to create value for our shareholders, we need to create value also for the people in the countries where we are present”).

While still somewhat rational/analytic in his or her approach, because of a longer-term perspective this leader is less oriented toward a strict cost-benefit analysis of CSR initiatives and is likely to use a transactional style of leading in dealing with various stakeholder groups, such as employees and customers. For example, in line with his or her ultimate accountability to shareholders/owners, this type of leader pursues investments in human capital (e.g., employee training), “green” opportunities (e.g., the environment), or local community development primarily because of an expectation of long-term profit for the firm. Finally, this sort of leader recognizes the public relations value of CSR, not just for the firm, but also to enhance his or her own reputation for doing the “right thing.” In sum, the opportunity seeker follows closely the strategic pursuit of CSR that has been championed by Siegel and colleagues (e.g., McWilliams & Siegel, 2001, 2002; Siegel, 2009).

### Broad Focus: Idealists and Integrators

The understanding of responsibility on the part of idealistic and integrative leaders goes beyond legal/economic concerns. It incorporates a broader perspective on business responsibilities, including those that are relevant to society or citizenship as a whole (e.g., taking an active stance in human rights issues or fighting HIV/AIDS). An orientation of this nature is in line with a different philosophy, and it goes beyond the social responsiveness assumed in the CSP model (Wartick & Cochran, 1985; Wood, 1991). Further, it is largely about proactive engagement (e.g., setting CSR standards in an industry, rather than reacting to established industry norms). Stated another way, leaders with an integrator orientation have a different understanding of the purpose of running a business and the extent of their accountability,
Table 1
Characteristics of Alternative Orientations Toward Responsible Leadership

<table>
<thead>
<tr>
<th>Leadership characteristic</th>
<th>Categories</th>
<th>Traditional economist</th>
<th>Opportunity seeker</th>
<th>Integrator</th>
<th>Idealist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core purpose</td>
<td></td>
<td>Create immediate or short-term economic value for shareholders</td>
<td>Create long-term economic value for shareholders; create value for other stakeholders if beneficial for shareholders</td>
<td>Create long-term value for a range of stakeholders in business and society</td>
<td>Create long-term social value for targeted stakeholders in need or society as a whole</td>
</tr>
<tr>
<td>Motivation</td>
<td></td>
<td>Save costs and maximize profits; manage risks; obey the law</td>
<td>Competitive advantage; personal and firm reputation or PR</td>
<td>Shared moral values and principles</td>
<td>Psychological fulfillment</td>
</tr>
<tr>
<td>Cognition</td>
<td></td>
<td>Strongly rational and analytic</td>
<td>Largely rational and analytic</td>
<td>Integration of rationality and emotions/affection</td>
<td>Strongly emotional</td>
</tr>
<tr>
<td>Leadership style</td>
<td></td>
<td>Rule-based; autocratic; management-by-exception</td>
<td>Transactional</td>
<td>Transformational; empowering</td>
<td>Servant</td>
</tr>
<tr>
<td>Stakeholder (STK) relations</td>
<td></td>
<td>Focus on shareholders; engagement with a few key stakeholders if economically advisable (to avoid risks)</td>
<td>Focus on stakeholders who can be used to realize opportunities and ultimately satisfy shareholders; limited commitment to stakeholders other than shareholders</td>
<td>Focus on all stakeholders perceived to be legitimate</td>
<td>Focus on selected stakeholders (e.g., those in need) or society as a whole</td>
</tr>
<tr>
<td>Relationship focus</td>
<td></td>
<td>• Instrumental • Distance kept from stakeholders, other than shareholders or owners</td>
<td>• Instrumental • Relations with stakeholders as a means to serving shareholders or owners</td>
<td>• Balanced approach based on morals and principles • Collaboration with all stakeholders</td>
<td>• Service-oriented approach to targeted stakeholders</td>
</tr>
<tr>
<td>Relationship approach</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic emphasis</td>
<td>Performance focus</td>
<td>Narrow</td>
<td>Broad</td>
<td>Broad</td>
<td>Narrow</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Economic performance • Creating value for shareholders • Strict adherence to cost-benefit analyses</td>
<td>• Primarily economic value creation for shareholders • Value creation for other stakeholders if strategically beneficial; some use of cost-benefit analyses</td>
<td>• Balanced approach to create value in different domains of business and society; minimal use of cost-benefit analyses</td>
<td>• Focus on value creation for targeted stakeholders or society; no use of cost-benefit analyses</td>
</tr>
</tbody>
</table>

