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Responsibility-Governance Grid: Mapping CSR Tensions

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Corporate Social Responsibility is not fixed. It is a field where economic aims, social expectations and regulatory gaps meet and where tension is the rule, not the exception. Concepts like ESG and Corporate Citizenship may promise clarity, but often mask how fragile the balance really is. This paper applies a theoretical, systematising approach based on a hermeneutic review of internationally recognised literature to make these tensions visible. By revisiting four established clusters, instrumental, political, integrative and ethical, the paper shows how companies navigate overlapping roles. Sustainability can strengthen performance, but only when it rests on transparent structures and clear limits. Where firms step in for absent regulators, they assume responsibilities that reach beyond market logic yet remain contested without broader legitimacy. To map these tensions, the paper introduces the Responsibility Governance Grid, an orientation framework that locates CSR clusters along two axes: degree of obligation and source of legitimacy. This grid illustrates how clusters shift when firms move between voluntary standards and regulatory expectations or between internal commitment and public accountability. The analysis underlines that governance worth its name must tolerate friction. Responsibility that survives more than one reporting cycle depends on binding rules, openness to contradiction and the courage to negotiate trade-offs. There is no universal model; there are only arrangements that reveal where governance holds and where it fails. Rather than closing the debate, this paper holds it open. It offers a starting point for those who see CSR not as a polished promise but as an ongoing task that resists easy closure and gains its relevance precisely from that.

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INTRODUCTION

Companies have learnt to work with the term Corporate Social Responsibility without really questioning it. What began as a voluntary good deed has long since become part of strategic decisions, regulatory requirements and public debates. However, much still remains unclear: CSR, ESG, corporate citizenship, stakeholder engagement, all these terms fill strategy presentations, sustainability reports and compliance manuals without their boundaries being clearly defined. The purpose of this paper is to reconstruct how companies organise responsibility within these overlapping concepts and to identify the governance tensions that emerge between voluntary standards, regulatory expectations and sources of legitimacy. This aim positions the study as a theoretical contribution that seeks to clarify patterns rather than propose a single fixed model. There is more to this than mere linguistic confusion. If you want to take responsibility seriously, you need to know what it is supposed to achieve and who it serves. This is even more true at a time when companies are no longer just economic players, but are taking on political roles because states are reaching their limits or voluntarily shifting them (Scherer & Palazzo, 2011). Where regulation is weakening, the demand for voluntary standards is growing, but voluntary action alone cannot replace governance.

It is widely recognised that responsible business practices are not a burden, but rather nurture entrepreneurial success in the long term (Eccles, Ioannou & Serafeim, 2014). However, it is equally clear that any sustainability strategy remains fragile if it lacks a viable framework. An institutional organisation that sets clear rules, creates incentives and keeps an eye on compliance is not an ornament,

but an elementary prerequisite (Waddock, 2008). The real art lies in balancing areas of tension: the urge for quick returns, the concern for a lasting reputation, the commitment to the common good and the legitimate expectations of all those who help to shape the organisation. Fort Schipani (2004) show that companies are far more than fillers in a patchy legal system. They create trust, promote co-operation and ensure peaceful coexistence, provided that they see themselves as an active part of a common order.

This work, therefore, does not ask whether companies should act responsibly, but how they can organise their responsibility in such a way that it is more than just a label. It reconstructs which patterns from theory and practice are available today, where they work and where they fail. The aim is an attempt at an organisation that recognises that governance must be more than a compliance check: it must be able to withstand areas of tension instead of concealing them.

THEORETICAL BACKGROUND

The discourse on corporate responsibility is rich in terms and poor in commitment if it is not clearly defined in theoretical terms. To this day, Carroll's (1999) work is a starting point because it shows that CSR has never been static: from philanthropy to legal obligations to ethical demands, there is a line that understands responsibility as more than an image instrument. However, what Carroll (1999) divided into four levels of responsibility is now fragmented. The boundaries between ESG, corporate citizenship, sustainable governance and political CSR are blurred without a consistent regulatory framework having been established.

