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In the past few decades, the single-minded pursuit of short-term profits and maximized shareholders' values demonstrated by many corporate executives at the expense of the interests of non-shareholder stakeholders (such as employees, customers, the general public and the environment) is responsible for many problems of today's rotten capitalism.

To maintain the legitimacy and sustainability of capitalism, it is essential that we act now to reshape it. In recent years, a number of alternative concepts and practices have received growing attention. They include corporate sustainability (CS), triple bottom lines (TBL), corporate social responsibility (CSR), and creating shared value (CSV), all of which aim to improve the public impression of business and to create more 'social value'.

However, doubt remains concerning the extent to which corporate executives truly comprehend the connotations, assumptions and limitations underpinning the foregoing terms, with misunderstandings believed to be rife. For example, the term 'social' seems unfortunately too loose making it mean almost everything. Does it mean to add values to different stakeholders in a balanced way? Or does it mainly refer to improving the local community, the society or the whole world? Furthermore, prior to undertaking charitable CSR/CSV activities creating more social (public) values, to what extent the corporation has complied with the law and taken good care of its employees, customers and suppliers?

In fact, most of the ongoing CSR policies and projects of large companies are designed to serve social (i.e. public) interests, usually with the aim to (a) compensate for the social costs of corporate activities (i.e. compensatory CSR), (b) uphold altruistic or conscience-orientated objectives (i.e. charitable CSR), and/or (c) strengthen the corporate reputation and boost businesses (i.e. instrumental CSR). However, most of these CSR items are outside the core businesses of the corporation and the amount of social value produced is unclear and seldom measured.

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Certainly there are some companies who always take good care of their primary non-shareholder stakeholders before committing to charitable CSR. In contrast, many corporate executives, on one hand maintain strict adherence to MSV but fail to pay sufficient attention to legal compliance and/or to the interests of their employees, customers and local community (i.e. neglecting their socially contracted responsibility), while on the other hand, carry out extensive charitable CSR activities. The latter is clearly a ridiculous and unproductive CSR strategy.

Due to a lack of commitment towards stakeholder theory, these corporations' CSR activities are always bound by their concern over shareholders' interests. When the business or profit situation is under pressure, the interests of non-shareholder stakeholders are often put aside and become minor concerns. In other words, CSR commitments are always subject to the profit or stock price concerns of the firm. In contrast, if the corporation is committed to social contracting and stakeholder theory, it will always remain concerned about the interests of a range of stakeholders under any circumstances rather than during only occasional and conditional bouts of conscience. Such CSR will continue to be popular, but a business's legitimacy is still subject to challenges.

It is believed that the basic responsibility of a corporation is to make a reasonable profit by treating its different major stakeholders legally and ethically (including minimizing social costs incurred), and to ensure balancing the interests among these stakeholders. On pure charitable CSR activities outside core businesses for creating pubic values, excessive commitments may be applauded by the public but not sustainable (usually an AGM/board pre-approved 5% of annual profit is acceptable). The management could not be too generous on this type of CSR at the costs of its shareholders and other stakeholders, unless extra activities (for making a better world) can also generate extra economic benefits to the corporations. Such innovative strategic CSR projects (within their own core businesses) leading to creating both economic and social values are similar to Porter and Kramer's Creating Shared Values (CSV) concept.

It should also be noted that there are other social-purpose organizations such as NGOs, social enterprises and B Corps who focus on specific social issues creating more public values than mainstream businesses. By adopting a stakeholder approach, mainstream corporations could help or co-operate with such social-purpose entities to transform themselves into active social innovators creating shared values.

In sum, if a corporation is predominately concerned with shareholder interests, and has little regard for the stakeholders' perspectives and little understanding of its socially contracted responsibility as a corporation, pouring resources into charitable CSR is likely to have little effect as the root cause of many current problems will remain.

We need to put an end to shareholder primacy and create a new social norm. Returning to the stakeholder-based approach requires a transformation process. That process relies on some business (especially family business) and academic leaders in the region with the vision and wisdom to perform a path-finding role in creating a reform power base. This goal can also be accomplished by educating business school students on the nature of the social contract and the participatory role of various stakeholders. Only in this way can we attain a promising future for free market economy and university business education.