which they perceive to involve creating value for business stakeholders (including shareholders) and society at large—and to do so not just for enhancing public relations or one’s own personal reputation.

Thus, the integrator does not run the business primarily to make profits out of predominant accountability to shareholders/owners, but he or she considers profits to be an outcome that is likely to result from running a purposeful and responsible business. Such thinking can be seen in the words of Paul Polman, CEO of Unilever, in a Financial Times interview: “I drive this business model by focusing on the consumer and customer in a responsible way, and I know that shareholder value can come” (Stern, 2010). Although integrative leaders are driven by a desire to serve the needs of broadly defined constituent or stakeholder groups, they do not disregard economic performance and value creation. On the contrary, they perceive that to run a successful and sustainable business and realize their mission they must deliver on the economic bottom line. But in contrast to opportunity seekers, integrators have a stronger or broader sense of accountability, and thus attempt to deliver on multiple bottom lines by reconciling, or actively integrating, goals across constituent or stakeholder groups.

Our analysis shows that the integrative orientation is able to bring together rationality and analytic thinking with a concern for emotions, specifically those of members of various stakeholder groups. Such integration has been recently heralded as being associated with more effective
Strategic decision making (Hodgkinson & Healey, 2011; Hodgkinson, Sadler-Smith, Burke, Claxton, & Sparrow, 2009). That is, the integrator is likely to understand and take into account the emotions of others, more so than his or her economist or opportunity seeker counterparts. For example, the integrator may be better able to understand the emotional commitment and identity that tend to be generated among employees in firms with stronger emphases on CSR (Carmeli, Gilat, & Waldman, 2007). Moreover and relatedly, the integrator orientation often aligns with being perceived by followers as visionary or transformational (Sully de Luque et al., 2008). In other words, the integrator is likely to draw forth positive emotions of hope and inspiration from followers.

As suggested earlier, the idealistic approach to RL shown in Table 1 appears to occur predominantly among business leaders who act as social entrepreneurs. These individuals are driven by strong ethical intentions, often rooted in spiritual or religious beliefs, and experience intrinsic satisfaction by engaging in altruistic behavior to achieve psychological fulfillment. As stated by Joe Madiath, the founder and general director of Gram Vikas, “My motivation was always the self-satisfaction that I get when I can in some way change the lives of people for better.” (see Appendix). They drive the business largely to create innovative solutions to societal problems (Mair & Martí, 2006; Nicholls & Cho, 2006). Business is a means, not an end, that enables them to tackle social problems and serve stakeholders in need. Business success is defined in terms of self-sustainability rather than profits. Like the traditional economist, the idealist has a narrow focus regarding constituent groups. But for the latter, the focus is on a targeted set of stakeholders (other than shareholders) who are in need, rather than on the economic concerns of shareholders.

The idealist is likely to be strongly emotional in his or her appeal, perhaps even sacrificing rational and analytic thinking. For example, this type of leader may discount or forget about the careful/rational consideration of whether the firm’s actions will support profitability (Marcus & Fremeth, 2009), which could ultimately undermine the creation of social value for targeted stakeholders. Indeed, idealist leaders may incur financial losses, forcing them to rely more or less extensively on donor money, or to make substantial personal sacrifices to fulfill their purpose of helping targeted stakeholders. Accordingly, the idealist’s approach to leadership is likely to be very servant-based, with the notion that the leader’s role is to serve the needs of targeted stakeholders (Sendjaya, Sarros, & Santora, 2008; Van Dierendonck, 2011).

