A Qualified Account of Supererogation: Toward a Better Conceptualization of Corporate Social Responsibility

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ABSTRACT: Some firms are initiating pro-stakeholder activities and policies that transcend conventional corporate social responsibility (CSR) conceptions and seem inconsistent with their business interests or economic responsibilities. These initiatives, which are neither legally nor morally obligatory, are responding to calls for a more active role of business in society and for a broader interpretation of CSR. In fact, they benefit stakeholders in a superior and an innovative way and are difficult to reconcile with commonly used rationales in the extant CSR literature, such as win-win opportunities, creating shared value, or corporate philanthropy. For better insight, we develop a qualified account of the concept of supererogation from ethical theory. This account, which examines voluntary responses to moral obligations from which a business is normally excused, is applied to identify the unique features of the initiatives that are not readily understood within conventional reasoning, which is generally focused on a business case.

KEY WORDS: CSR, innovation, obligations, philanthropy, stakeholders, supererogation

We identify an emerging phenomenon in which some firms are initiating activities and policies that seem to go well beyond economic, legal, and moral responsibilities and also seem to be at odds with their business interests. These initiatives respond to calls for a more active role of business in society and for a broader conception of corporate social responsibility (CSR). These prostakeholder actions provide unexpected superior and innovative benefits to consumers, employees, and other stakeholders (including the natural environment). We argue that a new perspective based on a qualified account of supererogation from ethical theory is superior to conventional CSR reasoning, which is generally focused on a business case, in identifying the unique features of these business initiatives.

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We illustrate this emerging phenomenon by describing initiatives at five companies: Coop, Patagonia, REI, General Motors, and Interface.

In 2010, Coop, the largest Italian retail chain and an acclaimed champion of sustainability policies (Tencati & Zsolnai, 2009), initiated a multimedia campaign inviting citizens, particularly its own customers, to consume less bottled water as a means of offsetting the ecological footprint caused by transportation, and to drink tap water instead (Coop, 2016). Italy has the highest per capita consumption of bottled water in Europe and is second in the world, after Mexico (206 liters per person: Beverfood.com Edizioni, 2016; Il Fatto Alimentare, 2018). Therefore, bottled water is one of the most important revenue sources and profitable products for retailers (including Coop), which usually sell their own private-label water (Bussolati, 2017).

On Black Friday—November 25, 2011—Patagonia, the world-renowned American apparel company, launched its famous "Buy Less" campaign (Ethical Corporation, 2016; Lovins & Crouse, 2012; Nudd, 2011). The full-page ad published in the *New York Times* (and the related online message issued during the following Cyber Monday) stated, "Don't buy this jacket." The text was accompanied by a picture of the company's best-selling R2 coat, designed and realized in accordance with strict environmental criteria (Nudd, 2011):

> It's Black Friday, the day in the year retail turns from red to black and starts to make real money. But Black Friday, and the culture of consumption it reflects, puts the economy of natural systems that support all life firmly in the red. We're now using the resources of one-and-a-half planets on our one and only planet.
>
> Because Patagonia wants to be in business for a good long time—and leave a world inhabitable for our kids—we want to do the opposite of every other business today. We ask you to buy less and to reflect before you spend a dime on this jacket or anything else (quoted from the text of the ad available in Gunther, 2011).

Moreover, the campaign asked readers to pledge to engage in less consumption in service of protecting the planet. In 2016, Patagonia offered to donate 100 percent of its Black Friday sales in stores and online to grassroots organizations working to protect the environment at the local level (Furlong, 2016; Patagonia, 2016).

Correspondingly, REI, the Seattle-based outdoor gear and apparel retailer, continued with its unprecedented 2015 decision to close all 149 stores on Thanksgiving Day and again on Black Friday, on November 24 and 25, 2016. The company thereby voluntarily declined to take advantage of one of the most important shopping periods of the year. Through the "#OptOutside" campaign, REI invited employees (with pay), customers, and the American people in general, to get outside during the break and reconnect with nature (Furlong, 2016; REI, 2016; REI Staff, 2016; Zillman, 2015). The initiative was repeated in 2017 (Elks, 2017) and 2018, with the participation of 153 stores and more than 12,000 employees (Sustainable Brands, 2018).

In 2015, General Motors offered to give its 48,000 union workers an unexpected bonus. Each worker received $9,000 in profit sharing, or $2,400 more than General Motors was contractually obligated to pay, as stipulated by its agreement with

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United Auto Workers. The car company was required to pay workers $1,000 for each $1 billion in pretax earnings in North America, but those earnings from the region only amounted to $6.6 billion, and the per-worker payment should therefore have only been $6,600, not $9,000. The increase in profit sharing granted each worker was based on a fair-minded calculation that company sources stated was reached by CEO Mary T. Barra. She was aware that pretax earnings for 2014 would have amounted to $9 billion if numerous vehicles had not been recalled for safety issues. Barra determined that the auto workers were not responsible for the safety issues and should not be penalized for the extra costs (Vlasic, 2015).

Finally, Interface, the world-renowned modular carpet producer, has recently launched its innovative "Climate Take Back" campaign. In the middle of the 1990s, Ray Anderson, the charismatic founder of the company and a pioneer in corporate environmentalism (Bhutani, Nair, & Dess, 2017), fostered the Mission Zero® program to eliminate any negative environmental impact associated with the firm by 2020. Because the company was approaching this goal, a new mission was conceived shifting the focus *from doing no harm* to *providing a positive contribution* (Slavin, 2017):

> At Interface we're convinced a fundamental change needs to happen in our global response to climate change. We need to stop just thinking about how to limit the damage caused by climate change and start thinking about how to create a climate fit for life.
>
> After decades of hard work, Interface is poised to reach our Mission Zero® goals by 2020.
>
> Climate Take Back is our new mission and we want to share it with the world. We commit to running our business in a way that creates a climate fit for life—and we call on others to do the same (Interface, 2017).

