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JANINA WITKOWSKA[*]

Corporate Social Responsibility: Selected Theoretical And Empirical Aspects[1]

Abstract

The notion of Corporate social responsibility (CSR) is still stirring debate over how it should be interpreted, what models of CSR dominate in business practice, and consequences of enterprises' engagement into socially responsible actions. While business practice demonstrates that companies voluntarily include social and environmental issues into their activities and into their relations with stakeholders, it is hard to determine what intentions motivate them to do so. This paper analyses selected aspects of discussions focused on the notion of CSR and identifies controversies over the standardisation of ethical and social business activities.

Keywords: *corporate social responsibility, CSR models, standards of ethical and social business conduct*

1. Introduction

For the purposes of this paper corporate social responsibility (CSR) shall mean the voluntary integration of social and environmental issues into business activities and relations with stakeholders, combined with a readiness to sacrifice

[*] Ph.D., Full Professor at the University of Lodz, Faculty of Economics and Sociology, Department of World Economy and European Integration, e-mail: janwit@uni.lodz.pl

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profit for the sake of certain social interests. Out of the many characteristics of CSR, the ones chosen for our further analysis are that it be voluntary, stakeholder-oriented, integrate social, environmental and economic responsibility into everyday business operations and decision making, and that it go beyond pure philanthropy.

The paper aims at analysing selected aspects of CSR discussions and identifying controversies over the standardisation of ethical and social business activities. More detailed research tasks include:

- discussing the idea of corporate social responsibility against the evolution of its definitional construct;
- analysing and evaluating corporate social responsibility models;
- characterising standardisation and social assessment schemes for corporate social responsibility and identifying the positive and negative aspects of their implementation.

The delivery of the above-listed tasks started with conducting desk research to review the specialist literature and research works devoted to the standardisation of CSR, its benefits, and its costs.

2. The concept of corporate social responsibility and its evolution

The origins of the concept of corporate social responsibility have never been attributed to any particular author or moment in time (Gonzalez-Perez 2013, pp. 1–35). Following A. B. Carroll we may claim that it is as old as business itself, since there have always been examples of the business community engaging in social issues. Nevertheless, the understanding of the notion has evolved along with economic and social development, and it may be said that the modern approach to CSR dates back to the 1950s, when the notion of corporate social responsibility emerged. The term was formalised by H. R. Bowen in his fundamental work of 1953 “*Social Responsibility of the Businessman”* (Gonzalez-Perez 2013, p. 4). He concluded that businessmen are obliged to pursue policies, make decisions, and follow those lines of action which are desirable in terms of the objectives and values of society. In the decades following his publication many attempts were made to make the term ‘corporate social responsibility’ more precise, and several dozen definitions were formulated. Their common feature is a tendency to identify various dimensions of CSR that reflect its core idea (Carroll, Shabana 2010, pp. 85–105). Against this background the most frequently used and discussed CSR dimensions are: **taking stakeholders’ points of view; social, economic and environmental dimensions; and voluntary application**. The following definition of CSR is an outcome of all

these aspects: "*The social responsibility of business encompasses the economic, legal, ethical, and discretionary [later referred to as philanthropic] expectations that society has of organizations at a given point in time.*" (Carroll, Shabana 2010, 1, p. 89).

Definitions of CSR stress that businesses sacrifice profits for the sake of the social interest (Benabou, Tirole 2010, pp. 1–19). To be able to speak of "sacrifice" a company must go beyond its legal and contractual obligations and act voluntarily. This very aspect, i.e. voluntary actions undertaken for the sake of society, is strongly stressed in the literature on CSR literature (Gottschalk 2011). Actions in the field of CSR are not required by law; rather businesses are trying to maximise social good and go beyond purely transactional business.

International organisations and state institutions also define the phenomenon of corporate social responsibility in their strategies and programmes (Witkowska 2014, pp. 149–163). For instance, the European Union in its official documents defines corporate social responsibility as the integration of social and environmental concerns in business operations and in interactions with stakeholders on a voluntary basis (Green Paper 2001, p. 4). In accordance with this concept, enterprises go beyond minimum legal requirements and obligations resulting from collective agreements to take care of social needs. In its Europe 2020 Strategy, the European Commission proposes a new definition of CSR. Accordingly the notion means "*the responsibility of enterprises for their impacts on society*." (KOM 2011, p. 7). This definition accentuates, more strongly than before, the impact of business upon all spheres of social life and the emerging need to make the business community responsible for the consequences of this impact.

