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**Corporate Social Responsibility Expectations: What do Consumers Want
from Enterprises?**

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Abstract

Corporate Social Responsibility (CSR) practices are becoming a powerful tool for enterprises, in order to maintain their reputation, send a signal to the various stakeholders with whom they interact and, at the end, generate added value for society. From this view, identification of consumers' expectations of social responsibilities to be fulfilled by enterprises could be used as guidance for decision-making about quality management. The principal aim of this study is to analyze the internal and external CSR functions attributed by consumers to enterprises in their habitual economic activity, just as the influence of sex and age in such subjective perceptions. Self-reported data was collected through a structured questionnaire from a total sample of 400 Spanish participants. Descriptive and multivariate analysis revealed a generalized awareness of the relevance of incorporating socially responsible practices into the habitual business activity. Moreover, results from MANOVA showed different patterns of CSR expectations among individuals with different socio-demographic background. Implications of the study are discussed.

Keywords: corporate social responsibility, consumers' expectations, European policy, total quality management.

Introduction

As a consequence of the increasing dynamism of current marketplaces and global economic activity in general, all kind of organizations around the world are nowadays concerned for maintaining their reputation and making it clear their involvement with social demands and changes, in order to send a signal to the various stakeholders with whom they interact. Even private enterprises – as organizational paradigms of “selfish” search for their own benefit– are aware of the need of satisfying the expectations of objective publics other than investors and clients. This entire have resulted in the substitution of a shareholders theory for a stakeholders theory, based on a wider and much more integrated concept of organizational activity.

In words of Baker (2006: 197-198), “distinction between success and failure in competitive markets may be reduced to two basic issues, first, an understanding of marketing needs, and, second, the ability to deliver added value”. From this viewpoint, widely accepted among academics and experts, it is assumed that consumers' demands and expectancies have to be satisfied, beyond what concerned to the specific product destined to satisfy the need which originated the relationship with the enterprise.

In this respect, issues such as collaboration with social causes, guarantee of fair work relationships with employees, suppliers and distributors, fair trade, environmental awareness and sustainable development, work insertion of marginal collectives, and health and safety at work are, among others, new expectations of consumers to be fulfilled by enterprises. At the same time, enterprises are more and more convinced that improvement of social settings through their own activity has a great potential to contribute to the objectives pursued. Hence, Corporate Social Responsibility (CSR) practices are becoming a new way to manage quality in organizations.

Based on these arguments, this paper is organized as follows. First, we review the concept of CSR and the dimensions attributed to it in specialized literature and European policy, and stress the importance of consumer's expectations on the matter in directing quality management decisions. Second, we present some results from a study aimed to analyze the CSR functions attributed by consumers to enterprises in their habitual economic activity, just as the influence of socio-demographic patterns in such subjective perceptions. Finally, implications of results for improving corporate governance and CSR are discussed.

Literature Review

Earlier references to CSR in occidental literature date from the 1950s (e.g., Drucker, 1954; Eells, 1956; Heald, 1957; Selekman, 1959), when Bowen (1953) – known as the “father” of CSR concept – stressed the idea that larger companies are power centers whose decisions and activities affect people's lives in different ways, concluding that it seems reasonable to expect that managers assume some kind of responsibility on the matter.

Afterwards, in 1960s and 1970s decades, it took place a conjoint stage of formalization and consolidation of the construct, with contributions of many authors from different fields (e.g., Davis, 1960, 1967; McGuire, 1963; Heald, 1970; Johnson, 1971; Eells and Walton, 1974; Sethi, 1975; Fitch, 1976; Preston, 1978).

Most speeches in these years were aimed to back up the premises that economy's production means should be employed in a way that production and distribution could reach total socioeconomic welfare (Frederick, 1960) and that relationships between corporations and society should be taken into account by high-tech directives when considering the common objectives of all the enterprise's stakeholders (Walton, 1967).

