

Corporate Social Responsibility in Ireland: A Snapshot

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1 Introduction

Before one can begin discussing CSR in Ireland, it is first necessary to explore what is Corporate Social Responsibility (CSR). There are many perceptions of what CSR means, with no single definition as of yet been agreed upon. If you type CSR into the search engine for Google Scholar, over a million items are returned. In a study carried out in 2004 it was concluded that majority of CSR research is “*focused on four main aspects: (1) meeting objectives that produce long-term profits, (2) using business power in a responsible way, (3) integrating social demands and (4) contributing to a good society by doing what is ethically correct*”(Garriga & Melé, 2004, p. 65).

The popularity of CSR has evolved in recent times and it can be argued that every organisation impacts in some way on society, and the environment. With an increasing emphasis on CSR practices, organisations are becoming more aware of their responsibilities to society. Now more than ever it is an extremely broad topic and includes not only elements of giving back in terms of time and money but has recently strayed into the realm of how socially responsible you are in running your business and investments. The demand for CSR has penetrated the entire ecosystem of an organisation and particularly the very complex global supply chain. No longer can organisations who wish to maintain their positive brand abdicate responsibility for the actions of their sub suppliers or outsourcers. There is an increasing expectation that those super brands who are selling customers the overall experience and promise will have programmes in place to ensure the environment is protected, workers are not exploited and conditions are safe. The level of transparency required nowadays is of an extremely high standard and the modern consumer

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has never been as empowered to make choices that could damage a brand overnight for poor practice.

The operation of organisations in general has received a large amount of media attention in Ireland due to the financial and economic meltdown, which started to manifest itself in 2007 through 2008. Property prices began to see significant falls, leading financial institutes were exposed due to undercapitalisation. In extreme cases these institutes were confirmed insolvent, due to the levels of unregulated investment in high risk markets. Studies and debate have centred on how Ireland failed to avoid such a catastrophic failure in regulation and national and corporate governance (Regling & Watson, 2010). Ireland, with an economy once the envy of many European neighbours, has much to do to restore confidence in its ability to implement a culture, which promotes both good corporate governance and CSR.

In Ireland CSR is seen as the domain of large organisations, mainly multinational corporations (MNCs). Definition of the difference between SME's and large organisations is generally agreed to be based on number of Full Time Employees and, a SME is typically defined at a level of 250 employees.

CSR in Ireland has received very little attention academically for such a topical area. Stohs and Brannick (1999) and O'Dwyer, Unerman, and Bradley (2005) have also expressed concerns about lack of CSR research in Ireland.

2 Corporate Social Responsibility in an Irish Context

Whilst there is little written academically on CSR in an Irish context and it is perceived as only a relatively recent activity aligned to the most recent economic boom and the large scale benefits from foreign direct investment the practice of CSR is not new to Irish society. For example, as far back as the 1870s Arthur Guinness provided social housing for his workers and their families (Mansfield, 2009). In addition there is evidence of organisations contributing to their communities in Ireland pre the "Celtic Tiger" era and the arrival of MNCs. One strong example of this is in relation to the Gaelic Athletic Association (GAA). The GAA is an amateur sporting organisation run professionally with a rich history in social responsibility in terms of both giving and receiving. Its unique club volunteer culture has spanned over 125 years and it has a special place in Irish history (Duncan, 2010). The GAA is made up predominantly of volunteers, with only a few paid positions at provincial level usually organised around games or youth development. In Ireland until relatively recently people simply did not have the wealth to contribute to their local GAA club financially. Indeed Ireland did not have the institutional or individual wealth, which generated a philanthropic society. Instead, people donated their time, skill and expertise, building or maintaining facilities, administration and or coaching. What little resources GAA clubs had available went to buying equipment and team kits. The GAA also attempted to get business people involved in the running of the club; this had two very specific objectives. The first objective was to provide some business acumen in the general

day-to-day running of the club and the second to seek funding from other business owners when the time came for a new set of sports kit for a particular team.

This novel approach to supporting of GAA clubs in terms of CSR is the approach many large and medium organisations are still taking today. However, in the last quarter of the twentieth century to-date, there has been a dramatic change in societal values, which came about because of the rejection of ruthlessness in business conduct, concerning poor treatment of employees, consumers, suppliers, and the environment. Furthermore, other factors including the labour movement (McGuinness, Kelly, & O'Connell, 2010), rapid economic growth in the 1990s as well as the fact Ireland is host to many MNCs has seen more adaption of CSR best practices by large and medium organisations (these best practices being adopted from the MNCs that have established in Ireland). However there is still confusion over the subject of CSR in Ireland and while many organisations have taken to reporting their activities some organisations are still unsure or unclear about why should they implement it and how they implement it (Whooly, 2011).