Although these four orientations to RL exist in the literature, their relative frequency or prevalence in real life is not as clear. However, our qualitative data suggest that the more narrowly focused orientations (traditional economist and idealist) may be less prevalent in the business world. For the traditional economist orientation, an RL perspective argued by Friedman (1970), it could simply be that such a position is, for the most part, no longer practical since institutional and societal forces dictate that firms increasingly pay more attention to CSR and a range of stakeholders. In the case of the idealist orientation, with the exception of social entrepreneurs a model of this nature may not be very practical for the typical manager who must account to shareholders or other firm owners. Thus, it would appear that we may be left with opportunity seekers and integrators as the predominant modes of RL for most practicing managers. But questions remain with regard to the actual prevalence of such leaders in various industries, as well as the relative effectiveness of these alternative RL orientations. We consider such issues in the below discussion.

**Discussion and Implications**

Leaders with the various RL orientations outlined here engage differently with social responsibilities as outlined in Carroll’s (1979) CSP model. These differing orientations are likely to have effects on the configuration of CSR policies and implementation processes, as we will explain in the following discussion with reference to the CSR development model of Mirvis and Googins (2006).

For instance, traditional economist leaders are more likely to pursue a reactive approach to CSR;
that is, they focus on defining legal policies and processes that ensure compliance with standard issues (e.g., employment, health and safety, environmental regulations) to mitigate the likelihood of litigation. Further, they may engage in some philanthropic activities to “polish” their own reputations or the reputations of their firms. An opportunity seeker is more likely to pursue a responsive approach by engaging more actively with internal and external stakeholders, as well as trying to identify, manage, and control social and environmental issues in the supply chain (e.g., environmental aspects, child labor) to prevent reputational damage.

In contrast, integrative leaders are likely to pursue a more proactive and even transforming approach that goes beyond social responsiveness or economic returns for “doing good.” Specifically, they may translate social and environmental issues systematically into their business operations and integrate such issues into all processes of the firm, formal and informal, as suggested by Wood (1991). Driven by a sense of corporate purpose stressing value creation for both business stakeholders and society at large, they may even try to “change the game of business” (Mirvis & Gogins, 2006, p. 14). That is, often in collaboration with external stakeholders, integrators may attempt to set innovative industry standards and develop business innovations that have a positive impact on society. In addition, they are not likely to see conflicts in terms of how the firm can meet the needs of various sets of stakeholders. For example, they are likely to envision and attempt to realize positive employee relations coupled with satisfied (or even delighted) customers/clients.

Idealist leaders take the concept of responsible leadership even further in terms of what Jones et al. (2007) referred to as traditional morality, characterized by a strong concern for the needs of others. Specifically, they view the firm as a vehicle to serve particular stakeholders (other than shareholders) or even society as a whole. Yvon Chouinard, founder of Patagonia, is a good example, and he may also be symbolic of the relative scarcity of such forms of responsible leadership. When faced with the dilemma either to realize quick economic growth to meet rising consumer demands, thereby jeopardizing the company’s environmentally sustainable business approach, or to remain faithful to the company’s values and principles, he decided in favor of the company’s mission (“Patagonia exists as a business to inspire and implement solutions to the environmental crisis.”). He thus resisted expansion and growth (Rothman & Scott, 2003).

Implications for Research

The results of our study can make a contribution to the literatures on both CSR/CSP and strategic management. For example, our findings add to research on upper echelons (Finkelstein, Hambrick, & Cannella, 2009) by demonstrating how individual responsible leadership orientations at the top management level may be linked to the CSR approaches or implementation strategies of an organization. However, more conceptual development and empirical research is required to better understand the relationship between RL orientations at the individual level and organizational configurations of actual CSR implementation and outcomes.

