Bridging the Gap between Ethical Consumers and Corporate Social Responsibility
An International Comparison of Consumer-oriented CSR Rating Systems

Ellis Jones
College of the Holy Cross, USA

This paper contributes to an ongoing effort by scholars to bridge the gap between the growing literatures on corporate social responsibility (CSR) and ethical consumerism (EC) by proposing that these phenomena be considered as two ends of an economic communication system linking companies and consumers. Though some researchers have called into question the data sources that most ethical consumers rely on when making their decisions in the marketplace and others have noted the shortcomings in the accuracy of our systems of CSR measurement, in neither of these cases have researchers been able to uncover viable alternatives to the imperfect solution of third party certifications (aka ecolabels). Emerging consumer-oriented CSR rating systems, being utilized by millions of consumers in the Anglosphere, may represent some of the first alternatives for CSR and EC scholars, as well as for ethical consumers themselves. This research compares the four most popular consumer-oriented CSR measurement systems produced in the US (GoodGuide, Better World Shopper), UK (Ethical Consumer) and Australia (Shop Ethical). While thousands of companies are rated in each system, statistical analyses are focused on comparing the CSR ratings of the 106 companies common to all four systems. The findings reveal that although each system’s goals of measuring CSR are closely aligned, outcomes are considerably divergent.

Ellis Jones is an assistant professor of sociology at College of the Holy Cross in Worcester, MA. His scholarship focuses on bridging the gap between academics, activists, and the average citizen. His research interests include ethical consumerism, social responsibility, and global citizenship.
Following the government bailouts of US banks during the 2007–08 financial crisis, the emergence of the Occupy Movement in cities across the country, the Supreme Court’s “Citizens United” decision removing most restrictions on the size of political campaign contributions by individuals and companies, and large-scale environmental disasters like the BP oil spill, there is increasing evidence that the American public has grown apprehensive about the ability of corporations to influence larger economic, social, political, and environmental conditions. Though such widespread awareness may seem like a fairly recent phenomenon, concern over the responsible use of corporate power has in fact been a subject of interest for a small group of academics and businesspeople since at least the mid-1950s (Carroll, 1999). In response, the term corporate social responsibility (CSR) was created to capture the array of social and environmental responsibilities that companies began to incorporate into their own business practices in order to facilitate (rather than obstruct) the well-being of the larger society (Elkington, 1994; Graafland et al., 2004; Kovacs, 2008).

Ethical consumerism1 (EC) is defined as the voluntary purchase of products and services by consumers that seek to positively impact certain social and/or environmental issues (Doane, 2001).2 In this sense, it functions as the consumer side of the CSR equation: consumers reward companies that behave more responsibly and punish those that do not. While the global history of consumer activism reaches back at least as far as the 18th century (Soule, 2009), ethical consumerism is part of a more recently popularized notion, adopted by a growing segment of the populations in Western industrialized countries (particularly the US, Canada, Australia, the UK and the EU), that consumer dollars can be spent in the marketplace to effect positive social change in the same way that citizens cast their votes in political democracies to positively impact their societies.

In fact, some consumers even conceive of it as equally important and efficacious as voting (Zamwel et al., 2014) begun to discuss ethical consumerism as a fully formed social movement (Bossy 2014; Carfagna et al., 2014; Castaldo et al. 2009; Micheleti, 2003; Schor, 2010; Thompson and Coskuner-Balli, 2007), or perhaps more accurately, a lifestyle movement (Haenfler et al., 2012).

For their actions to be effective, however, ethical consumers require access to valid data that reveal which companies are responsible (and thus deserving of their money) and which are not. These boycottting and boycotting (Micheleti, 2003) behaviours generate the fundamental axes of ethical consumers’ tactical action repertoire (Balsiger, 2014) in which they see themselves as investing

---

1 The concept is sometimes referred to as political consumerism.
2 Although there is still no consensus on exactly which issues are included in the concept (Bossy, 2014; Newholm, 2005; Orlitzy et al., 2011; Pecoraro and Uusitalo, 2014), the practice typically involves a mix of politically progressive concerns including human rights, animal welfare, fair wages, environmental protection, and the like (Doane, 2001; Harrison et al., 2005; Low and Davenport, 2005; Micheleti, 2003; Papaioikonomou et al., 2014; Stolle et al., 2005; Thompson, 2007).
in “good companies” and divesting from “bad companies”. Unfortunately, providing this kind of data for consumers involves a litany of challenges, many of which stem from a single source, the lack of publicly available CSR data (more specifically data that can be easily verified and meaningfully compared with that of other companies) (Schäfer, 2005). At present, companies are not required to disclose this type of CSR data to government agencies or the public (Sutantoputra, 2009), and they are often reluctant to do so of their own volition because it can reveal shortfalls and weaknesses to 1) higher performing and/or less forthcoming competitors (Searcy, 2012), unsympathetic media, wary investors (Beatty and Shimshack, 2010) and/or a suspicious public (Lyon and Maxwell, 2011). When these companies do make CSR data available for broader scrutiny, it tends to involve highly selective disclosure (divulging positive data while withholding negative data) which results in reporting that reveals CSR practices in a consistently positive light (Lyon and Montgomery, 2012; Marquis and Toffel, 2011), part of a larger pattern of business behaviour that is explained more broadly by voluntary disclosure theory (Verrecchia, 1983).

