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# HISTORIC CORPORATE SOCIAL RESPONSIBILITY

JUDITH SCHREMPF-STIRLING  
University of Richmond

GUIDO PALAZZO  
University of Lausanne

ROBERT A. PHILLIPS  
University of Richmond

Corporations are increasingly held responsible for activities up and down their value chains but outside their traditional corporate boundaries. Recently, a similar wave of criticism has arisen about corporate activities of the past, overseen by prior generations of managers. Yet there is little or no scholarly theorizing about the ways contemporary managers engage with these critiques or how this corporate engagement with the past affects the legitimacy of current business. Extending theorizing about political corporate social responsibility and organizational legitimacy, we address this omission by asking the following: (1) What is the theoretical basis for holding a corporation responsible for decisions made by prior generations of managers? (2) What is the process by which such claims are raised and contested? (3) What are the relevant features that render a charge of historical harm-doing more or less legitimate in the current context? (4) How will a corporation's response to such charges affect the intensity of the future narrative contests and the corporation's own legitimacy?

In July of 1998, German car manufacturer Volkswagen announced the creation of a fund to compensate former forced laborers who had worked for the company decades earlier, during World War II. This was surprising, because Volkswagen had previously stressed that it had been following governmental orders and that financial and legal responsibility therefore resided with the German government and not the corporation. This defense had not, however, quieted the critical claims about Volkswagen's use of forced labor, nor did it overcome the critical narrative of Volkswagen's *current* responsibility for its past. In the course of engaging with this narrative about its own past, Volkswagen had changed course entirely, reconceiving its responsibility for past actions, including its role in remembering that past.

Volkswagen is far from being the only company that has faced such a contest of narratives over past actions. Others include IBM, for providing the Nazi regime with technology that facilitated

human rights violations (Feder, 2001); Chiquita, for its activities, as United Fruit, in Latin America (Koeppel, 2007); and Monsanto, for providing the herbicide Agent Orange during the Vietnam War, allegedly causing adverse and ongoing health effects on the population and veterans (Fawthrop, 2004). Despite the rising tide of such claims, corporate reactions to these criticisms have received little or no systematic conceptual attention.

The situation faced by these corporations is similar to that of being held responsible for contemporary practices along their globally extended value chains. From the raw resources to the postconsumption phases, it is now generally recognized that corporations can be targets of critical attention for actions once considered outside their traditional boundaries of responsibility (Matten & Crane, 2005; Phillips, 2010; Scherer & Palazzo, 2007; Schrempf-Stirling & Palazzo, 2016).

Notably, the subject matter of these now well-established corporate social responsibility (CSR) theories has been described as "essentially contested" (Miles, 2012; Moon, Crane, & Matten, 2005) and "dynamic phenomena" (Matten & Moon, 2008: 405). While some see contest and dynamism as a problem for CSR theory, we take the facts of contested narratives about CSR and the dynamism of socially constructed phenomena as

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unavoidable. And nowhere is this contest more evident than in cases where narratives critically deal with a company's history. As such, we extend this growing body of literature about responsibility for contemporary, globally extended value chains to include considerations of corporate responsibility for past activities, as well as how these past activities are narrated and represented in the present.

Building on this prior literature on political CSR (Matten & Crane, 2005; Scherer & Palazzo, 2007), as well as Suchman's (1995) work on legitimacy, we present an account of historic CSR by looking closely at the interaction between the legitimacy of normative claims raised against corporations and the corporations' reactions to these claims. The resulting contest of narratives between corporations, critics, and society over past actions and their current interpretation potentially affects the legitimacy of the corporations themselves.

Most succinctly, we ask the following: (1) What is the theoretical basis for holding a corporation responsible for decisions made by prior generations of managers? (2) What is the process by which such claims are raised and contested? (3) What are the relevant features that render a charge of historical harm-doing more or less legitimate in the current context? (4) How will a corporation's response to such charges affect the intensity of the future narrative contests and the corporation's own legitimacy in the future?

The article is organized as follows. First, we introduce the building blocks of CSR and socially constructed legitimacy, with a brief defense of corporations as intergenerational moral actors and, hence, conceptually apt subjects for such responsibility. Then we present our theory of historic CSR, including the *problematization* of the corporate past and the interactions between the *legitimacy of the claims* about the past and the *corporate engagement* in present narrative contests. Finally, we elaborate on implications of historic CSR for managers and scholars.

## CSR AND LEGITIMACY

As Porter and Kramer recently observed, "The legitimacy of business has fallen to levels not seen in recent history" (2011: 64; cf., critically, Crane, Palazzo, Spence, & Matten, 2014). One of the main driving forces of this growing skepticism about the appropriateness of corporate actions can be found in the discussion on the eroding

power balance between corporations and governments (Scherer & Palazzo, 2007). While corporations increasingly organize their activities in globally stretched supply chains, governmental regulation remains nationally bound and falls behind. Instead of being embedded in (more or less) functioning and (more or less) democratic political contexts, corporations operate in zones of conflict, under repressive regimes, and in countries where governments are either not willing or not able to sufficiently regulate production activities (Matten & Crane, 2005).

In the current debate on CSR, corporations are often attacked as human rights violators in their global supply chains, as accomplices to repressive regimes, and as initiators of environmental disasters—but also as potential protectors and promoters of human rights or the environment (Phillips, 2010; Schrempf-Stirling & Palazzo, 2016). In this debate corporations are confronted with increasing expectations regarding the effects of their decisions (Palazzo & Scherer, 2006). In turn, their reactions to these criticisms influence their legitimacy (Scherer, Palazzo, & Seidl, 2013).

Legitimacy is described as the generalized perception of something as "desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions" (Suchman, 1995: 574). The legitimacy of a corporation is challenged if its behavior is perceived as deviating from the institutionalized rules of the game. Legitimacy threats emerge from contested incidents, issues, or behaviors (Scherer et al., 2013) and can eventually lead to an overall negative evaluation of the corporation within its societal context (Suchman, 1995), making it more challenging to attract or retain stakeholders (Dirks, Lewicki, & Zaheer, 2009; Mitchell, Agle, & Wood, 1997).

Although some corporations attempt to disavow their connections to the past, critics nevertheless address corporations and their past harm-doing as if they are intergenerational actors. Anticipating the potential *historic* dimension of the current CSR debate, Scherer and Palazzo wrote, "We cannot dismiss the possibility that members of other cultures or future generations may come to the conclusion that we are wrong" (2007: 1102). Corporations can be attacked for past harm-doing as they are attacked for present harm-doing, and in both cases the contestation of their behavior threatens their legitimacy. Examining the impact of moral claims over the corporate past, we begin with a brief review of the corporation as an

intergenerational moral actor capable of bearing responsibility.

The moral status of the corporation (or firm, organization, or group, etc.) has been debated in business ethics for decades (De George, 1981; Donaldson, 1982; French, 1979; Werhane, 1985). At one end of the spectrum are those who argue *against* corporate moral responsibility (Danley, 1980; Ladd, 1984; Ranken, 1987; Velasquez, 1985), believing, with some distinctive nuances among them, that responsibilities reduce to those of the individual human actors who make up the corporation.