Some common features characterize all of the above examples. First, the actions seem to bring significant benefits to stakeholders (including the natural environment; Driscoll & Starik, 2004) other than shareholders, which is to say they are other-regarding. Second, the actions involve substantial costs or revenue losses, providing the firm an incentive not to act, in light of its fundamental economic responsibilities (Schreck, van Aaken, & Donaldson, 2013). Finally, even if these initiatives could benefit the firm in the long term, from improved reputation or better stakeholder relationships, it is not clear from the outset that the benefits will ever materialize or be large enough to outweigh the costs. So, the economic rationale for instituting these policies is lacking and a cost-benefit analysis (McWilliams & Siegel, 2001) would not lead to a conclusive and positive indication for action, based on "business-case" logic.

Such features indicate that these policies go beyond the "call of duty"; they transcend moral responsibilities of firms. The literature traditionally assumes that the room beyond the moral responsibilities of firms is occupied by philanthropic responsibilities (Carroll, 1991) or "business giving" (Carroll, 2016). However, we suggest that these policies are not philanthropic. Indeed, they are better characterized as *supererogation*, a term in ethical theory that encompasses actions that are morally good but not morally required (Urmson, 1958).

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In particular, the concept of supererogation allows the identification of an emerging class of initiatives carried out by firms that respond to calls for a more active role of business in society (Crane, Palazzo, Spence, & Matten, 2014) and for a broader idea of CSR (Scherer & Palazzo, 2011; Scherer, Rasche, Palazzo, & Spicer, 2016). We argue that to fully appreciate these practices, by which firms demonstrate that they (and their management) can be "a force for good" (Birkinshaw & Piramal, 2006) through innovative means, it is not possible to rely on conventional CSR concepts, such as business case, win-win opportunities (including the shared-value idea offered by Porter & Kramer, 2011) or corporate philanthropy. Supererogation provides a different and promising perspective that transcends the limitations of these concepts.

The remainder of the article comprises four sections. The next section clarifies the definitions of CSR, corporate philanthropy, and supererogation, and it describes the evolution of the supererogation concept in business ethics/CSR literature.

The subsequent section details our proposal. The ethical literature distinguishes between a "qualified" and an "unqualified" conception of supererogation. The "qualified" account (Heyd, 2015) identifies supererogation as a response to moral obligations for which an agent is normally excused from compliance. The "unqualified" account categorizes supererogation as the exercise of freedom by agents to sacrifice their personal good for the good of others without any obligation to do so (Urmson, 1958). Recently, Mazutis (2014) has applied the unqualified approach in business ethics. Such an approach is problematic because it makes supererogation completely optional for firms and possibly devoid of application in real business behavior. We suggest that a qualified account of supererogation represents a better approach to understanding firm actions that go beyond moral duties. Specifically, our contribution consists in introducing three conditions that firm actions must satisfy to qualify as supererogatory, drawing on Heyd (2015). Under these conditions, supererogation is not entirely optional for firms but instead originates from specific moral duties, that is, other-regarding motivations, which, per se, are not sufficient to force a firm to act because of the possible related costs. Therefore, this account is better able to consider the business specificities and the ethical complexity of organizational decisions, and to identify those firms that show a genuine excellence in their behavior, going beyond what is reasonably expected of them.

The next section discusses how our view of supererogation relates to CSR and philanthropy in order to highlight its unique features, in terms of innovation and superior capacity to address stakeholders, which characterize supererogatory policies within the CSR domain. Finally, the concluding section elucidates how the focus of our contribution is on corporate activities neglected by the current CSR literature. More specifically, our definition of supererogation could contribute to the current debate on the real nature of CSR by including a fundamental voluntary component, which recognizes the role of enterprises as engines of innovation for the benefit of nature, society, and future generations (Zsolnai, 2006).

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IDENTIFYING THE BOUNDARIES: CSR, PHILANTHROPY, AND SUPEREROGATION

In order to understand the relationships between CSR, philanthropy, and supererogation, we need to first define CSR and philanthropy, and then describe the supererogation construct and its evolution over time. For our research purposes, we adopt the CSR approach advanced by the European Commission in 2001:

> Most definitions of corporate social responsibility describe it as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.
>
> "Being" socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing "more" into human capital, the environment and the relations with stakeholders (Commission of the European Communities, 2001: 6).

We complement this position with the definition of social responsibility of organizations (and, consequently, also of companies) delivered by ISO 26000:2010, "Guidance on Social Responsibility," in that it is the outcome of a global, converging effort and common understanding (Helms, Oliver, & Webb, 2012):

> [The] responsibility of an organization… for the impacts of its decisions and activities on society and the environment…, through transparent and ethical behavior… that
>
> - contributes to sustainable development…, including health and the welfare of society;
> - takes into account the expectations of stakeholders…;
> - is in compliance with applicable law and consistent with international norms of behavior…; and
> - is integrated throughout the organization… and practised in its relationships (ISO, 2010: 3).

Therefore, the main characteristics of CSR are that it is voluntary; goes beyond legal compliance; affects the entire organization, its operations, and its stakeholder relationships; and addresses stakeholder expectations through sustainability-oriented behavior.

