Business firm Societal Responsibilities in the public mind: Public Attitudes in a Swedish context

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Abstract

Public debates around the socio-economic order of market capitalism have been revitalized within the mainstream against the backdrop of growing inequality and recent financial crisis. The issue on how business firms are to properly organized and institutionalized as part of society is central to such debates, involving debates on proper business strategies (“shareholder business model” vs. “stakeholder business model”) and the desirability of various forms of “Corporate Social Responsibility”. Despite the lively public debates on these issues, very little is known on the basis of empirical research what “ordinary people” actually take to be the responsibilities of firms as part of societal arrangements. This objective of this paper is to rectify this knowledge gap by exploring public attitudes toward business firms’ societal responsibilities.

The study focuses on the Swedish context which, from a historical perspective, has been characterized by a “stakeholder business model”, rooted in a societal compromise of conditional cooperation between social groups (the social classes in particular) on issues of socio-economic organization, settled at the “societal level”. From such a perspective, it is interesting to study to what extent there is consensus about certain normative standards of proper business behavior as part of a “Swedish model”. Moreover, the political climate embedding the societal compromise in Sweden is founded on the notion that social groups have both mutual and conflicting interests. From such a perspective, it is interesting to explore to what extent attitudes on proper business organization vary across social groups.

The study utilizes survey data containing a sample of the Swedish population active within the labor market, collected in 2011. The dataset is unique in its qualities since it involves questions on a wide-range of potential business responsibilities; involving profit making, law-abidingness, product quality and innovation, working conditions, employment, environmental sustainability, and charity work.

The empirical results demonstrate strong consensus around the desirability of a “stakeholder business model” in which the spirit of profit making gets embedded within concerns for the well-being of employees, consumers, and the environment. The study also finds distinct group differences in attitudes. In particular, it is found that social groups equipped with less marketable resources are more inclined to ascribe firms with obligations for providing jobs. Social groups with considerable marketable resources are instead more inclined to ascribe firms with obligations to exploit economic opportunities in the market. The collected results coming out of this article thus support a theoretical approach which treats the economy as a negotiated order characterized by both cooperation and conflict.
Introduction

Public debates around the socio-economic order of market capitalism have been revitalized within the mainstream against the backdrop of growing inequality and recent financial crisis (e.g. Financial Times 2012). The issue on how business firms are to properly organized and institutionalized as part of society is central to such debates, involving debates on proper business strategies (“shareholder business model” vs. “stakeholder business model”) and the desirability of various forms of “Corporate Social Responsibility” (CSR). This objective of this paper is to explore what “ordinary people” take to be the responsibilities of business firms, an empirical endeavor which has not been given proper attention in previous research. How the societal responsibilities of business firms are to be understood and defined is by its very nature a contested terrain where different ideologies clash. Public opinion on business firm organization is therefore likely to demonstrate considerable variation within a population. This study hypothesizes that such variation is systematic in kind, varying across social groups. The study utilizes survey data containing a sample of the Swedish population active within the labor market, collected in 2011. The dataset is unique in its qualities since it involves questions on a wide-range of potential business responsibilities; involving profit making, law-abidingness, product quality and innovation, working conditions, employment, environmental sustainability, and charity work. All in all, by providing an innovative analytical framework derived from political sociology (cf. Svallfors 2006, 2007), this article lends a useful injection into both academia and public debates on how to locate the societal responsibilities of business firms, while simultaneously depicting social cleavages within this contested terrain.

Theoretical framework

Business firms and market mechanisms are central organizational forms channelizing the spirit of profit making inherent to market capitalism as a social order (Ingham 2008; Crouch & Streeck, 1997; Swedberg 2003). Such organizational forms are not spontaneous in kind but are rather forged through “formal rules, compliance procedures, and standard operating practices” (Hall 1992: 96), i.e. institutions. These institutions come into practice as part of political-historical processes, as reflected in the empirical fact that there is considerable variation across societies – in space and time– in how both business firms and markets are organized as part of the society (Crouch & Streeck 1997; Hollingsworth & Boyer 1997; Whitley 1999; Hall & Soskice 2001; Gospel & Pendleton 2004; Jackson & Deeg 2008). Societal solutions to issues of business firm organization impact the distribution of risks and resources between social groups in a society, and thus also channelize economic conflict between social groups. The institutionalization of business firm organization is thus settled as part of socio-political compromises between multiple social groups or “stakeholders” with partly conflicting
economic interests (Aguilera & Jackson 2003; Roe 2003; Gospel & Pendleton 2004; Sjöberg 2009). Moreover, human action is not only guided by self interest but also by moral concerns (Mau 2006). Besides channelizing economic interests, societal institutions thus also function as “mediators and facilitators of moral points of view” (Mau 2006:469; Rothstein 1998). One can thus speak of a “moral dimension” (Etzioni 1988) inherent to business firm organization, expressed in normative standards which economic decisions within firms have to incorporate (Höpner 2007). Such normative standards are forged as part of a more general “moral economy” “in which the mutual rights and obligations of the governed and the governing are collected and condensed” (Svallfors 2006:1).