At the other end of the spectrum are those who conceptualize corporations as moral persons (French, 1979) or moral agents (Donaldson, 1982; Werhane, 1985). Key characteristics of corporate moral agency are that the agent is able to act, has intentions, is able to reflect on those intentions (Werhane, 1985), has a moral relationship with others (Donaldson, 1982), and is a single entity or unit to whom responsibilities can be assigned (May, 1997; Meyers, 1983). Werhane, for instance, assigned corporations secondary moral agency, meaning that corporations "act only as a result of individual primary actions, but the 'actions' of a corporation are not redescrivable as the aggregate result of these individual actions" (1985: 59). The corporation is a distinct entity and has moral agency, which means it is able to take responsibility for actions within its locus of control. In the debate on CSR (Matten & Moon, 2008), corporate citizenship (Moon et al., 2005), and stakeholder theory (Harrison, Bosse, Phillips, 2010), scholars routinely take this assumption for granted when discussing responsibilities of corporations.

We find the case for corporate moral agency convincing. However, even once we recognize corporations as actors capable of bearing moral responsibilities, it remains an open question whether such responsibilities span back into history and cover past generations. Only under the condition that corporations are *intergenerational* moral actors can obligations extend through time.

While the chartered corporation as a legal construct was historically understood as the right to exist and to act on behalf of the government for a limited period (Micklethwait & Wooldridge, 2005), the corporation of twentieth-century capitalism turned into a construct with an unlimited right to exist. Most corporate activities (mergers, contracts, and other strategic decisions) are undertaken with the perpetual nature of the

corporation in mind. The legal rights granted to corporations span generations, as do the obligations incurred. In practically every way the corporation is thought of as a going concern. For most decisions by and about most corporations, the actor of the present is considered the continuation of the past corporation.

It is certainly the case that when their past is morally reevaluated in public debates, corporations are conceived of by most of that public as intergenerational actors with moral duties that result from past actions. This notwithstanding, a common corporate defense against historical responsibility is that the actor that committed the wrongdoing was a different organization entirely. Referring to mergers, acquisitions, bankruptcies, rebranding, changes in management team, and so on, corporations attempt to disavow responsibility by suggesting actor discontinuity. As a matter of public discourse, this defense has a very poor record. Criticism persists despite corporate efforts to disavow responsibility. For the purposes of current theorizing, we assert a strong—but potentially rebuttable—presumption of actor continuity. Corporations are, consistent with prior literature and according to society at large, legitimate subjects of historical narratives as intergenerational moral actors.

Legitimacy, however, is socially constructed and, following the literature on political CSR, can vary based on the actions of the corporation across geography and over time (Scherer et al., 2013). As a precursor to our examination of how a contested and moralized past can influence the legitimacy of a corporation in the present, we first introduce the concept of problematization as the initiation of a contest of narratives.

## CONTESTING THE CORPORATE PAST

To date, much of the discussion on organizational memory and forgetting has been driven by a functionalist research interest. Scholars have examined how corporations use their past to reach out to important stakeholders, to align employees around particular foundational values, to signal authenticity and reliability, and to create a strong corporate brand (Hudson, 2011; Tedlow, 2001; Urde, Greyser, & Balmer, 2007). A reference to history can be a particularly powerful strategy for corporations whose existence already spans generations. Corporate history in this sense is seen as an asset that can provide a competitive

advantage (Suddaby, Foster, & Trank, 2010). The resulting accounts of the past are more or less influenced by self-serving, instrumental motives and rarely leave room for critical memory or self-reflection.

Storytelling material from the corporate past that is not seen as an asset (or that may even prove to be a liability) is often left out of official corporate narratives. Negative incidents of the past are either forgotten over time or even "purposefully removed from memory" (de Holan & Phillips, 2004: 1605). Mandler and Johnson (1977) found that experiences not framed into stories are forgotten. Organizational memory tends to store mainly "information from an organization's history that can be brought to bear on present decisions" (Walsh & Ungson, 1991: 61), and memories of a dark past are rarely perceived as useful for present decisions. This represents a potential blind spot in corporate memory. Some companies attempt to avoid potentially painful elements of their past by burying problematic memories under an official version of the past. They may, for example, start the narrative of their past from a more favorable moment, choosing an artificial point zero and deleting earlier phases of their history from their corporate story.

These phenomena are described as politics of remembering and forgetting (Hochschild, 1998). Research on corporate museums illustrates, for instance, how some organizations purposefully reconstruct their past in consideration of how it will be remembered in the distant future. Nissley and Casey criticized the risk of a potential instrumentalization of the past, wondering whether corporate museums will serve as "forums for the development of collective memory" or, rather, become temples of "the 'official narrative' that has been 'sanctioned' by the corporation" (2002: 42).

On various levels of society, we engage in storytelling about the foundation, origins, development, changes, and goals of our institutions and organizations. Those stories and narratives form and express identity and legitimize current activities (Casey, 1997; Rowlinson & Procter, 1999; Weick, 2001). They create meaning by aggregating experiences, which feed into the collective memory of societies and organizations. Rowlinson, Hassard, and Decker propose a "minimal definition" of narrative—one shared by organization and historical theorists—as "a sequence of logically and chronologically related events organized by a coherent plot" (2014: 254; see also Barry & Elmes, 1997).

Past stories can be told using different narratives. A narrative, thus, is necessarily selective, and the selection is necessarily subjective: "Seeing one thing is not seeing another. Recounting one drama is forgetting another" (Ricoeur, 2004: 452). As argued by Fridenson (2008: 23, cited in Rowlinson, Booth, Clark, Delahaye, & Procter, 2009: 15), the past is not a "database" of objective information awaiting retrieval by disinterested actors; rather, it results from current interpretations of past stories. Historians face the challenge of finding narrative patterns across unique historic incidents. These patterns do not, however, lead to laws in the sense of "if y then z" (Ricoeur, 1994: 125).

Interpretations of a narrative can be contested: "It is always possible to interpret the same complex in another way and hence the admission of an inevitable degree of controversy, of conflict between rival interpretations" (Ricoeur, 2004: 337). The contest of narratives refers to the public deliberation among actors concerning different interpretations of the corporate past. This contest can be more or less intense and hostile. Moreover, this contest always occurs from a position embedded in the contestants' own hermeneutical situations, drawing from distinct values, beliefs, knowledge, and practices. A historical analysis therefore results from a fusion of the contestants' hermeneutical situation with those of past actors and their actions (Gadamer, 1989/1960).

Such an analysis can be more or less appropriate and is unavoidably subjective (and thus potentially contested) in a double sense (Steffy & Grimes, 1986): historians can build their narrative on mistaken assumptions about the context of past actors, and/or they can fail to consider how their own horizon frames and potentially distorts their analysis. Loew nicely summarizes this challenge when he writes that

the debate over objectivity is a wrong debate. No sooner had the historian chosen a subject than he already has imposed his subjectivity on history. The questions he asks, the selection of the sources he intends to use, the preliminary answers he already has in mind, the fact he is living *hic et nunc* nullify the mere possibility for objectivity. . . . Thus, objectivity cannot be the goal of history. Actually, history should take subjectivities into account, and acknowledge them as a necessary evil (2014: 30–31).