This research addresses two aspects lacking in the current literature on corporate social responsibility and ethical consumerism by: 1) answering the call for more effective measures of CSR by proposing an examination of rating systems created specifically for ethical consumers; and 2) filling a gap in the literature concerning how the practice of ethical consumerism is directly linked to the dearth of reliable CSR data. In addition, this research brings a more critical, sociological perspective to bear on how researchers currently approach CSR measurement—something that has begun to take hold in the field of ethical consumerism via scholars of economic geography and development studies, but which remains a rarity in CSR literature, being dominated by more practical but less critical business scholarship.

The paper begins with a discussion of how the problem of accurate CSR measurement confounds both the ability of scholars to properly map corporate behaviour and the ability of ethical consumers to effectively transform their dollars into corporate responsibility incentives. In the tradition of research that explores how ethical consumerism functions in actual marketplace conditions (Thompson and Coskuner-Balli, 2007; Ulver-Sneistrup et al., 2011), this study focuses on an examination of four of the most popular CSR data sources used by consumers in the English-speaking world (Ethical Consumer [UK], Shop Ethical [AUS], Better World Shopper [US], and GoodGuide [US]). After brief summaries of each rating system, a statistical comparison of the 106 companies common to all four systems uncovers each system’s strengths and weaknesses in measuring the CSR of companies. A final assessment reveals majority agreement on the rating of approximately one in five companies. The conclusion covers implications for ethical consumers, companies, legislators, consumer organizations, and scholars.
Corporate social responsibility and ethical consumerism

Though CSR remains the most popular term for socially and environmentally responsible corporate conduct, scholars also use terms such as corporate sustainability (van Marrewijk, 2003; Montiel, 2008), corporate citizenship (Valor, 2005), and corporate social performance (Lopez and Romero, 2012; Remisova and Buciova, 2012), depending on the aspect of CSR they wish to emphasize. Though governments may require companies, via legislation, to adopt certain policies and practices, CSR, in contrast, is generally regarded as a voluntary form of corporate self-regulation (Searcy, 2012).

CSR remained a fairly obscure topic until the 1970s and 1980s, but by the 1990s nearly 90% of Fortune 500 companies began producing annual CSR reports (Boli and Hartsuiker, 2001). At present, 95% of the world’s largest and most recognizable companies produce CSR or sustainability reports. The bulk of information generated on the topic of CSR in any given year emerges from these reports. Unfortunately, despite a handful of scholars identifying this type of data as questionable at best (Laufer, 2003; Lyon and Montgomery, 2012), the now ubiquitous practice of corporate self-reporting of CSR practices has for the most part faced little academic scrutiny. This is due, in large part, to the history of CSR scholarship. The vast majority of research on CSR is published in business journals. This disciplinary dominance means that social scientists in other fields (anthropology, geography, economics, political science, policy studies, political economy, and sociology) have not yet brought to bear the full force of their disciplinary perspectives and tools on this topic, and as a result, the literature remains somewhat limited in scope (for examples of CSR research from these fields, see: Banerjee, 2008; Bendell and Murphy, 2002; Kitzmueler and Shimshack, 2012; Lund-Thomsen and Coe, 2013; Murphy and Bendell, 1999; Utting, 2002; Welford, 1997; Welker, 2009).

Although the field of ethical consumerism is still relatively young and under-researched (Guarin and Knorringa, 2014), it has garnered much more attention from the broader social scientific community than has CSR. The resulting academic research on ethical consumers has yielded interesting data focused mainly on their demographics, intentions, and behaviours. For example, as Johnston et al. (2011) note, ethical consumers tend to be more educated and affluent than their counterparts (Aldanondo-Oachoa and Almansa-Saez, 2009; De Pelsmacker et al., 2005; Gracia and Magistris, 2008; Michaelidou and Hassan, 2010; Starr, 2009). Additionally, while perceived CSR positively impacts consumer-purchasing behaviour (Mohr and Webb, 2005), ethical consumers are not willing to pay as much for ethical goods as their survey responses suggest (De Pelsmacker et al., 2005; Devinney et al., 2010).

Some researchers argue that the enterprise of ethical consumerism is a potential distraction from more legitimate forms of political and social action (Devinney et al., 2010; Szasz, 2007; Thompson, 2011). Others point to data that suggests ethical consumers are having significant impacts on both companies’ awareness of, and responses to, social and environmental concerns (Carfagna
et al., 2014; Shaw, 2007; Willis and Schor, 2012). Still other scholars attribute this discrepancy to the lack of three necessary conditions for ethical consumerism to flourish: 1) convenient access to ethical products; 2) basic information on companies and their products; and 3) trust in the claims made by companies and certifying organizations (Carrigan and Attalla, 2001; De Pelsmacker et al., 2006; Mielants et al., 2003; Roberts, 1996; Schäfer 2005).

