

Overall Assessment of Corporate Social Responsibility and Irresponsibility: A Map of Responsibility



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1 Introduction

Corporate social responsibility in fact has two sides of the coin—it covers both socially responsible and socially irresponsible activities. Empirical research unequivocally confirms the fact, known from eyewitness observations and media reports, that most companies engage in both types of initiatives at the same time. It should be noted that despite many reservations and controversies, corporate social responsibility (CSR) has become a business megatrend in the last decade, which cannot be underestimated as it becomes an important factor determining the long-term competitive advantage. In this situation, the question of the social responsibility of a given company becomes important for many stakeholders. Such evaluation is expected primarily by investors, but also potential business partners, consumers, non-governmental organizations or the general public. A reliable, comprehensive assessment of corporate social responsibility should therefore include both areas: corporate social responsibility (CSR) and corporate social irresponsibility (CSI). The article introduces the concept of overall corporate social responsibility (oCSR), which includes both socially responsible and socially irresponsible activities.

The aim of the article is to propose a simple tool in the form of a map used for the assessment of overall corporate social responsibility, allowing for a comprehensive and objective evaluation of the company's activities. Such a map, hereinafter referred to as the Map of the Overall Corporate Social Responsibility (MoCSR) provides better understand the phenomenon of corporate social responsibility, and in particular the relationship between CSR and CSI. The paper uses two research methods: literature review (referring to conceptual and empirical research) to justify

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the separation (orthogonality) of CSR/CSI concepts and to propose criteria for their evaluation, and logical analysis to construct a oCSR evaluation map as a proposal for an evaluation scheme, and formulation of 10 key conceptual or empirically testable propositions. Analyzing the issues of corporate social responsibility concerning its positive and negative character, the article is in line with the normative, axiological research trend, which deals with determining “how it should be”.

2 Corporate Social Responsibility and Corporate Social Irresponsibility

Corporate Social Responsibility (CSR) has been the subject of interest of managers and management theorists for over half a century. The concept of CSR itself has proved so complex and controversial that it has not yet been possible to develop a uniform definition of the concept, acceptable to many schools within the scope of management sciences and the practitioners themselves. On the contrary, the concept of corporate social responsibility has begun to evolve in a number of different ways, concepts and terms, so that it now seems impossible to reach a consensus. The article adopts the most common term: Corporate Social Responsibility (CSR), which according to the ISO 26000 standard means the responsibility of an organization for the impact of decisions and actions taken on society and the environment. CSR therefore means the efforts of an organization to strike a balance between economic, environmental and social requirements (without having to ignore the expectations of stakeholders), while at the same time providing the opportunity to make their own contribution to the benefit of different stakeholder groups.

In the last decade, especially since the financial crisis of 2008, the notion of Corporate Social Irresponsibility (CSI) has become more and more common in the context of corporate social responsibility. The current interest in this phenomenon can be attributed, firstly, to the finding that the sources of the 2008 financial crisis are inherent in irresponsible decisions and actions taken by the financial institutions of their time, and, secondly, the finding that the vast majority of companies engaging in CSR, simultaneously takes socially irresponsible activities [1–5]. The Corporate Social Irresponsibility result from many different causes and motives. It may be a geographical dispersion of many business units operating in different legal and cultural systems [5], treating CSR as a strategy to compensate for socially irresponsible behavior [3, 4], or selectively engaging only in some aspects (e.g. environmental protection), and omitting/marginalizing others [1, 2].

Many authors associate CSI with a lack of morality, considering it an immoral practice based on fraud and manipulation of stakeholders [6], or unethical management behaviors (usually individual behavior) that necessarily prefer the interests of one group (usually shareholders) at the expense of interests and expectations of other stakeholders [7, 8]. Still others point to the illegality or deliberate exploitation of loopholes and ambiguities in legislation [9]. Corporate Social Irresponsibility can be

treated as the opposite of Corporate Social Responsibility (Ferry 1962, in: Lin-Hi and Muller [10]); since CSR is therefore defined as a business response to social expectations (meeting stakeholders' expectations), CSI is a non-response, disregard or failure to meet society's expectations [1]. The common denominator of these different approaches is that CSI have negative consequences for stakeholders and therefore generally reduce social welfare [10].

Proposition 1 Overall Corporate Social Responsibility (oCSR) in fact consists of two aspects (areas): Corporate Social Responsibility (CSR) and Corporate Social Irresponsibility (CSI).

