

Many companies fall short of social responsibility promises

February 9 2012, by Jared Wadley

(PhysOrg.com) -- Whether eliminating child labor, creating environmentally friendly technology or working against all forms of corruption, many corporations fail to become socially responsible despite promises to change, a new University of Michigan study found.

In an article recently published in the [American Sociological Review](#), U-M [sociologists](#) Alwyn Lim and Kiyoteru Tsutsui say that corporations in developed countries "are more likely to make shallow commitments without substance" in response to external pressures from government and citizens to take socially responsible actions.

They say, however, that some corporations in developing countries make more substantive commitments to corporate [social responsibility](#) when they face the same external pressures.

In the age of cutthroat economic competition that mandates corporations to maximize profit and shareholder returns, a surprisingly large number of corporations commit to social responsibility that often does not generate immediate or tangible benefits, say Lim, a doctoral student in sociology, and Tsutsui, an assistant professor of sociology.

But do companies genuinely care about responsible actions or are they simply paying lip service to evade rising criticisms about corporate excesses?

Lim and Tsutsui analyzed data on the levels of commitment to social

responsibility among corporations in 99 developed and developing countries.

They found that global factors like pressure from international nongovernmental organizations and trade relationships are encouraging corporations around the world to pledge to improve their social and environmental practices, holding constant other factors such as how receptive the country's residents are to ideas of corporate social responsibility.

The authors also say that these global pressures push corporations in developing countries to have relatively onerous social responsibility plans that include disclosing their efforts to the United Nations and to the Global Reporting Initiative, a nongovernmental agency that facilitates sustainability reporting.

Companies in developed countries, on the other hand, tend to make only shallower commitments and fail to submit rigorous reports on their social responsibility promises, the research showed.

Lim and Tsutsui suggest that these patterns may reflect different attitudes to corporate practices in the developed North and the developing South, with corporations in more liberal market economies using corporate social responsibility to avoid government regulations. Nevertheless, they also emphasize that, as ideas of [corporate social responsibility](#) become more prominent, more corporations will be held accountable to their promises to improve their social and environmental practices.

The findings are both promising—in that global efforts to promote responsible corporate behavior are producing conscientious efforts by corporations in developing countries—and disturbing, because those [corporations](#) in [developed countries](#) who pay a lot of lip service to social

responsibility are not delivering on their promises. The researchers call for more effective global institutions and more attention by citizens to further improve corporate behavior.

More information: asr.sagepub.com/content/current

Provided by University of Michigan

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