

Corporate Social Responsibility: The Misty Concept

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Abstract

For decades now, there has been a certain type of conformism, in the sense that as soon as a concept is invented by a reputed organism or by a powerful state, it's taken over by everyone and everyone embellishes it in its own way. Translating concepts from one language to another may seem trivial, but we often risks missing key elements, and with regard to economic concepts, we often neglect the spatial and temporal context relative to the appearance of this or that notion, and it is mistakenly believed that such a word has the same meaning in all languages. The consequence of this can be very dangerous because, in addition to misunderstanding, this can lead to poor application and the remedy that is recommended to reduce the effects of an evil, reinforce them even more. In this paper, we will try to describe a major concept in development economics that is of Corporate Social Responsibility and demonstrate, by etymological analysis and by conclusions drawn from the literature that addressed the subject that this term was poorly translated from English into other languages (especially French and Arabic), and thus it is misunderstood and sometimes misused by companies to deceive consumers and public opinions by a practice called "Greenwashing": to realize more profits, by making them believe to a pseudo responsibility towards the environment and society.

Keywords: Corporate, Organization, Enterprise, Social, Societal, Responsibility, ISO 26000, Greenwashing.

Introduction

"*At every epoch its fashion*", a quotation that is often verified and not only in clothing or jewelry, but also in the social sciences; In fact, since a few decades (in the 1970's), there has been a rather curious phenomenon: as soon as a new concept is stated, and especially when it is related to environmental issues, everyone starts to use it each one at his convenience and sometimes wrongly.

The result is a millions of studies, a multitude of definitions and so many quantification criteria. Nevertheless, in most cases it is usual for experts to debate and come up with a consensus definition, but it becomes difficult when the definition is linked to ethical considerations or is conditioned by socio-cultural factors ... then the definition of consensual would itself give rise to other definitions, although quite close, but which may include some subtleties which, if not well identified, would in their turn lead to nonsense or misinterpretation.

The problem does not limited to a bad translation of a term or a concept, it is something deeper. As saying by *Stephen Hawking*: “*The greatest enemy of knowledge is not ignorance; it is the illusion of knowledge*”, therefore, to understand wrongly is also to have the illusion of to have understood something when it is not the case, thus, it is to undertake inadequate measures trying to resolve problems starting from false premises, and it is an opened path to all the drifts and failures.

The case of CSR particularly interesting, because since the concept appeared in the 1970s, the definitions concerning it have continued to flourish (more than 260 million of occurrences concerning CSR in Google in 2013)¹ and confusion to accentuate by the same (Ruwet, 2009), especially as CSR implicitly refers value systems, opinions, traditions and socio-cultural elements that are not necessarily similar across countries or continents. In addition to this is the fact that CSR (RSE in French), is an expression composed of three words, translated from English to French (and then to Arabic). The translator(s) used synonyms not necessarily exact! That is, they do not reflect the original meaning of the concept. How can we then, measure a thing while the fog surrounds it? How can we apprehend it when several elements intersect?

This problematic was discussed by Rodić (2007), Capron (2009), Boisjoly (2013) and others, but by partial approaches, the main purposes of this paper are:

- Describe the origins of the concept of CSR and his historical evolution.
- Analyze the terms of concept, one by one, and demonstrate the ambiguity surrounding it.
- Propose a consensual calling, more in line with the previous analysis and with the real sense of CSR.

1. The origins of CSR:

According to Rodić (2007), some elements of CSR go back to classical Athens (500 BC), where the belief was that those who were in a position of advantage in terms of money and power had to behave in a socially responsible manner.

Otherwise, some of the ideas were put forward in the usual definitions of CSR in the 18th century when British consumer's boycotted sugar cane produced in the Caribbean by slaves. As when prophets preached good words and demanded fair prices and ethics to traders and to the rich.

¹ Cf. Ernult J and Hamdouch A (2013), « Introduction », *Management & Avenir* 2013/8 (N° 66), p125.