To sum up, social irresponsibility can be considered as achieving business goals in a way that is inconsistent with the applicable legal order and accepted ethical standards, leading to negative impacts on at least one group of stakeholders. It should be stressed that the concept of irresponsibility of business is—similarly to CSR—strongly influenced by the context. This means that the assessment of a company's performance as socially irresponsible depends on the cultural norms (and constantly evolving norms), laws, the state of the economy, standards of living and education, traditions, customs, etc. Thus, the same behavior may be assessed differently in different places [11]. It seems that at the level of analysis, the term “corporate social irresponsibility” is a natural complement to the concept of “corporate social responsibility”, and therefore it is only by combining these two concepts that we can better understand the essence of CSR idea [12].

Proposition 2 Corporate Social Responsibility (CSR) generally means positive effects for stakeholders (raising the level of social welfare), while Corporate Social Irresponsibility (CSI) is associated with negative effects for stakeholders (lowering the level of social well-being).

The interconnection and interdependence between CSR and CSI is probably one of the most important issues that can help to better manage this area. This relationship can be understood in two ways: as a one-dimensional construct, i.e. responsibility and irresponsibility of business are the two extremities of one continuum (continuity model), or as a two-dimensional construct, i.e. CSR and CSI are rather two different, relatively independent phenomena, which may occur simultaneously at the same time (the concept of two continuous—orthogonal model). There are a number of arguments in favour of adopting an orthogonal approach [13]; First, observations and studies show that a large number of companies are involved in both responsible and irresponsible initiatives [1, 2]. Secondly, the assessment of the social responsibility of the activities undertaken by the companies depends on the point of view of the evaluating entity [14]. Thirdly, there may be a causal-impact relationship between CSR and CSI, namely that involvement in CSR is often a strategy to compensate for socially irresponsible behaviour [3].

3 Criteria for Assessing Overall Corporate Social Responsibility

Despite many efforts of the academic community and practitioners, it has not yet been possible to develop a reliable and credible measure that would allow to objectively assess the degree of responsibility of the organization, i.e. the advancement of managerial practices concerning the application of CSR standards. So far, three main approaches have been used to assess corporate social responsibility: expert assessments (reputation rankings and databases), one- and multi-indicator indices, and management surveys [15]. They all make a significant contribution to the understanding and development of the CSR, but also have certain limitations. The most important of these is focusing only on one, positive side of social responsibility. As it seems, there is a need to develop a slightly different method of evaluating corporate social responsibility than previously. The one which—firstly—will allow to take into account both the positive and negative side of the activities undertaken in this area, and secondly, one that will be as simple to use as possible, but at the same time clear and unambiguous. Recognizing both CSR and CSI in the assessment is a necessary condition for obtaining a comprehensive picture of the overall company's responsibility, and thus for a more reliable, objective assessment of the company's approach to the issue in question. Moreover, such an assessment should be more friendly in the sense of ease of interpretation for potential users, e.g. clients, investors, business analysts or managers. It would be optimal to find a “golden mean”, to center between one-dimensional indicators (such as the index of charitable expenses or corporate punishment), and complex scales of multidimensional assessment or extensive social reports.

Proposition 3 A reliable assessment of overall corporate social responsibility (oCSR) should include CSR and CSI activities.

The method of comprehensive social responsibility assessment proposed in the article uses of graphic form of the matrix (a kind of map) to present the results of the assessment. The proposed Map of Overall Corporate Social Responsibility (MoCSR) is a two-dimensional coordinate system that takes into account two areas of evaluation: corporate social responsibility (CSR) and corporate social irresponsibility (CSI), and two criteria for assessing these areas. These evaluation criteria could be (1) the extent of influence on stakeholders and (2) intentionality/strategicity. The first criterion, which allows to assess the degree of social responsibility/irresponsibility of the enterprise, is the impact of the action taken on stakeholders, understood as the extent of the affected entities and, by default, the size of the benefit or damage [16]. In assessing the degree of social responsibility/irresponsibility, it is not important which stakeholder group has benefited or been harmed, but rather the number and extent of such benefits/damages. Here we can refer to Davis' “iron principle of responsibility”, which makes the company's degree of responsibility dependent on its ability to exert influence. This means that the more power and control a company has over a given situation, the greater its responsibility

[17]. Large transnational corporations should therefore be judged more strictly on the extent of their impact—both real in terms of social and economic impact and moral, i.e. good/bad example for others and of reducing/increasing social scepticism and distrust of CSR idea.

Proposition 4 The criteria for assessing the overall corporate social responsibility (oCSR) may be: the extent of impact on stakeholders and intentionality/strategicity.