For a definition of philanthropy, we employ the comprehensive review developed by Halme and Laurila, who identify three types of corporate responsibility (CR) (Halme & Laurila, 2009: 329), which can be viewed as three consecutive steps along a CR continuum:

- Philanthropy, with a strong focus on charity, corporate giving, and so on. Typically, philanthropic activities are extra activities outside the core business;
- CR Integration, with the firm aiming at a more responsible management of company operations;
- CR Innovation, where corporate social responsibility is considered a source of innovation for the firm.

In particular, Halme and Laurila state the following:

> Of the three types of CR outlined …, philanthropic CR tends to be the least integrated with the core business of the company, whereas the CR Integration and CR Innovation

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> approaches are more tightly interwoven with core business. There is evidence that the financial and societal outcomes of CR Integration are more substantial than those of Philanthropy… In addition, there is case-based evidence suggesting that the CR Innovation type of responsibility may accrue the highest potential benefit—both for the practising firm as well as for society (2009: 334–335).

As also underlined by ISO 26000 (ISO, 2010: 5), philanthropic activities such as giving to charity represent an early stage of social responsibility.

After acknowledging these preliminary definitions, understanding what supererogation is and how this construct has been intended and used in the business ethics/CSR literature is important. Traditionally, supererogation defines a sphere of action that is meritorious but not ethically required. Acts that are supererogatory go "beyond the call of duty" (Heyd, 2015). These acts are typically other-regarding, such as altruistic or exceptionally beneficent deeds (Beauchamp, 2013). In more detail, the traditional approaches to ethics have divided human action into three main categories: acts that agents have an obligation to perform (duties), acts that they have an obligation to omit (wrongdoing), and acts that are morally neutral and deserve neither praise nor blame (indifferent). Starting with Urmson's "Saints and Heroes" (1958), modern ethics has expanded this three-part classification and made room for supererogation, "acts which are morally praiseworthy but not obligatory to perform and whose omission is not blameworthy" (Mellema, 1994: 149).

According to Urmson (1958), the traditional three-pronged classification is inadequate because there are "many kinds of action that involve going beyond duty proper, saintly and heroic actions being conspicuous examples" (215); these kinds of actions stem from an imperative that is felt by the agent to "live up to the highest ideals of behavior that he can think of" (214); for such an agent, that these ideals are not strictly obligatory is irrelevant. Controversies arise from how supererogation can be ethically praiseworthy but not ethically obligatory. Acts of supererogation are optional, but it seems that good ethics requires "that one ought not take a complacent or indifferent attitude toward performing them" (Mellema, 1994: 153).

In fact, views of supererogation vary among modern ethicists. One group denies the sheer possibility of supererogation, arguing for a "good-ought tie-up" (Heyd, 2015): if there are valid moral reasons for taking an action, then these reasons are conclusive, and we ought to act on them. For this group, good is never optional (e.g., Feldman, 1986; Pybus, 1982). Another group generally accepts that some actions are morally good but not obligatory. Within mainstream CSR and business ethics, supererogation is usually placed in the philanthropic sphere (Carroll, 1991) and in imperfect duties (Ohreen & Petry, 2012: 370).

> Philanthropy cannot be considered a responsibility in itself.… In this respect, philanthropy is not considered a duty or social responsibility of business (i.e., an expected act based on what Kantians might refer to as a "perfect" duty), but something that is merely desirable or beyond what duty requires (e.g., a supererogatory act based on what Kantians might refer to as an "imperfect" duty) (Schwartz & Carroll, 2003: 505–506).

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The characteristic of imperfect duties is that they are indeterminate in their content and leave agents wide room for deciding how to fulfill them. Individuals (and firms) may have the duty to help the poor, but both the extent and the direction of the effort are not ethically prescribed. Furthermore, these obligations are limited. In fact, it is acceptable that effort is proportional to the resources available to the agents, after which there is no strict obligation to give. For example, “especially with respect to corporations, which are permanently in a competitive environment, it is permitted not to discharge positive obligations up to the point of losing all competitive advantages” (Fasterling & Demuijnck, 2013: 803).

Therefore, organizational acts of supererogation are often dismissed as mere philanthropy. For example, Goodpaster (2011: 165) writes, “Collaboration between and among corporations, governments, and NGOs is not simply a matter of supererogation or philanthropy. In a global business environment, collaboration is a matter of corporate responsibility.” Phillips, Freeman, and Wicks add:

> Stakeholder theory need not address issues of supererogation. There will always be actions that organizations *may* take but that are not obligatory from a stakeholder perspective. Such activities are what Carroll refers to as “Voluntary / Discretionary” and Donaldson and Dunfee (1999) call “moral free space” and are neither prohibited nor required by stakeholder theory (2003: 494).

Discussing corporate philanthropy, Ohreen and Petry (2012: 377) note that firms fulfill moral obligations by paying taxes, and “any additional moral requirement to contribute financially to nonprofits would be supererogatory and beyond the call of duty.” Arenas and Rodrigo (2016) also consider supererogation equivalent to beneficence. Finally, Wettstein (2009: 130; see also Wettstein, 2012b) points out that “the realm of virtues … is what we normally denote as ‘supererogation,’ which means nothing else than ‘beyond obligation.’” Thus, “the most pressing and challenging problems we face as a global society are prone to be left to the domain of supererogatory action and beneficence; they are reduced to issues of mere philanthropy and charity” (Wettstein, 2012a: 168).