In the past, Ireland did not have the institutional or individual wealth, to generate a philanthropic society, but this has changed in recent years. A global survey by Grant Thornton (2011) reveals that Ireland ranks highly in promoting CSR, showing that 88 % of Irish companies donate to charity, compared to 62 % in Europe. The survey also revealed that 81 % of Irish organisations promoted diversity and equality in the workplace, compared to 50 % globally (Grant Thornton, 2011). An Accenture commissioned study by the Economic Intelligence Unit (EIU) of organisations based in Ireland split roughly equally between large organisations (51 % from organisations with over US\$500 m in annual global revenue) and small organisations (49 % from organisations with annual global revenue below US\$500 m) revealed that 73 % of these organisations are going to increase investment on CSR activities in the coming years (Economist Intelligence Unit, 2012). Historically there was little recognition by the Irish Government of the need or power of CSR. However, there has been recognition within government in recent times and this is discussed in the next section.

3 Government Handling and Promotion of CSR

This section will look at how policy makers handle CSR and what has been done to promote it. Whilst historically there was little understanding or recognition within Government of the need or power of CSR Ireland has made good progress at government level to develop CSR. Ireland is at the top of the leader board within the European Union in relation to developing and promoting CSR. This fact has been highlighted in various reports and surveys conducted by different departments of the European Commission. Ireland and Spain have the highest number of initiatives in place to promote awareness of CSR at government level (Steuere, Hametner, Berger, & Rametsteiner, 2008) and it is among the top five European

countries to integrate CSR into national strategy documents (Martinuzzi, Krumay, & Pisano, 2011).

An objective of the Programme for Government 2011–2016 is that Ireland will “*be recognised as a modern, fair, socially inclusive and equal society supported by a productive and prosperous economy*” (Department of the Taoiseach, 2011, p. 3). In its 2013 Action Plan for Jobs, the Government undertook to publish a National Plan on Corporate Social Responsibility, highlighting the role that organisations can play in supporting employment and local communities. This plan (the first ever National Plan on CSR for Ireland) was approved on the 9 April, 2014 (Department of Jobs Employment and Innovation, 2014a) with the Department of Jobs, Enterprise and Innovation (DJEI) having the responsibility for coordinating CSR policy in Ireland. Among the measures contained in the plan are:

- Establish a Stakeholder Forum on CSR to support the development of CSR in Ireland, in the first half of 2014
- Establish a baseline of CSR activity in Ireland, through the National Standards Association of Ireland
- Work with stakeholders to raise awareness of CSR and support best practice CSR
- Explore how IDA and Enterprise Ireland can promote CSR with their client organisations
- Support programmes to develop CSR in the SME sector

The plan also seeks to communicate a common understanding of CSR by outlining five Pillars on which CSR is to be based in Ireland. The Pillars are: Workplace, Environment, Marketplace, Community and the Public sector. In conjunction with the National Standards Authority Ireland (NSAI), Waterford Institute of Technology (WIT) and Business in the Community Ireland (BITCI) surveys are currently being carried out on CSR issues. As part of this plan, the DJEI in conjunction with other stakeholders is seeking to establish an indicative baseline of CSR activity in Ireland. The results of this survey will be collated and will be used to impart information on CSR practices in Ireland such as publications and articles (Department of Jobs Employment and Innovation, 2014b).

While the DJEI has responsibility for co-coordinating policy in relation to CSR, the Department of the Environment, Community and Local Government (DECLG) contributes to the development of CSR in a community and local development context through a range of supports and structures such as partnerships, community development projects (Martinuzzi et al., 2011). For example, the DECLG offers funding to Chambers Ireland (CI), a business network engaged in CSR, to support the CSR Awards (Department of the Environment, Community and Local Government 2007). In 2004 CI established their CSR Awards to recognise and promote the CSR initiatives of Irish and MNC's. The awards recognise an organisation's CSR efforts in seeking to improve the lives of their employees and to enhance the civic environment in which they operate. The award categories cover CSR excellence in community, environment, marketplace, workplace, CSR communication, international and CSR by an SME. There is also an outstanding achievement in CSR,

where all shortlisted candidates are eligible. The award categories are by MNC and large indigenous companies (LIC), with one specifically for SME's (Chambers Ireland, 2014). As the government in Ireland "*views corporate responsibility as a voluntary approach*", these awards have led to an increase in awareness of CSR throughout the country and highlights businesses, which are making a conscious effort to give something back to society. This would also have put pressure on other businesses to follow their example by integrating CSR best practices into their daily activities in order to compete with their competitors.