Garriga & Melé (2004) have attempted to systematise this diversity. Their four-cluster model distinguishes between instrumental, political, integrative and ethical theories. It shows that companies operate in contradictory roles: sometimes driven by self-interest and shareholder logic, sometimes normatively bound to stakeholders and society. This tension is not new, but is becoming more visible in globalised markets. This is the crux of the matter: instrumental logic alone is no longer sufficient if companies are also expected to take on regulatory tasks. Examples include corporate-led supply chain initiatives implementing human rights due diligence, such as the UN Global Compact, and voluntary climate frameworks like the Science Based Targets initiative. Both demonstrate how companies assume roles that reach into regulatory territory when state action is weak. This is precisely where political CSR research comes in. Scherer and Palazzo (2011) argue that companies are increasingly entering fields that were traditionally reserved for the state: human rights, climate protection and fair competition. Where national regulations fail, companies are filling the gaps with voluntary commitments, voluntary standards or soft law instruments. This shift raises urgent questions: How legitimate is a responsibility that lies beyond democratic negotiation? And how can voluntary CSR practices be prevented from becoming a fig leaf for inadequate governance? The question of legitimacy also touches on the institutional level. Waddock (2008) describes how a new infrastructure of reporting standards, dialogue formats and industry-specific initiatives has grown. This architecture has turned soft law into an instrument that is not only symbolic but can also have a steering effect. However, it is fragmented and often dependent on individual company decisions. Governance research, therefore, warns that self-regulation should not be confused with self-sufficiency. This echoes Ostrom's (1990) insights that collective self-regulation can only sustain legitimacy and effectiveness when clear

rules, monitoring and sanctioning mechanisms exist within a community of practice.

Empirically, studies such as that by Eccles, Ioannou and Serafeim (2014) support the assumption that companies with clear sustainability goals are economically more robust. Their comparison of companies with a high and low sustainability orientation shows that clear responsibility structures, transparent incentive systems and stakeholder involvement lead to better results, including on the stock market. The problem lies less in the realisation that sustainable governance is worthwhile than in the question of how it can be reliably anchored. In addition to the governance and performance debate, the social function of companies is also coming back into focus. Fort and Schipani (2004) remind us that companies should not treat the common good as a minor matter. Their analysis suggests that companies can have a peacemaking effect if they create fair working conditions, prevent corruption or act as reliable partners in fragile states. Such perspectives extend the CSR debate beyond compliance issues to an ethical and political level, which often flows into strategy papers but is rarely thought through to its logical conclusion. An international comparison in particular shows how much concepts, institutional contexts and social expectations vary. While stakeholder participation and soft law are strongly emphasised in European models, shareholder logic still dominates in many Anglo-Saxon contexts, even though ESG frameworks such as the EU taxonomy now have a global impact. Research remains contradictory here: on the one hand, voluntarism is seen as a strength because it creates room for innovation. On the other hand, it harbours the risk that companies will only take on as much responsibility as it serves their short-term advantage.

To summarise, the picture that emerges is less of a ready-made solution kit and more of an open construction site: CSR, ESG and political CSR are

part of a moving field in which governance structures are only just emerging. The task is to recognise patterns of how companies deal with conflicting objectives, organise responsibility and secure legitimacy. Anyone who takes governance seriously must therefore be prepared to endure contradictions and must not expect to resolve them with a checklist.

METHODOLOGY

This paper is intended as a theoretical and systematising contribution. It does not claim to provide a conclusive answer based on new primary data, but aims to place existing approaches, concepts and lines of argumentation in a context that makes their areas of tension visible. The basis is a deliberately limited but carefully examined selection of specialist literature that is internationally recognised and has been shaping the discourse for years. For this study, ‘internationally recognised’ refers to peer-reviewed publications and works that are widely cited in the CSR discourse and form part of the foundational debate in management and governance research. The analysis focuses on a hermeneutic reading that does not refer to theories in isolation but places them in relation to each other. This applies in particular to the cluster logic of Garriga & Melé (2004), which describes CSR as an interplay of instrumental, political, integrative and ethical lines, but also to more recent additions that emphasise questions of governance, legitimacy and the common good (Scherer & Palazzo, 2011; Fort & Schipani, 2004).