The literature in this area identifies six key **characteristics** of corporate social responsibility, around which there is a wide consensus among both researchers and stakeholders. Firstly, CSR is voluntary; secondly, it focuses on integrating or managing external effects which arise when products or services are delivered/rendered by companies; thirdly, CSR targets various stakeholder groups, meaning the company also caters to groups other than business; fourthly, there is a need to integrate social, environmental and economic responsibility with everyday business operations and decision making; fifthly, CSR must be embedded in business practice and in a company's system of values; and sixthly, CSR goes beyond philanthropy and focuses on operational considerations (Crane et al., quoted after: Bondy, Moon, Matte 2012).

Nevertheless not long ago intense disputes continued to rage between CSR proponents and opponents. The arguments used by both sides have been thoroughly discussed in literature. (Friedman 1970, Henderson 2001, Rybak 2007, pp. 18–27, Adamczyk 2009, p. 45, Carroll, Shabana 2010, pp. 88–89). However, current business practices reflect more and more of the CSR concept.

Both tradition and respected ethical norms are decisive in determining whether enterprises treat social responsibility as a value deeply rooted in their practice or whether they use it mainly for marketing purposes.

3. Models of corporate social responsibility

Corporate social responsibility has also been developed in terms of models. One of the earliest CSR models, formulated by R. Hay & E.R. Gray (1974), suggested that the concept evolved through various phases (Gonzalez-Perez 2013, pp. 5–8), as follows:

Phase I – **Profit-Maximising Management** – occurred during the period of economic scarcity in the 19th century, when business managers believed that they should have one objective: to maximise profits.

Phase II **– Trusteeship Management –** started to emerge in the 1920s and 30s as a response to pluralism and diffusion of ownership. As a consequence of the Great Depression, the number of privately held companies began to decline. Companies and their managers had to respond to the demands of numerous stakeholder groups using some of the wealth generated to meet wider societal needs.

Phase III – **Quality-Of-Life Management –** began in the 1960s when the United States shifted its national priorities from exclusively economic aspects to environmental and social issues, the latter involving workers and racial discrimination issues. This intensified the pressure on management to behave in a socially responsible way. The consensus was that managers had to do more than achieve narrow economic goals and become more involved in solving social problems. In this phase the principles of charity and stewardship were firmly respected.

In the above three-phase model, each phase incorporates the essential elements of the earlier phases, meaning managers who take account of quality of life issues in management strategies understand the need for profits and balancing the expectations of various stakeholders.

There are also other theoretical approaches to CSR, which can be divided into three competing streams (Gonzalez-Perez 2013, pp. 6–8). The first includes views suggesting that enterprises have obligations towards society. The second stream argues that the sole responsibility of a company is economic, i.e., profit maximisation. The third group emphasises the role of stakeholders and the necessity to take account of their interests when doing business.

In the first stream the discussion is dominated by the work of A.B. Carroll, who distinguished four types of CSR responsibilities: economic, legal, ethical and philanthropic (Carroll, Shabana 2010, p. 89). Profit is the primary objective of

business, and economic responsibility is fundamental as it supports other types of social responsibility. This model can be classified as viewing CSR as an ***"after profit obligation"*** (Gonzalez-Perez 2013, pp. 5–8; Rybak, pp. 29–31).

The ***"before profit obligation"*** model is based on a different premise – it gives priority to moral values over other values, which should be subordinated to moral values. Enterprises are bound by moral and social imperatives at each stage of their activities, not only when they have attained a desired profit threshold; and are obliged to take account of the expectations of their stakeholders and treat them as equal to business objectives. Only if both conditions are met is a company is free to choose how it will generate profit (Gonzalez-Perez 2013, pp. 5–8; Rybak, pp. 29–31).

This stream of discussion also includes models focused on economic, social and public corporate responsibility (i.e. the CSP model – ***corporate social performance*** – formulated by S.L. Wartick and P.L. Cochran – 1985 and further developed by D.J. Wood – 1991) (Gonzalez-Perez 2013, pp. 5–8; Rybak, pp. 29–31).