What is missing from the current literature is a multilayered discussion of the relationship between CSR and ethical consumerism. In a sense, these two constructs represent two ends of an economic communication system: CSR communicates responsible corporate intentions to a conscientious set of consumers, and ethical consumerism communicates the demands of said consumers, who seek to intentionally reappoint their dollars in the marketplace to reward socially responsible companies. While there have been recent calls to tighten these links between companies and ethical consumers (Bossy, 2014), the latter routinely indicate that they have neither the information they require to make informed decisions (De Pelsmacker et al., 2006), nor the resources necessary to acquire it (Mohr et al., 2001). In addition, ethical consumers regularly express that they do not trust companies or mass media to deliver this information to them. At present, no comprehensive solutions exist to provide these consumers with the kind of data they require to make ethically effective choices in the marketplace.

**Ecolabels as a partial solution**

With no perfect information solution for consumers available at present, the question becomes how do companies signal ethical consumers in order to attract their dollars? Particularly since their boom in the 1990s (Bartley and Smith, 2010; Conroy, 2007), third party organizations (largely non-profits) have stepped in as independent certification bodies to develop a wide range of ethical labelling initiatives, commonly referred to as ecolabels (Ponte, 2006), and their use in the marketplace has since grown substantially (Carrigan and de Pelsmacker, 2009). Popular ecolabel certifications include organic, fair trade, Rainforest Alliance, Forest Stewardship Council (FSC), and Marine Stewardship Council (MSC), though the major online tracking site for this area, Ecolabel Index, lists a total of 462 different certifications in 199 countries at present. While a majority of these ethical certifications focus on environmental issues, others focus primarily either on social or economic issues (Bartley, 2007; Raynolds, 2012). Having arisen originally in the food and beverages sector (Hatanaka and Busch, 2008; Raynolds et al., 2007), these certifications now verify the ethical impacts of seafood (Ponte, 2012), clothing (Locke et al., 2009; O’Rourke, 2006), forest products (Cashore et al., 2004; Eden, 2009), and a growing range of other consumer purchasing categories. Ethical consumers search out goods with these ethical certifications as a way to ensure that their dollars are having some level of positive impact (Raynolds et al., 2014; Hughes
et al., 2015). In a sense, these marks become surrogates for an ethical evaluation of the product and/or company (i.e. an NGO seal of approval) allowing consumers to make efficient ethical decisions in the moment in order to avoid the need for extensive research on their part (Reardon, 2001; Nadvi, 2008; O’Rourke, 2005).

While ecolabels function to connect ethical consumers with the products they seek to support, they do not come without a significant set of drawbacks. For example, while some ecolabels maintain a relatively rigorous set of standards, many of the most successful have been characterized as watering down their requirements in order to open up participation to a wider array of companies (Ingenbleek and Meulenberg, 2006) often resulting in an improved image for companies without improving the ethical impacts of their practices. In order to grow, most certifying organizations need to increase the number of companies engaged in their own certification process, creating an inherent conflict of interest (Cohn and O’Rourke, 2011). Additionally, the fee structures charged to the companies engaged in the certification process do not merely position the largest companies as the most lucrative to certify (from the organizations’ viewpoint), but often result in the smallest producers being unable to afford the fees involved in the process (Ponte, 2006).

While less stringent standards are often defended by the certifying organizations as opening the door to a wider range of companies who may wish to engage in more ethical processes (typically with niche product lines), the resulting ethical impacts remain questionable (Giovannucci and Ponte, 2005; Neilson and Pritchard, 2007; Cohn and O’Rourke, 2011; Blowfield and Dolan, 2010). There is also some concern that companies may be utilizing these certifications to greenwash an otherwise ethically tarnished corporate image (Bartley and Smith, 2010). In 2006, a fourth party certification system, ISEAL, arose to ensure that at least a handful of ecolabel certifications operate at a basic level of responsibility (Ponte, 2012; Cohn and O’Rourke, 2011). Unfortunately, there have been few scholarly studies measuring the efficacy of these certification programmes on the ground, and the few that have been conducted have found decidedly mixed results (Cohn and O’Rourke, 2011; Nadvi, 2008; Bartley and Smith, 2010).

Even more troubling are industry-led ecolabels that have sprung up to meet the growing demand for CSR information from ethical consumers in this format. Industry-based (second party) ethical certifications are generally recognized by researchers as even less rigorous than those organized by NGOs (third parties), often requiring little more than a commitment to the ideals rather than any significant shift in practices (Fransen, 2012; Ingenbleek and Meulenberg, 2006; McDermott, 2013, Hughes et al., 2008; Giovannucci and Ponte, 2005; Ponte, 2004). This has also led to some confusion on the part of consumers who are not always able to readily distinguish between the two (O’Rourke, 2005; Giovannucci and Ponte, 2005, Bartley and Smith, 2010).

In addition to these challenges, ecolabels tend to suffer from two fundamental blind spots. First, nearly all ecolabels certify at the level of products and product lines. While this offers consumers information relevant to the product they may be considering in hand, it does not allow consumers to take into account
the impact of the company as a whole. In fact, many of the largest companies
with some of the most troubling CSR reputations now include organic and
fair trade product lines that have been created specifically to appeal to ethical
consumers who might otherwise actively boycott their goods. This would not
be quite as problematic if companies were required to reveal the connection
between themselves and the products they manufacture, but many product
labels do not make clear which brands are produced by which companies (and/
or owned by even larger parent companies).

