This article is accepted by *Strategic Changes: Briefings in Entrepreneurial Finance* and will be published in the late 2018 or in the early 2019 in the Special Issue, the Creation of Shared Value through Business.

Shifting corporate social responsibility to corporate social opportunity through creating shared value

Hwy-Chang Moon
Seoul National University
E-mail: cmoon@snu.ac.kr

Jimmyn Parc
Sciences Po Paris & Seoul National University
E-mail: jimmynparc@gmail.com

Abstract: Porter and Kramer provided an important contribution to corporate social responsibility (CSR) theories by introducing a new concept known as creating shared value (CSV). However, the boundary between the two concepts, CSR and CSV, is not as clear as they intended. This paper advances the theory of CSV in three main ways. Firstly, this study provides a clear distinction between CSR and CSV. Secondly, a new concept, *Corporate Social Opportunity (CSO)* is introduced which can be achieved through CSV. Lastly, this paper provides a new typology for corporate social activities: *CSR for survival*, *CSR for self-satisfaction*, *CSO for reputation*, and *CSO for competitiveness*. This typology is useful in guiding corporate social activities to increase effectively both corporate and social benefits simultaneously.

Keywords: *Corporate Social Opportunity (CSO), Creating Shared Value (CSV), Corporate Social Responsibility (CSR), Competitiveness, Corporate Strategy*

1. INTRODUCTION

In recent years, there has been much discussion on the ways in which innovation can be utilized in business to tackle the serious social issues facing capitalism. This has manifested itself as an increasing demand for philanthropic activities under the term of corporate social responsibility (CSR). Although many companies have undertaken great efforts to improve the social and environmental consequences of their business as part of CSR, Porter & Kramer (2006) concluded that these efforts have not been as productive as they should have been. In this respect, Porter & Kramer (2006, 2011) dedicated their efforts toward producing a series of papers on *creating shared value* (CSV), currently one of the hottest issues in the field of contemporary business strategy.

However, despite the fact that Porter & Kramer (2011) argued that the concept of CSV is innovative and considerably different from CSR and that Porter, Hills, Pfitzer, Patscheke, & Hawkins (2016) further sought to bolster this concept, many scholars and practitioners continue to express uneasiness in distinguishing CSV from CSR. In fact, they have declared that CSV is not a new concept, but rather a different terminology (*The Economist,* 2011; Elkington, 2011; Epstein-Reeves, 2012; Crane, Palazzo, Spence, & Matten, 2014). Furthermore, the boundary between CSR and CSV is not as clear as Porter & Kramer intended. This confusion hinders the ability of innovative management to achieve an improved level of CSR. As yet few studies have sought to analyse the origins of this uneasiness and confusion.

This paper addresses this issue and examines the most relevant studies in order to analyse and compare the various concepts of CSR. Based on this analysis, this paper points out the essential problematic issues of the various concepts and sharpens the definitions of CSR and CSV. Furthermore, this paper proposes a new typology for corporate social activities. This typology possesses a clear distinction between various social activities. In this way, it can function as useful guidelines for a firm to enhance its competitiveness while supporting social benefits simultaneously.

2. ISSUES AND LIMITATIONS OF EXISTING STUDIES

Since there are a number of existing studies on CSR, this paper briefly highlights the critical points and unsolved issues of some important existing studies for their similarities and differences, particularly in relation to CSV. This comparative analysis is useful in enhancing the level of understanding on CSR and CSV. Following this analysis, this paper proposes new perspectives on different types of corporate social activities.

2.1. Porter & Kramer’s CSR and CSV

Porter & Kramer (2006) classified CSR into two types: responsive and strategic. According to their study, the motivation of responsive CSR is purely in the interests of improving reputation through such actions as being a good corporate citizen, attuning to the evolving social concerns of stakeholders, and mitigating existing or anticipated adverse effects from business activities. From a corporate perspective, responsive CSR is a cost, a constraint, or a charitable deed. Therefore, its impact is quite limited and offers little basis for achieving long-term objectives. For this reason, firms view CSR as providing little strategic benefit for their business

On the other hand, strategic CSR focuses on both social and business benefits, therefore it moves beyond good corporate citizenship. It involves both firm and society working in tandem (Porter & Kramer, 2006). Thus, strategic CSR can be a source of opportunity, innovation, and competitive advantage. It can also generate far more benefits to both business and society since the social dimension is embedded in a corporation’s core business. Table 1 provides a comparison of Porter & Kramer’s (2006) responsive and strategic CSRs, by utilizing the three criteria—*motivation, relationship with business,* and *beneficiary* (see Table 1).