CI also hosts the Excellence in Local Government (ELG) Awards. These awards "*showcase best practice in local government and highlight some of the great projects that local authorities are undertaking*" (Chambers Ireland, 2014). The ELG Awards 2013 were divided into 17 categories such as Joint Local Authority Initiative and Sustainable Environment. These awards encourage local government to take part in initiatives, which promote CSR and best practices in the local community. It is important for government to be involved in such initiatives as it sets a good example for the wider community and organisations. These initiatives highlight how local government projects can make local communities more sustainable and have a positive impact on society as a whole. This also highlights that CSR practices are not just the responsibility of businesses but of the government and local communities too (Chambers Ireland, 2014). This partnership between the DECLG and CI is similar to what has been happening in other countries over the last two decades where there has been a proliferation of partnerships between business and government, multilateral bodies, and/or social actors such as NGOs and local community organisations engaged in promoting CSR development (Reed & Reed, 2009). It has been suggested that re-embedding the economy of a country with the government as a strategic partner both through interplay with socio-economic processes in civil society and through media amplification, re-injects social responsibility in industry (Midttun, 2005) which would seem to be the aim of the DECLG in its funding of CI and their CSR awards. However, research also suggests that careful consideration should be given to the framework of thought underlying this policy paradigm (Richter, 2004).

Other local initiatives sponsored by the DECLG in conjunction with the EU are the South West Regional Authority (SWRA), which is a statutory public body with responsibility for strategic planning in the counties of Cork and Kerry. It is involved in a project called DESUR (Developing Sustainable Regions through Responsible SME's). This is an EU funded project and its objective is "*to improve regional policies in order to promote responsible innovation in SMEs throughout the exchange of experiences among all the partners, based on the triple bottom line: PEOPLE-PROFIT-PLANET*". It highlights difficulties SMEs face when trying to incorporate social responsibility into their business models. Many SMEs do not have sufficient resources to implement CSR and are not aware of sustainable business practices. In a study carried out by Sweeney (2007) the main barrier noted by SMEs in Ireland to CSR were financial constraints. In that same study SMEs felt the opportunities experienced by SMEs in relation to CSR are: (1) SMEs are closer to their stakeholders and can more easily build relationships, and

(2) SMEs are considered more flexible and can quickly respond to stakeholder demands and implement stakeholder policies (Sweeney, 2007). This project aims to establish policies which will allow SMEs to integrate CSR into their daily activities (South West Regional Authority, 2013). This in line with research which suggests that, expecting social involvement solely from MNCs overlooks an important role that can be played by SMEs, which account for about 60 % of employment worldwide (Luetkenhorst, 2004). Scholars also point to the predominantly informal/implicit approach or “silent CSR”/“sunken CSR” practiced by SMEs, suggesting that SMEs are often “unknowingly socially responsible” (Jamali, Zanhour, & Keshishian, 2009). In contrast MNCs increasingly develop worldwide CSR strategies that apply across their global business, primarily through the creation of their own codes and policies, or their explicit statements of CSR (Matten & Moon, 2008).

In July 2013, CI in conjunction with the SWRA launched a CSR guide targeted at the SME sector, “The Sustainability Factor—Corporate Social Responsibility and SME’s” (South West Regional Authority, 2013). The guide highlights easy ways for SME’s to engage with CSR and simultaneously contribute to their bottom line profits, helping to make CSR a core part of an SME’s business strategy.

In 2008, the government introduced new legislation (Credit Institutions (Financial Support) Scheme 2008) that made “*promotion of the highest standards of corporate social responsibility in the banking system overall*” a condition for the basis of support to financial institutions (Irish Government, 2008, p. 19).

Reports published by ESDN (European Sustainable Development Network) also show that Ireland is at the forefront of developing and promoting CSR. In their survey of 27 EU countries, Steurer et al. (2008) stated that Ireland and the UK promoted CSR most actively.

Having reviewed government promotion of CSR in Ireland the next section looks at Irish organisations involvement with CSR worldwide.

4 Irish Organisation Participating in Worldwide CSR Initiatives

The United Nations Global Compact (UNGC) is the world’s largest corporate citizenship and sustainability initiative, with over 10,000 participants, including 7,000 organisations in 145 countries. However, Ireland has only 15 participating companies in the UNGC, with 7 of these only joining since April 2012 (United Nations, 2014). The UNGC partners companies with United Nations agencies in an effort to preserve or promote human rights and the environment. In Ireland, 15 organisations have taken up their standards.