Second, most ecolabels focus on a fairly narrow set of individual issues to
allow for a thorough examination utilizing specific expertise in a reasonable
amount of time. Thus, while any one ecolabel may certify humane animal
treatment, fair treatment of workers, environmentally sound cultivation, sus-
tainable harvesting of a resources, etc., few if any are able to examine a broad
range of issues to certify ethical behaviour across the spectrum. This has
prompted researchers to call for more effective, comprehensive, informational
tools (O’Rourke, 2005) including umbrella ecolabels that would allow both
companies and consumers to communicate around ethical behaviours more
efficiently (Ponte, 2004). However, the comprehensive measurement and
evaluation of companies across multiple social and environmental issues is,
to put it mildly, a challenging task.

The three-pronged problem of CSR measurement

Scholars typically measure CSR using data gleaned from three sources: 1)
companies’ own self-constructed annual reports (the most widely available
data); 2) broadly defined corporate reputation scales (e.g. Global RepTrak 100,
Fortune’s Most Admired Companies, Forbes’ Most Reputable Companies);
and 3) proprietary rating systems designed by the for-profit agencies that
work primarily with socially responsible investment firms (KLD Domini 400,
Asset4 ESG, FTSE4Good, AccountAbility, Innovest) (Abbott and Monsen,
1979; Orlitzky et al., 2003). Each of these three sources is problematic for
different reasons.

In the first instance, researchers analyse reports produced by the companies
themselves, though they sometimes supplement these data with third party
assessments of the reports’ relative transparency and details (e.g. Claremont
McKenna’s Pacific Sustainability Index). This tends to inadvertently privilege
form over content; the report itself might be clear, detailed, or well-organized,
but its truthfulness cannot be verified, and no evaluation can be made of

---

3 Two notable exceptions to both rules are B Corp and Green America, both of which certify
companies as a whole rather than individual products or product lines and cover a wide
range of ethical issues with their seal. Having said that, both ecolabels currently certify
only a small number of companies, the vast majority of which do not produce goods and
brands that are recognizable to even the average ethical consumer.
conduct that goes unreported (McGuire et al., 1988; Waddock and Graves, 1997). In fact, as Duygu Turker (2009) notes, a number of studies comparing the environmental reporting of companies to their environmental behaviour have found no significant correlation between the two (Freedman and Wasley, 1990; Ingram and Frazier, 1980; Rockness, 1985; Wiseman, 1982). In one study, researchers even identified a significant negative relationship between environmental performance and environmental self-reporting (Ingram and Frazier, 1980).

In the second instance, researchers utilize companies’ reputations as a surrogate for CSR, working under the assumption that positive CSR records will benefit companies’ national and/or global reputations and vice versa. The weakness of this strategy lies, of course, in that very assumption. Any number of unrelated factors such as financial performance, customer satisfaction, and effective public relations campaigns (particularly those targeted to overinflate the public perception of CSR) influence reputation (Vogel, 2006) and yet have no direct bearing on CSR itself. More recent research demonstrates little relationship between corporate reputation and actual CSR practices and reveals a consistent bias in favour of larger, more profitable companies (Liston-Heyes and Ceton, 2009).

In the third instance, researchers analyse data generated by ratings agencies working in the highly lucrative socially responsible investing sector, estimated at $2.34 trillion at the start of the millennium (Guay et al., 2004). In this case, the data are compromised at two levels. First, these data are usually commissioned by portfolio managers or by companies themselves. This inherent conflict of interest is more likely to result in favourable ratings for said companies than not. Second, these ratings often rely, in part, on the previously mentioned corporate annual reports (van den Brink and van der Woerd, 2004; Waddock and Graves, 1997) and are thus troubled by the same weaknesses. These data have far less credibility than independently audited data collected by third parties (Veleva et al., 2003), and since their methodologies are cloaked in secrecy, they often generate results with little or no validity (Chelli and Gendron, 2013).

At best, these strategies for measuring CSR suffer from self-reporting bias and conflicts of interest. At worst, the resulting data merely mimic the CSR picture painted by companies’ own sophisticated efforts to manipulate, spin, or greenwash their records (Ramus and Montiel, 2005). Scholars lament that while CSR research has burgeoned in recent years, our ability to accurately measure CSR remains questionable (Carroll, 2000; Chen and Delmas, 2011; Turker, 2009). Researchers have begun calling for measurement systems that are more valid, more transparent, and more resistant to the influence of corporations themselves (Liston-Heyes and Ceton, 2009; Zadek et al., 2005). While some of the most useful analyses for both consumers and companies would

---

4 CSR rating agencies have a vested interest in keeping their mutual funds profitable in order to maintain their competitiveness with both rival CSR rating agencies and less socially responsible investment options.
involve CSR benchmarking, or the independent comparison of a company’s efforts relative to their competitors, CSR scholars rarely use this approach (Bjorklund, 2010).

**Consumer CSR rating systems**

In an attempt to understand potential alternatives for CSR measurement and at the same time provide a more comprehensive solution for ethical consumers’ demand for CSR information, this study examines four major consumer-oriented systems that are being utilized by ethical consumers in three countries as potential alternatives to the aforementioned problematic data sources. The research specifically addresses the question: how do the company ratings of these various systems compare? And, how successful are they at accurately mapping the CSR landscape to ensure that ethical consumers can effectively choose between responsible and irresponsible companies in the marketplace?