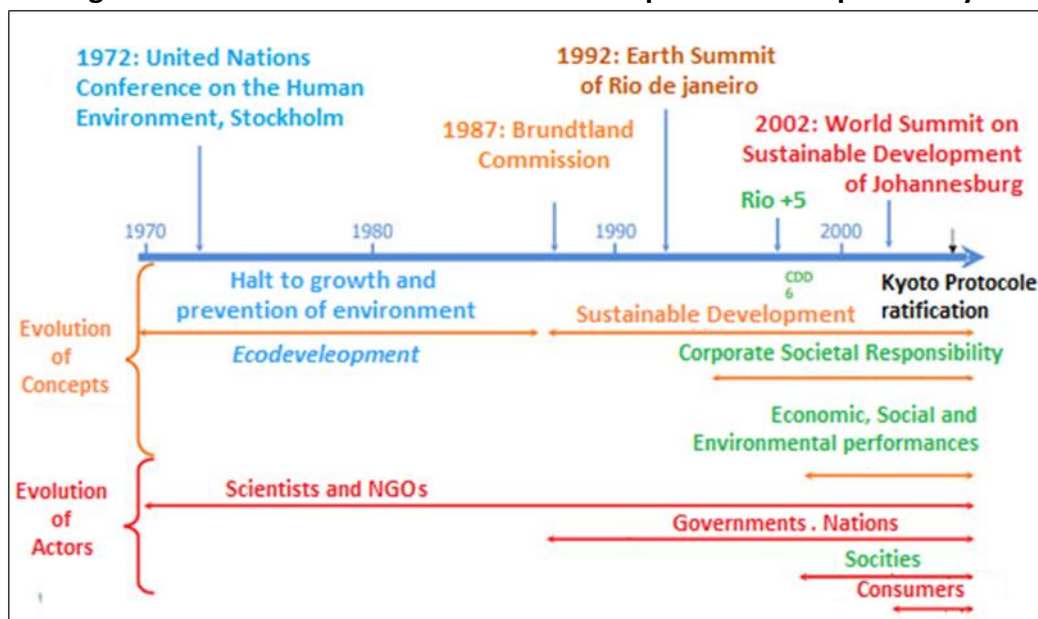
Not far from as, *Howard Bowen* mentioned in 1953 “*The social responsibilities of businessman*”, in a book of the same name and where he called for a better ethic in the business world (note, in passing, the use of the term “businessman”).

In 1961 another author named *George Goyder* published a book entitled “*The responsible company*”, where he laid the first steps of what will later be translated into CSR. It should be noted that some sources like the “*Working Report on Social Responsibility*”, prepared by the reputed “*Japanese National Committee for ISO Advisory Group on Social Responsibility*”, refer to the name of the work of *Goyder* under another name: “*The responsible corporation*”, this is already a proof of the confusion that revolves around the concept of CSR.

Subsequently, other studies and international organizations such as the OECD or the ILO (the International Labor Organization) came to the fore until the current definition of CSR, which was announced in November 2010 and will be discussed later.

Basically and usually, as the following diagram shows, the formalization of the concept, CSR, went through two major stages: a first stage described like an evolution of the associated concepts and another stage, concerning the integration of the actors:

Fig.1: «The historical evolution of the concept of social responsibility»



Source: Translated by authors from <http://rse-pro.com/rse-origine-498>

Hence, and from the previous diagram it appears clearly the interdependence between CSR and environmental concerns.

Moreover, the CSR designation is in fact the translation of the term Corporate Social Responsibility, where the word Corporate is to be considered in the sense of organization or corporation. In fact, things go much further, but to better understand the confusion let's dissect the concept of CSR word by word. But before doing that, let's take a look at the indices of measurement of CSR.

2. The Measurement of CSR Performances between Ambiguity and Diversity:

In this section, we will largely draw on a synthesis made by a communication consulting agency called “*Agence Quel Progrès*”, which had the merit of having synthesized 39 CSR reports prepared by various companies and international and European organizations, and which came out with an exhaustive list of indicators used to measure CSR performance. These indicators were grouped into six major categories, themselves subdivided into themes, and each theme included a series of clues. Here is a brief description of this synthesis:

Table 1: « Categories, themes and performance measures CSR, established by *Agence Quel Progrès*» (Non-exhaustive list)

Category	Theme	Quantification index
1. Employees	Diversity.	Distribution Men/Women; Interim employment; Integration of handicapped; Ethnic Minorities...
	Employment.	Employment Sustainability; Work Time; Stability; Turnover...
	Labour Conditions.	Absenteeism; Working Conditions; Occupational Disease, Safety of Employees...
2. Customers	Quality and security.	Security of products and services; Labeled products; Frequency of information for customers; Traceability.
	Sensitization.	Awareness-operations; Fair trade products...
	Listening and customer dialogue.	Transparency; Customer satisfaction; Claim rate...
3. Suppliers	Responsible purchasing policy.	Existence of procurement charter or code of ethics; Selection of suppliers on social and environmental criteria.
	Supply SMEs.	Number of partnerships with the SMEs.
4. Shareholders	Transparency and information.	Numbers of regular publications; Of information meetings...
	Distribution of dividends.	Distribution of capital individual vs.institutional investors; Regularity of distribution of dividends...