We can conclude that in business ethics and CSR, supererogation is seen as equivalent to what is sometimes called “goodness” (Moberg, 1997: 69), that is, add-on, noncore acts, and, in general, as a very limited and partial aspect within the CSR domain (Carroll, 1991; Goodpaster, 2011). However, a recent interpretation of supererogation proposed by Mazutis (2014; see also, on this approach, Sekerka, Comer, & Godwin, 2014: 441) modifies this stance. To identify supererogatory acts, Mazutis adopts the definition advanced by Heyd (1982: 115) in what he describes as an “unqualified” theory of supererogation. In the next section, we delineate the differences between the “unqualified” and the “qualified” accounts of supererogation, as applied to business ethics, using Mazutis’s proposal as the paradigmatic example of the former account. After that, we describe a proposal for a supererogation construct in business ethics that is based on a qualified account and provides a fitting characterization of firm policies that aspire to go beyond mere moral duty.

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VIEWS OF SUPEREROGATION: FROM AN UNQUALIFIED TO A QUALIFIED CONCEPTUALIZATION

A proper conceptualization of supererogation in the context of business requires a preliminary account of how certain actions can be morally good without being morally obligatory. Ethical theorists adopt one of two possible accounts (Heyd, 2015):

- *Unqualified* supererogation: supererogatory actions are freely performed by agents without any moral requirement to do so; in this account, the value of supererogation consists exactly in the exercise of freedom by agents, who choose to sacrifice their personal good for the good of others.
- *Qualified* supererogation: supererogatory actions are within the obligations of morality, but the agents find themselves in certain conditions that make these obligations inapplicable or nonprescriptive; in this account, the value of supererogation consists in the agent's choice to fulfil the obligation despite the absolving conditions.

The Unqualified View of Organizational Supererogation

The unqualified analysis argues that supererogatory acts originate in personal choices that do not depend on external demands and express goodwill, generosity, and altruistic intention. In this view, supererogation is open-ended (Urmson, 1958) and freely chosen (Horgan & Timmons, 2010). Business ethics typically assumes the unqualified view of supererogation (Phillips et al., 2003).

Mazutis's (2014) view of supererogation in firms builds on the unqualified account, as presented in Heyd (1982). According to Mazutis, supererogation consists of those acts that 1) are neither obligatory nor forbidden, 2) deserve neither criticism nor sanction when omitted, 3) are morally good, and 4) are done voluntarily for the sake of someone else's good. Mazutis's definition excludes legal duties (which are obligatory and therefore fail condition 1), ethical duties (which deserve criticism when omitted, see condition 2), and any action that is done strategically by an organization in view of its immediate or long-term financial benefit (rather than for someone else's good, as with condition 4). The problem is: What other organizational actions satisfy all these conditions and, in particular, are morally good (condition 3), even though they are permissible to omit?

Mazutis lists three possible categories of organizational supererogatory actions. The first is moral heroism, which puts the firm's financial viability at risk to pursue a morally right action. As a paradigmatic example, Mazutis mentions Johnson & Johnson's voluntary recall of Tylenol in 1982. However, one could contend that the financial viability of the firm was at risk, not because of the recall itself, but because of the reputational damage the recall was intended to avoid (since the tampering of Tylenol was causing deaths in the United States). Therefore, Johnson & Johnson's decision may have been strategic and financially motivated, reflecting what managers perceived as the safest route to protecting the Tylenol brand, thereby failing condition 4. Moreover, Johnson & Johnson would have probably faced

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criticism if it had not done its best to protect customers from a serious health risk, which makes the fulfillment of condition 2 debatable as well.

The second possible category of organizational supererogatory acts advanced by Mazutis is volunteering, which happens when an individual freely offers services to fulfill the requirements of a group. According to Mazutis, this category is exemplified by firms such as The Home Depot, which volunteered personnel, money, and materials to provide relief to the communities hit by Hurricane Katrina and thereby endured substantial business losses. However, one might assume that their intervention was not for the sake of the local community but for self-promotion, which came at a low cost when compared to other forms of public relations. If so, they would have failed condition 4.

Even if the motives of companies like The Home Depot were genuinely other-regarding, skeptics could further insist that offering one's own services is obligatory, because it complies with a charitable duty of wealthy firms to help those in difficulty. Such obligation is a case of imperfect duties, which arise when the agent has multiple courses of action for achieving an end that is morally required (Ohreen & Petry, 2012). For example, well-to-do agents have the moral duty to assist the poor, but they are allowed to choose when to do it, how much to give, and to whom to donate. In contrast, keeping promises is a perfect duty, because the expected actions are determined. According to many scholars, Kant emphasized that imperfect duties are as compelling as perfect duties because the only difference is in the mode of application. Indeed, Kant described imperfect duties as "duties to adopt ends" (Heyd, 2015). So, some ethicists agree that imperfect duties, in general, are not supererogatory (Baron, 1987); in the case of The Home Depot and other companies, such as Walmart, which intervened to address the emergency engendered by Hurricane Katrina, their actions can be portrayed as a particular fulfillment of philanthropic duties, failing Mazutis's condition 1.

The third category consists of corporate acts of beneficence. Mazutis's foremost example is Merck, which in 1978 developed and then donated a drug that cured river blindness, which had plagued the most disadvantaged in Africa and Latin America. Mazutis claims that Merck went beyond the call of duty. However, Merck's decision is easily conceptualized as compliance with an imperfect duty of firms to use their resources to help those in need, or even with Merck's perfect duty to provide the drug to ill people who could not afford it, again failing condition 1. Skeptics could also reasonably assert this was a promotional expense: Merck was only trying to defend or improve its reputation as a member of "Big Pharma" (failing condition 4).