Table 1. Comparison between Responsive and Strategic CSRs

		Responsive CSR	**Strategic CSR**
Motivation	Reputation, external pressure, etc.	●	
	Competitiveness		●
Relation to business	Disconnected	●	
	Connected		●
Beneficiary	Society	●	●
	Corporation		●
Overall	Zero-sum	●	
	Positive-sum		●

Porter & Kramer (2011) further explored strategic CSR and developed the concept of CSV by distinguishing the two. First, CSR activities are to improve reputation or are feel-good responses to external pressure, but CSV is to enhance the core competitiveness of a company while simultaneously advancing the economic and social conditions. Second, CSR activities tend to be more disconnected from the business objective, whereas CSV activities are more connected by reconceiving the intersection between society and corporate performance. Lastly, CSR activities are not about sharing, but more focused on redistributing profits that were already generated by firms, while CSV activities make communities healthy and successful, and the communities provide corporations with important public assets and a supportive environment. Consequentially, both society and corporations are beneficiaries. Therefore, CSR is a zero-sum game, whereas CSV is more of a positive-sum approach (see Table 2).

Table 2. Comparison between CSR and CSV

		CSR	CSV
Motivation	Reputation, external pressure, etc.	●	
	Competitiveness		●
Relation to business	Disconnected	●	
	Connected		●
Beneficiary	Society	●	●
	Corporation		●
Overall	Zero-sum	●	
	Positive-sum		●

It is interesting to compare Table 1 and Table 2. Despite various terminologies presented regarding corporate social activities, responsive CSR and traditional CSR are identical while strategic CSR and CSV are similar when compared using Porter & Kramer's criteria.

2.2. Literature of Traditional CSR

Crane et al. (2014) argued that the core premise of CSV bears a striking similarity to that of CSR, such as stakeholder management and social innovation. Furthermore, they added that this argument only holds up because Porter & Kramer interpreted the CSR literature to suit their own ends and simply repeated these works without due acknowledgement.

In this regard, by tracing the historical evolution, it becomes academically clearer to evaluate Porter & Kramer's contribution to CSR. The historical approach is important to avoid any distortion that may be caused by a concept becoming trendy during a certain period in literature as demonstrated by Amin-Chaudhry (2016). Due to limited space, this study highlights selected major contributions to the evolution of the CSR definition identified by Carroll (1999), Carroll & Shabana (2010), and several other newer sources. This paper then compares them with the three important criteria that Porter & Kramer employed to distinguish responsive CSR, strategic CSR, and CSV.

The concept of CSR has continued to develop further in significance and it is largely a product of the past half century (Carroll, 1999; Carroll & Shabana, 2010), although significant references to a concern for social responsibilities appeared during the 1930s and 1940s. Thus, it is reasonable to centre the attention on more recent concepts of CSR beginning from the 1950s in order to conduct a definitional review (Carroll, 1999).

Bowen (1953) was the most notable study in the 1950s (Carroll 1999). He defined CSR as the obligation of businesspersons to make decisions, which are desirable for the objectives and values of our society (p. 6). In this case, Bowen's initial motivation for CSR can be interpreted as a way to survive or maintain the entity as the *status quo* within the framework of social norms. This is in line with what Porter & Kramer (2006, 2011) referred to as the external pressure for CSR motivation; thus CSR activities of this kind are disconnected from the ultimate goal of business.

Davis (1960) asserted that some socially responsible business decisions can be justified through a long and complicated process of reasoning by providing a good chance to bring long-run economic gain to the firm, thus paying it back for its socially responsible outlook (p. 70). He further added that the social responsibilities of businesspersons need to be commensurate with their social power (p. 71). This motivation of CSR defined by Davis is to enhance the corporation's reputation, rather than to mitigate harm through CSR activities. Furthermore, he believed that the beneficiaries of CSR activity are not only society, but also the corporation. Therefore, his concept of CSR is close to that of Porter & Kramer's CSV in terms of the beneficiary aspect. There are other studies (e.g., Frederick, 1960) which showed a similar view to this.

On the other hand, Walton (1967) addressed the various facets of CSR and emphasized that the essence of the corporation's social responsibilities includes a degree of voluntarism, as opposed to coercion. In addition, he accepted that costs are involved for which it may not be possible to gauge any direct measureable economic returns (p.18). Thus, he saw CSR as a zero-sum game, differently from Davis (1960) and Frederick (1960). It is noteworthy that he defined voluntarism separately from coercion, often founded under external pressure, and treated it as one of the independent motivations for CSR.

As an extension of this perspective, Johnson (1971) presented several characteristics of CSR, which can be summarized as voluntarism, profit-maximization, and reputation. Although they may appear contradictory at times, they are essentially complementary ways of viewing the same reality (p. 77). This integrated view can provide a basis for understanding Porter & Kramer's CSV and its further development.