The second stream of discussion features arguments against corporate social responsibility. The best known proponents of such an approach to CSR are M. Friedman[2] and T. Levitt (Friedman 1970; Henderson 2001; Gonzalez-Perez 2013, pp. 7–8). Friedman maintained that the primary and sole goal of business should be to use the resources it owns and engage in profit maximisation while obeying the rules of the game, i.e., in line with the rules of free competition, without infringing on it or cheating (Friedman 1970).

The third stream of theoretical discussion covers the relationship between CSR and the stakeholder theory (Gonzalez-Perez 2013, p.7; Rybak pp. 88–112; Adamczyk, pp. 76–103). The concept of stakeholders is linked with strategic business management. Stakeholders are groups of individuals or organisations whose interests are connected with what is going on inside a company (Adamczyk p. 77). According to the classification proposed by E. Freeman there are both primary and secondary stakeholders. However, the criteria according to which stakeholders are assigned to one of the two categories vary and depend on individual authors. Enterprises may neither exist nor develop without engaging their primary stakeholders, who exert direct impact upon the enterprise and whose interests depend upon business performance. Attention is paid to the fact that primary stakeholders, both individual and juridical persons, conclude formal contracts and agreements with the enterprise (Rybak, pp. 43 and further; Gonzalez-Perez, p. 8).

[2] '…there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.' Friedman M. (1970), The Social Responsibility of Business is to Increase its Profits, "The New York Times Magazine", http://www-rohan.sdsu.edu/faculty/dunnwerb/ rprtns.friedman.html; (Article reprint).

This group usually includes the capital owners: shareholders, managers, employees, clients, and suppliers. Secondary stakeholders may indirectly impact an enterprises and be influenced by it. However, they do not enter into contractual arrangements with enterprises and in this sense are not indispensable for business operations. This group includes: competitors, local communities, media, trade unions, government, and non-government organisations.

4. CSR standardisation and assessment schemes

Standards need to be elaborated in order to facilitate the implementation of CSR concept in enterprises on the one hand, and on the other hand to validate and monitor the corporate social responsibility which enterprises adopt or declare. Available tools include norms and standards developed by independent organisations, which can be grouped as follows (2004; Nakonieczna 2008, p. 109):

- process-related standards, which make it possible to identify how relationships with stakeholders are shaped and how communication and management systems are built (AA1000, GRI),
- performance standards, which identify what is admissible and what is not (Global Compact, ILO Conventions),
- standards relating to principles, which help identify best practices in individual areas (e.g., OECD Guidelines),
- certification standards, which specify what management systems in certain areas can be certified (SA 8000, ISO14001, EMAS),
- review standards, which provide the information concerning what conditions must be met so that an enterprise is assigned to a given group (FTSE4Good, DJSGI).

Below selected standards are presented and discussed.

4.1. Accountability and social corporate standards – AA1000 and SA8000

The **AA1000 Standard** (***AccountAbility 1000 Standard***) was published by the British Institute of Social and Ethical Accountability in 1999. AA1000 sets out **principles of good practice** in implementing rules of social and ethical accountability into business management systems, conducting ethical audits, and drafting social reports providing the basis for strategic analysis of an enterprise. It is a **process-based** standard, which assumes a continuous improvement of

business performance. It does not define or classify results but rather identifies processes that need to be improved to achieve adopted strategic goals. AA1000 can be used to master various processes in a company connected with its social engagement, such as, e.g., quality of managing stakeholder relations, staff policy, and risk management (Adamczyk 2009, pp. 117 et. seq.; Nakonieczna 2008, pp. 109–110, Accountability 2015).

AA1000 is not a certification standard but a process standard designed to stimulate innovative solutions in managing social responsibility in enterprises, not just to confirm compliance with adopted rules.

The **SA8000 Standard** is a social responsibility standard in managing human resources. It has been developed by Social Accountability International on the initiative of the Council on Economic Priorities Accreditation Agency – CEPAA. The standard lays down conditions for creating safe and staff-friendly workplaces. It is based on fundamental values listed in the international conventions of human rights adopted on the initiative of the UN (Nakonieczna 2008, pp.110–112; Adamczyk 2009, pp. 181–183, Social Accountability 8000 2014).