In this context, the Committee for Economic Development (CED, 1971) in United States gave the first explicit official support to CSR

postulates, providing a definition of the construct articulated around three concentric circles (Figure 1):

- The inner circle includes basic economic functions – growth, products, and jobs.
- The intermediate circle suggests that the economic functions must be exercised with a sensitive awareness of changing social values and priorities.
- The outer circle outlines newly emerging and still amorphous responsibilities that business should assume to become more actively involved in improving the social environment.

Summarizing the previous, at the beginning of the 1970s it was clearly perceived the explicit character of the social dimension in a business approach that stressed the design and implementation of efficient management methods, what stimulated the exploration of new and novel relationships between entrepreneurs, government and all kind of social collectives, these being or not recipients of the productive offer.

This new concept of enterprises' functions and missions led to a new concept of "social marketing" or "cause related marketing", with pioneering experiences such as the Nirodh Program for control of birthrate established in 1968 in India, or the *National High Blood Pressure Education Program (NHBPEP)* established in 1972 in United States.

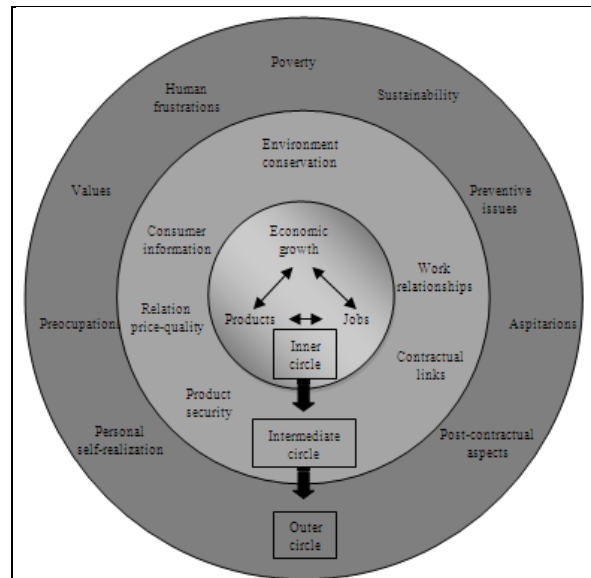


Figure 1: The three concentric circles in the definition of CSR according to CED.

Source: Adapted from CED (1971).

Implications of this new concept of business missions for quality management were evident. In words of Davis (1972: 312-313), CSR:

“refers to the firm’s consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm. It is the firm’s obligation to evaluate in its decision-making process the effects of its decisions on the external social system in a manner that will accomplish social benefits along with the traditional economic gains which the firm seeks.”

In this context, Carroll (1979) shaped one of the first models for CSR decision-making and management, starting from the base that managers should be provided with: 1) a clear concept of CSR; ii) a list of reasons justifying its existence (or an account of those stakeholders towards which the enterprise has a responsibility, relationship or dependence); and iii) an specification of the

responsibility's philosophy towards corresponding topics. From this view, CSR is understood as an adaptive construct, considering that social expectations can be different for different temporal periods.

From these contributions, in the 1980s and 1990s it was initiated a new stage of consolidation and specialization of CSR as research topic, with an increasing proliferation of both conceptual and empirical works (e.g., Jones, 1980; Dalton and Cosier, 1982; Carroll, 1983; Drucker, 1984; Epstein, 1987; Wood, 1991). In this framework, the new Carroll's CSR concept was based on four responsibility components or levels represented in the form of a pyramid (Carroll, 1991), as shown in Figure 2. According to this vision of CRS, it encompasses the economic, legal, ethical, and philanthropic expectations placed on organizations by society at a given point in time.

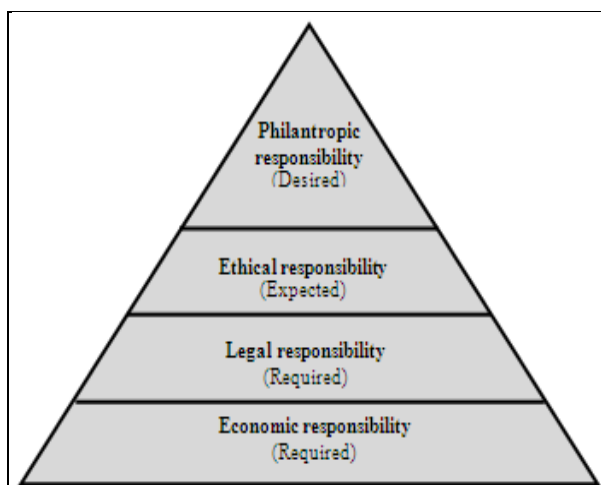


Figure 2: Carroll's pyramid of CSR.
Source: Adapted from Carroll (1991).