While there is no doubt that a historical analysis is subjective and can be contested, it can still achieve what Ricoeur (2004: 336) has called "good subjectivity." Good subjectivity can be understood

as the perceived plausibility of a particular interpretation of the past, signaled by overlapping interpretations of different historians that corroborate and strengthen each other and by a broad public acceptance of the resulting narrative (Ricoeur, 1994). However, since such narratives cannot be objective in a strict sense of scientific analysis, their acceptance remains contingent (Rorty, 1989) and fragile (Steffy & Grimes, 1986). They can be reexamined, contested, and potentially replaced by a new interpretation that is perceived as more plausible. Historical analysis, then, is an ongoing process and is collectively produced (Lowenthal, 1985).

In this process corporations have only limited control over how their past is discussed in public; alternative narratives periodically flare up into public view. We refer to such flare-ups as problematization, which then results in a contest of narratives. Problematization occurs when a narrative of the past is called into question through new insights, information, stories, or other sources. This occurs, for instance, when critics cast doubt on the "official narrative" of the corporation, perhaps even surfacing or emphasizing events the corporation or public was entirely unaware of. This happened, for example, in the case of German publishing house Bertelsmann regarding its Nazi past (Booth, Clark, Delahaye, Procter, & Rowlinson, 2007).

The re-narration of the past can have various driving forces. New narratives might, for instance, apply a different temporal perspective. George and Jones (2000) have described this as a "bracketing process." Whether the bracketing of events into a plot comprises longer or shorter periods has an impact on how phenomena are perceived and evaluated. New narratives might also result from changes in social values. What has been perceived as acceptable or harmless in the past might provoke harsh criticism in the present. Historians might also refute a dominating interpretation in light of new evidence, or they might surface long-forgotten stories requiring new interpretations.

While problematization might start as a debate among historians, it can also generate a broader public discourse. This public discourse unfolds as a process of democratic will formation among the spontaneously emerging civil society associations and movements that map, filter, amplify, bundle, and transmit private problems, needs, and values (Habermas, 1996), and it eventually leads to a contest over narratives. This contest is

amplified by today's mass media. According to Guldi and Armitage, narratives about history are thus inherently democratic: "Talking about the future in terms of our shared past is a method that opens up the possibility that anyone may submit an alternate position on where our future should go" (2014: 49). A struggle over the corporate past does not, indeed cannot, manifest in backdoor negotiations between historians and corporations but, rather, in the public deliberation of historic accounts. Historians have been described as "narrative artists" (Guldi & Armitage, 2014: 49) or "public teachers" (Cannadine, 1987: 177). They provide the descriptive analysis of historical events (Reich, 2004) that inform and enlighten the public in how it perceives and evaluates the past (Feldman, 1999). Historic narratives are necessarily open to future corrections and reflections (Feldman, 2001).

Here emerges the link between contest of narratives and legitimacy. Memories are created intersubjectively among the members of particular societies, communities, and organizations. Narratives produced by historians become the material for public processes of deliberation. These deliberations, in turn, result in moral evaluations of actors and actions, as highlighted by Suchman (1995). According to Suchman, normative/moral legitimacy is

"sociotropic"—it rests not on judgments about whether a given activity benefits the evaluator, but rather on judgments about whether the activity is "the right thing to do." These judgments, in turn, usually reflect beliefs about whether the activity effectively promotes societal welfare, as defined by the audience's socially constructed value system. Of course, this altruistic grounding does not necessarily render moral legitimacy entirely "interest-free" (1995: 579).

In relying on this perception of legitimacy, our theory is pragmatic and discursive "all the way down." It does not require, nor does it rely on, any particular moral theory. Rather, it is based on a primacy of democracy to philosophy (Habermas, 1996; see also Rorty, 1991).

With this understanding of corporations as intergenerational moral actors subject to fluctuations in socially constructed legitimacy, who are themselves participants in deliberative contests of narratives about their own past, we can now begin to theorize the process of problematization and how the legitimacy of the historical claims interact with a corporation's response to influence future corporate legitimacy.

**A TYPOLOGY OF NARRATIVE CONTESTS OVER THE CORPORATE PAST**

Corporate legitimacy is a concept that has become integral to the literature on political CSR, on which our theorizing relies. Referring to a corporation’s “license to operate”—or even its “right to exist”—the concept has a still longer history, including use by Dowling and Pfeffer, who described how “organizations seek to establish congruence between the social values associated with or implied by their activities and the norms of acceptable behavior in the larger social system of which they are a part” (1975: 122).

Corporations have several options when the past threatens their legitimacy, including but not limited to engaging in stakeholder manipulation, institutional compliance (Oliver, 1991), or moral deliberation (Scherer & Palazzo, 2007). We argue that the consequences of a problematized past for a corporation’s license to operate can be analyzed along two dimensions. First, there are several elements that will bear on the traction a given claim will achieve, such as the level of institutional pressure at the time of the harm-doing or the magnitude and durability of the harm. We call the overall generalized impression arising from these considerations “claim legitimacy.”

Second, corporations have a variety of behavioral options when reacting to a contestation of

their past, and the choice from among these options affects corporate legitimacy going forward (Scherer et al., 2013). Corporations are observers in those processes of public deliberation but can also become active participants and, thus, influence the outcome (Scherer & Palazzo, 2007). We call this second criterion “corporate engagement.”

Combining those two criteria presents four possible outcomes. We consider these outcomes in terms of their effects on the future intensity of the contest of narratives and the legitimacy of the corporation into the future. By intensity of the contest, we refer to the relative levels of hostility among the parties to the contest. Is the contest of narratives a good-faith discursive search for agreement on the past and its interpretation or an instrumental effort by the parties to make their favored interpretation the “official” or “settled” one? The interaction between problematized moral claims and a corporation’s reactions to the resulting contest of narratives affects the congruence described by Dowling and Pfeffer (1975) and, in turn, the corporation’s legitimacy.

Figure 1 provides an overview of the two dimensions of our typology and the resulting levels of contestation. In the following sections we analyze the elements that go into perceptions about the legitimacy of historic claims. We then

**FIGURE 1**  
Typology of Narrative Contests over the Corporate Past

Corporate engagement	High	Open contest	Communicative contest
	Limited	Latent contest	Hostile contest
		Limited	High
		Claim legitimacy	

discuss the behavioral options corporations have in reacting to the contestation of their past.

### CLAIM LEGITIMACY

A problematized corporate past can attract more or less public attention and lead to more or less contestation, which, in turn, will influence the likely intensity of future contestation, as well as the degree to which the legitimacy of the corporation is threatened. The overall receptiveness of the social context for a critical narrative is crucial for the understanding of the level of contestation. We are at pains to emphasize, however, that we do not intend to investigate the universalizability of such claims. We offer them in a more pragmatic spirit, as befits a model based on social construction and perceptions of legitimacy. Moreover, we do not argue, *ex ante* or *a priori*, which of these features will dominate perceptions of legitimacy for any given narrative. Claim legitimacy is, like many moral evaluations, an "all things considered" phenomenon (Suchman, 1995). Indeed, the relative priority of any one of these features may itself be the subject of the narrative contest, as our examples will demonstrate.

With this in mind, we propose six elements that come under scrutiny when evaluating the legitimacy of a claim: (1) the past institutional pressure, (2) the available knowledge of past actors, (3) the magnitude and durability of harm, (4) the receptivity within the current context, (5) the history and reputation of narrative contestants, and, finally, (6) the plausibility of the narrative.