As of 2014, there exist only a handful of CSR rating systems designed specifically for consumers. Relative to the data sources described above, these systems are less likely to suffer from financial conflicts of interest and are, thus (at least in theory) in a better position to yield valid data. While a number of non-profit groups measure corporate conduct with respect to particular issues, such as climate change (Climate Counts), fair wages (Fair Trade Federation), animal testing (PETA), or LGBTQ workplace treatment (Human Rights Campaign), there are few systems that attempt to measure CSR holistically. Those selected for this study include the UK’s *Ethical Consumer*, the Australian *Shop Ethical*, and two US systems, *Better World Shopper* and *GoodGuide* (Table 1). These systems were chosen primarily based on their popularity among consumers, as measured in July 2014 by the number of print copies sold (according to their respective publishers), the amount of online traffic (TrafficEstimate.com), and the number of smart phone application downloads (xyo.net). Importantly, these four systems also make their online ratings data available to the public. To the author’s knowledge, these are the only systems still in existence that have gained significant traction with the public in the US, UK, Australia, and Canada in the past two decades.5

5 There is a fifth system, based in the UK, Ethical Company Organisation, which has sold 80,000 copies of its *Good Shopping Guide* along with 2,000 copies of its smartphone app. However, unlike the other four systems, its ratings data is not readily available in a digital format, and was thus excluded from this research.
Rob Harrison and Jane Turner established *Ethical Consumer* in 1989 in Manchester, UK, when it produced its first magazine issue under the same name. In 1995, the non-profit produced a database of its ratings and made them accessible online via its *Corporate Critic* (corporatecritic.org) website. By analysing non-profit publications, daily news, public records, and data they request from companies themselves, the makers of this system focus on five dimensions of CSR: “animals, environment, people, politics, and product sustainability” (ethicalconsumer.org). The system catalogues incidences of minor and major criticisms to determine a final score for each company. The ratings are then translated into a scale of 0 to 15 (worst to best) depending largely on the frequency and weight of public criticism. The magazine is published six times annually.

Nick Ray and Clint Healy founded the Australia-based *Shop Ethical* in 2004. In 2008, they self-published a shopping guide, a smartphone app, and a website. The rating system examines four broadly defined dimensions of CSR: “environment, social, animals, and business governance” (ethical.org.au). The creators garner data from other non-profit groups, news reports, and third party-verified self-disclosures. Data older than five years are excluded from the ratings calculations but remain as general information under a company’s profile. The results are categorized using a system of symbols and greyscale shading. The guide praises and critiques companies’ CSR records, calls for boycotts of poorly rated businesses, and notes when no data are available. To maximize clarity, these ratings will be referred to as *Shop Ethical*’s ratings so as not confuse *Shop Ethical* (AUS) with the similar sounding *Ethical Consumer* (UK).

Ellis Jones began the US-based Better World Shopper in 2006 with the simultaneous publication of *The Better World Shopping Guide* and the release of the Better World Shopper website (betterworldshopper.org). Better World Shopper synthesizes publicly available data gleaned primarily from non-profit organizations over the past 25 years. Dimensions considered include: “human rights, environmental sustainability, animal protection, community involvement, and social justice” (betterworldshopper.org). The system generates numerical scores from −50 to +50 and translates them into an A to F grading scale.
In 2008, Better World Shopper released an app under the same name. The shopping guide is published biennially in book form.

Dara O’Rourke started the not-for-profit system, GoodGuide, at UC Berkeley in 2007. The online rating system (GoodGuide.com) examines companies’ overall CSR and evaluates individual products for potentially hazardous ingredients. The areas of focus include companies’ environmental and social performance. In addition, GoodGuide provides a health assessment of individual products. The rating system synthesizes data on 7,669 companies into a score of 0 to 10 points (from worst to best). The data is garnered from commercial data aggregators, government agencies, non-profit organizations, media reports and surveys they send to the companies directly. In 2009, GoodGuide released a phone app that includes the ability to scan the barcodes of individual products to link to CSR information on that product and company.

Defining corporate social responsibility

While the most common definitions of CSR include some combination of environmental and social components, broadly defined, the exact contents of these major components are still open to significant debate. Many ratings agencies, for example, include loosely connected and/or tangential issues such as: employee satisfaction, philanthropic behaviour, legal compliance, reputation, disclosure, governance, and even profitability, in the final calculation of CSR.

It is for this reason that the first discovery when comparing these four systems is somewhat surprising: namely that there is nearly perfect agreement among all four systems on what the major and minor components of CSR include. The issues are generally organized into four categories. The two major categories (environmental and social responsibility) are as expected, but the two minor categories (animal welfare and political influence) are not often noted in the literature. While there exists some variation in exactly what is included under each category, they are, for the most part, the same.

6 For the purposes of this research, all of the ratings used from GoodGuide are from their company ratings only. The category of health is also included for consumers when assessing individual products, but this additional category does not impact GoodGuide’s evaluation of the company as a whole.