Since 2001 there has been a "new gold age" in CSR research, at a time when its encouragement is currently at the heart of host of requirements and public standards in different countries around the globe.

In Europe, governmental awareness of the importance of this topic began to be explicit in the Lisbon European Council, celebrated in 2000. It made a special appeal to companies' sense of social responsibility regarding best practices for lifelong learning, work organization, equal opportunities, social inclusion and sustainable development (European Commission, 2000).

Afterwards, the Green Paper for promoting a European Framework for CSR described it as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (European Commission, 2001: 6). The document identifies two distinct dimensions, internal and external, of CSR. From this view, within the company, socially responsible practices primarily involve employees and relate to issues such as investing in human capital, health and safety, and managing change, while environmentally responsible practices relate mainly to the management of natural resources used in the production. On the other hand, CSR extends beyond the doors of the company into the local community and involves a wide range of

stakeholders, including business partners and suppliers, customers, public authorities, and NGOs representing local communities, as well as the environment.

This vision of CSR fits with the one endorsed by the norm ISO 26000, launched by the International Organization for Standardization (ISO) in October 2010 for giving guidance on social responsibility in organizations. It is intended for use by organizations of all types, in both public and private sectors, in developed and developing countries, as well as in economies in transition. ISO 2600 contains guidance, not requirements, and therefore is not for use as a certification standard.

This norm conceives CSR as the result of reciprocal relationships between organizations and society and stakeholders, it being understood that enterprises should base their decision and activities on the satisfaction of society's expectations and stakeholders' interests (Figure 3). From this appreciation, seven dimensions are attributed to CSR: organizational governance, human rights, work practices, environment, fair game practices, consumer-related issues, and involvement with community and development (ISO 26000, 2010).

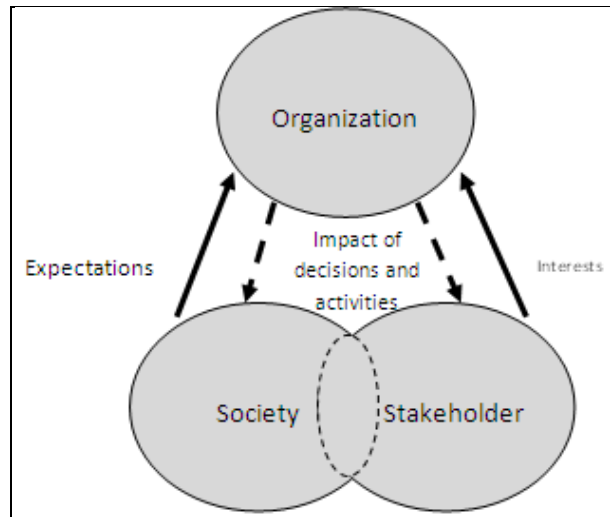


Figure 3: Relationships between organizations, society and stakeholders according to ISO 26000. Source: ISO 26000 (2010).

From this literature and political review, it follows that CSR practices are becoming a powerful tool for enterprises, in order to maintain their reputation, send a signal to the various stakeholders with whom they interact and, at the end, generate added value for society. From this view, identification of consumers' expectations of social responsibilities to be fulfilled by enterprises could be used as guidance for decision-making about quality management. Furthermore, identification of segments of population with different concepts of social responsibilities could help managers to improve adaptation of CSR decisions to the specific demands of objective publics. Based on this research purpose, we present some results from a study aimed to analyze the CSR functions attributed by consumers to enterprises in their habitual economic activity, just as the influence of sex and age in such subjective perceptions.

Research Methodology

Self-reported data was collected through a structured questionnaire from a total sample of 400 people from the Spanish region of León, ensuring a size for a representative 95% (being $e = \pm 5\%$; $p = q = 0.50$).