#### Past Institutional Pressure

Institutions have been defined as taken-for-granted values, beliefs, and practices (Thornton & Ocasio, 2008). Whether a behavior is perceived as appropriate is determined by those institutions that dominated particular social contexts in a particular historic moment (Dunn & Jones, 2010). Bourdieu (1977: 196) highlighted the "symbolic violence" institutions exert on actors. The stronger the dominance of a specific set of beliefs, values, and practices, the higher the pressure to comply with those rules of the game. In extreme cases institutions can be so dominant that actors have, in effect, no other options but obedience or self-destruction. Goffman (1961) labeled these "total institutions." When actors perceive institutional pressure as inescapable, they may defend

current practices or beliefs, even when they have doubts about their propriety (Kay & Friesen, 2011). At the extreme of taken-for-grantedness, it is difficult or even impossible to think of alternatives (Suchman, 1995).

Whether a moral claim with regard to the corporate past is perceived as legitimate will depend on how past institutional pressure is evaluated. Did companies have leeway in their decision making, or was the institutional pressure inescapable? There are circumstances where corporations are effectively unable to act differently and become unavoidably complicit. In such a scenario, strong institutional pressure will tend to mitigate claims of responsibility against the corporation. As we discuss later, corporations headquartered in Nazi Germany often had no other choice but to use forced labor during the war years. They were under governmental orders, and the risks of disobedience were severe.

One potential, although not determinative, source of evidence for the strength of institutional power is the behavior of other corporations in the same context. If, effectively, no actor was willing or able to resist the prevailing norms, this is evidence of a strong institutional context. Alternatively, if other corporations in the same context did behave differently, this is an indication that institutional pressures were lower. We can then evaluate the power of the context based on the disparities among actors and the punishment experienced by dissident actors.

A careful analysis of corporate practices in South Africa during Apartheid reveals a broad set of behavioral options. While most corporations initially conformed to the Apartheid laws (Coker, 1981; Johnson, 2006; Westermann-Behaylo, 2009), public protest in the 1960s and 1970s changed the scene: some corporations followed the South African rules of the game (and became accomplices of human rights violations), whereas other companies positioned themselves as "agents for change" (Sullivan, 1983: 427) and contributed to change from within the country (so-called constructive engagement). Still others decided to leave the country and divested from South Africa to avoid any complicity in human rights violations (Lansing & Kuruvilla, 1988).

At this general level, comparing the institutional contexts of Nazi Germany and Apartheid South Africa shows differences of institutional pressure. Historians point to Chiquita's power as United Fruit in Latin America as an institution in



its own right. Because it was able to shape the context in which it was embedded, the company arguably faced the least institutional pressure (Chapman, 2008; Colby, 2011; Koepfel, 2007; Striffler & Moberg, 2003). Other things being equal, lesser institutional pressure and greater perceived discretion in the past increase perceptions of claim legitimacy.

### Available Knowledge of Past Actors

Institutions (state and otherwise) not only limit options for actors; they also structure their attention (Lounsbury, 2007). If past actors, considered within their own hermeneutical context of practices and beliefs, could not see what we can see in our present context, if they did not have the moral vocabulary to evaluate their behavior in a comparable way, it becomes harder to criticize them (Rorty, 1989). Can we impose our own categories of CSR on the past if past actors did not have our set of options available? As we have argued, legitimacy is not measured along some universal moral criteria but results instead from the values, principles, and standards of a particular society in a particular historic moment. In order to reconstruct a "line of continuity of an uninterrupted tradition" (Ricoeur, 2004: 479) that connects current actors to past stories, we have to examine whether the current critical narrative was *in principle* possible and comprehensible in the past society with its particular horizon.

Here it is important to consider Gadamer's (1989/1960) distinction between the overall hermeneutical situation and the horizon of the actors within that situation. Even though past corporate actors might not have reflected on human rights violations or the destruction of the environment, it may be demonstrated that it was at least possible for them to do so because others in their context did. We have to ask whether corporate decision makers in the past context either did not or could not have known better based on their own hermeneutical situation.

Hermeneutical challenges arise in holding the Medici family responsible for contemporary conceptions of human rights violations or the environmental practices in its mining activities in the early Middle Ages. The East India Company, however, had access to critical discussions on human rights and corruption. There was a vivid debate in the U.K. public sphere and even debates in Parliament on the behavior of the

corporation. We find a valuable account of this debate in Adam Smith's *Wealth of Nations* (1776), where Smith harshly attacks the East India Company for its business practices in India. Thus, perceptions of claim legitimacy will consider whether the corporation and its managers could have known better within their own historical context.

### Magnitude and Durability of Harm

The next element in evaluating perceptions of claim legitimacy is the magnitude and durability of harm that resulted from the contested past actions of a company. Harm can affect few people or many people. It can be systemic or locally limited. It can impact a specific historic moment or lead to ongoing suffering across generations. Incidents with a greater magnitude will create more indignation and will lead to higher expectations with regard to the responsibility of the targeted corporation (Jones, 1991).

Moral claims are perceived as more legitimate, in particular, when perpetrators (individuals or organizations) and victims are still alive and the suffering provoked by past actions or incidents continues in the present. Corporations with a history of harm-doing may attempt to conclude those unpleasant aspects of their past either by reaching an agreement with a government or by employing other legal procedures. From such a perspective, the goal is to close a debate, to disconnect from the harm, and to stop a controversy "now, once and for all" (Ricoeur, 2004: 324).

However, "closure" has an asymptotic quality. Contests of narratives can, at best, *approach* closure, but they remain perpetually contingent and open to reinterpretation and contest. No lawsuit or other legal remedy can simply end this process. The story of the legal process itself becomes part of the larger narrative. From a broader social perspective, a strategy to end a narrative does not resolve the legitimacy problem. A company's history can remain problematized quite independently of legal agreements.

Ongoing suffering can also be understood in a broader way. Even if the direct victims are no longer alive, suffering can continue in a society where the harm occurred. Recent research shows that harm can be stored in the collective memory of entire societies and can therefore negatively influence present conditions indirectly. Using shipping records and historical documents on

slave ethnicities between 1400 and 1900, Nunn (2008) found a negative relationship between the number of slaves kidnapped in different locations in Africa and the economic performance of the same locations today. A similar relationship has been found between the slave trade and contemporary levels of trust in societies that suffered from these systematic human rights violations in their past (Nunn & Wantchekon, 2011). Thus, we argue that the magnitude and durability of harm tends to increase claim legitimacy.

### Receptivity Within the Current Context

Just as the past has its own hermeneutical context, so, too, does the present. And this context will also bear on perceptions of claim legitimacy. With the fall of the Berlin Wall and access to formerly unavailable archives and information, the debate on the complicity of German corporations in human rights violations in Nazi Germany resurfaced (Huber, 2002). This contest of narratives during the 1990s led to an increased institutionalization and homogenization of corporate responses within Germany. Many German corporations commissioned historians to examine their Nazi past and created or contributed to funds for victims (Feldman, 1999; Huber, 2002; James, 2004; Turner, 2005). Claims are legitimized through such institutionalized practices. For German companies confronted with their Nazi past today, there is an accepted, institutionalized practice of how to deal with such a claim. There is strong pressure on these companies to follow established practices. In short, the receptivity of the current context also contributes to claim legitimacy.