The topic of investigation within this article is the normative standards people ascribe to business firm organizations – i.e. which tasks “ordinary people” think that business firms should give priority if to be considered legit as part of societal arrangements? This topic is made interesting due to the fact that one can expect such normative standards to vary across individuals and social groups within a population. This follows from two main observations. First, putting a glance at both political philosophy and empirical cross-national comparative research suggest there being multiple possible ways of organizing business firm as part of society. Secondly, business firms compose elements of stratification and social conflict, and different forms of business organization are thus likely to appeal to different social groups. Likewise, one can expect social groups to vary in the extent to which they perceive their various interests and values to be acknowledged and addressed within the context of an actually existing business regime. The “moral economy“ of business firm organization are thus likely to be stratified in the sense that different social groups develop different notions how business firms are to operate as part of societal arrangements (cf. Svallfors 2006:2).

**Disputes in contemporary debate**

What ideological disputes are there when it comes to the issue of proper business firm organization? One prominent debate concern the desirability of different “business models”, a central ideological cleavage being struck between proponents of the “shareholder business model” and the “stakeholder business model” respectively.

The “shareholder business model” involves that the business firm being organized around market relationships, founded on the notion that firms become effective by being highly responsive to market dynamics. This business model is thus founded on the “theory of the market”; building upon the famous “invisible hand” argument of Adam Smith (1976) which stresses that public virtue is brought about by private vices. According to this perspective, a socioeconomic order consisting of multiple business firms, each seeking to realize its self-interest through the objective of profit making generates the greatest welfare for society as a whole due to the forces of competition. Profit
maximization thus functions as a compass which, in a competitive environment, leads individual business firms to unintentionally create the greatest good for society as a whole as resources are allocated efficiently throughout the economy. Enterprises should thus adopt a business strategy which involves maximizing shareholder value as dictated by the stock market, and where firm relationships to employees and consumers take the form of market-based contractual relationships. Overall this model thus stresses profit maximization as the superior objective of the business firm, and with the additional specification that take focus on a typical kind of profitability: namely that of short-term shareholder value maximization.

In the last decades, the “shareholder business model” has strengthened its penetrating force in most market capitalist societies, especially within the Anglo-Saxon countries (Lazonick & Sullivan 2000; Glyn 2006; Streeck 2011). However, the form of orientation to profit making encapsulated within the “shareholder business model” is currently exposed to considerable criticism against the backdrop of recent financial crisis (with its aftermath of state fiscal crisis). Academics have argued that the shareholder business model encapsulate a form of unhealthy “short-termism” that are detrimental to long-term socio-economic development (e.g. Vitols & Kluge 2011). Such arguments are also increasingly being put forward within mainstream public debate as part of discussions depicting contemporary market capitalism as facing serious legitimacy issues (see e.g. Financial Times 2012).

The organization form proposed as an alternative to intensified “financialization” is typically some form of “stakeholder business model”, involving the notion that the business firm should be organized more as a collective enterprise, rooted in a form of strategic cooperation between multiple stakeholders (in particular large capital owners, management, and employees) which are not reducible to – or specified as – market relationships (i.e. economic contracts) (cf. Vitols & Kluge 2011).

Sweden is a society which, from a historical perspective, has been characterized by a stakeholder business model, rooted in a “social compromise” of conditional cooperation between social groups (the social classes in particular) on issues of socio-economic organization, settled at the “societal level”. This “compromise” has come to involve a business model taking a “high-road” to capitalism based on “diversified quality production”, rooted in considerable human capital investments and where profitability are assessed within the long-term (Pontusson 1997). While Sweden do not practice economic democracy (an order that has not been questioned in the mainstream since the liquidation of the share-levy plans during the eighties), Sweden is characterized by considerable industrial democracy: Employees are represented within the board of directors; have significant work autonomy; and there are regulations of health and safety in the workplace.
There is, however, an ongoing debate in Sweden – as elsewhere – concerning the extent to which the Swedish business model is about to change, and, if it is, what the consequences are likely to be of such a transformation. A recent contribution to such debate comes from P.G. Gyllenhammar, CEO for the Volvo Company between 1971 and 1990, fleshed out in a polemical article in the business newspaper Dagens Industri:

“In terms of goals and values, we have witnessed a crude new-capitalism. The driving force has been money as the overall goal. This short-termism has reduced investments for future competitiveness, but also hollowed confidence in business among the public, politicians and in some cases also among employees. Values and goals which always, in my opinion, hold, is to care for all stakeholders, that is customers, employees, the societies in which the firm operates and of course stockholders. Also owners should experience great joy from their firms being respected, having the ability to compete via investments for the future, and by having employees that are proud and motivated. When it comes to the customer, it should go without saying that the goods and services that are offered should have the qualities that the customer has the right to expect. The best guarantee for this is a staff that is well-educated and has a work with dignity”. (Gyllenhammar, P.G., 2011 [Nov 17], Dagens industri. Translated by author)

This quote gives a very significative example of typical arguments put forward in debates, where it is argued that objectives of short-term profit maximization has erased old business values of far-sightedness and stakeholder cooperation. Very interestingly, it is also stated explicitly that such transformations are detrimental to business legitimacy. In relation to such statements, it seems to be an interesting research question to explore what the public take to be normative standards inherent to a legit business model. Are people embracing the values and goals inherent to a “shareholder business model” or are people rather supporting a stakeholder approach to business making? Is it really the case that current developments give rise to serious legitimacy issues?