The problem with the UNGC is that the United Nations does not prescribe how the participant adheres to the standards. This is up to the subscribers, so there is a chance that organisations can sign up just to window dress their websites. Another

international standard for companies to adopt would be those of the Global Reporting Initiative (GRI). It is a non-profit organisation with headquarters in Amsterdam. It acts in partnership with businesses, government and non-governmental organisations which include the Organisation for Economic Co-operation and Development (OECD), UNGC. GRI is the best-known and most complete framework for voluntary reporting of environmental and social performance by organisations worldwide (Camargos, 2014). The components of GRI reporting framework are the Guidelines for Sustainability Reporting, the Performance Indicators, the GRI Application Levels and the Sector Supplements (GRI, 2006). There are currently 29 companies from Ireland listed on the sustainability disclosure database (GRI, 2014). These standards are very useful and through bench marking, they can help an organisations improve their sustainability activities. However, due to the informal nature of the guidelines and the allowance for additional information to be included means in reality organisations select which information will be disclosed which can lead to an inaccurate representation of an organisation's activities (Camargos, 2014).

The next section looks at other organisations promoting CSR in Ireland.

5 Organisations Promoting CSR in Ireland

BITCI was founded in 2000 as a national non-profit organisation, with a vision “*to make Ireland the most responsible place to do business*”. Their mission is to utilise the power of Irish business to maximise its impact on all its stakeholders and society. BITCI works with Irish organisations, helping them develop, manage and measure their CSR activities (BITCI, 2014). BITCI has just over 60 plus members, mostly LIC and MNCs. With over 700 US organisations based in Ireland and over 80,000 organisations listed in Ireland, the membership listing of BITCI of just over 60 members does appear somewhat meagre and none of these organisations are SMEs. However, BITCI “*is currently working on developing a programme to support the development of CSR in SMEs*” (Department of Jobs Employment and Innovation, 2014a, p. 9).

In 2011, BITCI launched the Business Working Responsibly Mark, which is based on the International Standards Organisation (ISO) 26000 and is audited by the NSAI. This is the only certification in Ireland for responsible and sustainable business practices. It is a premier standard for organisations to work towards in terms of good business practices (BITCI, 2014). This Mark allows organisations to be evaluated in terms of their CSR strategies and aims to help them achieve a satisfactory standard. This certification helps businesses benchmark where they are in terms of CSR and allows them to make adjustments to ensure CSR is embedded into all aspects of their business. This is important as it communicates what is expected of businesses in terms of CSR. Organisations who successfully meet the criteria are awarded the certification mark for 2 years. To date the organisations (all MNC/LIC) certified are (Business in the Community Ireland (BITCI), 2014):

- Microsoft Ireland
- ESB
- CRH Ireland
- Intel Ireland
- Transdev Ireland
- EirGrid
- Accenture in Ireland
- Pfizer Healthcare Ireland
- Boots Retail Ireland
- Bord Gáis Networks
- Deloitte Ireland

The next section gives a brief over of the influence of the trade union influence on CSR.

6 Trade Union Influence on CSR

Trade unions in Ireland also have significant power to influence CSR with the existence of for example the Irish Congress of Trade (ICTU) and Services Industrial Professional and Technical Union (SIPTU). These play an active role in promoting CSR in their organisations of interest and ensure that they meet the standards set out in their codes of conduct or by standards that the organisations use. Their main focus is the welfare of the employees and they prefer to talk of Corporate Social Accountability (Irish Congress of Trade Unions (ICTU), 2006).

Trade unions have the ability to, not only campaign to the government for new laws, but to negotiate with businesses to ensure equality in the workplace. These negotiations have the ability to influence the CSR decisions made in businesses. An example of this is the CSR scheme called Fair Hotels Ireland which was implemented in 2010 by SIPTU. This scheme included 48 Irish hotels that shared a similar mission which was to provide fair and safe workplaces for their employees and a forum to voice their opinions and collectively market their hotels (Boluk, 2013). The strength of SIPTU in Ireland allowed them to improve staff relations and thus CSR in Irish hotels (SIPTU, 2010).