	Participation in decisions.	Dissemination within the company of the decisions of the board of directors; Existence of a counter-power on the board of directors...
5. Societal Environment	Sponsorship.	Numbers of projects supported by the company foundation; Amounts paid by the foundation; Support for associations/ solidarity projects...
	Participation in development of the Education.	Numbers of partnerships with schools and universities, with employers' organizations...
	Local Development	Numbers of direct and indirect jobs at the place of establishment; Number of partnership actions with local residents' associations...
	Use of renewable energies.	Share of renewable energies in total energy consumption.
6. Ecologic Environment	Optimization of waste sorting.	Waste valuation rate; Quantity of waste...
	Priority to modes of transport.	CO ₂ emissions related to commuters' home / work journeys; CO ₂ emissions related to the transport of Merchandise...

Source : Translated by authors from the synthesis of *“Agence quel progrès”*

It can be seen from the exhaustive list that the practice of the RSO is not limited to a particular sector or a particular activity, but to organizations from all sides that are involved, i.e. banks, pharmaceutical industries, telephone providers and car manufacturers. Nevertheless, we note that this typology includes some ambiguities: The indices cited in the summary are in the same time, both measurement tools and indicators of awareness of CSR on the part of corporations. On a second hand, four of the six categories are directly related to the organization's internal environment. We can think that being accountable to the organizations under review, is accountable above all to itself, that is, to its employees, suppliers and shareholders.

Moreover, CSR (in usual definition) has become in certain cases, more a label than a voluntary commitment to society and the environment, and for a large number of enterprises, environmental concerns are only a veil, a fallacious argument to sell their image and give a semblance of respectability. This practice is called *‘Greenwashing’* or the using of *“deceptive and manipulative sustainable claims by companies to portray a superficial eco-friendly image*

than it actually is, by investing more resources on marketing its products as 'green' rather than actually minimizing its adverse impact on the environment" (Aggarwal and Kadyan, 2014, p61), like some practices of *Mc Donald*, *Lucky strike* and many other multinationals and sectors (Aggarwal and Kaydan, 2014 ; Breka & Kpoussa, 2013.)

3. The components of CSR from an etymological point of view:

"Responsabilité-Sociale-des Entreprises"²...three words that speak volumes: Let us begin with *Responsabilité* (Responsibility in English, *Massouliya* in Arabic): this term comes from the Latin *Responsum* and refers to the fact of reporting to an authority its actions or acts of those for which it is responsible as it designates the person in charge of a function, Among others, but in the present context, it refers to the moral obligation or necessity to answer, to vouch for one's actions or those of others. However, there are various types of responsibility, but they are generally grouped into two categories:

- *Ex-ante responsibility*: liability is established in advance, that is, well before the occurrence of the damage.
- *Ex post responsibility*: the issue of liability arises only after the damage has occurred. But in this case, what kind of responsibility is it when it comes to CSR? We will answer this question, as well as all the questions that will be asked in this paragraph, once all the terms have been scrutinized.

In other words and as it is said by Frison-Roche (2006, p.33), *ex ante* is related to the "normative will" and "the global", while *ex post*, is related to the "reaction" and the "particular". Moreover, the term *Responsibility* refers to concepts that are sometimes very divergent, depending on the cultures and legal systems (Cadet, 2014, p.153). If we want companies to feel responsible, not in legal terms, but rather as the debtor of their internal and external environment, would it not be appropriate to invent a new, less ambiguous concept?

As for the second term: *Social*, in the course of our reading we came across articles that evoked the term *Societal* instead of social, but is there really a difference between the two? At first sight there is not if we keep to the strict sense of the two words, since *Societal* refers to that which relates to the various aspects of the social life of individuals, insofar as they constitute an organized society; and *Social*, refers to a society, a human community considered as an entity of its own ". However, these two definitions contain some subtleties: *Social* (*Ijtimâiya* in Arabic), when speaking of enterprises, refers to the internal aspects of the companies (its employees, its organization, etc.), whereas *Societal* (*Moujtâmaiya* in Arabic) relates to the company's relations with its external environment. Evidence, when we speak of the company's social balance sheet, we talk about employment, remuneration, hygiene and safety, labor conditions, etc., that is to say, elements which relate to the characteristics of the enterprise itself; while the company's corporate balance sheet refers to the responsibility of the company towards other stakeholders (customers, suppliers, the community, the environment, etc.). And here again the question arises: *Social* or *Societal* Responsibility ", or both at the same

² As it is called in French.

