

## CSR Assessment Model

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### **Abstract**

This paper presents a model for assessing Corporate Social Responsibility (CSR) which is applicable for organizations of small, medium and large business. The model is meant to help managers in formulating CSR strategies and to serve as a standard for comparison which companies can follow to improve their responsible behavior. At the same time, this model is designed in a way which can allow non-specialists to use it easily for the objectives of an in-company social audit.

The leading idea in creating the model is to use the broadest possible set of indicators and criteria for assessing CSR. In order to achieve this, the methods for assessing CSR practices used by the leading CSR international organizations and social standards have been analyzed, along with CSR awards and competitions. This article presents the conclusions drawn regarding the possibilities of applying the described model in various situations.

**Keywords:** Corporate Social Responsibility (CSR), Social accountability, Social audit, CSR assessment model.

**JEL classification:** M 14.

### **1. Introduction**

The idea that a business has obligations in respect to society which exceed its responsibilities to the owners/stockholders is largely spread nowadays. The social responsibilities taken by companies are viewed as a criterion for responsible and ethical business and a guarantee for long-term growth exceeding the efforts for achieving current economic efficiency (Drucker 1992; Mintzberg et al. 2002; Porter and Kramer 2006). Ensuring synchrony and balance between the economic, ecological and social aspects of the activity is viewed as a criterion for sustainable development of private and public organizations, particular regions and society as a whole (European Commission 2009).

The opportunities for measuring, assessing and reporting CSR practices are a relevant issue for modern business. They are studied by international organizations, research groups, scientists and practitioners who use various methods and measurers of CSR. Usually their assessment models serve narrower goals – for example, certification with a CSR standard, membership in a CSR-partnership network, ranking according to a social index and others. In recent years more organizations apply CSR practices. Some of them use external professional auditors to judge achieved results, make their social reports and outline opportunities for improvement. However, other organizations, especially those who start to apply CSR and SMEs, prefer to carry out in-company assessment of their socially responsible behavior. In order to do that, they need publicly accessible, applicable, understandable and easy to use models for assessing CSR.

### **2. Theoretical assumptions in modeling the processes for assessing CSR**

Theoretically the issues of social accountability and social audit date back to the end of 1930s (Kreps 1940). In 1970s the first works were published which offered models for measuring and assessing CSR (Bauer 1972; Linowes 1974; Epstein et al. 1977). Yet, in the decades after that the emphasis in issues for measuring CSR was on external assessment – for the objectives of certification with social standards or assessment through exchange social indices. The efforts for supporting companies in carrying out in-company assessment of their CSR practices aiming

at their integration in the process of strategic management and future improvement are less, which predetermines the focus of this paper.

There are two main directions that outline the theoretical grounds of the modern dimensions of CSR, its assessment and accountability – the Stakeholder theory (Freeman 1984; Donaldson & Preston 1995; Mitchel et al, 1997) and the Agency theory (Ross 1973; Mitnick 1975). According to modern notions, success in business depends on the expectations and actions of all stakeholders and one of the means for satisfying their various interests is the application of CSR practices and accordingly social accountability as a way to announce them.

The issues of social accountability are viewed also within the context of the Agency theory and Corporate Governance, associated with the problem of the information asymmetry between the principal and agents of business – the owners/shareholders do not have the whole information managers are familiar with. It is exactly in order to solve the problem of information asymmetry that there is a need to enlarge the scope of the publicly announced information about the corporations. In this context some contemporary issues are related with the usage of CSR and Corporate governance to enhance relations with stakeholders (Chan et al. 2014) and the efforts to analyze how secondary stakeholders influence managerial decision-making on CSR disclosure (Thijssens et al. 2015).

Social audit and CSR reporting can be viewed as a result of social and political pressure (Rejc 2006). Some scientists associate the theoretical grounds of social accountability with assumptions of the game theory, the theory of transaction costs and the legitimacy theory. Thus Rejc (2006) referring to Dowling and Pfeffer (1975) and Guthrie and Parker (1989) gives arguments for the need for social accountability with the legitimacy theory – CSR is the price paid by business organizations for receiving social recognition from the public. Contemporary issue on this topic includes the research on the advantages and disadvantages of Legitimacy through CSR disclosures (Bachmann et al. 2016).