In contrast, Friedman (1970) argued that the doctrine of social responsibility involves the acceptance of the socialist view on political mechanisms, not market mechanisms. In this case, a corporation's social spending comes at the expense of its economic results. There are many other scholars who also argued that the beneficiary of corporate social activities is society rather than the corporation (e.g., Manne & Wallich, 1972; Friedman, 1970; Sethi, 1975; Jones, 1980; Carroll, 1991). These studies basically argue that CSR activities are rather disconnected from typical business activities and the only beneficiary is society.

According to *The Economist* (2011), Emerson's (2003) concept of blended value, which simultaneously pursue business profit, social benefit and environmental protection, is very similar to CSV. However, Kramer (2011) argued against these assertions and advised that CSV is driven by the creation of economic value and competitive advantage. It is measured by the economic and social value created, not by profits or social benefits alone. CSV is in fact at the core of the company's strategy rather than a peripheral modification of operations or a tangential initiative. In addition, CSV includes a proactive emphasis on innovations that enable companies to help solve social problems. Although the core concepts of Emerson (2003) and Hart (2005) are somewhat similar to Porter & Kramer (1999, 2002), which is the starting point of CSV, Porter & Kramer initiated this CSV concept earlier than Emerson and Hart. CSV is also different from CSR in that the former is a source of new competitive advantage, while the latter is more like good behaviour of the firm for society.

3. COMPARATIVE ANALYSIS BASED ON PRECEDENT LITERATURE REVIEWS

So far, this study has analysed various studies and compared them by using the three criteria of Porter & Kramer (2006, 2011). In order to highlight their own unique approach, Porter & Kramer (2006, 2011) treated motivations of existing CSR theories as one external pressure as Crane et al. (2014) insisted. However, the precedent literature clearly demonstrated the existence of different motivations, such as voluntarism, profit-maximization, and reputation, which are contradictory to what Porter & Kramer (2006, 2011) argued about CSR literature.

Furthermore, the historical analysis shows that there are two different foundations of "reputations." One is more related to mitigate harm or maintain the "reputation" for survival in the context of external social pressure as referred to by Porter & Kramer (2006, 2011). The other is to enhance the corporate image (Pérez & Rodríguez del Bosque, 2015) compared to that of its rivals. Many studies have proved that corporate social activities for reputation aimed at outperformance are very much related to a firm's positive economic performance (McGuire, Sundgren, & Schneeweis, 1988; Herremans, Akathaporn, & McInnes 1993; 1998; Orlitzky, Schmidt, & Rynes, 2003), unlike what Porter & Kramer argued about CSR, which is just to enhance reputation for survival.

Porter & Kramer's (2006, 2011) "discretionary reasons" include both philanthropic and voluntary reasons. However, the word "voluntary" is too vague, which can be further classified depending on the level of motivation, such as philanthropy and reputation. Therefore, extending the classification of motivations from two (*discretionary reasons* and *competitiveness*) to four (*external pressure, philanthropic reasons, reputation,* and *competitiveness*) is more reasonable. A comparison of the existing studies by using the three criteria of Porter & Kramer (2006, 2011) with these four new sub-categories in motivation is shown in Table 3.

Table 3. Comparison of Selected Existing Studies

		S1	**S2**	**S3**	**S4**	**S5**	**S6**	**S7**	**S8**	**S9**	**S10**
Motivation	External pressure	●									●
	Philanthropy				●	●	●	●	●	●	●
	Reputation		●	●			●		●		●
	Competitiveness										
Relation to business	Disconnected	▼	▼	▼	▼	●	○	●	●	●	●
	Connected		▼				○			○	
Beneficiary	Society	●	●	●	●	●	●	●	●	●	●
	Corporation		○	○			●				
Overall	Zero-sum	●	●		●	●		●	●	●	●
	Positive-sum		○	●			●				

Notes: 1) S1-Bowen (1953), S2-Davis (1960), S3-Fredrick (1960), S4-Walton (1967), S5-Friedman (1970), S6-Johnson (1971), S7-Manne & Wallich (1972), S8-Sethi (1975), S9-Jones (1980), S10-Carroll (1991); 2) ● means "mainly focused," ○ means "mentioned," and ▼ means "ambiguous" in the literature.

Overall, three important points can be revealed. First, when the motivations of corporate social activities are classified based on the historical approach, it can be seen that a number of studies have already referred to not only external pressure, but also to discretionary reasons (e.g., philanthropic) and reputation. However, there has been less attention on enhancing economic value and competitiveness through CSR, which can be measured by the economic and social value created, not by profits or social benefits alone. This is the contribution provided by Porter & Kramer.

4. EXTENDING PORTER & KRAMER: CSR, CSO, AND CSV

Porter & Kramer (2006) defined shared value as providing benefits for both society and the firm. In addition, they stated that creating shared value is a new way to achieve economic success; it is about expanding the total pool of economic and social values; and it consists of policies and operating practices that enhance the competitiveness of a firm. At the same time, it simultaneously advances the economic and social conditions in the communities in which it operates (Porter & Kramer, 2011).