Another topic of debate concerns the desirability Corporate Social Responsibility (CSR). Like the “stakeholder criticisms” of financial capitalism, proponents of CSR also call into question the treatment of short-term profit maximization as the primary business objective. However, whereas the “stakeholder approach” is primarily structured around the issue of effective business strategy and the notion of whether different social groups invested in the firm gets its fair share, CSR discourse argue for firms to take “social” responsibilities that stretches beyond conventional business motives. As such, it involves treating firms as responsible for providing social and public goods which are not profitable or effective for the survival of the individual firm in an immediate sense. From an economic-theoretical standpoint, measures for CSR are typically motivated against a notion of actually existing markets are characterized by various forms of “market failure”, involving that certain goods and functions (human or environmental) are not priced properly, due to “markets” being characterized by monopoly situations or externalized costs. As a consequence, it is argued that conventional business strategy, oriented around profit maximization, does not necessarily add up to
efficient resource utilization throughout society as a whole. By business firms adopting certain morals that restrain enterprises from exploiting such “market failure”, any “negative externalities” are lessened and, as a result, social welfare are able to increase for society as a whole. Moreover, CSR is often argued as desirable from a moral standpoint, involving the argument that it is of value in and of itself that all “stakeholders” affected by firm activity – also those without power resources to promote its cause – are acknowledged with an immediate say in business affairs. In effect, profit making should not be given complete priority above other organizational objectives.

By calling into question the virtue of profit making as a driving motive of economic production and exchange, CSR has also come to be exposed to considerable ideological criticism. Pro-market theorists argue that economies in which business firms adopt other objectives than immediate profit making are characterized by “misguided virtue” as the virtue of the invisible hand is constrained, resulting in sub-optimal economic performance (Henderson 2001). Adopting pursuits other than profit making is also put forward as immoral in the sense that the provision of “public goods” is argued to be the responsibility of a democratically elected government. Friedman (1970) thus drew the famous conclusion that the “social responsibility of business is to increase its profits” within the constraints set up by rule of law. Up to date, very little is known on the basis of empirical research to what extent “ordinary people” expect business firms to be “socially responsible”. This lacuna of knowledge is quite surprising, given that appeals to various forms of “public demands” are at the core of CSR discourse. This article thus seeks to take initial steps for remedying this lack of knowledge.

The Swedish context make up an interesting case for studying public opinions toward the desirability of CSR since, from a historical perspective, institutional “social responsibility” has been a responsibility attributed to the state, providing active labor market policy and extensive social welfare policy, while business firms have been freed from such “social” obligations, instead being oriented toward economic productivity and profitability (De Geer et al. 2009; Åmark 1991). Such a historical legacy could lead one to expect that demands for social responsibility would be rather weak in a Swedish context. However, there are currently indications of CSR discourse searching itself into Swedish public debates, typically as part of critiques against the system characteristics of contemporary market capitalism (e.g. Svenskt näringsliv 2008; UNIONEN 2011; Almgren et al. 2009; Eklund 2012).
Attitudes as rooted in social structure

According to common wisdom in sociology, notions of societal institutions do not evolve in a vacuum but, rather, are nurtured from within particular locations within the social structure. There are no reasons to believe that attitudes toward firm responsibilities should be an exception. To the contrary, as market capitalism is a socio-economically stratified order and the business firm a fundamental organizational form within this economic structure, notions on how to properly organize firms should be influenced by location within socio-economic structure. Social class is thus likely to be important for explaining attitude differences (Svallfors 2006; Wright 1997; Oesch 2006). For example, owners of capital resources are likely to pursue different interests than workers in relationships to the business firm. As residual claimants, capital owners are likely to embrace profitability as a business objective whereas workers cherish job security, human capital refinement and work autonomy.

One can also expect attitude differences within the heterogeneous group of workers. In this regard, one can expect that social groups with marketable resources and low risk-exposure (e.g. for unemployment) are relatively positive toward business firms being organized on the basis of market relationships and in accordance with principles of “market justice”. Social groups which lack marketable resources and which are considerably exposed to socio-economic risks are, on the other hand, likely to be more inclined to prefer the firm being organized as a societal enterprise in accordance with principles of “social justice”. Taking this analytical perspective thus functions as to unite survey-based attitude research with research approaching business firm organization from a political economy perspective (cf. Streeck 2011).

Besides highlighting a political dimension inherent to “shareholder vs. stakeholder” debates, this analytical perspective also highlights CSR as a contested terrain, political in kind. Arguments for CSR are usually motivated by reference to vaguely defined “general interests”. This article oppose such an apolitical take on business firm organization and instead treats the issue of CSR – and the issue of business firm institutionalization more generally – as a contested terrain in relationship to which different ideologies, rooted in social structure, clash against each other (Crouch 2011; Okoye 2009, Aguilera et al 2007). Different social groups can thus be hypothesized to have somewhat different understanding on which normative standards that fall under the umbrella term of “Corporate Social Responsibility”.