At the same time, stakeholders require more and more information on the way business functions. After the 1960s there is a growing public interest in the activity of certain industries “notorious” for creating harmful goods, e.g. traditionally criticized manufacturers of tobacco, alcohol, weapons, etc (Morsing and Schultz 2006). In the last decades the set of issues about which the public expect to receive more company information has been enlarged in new spheres. Such are child labour, working conditions in some Asian and African subcontracting companies, labor discrimination, unclear labeling of goods and misleading advertisement, harmful fast food, the use of additives in food, the use of hormones and antibiotics in raising animals used in food industry and others.

In this regard Morsing and Schultz (2006) see evolution in applying company strategies for communication with the stakeholders – a shift from a strategy of “informing stakeholders” through a strategy of “replying to stakeholders” to a strategy of “dialogue with stakeholders”. Thus there is a bigger need for a reliable set of tools with which companies can assess their CSR practices in order to meet stakeholders’ expectations better.

### **3. Methodical issues concerning the models for assessing CSR**

In making the CSR assessment model presented in this paper we have analyzed the indicators for assessing CSR used by leading international CSR organizations as International Business Leader Forum (IBLF), Global Compact (GC) of UN and Business Social Compliance Initiative (BSCI); some social indices as The Dow Jones Sustainability Indices (DJSI) and FTSE4Good Indices; some social standards and the most popular CSR contests and Awards.

IBLF focuses on three areas: /1/ perfecting the standards for sustainable business; /2/ improving the conditions for economic development and /3/ increasing the contribution of companies in

solving issues concerning human rights, security and health, the right of labour and working conditions, education and development of leadership, environmental protection.

Initially, the GC of UN formulated 9 and later 10 principles in the field of human rights, conditions of labor, protecting the environment and fighting corruption. The principles are: 1) Business supports and respects the rules stipulated by international labour law; 2) It does not break human rights; 3) It accepts freedom of association and collective working negotiation; 4) It eliminates all forms of forced and compulsory labour; 5) It does not use child labour; 6) It avoids discrimination in employment and career advancement; 7) It applies a precautionary approach to environmental challenges; 8) It undertakes initiatives to promote greater environmental responsibility; 9) It encourages the development and diffusion of environmentally friendly technologies; 10) Business works against corruption in all its forms, including extortion and bribery (www.unglobalcompact.org).

The BSCI Code of Conduct is the basis in the process of joining, membership and monitoring of the participants in the initiative. It requires compliance with the following conditions: freedom of association and collective bargaining; prohibition of all forms of discrimination, child labor, coercive labor and disciplinary measures; fair remuneration; occupational health and safety; protection of the environment. (www.bsci-intl.org)

The DJSI is established in 1999 to evaluate the sustainability performance of the top corporations worldwide (that is, largest companies, based on the size and price of their respective stocks). The DJSI criteria have 3 dimensions – economic, environmental and social. The FTSE4Good Indices are created by Financial Times & London Stock Exchange in 2001, designed to measure performance of companies that meet globally recognized corporate responsibility standards. Eligible companies must meet criteria requirements in 3 groups – environmental, social and governance, specified through particular indicators.

For the objectives of our survey it is useful to comment the criteria for CSR assessment in the most commonly used international standard for certifying socially responsible companies SA 8000 (Social Accountability 8000), published in 1997. It has 9 main sections (child labour, coercive labour, safe and healthy working conditions, freedom of association, discrimination, disciplinary measures, working time, remuneration, system of CSR management), each of these being specified through particular criteria and indicators (www.sa-intl.org).