The structure of SA8000 is close to that of ISO standards in quality management. The certification audit for compliance with the SA8000 standard follows the audit procedures of the CEPAA and ISO guidelines. Companies that apply for the standard must meet the requirements concerning socially responsible relationships with employees, the rules of which can be found in the *International Labour Organisation Declaration on Fundamental Principles and Rights at Work* (ILO Declaration 1998).

In accordance with SA8000, the development and implementation of a socially responsible human capital management system in a company encompasses several stages (Adamczyk 2009, pp. 182–183). If a company is awarded with the SA 8000 certificate, it means its activities are in compliance with regard all requirements. At the same time the certificate constitutes an acknowledgment that the company has introduced procedures of systematic work on delivering social objectives in the area of human resource management.

4.2. ISO 26000 Standard: 2010 Guidance on Social responsibility

In contrast to the above discussed standards, the *Guidance on social responsibility* developed by ISO is an international standard which is not subject to certification. The standard does not concern the management system *per se*, but contains elements that can be incorporated into existing systems, such as: quality management (ISO 9001), environmental management (ISO 14001), health and

safety management (OHSAS 18001/PN-N-18001) (ISO, PKN 2015). It is a document promoting and facilitating business activities in the area of social responsibility. It highlights the relevance of the social responsibility construct, its multidimensional nature, and linkages with international human rights standards, environmental protection, and combating corruption. The overarching objective of the social responsibility recommendations laid down by the standard is to foster sustainable growth and prosperity (Adamczyk 2009, p. 184).

The standard may be used by organisations irrespective of their ownership, size, type and location. It contains guidelines on social responsibility understood as the responsibility of an organisation for the impact of its decisions and actions on society and the environment, ensured by transparent and ethical business conduct. In line with its holistic approach to social responsibility, it includes seven key areas, i.e., corporate governance, social engagement and development of the local community, human rights, labour-related practices, the environment, fair operational practices, and consumer issues (ISO, PKN 2015, p. 4).

The ISO 26000 guidance is applied voluntarily may not be used to create barriers to trade or to put legal pressure on enterprises.

4.3. Environmental management standards

Environmental management covers aspects of general management connected with the development and implementation of policy assumptions in a given company (Rybak 2007, pp. 207 and further). According to the concept underlying the environmental management standards, a company should periodically review and evaluate its operations to identify how it can act and develop ways to meet current environmental requirements or the challenges of sustainable development.

Environmental aspects of business can be regulated by either non-standardised or standardised schemes. The first group includes, e.g., the **Cleaner Production** scheme and the Responsible Care Programme initiative, while the second group is composed of programmes such as Total Quality Environmental Management (**TQEM)**, **ISO 14001, and EMAS** – Eco-Management and Audit Scheme (Rybak 2007, pp. 207 et. seq.; Nakonieczna 2008, pp. 112–116).

Cleaner Production (CP) is an industrial environmental initiative with a long tradition in the United States, which is also developing in Poland. It is recommended in Agenda 21 as an environmental management strategy that helps achieve sustainable growth in industry. Cleaner production in principle is intended to prevent hazards to human health and the environment originating from industrial

processes, covering all stages of the product life cycle, including disposal. It is feasible through the organisation of proper production and the application of environmentally-friendly techniques and technologies.

EMAS is an environmentally-friendly business management concept. It is a voluntary instrument developed by the European Commission, available to enterprises from the EU Member States. The initiative covers: continuous monitoring of businesses' environmental performance using the best economically viable technologies; constant reduction of adverse environmental effects on site; compliance with all relevant regulations in the area of environmental protection; formulation of objectives to improve environmental performance and stages and means to achieve them; implementation of an environmental management system as a tool to implement environmental policy; and informing the public about the effects of environmental actions and the commitment of staff, subcontractors and suppliers to observe environmental norms (Rybak 2007, p. 214).

Implementation and maintenance of a properly structured and efficient environmental scheme is a precondition to apply for EMAS registration. Since 2001, ISO 14001 has been used as a standard laying down the requirements to be met by such a system for the Eco-Management and Audit Scheme (EMAS).