Proposition 5 The broader the impact of a given company, i.e. the greater the number of stakeholders who benefit or suffer (directly and indirectly), and the greater the amount of these benefits/harm to stakeholders, the greater—respectively—responsibility (CSR) or irresponsibility (CSI) of the company.

The second criterion for assessing the social responsibility of a company may be the strategicity or intentionality of activities. In the case of corporate social responsibility, this criterion refers to the degree of integration of different initiatives at the strategic level, their skillful prioritization and implementation of effective management instruments [8, 18, 19]. This criterion is based on the dominant model of activities practiced by the company, which distinguishes three basic types of CSR: charity (philanthropy), integration with operational activities and innovations [20, 21]. Charitable activities include activities that are motivated by charity, even if they may result in positive business benefits; Integration with operational activities refers to activities that aim to achieve benefits for the company as well as positive environmental or social impacts; Innovation means CSR programs whose essence is a fundamental change in the business “ecosystem” aimed at strengthening the long-term competitive position of the company, while creating significant social value [21]. These three types of CSR differ in relation to the core business, objectives of the undertaken activities and expected benefits. At the same time, they reflect the degree of “strategicity” of the innovations undertaken by the company. Strategicity in this case means the degree of thought-out, planned rooting of CSR initiatives in the key activity of the company, and therefore their sustainability and the significance of effects for society. The gradual scale of activities would start with philanthropic initiatives (not usually related to the key activity of the company), through activities aimed at achieving mutual benefits (integrated more or less with the operational activity), up to innovations proposing quite radical changes in the business model and/or completely new, socially desirable products.

Proposition 6 The greater the strategicity of initiatives that have positive effects for stakeholders, the greater is the corporate social responsibility (CSR).

In the case of corporate social irresponsibility, one can speak not about the strategicity, but about the intentionality of the activities. One of the threads of discussion about the CSI is the distinction between intentional and unintentional behavior [2, 10, 14]. Intentional CSI means that the enterprise deliberately takes actions that are disadvantageous or even harmful to some stakeholders, such as corruption of local officials, non-payment of employees, tax evasion, etc. [10]. Intentional corporate social irresponsibility is characterized by two features; Firstly, it is

usually aimed at achieving a higher level of profits, and secondly it requires some effort to hide it from public opinion. In contrast, unintentional CSI means that the damage of the stakeholders arose unintentionally, so they were not the result of conscious actions aimed at achieving a certain goal, but rather the result of a case, accident, disaster or just a side effect of certain activities [10]. Thus, the degree of purposefulness, intentionality of actions taken by the company may be a good measure of corporate social irresponsibility: the greater the intentionality of the company's behavior, the greater its social irresponsibility. The scale of actions (in this case, gradation of intentions) would start with completely unintentional, accidental behavior, through unintentional actions, but resulting from obvious negligence of the company (i.e. deliberately risky and exposing stakeholders to damages), to behavior undertaken with full intention to obtain benefits for a company or managers.

Proposition 7 The greater the intentionality of the company's behavior causing negative effects for stakeholders, the greater its corporate social irresponsibility (CSI).

4 Map of the Overall Corporate Social Responsibility (MoCSR)

Both dimensions of overall corporate responsibility assessment can be summarized as follows:

Proposition 8 The greater the strategicity of a given action and the greater its positive impact on stakeholders—the greater responsibility (CSR) of given company.

Proposition 9 The greater the intentionality of a given company's activity and the greater its negative impact on stakeholders—the greater irresponsibility (CSI) of the given company.

The proposed criteria can be grouped in a coordinate system, creating a kind of oCSR map, which displays the various responsible and irresponsible actions of the company (Fig. 1). In order to facilitate interpretation, a qualitative approach to estimating both dimensions can be applied—similarly as in project management assessment of risk, where impact and probability are evaluated [22]. Therefore, a 3-point scale can be assumed: low (1), medium (2), high (3) impact, or low (1), medium (2), high (3) strategicity/intentionality.

Proposition 10 To assess the overall social responsibility of a company (oCSR), a qualitative approach can be used and a 3-point rating scale can be adopted, where: 1—means small, 2—means medium, and 3—means high impact or strategicity/intentionality.