The approach does not follow a rigid system, but is oriented towards the question of where patterns can be recognised that go beyond individual cases. The analysis deliberately remains open to contradictions, because the strength of an attempt to organise things does not lie in artificially smoothing out differences, but in making fractures transparent. It is precisely these fractures that show whether governance works or becomes a mere shell. The

selected sources, including Carroll (1999), Waddock (2008) and Eccles, Ioannou and Serafeim (2014), have been chosen to cover both the classic and the extended CSR discourse. They form the basis on which theoretical frameworks and empirically proven developments can be brought together. The work takes into account that CSR, ESG and related terms are interpreted differently in different regions, industries and cultures. It cannot and does not aim to resolve all these differences, but shows where national contexts reach their limits and where international standards override them. The restriction to secondary material is part of the design: it ensures comparability, but also makes the argumentation susceptible to omissions where literature is sparse or access is limited. This limitation is not concealed here, but understood as an invitation to ask follow-up questions, both empirically and normatively.

This methodology is not an end in itself. It captures the belief that any governance approach worth more than a technocratic checklist must hold its tensions together: balancing voluntary standards with binding rules, promises of legitimacy with measurable outcomes, and lofty global aims with local grounding. Only in doing so can it truly shoulder responsibility in the fullest sense.

ANALYSIS / RESULTS

The reconstruction of the relevant theories and empirical findings shows that corporate responsibility is not a homogeneous field, but rather an area of tension that is overlaid by different logics. The cluster logic of Garriga & Melé (2004) forms a viable framework for organising this diversity. At the same time, it is recognisable that these clusters increasingly overlap in practice.

Instrumental Approaches: Sustainability as a Business Model

Instrumental CSR models emphasise the benefits for corporate development. This is not banal, but

reflects the core of market economy rationality. Eccles, Ioannou and Serafeim (2014) provide robust data for this: Companies with clear, long-term implemented sustainability goals show better market and balance sheet figures than comparable companies without such structures. However, it is striking that these successes cannot be attributed to individual measures alone. Rather, a pattern emerges: sustainability pays off where it is not organised as an isolated project, but intervenes in supervisory bodies, remuneration systems and stakeholder relationships. This finding invalidates common narratives that dismiss CSR as a cost driver. At the same time, it shows a limit: economic success alone does not make a governance model sustainable if legitimising expectations and social commitment are lacking.

Political Approaches: Companies as Gap Fillers

The “Political CSR” cluster (Scherer & Palazzo, 2011) makes clear that companies increasingly step into spaces where state institutions waver or recede. Climate action, supply chain integrity, workers’ rights, wherever the law is too thin or stalled, voluntary standards and multi-stakeholder frameworks move in to fill the cracks. This shift is no simple gain. It invites fresh thinking and agile responses, yet it also unsettles the lines that define who grants legitimacy and who holds power to account. Fort and Schipani (2004) remind us that these new roles come with weight: they can knit trust and keep conflicts at bay if taken seriously, but left hollow, they risk widening the very gaps they claim to close.

Integrative Approaches: Stakeholder Orientation

The integrative approach emphasises that responsibility does not rest on regulation alone, but also grows through relationships with diverse stakeholders. Waddock (2008) shows how a new institutional fabric has taken shape, weaving together soft law, reporting duties and industry-

specific standards. Such instruments prove their worth where firms see them not as a burdensome obligation but as part of who they are. This is where the decisive balance emerges: stakeholder dialogues can sustain legitimacy if they remain transparent and carry binding commitments. If they slide into mere PR, they risk draining the credibility from the entire governance structure.

Ethical Approaches: The Common Good as a Guiding Principle

The ethical approaches (Garriga & Melé, 2004) broaden the view of what goes beyond efficiency and reputation protection. Fort and Schipani (2004) use the example of peace-promoting corporate practices to show that the common good is not a romantic side issue, but has an economically stabilising effect under certain conditions. This perspective gains weight where companies operate in regions where state structures are weak. However, it is precisely here that it becomes clear that ethical principles hardly remain effective without structural embedding. Without clear governance, they remain limited to well-intentioned initiatives.