However, Porter & Kramer (2011) described CSV across three distinctive ways toward creating economic values: (1) reconceiving products and markets, (2) redefining productivity in the value chain, and (3) enabling local cluster development. It is then clear that "shared value" is what leads to new types of "shared economic value" of business and society simultaneously. CSV, thus, should be treated as a process that results in achieving both corporate and social benefits and is not the antithesis to responsive CSR. In order to clarify definitional confusion, this paper proposes *corporate social opportunity (CSO)*.[1] This new concept seeks to generate opportunities for corporations to enhance their core competitiveness through social activities and lead to an increase in both social and corporate benefits. This term embraces the concept of strategic CSR and also extends it by putting emphasis on creating opportunities for enhancing future businesses (see Figure 1).

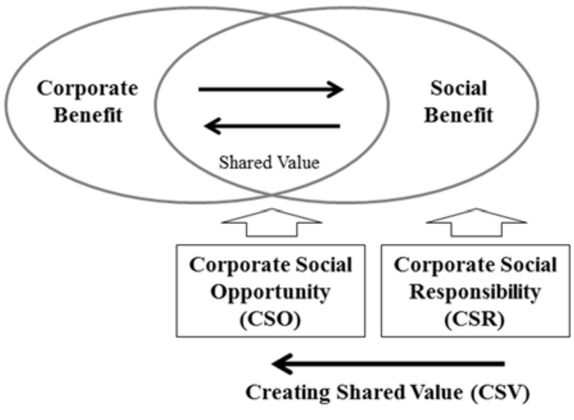

Figure 1. Comparison of CSR, CSO, and CSV

[1] An early discussion of the idea of CSR as an opportunity rather than as a cost can be found in *Corporate Social Opportunity* by Grayson & Hodges (2004). However, their perception of CSO focuses more on generating corporate benefit, rather than shared value or social benefit. Furthermore, it provides neither concrete circumstance nor specific strategies. In this regard, it is less comprehensive than this paper's concept of CSO.

The difference between CSR and CSO can be found in many examples of corporate social activities. For example, in the 1980s and 1990s, General Electric (GE) helped several underperforming public high schools in the United States with donations to each school. GE managers and employees also actively worked with school administrators to mentor students. As a result, the graduation rate doubled and GE's employees felt great pride in their participation, yet the effect of this program itself was limited (Porter & Kramer, 2006; Moon, 2012). Overall, the direct effect of this activity on the company was modest because society derived benefits from GE's social activities, but the company itself derived little. This is a typical example of CSR.

On the other hand, the same company, launched "Ecomagination" in 2005, when environmental issues became an internationally critical subject. GE had competent sectors and various advanced technologies, but lacked environmentally friendly ones. GE found that consumers were looking for cleaner, more energy-efficient products that could produce lower emissions. Since 2005, GE has been using its unique capabilities to develop solutions and establish partnerships with customers and its global subsidiaries to tackle more pressing environmental challenges (Moon, Parc, Yim, & Park, 2011; Moon, 2012). Through these activities, GE has improved its energy efficiency, environmental performance, and sales of GE's Ecomagination products, as well as boosted its own environmentally friendly image. GE's Ecomagination is a good example of CSO that benefits both the firm and society.

5. A NEW FRAMEWORK: FROM CSR TO CSO[2]

There still remains an issue concerning the confusing identification of Porter & Kramer's CSR motivations. In order to solve this problem, this paper revises the concept of CSV and suggests a new framework. For a better understanding, real-world examples of corporate social activities are presented; in particular, this point of view focuses on the three criteria of Porter & Kramer (2006, 2011). Since CSR and CSO are fundamentally different, they have varying attributes in terms of motivation, relationship of corporate social activities to business, beneficiary, and overall effects. The analysis in this section is on these attributes

From the historical analysis, we can see that CSR activities, with external pressure and philanthropic motivations, are more disconnected from their core business. The result is

[2] An early concept of this framework was initially explored by Moon (2012).

that society tends to be the only beneficiary, thus the overall effect is zero-sum. From the corporate perspective, external pressure is more related toward mitigating harm or maintaining the reputation in order to survive. Under this situation, the motivation of the firm's social activity is survival-oriented, which Porter & Kramer referred to as "reputation." This CSR for survival offers little benefit to the company's core competitiveness. This paper names it as *CSR for survival*, which is in line with Bowen (1953) and Carroll (1991).

Examples of CSR for survival include the actions performed by several companies, such as Nike, Shell, and McDonald's in the 1990s. Nike's sweatshop scandal was the subject of more than 1,500 news articles and opinion columns, and its stock price fell dramatically. Shell was faced with public controversies over its links to the Nigerian military and its efforts to sink the Brent Spar oil rig at sea. Similarly, McDonald's became embroiled in the 313 day "McLibel" trial in the United Kingdom, during which many issues such as food poisoning and bogus recycling claims were publicly discussed (Fahy, 2000). They all had to rely upon a substantial amount of CSR activities in order to survive.