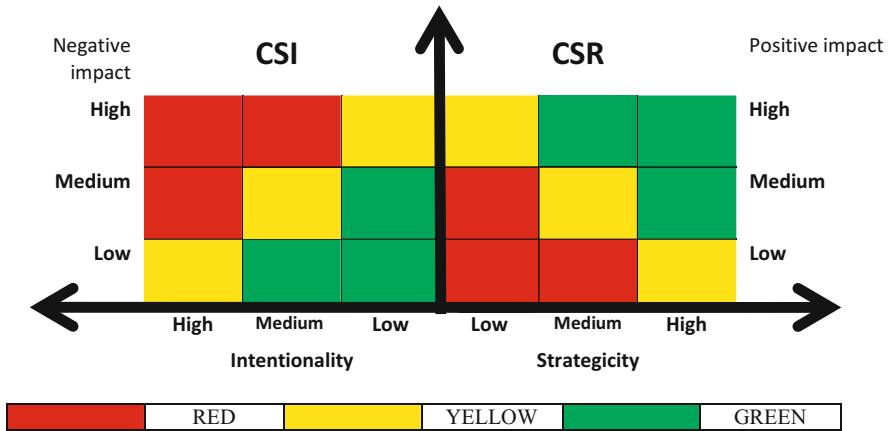


Fig. 1 Map of the overall corporate social responsibility (MoCSR). Source: Own elaboration

This qualitative analysis of the company’s initiatives makes it possible to distinguish (estimate) the degree of overall CSR—from small to large—and to compare (benchmark) different companies with each other. The individual measures taken by the company in a given period of time can therefore be assigned a rating according to two criteria, obtaining an overall picture of social responsibility (oCSR).

The map of all-encompassing responsibility makes it possible to compare the degree of responsibility/irresponsibility of various social initiatives (and other activities) in the company’s portfolio. In such a qualitative assessment of oCSR 1 point would mean low impact (small damage/benefit to a very limited number of stakeholders—green colour), or a small intentionality/strategicity (accidental, unintended event, or charity), and 3 points would mean a big impact (serious damage/benefit for a large number of stakeholders—red colour) or high intentionality/strategicity (fully intended activities or implementation of significant innovations). Similarly to the risk map (risk profile) prepared for projects implemented in the enterprise, its various social initiatives can be presented on a similar map in three traffic-lights colors.

One can also use the color code to indicate different activities that are socially responsible or irresponsible. And so: actions that will be found in the red fields mean respectively very negative (CSI) or very poorly positively evaluated initiatives (CSR)—means the zone of the highest irresponsibility or smallest responsibility; Those in the yellow fields are rated as moderately bad or good—this is the area of average irresponsibility/responsibility; On the other hand, initiatives on green fields represent the least harmful or the most beneficial actions from the point of view of stakeholders—the zone of the lowest irresponsibility or the highest responsibility.

To illustrate the use of a Map of the Overall Corporate Social Responsibility the example of BP can be used. BP is one of the largest oil companies in the world. A number of crisis situations that occurred in the company’s history led BP to undertake a global campaign of corporate image change in 2000, aimed at presenting BP as a corporation caring for the natural environment. Since then, the company has

been trying to actively undertake various initiatives in the field of CSR and promote clean energy. At the same time, however, in the last decade, BP has contributed to several major environmental disasters, the most serious of which was the Deepwater Horizon explosion in 2010, which caused a massive oil spill to the Gulf of Mexico, causing enormous damage to the local population, industry (fisheries) and the environment. In order to illustrate the use made of the responsibility map, Table 1 lists the selected activities relevant for the assessment of this area in BP [23]. Figure 2 shows a summary of these activities on the map on the CSI or CSR side, respectively.

The list of various initiatives and activities undertaken by BP in the last two decades on the map of the overall responsibility assessment allows you to see a full picture of the social responsibility and social irresponsibility of the described company. It shows that social initiatives within the CSR area have a relatively small range (positive impact on stakeholders), as well as relatively low strategicity (impact on the way of conducting key activities). On the other hand, the situation in the CSI area is quite different—there are a lot of conscious negligence measures in terms of compliance with safety standards (even own internal standards) that indicate a high intentionality of irresponsible behavior and several serious crises whose degree of intentionality is admittedly small, but with a very big negative impact on stakeholders and the natural environment. When comparing the two sides of BP's overall social responsibility, it should be stated that the general balance is disadvantageous to the company—the irresponsible behaviors clearly prevail.