The opportunity-seeker orientation could be viewed as an evolution from a traditional economist orientation to a more “enlightened” perspective on the role of the firm in relation to various stakeholder entities. However, both of these orientations are strongly rooted in an instrumental-thinking orientation. The integrator orientation, by contrast, is a newly identified position that is somewhat complex, combining a business mindset (strategic thinking and a sense of the economic bottom line) with stakeholder-oriented thinking and social ideals (Freeman et al., 2007). This orientation has important implications for strategy formulation, decision making, and brand building.

For instance, under the leadership of Franck Riboud, Danone refocused its corporate mission as bringing “health through food to as many people as possible.” In adapting its product portfolio to fit this mission, it sold profitable but not health-oriented business units (e.g., Lu brand biscuits, http://www.patagonia.com/us/patagonia.go?assetid=2047.

which it sold to Kraft Foods). A repositioning that involves the sale of profitable business units is incomprehensible from an instrumental position, and it might not be “legitimized” through cost-benefit analyses. From an integrator perspective, however, the sale represents a rational decision, based on the logic of appropriateness (Margolis & Walsh, 2003), such that the firm weighed the (mis)fit of the brands with its mission and role identity. This integrated position entails a socially responsible mission and is not driven solely by shareholder value. But it nevertheless may be aligned with business reality and driven by the desire to serve the needs of multiple stakeholders (in this case, consumers and customers).

Stakeholder theory has been criticized for promoting the idea of balancing stakeholder interests without helping managers or leaders to make choices (Marcoux, 2008; Orts & Strudler, 2009). While we do not claim to provide a road map to the making of such choices, we do at least show that how firms approach stakeholders may depend on the responsibility orientations of their leaders. Being aware of their own perceptions and assumptions regarding social responsibility can at least help leaders to make conscious and better decisions.

We see several specific research implications or needs based on our work here. First, there is a need for instrument development to examine responsible leadership empirically. While the various orientations might be examined through self-assessment on the part of leaders, a more traditional leader assessment approach might be taken whereby others (e.g., followers) are asked to describe how the leader approaches responsible decision making. That is, questions could be designed to elicit the extent to which followers believe that, when engaging in decision-making processes, the leader follows the four orientations described above. Unlike other existing leadership measures, a responsible leadership survey might be particularly geared toward the upper echelons of management, since it is these upper levels at which issues of responsibility are especially relevant to managerial decision making.

Second, in addition to traditional survey development, exciting new work using neuroscience technologies could be applied to form a better understanding of responsible leadership, especially its biological source. For example, Balthazard, Waldman, Thatcher, and Hannah (2012) recently demonstrated that neurological brain patterns could be differentiated between highly transformational and less transformational leaders. Perhaps similar patterns could be ascertained with regard to the various forms of responsible leadership.

Third, we see the need for research examining the relationship between various forms of responsible leadership on the one hand and various sorts of outcomes on the other. A number of questions could be addressed. For example, do alternative forms of responsible leadership relate differentially to various employee (e.g., identification and commitment), social (pollution, product safety, and philanthropy), and financial outcomes (e.g., cost control and profits)? Is responsible leadership best viewed as a shared or distributed process, involving organizational leaders beyond the CEO (e.g., other top management team members)?

**Implications for Training and Development**

There are various “traps” that prospective responsible leaders might be able to avoid through training or development. For example, leaders with an altruistic orientation can benefit from functional training in business administration and management (e.g., finance, marketing, operations, human resource management) to avoid the “underperformance” trap. In contrast, executives with an economist orientation can escape the “myopia” trap by gaining a broadened understanding of relevant stakeholders and developing skills or broadened perspectives in stakeholder engagement.