Respondents were randomly selected from general population according to real distributions by sex and age. Based on these criteria, sample was comprised of 180 males (45%) and 220 females (55%) aged 18 to 75 years old, with a mean age of 44.39. By age group, 30% were aged 18 to 35 years old, 30% were 36 to 50, and 40% were 51 to 75 years old.

All participants were asked about their perceptions of expected responsibilities to be assumed by enterprises with regard to eight internal (e.g., health and safety at work, professional development and lifelong learning of employees, responsible relationships with shareholders, etc.) and nine external (e.g., quality products adapted to consumers' needs and expectations, ethical commitment to suppliers and distributors, fair play in the relationships with competitors, respect for the environment, etc) CSR activities according to the Green Paper (European Commission, 2001). Respondents had to assess every statement on a five-point Likert-type scale ranging from 1 ("not important at all") to 5 ("very important"). Descriptive and multivariate analyses were performed to identify the CSR activities more frequently assigned by

consumers to companies, and the effect of sex and age on the expectations of individuals.

Findings

Table 1 shows response percentages of perceived importance for the eight internal and nine external CSR activities, just as mean values (last column) as a measure for global current perceived importance of every item. Mean scores are also displayed in Figure 4.

According to results, CSR practices more expected by respondents corresponded to internal activities related to work conditions of employees, with average scores over 4 in most items. Exceptions were "volunteering activities for employees" and "responsible relationships with shareholders" (scoring average values of 3.22 and 3.91 on the 1 to 5 scale).

While high, perceived importance was lower for external CSR practices, with average scores under 4 in most items, except "quality products adapted to consumers' needs and expectations" ($M = 4.33$) and "useful and truthful information about products" ($M = 4.18$).

Therefore, participants' expectations concentrated mainly on organizational practices directed towards employees and consumers, whereas remained practices were perceived important but less central in the set of social functions attributed to enterprises.

	1	2	3	4	5	Mean (SD)
Health and safety at work	--	--	2.3%	40.0%	57.8%	4.56 (0.54)
Professional development and lifelong learning of employees	--	0.3%	8.5%	53.3%	38.0%	4.29 (0.63)
Equal opportunities for employees	0.3%	1.0%	9.0%	39.2%	50.5%	4.39 (0.71)
Balance between work, family and leisure	0.8%	1.5%	16.3%	43.2%	38.2%	4.17 (0.81)
Fair work relations	0.5%	2.0%	7.8%	35.5%	54.3%	4.41 (0.76)
Volunteering activities for employees	11.8%	12.3%	30.0%	33.8%	12.1%	3.22 (1.17)
Better information throughout the company	0.5%	2.3%	15.0%	55.1%	27.1%	4.06 (0.74)
Responsible relationships with shareholders	1.0%	5.3%	20.9%	47.7%	25.1%	3.91 (0.87)
Quality products adapted to consumers' needs and expectations	0.3%	0.3%	8.3%	49.1%	42.1%	4.33 (0.66)
Useful and truthful information about products	--	4.8%	12.3%	43.5%	39.4%	4.18 (0.82)
Ethical commitment to suppliers and distributors	0.3%	3.8%	25.3%	48.5%	22.3%	3.89 (0.80)
Fair play in the relationships with competitors	2.3%	8.8%	20.5%	41.3%	27.3%	3.83 (1.00)
Respect for the environment	3.0%	7.8%	13.5%	39.3%	36.5%	3.99 (1.04)
Contribution to regional socio-economic development	0.3%	3.8%	20.8%	47.4%	27.8%	3.99 (0.81)
Involvement in community interests	1.5%	10.8%	23.5%	45.8%	18.5%	3.69 (0.94)
Collaboration with Public Administration and NGOs	0.5%	9.5%	20.9%	46.5%	22.6%	3.81 (0.91)
Social dialogue with government and enterprise organizations	1.8%	10.0%	19.8%	39.8%	24.6%	3.71 (1.04)

Table 1: Perceived importance of CSR practices.