Trade unions primary concern is how firms treat employees. Since the development and increased application of CSR activities, unions have campaigned for employees to be central to any CSR efforts. Such efforts can take various forms for example, flexible working hours, childcare subsidiary, and free health care or paid study leave. In addition ICTU has set up ICTU Global Solidarity as part of ICAN, a network of organisations including the NGOs Oxfam Ireland, Trocaire, Amnesty, Fairtrade Mark Ireland, Comhlamh and Christian Aid Ireland. ICAN is committed to promoting an international framework to govern corporate activity and to encourage voluntary action by corporations to enhance their contribution to sustainable development. It aims to raise awareness of, debate about, engagement

with and support for initiatives devised to enforce international human rights, labour and environmental standards in corporate behaviour and facilitate social dialogue and best practices (Irish Congress of Trade Unions (ICTU), 2006).

The next section looks at other factors influencing CSR in companies in Ireland.

7 Factors Influencing CSR in Companies in Ireland

In Ireland attracting a skilled workforce and new customers are motives for companies to engage in CSR (80 % of companies surveyed by Chambers Ireland agree) (Chambers Ireland, 2013).

In the CEO Responsible Ireland Survey 2012 carried out by BITCI, over 70 % of CEOs have stated that responsible business practices have a positive impact on their bottom line. The research also found that one in two CEOs believe that CSR policies and practices have given them a direct competitive advantage ranging from tender acquisition and staff retention to general improved reputation. (Business in the Community Ireland (BITCI), 2012). Clearly, these are strong motives for pursuing CSR.

The idea behind CSR is a good one. However, for many of these large organisations their motives are questionable, as it seems to have been turned into a huge public relations exercise. It can even be argued that it is no more than just a competition strategy, for the main aim of businesses is to make money for its shareholders. By engaging in seemingly socially responsible activities, the image of the company is boosted and so are profits. However, as a result of a plethora of CSR claims and many reported incidents of corporate misconduct, there is some doubt as to the extent to which companies live up to their professed standards, and consumer scepticism toward corporate social involvement is on the increase (Skarmeas & Leonidou, 2013). Unfortunately, for those organisations committed to genuine change, a number of organisations have been accused of exaggerating the degree to which their products and services are environmentally friendly and “*greenwashing*,” as this practice has come to be known, is a serious problem (Chun & Giebelhausen, 2012).

In addition a point of contention in Ireland is the fact that many MNCs based in Ireland avail of considerable tax benefits—a point that is not lost by the media. “*You can publish all the glossy CSR reports you want, you can buy as much green energy as you can find and you can recycle the water in the canteen 50 times, but if you don’t pay tax it’s very hard to argue these days that you are a good corporate citizen*” (McManus, 2013).

In Irish terms, three of the industries that have been under scrutiny for some time could be broadly referred to as alcohol, energy and tobacco. The sector response in each of these cases has been marketed different in terms of approach and return.

The Government heavily regulates notably each of these industries either directly or through an independent agency. The main motivation of this heavy regulation is twofold, one in terms of each of the industries potential and actual

impact to people's health and secondly the revenue generating opportunity of taxing what are often referred to as 'the old reliables'.

These industries have invested substantial resources in promoting a culture of responsibility within their brands and focusing on the consumer who 'chooses' to use them and in the case of energy the cost associated with imported energy, gas and oil. However while there has been a diverse approach in terms of the medium and platforms utilised to promote their CSR there is a common theme at least in an Irish sense which most organisations leverage which is partnership with NGO's, Sporting Bodies or Semi State organisations. The pursuit of legitimacy in terms of their approach seems to be very important to the large organisations that have a CSR footprint in Ireland. The focus is so that it attempts to remove the element of cynicism around the organisation's motivations, secondly state and semi state organisations are happy to collaborate on these initiatives as it provides necessary funding and organisational depth and strength that may not be otherwise available.

To look at alcohol specifically there are a number of company campaigns, which promote responsible drinking. Recently an organisation funded by the alcohol industry has emerged called MEAS (Mature Enjoyment of Alcohol in Society). This organisation funds the drinkware.ie website and media campaign and have ran a number of national campaigns about responsible drinking specifically targeting at young people. This is matched up with sponsorship with alcohol organisations increasingly focusing on sports sponsorship. Guinness currently sponsors the GAA hurling championship; Heineken sponsors the Rugby and various brands like Carlsberg support soccer and other niche sports as well. The focus on aligning their brand with healthy activities is central in terms of consumer perception. Over the last 2 years, a debate has been raised in Ireland about banning alcohol sponsorship in sport. The rationale is that young people are being introduced to alcohol too early and aligning it with the teams they support is dangerous in terms of encouraging underage drinking. The debate is ongoing with the government recently not ruling out a total ban on alcohol sports sponsorship but no doubt a compromise solution will be found with the alcohol industry heavily leaning on their extensive CSR in an attempt to soften any blow from increased regulation (Irish Examiner, 2013).