The weaknesses in these examples suggest that the unqualified view of supererogation, in which the act absolutely goes beyond the call of duty, may have no real application in firms. Mazutis's characterization of supererogation is highly restrictive since it is possible to identify failures in satisfying one or more of the four conditions in any business situation. Condition 1 (permissibility) is especially problematic, because firm actions have large impacts on people and the natural environment; therefore, they are easily conceived as having extended ethical

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responsibilities to many (Crane et al., 2014; Scherer & Palazzo, 2011). Moreover, firms are endowed with plenty of financial and other resources; as a consequence, observers can invoke an imperfect duty for them to remedy the ills of society, especially when they have unique competencies (Dunfee, 2006) or operate in places where human rights are endangered (Wettstein, 2012a, 2012b). Imperfect duties turn the alleged supererogatory acts of firms into particular ways of fulfilling obligations to society. In addition, external observers can always criticize the failure of a firm to act (see condition 2), depicting the inaction as a demonstration of moral laxity (Ohreen & Petry, 2012: 370), in which the firm uses the latitude implicit in imperfect duties as an ongoing excuse for postponing execution.

Condition 4 is also challenging to verify, because it rests on the organizational motives of the action. Business decisions are organizationally complex and have multiple motives, which makes establishing other-regarding behavior difficult. A peculiarity of firms is that they are in the position to profit from the moral good they do, thanks to their business relationships with stakeholders. Schwartz and Carroll (2003: 515–516) present possible examples of "purely ethical" decisions made by firms, such as 3M's decision to withdraw its pollution credits despite economic loss; however, the authors acknowledge that it is impossible to know all the motives behind such decisions that can be linked to long-term economic benefits. So, "it is not clear whether there are corporate activities that are engaged in without reference to at least their economic impact, the legal system, or ethical principles" (Schwartz & Carroll, 2003: 520).

These difficulties could give credence to the conclusion that supererogation does not apply to firms, and that any CSR activity is entirely *within* the call of duty. Therefore, there might be no authentic supererogatory actions undertaken by firms. This interpretation might appeal to scholars who emphasize that CSR should not be presented as merely voluntary (e.g., Wettstein, 2009). However, the conclusion depends on adopting an unqualified account of supererogation that depicts it as a "heroic" endeavor that is fundamentally extraneous to business. We propose that the qualified account of supererogation, by making room for the specific circumstances of business and the ethical complexity of organizational decisions, could offer a better way of characterizing firm actions that go beyond moral requirements.

A Qualified View of Organizational Supererogation

The qualified account suggests that supererogation is a class of actions in which the moral requirements supporting them are not applicable, due to exclusionary circumstances, such as the right of agents to preserve their own lives. For example, agents have a moral duty to try and help people trapped in house fires but are excused from intervening when the personal risks are too high; if agents assume the risks and jeopardize their own lives, by ignoring the inherent permission not to do so, then they are acting supererogatorily. This is Rawls's analysis of supererogation:

> Supererogatory acts are not required, though normally they would be were it not for the loss or risk involved for the agent himself. A person who does a supererogatory act does not invoke the exemption which the natural duties allow. (Rawls, 1971: 117)

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Therefore, in the qualified account, actions are supererogatory when agents exercise moral good even if they have valid reasons not to (Heyd, 2015). In a specific supererogatory action, there are at least two levels of consideration: 1) a morally good first-order reason that requires the agent to act, and 2) a second-order permission not to act.

Other-regarding considerations usually support first-order reasons, providing the requirement to pursue a given moral good. Self-regarding considerations, such as the autonomy to pursue one's own goals and projects, provide the second-order permission not to act. Self-regarding considerations embrace not only actual costs that the agent has to suffer to perform the action but also the mere risk of such costs (Benn, 2018). Importantly, ethicists argue that utilitarian reasons of a nonmoral kind can serve as second-order permissions. We may be morally required to promote the welfare of others, but only to the extent that such promotion does not seriously interfere with the pursuit of our own fundamental goals, including those that reflect personal autonomy rather than moral ideals (Portmore, 2008; Raz, 1975).

We already sketched some pertinent cases in the article's introduction of how firms adopt policies that seem to interfere with the viability of business, by giving up legitimate revenue or accepting avoidable costs for the benefit of stakeholders. In particular, just consider the General Motors case, where the company decided, without any binding contractual condition, to pay a higher bonus to its employees. This example is close to the Latin etymology of supererogation, which means "paying out more than is due (*super-erogare*)" (Heyd, 2015). However, in the unqualified view, it would not count as supererogation. The decision helped General Motors avoid possible criticism, because the unions could have accused it of short-changing workers for problems that they did not cause had it paid the smaller bonus. A moral reason for paying the larger bonus (making it ethically obligatory) can be found in ideals of justice, since it does not seem fair that workers pay a price (by receiving a smaller bonus) for managerial failures. So, both the first and the second of Mazutis's conditions do not apply. Moreover, the CEO may have made the decision not only for the sake of the workers' good, but also because she believed that it would contribute to a stable and constructive relationship with them, indirectly bringing some long-term financial benefit to General Motors. So, condition 4 may not apply either.

In the qualified view of supererogation, justice serves as the first-order moral reason for paying the larger bonus to workers. However, there are moral and utilitarian second-order reasons for not paying it. First, General Motors could have argued that pretax earnings are the net of nonrecurring items, both positive and negative, so the firm is legally bound to pay extra bonuses to workers if some extraordinary gain increases pretax earnings without any contribution by them (e.g., because the gain is due to luck or capable managerial action); therefore, fairness would reign if the contract were applied as in any other case, "in good and bad times," without exceptions. This is a moral second-order reason. Second, General Motors could have provided utilitarian (nonmoral) reasons to avoid paying a large amount of money in excess of what it was contractually forced to do because this course might have jeopardized its financial stability, especially in such a cyclical

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and competitive industry as car manufacturing; this reason is reinforced by the fact that General Motors barely avoided bankruptcy just a few years earlier, when it had to be bailed out with public money.

