

The Consumer Primacy Alternative

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This Article challenges the conventional view of ownership and control in corporate law scholarship which regards shareholders as principals and managers as their agents. Under the conventional framework, consumers are regarded as one of the objects to be managed by managers in their maximization of shareholder value. I show how consumers have taken on new roles in contemporary society that requires an update to the legal status of consumers within firms. For example, a consumer of a crowdfunded product does not take shares but provides capital and product design advice during the early and critical stages of the product's development. A consumer using a ride sharing app makes significant contributions to building the platform and provides real-time feedback regarding their experience which is used to incentivize desirable behavior within the platform. A purchaser of a token in an initial coin offering (ICO) purchases a medium of exchange that can be used on a particular network, with the value of the token determined by the network's success. In each of these examples, consumers offer critical inputs that are connected to the long-term value of the firm. I show how these consumer characteristics are functional equivalents of the characteristics that legal theories of the firm have long relied upon to justify the law's treatment of shareholders as owners and principals of firms. By bringing attention to the increasingly important role of consumers in corporate governance, the Article suggests updates to the legal status of consumers that are more commensurate with their contributions.

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Microfoundations of Symbolic and Substantive CSR: from a Practice Perspective

ABSTRACT

Research related to symbolic and substantive CSR has primarily paid attention to the organizational level and sidestepped the individual level of analysis. Besides, studies attending to the microfoundations of CSR tends to treat individuals as objects, rather than as actors, who experience, think, act, and feel. Our paper addresses these two gaps by relying on a practice perspective to explore how CSR managers contributes to shaping symbolic and substantive CSR in the organization. Our findings show that CSR managers are constrained by the organizational context, but they generate their own space of freedom to create, implement and sustain symbolic and substantive CSR manifested at the organizational level. The contribution of our work is two-fold. It shows the role of individuals in shaping symbolic and substantive CSR, thereby the portraying the link between macro and micro level in this dynamic. It also contributes to the CSR microfoundations literature by providing a person-centric view of how individuals act and interact as active and contextualized actors in operating CSR. With this view, CSR can be portrayed as dynamic and open to continuous development within the heterogeneous daily practices of organizational life.

Keywords:

Microfoundations; symbolic CSR; substantive CSR; practice perspective