Our study gives the ground to formulate **10 main areas for CSR assessment in our model** – management practices and documentation; ecology; products and services; human rights; working conditions; communities and social development; philanthropy; anti-corruption, accountability and social audit and a summarizing category “others” for all remaining aspects of assessment. The studied CSR international organizations use criteria from all mentioned areas. The difference is in the way of formulating, announcing and interpreting them. Some of the initiatives (IBLF) use more broadly formulated criteria, without offering methods with particular indicators for measuring them in more details. Others (like BSCI) present detailed descriptions of the used criteria and indicators for assessment, accompanied by questionnaires for self-analysis and self-assessment of business organizations. All of the above CSR initiatives require companies to carry out self-assessment in the stage of a preliminary social audit. Some of them require also companies to be certified by the external certifying organizations (e.g. BSCI requires certification with SA8000).

A popular form for stimulating CSR is annual competitions and awards for socially responsible business. There are more than 70 competitions which affect CSR directly or indirectly, e.g. The Gold Stevie CSR business awards of the Forbes with partners Dow Jones and Wall Street Journal, Awards for CSR of IBLF with the partner EC, BSCI awards for socially responsible enterprises, The Responsible Business Awards, Social Enterprise Awards, etc.

The criteria used in international CSR competitions vary – from several large ones (usually 5-6) to detailed listing and explanation of 10-15 criteria. We can classify their methods in two large groups. In the first one there are the rankings based on average-weight grades formed by assigning weight to each of the criteria beforehand, depending on the degree of significance of the criterion. The other variant of assessment is much more simplified and offers direct summing up of particular points for each criterion without assigning weight of significance. Such is for ex. the methodology of the European CSR Awards – innovations for better world ([www.csreurope.org/european-csr-awards](http://www.csreurope.org/european-csr-awards)). In it 10 criteria for assessment have equal weight of significance. The assessment is carried out in points, the maximum number of points for each criterion being 10. In this way the minimum total grade of candidates can be 10 points, the maximum – 100. Each candidate is assessed by the jury and his grade is made by summing up the points in each of the ten criteria. The winner is the candidate with the most points.

The analyzed practices show a tendency to using assessment methods based on points, which later allows transforming the grade in percentage. Many competitions use methods for assessment with maximum total number of points 100 in the final grade. In this way the individual number of points separate candidates have can easily be interpreted in percentage as well. For example, a score of 70 points shows that the candidate covers 70% of the criteria announced beforehand. Thus the grades serve, from the one hand, for ranking the candidates; on the other – for defining the degree in which each of the candidates covers the idea for complete socially responsible business behavior.

#### 4. Generalized model for assessing CSR

The initial study of the methods for CSR assessment, applied by leading international organizations, was carried out in 2008-2009. In 2009 the first variant of the model for assessing CSR was published by the author of this article in Bulgarian language (Serafimova 2009). The probation of the CSR assessment model was done in the period 2009-2014. In testing it there took part master students from the master-study programme in Management in University of Economics-Varna, Bulgaria. The probation of the above-mentioned model was done on the ground of publicly disclosed information on CSR of Bulgarian organizations in various sectors – financial institutions, large retail chains, tourism, higher education, sport organizations, mobile operators and others. On the ground of this study in the article here we suggest an advanced, more detailed and complete model for assessing CSR.

The aim of the suggested generalized model is to formulate the stages and offer a method for CSR assessment through particular criteria for reflecting more fully and thoroughly the modern understanding of CSR. The model can also facilitate the process of making strategic decisions for developing the business, directed both to long-term growth and social commitment. It is necessary to view the suggested model as conceptual; it can be interpreted as general and valid for business organizations of small, medium and large business functioning in various industries and sectors. When necessary, the model can be updated, mostly through changing the included assessment criteria or their relative weight of significance in order to react more fully to the specifics of particular branches or meet specific company needs.

In view of the above-mentioned conditions, there are classified the following stages in the process of assessing social responsibility of business organizations (see Table 1).