7 While three of the four CSR rating systems rely almost exclusively on third-party data, GoodGuide chooses to include data in their analysis that stems directly from surveys filled out by the companies themselves. This remains somewhat controversial in the world of CSR rating systems as it opens up a significant possibility of biased data that may not be open to independent verification. However, this approach does allow GoodGuide to: 1) accumulate valuable data not available from third party sources (a sizable portion of overall CSR data); 2) establish a working relationship with the companies being analysed so that they may take their own ratings more seriously (and potentially work more diligently to improve them); 3) ask questions in the survey that may themselves lead to social and environmental improvements within the company as they are being answered; and 4) allow GoodGuide to measure a company’s transparency depending on how fully they answer the questions.
Though there is unanimous agreement on the inclusion of the two major categories, environmental and social responsibility, there are exceptions with regard to how they approach the two minor categories, animal welfare and political influence. Three of the systems integrate animal welfare issues into their respective rating systems. *GoodGuide*, however, does not include this category in the ratings themselves, rather it allows users to customize their own filter in order to identify (and potentially exclude) those companies that perform particularly well or poorly on what it terms “animal welfare certifications”.

The other minor category, political influence, is again included by three of the four systems. *GoodGuide* excludes this category from the calculation of the ratings themselves, but in this case it maintains an updated webpage, utilizing data from the Center for Responsive Politics, specifically dedicated to mapping corporate political contributions to candidates, political parties, and political action committees (PACs) and identifies what percentage of those donations end up in the coffers of Republicans and Democrats. It is important to note that *GoodGuide* does in fact include indicators of political contribution transparency under the category of social responsibility as a part of its rating system.

**Measuring corporate social responsibility**

In contrast with the relative agreement among the four systems on what CSR is, *how* to go about effectively measuring CSR in the everyday world presents something more challenging for these projects. And while there exists some overlap in the core methodologies of each system, it is in the implementation of these approaches that significant divergence begins to take place (see Table 2). Each of the four systems expresses a strong commitment to the primary use of third-party data sources screened for their quality, reliability, integrity, etc. Having noted this, three major approaches to measurement emerge based on the major data source utilized: 1) non-profit-centred approach (*Shop Ethical*, *Better World Shopper*); 2) commercial-centred approach (*GoodGuide*); and 3) media-centred approach (*Ethical Consumer*).

**Table 2 CSR measurement approaches**

<table>
<thead>
<tr>
<th>Rating system</th>
<th>Number of companies evaluated</th>
<th>CSR data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical Consumer</td>
<td>25,000</td>
<td>Primary: media criticism</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Secondary: direct surveys</td>
</tr>
<tr>
<td>Shop Ethical</td>
<td>2,205</td>
<td>Primary: non-profit sources</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Secondary: media criticism and praise</td>
</tr>
<tr>
<td>Better World Shopper</td>
<td>2,029</td>
<td>Primary: non-profit sources</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Secondary: government sources</td>
</tr>
<tr>
<td>GoodGuide</td>
<td>7,669</td>
<td>Primary: SRI ratings agencies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Secondary: direct surveys, CSR reports</td>
</tr>
</tbody>
</table>
The non-profit-centred approach is the most popular of the three methodological paths as it is the only option adopted by two of the four rating systems, *Shop Ethical* and *Better World Shopper*. *Shop Ethical* and *Better World Shopper* list 47 and 52 data sources respectively, primarily non-governmental accountability and activist groups focused on one or more CSR-related issues. Government agencies, commercial enterprises, and major news outlets represent less than 10% of data sources in both cases. While this approach allows for a minimal level of potential conflict of interest and is thus less likely to contain data that has been contaminated by media sensationalism, public relations, and a range of other profit-based biases, it tends to lag behind the latest CSR headlines and can often contain major gaps in both the number of issues comprehensively tracked and the range of companies included. Additionally, while this approach contains significant potential for maintaining the integrity of the data, it also seems to limit the number of companies that can be tracked by a factor of three to ten (see Table 2).

The commercial-centred approach has been spearheaded by *GoodGuide*. In an attempt to resolve the issue of how to produce useful results when quality CSR data remains largely unavailable, *GoodGuide* has decided to combine data from commercial aggregators with information provided by the companies themselves via surveys and CSR reports. More specifically, *GoodGuide* contracts with two for-profit data aggregators: Asset4 and IW Financial. Both of these companies sell access to their CSR databases to individuals and companies working primarily within socially responsible investment (SRI) circles. The competitiveness and profitability within the SRI community has led to a number of criticisms of conflicts of interest due to the tension between 1) the need for CSR screens that are strict enough to filter out irresponsible companies, and 2) the need to include enough profitable companies that resulting funds will perform well against their non-SRI counterparts, one of the major selling points of SRI funds. *GoodGuide* also constructs surveys which it sends out to companies in order to access data that is otherwise not available through other public or private channels. Again, this may inadvertently result in a certain level of data contamination as self-reporting can contain multiple levels of inaccuracy, but it does open up the number of companies significantly compared with the non-profit-centred approach. It remains to be seen whether these disadvantages outweigh the advantages of having a more complete, consistent set of CSR data on a broader range of companies.

