

## Exploring the Compatibility of Ethics and Strategy Research

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**Abstract:** The acceptance of the "instrumental stakeholder" model by many business & society scholars creates opportunity for inter-paradigmatic theory development, for example between business ethics and strategy. Strategic behavior by firms in the social and political environment is an empirical fact, and at the same time objectionable to some business & society scholars. This workshop session will consider the possible linkages between emerging research streams in both ethics and strategy, discuss normative and practical conflicts, and identify theoretical approaches to increased integration.

In recent years, the business and society field has progressively split along several dimensions, as evidenced by the creation of a separate division in the Academy of Management dealing with "Organizations and the Natural Environment," the work of many organizational behavior scientists working on corporate citizenship, and the work of business-government theorists who may better identify with colleagues in strategic management. What each of these groups of scholars shares in common is an interest in the instrumental aspects of stakeholder theory (Jones, 1995). In other words, they are all concerned with how corporate environmental, political, and social policy affects firm economic performance.

Certainly, some scholars within the mainstream of business and society research also utilize this instrumental orientation (Waddock & Graves, 1997; Griffin & Mahon, 1997; Burke & Logsdon, 1996). However, others have expressed concern that firms should be altruistic, rather than strategic in their approach to social responsibility and business ethics (Bowie, 1991; Evan and Freeman, 1988). Case studies and empirical articles documenting firm behavior in the nonmarket environment (Baron, 1997; Shaffer, Quasney & Grimm, 2000) also raise fundamental questions of positive versus normative theories. To maintain credibility with our students and colleagues when we discuss *what should firms do?*, we must also consider *what are firms doing?*