If these second-order reasons are strong enough, the decision by General Motors counts as qualified supererogation. In the business context, it may also be useful to explicitly state the condition that the potential future financial benefits associated with the decision are not large enough, or certain enough, to justify the decision; otherwise, the first-order moral reason would be moot and the action would lack any moral merit.

Generalizing these arguments, we suggest that a firm's specific action qualifies as supererogation under three conditions. In introducing these conditions, we apply the qualified account of supererogation, advanced in ethical theory (Heyd, 2015), to business ethics, where the recipients of actions are stakeholders and firms operate taking into account their economic responsibilities. The three conditions are as follows:

1. The action is other-regarding, which is to say it brings significant benefits to stakeholders other than shareholders.
2. There are moral or utilitarian reasons strong enough to give the firm permission not to act.
3. There is not a clear business case for the firm. For example, the action involves significant costs for the firm, without any guarantee that the recipient will reciprocate proportionally or that any further benefit will cover the expenses incurred.

The first condition embodies the moral first-order reason for action; the second requires that strong second-order reasons are present; the third stipulates that the moral first-order reason dominates further non-other-regarding reasons for action. Each of these conditions requires further explanation.

First, we follow Heyd (1982) in calling the reason "other-regarding," meaning that it must address the needs of others. Altruism is considered essential to supererogation, at least in modern research, in which self-regarding virtues—such as piety and chastity—cannot be intended in a supererogatory way (Heyd, 2015). This condition does not require that the other-regarding reason is the only motive for the action, acknowledging the multiplicity of motives involved in any organizational decision-making process. By looking at the objective benefits that the action is expected to produce for stakeholders, this condition is in line with the traditional postulation that supererogation is a property of the act, which makes it meritorious. The degree to which the agent is praiseworthy may require considering further information (Heyd, 2015).

Second, the moral or utilitarian reasons that give the firm permission not to act do not generally guarantee absence of criticism. The reasons for and against performing the action need to be weighed against each other, and we should not expect different observers to give equivalent weights. Therefore, opposing conclusions may be reached as to the right thing to do. The utilitarian reasons in particular are easily contested because a firm can always ask for an exemption from first-order reasons,

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by appealing to financial constraints or existential demands, such as creating jobs or even providing adequate returns to shareholders.

Empirical uncertainties might exist related to whether this condition is satisfied or not, particularly regarding how strict the financial constraints of a firm are and how effective the firm's effort would be in dealing with the specific stakeholder issue. For example, a firm could request exemption from adopting a certain policy by arguing that the actual benefit for stakeholders of a given policy is small in comparison with its high cost for shareholders. Moral uncertainties may arise, too, regarding whether and when economic responsibilities are strong enough to exempt the firm from specific moral responsibilities to stakeholders other than shareholders.

Whether the second-order reasons are strong enough to overcome the first-order reasons is ultimately subject to debate among the firms, their stakeholders, and society at large. This condition connects supererogation to research regarding how expectations about firm behavior are created and negotiated (e.g., Scherer & Palazzo, 2011) and is in line with the idea that any business decision is always socially situated (Crane et al., 2014: 144–145). For example, Johnson (1971), in one of the first modern contributions on CSR, reminds us that "business takes place within a socio-cultural system that outlines through norms and business roles particular ways of responding to particular situations and sets out in some detail the prescribed ways of conducting business affairs" (as quoted in Carroll, 1999: 273).

The fact that the debate on the relative weights of the reasons affecting the firm's decision is often inconclusive and uncertain is sometimes what prompts the supererogatory act, because it allows the firm to stay on the "safe" ethical side, that of the first-order moral reasons. While this motive may not seem inspiring, one should contrast it with the firms that choose to stay on the side of the self-regarding (or shareholder-regarding) reasons.

Third, the lack of a sure business rationale—including, for example, a significant cost for the firm—guarantees that the decision would not be adopted in the counterfactual scenario in which the first-order moral reason is absent. This condition is weaker than Mazutis's requirement that the action is done for the sake of someone else's good, because it allows the firm to include economic considerations in the decision-making. However, the costs and benefits derived from the action (McWilliams & Siegel, 2001) must be such that, considering, for example, the uncertainty and the possible delay of the benefits, the decision would be rejected by merely economic criteria. This condition connects with some foundational views of CSR, such as Manne's in 1972:

> To qualify as socially responsible corporate action, a business expenditure or activity must be one for which the marginal returns to the corporation are less than the returns available from some alternative expenditure, must be purely voluntary, and must be an actual corporate expenditure rather than a conduit for individual largesse (as quoted in Carroll, 1999: 276).

It is important to underscore that the third condition does not assume perfect rationality of managers in calculating costs and benefits of actions. Indeed, bounded rationality of managers, uncertainty of outcomes, and complexities of business make

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Table 1: Unqualified vs. Qualified View of Supererogation

Unqualified View of Supererogation (Mazutis, 2014)		Qualified View of Supererogation (based on Heyd, 2015)	
Mazutis's unqualified account can be applied to either individuals or firms. Mazutis's characterization of supererogation seems to be highly restrictive for firms in that it is possible to identify failures in satisfying one or more of the four required conditions in any business situation.		The qualified account proposed in this article has been expressly designed to be applied to firms, taking into account who benefits from a firm's action (see condition 1), the specific business circumstances that allow a company not to act (see condition 2), and the ethical complexity of organizational decisions (see condition 3).	
Condition 1	The action is neither obligatory nor forbidden.	Condition 1	The action is other-regarding: it brings significant benefits to stakeholders other than shareholders.
Condition 2	The action deserves neither criticism nor sanction when omitted.	Condition 2	There are moral or utilitarian reasons strong enough to give the firm permission not to act.
Condition 3	The action is morally good.	Condition 3	There is not a clear business case for the firm.
Condition 4	The action is done voluntarily for the sake of someone else's good.		

it difficult for managers to count on financial benefits as solid ground for adopting other-regarding behavior, and more likely that such behavior originate, instead, from the first-order moral reason.

