Applying Fuzzy Ranking Analysis to Evaluate the Practice Order of Corporate Social Responsibility

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Abstract: As the consumers’ consciousness being rapidly growing, the enterprise needs not only to integrate the corporate social responsibility (CSR) into their operations and cultures, but to practice those responsibilities with more efforts to acquire consumer identity. Therefore, the practice order of enterprise social responsibilities has become one of the most important topics for enterprise to practice social responsibility for the considerations of customers’ perceptions. Due to the evaluation concerns human being’s subjective judgment, crisp data cannot well describe consumer’s true perception. Therefore, fuzzy number of the fuzzy theory can be properly describe customers’ judgment of service quality in order to actually reflect their fuzziness and subjective. This study is to present a fuzzy ranking procedure to investigate the responsibility items and to evaluate the practice order of CSR. A case study taken from managers of a chain convenience store is used to illustrate the performance of the presented fuzzy ranking analysis. The results show that “to observe laws and regulations” is the most important item for practicing CSR from the opinions of 15 store managers.

Keywords: Corporate social responsibility, fuzzy theory, fuzzy ranking, fuzzy number.

1. Introduction

Under the effects of social progress and economic globalization trends, corporate social responsibility (CSR) is recognized as one of the determinant bases of sustainable development of businesses. Corporate work hard to pursue profit, but at the same time there are lots of severe social problems occur. For example, the recycling problems of PET bottle, battery, and plastic products, the emission problems of greenhouse gas. Under such circumstances, the enterprise needs to put the social responsibility into practice in order to increase their competition edge and to be supported by customers.

Corporate social image has been getting more and more important because of the business fierce competition environment and the enhancement of social awareness. Nowadays, corporate social image is as important as reputation and brand value. CSR is recognized as the necessary strategy of corporate for future competition. The enterprise needs not only to integrate the corporate social responsibility (CSR) into their operations and cultures, but to practice those responsibilities with more efforts to acquire consumer identity.

In the introductory stage of the business life cycle, to pursue profit and protect investors’ benefit would be the operation-priority of the business. In the growth stage, to maintain fair competition and protect consumers’ rights would be the operation-priority of the business. In the maturity stage, to participate in charities for social responsibility is the most important. In the declining stage, it is necessary for business to endeavor to reduce the social effects. Because the operation priority for business is different in the four stages, the CSR responsibility items and practice order are different for business in different stage of life cycle.

When evaluate the CSR responsibility items and practice order, crisp data cannot well describe consumer’s true perception due to the evaluation concerns human being’s subjective judgment. Therefore, fuzzy number of the fuzzy theory can be properly describe customers’ judgment of service quality in order to actually reflect their fuzziness and subjective. In this study, we present a fuzzy ranking procedure to evaluate the responsibility items and practice order of corporate social responsibility. An example taken from managers of a chain convenience store (CVS) is used to illustrate the performance of the presented fuzzy ranking analysis. The remaining of this study is organized as follows. Section 2 reviews some related works on CSR. The fuzzy ranking procedure is presented in Section 3. A case study for a chain CVS is presented in Section 4. Some conclusion remarks are made in the last section.

2. Literature Review

The decision makers of corporate not only need to consider the key successful factors, but also have to prevent the negative social effects in the business operation (Bowen, 1953). Therefore, the topics regarding CSR have seized more attention from the academic world than before. The CSR is regarded as to obtain the maximum economic benefit by fulfilling CSR. For example, by providing employment opportunity and satisfying stockholders’ equity would help business gain the maximum economic return (Friedman, 1970; Jensen, 2000; Greenfield, 2004; Devinney, 2009). Carroll (1979) considers that CSR not only includes the mandatory responsibility, namely economic responsibility and legal liability, but also includes voluntary responsibility,