An example of a company is Diageo, which produces and sell alcohol, which is a cause of many problems in society, but through social activities, their image can be masked or softened by highlighting all the good work they do, by hiring locally, sponsorships and donating to charity. Diageo has recently extended its reach from pure CSR to social investing as well through the ArthurGuinnessProjects programme, which aims to attract people across Ireland to apply for funding to inspire the next generation of talent in sports, art, food and music. In 2012, Diageo donated more than 1 million euros to charities in Ireland alone. The company CSR programme encompasses three pillars namely alcohol in the society, environment and community investment (Diageo, 2013).

It is worth noting that the investment in CSR in most contexts is relative to the scale and profitability, which is clearly aligned with the level of regulation and business threats that an organisation perceives in this space.

In terms of Energy Ireland again while immature in the larger context of CSR in Gas and Oil production internationally it has its own unique example with the Shell and the Corrib gas field of the coast of the West of Ireland. Shell in Ireland has built a very comprehensive CSR portfolio driven by the need to appease the on-going protests in Mayo (in the West of Ireland) about the potential environmental impact of the on shoring of gas from the Corrib field. They have focused on the direct and indirect economic benefits for such a rural and disadvantaged region. Furthermore, they have developed a direct aid CSR programme, which has seen the Belmullet GAA awarded 450,000 euros towards its ongoing redevelopment efforts. That kind of money donated to such an influential organisation has the power to change perceptions about the overall project (O'Donnell, 2011). Shell also advertises the direct benefits to the economy in terms of job creation during both the construction and on-going operations phase. Furthermore Shell attempts to connect Ireland's dependency on foreign fossil fuels at nearly 90 % as a key driver in making the Corrib gas field a success (Frynas, 2010).

Tobacco companies sponsoring cultural events have not met with much positivity. A Sinn Féin MEP was off the view a major tobacco organisation's sponsorship of the City of Culture (Derry) events undermined the success of the year. The MEP stated that as tobacco products kill 7,000 people across Ireland each year she *"did not believe that this is the type of 'culture' we should be promoting and, reflecting on all of the tremendously enjoyable events that have portrayed this city in a positive light, I don't believe that this sponsorship from JTI was necessary"* (Derry Journal, 2013).

Outside these three major industries, there was a notable exception in 2006 with the chewing gum industry. Rumours had surfaced that the Irish environment minister was planning a ban or tax on chewing gum. This was in an attempt to reduce the cost associated with its clean up around Ireland. Wrigley's in fear of an all-out assault on their business worked with other manufacturers to lobby hard against any ban. What emerged from the process was a multimillion Euro contribution to the ongoing clean-up costs and the launch of a national education program in partnership with An Taisce called 'neat streets'. Furthermore Wrigley's agreed to advertise on all national media platforms with its 'bin it your way campaign' in an attempt to influence consumers to dispose of their product correctly (Taisce, 2013). It is a tangible example of regulation motivating the development and promotion of sustainability within an organisation. The press release regarding each of the initiatives and the agreements were published on the NYSE and released on Wrigley's website. While this was a drastic step in terms of avoiding the implementation of government policy which would have essentially wiped out their business it definitely got the desired reaction from a global organisation (Travers, 2011).

The next section will compare SMEs with Large Enterprises in terms of CSR.

8 CSR in SMEs Versus Large Organisations

Irish SMEs account for approximately 99.8 % of businesses in Ireland (Irish Times, 2013). The Central Statistics Office highlighted in their report last year that the Irish SME's due to their numbers impact society and the environment as much as the larger companies therefore CSR must be embedded within their business model (Central Statistics Office (CSO), 2013).

Tyrell, (2006) in an article for Chartered Accountants Ireland refers to a survey in which 70 % of Irish consumers expressed their belief that an organisation's CSR commitment is important when making their purchase decisions. In the same survey 60 % agreed that Irish organisations do not give enough attention to their social responsibilities (Tyrell, 2006). Additionally owner managers may understandably be sceptical of the supposed benefits of CSR as there is a lack of accurate measurement in Ireland currently, with nearly 40 % of companies having no formal measurement in place for their CSR practices (Business in the Community Ireland (BITCI), 2012).

Unlike listed companies, SMEs in Ireland are now realising the merits of CSR (Rothery, 2013) which has been adjudged a core component of business strategy, nevertheless, lack of resources such as finance, time, and manpower are some of the potential barriers (Sweeney, 2007) that somewhat affect SMEs full commitment to CSR.