The second motivation for CSR activities is the philanthropic one, which is different from external pressure. For example, Ben & Jerry's and the Body Shop are well-known for their unique long-term commitment to social responsibility. For many years, Ben & Jerry's donated 7.5 percent of its annual pre-tax profits to charitable causes, which was the highest percentage among publicly-held companies (Cohen & Greenfield, 1997). On top of this, its famous product, "Peace Pops" served as a marketing tool for the company, providing information on the "One Percent for Peace" campaign (Moon et al., 2011).

The Body Shop has taken on sensitive social issues such as human and civil rights, environmental responsibility, and animal welfare, which directly reflect the company's vision. The company has long been raising awareness of the issues surrounding HIV, AIDS, and sex trafficking (The Body Shop, 2016). However, none of their CSR activities are directly related to their core business competences or their products. The intention of such corporate vision may be notable but it cannot be sustainable without strengthening the firm's performance in the long run. Their CSR is based neither on corporate nor on (directly related) social benefits, but rather on the CEO's personal preferences or values: in the case of the Body Shop, a human rights activist and for Ben & Jerry's, a social activist. It was, however, difficult to measure the business benefits of these socially positive activities until Ben & Jerry's and the Body Shop were taken over by Unilever and L'Oréal, respectively, after management difficulties (Moon, 2012).

These activities differ from both CSR for survival and CSO, since they did not respond to external pressure nor did they create corporate and social benefits simultaneously. In general, it was more for the managerial staff's self-satisfaction. This genre of CSR was discussed by Walton (1967), Johnson (1971), Friedman (1970), Manne & Wallich (1972), Sethi (1975), Jones (1980), and Carroll (1991). This paper refers to this type of CSR as *CSR for self-satisfaction*. This is a more advanced type than CSR for survival, but does not directly provide benefits for the corporation's business activities.

Aside from these CSR activities, there is CSO in which social activities are linked directly to the firm's performance and operation. There are two types of CSO: one is for reputation and the other is for competitiveness. What Porter & Kramer (2006, 2011) failed to distinguish is "reputation" that enhances image for outperformance, generating corporate profit in the end as well as helping society, which is very different from CSR for survival. Therefore, this category of CSR activity should be treated as opportunity (CSO), rather than responsibility (CSR). This CSO is reputation-oriented, conducted voluntarily by corporations as opposed to being necessitated by external pressure. In reality, companies actually practice this strategy to increase their corporate image, which is missing in Porter & Kramer. This *CSO for reputation* is in the same vein with Davis (1960), Frederick (1960), Johnson (1971), Sethi (1975), and Carroll (1991).

For instance, the American fast food restaurant franchise SUBWAY is a good example of the CSO for reputation. SUBWAY focuses on "health" and sponsors the American Heart Association's programs such as "Heart Walks, Hoops for Heart," and "Jump Rope for Heart," and the restaurant franchise supports "life-saving heart and stroke research" (SUBWAY, 2012). By conducting these campaigns, SUBWAY has acquired the image of "healthy fast food," and SUBWAY has been ranked the top fast food franchise for many years (Entrepreneur, 2015). As a result, these CSO activities enhanced both social and corporate benefits.

The final stage is the *CSO for competitiveness* which is similar to Porter & Kramer's (2006, 2011) concepts of "strategic CSR" or "CSV." It goes beyond increasing corporate image, and these social activities by firms are conducted to increase corporate and social benefits simultaneously and to enhance the corporation's core competitiveness. In order to achieve CSO for competitiveness, corporations should take step-by-step CSV guidelines: (1) defining core competence, (2) redefining productivity in the value chain, (3) reconceiving comprehensive targets, and (4) enabling local or global cluster development (Moon *et al.,* 2011), which are revised and extended from Porter & Kramer (2011).

A good example of CSO for competitiveness is Microsoft which faced a shortage of IT workers that were necessary for the company's growth. Microsoft recognized that community colleges had difficulties in producing quality IT experts. To solve these difficulties, Microsoft contributed financially, together with the provision of computers and software programs. Furthermore, the company sent employee volunteers to help community colleges with curriculums and faculty development. As a result of these efforts, many of the trained graduates from these schools were hired by Microsoft and other IT firms (Porter & Kramer, 2006; Moon *et al.,* 2011; Moon, 2012).

The four types and their distinctive features of corporate social activities are summarized in Table 4. This framework is easy yet useful to compare and evaluate CSR/CSO activities of corporations and other organizations.