The International Standard Organisation (ISO) supported the concept of sustainable development put forth at the UN Conference on Environment and Development in Rio de Janeiro in 1992 by its work on an environmental management system. The **ISO 14000** family of standards is the outcome of this work. Adoption of an environmental management system compliant with ISO 14000 is performed voluntarily by enterprises and provides a systematic approach to environmental issues as broadly understood. An external audit is conducted to ensure that the requirements of the standard have been met for certification purposes. Environmental management consistent with the ISO 14001 standard is designed to attain lasting improvement and reduce adverse environmental impact at a pace decided by the enterprise in question (Rybak 2007, pp. 217–221).

Independently of which environmental management system is selected, it is important to integrate it with other functional subsystems of the company.

4.4. Communicating social responsibility

It is important to inform the various social/stakeholder groups and the enterprises themselves about actions undertaken within the framework of corporate social responsibility. In this regard various initiatives have been launched to support business in carrying out this task. One among such initiative is

the **Sustainability Reporting Guidelines** developed by the international **GRI** (***Global Reporting Initiative***) organisation in 2000. In addition in 2014 the European Union published its **Accounting Directive (2014/95/EU),** amending Directive 2013/34/EU as regards **disclosure of non-financial and diversity information** by certain large undertakings and groups, which will significantly impact reporting and the information presented in reports (Directive 2014/95/EU; Szewc, Abec 2014, pp. 8–9;). The provisions of this new directive result from the compromise between those Member States which are more advanced in reporting non-financial information, such as Denmark and France, and Member States which previously implemented the minimum requirements stipulated in the Accounting Directive, such as Poland, Germany and the Czech Republic.

The **GRI guidelines** concern the presentation of sustainable development strategies (in environmental, economic and social aspects). The guidelines are not a mandatory set of rules and indicators but an auxiliary tool for drafting reliable corporate social reports. Reports developed in line with the GRI guidelines are designed to facilitate business–stakeholder communication. The guidelines recommend the structure of the reports, the principles on which they should be based, and the scope of information and indicators that should be included. In terms of reporting objectives, it is important to identify the scope and priorities of corporate social policy and to decide what a company wishes to monitor and measure in this field. This is critical for the selection of proper indicators (Rybak 2007, pp. 152–154).

The new **European Union directive** introduces changes into the **scope of reported non-financial information**. Its extension includes the requirement to disclose relevant information relating to, at a minimum, environmental, social and employee matters, respect for human rights, anti-corruption, and bribery matters. This is the scope of information of a typical corporate social responsibility report (the so-called CSR report). Member States, when adjusting their laws to the requirements of the directive, will be able to permit companies to disclose the above information in a separate report. Disclosure of non-financial information will take the form of, *inter alia*, the description of a specific policy, its outcomes, as well as risks and risk management in non-financial matters. Undertakings to whom the directive is addressed will be able to choose the reporting framework they will rely on, i.e., their own, national, EU, or international. The EU provisions cover **large undertakings of public interest,** and, according to the accounting directive such undertakings include: listed companies, banks, insurance companies, and other public-interest entities recognised as such by a given Member State. However, the directive limits the CSR reporting requirement tolarge undertakings meeting the following criteria: annual average full time employment exceeding 500

people, balance sheet total above EUR 20 million or net turnover above EUR 40 million. (Szewc, Abec 2014, pp. 8–9).

An obligation to make **new disclosures** is introduced by the directive with regard to diversity policy, and concerns issues such as: age, gender, geographical origin, education and professional experience. It also covers information about the diversity policy applied by a company when it comes to the composition of its administrative, management and supervisory bodies, policy goals and policy implementation, as well as outcomes achieved within a given reporting period. The above requirements must be met by **large listed companies** which meet two out of three the following criteria: employ more than 250 employees, have a balance sheet total above EUR 20 million, and have a net turnover above EUR 40 million.

We need to stress, however, that **the issue of reporting is controversial**. Arguments in favour of reporting intertwine with those suggesting it should not be used because it is voluntary (Nakonieczna 2008, pp. 119–120). Arguments "for" fall within the general scope of the social responsibility philosophy, while the arguments "against" are quite interesting. They claim that the information covered by reports is so extensive that it cannot be verified by stakeholders, who either do not read the reports or cannot find the data they seek; there is no feedback mechanism; minor issues are reported while leaving out key questions or matters inconvenient to a company; no reliable information can be found about a company's mistakes or errors as they report only success stories; and since their content cannot be verified, it becomes a marketing tool. A poorly drafted report may do more harm than good to a company (Nakonieczna 2008, pp. 119–120). Nevertheless, business practice shows that ever more companies are drafting reports to communicate with stakeholders and to demonstrate how active they are in the area of CSR.