Data and variables

The data used in this study are taken from the Employment, Material Resources, And Political Preferences survey (EMPRAPP), collected in late 2011 and involving a sample representative of the Swedish population aged 25-64. At the stage in time when this particular draft is finalized (Feb 2012), data on occupational position (ISCO) has not yet been added to this dataset. Therefore, for this particular draft, we have been forced to delimit the analysis to individuals currently active on the labor market since for people active within the labor market, there is additional information on employment positions which can be deployed to construct a reasonably good “proxy” for socioeconomic class position. The resulting working sample upon analysis is made contain 2200 individuals.

The essential variable underlying this study is that measuring attitudes toward business firm societal responsibility. The wording of the particular survey item is the following:

There are different opinions about which tasks private firms should prioritize in order to be considered “doing the right thing”. A number of tasks are listed below. Specify for each of them if you think that a private firm in general should give priority to the task or not.

- a. Follow the rule of law
- b. Contribute to public goods through taxes and fees
- c. Make as much money as possible
- d. Offer goods and services of highest possible quality
- e. Care for the working conditions of employees
- f. Provide a job for everyone who wants one
- g. Solve societal problems (such as environmental degradation)
- h. Maximize the short-term profit of the firm
- i. Donate to charity and the like

Possible answers are: “Yes, should absolutely be a priority”; “Yes, should probably be a priority”; “No, should probably not be a priority”; “No, should definitely not be a priority”.

There are a number of deliberate choices behind this particular formulation of the question. The choice of formulating the issue as a matter of “doing the right thing” is to get the respondent to draw associations to the issue of societal legitimacy and normative standards, rather than to think only in terms of formal obligations stipulated in law. Moreover, in the best of all worlds, it might be possible that all desirable business objectives are realized simultaneously, but in actually existing society, the realization of different tasks are often mutually exclusive, or at least not mutually enforcing. The
existence of this trade-off is also what makes analytical concepts such as “stakeholder management” and “CSR” relevant and contested in relationship to “shareholder value” business strategy (cf. Crouch 2006). Our analytical interest thus lies in attitudes as expressions of priorities as part of a preference order.

The respondent is asked to give responses to each of nine different potential business priorities, each represented by a specific survey item. The intention when designing these items has been to cover a number of different domains of possible business objectives which are typically bought forward with favor (and, in some instances, with disfavor) in both philosophical writings and public debate: “profit making” (c, h); “impartiality” (a, b); “stakeholder management” (d, e); and “CSR” (f, g, i). The intent is that each of the individual items covers its own specific topic. At the same time as they relate to a similar topic a other items Take the example of items (c) and (h): These items share in common that they both concern the issue of profit making. At the same time making as much money as possible does not necessarily involve maximizing the short-term profit of the firm. Whereas the former tap onto the more general issue of the extent to which business firms should seek to exploit business opportunities more generally, the latter ask about a more specific kind of orientation to profit making, namely that of short-term profit maximization. Likewise, while both providing a job for everyone who wants one and donating to charity involve taking “social responsibility”, the two measures involve very different kinds of CSR.

We now turn to the issue of the explanatory variables. It is the standard to sort individuals into class locations on the basis of employment relationship and occupation. Due to the recent collection of the data upon this article is based, occupational data has not yet been added to this dataset at the stage when this particular draft is finalized (Feb 2012). However, class analysis research demonstrates class stratification among employees as structured around skill requirements of the job and supervisory responsibility (Tåhlin 2007; Oesch 2006). On the basis of such knowledge, it is possible to deduce a “proxy” measure of socio-economic class on the basis of self-assessed skill requirements and supervisory responsibility. In effect, we retrieve a class schema differentiating six different classes: workers, lower professionals, higher professionals, managers, self-employed, and employers (see table 1.)

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1 The following coding has been used: Skill levels: Low=two years or less above compulsory (lower secondary); Medium = about three years above compulsory (upper secondary); High= about for four years or more above compulsory (university). When it comes to supervisory responsibility, we have followed the standard in treating supervision over three people as the cut-off point for being classified as a manager (cf. Rose & Harrison 2010).
We deploy two additional socio-structural variables that are of analytical interest in relationship to attitudes on business firm societal responsibilities: financial market relationships and sector of employment.

As part of the more general process of “financialization” characterizing contemporary market capitalism (Martin 2002; Glyn 2006; Streeck 2011), capital ownership are increasingly channelized via financial markets, involving that large individual business firms are not typically controlled by a single or a few individual capitalists, but rather characterized by “anonymous” and institutionalized ownership with salaried management control. Moreover, a society’s mutual savings – such as pension schemes – are increasingly tied up within stock markets, and individuals are also increasingly trading in stocks and stock funds. Many scholars take interest in the profound implications of this societal development. The claims of this study in this respect is rather modest, simply seeking to explore to what extent attitudes toward business responsibilities differ between individuals who own and trade in stocks, as compared to individuals who do not. The hypothesis is that ownership of stocks can be expected to transcend into (or maybe be a reflection of) support for profit making as a business and societal objective, at the same time as ownership is likely to generate resistance to any responsibilities with the potential of obstructing principles of “market justice”.