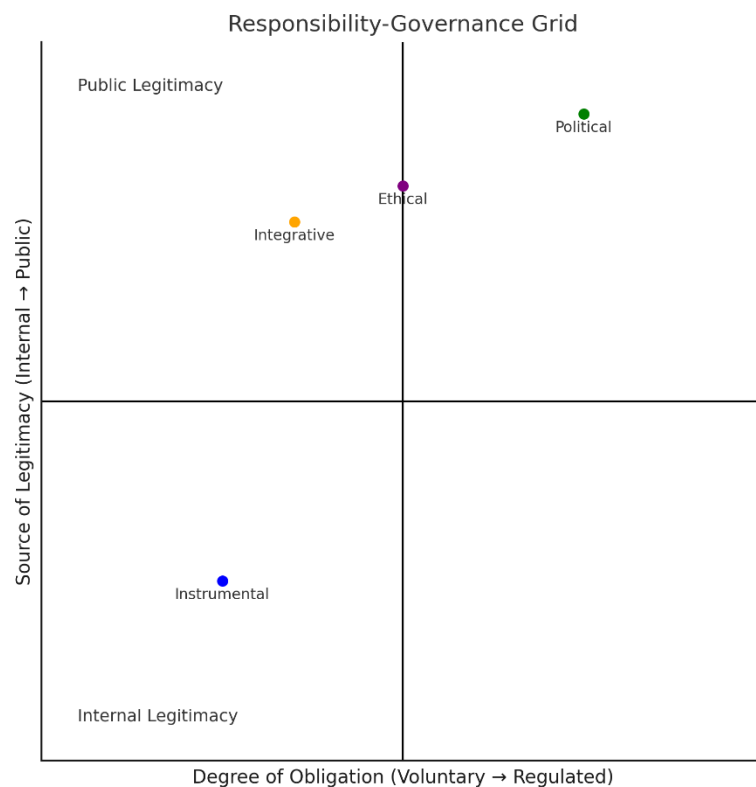
Overlaps and Areas of Tension

The four clusters cannot be differentiated. A company that pursues ESG goals can simultaneously seek instrumental advantages, fill political gaps, involve stakeholders and refer to ethical principles. This gives rise to areas of tension: between short-term market orientation and long-term responsibility; between voluntary commitment and regulatory expectations; between global standards and local particularities. The analysis shows that a viable governance model must be able to withstand these tensions rather than define them away. Binding structures, clear incentives and transparent accountability remain key prerequisites. In these findings, CSR as a pure image instrument is no more than an empty shell. These overlaps can be visualised in a responsibility governance grid.

The grid organises the clusters along two axes: degree of commitment (from voluntary to highly regulated) and source of legitimacy (from purely internal to publicly backed). This makes it clear that no cluster remains static, but shifts when companies take on new roles or close governance gaps.

Figure 1: The Responsibility-Governance Grid shows how CSR clusters are localised along the lines of commitment and legitimacy. Shifts reveal where governance creates or closes new areas of tension.

Figure 1: Responsibility-Governance Grid



Source: *Own illustration based on Garriga & Melé (2004).*

DISCUSSION

The analysis has shown that corporate responsibility is not an additive building block, but a cross-sectional task that interweaves governance structures, legitimising ties and economic viability. This is precisely where the tension lies, which the current discourse does not resolve.

Conflicting Objectives as the Norm

A key finding is the realisation that conflicting goals are not only unavoidable, but can often have a

productive effect. Anyone seriously pursuing sustainability must accept that short-term return expectations are not always congruent with a long-term focus on the common good. Eccles et al. (2014) have shown that companies that structure this balancing act tend to operate more successfully. However, this correlation is no guarantee: where governance mechanisms are lacking, CSR remains susceptible to mere symbolism.

Voluntariness versus Regulation

A further area of tension lies in the question of whether soft law and voluntary commitment are sufficient. Waddock (2008) refers to the established institutional infrastructure that is intended to provide companies with more binding control. However, the political CSR debate (Scherer & Palazzo, 2011) makes it clear that voluntariness is fragile where it replaces government tasks without being democratically legitimised. The debate on global supply chain standards shows that regulatory frameworks are often imposed when voluntary standards fail. This reflects Williamson's (2000) view that governance mechanisms emerge to minimise transaction costs and manage uncertainty, balancing market flexibility and hierarchical control in hybrid arrangements.

