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## Perfect or Imperfect Duties? Consumer Perspectives Toward Corporate Sustainability

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Grounded in the triple bottom line theory, researchers argue that corporations must consider both the social and environmental impacts of business practices while simultaneously aiming at profits (Elkington, 1998). However, in many cases, corporations face competing interests between economic and social/environmental responsibilities; more often than not, economic responsibility trumps the need for achieving social and environmental goals (Ha-Brookshire, 2015). Pointing out this problem, Ha-Brookshire (2015) recently proposed the moral responsibility theory of corporate sustainability (MRCS) based on the corporate personhood concept recognized by U.S. law (Dubink, 2014). That is, as a person, a corporation has moral responsibilities toward society and the environment, and can therefore intentionally decide its commitment level toward sustainability goals. Furthermore, MRCS shows that, as a legal person, all corporations bear perfect (i.e., universal and absolute) and imperfect (i.e., discretionary and meritorious) duties as Kant (1797/ 1991) suggested. In this light, the theory argues that the extent of corporations' commitment toward social and environmental responsibilities depends on how they perceive sustainability within the moral spectrum. That is, if a corporation regards sustainability as a perfect duty, its activities would be strictly regulated and enforced in any circumstances. If it views sustainability as an imperfect duty, its activities may result in inconsistent sustainability outcomes. While this argument is clear in the literature, consumers' perceptions toward corporate moral responsibility for sustainability are largely unknown. Therefore, this study was designed to assess consumers' perceptions on corporate sustainability within the spectrum of morality, with the hope of developing the list of perfect and imperfect duties of corporate sustainability as perceived by consumers.

A two-step approach was taken: (a) generating an inventory list of corporations' sustainability activities through content analysis of corporate sustainability reports; and (b) testing consumer perceptions via a U.S. nationwide online survey. For the first step, 22 consumer product companies were chosen from the list of 'The Global 100 Most Sustainable Corporations' by Corporate Knights (2015), and corporate sustainability reports available on the websites of each company were coded by the research team (91.1% of inter-coder reliability). As a result, 44 corporate sustainability activity items were identified, and they were then surveyed to consumers by Qualtrics in spring 2016, from quota sampling to enhance sample representativeness. Respondents were asked to rate their perceptions of each item on a 5-point Likert scale (1= absolutely no need to do in any circumstances, i.e., no duty, to 5= absolutely must do in any circumstances, i.e., perfect duty) with a middle point (3= neutral, i.e., imperfect duty). In total, 271 usable responses were analyzed in SPSS 21.0 and Amos 21.0.

The results of EFA using the principal components method with varimax rotation yielded four factors with 20 items (variance= 63.0%, Cronbach's  $\alpha$ = 0.91). The first factor, *Environment Support* (7 items, variance= 39.50%, Cronbach's  $\alpha$ = 0.88, Mean= 4.01), included preserving nature and designing eco-friendly products. The second factor, *Community Support* (7 items, variance= 11.34%, Cronbach's  $\alpha$ = 0.89, Mean= 3.70), included community development opportunities and education. The third factor, *Working Conditions Support* (3 items, variance= 6.16%, Cronbach's  $\alpha$ = 0.78, Mean= 4.30), cared for the working environment and workers' fair treatment, and the fourth factor, *Transparency Enhancement* (3 items, variance= 6.00%, Cronbach's  $\alpha$ = 0.61, Mean= 3.55), contained items that ensured information sharing and certification. This model was confirmed by CFA of maximum likelihood estimation, with a fairly acceptable fit ( $\chi^2/df$ = 2.56, CFI= 0.90, GFI= 0.87, TLI= 0.89, RMSEA= 0.08). Convergent and discriminant validity were satisfactory, based on standardized factor loadings and average variance extracted values. A  $\chi^2$  difference test also confirmed that the four-factor model had a better fit than a single-factor model ( $\chi_D^2$ = 29.83,  $df_D$ = 1) at the 0.05 level ( $\chi_{crit}^2$ = 3.84,  $df$ = 1).

With four major areas of corporate sustainability-environment, community development, working conditions, and transparency-, this study found that U.S. consumers perceived working conditions support as the most absolute duty to fulfill in any circumstances (Mean= 4.30), followed by environmental support (Mean= 4.01) and community development (Mean= 3.70). Transparency enhancement was found to be the imperfect duty, as compared to the others (Mean= 3.55). The findings clearly revealed the areas on which corporations must prioritize to achieve corporate sustainability. Without adequate commitment to perfect duties, when corporations mainly focus on imperfect duties, they may deliver misperceptions of their sustainability activities to consumers; whether they are truly sustainable would be questionable in consumer minds. As the most fundamental responsibility, corporations should first pay attention to their workers. By fully understanding consumers' views on MRCS, consumer product businesses can better set goals and develop plans following the results. As the first attempt to examine consumers' views on corporate sustainability empirically, this study provides implications for researching corporate sustainability from the moral responsibility perspective.

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