Most previous research on political attitudes has been focused on the welfare state. A robust finding from such studies is that sector of employment (public vs. private) tends to impact welfare policy preferences. Such effects are typically explained by effects of selection and tertiary (i.e., sector-specific) socialization (Hoel & Knutsen 1989). One could also think that such a mechanism is in place when it comes to attitudes toward business firm responsibilities. It thus appear an interesting empirical question to explore to what extent private sector employees, more directly exposed to the functioning of private enterprise within work, are more or less supportive of profit maximization, stakeholder management, and various forms of CSR, as compared to public sector employees.

<table>
<thead>
<tr>
<th>Class</th>
<th>Employment</th>
<th>Skill requirement</th>
<th>Supervisory position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worker</td>
<td>Employee</td>
<td>Low</td>
<td>-</td>
</tr>
<tr>
<td>Lower professional</td>
<td>Employee</td>
<td>Medium</td>
<td>-</td>
</tr>
<tr>
<td>Higher professional</td>
<td>Employee</td>
<td>High</td>
<td>No</td>
</tr>
<tr>
<td>Manager</td>
<td>Employee</td>
<td>High</td>
<td>Yes</td>
</tr>
<tr>
<td>Self-employed</td>
<td>Self-employed</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employer</td>
<td>Employer</td>
<td>-</td>
<td>-</td>
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</tbody>
</table>
Empirical analysis

The empirical analysis is designed as a two-stage procedure. In a first stage, the general attitude patterns of Swedes will be explored by the means of frequency analysis. In a second stage, attitude differences between social groups are explored by the means of regression analysis.

General attitude patterns

The empirical analysis starts out with exploring more general normative standards expected from business firms as part of societal arrangements. Table 2 demonstrates the distribution of answers in regard to which tasks firms should prioritize in order to be considered “doing the right thing”. For each item, the numbers match the per cent of individuals choosing each possible answer. As an example, for item ‘a’, we see that 87 per cent of the individuals have answered that Yes, it should definitely be a priority that private firms follow laws and regulation, 12 per cent has answered that it should probably be a priority, whereas extremely few individuals has answered that it should probably or definitely not be a priority. Skimming across all of the nine items indicate that, for most items, a majority of Swedes answer that the task should be a priority. There is, however, considerable variation across items in the degree to which each task is to be considered a priority. This could be interpreted as people adopting a preference order between when considering the different tasks.

Comparing the answers across items, we see that following laws and regulation (a) is the task which gets greatest support. Very interestingly, the task which gets the second highest priority on average is the task of caring for the working conditions of employees (b), where 72 per cent consider it definitely a priority, whereas a negligible proportion consider it a sub-priority. Moreover, there is also strong consensus around the desirability of giving priority to offering goods and services of highest possible quality (d); and also for firms contributing to public goods though taxes and fees.

What do people think about profit making as a business objective? Looking at the results for items (c) and (h) which both concern the issue of profit making demonstrate very interesting results. Whereas, a vast majority of Swedes tend to acknowledge making as much money as possible as a legit business priority, a vast majority of people also tend to oppose maximizing short-term profit as a business objective.

Moving further, what do people think about the issue of Corporate Social Responsibility? In this article, CSR is conceptualized as tasks and measures which involve business firms stepping outside conventional market and business logic, involving realizing certain public goods which are not effective for the survival of the individual firm in an immediate sense. In this study, three different
measures of CSR are considered: *provide a job for everyone who wants one*, which covers the societal goal of full employment; *solve societal problems (such as environmental degradation)*; and *donations to charity and the like*. Looking at the distributions of answers for these items, the general pattern is that a relatively low proportion of individuals answer these tasks as definite priorities, indicating that CSR measures are sub-prioritized in comparison to other tasks (that of profit maximization being the exception to this pattern). We can also discern distinct differences between the three items in terms of responses. While two-tenths of the respondents oppose treating solving societal/environmental problems as a desirable priority, four-tenths oppose prioritizing providing a job for everyone who wants one. When it comes to the issue of charity, more than six-tenths oppose.

So what qualitative analysis can be drawn out from this comprehensive analysis? Well, we can draw the conclusion that there are certain normative standards of desirable business conduct around which there is much consensus. In this respect, results demonstrate next to complete consensus around the priority of firms abiding to laws and regulation (and also for paying taxes), indicating impartial procedures and transparency as crucial for business’ “social license to operate”. An analytical parallel can thus be drawn to the “Quality of Government” (QoG) approach in political science which stresses the importance of a procedural logic of impartiality in order for government and public institutions to be granted public legitimacy (Rothstein 2011).

Moreover, the immense support for the priority of caring for working conditions of employees result clearly indicates that the public view employees as a core – if not the core – stakeholder and productive resource in contemporary business firms and production processes. High numbers are also demonstrated for the priority of product quality. This is likely to dependent on two factors. First,
it indicates that the public treat firms as having certain obligations of fairness and impartiality in relationship to their customers. Secondly, it also hints that people view high quality production as a favorable business strategy for the individual firm.