There are also some concerns about the new EU directive, i.e. whether the reporting obligation imposed on certain companies does not constitute an additional burden to them. Some companies may also approach reporting as a pro-forma act. But we should agree with the view that what is most important is the promotion of corporate social responsibility with reporting being just a secondary measure (Szewc, Abec 2014, pp. 8–9).

Besides reporting, companies may use **social labelling and eco-labelling** of products to inform stakeholders about their corporate social responsibility. These initiatives consist in providing additional information on labels, not required by law and relating to social and environmental conditions and principles of product manufacturing (Nakonieczna 2008, p. 120).

Social labelling is about providing credible and understandable information about how a product was manufactured; it includes ethical relationships with employees, the local community, suppliers and business partners. Eco-labels are

placed on goods that meet environmental criteria with regard to their manufacturing and use. Social and eco-labels can be treated as a means of communication between business and stakeholders which can impact consumer awareness. They also help to balance consumption in the modern global economy.

4.5. Corporate Codes of ethics and sustainability indices

A Code of ethics is a document which specifies the scope of responsibilities of the Management Board and Supervisory Board with respect to its obligations vis-à-vis society (Rybak 2007, pp. 139–142). The Code is also an interpretation of business and its employers' duties vis-à-vis other entities, mainly its stakeholders. It also facilitates business management and sets out standards of conduct for the staff. It helps solve ethical dilemmas and motivates certain activities. By observing the Code of ethics a company becomes more credible to business partners and clients. Analysis of the Code of ethics of a company provides an insight into the ethical premises of its business operations and helps demonstrate differences among businesses representing various economic models.

Codes of ethics also have some **disadvantages**, which should be kept in mind when evaluating their usefulness. Some commentators claim, for instance, that codes encourage moral minimalism and acting in line with the maxim that "that which is not forbidden by the code is allowed." It is also unfortunate that codes are modelled after legal documents and do not justify the adopted norms, values, and rules of conduct. Besides, codes may be inefficient as they make references to general values and their generality prevents them from specifying what should be done in concrete circumstances (Rybak 2007, pp. 139–142).

In the late 1990s the first indices for socially responsible companies were introduced: the *Dow Jones Sustainability Indices (DJSI)* and FTSE4Good (Nakonieczna 2008), designed to inform investors who were interested in investments in socially responsible businesses. To some investors, investing in the production of alcohol, cigarettes, gambling or armaments is unacceptable for ethical easons and they seek investment opportunities that would not contravene their ethical requirements. Besides, businesses that observe principles of sustainable development are much more predictable, which reduces investment risk.

4.6. Positive and negative aspects of standardising corporate social responsibility

While experts generally believe the above analysed standards of social responsibility are useful, some critical opinions are nonetheless voiced with regard to their application (de Colle, Henriques, Sarasvathy 2014, p. 177–191). Critics of CSR standards have pointed out the **paradox of CSR standards.** They define it as follows: despite well-intended CSR standards and their potential effects, they may favour a thoughtless, blind and restrictive approach that avoids responsibility and is counter-productive when it comes to the objectives pursued by these standards, including those connected with fostering social responsibility. The paradox is built around three issues, i.e., misleading measures/indicators, the erosion of responsibility, and a narrow approach to the issue at hand.

The multitude and variety of available standards does not mean that their correct application will automatically lead to the expected results. The effects of CSR standards can be both positive and negative. Positive effects include: CSR operationalisation, which enables translating abstract ideas into applicable tools; avoiding misunderstandings resulting from the language and methodology; support for a better understanding of CSR; easier engagement of stakeholders; promoting continuous improvement of standards and of those firms who apply them; an improved business reputation; and self-enforcement of CSR standards; (de Colle, Henriques, Sarasvathy 2014, p. 181).