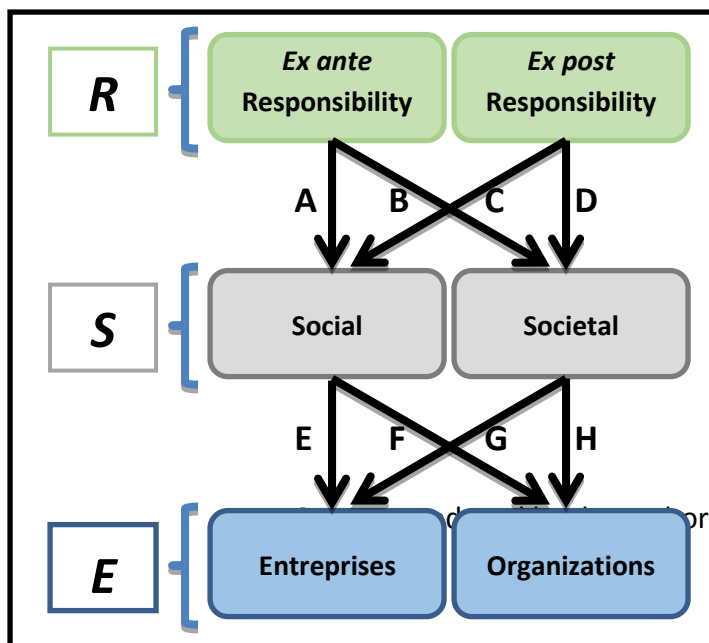
time? This fact has already been noted by some experts who called for " opting for a definitive choice ".

Last but not least, the term *Enterprise*: We have already noted the fact that the concept of CSR was translated from English and where the word *Corporate* was replaced in the French appellation by *Enterprise*, a restricted synonym which took the place of another: Corporation or Organization which is much broader and encompasses more elements than the word enterprise. The mistake was perpetuated when translating to Arabic where the word *Mouassassa* (company) is used instead of *Mounadhama* (organization or corporation). To summarize, from the three CSR components (each comprising two modalities and their combination) will reappear a multitude of possibilities.

4. One concept, eight appellations:

Let us cross the six combinations and see what we're going to get:

Fig.2: «Terms constituting the concept of CSR and potential designations»



In conclusion, the combination of the three terms leads to 8 different combinations, namely:

- (A; E) = Ex-ante Corporate Social Responsibility (*Responsabilité ex ante Sociale des Entreprises.*)
- (A; F) = Ex ante Social Responsibility of Organizations (*Responsabilité ex ante Sociale des Organisations.*)
- (B; G) = Ex-ante Corporate Social Responsibility (*Responsabilité ex ante Sociétale des Entreprises.*)
- (B; H) = Ex-ante Societal Responsibility of Organizations (*Responsabilité ex ante Sociétale des Organisations.*)

- (C; E) = Ex-post Social Responsibility of Enterprises (*Responsabilité ex post Sociale des Entreprises.*)
- (C; F) = Ex-post Social Responsibility of Organizations (*Responsabilité ex post Sociale des Organisations.*)
- (D; G) = Ex-post Corporate Social Responsibility (*Responsabilité ex post Sociétale des Entreprises.*)
- (D; H) = Ex-post Societal Responsibility of Organizations (*Responsabilité ex post Sociétale des Organisations.*)

Obviously, many of these appellations seem to be very close to each other, however, they actually have some subtleties that ultimately distinguish them. However, the question that arises here is which of all these appellations would fit best, not with the expression "CSR" (and his French equivalent: RSE) because it would be a priori erroneous, but with the nature and object of the concept?