Going back to the profit making items, is it a contradictory result that the collected public tends to be relatively positive toward making as much money as possible while at the same time being hostile toward maximizing short-term profits? We would not treat it as such. Rather, the results demonstrate that, on average, people perceive the exploitation of business opportunities inherent to the logic of the market as relatively legit, while at the same time opposing a kind of profit orientation that are short-term oriented.

Another highly interesting result is that the domains tapping onto the issue of CSR are granted limited priority. For example, whereas 72 per cent view it as a definite priority to care for employees, only 26 per cent view it as a definite priority to provide a job for everyone who wants to work. This clearly indicates that large segments of the population make a clear distinction between different kinds of stakeholder when it comes to just claims on firms.

Another distinct result is the very weak support for charity work as business priority. This view of the public is likely to be partly a consequence of the Swedish welfare regime where social welfare is treated as a responsibility of the state rather than the private sector. This result thus clearly demonstrates that there is considerable consensus among the populace that private charity is not a feasible or desirable alternative to the state in organizing society’s commitments to social welfare. Within a Swedish context, a firm being conceived as “socially responsible” is not so much a function of social philanthropy as it is carrying for the natural environment and the “primary “stakeholders. Moreover, we discern considerable attitude variation for the variables covering CSR measures. There are thus significant proportions of the public who take “social responsibility” as a societal objective not for firms to mix with.

So what is the more general conclusion from this analysis? We would have it that the results demonstrate that the more general patterns of normative standards expected from firm mirror those characteristics found in an ideal-typical stakeholder model. The public thus tend to think that the business firm should be founded on a bond of mutual obligation between employees and employers, but also that firms have considerable obligations of impartiality vis-à-vis its extended societal environment. Moreover, a desirable business model seem to involve a “spirit of capitalism” where business opportunities are exploited as part of far-sighted business strategy which resist treating organizational effectiveness as a function of short-term profit maximization. At the same time, measures of “social responsibility” are clearly sub-prioritized in comparison to care for “primary”
stakeholders. This result very much mirrors the division of institutional responsibility within the “Swedish model” with its distinguished characteristic of considerable state involvement when it comes to issues of social welfare.

Group differences in Attitudes

Attitude differences between social groups will be explored by the means of regression analysis. Regression models are specified and presented for each attitude item/domain separately. The rationale behind this approach is that pooling the answers from individual items into summarizing indices (or latent variables) would lead us to miss out on variation across the individual item that are of considerable analytical interest.

A probit regression model is used in order to take into consideration the ordinal-scale characteristics of the attitude measurement. The logic of the probit regression model is that the measured variable reflects an “underlying” variable that is assumed normally distributed within the population as a whole, and where effect sizes are to be interpreted relative to the standard deviation of the mean for this underlying variable (z-scores). As an example, an estimated effect of 0.5 would imply a group difference corresponding to half a standard deviation, and where a higher response implies giving higher priority to the respective task. Due to the qualitative nominal-scale character of the independent variables class, sector, and stock ownership, these variables are deployed as dummy variables in the models. This implies that the estimate for each category (e.g. managers) should always be interpreted relative to the estimated score for the reference category (workers in the case of class).

The results from these regressions models are presented in table 3. A quick look at this table indicate that there seem to be statically significant group differences in regard to all nine attitude items, while there are also considerable variation across items domains in terms of the kind and magnitude of group differences. Starting out by looking at the regressions for items (a) and (b) that can be expected to tap onto the attitude domain of business firm impartiality; we see that Employers and the Self-employed demonstrate lower scores than the employee groups. When it comes to the specific topic of paying taxes, managers accompany the two “owner” categories in viewing this task as less prioritized.

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2 This probit model is also made useful since, the attitude measures demonstrate skewed distributions (non-normality) in many cases.

<table>
<thead>
<tr>
<th>Class (worker=0)</th>
<th>a) Law</th>
<th>b) Taxes</th>
<th>c) Money</th>
<th>d) Product</th>
<th>e) Work</th>
<th>f) Employ</th>
<th>g) Soc prob</th>
<th>h) Short-term</th>
<th>i) Charity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Professional</td>
<td>0.13</td>
<td>0.10</td>
<td>0.19</td>
<td>0.07</td>
<td>0.04</td>
<td>-0.29</td>
<td>0.01</td>
<td>-0.13</td>
<td>-0.05</td>
</tr>
<tr>
<td>Higher Professional</td>
<td>0.24</td>
<td>0.03</td>
<td>0.26</td>
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<td>-0.69</td>
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<td>-1.05</td>
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<td>-0.06</td>
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<tr>
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<td>0.48</td>
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<td>-0.34</td>
<td>-0.29</td>
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</tr>
<tr>
<td>Owning</td>
<td>0.03</td>
<td>-0.02</td>
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<td>0.00</td>
<td>-0.02</td>
<td>-0.17</td>
<td>-0.10</td>
<td>-0.05</td>
<td>-0.05</td>
</tr>
</tbody>
</table>

Note: Statistically significant parameters (α=.05) are printed in bold.
Looking at the two most pronounced variables of stakeholder management, product quality (d) and working conditions (e), we also find some interesting results. Whereas Employers give greater priority to product quality than the other classes, this social groups share in common with the self-employed and the more privileged employee groups in treating caring for working conditions as less of a priority than less privileged employee groups do.