<b>1</b>	<b>Preparatory stage</b>
1.1	Defining the scope and goals of the process of assessing company behavior depending on the formulated objectives in the field of social accountability and policy of the organization
1.2	Defining sources of information
1.3	Gathering information
<b>2</b>	<b>Analytical stage</b>

2.1	Processing and sorting information
2.2	Checking the credibility of information
2.3	Checking the quality of company management in situations of crisis (the check-up concerns critical issues and situations of crisis that have affected the company in a certain way, its reaction in crisis is assessed)
2.4	Assessing the quality and quantity of available information and the choice of the variant of the assessment model – fundamental, detailed or short
<b>3</b>	<b>Actual assessment on the ground of the set of formulated criteria</b>
3.1	Grading according to each criterion
3.2	Calculating the total grade for socially responsible business behavior
<b>4</b>	<b>Conclusions and decisions for improvement</b>
4.1	Conclusions about the efficiency of the current company policy in the field of social responsibility
4.2	Assessing the flaws and analyzing the future possibilities for improving the socially responsible business behavior
4.3	Decisions for improving company policy in the field of social responsibility and binding them with company strategies
<b>5</b>	<b>Writing a social report and providing feedback</b>
5.1	Writing a social report as a result of the assessment of the socially responsible behavior of the organization and decisions for improving it
5.2	Decisions for public disclosure of information in the social report
5.3	Searching for and receiving information on feedback from stakeholders

*Table 1. Stages in the process of assessing social responsibility of business organizations*

Our CSR assessment model consists of 10 main areas (table 2). Within each area we have suggested particular indicators for assessment which are meant to make assessment easier, especially in cases when it is done by non-specialists. If the particular indicator is not implemented, 0 points are assigned, if the business organization meets the conditions stipulated in the indicator – 1 point is assigned.

Criteria	Indicators	No 0	Yes 1
<b>I area: Management practices and documentation</b>			
Availability and compliance with the <b>ethical code</b> or declared principals of behaviour	The business organization has an ethical code or has accepted the code of ethics of an international organization that promotes social responsibility	0	1
	The principles of behavior and the company value system are clearly set in the company mission/code of ethics	0	1
	The staff is familiar with and complies with the principles of behavior and the company value system set in the mission/code of ethics	0	1
	The principles of behavior and the company values system are presented periodically to clients, suppliers, business partners and other stakeholders (in various forms – presentations, part of advertising materials and others)	0	1
Availability of a documented <b>company policy for social responsibility</b>	The business organization is certified with a standard for social responsibility and/or another similar standard (for ex. ISO14001, AA1000, OHSAS 18001:2007 and others)	0	1
	The business organization is a member of an internationally recognized organization that promotes social responsibility (IBLF, БИСС, network of the Global contract and others)	0	1
	There is a written confirmation of a commitment for complying with certain standards for social responsibility	0	1
Efforts for <b>balancing the interests</b> of all stakeholders	Available program and specially planned actions in view of balancing the interests of all stakeholders	0	1
	There are executives committed to the social policy of the company	0	1
	There are non-managerial staff committed to the social policy of the company	0	1
	In selecting and working with suppliers and subcontractors the company requires compliance with a standard or certain criteria for social responsibility	0	1
<b>Written policy</b>	Available documented written policy in respect to working time	0	1