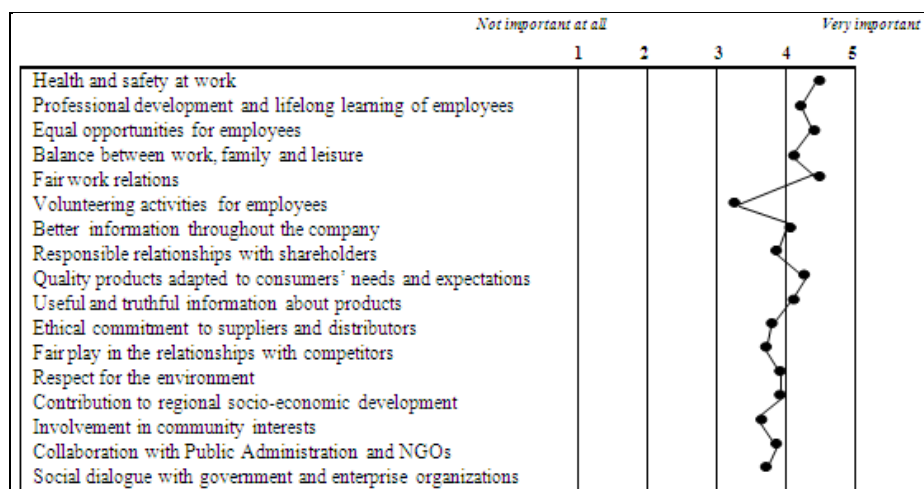


Figure 4: Mean scores in perceived importance of CSR practices.

Based on these descriptive preliminary results, we performed a two-way between-groups multivariate analysis of variance (MANOVA) to investigate the effect of sex and age (independent variables) on the two sets of items regarding consumers' expectations of external and internal CSR practices (dependent variables). Next, we

show results for each independent variable separately. Results of first MANOVA showed a statistically significant difference between males and females on the combined dependent variables: $F(17, 369) = 1.69, p < .05$; Wilks' Lambda = .928; partial eta squared = .072 (Table 2).

	Wilks' Lambda	F	Partial Eta Squared	F	Partial Eta Squared
Health and safety at work	.928	1.69*	.072	0.10	.000
Professional development and lifelong learning of employees				0.20	.001
Equal opportunities for employees				3.50	.009
Balance between work, family and leisure				20.80	.005
Fair work relations				0.17	.000
Volunteering activities for employees				2.41	.006
Better information throughout the company				0.22	.001
Responsible relationships with shareholders				4.04**	.010
Quality products adapted to consumers' needs and expectations				2.81	.007
Useful and truthful information about products				8.22**	.021
Ethical commitment to suppliers and distributors				0.43	.001
Fair play in the relationships with competitors				0.94	.002
Respect for the environment				0.03	.000
Contribution to regional socio-economic development				1.15	.003
Involvement in community interests				0.96	.002
Collaboration with Public Administration and NGOs				0.31	.001
Social dialogue with government and enterprise organizations				6.16**	.016

Table 2: Results from MANOVA.

When results for the dependent variables were considered separately, only practices concerning "responsible relationships with shareholders" ($F(1, 385) = 4.04$; partial eta squared = .010), "useful and truthful information about products" ($F(1, 385) = 8.22$; partial eta squared = .021), and "social dialogue with government and enterprise organizations" ($F(1, 385) = 6.16$; partial eta squared = .016) reached statistical significance using a Bonferroni adjusted alpha level of .0029.

Specifically, men reported higher expectations than women of positive relationships of enterprises with their stakeholders at an internal level ($M = 4.00 > M = 3.82$), whereas females showed higher mean scores in the two items related to external CSR practices concerning information about products and social dialogue ($M = 4.28 > M = 4.04$ and $M = 3.84 > M = 3.57$, respectively).

On the other hand, results of second MANOVA showed a statistically significant difference between people in different age groups (we considered three age groups: 18-35, 36-50, and 50-75 years old) on the combined dependent variables: $F(34, 736) = 1.65$, $p < .05$; Wilks' Lambda = .863; partial eta squared = .071 (Table 3).