The way in which CSR has been regarded has changed over time. It has evolved from being regarded as a nuisance created by visionaries to being integrated into the corporate strategy of the majority of organisations. Both large and small organisations have an impact on their respective communities and so both have a necessity for CSR. A one-size fits all policy cannot be adopted for CSR, as there are some significant contrasts between SME's and large organisations. Within larger organisations, there may be a number of staff or even a whole section with the specific responsibility for its corporate reputation. While in contrast many small entities do not have the resources, which can mean the more long term focus of CSR, may be put on the back burner in favour of short-term gains. With many smaller SME's being owner managed the amount of emphasis placed on CSR would be heavily reliant on the owner/managers views and opinions. *"Thus, control remains in the hands of the owners, potentially enabling him or her to make personal choices about the allocation of resources, the acceptance of CSR is largely a factor of the personal attitudes of the owner/manager"*(Sweeney, 2007, p. 517)

Therefore it is the owners that determine level of involvement and choice of CSR activities (Sweeney, 2007). In general, most SMEs practice CSR on ad hoc basis; however, there is a growing formal approach to CSR lately. Although SMEs are at a disadvantage on size and resources, because of their size they are more likely to have a closer relationship with their stakeholders which allow them to respond quicker to stakeholder demands (Sweeney, 2007).

Large firms operating in Ireland defined CSR along the four main stakeholders: employees, customers, community and environment. Sweeney notes that SMEs tend to define CSR as conducting business in a responsible manner and in particular contributing to their local community. (Sweeney, 2007, p. 520)

According to a survey carried out by the Irish Small and Medium Enterprises Association (ISME), 92 % of Irish SMEs give voluntary monetary contributions to charities (ISME, 2014). Mark Fielding CEO of ISME said that: “*CSR contributions of SMEs are usually informal and are considered to be a normal part of business life*” “*The CSR activities of large businesses tend to be well documented and published as part of their reputation building strategies*” (Irish Small and Medium Enterprises Association (ISME), 2014)

The understanding of what CSR is, or what it is perceived to be, can also vary between SME’s and larger organisations. In doctoral research carried out by Sweeney (2009) Irish SME’s and large organisation quoted SME respondents as stating the term was ‘*grandiose*’, ‘*daunting*’ or ‘*confusing*’ (Sweeney, 2009). She cites literature arguing CSR may not be an appropriate term for SME’s, with the word ‘*corporate*’, in particular, alienating smaller organisations (Sweeney, 2009). In contrast, she found larger organisations struggling with the word ‘*social*’ as it put too much emphasis on an organisation’s social activities and not enough on business practices they attributed to CSR.

CSR practices that promote open communications with stakeholders and transparency can aid society improve trust in business and increase social capital (Boulouta & Pitelis, 2014). Social capital, generally, refers to social networks, the mutual benefit that arises from them and their value within the business environment (Sen & Cowley, 2013). Indeed, SMEs see engagement in CSR as an obligation towards the local community who trust them, and an opportunity to show how the organisation shares the social values (Sen & Cowley, 2013) that is not as prevalent in larger organisations. There are motivational differences between larger organisations and SMEs when it comes to implementing CSR. Larger organisations may be driven by profit, image, reputation, and government policy. Evidence suggests that this is not the case with SMEs, which are primarily driven by ethical aspects of CSR. Many small firms do a lot of good in their communities, but it is usually done in an instinctive way, influenced by the values of the owner/director and usually not externally reported as would be the case in large organisations (Killian, 2012).

The following responsibilities need to be looked at when implanting CSR in any organisation whether small or large. In summary, these are (Killian, 2012):

1. economic responsibilities—safe trading, re-payment of debts;
2. consideration for environment—pollution sensitivity, carbon reduction;
3. welfare of local community;
4. observance of staff, supplier, and human rights;
5. good corporate governance—corruption prevention, on-time tax payments;
6. health & safety, and quality management;
7. good supply chain management; and
8. supporting worthy causes—supporting charities.

It is clear that the concept of CSR has become clearer and more evident in Ireland. However, larger organisations seem to be a step ahead of SMEs in terms of integrating CSR into their businesses. In order to promote understanding and adaptability of CSR, SME's need to be continuously supported and assisted with CSR through government initiatives like DESUR.

The next section discusses the level of disclosure of CSR.

9 CSR Disclosure

While the disclosure of CSR is less popular in Ireland than in other European countries (O'Dwyer et al., 2005), reporting by Irish organisations of their CSR activities is slowly increasing (Sweeney, 2008) with nearly all LIC and MNCs operating out of Ireland having CSR statements on their website. In contrast, the results of a survey conducted in the third quarter of 2013 by ISME, show that while Irish SMEs make a significant contribution to their local communities through financial, time and goods donations, these activities are usually not reported or documented in company literature and so tend to go unnoticed and unacknowledged (Irish Small and Medium Enterprises Association (ISME), 2013).