Global Transferability Remains Limited

The comparisons show that patterns cannot be transferred at will. Stakeholder models, such as those tried and tested in Europe, reach their limits in countries with weak institutions or different legal cultures. Fort and Schipani (2004) argue that companies can have a peacemaking effect in such contexts, but also create new dependencies. Global standards need local points of reference if they are not to act as foreign bodies.

Governance Needs Clear Responsibilities

The cluster logic of Garriga & Melé (2004) remains relevant because it illustrates how differently companies construct responsibility. But it also shows that none of these lines is sufficient in itself. Instrumental, political, integrative and ethical perspectives are mutually dependent. Where governance does not allocate who bears what responsibility, responsibility is easily delegated and, in case of doubt, borne by no one.

Not a One-Size-Fits-All Solution, but an Open Model

The discussion suggests that a resilient idea of governance can never rest in a fixed blueprint. Instead, it demands the courage to hold contradictions and to negotiate them over time. A system built solely on short-term rewards or voluntary gestures will hardly carry that weight. What anchors it are commitment, transparency and verifiability without these, governance remains little more than words.

CONCLUSION

This paper shows one thing above all. Corporate Social Responsibility is not a convenient label or a polished showcase. It is a field of contradictions that cannot be dissolved by a single rulebook or hidden behind slogans. As a theoretical, systematising contribution, this study reconstructs how companies organise responsibility and identifies the tensions between voluntary standards, regulatory expectations and sources of legitimacy. Garriga & Melé's (2004) cluster logic remains a useful compass here. It reminds us that responsibility never rests on one pillar alone. Companies need to combine instrumental gains, political roles, stakeholder dialogue and ethical commitment if they want to act beyond the quick returns of efficiency thinking. The analysis makes it clear: voluntarism alone does not guarantee resilient governance. Where states retreat, firms often step in with voluntary standards, sector codes or soft law (Waddock, 2008; Scherer & Palazzo, 2011). But these efforts stand or fall with their legitimacy and institutional anchoring. Eccles et al. (2014) show that clear, long-term structures can make organisations more robust. Yet the common good is not an automatic by-product. Fort and Schipani (2004) remind us: trust and stability arise from practice, not from declarations.

This attempt at order does not claim to be a blueprint. Its task is to show where patterns emerge,

where they crack, and where research and practice must continue to argue. Anyone thinking seriously about responsibility must accept that governance is not static. It stays alive only if contradictions remain visible and negotiable. This is not a risk but a task. The Responsibility-Governance Grid gives this idea shape: it does not trap clusters in fixed boxes but lets them shift along the lines of commitment and legitimacy. In this way, responsibility resists becoming an empty shell and stays where it should be: an open process, firmly rooted in friction.

Responsibility Governance: Three Questions for Reflection

- How clearly is it regulated who bears responsibility when voluntary standards fail?
- What legitimacy underpins our voluntary commitments to stakeholders and the public?
- Where are the conflicts of interest between short-term returns and the long-term common good - and are they made transparent?

LIMITATIONS

This paper is deliberately limited to a theoretical attempt at organisation. It is based exclusively on selected, publicly verifiable specialised literature and refrains from conducting its empirical surveys. This results in a clear limitation: the governance patterns and CSR clusters reconstructed here are based on arguments and findings that in part originate from very different institutional contexts. Their transferability cannot be taken for granted, but is always linked to local conditions and sector-specific factors. At the same time, the limited perspective shows that many questions remain unanswered, especially where voluntarism and regulation are intertwined. The international comparison remains selective; a systematic analysis of other regions or sectors would require the inclusion of primary data that was not collected here. Even normative-ethical areas of tension, as outlined by Fort and Schipani (2004), can only be

substantiated to a limited extent with reliable evidence of effectiveness.

Ultimately, the work can identify conflicting goals, but cannot derive specific solution models for every company. This limitation is intentional: the value lies not in normative unambiguity, but in the openness to visualise contradictions and to conduct further research. It remains an invitation to understand governance issues as a dynamic negotiation process.

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