Table 4. New Classification of Corporate Social Activities

		CSR		CSO	
		for Survival	**for Self-satisfaction**	**for Reputation**	**for Competitiveness**
Motivation	External pressure	●			
	Philanthropy		●		
	Reputation			●	
	Competitiveness				●
Relation to business	Disconnected	●	●	○	
	Connected			●	●
Beneficiary	Society	●	●	○	●
	Corporation			●	●
Overall	Zero-sum	●	●		
	Positive-sum			●	●

Note: ● means "mainly focused," and ○ means "mentioned."

To sum up, there are two corporate social activities, CSR and CSO, and CSV is a process to reach CSO from CSR. CSR is a traditional concept for philanthropic purposes. In accounting terms, the resources they use are marked as the company's expenses. On the other hand, CSO is a new concept and an integral effort to create corporate and social benefits simultaneously. This requires a long-term investment rather than a mere one-time expense, and the expected future benefit will be greater than the current investment the firm can make.

6. DISCUSSION

CSR has two distinctive stages categorized by motivation: CSR for survival and CSR for self-satisfaction. CSR for survival is passive from a corporate perspective and its strategy is relatively simple. Hence, the balance sheet of corporate benefit vis-à-vis corporate expense is a loss, rather than a gain. Alternatively, CSR for self-satisfaction starts with a willingness to act through a more sophisticated strategy; it is, however, still an expense for the corporation. These types of CSR are disconnected from the company's core competence, and do not impact substantially on the corporation or society. Specifically, it does not take into account the corporation's core business which is to create—both tangible and intangible—values.

CSO is a higher and more sophisticated level of creating values, a new form of thinking, and a new approach that allows corporations to increase both corporate and social benefits. CSO for reputation is different from CSR in the sense that it focuses more on corporate benefit rather than just helping society. Nonetheless, it is rather short-term oriented and does not directly relate to its core business.

By contrast, CSO for competitiveness is the form of social activity that can enhance the true competitiveness of the business. CSO for competitiveness will be more sustainable because the firm enhances its competitiveness by upgrading its business through CSV, while CSO for reputation will be more short-lived because its social activities do not enhance the firm's true competence. As a result, a clear typology regarding corporate social activities can be drawn by the level of strategy complexity and the level of corporate benefit. Through these refined types of creating a shared value, corporations can easily develop from CSR for survival to CSO for competitiveness (see Figure 2).

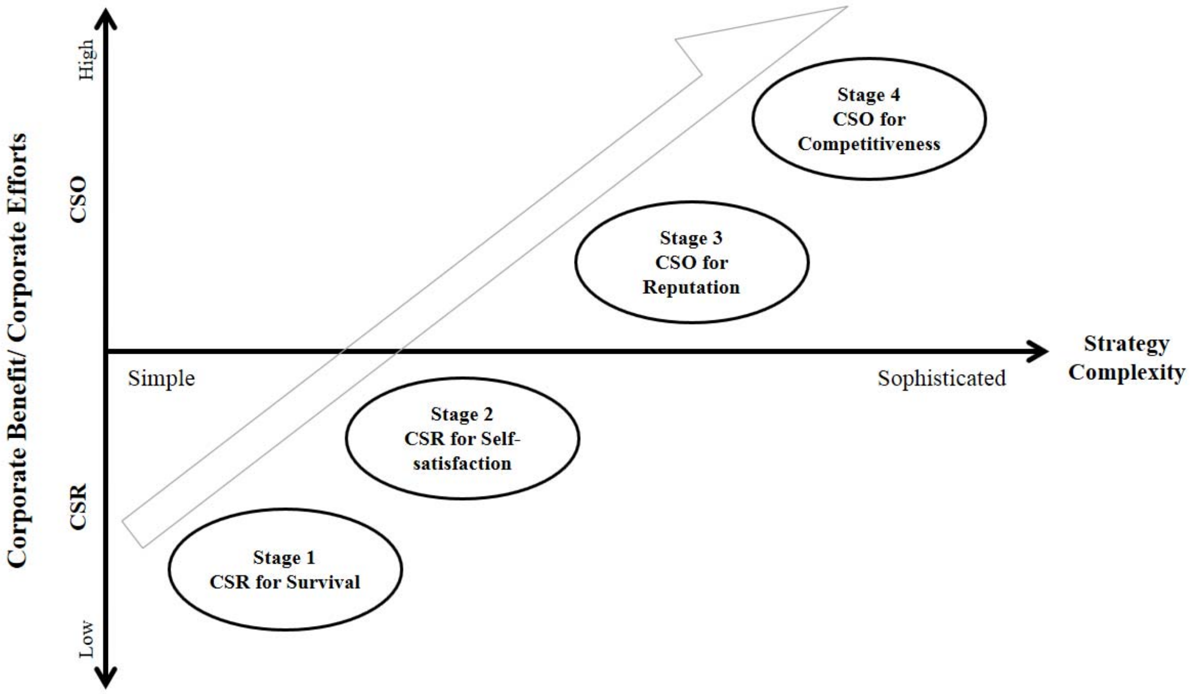

Figure 2. Typology of Four Social Activities: From CSR to CSO

So far many empirical tests show drivers and different results regarding the benefits or advantages of CSR activities on the corporation; some prove they are positive, others are not. With the new typology presented in this paper, it can be inferred that these opposing results are due to a lack of appropriate categorization of various corporate social activities. By incorporating this new typology of corporate social activities, rigorous studies can be further developed and allow us to examine their true impact on the firm and society.