Although CSR disclosure allows the company to enhance the creditability of their activities some Irish organisations are still reluctant to publicise their CSR activities. Research has shown that Irish organisations that fail to meet social expectations run the risk of losing their legitimacy and survival (Douglas, Doris, & Johnson, 2004).

Examples of Irish companies that issue CSR reports are Togher Oil, Irish Life and Permanent, RTE and the ESB (Quinn, 2007). The most common type of disclosures related to employees, health and safety, community involvement, the environment, customers and corporate governance. However, the CSR disclosure of many organisations is qualitative, with many organisations simply reporting their CSR policies (Sweeney, 2008). In addition, there is no evidence of CSR reports being audited by an external auditor. Hence, it is difficult to ascertain if organisations are putting into practice what they are claiming. Organisations may be tempted to over-report on CSR for a number of reasons, for example to enhance their image and to improve customer and employee loyalty.

The mandatory disclosure requirements in relation to reporting CSR data in Ireland are minimal (Sweeney, 2008). On the 16th April 2013, the European Commission put forward a proposal for a directive, which would increase EU companies "*transparency and performance on environmental and social matters*". The directive would require large organisations to disclose non-financial information relating to CSR in their annual reports. This would include information relating to environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters (Ambrose, 2013). This directive would also affect

CSR reporting in Ireland. If this directive was adopted it would take a few years to be implemented and for Irish organisations to make the necessary changes to their CSR policies. It would be a positive development in CSR, as those large organisations would be obliged to report on their CSR activities and provide reasons why they do not have certain policies in place. This would also highlight organisations, which are not making a conscious effort to improve their sustainability. This directive would be beneficial for consumers so they can become informed about what organisations are doing in relation to CSR and it would create more awareness and understanding about CSR. The directive would also mean that organisations would be more likely to implement minimum CSR practices, as it is a requirement of the directive. This would ensure that more organisations (including SMEs) are doing business in a responsible and sustainable way and they are integrating CSR into their business models.

10 Conclusion

There are a number of trends in terms of a unique Irish approach to CSR, firstly Ireland is not a naturally philanthropic society, while individually generous with their contributions high net worth individuals do not engage in personal or adoptive CSR as they do in the United States. Secondly, professional comprehensive CSR is typically a reaction to a business threat as opposed to a proactive investment in doing good (i.e. the tobacco, energy, alcohol, chewing gum industries).

However, that is not to say that CSR is not practiced in Ireland. CSR has been practiced by organisations large and small, throughout Ireland for many years. The breadth of CSR activity in Ireland is constantly increasing and is recognised through programmes such as BITCI's "Business Working Responsibly Mark" and CI's Annual CSR Awards.

However, specifically in an Irish context there seems to be a number of very distinct approaches to CSR. Large typically U.S. organisations tend to have very proactive formal inclusive employee led programmes backed with financial resources, technical capability and management support. Large regulated industries tend to act in a reactionary mode when their business model is at threat and then swing into full CSR mode usually through a very slick public relations methodology. The majority of CSR contributions of SMEs are usually informal and are considered to be a normal part of business life. In many cases, the business owner does not recognise the term CSR but believes that playing an active role in the community is their responsibility. When asked if their organisation participates in CSR they might think they are not, without realising that their actions often amount to excellent, but unrecorded, CSR i.e. sunken or silent CSR. The informal nature of these activities makes them more difficult to record and quantify.

Therefore one of the main challenges related to CSR in Ireland, particularly in relation to SMEs, is around reporting and communications of responsible business practice and the overall integration of CSR into business strategies. The recently

launched first ever national plan on CSR articulates a vision for Ireland to be recognised as a centre of excellence for responsible and sustainable business practices. It is to be hoped that this plan will continue to raise the profile of CSR in Ireland. There is an ongoing challenge to develop solutions for SMEs on CSR from an SME perspective, demonstrating the link between responsible business practice and business benefit.

Carroll (2008) notes that it is sometimes challenging to differentiate between what organisations are doing for business reasons and what they are doing for social reasons. In Ireland as elsewhere, it can be difficult to understand the motivation for an organisation to develop a formal CSR programme. Often people are led by a deep sense of responsibility to do good for society specifically if they themselves have been successful. However, others can define that cynically as a public relations exercise exaggerating an organisation's CSR practices for the purposes of generating and securing customer loyalty (i.e. greenwashing).

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