The media-centred approach has been championed by *Ethical Consumer* for nearly 25 years. *Ethical Consumer* purportedly utilizes over 100 carefully selected publications including industry watchdog reviews, legal prosecution records, daily news sources, company annual reports, codes of conduct, and reports produced by NGOs dealing with CSR-related issues. This approach focuses on documenting major and minor criticisms that reveal themselves in the process of media analysis. The advantage of this approach lies in its ability to remain consistently current as it can synthesize the latest CSR headlines into its ratings in a matter of days/weeks (versus the months/years that alternative approaches must wait as their data begins to show up in surveys, reports, etc.).
This rapid flexibility, however, opens up potential vulnerability to the unequal reporting of the media sources. For example, larger and/or better-known companies will often make CSR headlines more regularly than more obscure and/or smaller companies. In addition, media sources are more likely to cover the most extreme cases as they generally garner more interest, readers, and revenue from the general public. Having noted this, no other approach comes close to the 25,000 companies included in the rating system based on media, and thus offers consumers the broadest coverage of any of the four systems.

**Scoring corporate social responsibility**

At the time of this research (July 2014), 106 companies were common to all four systems, and these were used as the basis for comparative analysis. This sample is not representative and is likely skewed toward companies that are both recognizable and available on the shelves in the supermarkets and shopping malls where these systems are produced (US, UK, AUS). For ease of analysis, all ratings were standardized by dividing each system’s results into quintiles, allowing for the creation of “best” “above average” “average” “below average” and “worst” companies categories (Tables 3 and 4).

<table>
<thead>
<tr>
<th>Quintiles</th>
<th>Standardized score</th>
<th>Ethical Consumer</th>
<th>Shop Ethical</th>
<th>Better World Shopper</th>
<th>GoodGuide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top</td>
<td>1</td>
<td>12.00–15.00</td>
<td>✔</td>
<td>black</td>
<td>A</td>
</tr>
<tr>
<td>Upper-middle</td>
<td>2</td>
<td>9.00–11.99</td>
<td>✔</td>
<td>grey</td>
<td>B</td>
</tr>
<tr>
<td>Middle</td>
<td>3</td>
<td>6.00–8.99</td>
<td>~</td>
<td></td>
<td>C</td>
</tr>
<tr>
<td>Lower-middle</td>
<td>4</td>
<td>3.00–5.99</td>
<td>❌</td>
<td>grey</td>
<td>D</td>
</tr>
<tr>
<td>Bottom</td>
<td>5</td>
<td>0.00–2.99</td>
<td>✔</td>
<td>black</td>
<td>F</td>
</tr>
</tbody>
</table>

Ratings were compared using six analytical strategies. First, a comparison of means demonstrated the degree to which systems “underestimate” or “overestimate” companies’ CSR if we allow the mean of means to represent the closest we can come to an “accurate” estimation without any outside source to compare to “true CSR”. Second, an analysis of company distribution across quintiles

---

8 While sampling at a single point in time (July 2014) allows for a fair comparison of the rating systems, it should be clear that these CSR ratings are constantly evolving both as companies change their behaviour and as the organizations behind each system refine and adjust their own algorithms in an attempt to increase their accuracy.

9 GoodGuide purports to rate companies from 0 to 10, but actual ratings vary only from 2.9 to 8.5. Thus, the scores have been adjusted in order to maximize variance and create consistency with the other three systems. Without this statistical adjustment, 99.9% of all of GoodGuide’s ratings occur in the middle three quintiles, leaving only 0.1% in the top quintile and 0% in the bottom quintile.
identifies normal and skewed distributions, providing a general picture of how each system metes out its ratings. Third, an analysis of outliers reveals how often and to what extent particular systems’ ratings fall outside of the expected range of results. Fourth, an analysis of variance (ANOVA) test demonstrates whether or not there is significant variation among the ratings. Post-hoc Tukey HSD and Scheffe Tests identify which specific systems, if any, yield significantly different results. Fifth, the ratings are analysed according to variation across company size to determine if there are general system biases in favour of small or large companies. Finally, the level of consensus across the rating systems for specific companies is examined to shed light on which companies, if any, are consistently rated in the same quintile (i.e. whether these systems agree on just who are the “good guys” and “bad guys”).

Table 4  Standardized company scores by quintile from best (1) to worst (5)

<table>
<thead>
<tr>
<th>#</th>
<th>Company</th>
<th>Ethical Consumer</th>
<th>Shop Ethical</th>
<th>Better World Shopper</th>
<th>GoodGuide</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ABInBev</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Adidas</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>105</td>
<td>Wrigley</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>106</td>
<td>Xerox</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

Findings

Assuming that the most valid estimate of each company’s CSR should lie close to the mean score across all four systems\(^\text{10}\) (Table 5), these data suggest that Ethical Consumer tends to overestimates companies’ CSR scores (−0.58) while

---

\(^{10}\) Unlike political polls, where one can measure the accuracy of a poll of voters by comparing the polling results to the actual election results, there is no final result that can be compared to CSR ratings at the end of the day. This poses a particularly difficult dilemma for both CSR researchers and ethical consumers as the “correct answer” will never be revealed as a way to readjust how CSR is measured. Despite this, consumer CSR rating systems (with all of their aforementioned flaws attempting to weave non-profit-, commercial-, and media-based data together) are still more likely to bring researchers closer to a measurement of actual CSR behaviour than either self-reporting (extreme biases), CSR rating agencies (conflicts of interest), or third-party certifications (overly narrow focus). And considering we have no alternative method to account for the biases inherent in each system, regardless of the small number of CSR rating systems that currently exist, the most prudent assumption available is that the mean of the scores for any company is more likely to land closer to measuring CSR on the ground than any particular individual score (or any other available data point).
Shop Ethical generally underestimates CSR scores (0.85). It appears that GoodGuide also overestimates CSR scores, but the degree is relatively muted (−0.27). Better World Shopper’s scores fall closest to the mean of all four systems (0.01), which suggests that its evaluations are more likely to be reflecting actual CSR behaviour.