Yet overcoming the trust gap at the societal level to which we alluded earlier could require a different educational approach than has been provided traditionally by business schools and MBA education. In light of multiple corporate scandals and the two financial crises at the beginning of the current millennium, an intense discussion has already emerged about the shortcomings of traditional management education (Ghoshal, 2005; Giacalone & Thompson, 2006; Khurana, 2007; Mintzberg, 2004; Mintzberg & Gosling, 2002;
Pfeffer, 2005; Pfeffer & Fong, 2002). At least on the surface, one could argue that the traditional economist and even opportunity-seeking orientations may not equip current and future leaders with the ability to cope with social and environmental challenges, ethical dilemmas, and trade-off situations in a way that will strengthen the contract/trust between business and society. Certain characteristics that have been largely neglected, such as the balancing of cost-benefit analyses with intuitive thinking, reflective thinking, and so forth, seem to be required to overcome the trust gap. Accordingly, perhaps the integrator orientation might be most suitable in many contexts facing firms, particularly in those where stakeholders expect that CSP is based on broader moral principles, rather than being strictly profit-driven.

Furthermore, new developmental methodologies such as service learning are discussed (e.g., Pless et al., 2011) and used in business practice (e.g., at IBM, PepsiCo, Pfizer, and Novo Nordisk) to prepare current and future leaders for these new challenges. These new methodologies may help aspiring leaders to deal with the wider social, political, ecological, and ethical issues they face in an increasingly global society. Further research is also required to investigate alternative pedagogies for management education that can help business students prepare as potential future, responsible leaders.

**Limitations**

In the research summarized here, we applied content analysis to interviews and speeches of top executives. Statements of business leaders on social responsibility, sustainability, and ethics entail the risk that they are used for impression management and show the leaders and their organizations in an embellished light. To reduce a possible social desirability bias inherent in the data (Crane, 1999), we used at least two different data sources for each business leader/entrepreneur and controlled for the organizational context, specifically for CSR actions as reported in the media (Strike, Gao, & Bansal, 2006). Further, we systematically compared executive statements with organizational self-reports and critical media reports that were available on the Internet.

Another challenge comes with studying executives or other people in high-level positions (Hertz & Imber, 1995). In our interviews with executives, we attempted to maintain appropriate levels of control over the context and process by minimizing any possible intimidation effects that might have occurred while interacting with such individuals (Ostrander, 1995). Three steps were taken: Interviews were (1) conducted outside of the organizational context in a neutral place (e.g., restaurant or other site chosen by the researcher); (2) semistructured; and (3) conducted by two people, one of them a former senior executive.

**Conclusions**

In this article, we have mapped four responsibility orientations of leaders. We have shown that these orientations vary according to breadth of constituent group focus and degree of accountability to others (beyond shareholders/owners). Further, these differing orientations of leaders may have differential effects on decision making and the configurations of CSR policies and implementation processes in their respective firms. We suggest there is a need to understand the connection between leaders and CSR policies and implementation. Our delineation of RL orientations represents a step in that direction.

In light of multiple corporate scandals in recent years and persisting financial crises, it may be that the widespread use of traditional economic and even opportunity-seeking orientations (i.e., instrumental uses of CSR) may not be adequate to overcome the trust gap that appears to be growing in organizations, as well as in society as a whole. But we acknowledge that it remains to be demonstrated which of these alternative orientations may be most associated with firm outcomes and the narrowing of the trust gap.

**References**


## Appendix

### List of Interviews, Speeches, and Biographical Texts

<table>
<thead>
<tr>
<th>Name</th>
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<td>Laurent Abadie</td>
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<td>Richard Branson</td>
<td>Founder and chairman, Virgin Group</td>
<td>2012 (TV)</td>
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<td>Lord John Browne</td>
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<td>Patrick Cescau</td>
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<td>Yvon Chouinard</td>
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<td>Tony Hayward</td>
<td>CEO, BP</td>
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<td>Joe Madiath</td>
<td>Founder and general director, Gram Vikas</td>
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<td>Paul Polman</td>
<td>CEO, Unilever</td>
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<td>Franck Riboud</td>
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<td>T. J. Rodgers</td>
<td>CEO, Cypress Semiconductors</td>
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<td>Lee Scott</td>
<td>CEO, Walmart</td>
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<td>Jeffrey Swartz</td>
<td>CEO, Timberland</td>
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<td>Peter Voser</td>
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