Finally, to further clarify the differences in the two perspectives, Table 1 presents the conditions of the unqualified view of supererogation according to Mazutis (2014) and those of the qualified view of supererogation based on Heyd (2015), which we advance. Mazutis's account can be applied to either individuals or firms, while the qualified view proposed reflects specific business circumstances that may give firms permission not to act. Relatedly, condition 1 of our account clarifies what "other-regarding" means in the context of business, i.e., taking into account the perspective of stakeholders in corporate decision-making and implementation processes.

This qualified view of supererogation of firms avoids the pitfalls of Mazutis's criteria, which are exceedingly difficult to find in real business situations, and at the same time circumscribes a wide area of firm behavior that is beyond ethical or legal duty and in which firms genuinely act in an other-regarding way. The three conditions we propose allow us to distinguish between firms that merely comply with stakeholder pressures, laws, and strict moral obligations—or which address social and environmental issues only when they have a compelling business case for it—and those that show ethical excellence in their behavior, conceive innovative and beneficial initiatives for their stakeholders, and go beyond what is expected from them.

DISCUSSION

With our contribution, we apply a qualified view of supererogation (Heyd, 2015) to the analysis of an emergent realm of corporate behavior, where companies and their policies go beyond what is reasonably expected from them. We suggest that, in

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going beyond the call of duty, these actions are voluntary and, therefore, fall within the definition of CSR that we introduced at the beginning of this article. In particular, according to our view, supererogatory actions entail moral or utilitarian reasons strong enough to give firms permission not to act. The utilitarian reasons usually culminate from potential actions that are economically too risky or costly.

In any case, it could be useful to refer to the classification of CR activities advanced by Halme and Laurila (2009) and introduced in the second section, which identifies three types of CR, or three consecutive stages along a CR continuum—philanthropy, CR integration, and CR innovation. Because of their features, these supererogatory actions cannot be subsumed by philanthropy, that is, outwardly directed activities such as charitable giving. As the examples presented in the introduction show, supererogation may involve central aspects of a firm's business, such as employee or customer policies.

Philanthropy can also be interpreted as an imperfect duty, which is, following the Kantian perspective outlined in the previous section, as compelling as a perfect duty in that the mode of application is the only difference: "Corporations must be philanthropic because one has a moral duty to help society generally" (Ohreen & Petry, 2012: 379). In fact, in Carroll's CSR pyramid model, "philanthropy or business giving may not be a responsibility in a literal sense, but it is normally expected by businesses today and is a part of the everyday expectations of the public" (Carroll, 2016). According to this interpretation, there are no reasons to give firms permission to avoid philanthropic activities, failing condition 2 of the qualified view of supererogation. So, the crucial difference is that imperfect duties do not provide firms permission not to act (e.g., a firm can choose not to donate to a certain charity or cause but cannot choose not to donate at all), while, in the qualified account, firms that engage in supererogation are permitted not to act.

Moreover, in Carroll's model, philanthropy is like "icing on the cake—or on the pyramid, using our metaphor" (Carroll, 1991: 42)—philanthropy is less important than the economic, legal, and ethical responsibilities. In the subsequent revision of the pyramid model—the three-domain (i.e., economic, legal, and ethical) approach proposed by Schwartz and Carroll (2003)—the philanthropic/discretionary category has been eliminated to avoid confusion, misunderstandings, and misinterpretations. In the new model, in a certain sense philanthropy can be placed at the intersection of the economic and ethical domains (Schwartz & Carroll, 2003: 520). Therefore, it is not a fitting perspective from which to analyze the supererogatory actions, which are characterized by the lack of a definitive business case (condition 3).

Thus, the specific actions classified as supererogatory according to a qualified view belong to the CR innovation type, where CSR is a source of innovation for the firm (Halme & Laurila, 2009). This interpretation contrasts with Mazutis's position, which advances an unqualified definition of supererogation at the expense of CSR. In fact, using Carroll's pyramid model (1979, 1991) and its four responsibilities (economic, legal, ethical, and discretionary, or philanthropic) composing CSR, Mazutis concludes that supererogation, according to an unqualified view, exceeds CSR in that it is beyond all duties, including philanthropic ones.

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It seems difficult to accept that supererogatory actions are not part of CSR, unless one interprets CSR as a "normal" (that is, a due) response (Mazutis, 2014: 524) to isomorphic pressures (DiMaggio & Powell, 1983)—the pressures coming from the societal context in which a firm is embedded—because "corporations want to be perceived as legitimate" (Crane et al., 2014: 141). However, this position reduces CSR to just a bundle of obligations and does not capture the crucial role, in corporate activities, of innovation, which is beyond duty almost by definition (and so could qualify as supererogation). Moreover, it does not highlight the increasing importance of firms addressing social and environmental issues by engaging in other-regarding activities, which are essential components of an updated interpretation of the CSR construct, as discussed in the most recent evolutions of the academic debate (Crane et al., 2014; Crouch & Maclean, 2011; Dunfee, 2006; Garriga & Melé, 2004; Scherer & Palazzo, 2011; Scherer et al., 2016; Tencati, Perrini, & Pogutz, 2004).