5 Conclusions

The article presents a way of making a comprehensive assessment of corporate social responsibility based on the use of graphic form (matrix). The proposed Map of the Corporate Social Responsibility (MoCSR) is a two-dimensional system of coordinates that takes into account two areas of evaluation: corporate social responsibility (CSR) and corporate social irresponsibility (CSI), and two criteria for assessing these areas: the extent of their impact on stakeholders, and intentionality/strategicity. A comparison of the assessment of social responsibility/irresponsibility of various activities in which a given company is involved with the use of a graphical tool in the form of a map gives a number of benefits; Firstly, it shows most of the company's relevant initiatives by giving an overall view of its approach to social responsibility; Secondly, it distinguishes and separates between positive (CSR), and negative (CSI) actions from the perspective of stakeholders, avoiding mixing them together or creating the impression that they can be compensated for each other; And—thirdly, it presents them in a way that is easy to interpret, even by those with little substantive background (e.g. NGOs). Tracking changes in such responsibility maps, e.g. on a year-to-year basis, can also provide a lot of interesting information. Knowing whether a company is improving or deteriorating its social responsibility status seems particularly valuable to investors (e.g. Social Responsible Investment). The

Table 1 List of selected BP initiatives/activities in the field of overall Corporate Social Responsibility

	Initiatives/activities	CSR or CSI	Influence	Strateg/intentionality
A	Design the right technology for restricting greenhouse gas emissions with collaboration with International Energy Agency	CSR	2	2
B	Use of and investment in renewable sources of energy such as biofuels, wind, and solar energy (e.g. the acquisition of Solarex)	CSR	1	2
C	Cooperation with non-governmental organizations, involvement in local community initiatives	CSR	2	1
D	Diversity policy (the diversified workforce structure and appropriate employee recruitment)	CSR	2	1
E	Preparing sustainability reports with clear structure and detailed information in terms of its sustainability progress and impacts	CSR	1	1
F	Clear no-tolerance policy with regard to abusive behaviours	CSR	1	1
G	Petrol stations designed and operated in accordance with the requirements of environmental protection	CSR	2	1
H	A 2005 explosion at a refinery in Texas City, Texas, which led to the death of 15 workers and the injury of hundreds more	CSI	2	1
I	Noncompliance with safety regulations arising from the Texas City explosion—"failed to meet [BP's] own standards and the requirements of the law."	CSI	2	3
J	A 2006 problems in refinery Toledo (Ohio) with pressure relief valves, which OSHA instructed BP to remediate (2 years later inspectors found that BP didn't fix all the valves)	CSI	1	3
K	In 2006 a portion of BP's Alaska pipeline near Prudhoe Bay had repeatedly been leaking oil into the tundra due to pipe corrosion (the State of Alaska accused BP of "poor maintenance practices")	CSI	1	2
L	In 2009 a repeat OSHA inspection back at the Texas City refinery found safety violations, much like the ones that led to the 2005 explosion, and imposed the largest fine in the agency's history	CSI	2	3
M	On April 20, 2010, catastrophe on Deepwater Horizon platform—an explosion and fire, that killed 11 crewmen and sank the platform. 184 million gallons of oil leaked into the Gulf of Mexico.	CSI	3	1

Source: Own elaboration based on Cherry and Sneideron [23]

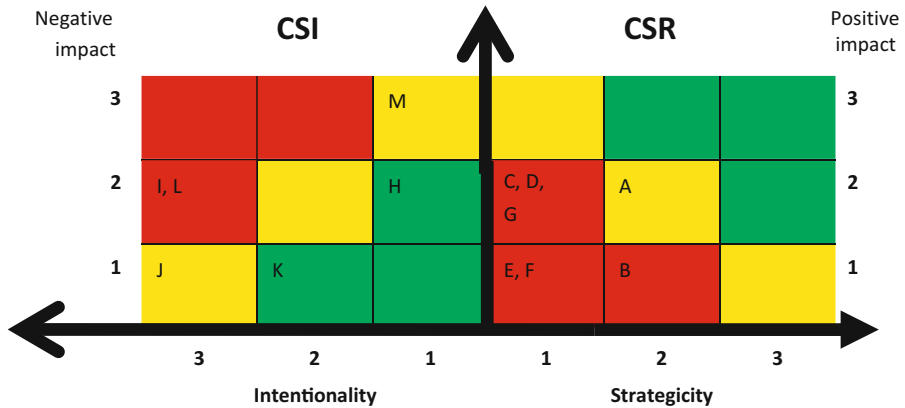


Fig. 2 Selected socially responsible and irresponsible BP activities on the map of the overall corporate social responsibility. Source: Own elaboration

proposed concept of the Map of the Overall Corporate Social Responsibility contributes to a better understanding of the concept itself, and fills a research gap linked to the omission of social irresponsibility from the consideration of the companies' approach to the issue.

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