Turning to the issue of profit making, we also find very interesting results. When it comes to the desirability of money making, we find distinct class differences. Employers and managers are the class which is the most positive toward exploitations of business opportunities. In addition, we see that the more privileged employee groups and the self-employed also tend to be more positive than workers. Moreover, it is a very interesting result that there is a marked difference in attitude between those who own and those who do not own stocks, where the former is more positive toward wealth accumulation as a business objective. These group differences are not replicated regarding the issue of short-term profit maximization (h). In regard to this domain, the only statistically significant class difference is that the more privileged employee groups are less positive than employers and workers.

Turning to the issue of CSR, we find very different patterns of cleavage depending on which attitude domain we study. When it comes to dealing with societal problems such as environmental degradation (g), employers and managers diverse from the other groups in considering the task more of a sub-priority. A similar pattern is demonstrated when it comes to charity work, with the addition of higher professionals to this cluster of skeptics. When it comes to the responsibility for employment, we find class differences of considerable magnitude. “Owners” and employees with considerable marketable resources are less positive toward such the priority of such responsibilities as compared to workers, and where managers stand out as the social groups with the most skeptic attitudes. Within this attitude domain, we also find an effect of stock ownership, in that individuals with stocks are skeptics to a higher extent.

Before boiling down these collected results into more sophisticated analysis, we consider an alternative approach to exploring group differences within the respective attitude domains. This additional approach is founded on the notion that our analytical interest rest in group differences in preference orders. We can suspect that individuals differ in regard to the extent to which they consider business firms as subject to societal obligations in general. In effect, if we were to calculate the mean scores for all nine times, there would be considerable variation in overall scores between

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3 It is also known that individuals tend to differ in their interpretation and use of response scales. Centering scores is one way of redressing this problem of measurement error (cf. Schwartz 2003).
individuals. In this stage of the analysis, we seek to control for this general pattern, in order to study to what extent particular tasks and objectives are prioritized over others. We do this by subtracting the mean score for all of the nine items from the score for each particular item. In order to make the interpretations of the effect sizes comparable to the models presented earlier in table 3, the score retrieved from this procedure is then standardized into z-scores (mean=0; st.dev.=1) for each attitude domain. What we get out of this procedure is accordingly a refined assessment of the extent to which a particular task is put forward before other as part of a preference order.

The results retrieved from these regressions models are presented in table 4, demonstrating both similarities and differences as compared to the previous modeling approach. Looking first at model 1B, we see that it is employees with considerable marketable resources stand out from the other classes when it comes to the priority of firms as following law and regulations (a). Between owners and workers, there is no difference in preferences. We also see that those active in the private sector are also somewhat more prone to give this task a high priority. When it comes to the issue of paying taxes (b), group differences are overall of marginal magnitude. Professionals are somewhat more prone to give priority than the other classes whereas public sector employees are a bit more urgent as compared individuals active within the private sector for seeing this responsibility fulfilled. For the measures of preferences for product quality and working conditions respectively, we find relatively weak groups differences. For the domain of product quality, employers and the self-employed are more positive than working class employees, and where the other class of employees are found somewhere in between. For the domain of working conditions, it is a very interesting result that there are no differences among employee categories at the same time as the two owner categories are less inclined to treat such efforts a of higher priority. When it comes to the topic of profit making, the retrieved results are very similar compared to the previous regression models. For the survey item asking about money making (c), there are considerable group differences across classes, sector, and alongside stock market relationship. Individuals located in class positions characterized by either ownership of the firm or considerable marketable resources, private sector employees, and individuals owning stocks give higher priority to the exploitation of business opportunities than employees with weaker market positions, public sector employees, and individuals not active on the stock market. When it comes to the preference order of short-term profit maximization (h) on the other hand, group differences are non-existent or very small in magnitude.

4 This design take as an assumption that it is reasonable to consider answers as ordered on a continuous scale with the following coding: definitely not a priority=0; probably not a priority=1; probably a priority=2; definitely a priority=3. Both the score for an individual item and the overall mean thus vary between 0 and 3. These values are then combined to construct the preference order measure for each item respectively.
Table 4. Social group differences in Attitudes towards Business firm responsibilities. Swedes active on the labor market in 2011. **OLS regressions on centered scores.** Effect sizes interpreted as changes in z-scores.