in respect to <b>certain social indicators</b>	Available documented written policy in respect to staff payment	0	1
	Available documented written policy in respect to freedom of association	0	1
	Available documented written policy in respect to prevention of discrimination	0	1
Other <b>documentati o n</b> on staff	Keeping documentation on structure of staff (gender, age and others)	0	1
	Keeping information on work accidents	0	1
	Keeping information on work security	0	1
Developing <b>leadership</b> and programs for staff <b>training</b>	Employees are stimulated to develop knowledge, skills and long-time career (for ex. through a process of attestation, plan for staff training and others)	0	1
	Staff trainings are held concerning the principles of behavior and the company value system	0	1
	Employees are consulted on issues that are important for them	0	1
	Staff trainings are held on the issues of social responsibility	0	1
	Representatives of the business organization take part in workshops, conferences, round tables and other forums dedicated on social responsibility of business	0	1
Providing <b>sustainable growth</b>	Availability of publicly declared strategic idea about constant improvement of the company activity	0	1
	Introducing innovations in the business organization	0	1
TOTAL NUMBER OF POINTS IN AREA I: Management practices and documentation			25
<b>II area: Ecology</b>			
General company policy for environmental protection	Availability of publicly declared general company policy for environmental protection	0	1
	Encouraging the development and spreading of environmentally friendly technologies	0	1
	Application of environmentally friendly technologies	0	1
	Keeping and providing information on management of raw materials and waste in accordance with legal requirements or standards (for ex. SO14001)	0	1
	Keeping and providing information on harmful emissions and other pollutants	0	1
	Keeping and providing information on the way of storing harmful materials	0	1
	Providing clear and accurate ecological information on company products, services and activities to clients, suppliers, local community and others	0	1
Actions for diminishing the harmful impact on the environment	Actions have been undertaken for decreasing energy consumption in the business organization	0	1
	Actions have been undertaken for decreasing waste and recycling it	0	1
	Actions have been undertaken for prevention of pollution (for ex. harmful emission in the air and water, less noise; actions for protecting national natural resources and others)	0	1
Promoting responsible attitude to environment	Setting up partnerships in reaction to climatic changes and for environmental protection (including the business, government and society)	0	1
	Participation in various projects, conferences and others on environmental issues	0	1
TOTAL NUMBER OF POINTS FOR II AREA: Ecology			12
<b>III area: Marketing/ Products and services</b>			
Clear information on products/ services	The company provides clear and non-misleading information about its products/services (for ex. their purpose, functions and characteristics; about setting a final price (for ex. in bank credits and others)	0	1
	The company does not apply disloyal agreements, negotiations, dumping policies to the detriment of clients, suppliers and others	0	1
	Complete designation (labelling) of products, legible print, in the native tongue, in accordance with the set requirements for safe and healthy usage, without hidden designations or facts; stating necessary warnings against harmful features or risks for certain groups	0	1
	The company provides clear and non-misleading information about warranty and after-sale service	0	1
Feedback and dialogue with	The business organization follows a policy of providing integrity and quality in all contracts, deals, advertisements and others	0	1

consumers, suppliers, partners	Timely (within set deadline) payment of invoices to suppliers is provided	0	1
	Finance is provided for efficient feedback from clients, suppliers and other stakeholders (for ex. telephone for consumers, free phone line for information and others)	0	1
	There is a special procedure for handling returns and complaints from clients, suppliers and business partners	0	1
New products/services	In designing new products/services the business organization has in mind their future effect on the environment (for ex. it tries to make them less energy-consuming, recyclable and others)	0	1
TOTAL NUMBER OF POINTS FOR III AREA: Marketing/Products and services			9
<b>IV area: Human rights</b>			
General company policy for keeping human rights	There is a guarantee for the freedom of association and right to collective labour negotiation in the business organization	0	1
	Representatives of works councils are not exposed to discrimination and have free access to their members in the working environment	0	1
	There are opportunities for objection and complaints from staff	0	1
	All employees have employment contracts and clear job description of their rights, responsibilities and obligations	0	1
Compliance with requirements in respect to <b>payment and use of paid holidays</b>	Minimum payment is guaranteed in compliance with the regulative requirements and the collective labour negotiation	0	1
	Social security is paid on the ground of actually received payment	0	1
	All due supplements for extra work and paid holidays are paid	0	1
	There is a guarantee for using paid holidays, maternity/paternity leave in accordance to legal requirements	0	1
	Unauthorized deduction from the salary is inadmissible	0	1
	Clearly announced system for payment, receiving pay slip and others	0	1
Using <b>child labour</b> and under-age employees	Providing opportunities for using leave of absence for taking care of children (maternity and paternity leave) or training exceeding the minimum legal requirements	0	1
	Child labour is not used. Children and under-age employees are not exposed to dangerous and unhealthy working conditions in the working environment and outside it. Education of children and young employees is encouraged.	0	1
<b>Coercive labour, humiliating disciplinary measures, violence and insults are inadmissible</b>	Coercive labour is inadmissible (staff do not make deposits and do not submit identity cards when starting a job)	0	1
	Disciplinary measures that humiliate human dignity are inadmissible (corporal punishment, psychical or physical coercion, oral insult)	0	1
	Behaviour which includes sexual violence and threat is inadmissible (including gestures, words, physical contact)	0	1
Any form of <b>discrimination</b> is inadmissible	Inadmissible is discrimination in employment, payment, career progression, terminating employment contracts or retirement based on race, caste, ethnos, religion, disability, gender, sexual orientation, membership in work councils, political party; age	0	1
	Publicly declared and accepted policy for "equal opportunities" (for ex. availability of more than 10% executive positions taken by women or the share of female managers or managers from minority groups is more than 2/5 of the total number of managers in the business organization)	0	1
TOTAL NUMBER OF POINTS IN IV AREA: Human rights			17
<b>V area: Working conditions</b>			
Organization of the <b>working time</b>	Guarantee that regulative limitations are not exceeded and the legal requirements in organizing the working time are met (for ex. 48 hours total and up to 12 hours per week for extra work)	0	1
	There are conditions for flexible working time (for ex. for breast-feeding mothers, students and others)	0	1
<b>Labour security</b>	Measures are taken for preventing accidents, providing hygienic and safe working environment (including training, instruction, prevention and	0	1