### History and Reputation of Narrative Contestants

A corporation's recent past and long-distant past also play a role in perceptions of claim legitimacy. Corporations with a known history of complicity in wrongdoing will carry that reputation with them as new actions are problematized and become material for new narratives. This reputation will tend to increase claim legitimacy. As we describe in a later section, this includes a corporation's reactions within past contests of narratives—the other axis in our matrix.

Symmetrically, the reputation of any contributor in the narrative contest will bear on claim legitimacy. Like corporations, critics or other

contributors have histories, and these histories will influence perceptions of claim legitimacy as well. This is why Wischermann (2014) recommends that corporations that want to commission historians to examine their past consider the historians' reputation and credibility. For instance, a book on a company's business relations with the Nazi government between 1933 and 1945 might be perceived differently depending on whether it was written by a historian commissioned by the corporation, an independent historian, or a journalist whose parents were Holocaust survivors. Being aware of potential biases of historians who are commissioned by companies, Feldman (1999) reminds us that historians have a "public responsibility" and should "be as independent as possible."

### Plausibility of the Narrative

We have highlighted the social construction of accounts of the past; even so, the resulting narratives still may be more or less plausible. Plausibility here refers to being apparently valid and thereby persuasive and suggests a role for professional historians. Plausibility concerns questions like "Does the claim make sense given the historical context, what is known about the past context, and the current deliberation?" Historians can agree on interpretations of the past or compete with contradictory narratives. Disagreement among historians about the interpretation of past corporate decisions will influence the public debate. Public deliberation will reflect the degree of uncertainty over a narrative. Archivist Loew argues that

it is not possible to pass judgement without specific reference to the system to which it applies. The historian must demystify discourses. He must know who speaks and recognize signs of power in order not to accept the objectivity or reality of one group without questioning it (2014: 36).

Thus, careful historiographic analysis—selection of sources, their analysis, and their evaluation—is needed when evaluating the past, the plausibility of narratives, and, ultimately, the legitimacy of claims.

The legitimacy of a claim is a social construction at a given point in time in a given social context. It will depend on how, in this context, the magnitude of harm, the past institutional pressure, the past access to current moral standards, and the institutionalized answers are evaluated.

In general, the perceived legitimacy of the claim will influence the intensity of the contest at the time of problematization.

### CORPORATE ENGAGEMENT

The fundamental concern for a deliberative theory—Habermasian, pragmatist, or a combination (see Scherer & Palazzo, 2007, for a description of the evolution of Habermas's work in this direction)—is participation in the deliberation itself. In terms of theorizing about historic CSR, this means an examination of the effects of corporations' choices regarding levels of engagement on the intensity of the contest going forward, as well as on their own legitimacy.

Corporations can react in different ways to a problematization of their past. Corporate engagement can range from ignoring the narratives, denying the interpretation of their past, and resisting public pressure to transparency, and, in some cases, reconciliation. Denial, confrontation, and selective transparency constitute relatively limited forms of engagement. Greater openness and transparency and good-faith discourse with critics concerning the claims raised move toward higher levels of engagement in the narrative contest. Our  $2 \times 2$  matrix reveals four types of contest that result from a moral reevaluation of the corporate past (see Figure 1). We label them latent, communicative, hostile, and open.

#### Limited Claim Legitimacy/Limited Corporate Engagement: Latent Contest

Limited engagement with a contest of narratives can manifest in a variety of ways. Often, it takes the form of confrontation. This can be passive confrontation, in which the corporation simply ignores the claims in the hope that the contest dissipates. Or the confrontation can be more aggressive, with the corporation openly denying the claims, disavowing knowledge, attacking the claimants, and so forth. This strategy can work well with claims whose legitimacy is limited, such as when institutional pressures in the past were so strong that the company was not effectively able to act differently, when the plausibility of the critical narrative is challenged by historians, and when facts are ambiguous.

When journalist Edwin Black (2001) published his book on IBM's business relations with the Nazi regime, accusing the company of complicity in

human rights violations, IBM disputed the claims, stating that the facts in the book were "old news" because the business relationship between IBM and the Nazi government had been documented in the U.S. Holocaust Memorial Museum in Washington (see <http://www.ushmm.org/outreach/en/article.php?ModuleId=10007703>) for many years. IBM defended its position by claiming that its German subsidiary was rapidly taken over by the Nazis and that IBM headquarters lost all control. Also, IBM did not have much information about the period described in the book because most of its records were lost or destroyed (IBM, 2001, 2002). Even though there was significant publicity around IBM and its Nazi past when Black's book was published, the publicity was rather short-lived, and the intensity of the narrative contest remained latent.

A defensive, confrontational strategy can be effective for cases of limited claim legitimacy. In the IBM case, the fact that Black's book received ambiguous reviews by several renowned historians likely contributed to this effect. Some historians criticized Black's work for misrepresenting elements, making strong accusations without adequate evidence, and ignoring counterarguments, as well as for methodological flaws (Allen, 2002; Hayes, 2001; Turner, 2001). Faced with such claims, corporations taking a limited engagement approach are likely to see the intensity of future contest diminish, with only a temporary and modest effect on their corporate legitimacy going forward.

#### High Claim Legitimacy/High Corporate Engagement: Communicative Contest

Two factors that frequently contribute to a communicative contest of narratives are the release of new sources of historical information and changes in the contemporary receptiveness to certain critiques. Issues are problematized for corporations that believed the narratives were relatively settled only to have them reemerge as new problems. Corporations can be aware of general complicity, but new information can change the specifics of the case (e.g., affected parties, magnitude and duration of harm, etc.). So, too, can the norms within the hermeneutical context of the contest undergo changes. Both of these things happened to Volkswagen.

When the German car maker was confronted with its involvement in forced labor during World War II and reparation demands by former forced laborers, it initially reacted to these demands

with denial—as did IBM more recently. Early on, Volkswagen stressed the difference between legal and moral responsibility for forced labor and denied legal responsibility (and therefore legal compensation) based on its argument that Volkswagen, like its industry peers, was working under government orders (Kocks & Uhl, 1999). Because it is a German-based company, this is a more compelling argument for diminished claim responsibility than IBM's similar claims as an American company. As a German company, it was difficult (if not impossible) for Volkswagen to do anything else but cooperate with the government at the time.

However, claims about harm-doing during the Nazi regime began to find increasingly fertile ground in Germany in the mid-1980s (Fischer, 2008; Huber, 2002). Volkswagen's Nazi past continued resurfacing (an example of high claim legitimacy/limited corporate engagement, see below) during this time, when the head of the Wolfsburg City Archives published a book on Volkswagen's forced labor involvement (Siegfried, 1986). Additionally, the opening of Eastern Europe following the fall of the Soviet Union provided a trove of new historical information. The fall of the Berlin Wall also gave a voice to victims who previously had no access to public debates (Huber, 2002). These developments increased claim legitimacy. In response, Volkswagen increased its engagement in the contest of narratives and has become more transparent about its Nazi past, taking steps toward acknowledgment and reconciliation with victims, their families, and society.

The company commissioned a renowned historian (Mommsen & Grieger, 1996); established an academic company archive, including a professorship (Bölke, 1996); created a fund to compensate former forced labor (Andrews, 1998); and introduced an international youth exchange program aimed at connecting young people from Germany with counterparts in Eastern Europe (the source for many forced laborers). Volkswagen also established a seminar series in the former concentration camp at Auschwitz, created a permanent exhibition in a former underground bomb shelter on its manufacturing site in Wolfsburg, and published a series of "Historical Notes" highlighting specific topics and chapters in the company's Nazi past. Because of such a high engagement in the narrative contest, we call this type of contest a communicative contest.