When results for the dependent variables were considered separately, only an internal practice concerning "professional development and lifelong learning of employees" ($F(2, 384) = 3.71$; partial eta squared = .019), and an external practice about "fair play in the relationships with competitors" ($F(2, 384) = 3.38$; partial eta squared = .017) reached statistical

significance using a Bonferroni adjusted alpha level of .0029.

HSD Tukey pos hoc tests were performed to analyze differences between age groups more in deep. Differences statistically significant using an alpha level of .05 are shown in Table 4. At an internal level, participants aged 36 to 50 years old reported higher expectations of employees' professional development and lifelong learning in enterprises than their 51-55 years old pairs ($M = 4.41 > M = 4.20$). At an external level, again, participants aged 36 to 50 years old perceived relationships with competitors as an important CSR practice to a greater extent than younger participants.

	Wilks' Lambda	F	Partial Eta Squared	F	Partial Eta Squared
Health and safety at work	.863	1.65*	.071	2.83	.015
Professional development and lifelong learning of employees				3.71**	.019
Equal opportunities for employees				0.29	.002
Balance between work, family and leisure				0.29	.002
Fair work relations				1.22	.006
Volunteering activities for employees				1.23	.011
Better information throughout the company				0.50	.003
Responsible relationships with shareholders				1.66	.009
Quality products adapted to consumers' needs and expectations				0.92	.005
Useful and truthful information about products				0.41	.002
Ethical commitment to suppliers and distributors				2.86	.015
Fair play in the relationships with competitors				3.38**	.017
Respect for the environment				0.09	.000
Contribution to regional socio-economic development				0.76	.004
Involvement in community interests				2.28	.012
Collaboration with Public Administration and NGOs				0.56	.003
Social dialogue with government and enterprise organizations	2.68	.014			

Table 3: Results from MANOVA (II).

DV	IV		Mean dif. (I-J)	Std. Error	Sig.
	Age (I)	Age (J)			
Professional development and lifelong learning of employees	36 – 50	51 – 75	0.21	.077	.020
Fair play in the relationships with competitors	36 – 50	18 – 35	0.30	.132	.050

Table 4: HSD pos hoc tests.

Conclusion

Nowadays, CSR practices are becoming a powerful tool for enterprises, in order to maintain their reputation, send a signal to the various stakeholders with whom they interact and, at the end, generate added value for society. From this view, identification of consumers' expectations of social responsibilities to be fulfilled by enterprises could be used as guidance for decision-making about quality management. In this context, the principal aim of this work was to analyze the CSR functions attributed by consumers to enterprises in their habitual economic activity.

Results stated that awareness of the importance of CSR practices in private enterprises is notably widespread among general population, what reaffirms the idea that socially responsible activities contributes to firms' ability to deliver added value for their stakeholders.

Particularly, respondents' expectations were mainly concentrated in issues concerned to the work conditions of employees at an internal level, and relationships with

consumers at an external level. Remained practices were perceived important but less central in the set of social functions attributed to enterprises.

Interpretation of this pattern of results points to the conclusion that roles assumed by participants in the study as employees and consumers in most cases may have led them to attribute to these groups of stakeholders the most important social responsibilities of enterprises. Nevertheless, further research is needed to clarify this premise from a more in-deep analysis of the roles assumed for respondents in their personal and professional lives.

On the other hand, it was assumed in this paper that identification of segments of population with different concepts of social responsibilities could help managers to improve adaptation of CSR decisions to the specific demands of objective publics. Based on this research purpose, we analyzed the influence of sex and age in consumer's expectations of CSR. While most differences didn't reach statistical significance, we found some marginal evidence in this respect, thus

concluding the importance of incorporating segmentation criteria in managers' decision-making about CSR and quality management. From this view, future studies could be oriented to identify other kind of variables useful to identify groups of people with different expectations of firms' social responsibilities.

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Finally, it is worth mentioning that, since this study has analyzed subjective representations of CSR in a sample of Spanish people and assuming a concept of CSR based on European policy, new research is needed to extend the purposes of this work to other international contexts and continents.

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