	protection tools)		
	Health and social security (with medical supplies, restrooms, bathrooms, dressing rooms, canteens and others)	0	1
	Availability of a special job position for labour security, fire security, emergency exits and so on)	0	1
	Statistical information is kept, coefficients of working accidents are estimated and announced publicly	0	1
Employee dormitories and recreation facilities	Providing employee dormitories/lodging, support for paying rent; recreation facilities with good conditions	0	1
TOTAL NUMBER OF POINTS IN V AREA: Working conditions			7
<b>VI area: Communities and social development</b>			
Fighting social issues	Fighting world issues like malaria, obesity, HIV/AIDS, alcohol abuse and others. Stimulating healthy way of life, sport events and others	0	1
	Reaction to issues concerning migration of people	0	1
Improving the conditions for economic development	Creating new job positions and/or decreasing unemployment among certain groups of people	0	1
	Stimulating the education of local communities (for ex. the business organization provides opportunities for training, apprenticeship, internship, gathering work experience for young or disabled people)	0	1
	The business organization tries to stimulate local purchases (from suppliers and business partners in the region)	0	1
	Participation in programs of governmental agencies or business networks in support of local communities	0	1
Improving the living conditions of local communities	Participation in improving the local infrastructure (making and keeping green plots, gardens, children playgrounds and others)	0	1
	Dialogue with local communities on unpleasant, contradictory or sensitive issues that affect the business organization (for ex. ones that concern spaces in front of or around the enterprise – keeping them clean, preventing company cars from obstructing roads and pavements and others)	0	1
	The business organization tries to enlarge the access to technologies, training and Internet for people from disadvantaged groups or stimulating the access of young entrepreneurs and small companies to technologies, training, Internet and modern methods for business management	0	1
Quality crisis management	The business organization provides honest information to the public and takes responsibility for the impact it has in situations of crisis and takes adequate measures for coping with the problems	0	1
TOTAL NUMBER OF POINTS IN VI AREA: Communities and social development			10
<b>VII area: Philanthropy</b>			
Participation in donation campaigns	The business organization takes part in donation campaigns for charity	0	1
	Staff is stimulated to take part in donation campaigns for charity (providing unpaid labour, consultation, finance and others)	0	1
	The business organization has clear and publicly declared criteria for selecting projects and donation campaigns for participation	0	1
Providing halls and equipment	The business organization provides its halls, transportation tools, equipment, recreation facilities and others to be used by people in need	0	1
TOTAL NUMBER OF POINTS IN VII AREA: Philanthropy			4
<b>VIII area: Measures against corruption</b>			
Fight with corruption	Availability of a documented company policy for fighting corruption	0	1
	The business organization undertakes actions against all forms of corruption	0	1
	Behaviour of integrity and condemning the giving and receiving of self-interested gifts and bribes as a business practice	0	1
TOTAL NUMBER OF POINTS IN VIII AREA: Measures against corruption			3
<b>IX area: Social accountability and social audit</b>			
General company	There are special procedures for public relations on social accountability issues	0	1