Like IBM's past, Volkswagen's Nazi past does not typically resurface in the current press. For

instance, when leading newspapers recently reported that Volkswagen might have used forced labor in East Germany during the 1970s and 1980s, none of the reports made a reference to Volkswagen's Nazi past of forced labor, even though it would have been easy to draw parallels (Hudson, 2014; Oltermann, 2014). The recent emissions software revelations will provide a good test of our theorized relationship. As of this writing, it is too early to say whether Volkswagen's twentieth-century actions will resurface as a lens through which to view this new scandal, or whether the company's high engagement with its remote past has created some space for addressing the issues of diesel emissions on its own terms. So far, connections between emissions and Volkswagen's Nazi complicity have been vague or absent. It will be interesting to watch how the contest of narratives evolves. As a matter of critical historiography, we take this absence as conspicuous. On balance, then, where perceived claim legitimacy is high, the initial contest of narratives is likely to be high. But when combined with high levels of engagement, the intensity of the contest will generally moderate, with salutary effects on corporate legitimacy.

#### **High Claim Legitimacy/Limited Corporate Engagement: Hostile Contest**

When the perceived legitimacy of a claim is relatively high, the social expectations toward the corporation will be similarly high (see the previous discussion on Volkswagen). A limited engagement strategy (e.g., denial or confrontation) is risky in such cases and is likely to fuel the intensity of contestation and to have damaging effects on corporate legitimacy. Critics will be at their most aggressive, rendering the contest of narratives most vituperative. These same critics will use any means at their disposal to force the corporation to engage the question, such as attempting to damage or otherwise limit the effectiveness and discretion of the corporation (e.g., through boycotts, legislative lobbying, lawsuits, etc.).

An example where a limited engagement strategy increased the intensity of the narrative contests is Monsanto—one of the two main suppliers of the herbicide Agent Orange, used by the U.S. military between 1961 and 1971 to deprive communist forces of their hiding places during the Vietnam War (Fawthrop, 2004). Agent Orange was

contaminated with a toxic dioxin compound, which was found to cause adverse health effects, such as cancer and birth defects. Even today the effects of Agent Orange on the environment, the local population in Vietnam, and veterans are visible. Hectares of forest and cropland were destroyed, and people exposed died or got seriously sick, sometimes passing the effects of exposure to descendants (MacLeod, 2012).

There are claims that Monsanto knew about the toxicity of Agent Orange (Schuck, 1987). In response, Monsanto has been relatively defensive, referring to the U.S. government as the actor responsible:

As a result, the governments that were involved most often take responsibility for resolving any consequences of the Vietnam War, including any relating to the use of Agent Orange. U.S. courts have determined that wartime contractors (such as *the former Monsanto*) who produced Agent Orange for the government are not responsible for damage claims associated with the chemistry (see <http://www.monsanto.com/newsviews/pages/agent-orange-background-monsanto-involvement.aspx>; emphasis added).

This reaction shows the already discussed strategy of corporations to stop critical narratives in the courtroom. But this does little to stop the contest of narratives. Also note the term “former Monsanto”—clearly an effort to ontologically distance itself from earlier decisions. Monsanto also questions the causality between Agent Orange and certain health consequences. In 2004 a Monsanto spokesperson said that “reliable scientific evidence indicates that Agent Orange is not the cause of serious long-term health effects” (cited in Fawthrop, 2004).

This confrontation strategy has served to increase the intensity of contestation and has influenced Monsanto’s legitimacy. Monsanto is one of the most criticized corporations in the world, and the company’s Agent Orange legacy continues to recur in the media, amplifying other accusations against the company (recently including narrative contests concerning genetically modified organisms [GMOs] and pesticides). Sarich (2013) asks, “Is Monsanto’s RoundUp (Glyphosate) the New Agent Orange?” Entine (2014) similarly summarizes the controversy of potential “Agent Orange corn.” Finally, some journalists see irony in Monsanto’s entrance into the Vietnamese market. Leung (2014), for instance, mentions Monsanto’s “devastating legacy” when reporting on Monsanto’s Vietnamese expansion.

We describe contests like those with Monsanto as hostile.

### Limited Claim Legitimacy/High Corporate Engagement: Open Contest

At the extreme, this combination would involve a corporation’s overengagement with critics in response to a claim with limited perceived legitimacy. This could include cases where corporations attempt to “get out in front” of an issue that the public has not yet fully recognized (low receptivity in the current context). Such proactivity may be due to a corporate history that makes the corporation susceptible to particular sorts of claims. It can also involve cases where one or several of the contestants have limited credibility but the issue is still seen as potentially important, or where information is unusually ambiguous.

Fruit company Chiquita, formerly known in some parts of the world as United Fruit, is an example of a firm that approaches claims regarding its history with a relatively high engagement. At the end of the 1990s, Chiquita’s CEO Steven Warshaw was frustrated and discouraged because of the continuous criticism the company was receiving despite its efforts to be a good corporate citizen. In the early 1990s Chiquita had the largest unionization rate in the industry and started collaborating with nongovernmental organizations to improve its environmental footprint in the supply chain, yet criticism still persisted (Tapscott & Ticoll, 2003). By the end of the 1990s, Warshaw called for a period of reflection regarding Chiquita’s past and current activities. Warshaw worked with a team and external CSR experts, such as Robert Dunn (CEO of Business for Social Responsibility), to see how the company could create trust with its external stakeholders. The result has been a very transparent approach about its activities and the issues that have arisen. Thus, part of Chiquita’s approach is to take any claim seriously.

Since the 2000s, Chiquita has made efforts to address its past of economic and political domination in Latin America (Chapman, 2008; Colby, 2011; Koepfel, 2007; Striffler & Moberg, 2003) by promoting sustainability and positioning itself as a good corporate citizen. Chiquita’s CSR reports and increased transparency have been well received (Tapscott & Ticoll, 2003). Tapscott and Ticoll, for example, describe Chiquita’s “turn-around” and transparency as “as good as it gets

today" but cautiously wonder, "Will it last long enough to be deeply rooted, or will short-term expedient strategies regain dominance?" (2003: 202).

Chiquita has never denied its morally problematic past as United Fruit and has demonstrated a certain degree of transparency—for example, by donating a selection of its company archive (mainly photos) to the Fall River Museum in Massachusetts and to the Baker Library at Harvard Business School (see <http://www.library.hbs.edu/hc/pc/large/united-fruit.html>). However, the company has never shown the level of engagement that Volkswagen has. Unlike Volkswagen, Chiquita has not organized a critical historiographic analysis, nor has it published critical historic material. Chiquita's past, as United Fruit, remains more ambivalent than that of Volkswagen. Chiquita ruthlessly used the U.S. military to enforce its interests in Latin America (giving rise to the expression "banana republic"), but it also built hospitals, streets, and schools in regions where no one else invested in such infrastructure. The company successfully fought tropical diseases and wrapped a paternalistic net around its workers (Taylor & Scharlin, 2004).