Therefore, the present contribution aims at recognizing the fundamental presence of the supererogation concept within the CSR domain. More specifically, the supererogation construct allows us to identify CSR actions capable of combining innovation (going beyond the "expected call of duty") with a superior capacity to address stakeholders (the other-regarding attitude).

CONCLUSIONS

The goal of our efforts is not to provide an all-encompassing, nuanced taxonomy of the possible CSR policies. Other contributions have already accomplished this task in original and important ways (Carroll, 1991; Halme & Laurila, 2009; Martin, 2002; Schwartz & Carroll, 2003).

Our intention is to focus on the importance of some specific corporate activities (such as those presented in the introduction), which seem to have an increasing value in modern business but need more investigation. In fact, if we consider the Latin etymology of supererogation (that is, *super-erogare*) and its theological origin (Heyd, 2015), supererogation means giving more than the required/expected. That is exactly what several firms are starting to do in their relationships with different constituencies (e.g., customers, employees, local communities, the natural environment, and so on).

More generally, until now, the CSR literature has provided only partial or inadequate attention to the phenomenon of firms that voluntarily provide more than the expected. Research has recently criticized the idea that CSR is voluntary or aspirational (Ohreen & Petry, 2012; Wettstein, 2009). The argument is that if we reduce CSR to a discretionary affair, we risk shifting the need to address serious social and environmental issues that are linked to business activities to the realm of the optional. From this locus, there is the risk that firms will "continue to avoid difficult, voluntary, meritorious and praiseworthy decisions by claiming that these actions are supererogatory" (Mazutis, 2014: 527), or "beyond the call of duty," rather than obligatory. The risk of watering down CSR is even worse when a business case or win-win opportunities that allow firms to combine social value and profits are invoked as a basis for firm action (Porter & Kramer, 2011), because then a firm could choose to avoid responsibility when the private financial benefits fail to cover the costs.

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However, there is also a risk in reducing CSR to legal and ethical obligations and in reducing the voluntary dimension of CSR to mere philanthropy, because this turns addressing social and environmental issues into a compliance exercise, maybe combined with nonmarket strategies for negotiating business-friendly regulation and shaping stakeholder expectations (Crane et al., 2014: 137–139). This would exclude CSR from the positive values intrinsic to management, such as taking leadership, introducing innovation, making difficult decisions, and achieving excellence (Cameron, 2003).

For these reasons, we propose the concept of supererogation—according to an interpretation based on a qualified view—and take cognizance of the specific conditions in which companies operate and the tensions they have to face, in order to recover the original meaning of *super-erogare*.

Supererogation does not cover all the territory of CSR. Compliance with the law, respect for ethics, and constructive responses to legitimate stakeholder demands must be expected even when managers, if left free to choose, would prefer to act otherwise. Supererogation affects the way a company engages in its core business, its operations, and its stakeholder relationships.

Nevertheless, an aspect of supererogation that we cannot dismiss is called "the ratcheting-up effect," which posits that "the behavior of moral saints serves to increase the level of moral obligation the rest of us face" (Carbonell, 2012: 228). Successful supererogatory policies can raise the bar and modify how firms interact with society. For example, a supererogatory decision can become normalized after a firm voluntarily initiates it, because either the decision stimulates new ethical expectations in stakeholders or its success in bringing benefits to society demonstrates its necessity. Thus, supererogation is a construct that evolves over time (Rivoli & Waddock, 2011).

Sometimes the financial benefits for the firm show ex post that a business case for the decision always existed, resolving all the uncertainties that were originally involved in the decision and making it a straightforward profitable investment. This result robs moral merit from the action but is a welcome outcome because it can increase the number of firms that adopt a socially beneficial decision.

Furthermore, as some of the examples in the introduction reveal, the tensions between moral reasons (the other-regarding condition) and utilitarian reasons (the lack of a clear business case) can create incentives for firms to find creative solutions by exploring actions that escape ethical dilemmas and create value for stakeholders in new ways (Baviera, English, & Guillén, 2016: 167).

Supererogation may also activate learning processes through which firms come to understand that certain courses of action (such as paying bonuses that are larger than those contractually due or addressing climate change in an active way) are conceivable and have a place in business.

Demonstration of an other-regarding attitude can also be transformational in the relationship the firm has with its stakeholders, who may interpret supererogatory actions as a signal of the ethical strength of the organization (Sekerka et al., 2014) and decide to place more trust in the company (Castaldo, Perrini, Misani, & Tencati, 2009), with beneficial effects for the firm and its capacity to create value over time (Post, Preston, & Sachs, 2002).

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Finally, supererogation may serve as a possible response to an emerging call to action directed at firms (Edelman, 2018). Companies, which "operate with an enlarged understanding of responsibility … and help to solve political problems in cooperation with state actors and civil society actors" (Scherer & Palazzo, 2011: 918), interact with stakeholders (Nason, Bacq, & Gras, 2018) in order to identify possible targets for their policies, build lines of action, and improve corporate performance, according to a relational perspective (Albareda, Lozano, Tencati, Midttun, & Perrini, 2008; Post et al., 2002).

> Many people have suggested that dealing with multiple stakeholders leads to trade-offs and conflict. I have come to believe that this is the wrong focus for a "stakeholder theory of business." Where stakeholder interests conflict there is an opportunity for "value creation." Where critics raise issues about products and services and company behavior, there is yet another opportunity for value creation (Freeman, 2010: iii–iv).

So, in our view, supererogatory firms are able to combine innovation and a superior capacity to address stakeholders (value creation) not because of a perfect rationality but thanks to "trial and error" and "learning by doing"—a path based on a continual dialogue with stakeholders (the other-regarding attitude), which leads to more responsible, careful, and sustainable ways of doing business.

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