<table>
<thead>
<tr>
<th>a) Law</th>
<th>b) Taxes</th>
<th>c) Money</th>
<th>d) Product</th>
<th>e) Work</th>
<th>f) Employ</th>
<th>g) Soc prob</th>
<th>h) Short-term</th>
<th>i) Charity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1B</td>
<td>2B</td>
<td>3B</td>
<td>4B</td>
<td>5B</td>
<td>6B</td>
<td>7B</td>
<td>8B</td>
<td>9B</td>
</tr>
<tr>
<td>Class (worker=0)</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Lower Professional</td>
<td>0,10</td>
<td>0,10</td>
<td>0,21</td>
<td>0,09</td>
<td>0,05</td>
<td>-0,28</td>
<td>0,01</td>
<td>-0,12</td>
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<tr>
<td>Higher Professional</td>
<td>0,36</td>
<td>0,18</td>
<td>0,40</td>
<td>0,15</td>
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<td>Self-employed</td>
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<td>0,38</td>
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<td>-0,28</td>
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<td>-0,35</td>
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<tr>
<td>Private</td>
<td>0,11</td>
<td>-0,13</td>
<td>0,35</td>
<td>0,05</td>
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<td>-0,11</td>
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<tr>
<td>Stocks (Not owning=0)</td>
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<tr>
<td>Owner</td>
<td>0,06</td>
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<td>-0,07</td>
<td>-0,20</td>
<td>-0,01</td>
<td>-0,03</td>
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</table>

Note: Statistically significant parameters (α=.05) are printed in bold.
In regard to the different aspects of “social responsibility”, we see that the extent to which CSR is to be treated as an arena of socio-political conflict depends very much on which aspect of CSR we deal with. When it comes caring for the environment (g) or for charity (i), attitudes are not stratified very much alongside economic structure. If we, on the other hand, consider responsibilities for employment, the attitude differences across classes, sector, and stock market relationship are highly pronounced indeed. When it comes to class, managers are highly skeptic to such responsibilities, and the other classes are also more skeptic than the working class. Moreover individuals active within the private sector are also more hostile, as are those owning stocks.

So what conclusions can we draw form this stage of the analysis? Without giving a too simplistic depiction of the results, we can infer that conflict is pronounced within two particular domains: the issues of money making and job responsibility. We also find social groups as expressing inverted preference orders when it comes to these two different responsibilities. Social groups which tend to give priority to the exploitation of business opportunities also tend to sub-prioritize any responsibilities for employment, and vice-versa. This result is highly interesting as these two responsibilities load very differently onto the distinct logics of “market justice” and “social justice”. According to pro-market ideology, business firms are first and foremost organizational forms which give capitalist virtues of unrestricted profit making and wealth accumulation a structural foundation. Principles of “market justice” thus stipulate employment as allocated according to merit and productive capacity as dictated by “free play of market forces” (Streeck 2011:3). This is very different from the principles of “social justice” which stipulates employment as an entitlement that society as a collective has a responsibility to fulfill (cf. Streeck 2011; Lane 1986). We would interpret this empirical result as indicating such conflicts of justice as deeply rooted in market capitalism as a socio-economic structure.

**Conclusion**

The objective of this article has been to depict normative standards expected from business firms as part of societal arrangements through the lens of survey-based attitude research. We started out from the observation that public debate on business firm organization has been revitalized as part of more general debate on the legitimacy of contemporary (financial) market capitalism. Typical arguments put forward in such debate is that the kind of short-term profit orientation characterizing contemporary forms of business making face serious legitimacy issues as it is out of tune to normative standards expected from the public. The empirical analysis conducted in this article confirms such statements to be correct in the sense that there is considerable consensus around the desirability of a form of stakeholder capitalism impartial in kind, at the same time as there is
considerable opposition to the notion of short-term profit maximization as a paramount business objective.

Moreover, we also find interesting results when it comes to public demands for “corporate social responsibility”. Here, we find that different kinds of measures are deemed desirable to to different extent. While efforts directed toward environmental sustainability are highly supported, charity work is sub-prioritized. When it comes to efforts for employment, the public is very much divided. It is thus problematic to claim that the public are either “for” or “against” CSR as an umbrella concept. What we can infer with confidence, however, is that focus on “social responsibilities” are not granted as high a priority as care for the interests of “primary” stakeholders such as consumers and employees.

Moreover, the article has adopted an analytical framework which treats the issue of business firm organization as tapping onto fundamental conflicts of interests rooted in economic structure. As a consequence, it was hypothesized that notions of business firm responsibilities are likely to vary in kind across social groups. The empirical analysis demonstrated that this was indeed the case. In this respect, a distinct trade-off was found between exploitation of business opportunities and job entitlements in those social groups give high priority to one of these measures while treating the other as a sub-priority. The general pattern is that social groups with favorable market positions treat exploitation of business opportunities as a priority while groups with less resources tends to embrace the right to employment as a priority. We interpret this result as reflecting a profound conflict between principles of “social justice” and “market justice” that is rooted in socio-economic structure. The collected results coming out of this article thus support a political economy approach to issues of societal economic organization.

To conclude, this study has demonstrated that normative standards of proper business behavior are fundamental components of a society’s “moral economy”. Previous research exploring cross-national variation in attitudes as expressions of “moral economy” has focused on notions toward welfare state arrangements (e.g. Svallfors 2006, 2007; Mau 2003). We would therefore like to conclude with highlighting the great potential in future research that seeks to study variation in attitudes toward business firm responsibilities across national contexts and “varieties of capitalism”.


References