7. CONCLUSION

Porter & Kramer's (2011) CSV provided a strategic view on how to think about the role of the corporation in society and its core purpose in order to achieve corporate and social benefits together. This new concept is appealing, however, there are some unsolved issues such as terminologies, definitions, and their impacts. In practice, this obscurity hinders the ability of corporations to formulate effective management strategies. Thus, this paper provided a clear distinction among important concepts of corporate social activities: from responsibility (CSR) to opportunity (CSO) through CSV, and suggests important strategic implications. Specifically, the contributions of this paper can be summarized as follows.

First, this paper examined and redefined the concepts of CSR. Second, by examining the evolution of CSR and the literature of CSV, this paper provided a new concept of CSO, to create opportunities through creating and developing shared values between the firm and society. Third, this paper introduced a new typology of four social activities based on an in-depth analysis using a historical approach: CSR for survival, CSR for self-satisfaction, CSO for reputation, and CSO for competitiveness.

This classification is useful in ways that we can easily understand and explain how the studies on CSR have evolved and how firms have in fact been pursuing their social activities in the real business world. The categorization of corporate social activities, by motivations, relationship with the firm's business, and the impact on beneficiaries, can also provide corporations with guidelines to evaluate their current social activities for more effective solutions.

Contributing to society is not simply a charitable gesture but can be a profit generating activity when utilized with an appropriate strategy. This means that companies should attempt to move from "good corporation" to "smart corporation." Society should also recognize that corporations are the organizations that create values in collaboration rather than just offering away some of their profits to society. When both corporations and society realize this mutually beneficial role, we can develop a virtuous cycle of increasing the benefits for both corporations and society.

References

Amin-Chaudhry, A. (2016). Corporate social responsibility – from a mere concept to an expected business practice. *Social Responsibility Journal*, 12(1), 190-207.

The Body Shop. 2016. March 5. http://www.thebodyshop.co.uk/values/campaigns.aspx.

Bowen, H. R. 1953. *Social responsibilities of the businessman*. New York, NY: Harper&Row.

Carroll, A. B. 1979. A three-dimensional conceptual model of corporate social performance. *Academy of Management Review*, 4: 497-505.

Carroll, A. B. 1991. The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, July-August, 39-48.

Carroll, A. B. 1999. Corporate social responsibility. *Business & Society*, 38(3): 268-295.

Carroll, A. B., & Shabana, K. M. 2010. The business case for corporate social responsibility: A review of concepts, research and practice. *International Journal of Management*

Reviews, 12(1): 85-105.

Cohen, B., & Greenfield, J. 1997. *Ben & Jerry's double-dip: Lead with your values and make money, too*. New York, NY: Simon & Schuster.

Crane, A., Palazzo, G., Spence, L. J., & Matten, D. 2014. Contesting the value of 'creating shared value'. *California Management Review*, 56(2): 130-153.

Creech, H., & Willard, T. 2001. *Strategic intentions: Managing knowledge networks for sustainable development*. Winnipeg, Canada: International Institute for Sustainable Development.

Davis, K. 1960. Can business afford to ignore social responsibilities? *California Management Review*, 2: 70-76.

The Economist. 2012. Schumpeter: Oh, Mr Porter. March 10, July 9, 2016. http://www.economist.com/node/18330445.

Emerson, J. 2003. The blended value proposition: Integrating social and financial returns. *California Management Review*, 45(4): 35-51.

Elkington, J. 2011. Don't abandon CSR for creating shared value just yet. *The Guardian*. May 25, July 4, 2016. http://www.theguardian.com/sustainable-business/sustainability-with-john-elkington/corporate-social-resposibility-creating-shared-value

Entrepreneur. 2015. January 27, 2016. http://www.entrepreneur.com/franchise500/index.html.

Epstein-Reeves, J. 2012. What Is 'creating shared value'? *Forbes*. June 4, August 23, 2016. http://www.forbes.com/sites/csr/2012/06/04/what-is-creating-shared-value/.

Fahy, J. 2000. No logo. *Journal of Marketing*, 64(3): 115-115.

Frederick, W. C. 1960. The growing concern over business responsibility. *California Management Review*, 2: 54-61.

Friedman, M. 1970. The social responsibility of business is to increase its profits. *The New York Times Magazine*. September 13, December 29, 2015. www.colorado.edu/studentgroups/libertarians/issues/friedman-soc-resp-business.html.