Claim legitimacy is comparably limited. This is because of the narrative ambivalence regarding the magnitude of harm, the low awareness of and interest in historic accounts of Latin America in Europe and the United States, and a lack of institutionalized practices for dealing with such a past.

Chiquita's past engagement with its history is not as intensive as Volkswagen's, but it is more transparent than some firms. Critics sometimes refer to the past of United Fruit in order to reinforce

the credibility of critical narratives over current issues, such as the more recent complicity with paramilitary groups in Colombia (Bargent, 2013; Beauchamp, 2014) or the company's role in the 2009 Honduran coup (Fischer, 2010). But even with these recent critiques, Chiquita's engagement has led to a decrease in critical hostility overall, with benefits for its corporate legitimacy. Table 1 presents a summary of the interactions between claim legitimacy and corporate engagement.

### IMPLICATIONS OF HISTORIC CSR

The interaction between claim legitimacy and level of corporate engagement affects a corporation's perceived legitimacy and the intensity of the narrative contest. The role of a critical historiography should not be underestimated. In the following we discuss implications of our theory of historic CSR on historiography and what we call "sensitivity and historical awareness."

#### Critical Historiography

Interpretation of historical examples is a fraught endeavor under the best of circumstances. We, the authors, are not immune to the effects of our own lenses, and hermeneutical contexts are themselves contributions to the ongoing contest of narratives. Space precludes the sort of thorough historiographical analysis the cases we describe deserve, but we would be remiss in failing to consider alternative interpretations of our narrative examples.

In the IBM case there is ambiguity about the extent of IBM's ability to withdraw its support and technology from the Nazis because of increasing

**TABLE 1**  
**Effects of Claim Legitimacy and Corporate Engagement**

Legitimacy and Level of Engagement	Type of Contest	Future Intensity of Contest	Effect on Corporate Legitimacy	Example
Limited claim legitimacy/ limited corporate engagement	Latent	Decreasing	Modest	IBM and Nazi Germany
High claim legitimacy/ high corporate engagement	Communicative	High but moderating	Increasing	Volkswagen and Nazi Germany
High claim legitimacy/ limited corporate engagement	Hostile	Increasing	Decreasing	Monsanto and Agent Orange
Limited claim legitimacy/ high corporate engagement	Open	Decreasing	Increasing	Chiquita and Latin America

state control. There are also questions about what those at IBM headquarters knew, when they knew it, and how the records went missing. And the assertion that Black ignored facts and arguments running contrary to his case apparently diminished the legitimacy of his claims.

Volkswagen's and Chiquita's engagement narratives are interestingly different. Although we characterize both cases as high engagement, the disparities within this category surface important caveats. For example, elements of these cases point to challenges of partial transparency. As we mentioned above, remembering in one way is to forget in others (Hochschild, 1998). Corporations, as guardians of their own archives, can implement a system of partial disclosure that can give the appearance of transparency while remaining largely driven by narrow corporate interests and brand sensitivity. This may be successful for some time—perhaps in perpetuity. Or such partial transparency may turn to fodder for later problematization if it is discovered that the corporation was hiding important historical information.

If memory more closely resembles the corporate drive to protect brand and reputation, then history is better represented by the openness, transparency, and reconciliation we see with Volkswagen, with openness being more consistent with change in light of future empirical findings. Currently, Volkswagen's transparency and reconciliation efforts appear more comprehensive than Chiquita's. Critics and historians are doubtless on the watch in both cases.

Monsanto's approach to the myriad criticisms it faces—including those relating to Agent Orange—appears to rely on corporate power rather than open engagement. Some companies seem committed to relatively hostile and intense contests of narratives and are able to match confrontation with confrontation. This can be an effective bulwark against criticism for extended periods, but it continues to present risks of diminished corporate legitimacy should its bases of power begin to erode. Low engagement can remain an effective response to problematization as long as power remains asymmetric among the narrative contestants or claim legitimacy remains low.

### Sensitivity and Historical Awareness

Consistent with the theory presented, sensitivity to history is an interactive and intersubjective feature of the contest of narratives. Corporations

with a troubled past are often held to a different, higher standard of behavior as a result of this past, because critics are more sensitive to the corporation's activities in those spheres. Alternately, corporations with a history of higher engagement are likely to have greater sensitivity to comparable issues in their own operations, including in their present-day extended global value chains. Ongoing engagement leads to greater sensitivity looking ahead.

**Public sensitivity.** Past transgressions, when the narratives are not thoroughly and openly contested, will influence how citizens perceive the current and future behavior of a corporation (Dirks et al., 2009) and will potentially reinforce the negative perception of current misbehaviors. Monsanto represents the case of a company whose actions are likely to receive increased scrutiny based on a history of harm-doing and hostile engagement with critics.

If a company is involved in several cases of past harm-doing, the narratives of those cases can be mutually reinforcing. The intensity of contest will also be influenced by the perception of current business activities, including those activities relating to the narrative contest and acceptance of responsibility. If current activities are perceived as a continuation of harmful practices from the past, the latter will be more present in the narratives.

**Corporate sensitivity.** Recognizing historical responsibility also motivates a greater sensitivity to similar issues not only by critics and the public but also by the corporation itself; the greater the level of engagement, the greater the sensitivity. Corporations with a history of past harm-doing will vary in their awareness of the moral challenges of current activities. Corporations that deny historic responsibility will, almost by definition, be least likely to learn from the past and be least sensitive to the challenges presented by current actions.

More constructively, sensitivity derived from taking responsibility may benefit corporations with a problematized past. Bansal and Clelland (2004), for example, found that corporations with low legitimacy gain from using CSR to boost their legitimacy. And Godfrey (2005) argued that socially responsible behaviors (including philanthropy) can serve as a sort of "insurance" against future mistakes. That is, just as recollection of past misdeeds can complicate current decisions, a history of responsible behavior and responsible re-narration can mitigate damage caused by

current or future malefaction. This seems to be the case currently for Volkswagen and the aspiration of Chiquita. Companies for whom the past is vivid in the present are less likely to repeatedly make similar mistakes. And the corporation that has done the hard work of reconciliation is likely to be the most aware of the broader implications of current activities, including implications for the distant future.

Organizational scholars discuss legitimacy mainly as a property of (private) organizations (Suchman, 1995), whereas political scientists examine the legitimacy of (public) regulatory regimes (Habermas, 1996). Recently, both debates have been brought together in the debate on political CSR (Matten & Crane, 2005; Scherer & Palazzo, 2007). These scholars have argued that globalization shifts power to private actors who start to assume responsibilities that previously were perceived as public or governmental responsibilities, such as the protection of human rights. Here, both types of legitimacy are connected in one narrative on CSR: the legitimacy of corporations is challenged because of social and environmental harm along their supply chains, while their involvement in private initiatives seen as replacing governmental regulation leads to a critical investigation of the legitimacy of these private solutions (Scherer & Palazzo, 2007).

With our discussion on past harm, we both theorize the historic dimensions of political CSR and add a new type of legitimacy that has been largely neglected so far—the legitimacy of moral claims raised against corporations (or other actors). Claim legitimacy is not only an important aspect in the discussion on past harm but might also contribute to the debate on political CSR in a more general way. The evaluation of both, the impact of harm in supply chains on the legitimacy of corporations and the impact of their regulatory engagement on the legitimacy of soft law regulatory schemes (such as multistakeholder initiatives), is potentially moderated by the legitimacy of the claims that trigger both, the attacks against corporations and their political engagement.