The **negative** phenomena connected with the implementation of CSR standards are deemed to be:

- **conceptual inadequacy** – traditionally standards were applied with respect to technical issues and they did not create methodological difficulties, whereas defining and codifying an array of social and ethical issues provokes precisely such problems, and in addition the application of many standards to one problem causes terminological chaos;
- **extra costs** – the implementation of various CSR standards and certifications are, if required, associated with significant costs, especially to small and medium-sized enterprises;
- **lack of enforcement** – CSR standards are voluntary and they cannot be legally enforced. This voluntary nature may undermine their efficiency;
- **obsession with compliance** – too much focus on compliance with standards may come at the expense of building professional relations and trust between an organisation/company and its stakeholders; observing rules and procedures as an organisational goal may happen at the expense of value-based decision making,

Moreover, a company may reveal a tendency to implement standards without adjusting them to its specific needs and characteristics (i.e. no flexibility) and thus it may generate results contrary to those expected;

- **over/miscommunication of data** – a formalistic approach to compliance with standards poses the risk of providing too much information/indicators in reports which, however, will not be useful to stakeholders or make it difficult for them to properly evaluate business performance, which may weaken the positive effects for building a company's reputation;
- **stifling innovation –** CSR standards, as a result of identification and codification of socially acceptable performances and best practices, may potentially restrict creativity and innovation;
- **failure to drive systemic change –** as much as CSR standards are helpful in achieving social, ethical and environmental goals in companies, they do not necessarily produce the necessary systemic changes at the national and global levels (de Colle, Henriques, Sarasvathy 2014, p. 182).

The above outlined ambiguity with respect to the effects of CSR standards seems to be confirmed by practical evidence. Sometimes companies that implement social and ethical standards infringe upon – whether intentionally or not – areas of corporate social responsibility, which means that standardisation does not prevent negative environmental or social consequences. Infringement of corporate social responsibility rules also seriously hurts business reputation. Examples include the environmental disaster caused by British Petroleum in the Gulf of Mexico in 2010. Within two month following the oil platform explosion the company lost one third of its market value, i.e., ca. USD 67 bln and will pay USD 18.7 bln in compensation (www.money.pl.)

The so called „Dieselgate" of Volkswagen also demonstrates that it is possible to *intentionally* abandon declared values while officially complying with appropriate environmental standards. It is estimated that the company will need at least 2–3 years to restore its reputation (www.wgospodarce.pl). The so-called Paradox of CSR standards also calls for further investigation.

5. Conclusions

1. Nowadays, corporate social responsibility (CSR) is understood as the voluntary integration of social and environmental aspects into business operations in relations with stakeholders, as well as sacrificing profit for the sake of societal good.

2. Discussions over social responsibility models have not produced any universal model which could comprehensively embrace the phenomenon. We may expect further developments when it comes to social input models and deepening the relationship between CSR and stakeholder theory.
3. Controversies over CSR refer not only to traditional dispute areas, i.e., how the concept is defined or pros and cons concerning its practical implementation, but also disputes over the positive and negative phenomena connected with CSR standardisation.
4. While the positive aspects of CSR standardisation seem unquestionable, potentially or factually negative ones deserve special attention as there is a danger of effects contrary to those expected, or at least weakening the benefits of standardisation.

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Streszczenie

SPOŁECZNA ODPOWIEDZIALNOŚĆ BIZNESU – WYBRANE ASPEKTY TEORETYCZNE I EMPIRYCZNE

Społeczna odpowiedzialność przedsiębiorstw (CSR) budzi ciągle dyskusje w odniesieniu do rozumienia tego pojęcia, dominujących modeli w praktyce biznesu oraz konsekwencji zaangażowania się przedsiębiorstw w społecznie odpowiedzialne działania. Praktyka biznesu pokazuje jednak, że firmy dobrowolnie uwzględniają kwestie społeczne i ekologiczne w swojej działalności i stosunkach z zainteresowanymi stronami, choć trudno jest rozstrzygnąć, jakie intencje stoją za ich zaangażowaniem. Celem niniejszego artykułu jest analiza wybranych aspektów w dyskusji nad CSR i wskazanie ujawniających się kontrowersji w odniesieniu do praktyki standaryzacji etycznego i społecznego działania firm.

***Słowa kluczowe**: społeczna odpowiedzialność przedsiębiorstw, modele CSR, standardy etycznego i społecznego działania firm*