To answer this question, let us review one of the usual definitions of CSR (as it is called until now), presented in the Green Paper on CSR, which is also taken from the RSE News website (One of the leading sites in CSR). According to the Green Paper cited, CSR is defined as "...concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis." (Commission of the European Communities, 2001, p06.) On the one hand, and *voluntary integration* (i.e. *ex-ante liability*, if not once the damage occurred, there would be a *legal obligation* to submit and not voluntarism) on the other hand, but no distinction is made between internal and external to the company. Therefore, and on the basis of this definition, the most appropriate designations would be: (C; E); (C; F); (D; G) and (D; H) ... but, we should note that there is still confusion: if the term 'social', when it is linked to the word enterprise, refers to the internal environment, why do we link the other stakeholders?

Fortunately, the fog somewhat dissipated, five years later and following the adoption by the *International Organization for Standardization*, after talks between 500 experts from 99 countries belonging to various organizations (ILO, OECD, AFNOR, etc.), a consensual framework was adopted, an "sustainable conception", which combines the "ethical conception" of the CSR in vogue in the United States, and the "utilitarian strategic conception", more present in Europe (Boisjoly-Lavoie, 2013) . It is known as ISO 26000, according to which: "*Social responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior.*" (International Organization for Standardization, 2010, p.03)...even if the doubt and confusion reappeared when we read the subtitle of the ISO documents³ or in the French translation, given in by AFNOR (Association Française de Normalisation, the French association of standardization) and where *social* is replaced by *societal*, and *organization* by *enterprise*⁴!

³ See the subtitle under the title in Bold characters on the first page of this document:

www.cnis.gov.cn/wzgg/201405/P020140512224950899020.pdf

⁴ C.f. the first paragraph of this webpage: www.afnor.org/dossiers-thematiques/developpement-durable-rse

It goes without saying that this definition is more suited to the purpose and the nature of "CSR", and therefore the appellations (A; E); (A; F); (C, E) and (C; F) are to be rejected, as they are only concerned with the "social" aspect, It is the same for (B; G) and (D; G) since they restrict Corporate Social Responsibility to companies only. Thus, we will end by two appellations (B; H) = *Ex-ante Societal Responsibility of Organizations*; and (D; H) = *Ex-post Societal Responsibility of Organizations*. To put it simply, we could unite the two names to lead to *Societal Responsibility of Organizations* or SRO, a more appropriate term than CSR.

Conclusion:

"Behind every word that constitutes corporate social responsibility, debates and conflicts hide" (Rodić, 2007, p.05). By using ambiguous terms to refer to "the will to assume responsibility for the impacts of its activities and decisions on the environment and society, this led to an erroneous conception of the concept itself on inadequate implementation.

Furthermore, the original essence of CSR has been distorted by 04 factors:

- The background of the historical context that accompanied the emergence of the term: the first discourses on CSR in the United States, emerged in the context of profound changes in the forms of enterprise and the pursuit of social equity (Acquier & Gond, 2005, p.10).
- The use in the original term has different connotations when translated into other languages or transposed into countries with different legal systems, and even if we assume that they were translated properly.
- Multiplication of measures indices and CSR categories, which is indeed a heterogeneous, but not cosmopolitan, concept because components and categories are not necessarily suitable for all socio-economic cultures and systems.
- The hold-up operated by multinational companies that do not skimp on Greenwashing to give themselves an appearance of respectability, and do not hesitate to use slogans wrongly evoking CSR ... without omitting obviously the human stupidity that makes us sheep of Panurge, ready to follow the majority even if it is wrong.

Nevertheless, if it is possible to arrive at a consensual name and a definition accepted by the whole, and here we speak of the ISO 26000 standard, are we allowed to obtain a consensus on the indices of measurements of the CSR? That is to say criteria of quantification and classification suitable for all, regardless of culture, manners or countries? To answer this question let's give an example: In the synthesis mentioned above, there is an index relative to moral harassment, but moral harassment in Western societies does not have the same sound as in Asia, where the traditions makes public invectives on the part of those responsible and towards their subordinates, being part of the nature of things, implies any responsibility or feeling of guilt, what then is to be said of Arabian societies, governed by traditions and built around religious precepts? The perception of CSR is already showing some divergences and different points of view even within the western world, each according to its own interests (Capron, 2009). Caution should be exercised, because what is valid in the United States is not necessarily so in China, what is normal in Japan is not so in Germany! It is therefore appropriate, secondly, and after agreeing on the designation and content of the RSO, to sort

out the proposed indices of measurement and select those which combine both preoccupation global environmental and economic and cultural specificities, in other words, differentiate between cosmopolitan general components and specific factual subcomponents.

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