policy for <b>social accountability</b>	Keeping documentation that concerns particularly the assessment and reporting of CSR practices of the business organization	0	1
Reporting the CSR practices	There are made special statements/reports for announcing the CSR practices of the business organization or such information is published as part of its financial statements	0	1
	Social reports are announced publicly in a web variant	0	1
Carrying out social audit	Carrying out self-assessment/in-company audit	0	1
	Carrying out an audit by an outside auditing company	0	1
	Making correctional actions recommended by an auditor in the process of auditing/certification or actions for improving CSR practices as a result of in-company self-assessment (internal audit)	0	1
	Providing access for external stakeholders for checking the completion of obligations for social responsibility from the business organization	0	1
TOTAL NUMBER OF POINTS IN IX AREA: Social accountability and social audit			8
<b>X area: Other criteria</b>			
Lack of sanctions and obligations	Lack of sanctions for environmental pollution, working conditions and similar social requirements	0	1
	Lack of obligations (including tax avoidance, social securities, delayed payment and others)	0	1
Competitions for socially responsible business	Taking part in competitions for socially responsible business	0	1
	Winning a competition for socially responsible business	0	1
	Winning another award concerning some aspects of socially responsible behavior	0	1
TOTAL NUMBER OF POINTS IN X AREA: Other criteria			5
<b>TOTAL NUMBER OF POINTS IN ASSESSING THE CSR</b>		<b>100</b>	

*Table 2. Main areas and criteria in the generalized assessment model of CSR*

The criteria and the indicators shown in Table 2 reflect the fundamental variant of the model – without assigning relative weights of the factors. Thus the final score of the assessment is calculated as a sum of all points for the separate indicators. In the detailed variant of the CSR assessment model one can assign relative weight of significance for each criterion. It is possible to apply also a short variant of the assessment – summing up the generalized grades directly for each of the 10 areas instead for the particular criteria. When the available primary information is not enough, expert assessment is accepted. We already pointed out that many international organizations use in assessment exactly the scale of 100 points so that later the individual grades of separate business organizations can be transformed easily and expressed in percentage. We also stick to this rule in our model.

## 5. Conclusions

Presenting the assessment model in three modifications allows one to comply the CSR assessment with the specific features of the separate business organizations, industries and sectors and with the degree of the CSR practices they accept. Thus for ex., in assessing CSR practices of small business organizations or organizations which start accepting similar practices, one can use the short variant of the model. It is suitable for application in cases when there is a lack of enough initial information on the ground of which to carry out a detailed assessment according to the criteria in the fundamental variant. The detailed variant of the assessment model is recommended for business organizations with well-developed CSR policies. It also gives a better opportunity for the CSR assessment to be complied with some specifics of the industry for which it is meant, the type of organization (small, medium or large business), as well as the goals of adapting the model to particular company needs.

The results of the assessment done in the suggested model serve as a basis in outlining the existing issues in the field of CSR of the business organization. They are a good ground for

creating a whole idea of the socially responsible behavior of the organization at the moment and the efficiency of its current company policy in this field. The areas and criteria in which the organization received 0 points direct its attention to existing flaws or outline the issues the company has to work on in the future. Besides, the inability to find initial information about certain issues of CSR of the company, as well as the quality of its public disclosure, also outline new areas for development and perfection.

The decisions for rationalizing or developing the policy in the field of CSR can scope an exceptionally broad set of issues. To start from reformulating objectives, strategies or announced principles of behavior; then through identifying new stakeholders and outlining an action plan and work with them; and finally introducing trainings, training programs for staff for having new commitments in the field of social responsibility.

The whole information in respect to the assessment of and conclusions from socially responsible business behavior, as well as the measures taken for its perfection, are worked and presented in a social report. Its content can vary depending on the findings – positive sides, flaws and the planned opportunities for development.

One of the main functions of CSR assessment and announcing information about them is to present them to the stakeholders. As a result the business organization receives feedback and external assessment for its socially responsible behavior which, in turn, serve as the basis for its future perfection. That is why it is necessary to view CSR assessment as an interactive cyclical process whose last stage closes the assessment cycle and brings us back to the start of a new assessment process.

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