Grayson, D., & Hodges, A. 2004. *Corporate social opportunity*. Sheffield. UK: Greenleaf Publishing.

Hart, S. L. 2005. *Capitalism at the crossroads: The unlimited business opportunities in solving the world's most difficult problems*. Upper Saddle River, NJ: Pearson Education.

Herremans, I. M., Akathaporn, P., & McInnes, M. 1993. An investigation of corporate social responsibility reputation and economic performance. *Accounting, Organizations and*

Society, 18, (7-8): 587–604.

Husted, B. W., & Allen, D. B. 2000. Is it ethical to use ethics as strategy? *Journal of Business Ethics*, 27, (1-2): 21–31.

Husted, B. W., & Allen, D. B. 2006. Corporate social responsibility in the multinational enterprise: Strategic and institutional approaches. *Journal of International Business Studies*, 37: 833-849.

Jones, T. M. 1980. Corporate social responsibility revisited, redefined. *California Management Review*, Spring: 59-67.

Johnson, H. L. 1971. *Business in contemporary society: Framework and issues*. Belmont, CA: Wadsworth.

Jonker, J., & De Witte, M. 2006. Finally in business: Organising corporate social responsibility in five. In J. Jonker, & M. De Witte (Eds.), *Management models for corporate social responsibility*: 1-9. Heidelberg, Germany: Springer.

Kotler, P., & Lee, N. 2005. *Corporate social responsibility: Doing the most good for your company and your cause*. Hoboken, NJ: Wiley.

Kramer, M. 2011. Blog answer on social impact blog: CSV Vs. sustainability: The debate continues, December 28, 2015. http://www.fsg.org/KnowledgeExchange/Blogs/SocialImpact/PostID/111.aspx.

Manne, H. G., & Wallich, H. C. 1972. *The modern corporation and social responsibility*. Washington, DC: American Enterprise Institute for Public Policy Research.

McGuire, J. B. *Business and society*. 1963. New York, NY: McGraw-Hill.

McGuire, J. B., Sundgren, A., & Schneeweis, T. 1988. Corporate social responsibility and firm financial performance. *Academy of Management Journal*, 31(4): 854-872.

Moon, H. C. 2012. *Good to smart*. Seoul, Korea: Rainmaker (*In Korean*).

Moon, H. C., Parc, J., Yim, S. H., & Park, N. 2011. An extension of Porter and Kramer's creating shared value (CSV): Reorienting strategies and seeking international cooperation. *Journal of International and Area Studies*, 18(2): 49-64.

Orlitzky, M., Schmidt, F. L., & Rynes, S. L. 2003. Corporate social and financial performance: A meta-analysis. *Organization Studies*, 24(3): 403-441.

Pérez, A., & Rodríguez del Bosque, I. 2015. How customers construct corporate social responsibility images: Testing the moderating role of demographic characteristics. *BRQ Business Research Quarterly*, 18(2): 127-141.

Porter, M. E. 2011. Creating shared value: Redefining capitalism and the role of the corporation in society. FSG CSV Leadership Summit, March 7, 2016. http://www.hbs.edu/faculty/Publication%20Files/2011-0622_Unilever_CSV_173ad79a-4d30-4726-ae7e-9f7febca5e85.pdf.

Porter, M. E., & Kramer, M. R. 1999. Philanthropy's new agenda: Creating value. *Harvard Business Review*, 77(6): 121-130.

Porter, M. E., & Kramer, M. R. 2002. The competitive advantage of corporate philanthropy. *Harvard Business Review*, 80(12): 56-69.

Porter, M. E., & Kramer, M. R. 2006. The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 84(12): 78-92.

Porter, M. E., & Kramer, M. R. 2011. Creating shared value. *Harvard Business Review*, 89(1/2): 62-77.

Porter, M. E., Hills, G., Pfitzer, M., Patscheke, S., & Hawkins, E. 2016. Measuring shared value: How to unlock value by linking social and business results, June 21. https://sharedvalue.org/sites/default/files/resource-files/Measuring_Shared_Value.pdf.

Schwartz, M. S., & Carroll, A. B. 2003. Corporate social responsibility: A three domain approach. *Business Ethics Quarterly*, 13(4): 503-530.

Sethi, S. P. 1975. Dimensions of corporate social performance: An analytic framework. *California Management Review*, 17: 58-64.

SUBWAY 2012. About us, March 5. https://www.subway.com/subwayroot/about_us/PR_Docs/AHAHeartCheck.pdf.

Vilanova, M., Lozano, J. M., & Arenas, D. 2009. Exploring the nature of the relationship between CSR and competitiveness. *Journal of Business Ethics*, 87: 57–69.

Walton, C. C. 1967. *Corporate social responsibilities*. Belmont, CA: Wadsworth.