Finally, akin to “partial transparency” is the possibility of historical plausible deniability. There may be a vague sense within corporations that harm-doing is part of their past. This provides some competing motivation among contemporary executives: whether to avoid looking too closely at the past or to dig as deeply as possible in the hope of getting ahead of future problematization. In the

former case, corporations risk being caught by surprise by critics with accusations that the corporation “should have known.” In the latter case, difficult questions of proactivity versus “letting sleeping dogs lie” arise. The risks of preemptive investigation versus historical deniability—and the concomitant effects on intensity of contest and corporate legitimacy—are important strategic decisions for managers prior to the problematization that initiates the process described here.

## LIMITATIONS

There are a number of limitations. First is the matter of survivor bias; it may be that the number of companies enduring long enough to face the challenges described here is small, thus limiting the generalizability of the theory. In a historical perspective, “surviving” takes on a more nuanced role as an element of the contested narrative. Standard techniques for avoiding or denying responsibility for past actions include rebranding and mergers/acquisitions and reorganization. Corporations faced with irresponsible or immoral pasts have attempted to redirect the narrative through rebranding.

Similarly, companies have merged with or acquired other companies, in some cases appearing to believe that the moral responsibility dissipates in the process. Considerations of historical responsibility challenge this redirection and dissipation by contesting this redirecting narrative. Here emerges the key role for historians and historiography. Through examinations of historical materials, historians can clarify both the actions taken by the legacy companies and the “chain of custody” of responsibility for these actions. With our notion of historic CSR in hand, historians and CSR scholars can examine an important but underinvestigated element of organizational ontology (Rowlinson et al., 2009).

Another complication for a theory where the conclusions and practical outcomes are explicitly intersubjective and prescriptions are socially constructed is what corporations can or should do with exaggerated or unjustified claims. We have focused here on corporate responsibilities and managerial implications, and this could leave an impression of bias in favor of the alleged victims. This perception may be further intensified by the fact that decisions concerning the level of engagement (from ignorance to reconciliation) with history are generally the corporation’s, and it is



generally the (alleged) victims and their advocates who initiate the contest of narratives.

That being said, there are clearly examples of “victims” whose claims are weak or unjustified. As above, this conclusion about justification is itself rendered by the same process of narrative contest. Because responsibility is socially constructed in this way, there is no basis outside the narrative—no view from nowhere—for critically examining claims of “false accusation.” Even where it is eventually (and contingently) concluded in the corporation’s favor, the corporation is best served by (at least) engaging in some level of good-faith transparency as the best route to exculpation or vindication. We would further expect that corporations with a history of meeting these responsibilities—that is, for being good-faith participants in the contest of narratives—are less likely themselves to be victims of such accusations.

### FUTURE RESEARCH

It is important to note that although we have emphasized CSR, there is a level of symmetry to the theory. Critics face their own decisions concerning how they will engage in the contest of narratives with corporations, and these decisions also have implications for the future intensity of contest and the future legitimacy of the critics themselves. There are, of course, asymmetries as well (e.g., power, access to historical records, etc.). Future research may examine the responsibilities of critics in problematizing and contesting corporate historical narratives (cf. Goodstein & Wicks, 2007).

We have said little here about the role of media in the contest of narratives. We have relied on mass media accounts (e.g., newspapers, websites, books) for much of our historiographical materials, but these are hardly the sole venues for contested narratives. Narratives are also contested, for example, through the arts, religious institutions, government laws and policies, and informal networks. Future research could examine the role of medium as a factor in perceived claim legitimacy and corporate engagement.

Although we have engaged with some elements of legal studies, we have intentionally avoided making specific public policy recommendations. Various United Nations conventions and agreements, the International Criminal Court, and the European Convention/Court on Human Rights,

among any number of other extant and nascent systems, are vital spaces where the contest of narratives finds voice. Legislation and legal reasoning are, for the purposes of our theory building, nothing more or less than a form of narration—itself subject to contest and re-narration. Translating these voices into actionable policies demands Herculean efforts, which we have eschewed for the current article but in which we hope to play some future role through our theorizing.

We have not addressed issues of individual complicity in historic injustices. Notwithstanding our arguments about *collective* memory and *corporate* moral agency, there remain issues at the legal, moral, and public policy levels that may also yield to solutions at the level of the individual manager, worker, or director. Future research could include a closer examination of the parallels and discontinuities as thinking moves among levels of analysis.

Finally, we have discussed stories of past harm mainly through examples of human rights violations and complicity with repressive regimes. How do environmental disasters fit into our narrative of historic CSR? We live in an “age of ecology” (Radkau, 2014), in which there is not only a growing sensitivity about the destruction of natural resources but also a growing awareness of the transgression of critical thresholds and the accumulation of dangerous side effects (Rockström, et al., 2009). Cases of environmental disasters from the past are likely to attract critical contests of narratives similar to the human rights cases we presented here. In addition, accumulating problems such as global warming, plastic in the ocean, or the illegal dumping of toxic waste can also lead to a critical reevaluation of past business practices in some industries. From an intergenerational perspective, environmental disasters can also be discussed as cases of human rights violations. Monsanto is a story of environmental harm that provoked human suffering. Global warming and other environmental challenges are also discussed in terms of the potential harm they may do to humanity in the future (McKibben, 2012). The key question, however, remains the same: How do corporations react once their past is contested, and how does their reaction influence their legitimacy?

### CONCLUSION

Corporations are increasingly confronted with their own sometimes uncomfortable pasts

concerning environmental harm and human rights violations. Where the law ends, a story of harm-doing will continue in the court of public opinion (Reich, 2004: 124). There is no one overall single solution of how corporations engage in the contest of narratives over their past. Our corporate examples highlight a variety of scenarios and illustrate that the same type of engagement can have opposing effects on corporate legitimacy and the intensity of the narrative contests. In this article we introduce a historical theory for the analysis of past incidents of corporate harm-doing and propose criteria to evaluate such a discourse based on claim legitimacy and the level of corporate engagement, and we discuss the different consequences on corporate legitimacy and the intensity of the narrative contest.

A historicized understanding of CSR can guide corporations in thinking about their legacy—that is, the narrative they leave their successors and society in general. The present will become the past and may well provoke the same questions we ask today about our own past. The past can be a great teacher for those who are willing to be its students.

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**Judith Schrempf-Stirling** (judith.stirling@richmond.edu) is assistant professor of management at the University of Richmond's Robins School of Business. She received her doctoral degree from the University of Lausanne. Her research interests focus on corporate social responsibility, business and human rights, and responsible consumption.

**Guido Palazzo** (guido.palazzo@unil.ch) is professor of business ethics at the University of Lausanne. He earned his Ph.D. in political philosophy from the University of Marburg. His research interests are in corporate social responsibility, (un)ethical decision making, and organized crime.

**Robert A. Phillips** (rphilli3@richmond.edu) is David Meade White, Jr. Chair in Business and professor of management at the University of Richmond's Robins School of Business and has a joint appointment with the program in Philosophy, Politics, Economics, and Law (PPEL). He received his Ph.D. from the University of Virginia's Darden School. His research interests include American pragmatism, stakeholder theory, and ethics in network organizations.