Table 5 Comparison of mean score per system to mean across all systems

<table>
<thead>
<tr>
<th>System</th>
<th>Ethical consumer mean</th>
<th>Shop Ethical mean</th>
<th>Better World Shopper mean</th>
<th>GoodGuide mean</th>
<th>Average mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean score</td>
<td>2.65</td>
<td>4.07</td>
<td>3.24</td>
<td>2.95</td>
<td>3.23</td>
</tr>
<tr>
<td>Difference</td>
<td>−0.58</td>
<td>+0.85</td>
<td>+0.01</td>
<td>−0.27</td>
<td>0</td>
</tr>
</tbody>
</table>

A distribution analysis of companies’ ratings in each system by quintile (Table 6) reveals that Shop Ethical’s outlier status is likely the result of a rating system in which 55% of the companies fall into the bottom quintile. Only 7% of the companies evaluated end up in its top quintile. Ethical Consumer appears to have a somewhat lesser version of the opposite problem, with 24% of companies falling into the top quintile and only 6% ending up in the bottom quintile. GoodGuide gives out the fewest top scores (5%) of any system and gives 73% of its companies average or above average scores (as compared to 48%, 47% and 21% for the other systems). The most normally distributed ratings come from the Better World Shopper system, but even here we see the distribution skewing toward lower scores with 42% of companies in this system falling into the lowest two quintiles, while only 24% rate in the highest two. None of the distributions map clearly onto a statistically normal distribution.

Table 6 Distribution analysis by percentage of companies per quintile

<table>
<thead>
<tr>
<th>Quintiles</th>
<th>Ethical Consumer</th>
<th>Shop Ethical</th>
<th>Better World Shopper</th>
<th>GoodGuide</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top</td>
<td>24%</td>
<td>7%</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>Upper middle</td>
<td>22%</td>
<td>8%</td>
<td>14%</td>
<td>32%</td>
</tr>
<tr>
<td>Middle</td>
<td>26%</td>
<td>13%</td>
<td>33%</td>
<td>41%</td>
</tr>
<tr>
<td>Lower middle</td>
<td>23%</td>
<td>18%</td>
<td>26%</td>
<td>8%</td>
</tr>
<tr>
<td>Bottom</td>
<td>6%</td>
<td>55%</td>
<td>16%</td>
<td>14%</td>
</tr>
</tbody>
</table>

For the next analysis, outliers are identified in order to understand which system seems to be rating companies either abnormally high or low when compared with the average rating of the systems combined. An outlier is categorized as the quintile score for a given company that falls furthest from the mean quintile score across the four systems (e.g. if Company X earns ratings of 1, 2, 2, and 5 [with a 2.5 average score], then the system that generates the 5 would be considered the outlier system for this company). In 18 cases, either
all scores were equidistant from the mean score for the company or the two scores furthest from the mean were equidistant and thus no single system’s score qualified as an outlier, leaving 88 companies in which outlier system scores were identified. To maintain meaningful results while working with mean company scores (with variation only possible between scores of 1 and 5), these scores are organized into quartiles.

An analysis of outliers (Table 7) reveals that some systems were more likely than others to produce outliers in general: Ethical Consumer generated 29 outliers, Shop Ethical generated 25, GoodGuide generated 26, and Better World Shopper accounted for only 8. Perhaps more interestingly, outliers are not evenly distributed across high and low scoring companies. GoodGuide produced 13 of the 18 outlying, lowest-scoring companies. Ethical Consumer generated only 4 of these, Shop Ethical generated 1, and Better World Shopper did not generate any. This suggests that, relative to the other systems, GoodGuide may be consistently miscalculating the CSR of companies in the bottom 50% of companies.

Table 7 Number of outliers by mean company score

<table>
<thead>
<tr>
<th>Mean company score</th>
<th>Ethical Consumer</th>
<th>Shop Ethical</th>
<th>Better World Shopper</th>
<th>GoodGuide</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 1.99 (Top)</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>2 to 2.99 (Above avg)</td>
<td>8</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>18</td>
</tr>
<tr>
<td>3 to 3.99 (Below avg)</td>
<td>16</td>
<td>19</td>
<td>2</td>
<td>10</td>
<td>47</td>
</tr>
<tr>
<td>4 to 5 (Bottom)</td>
<td>4</td>
<td>1</td>
<td>0</td>
<td>13</td>
<td>18</td>
</tr>
<tr>
<td>Total</td>
<td>29</td>
<td>25</td>
<td>8</td>
<td>26</td>
<td>88</td>
</tr>
</tbody>
</table>

An ANOVA test reveals that these systems’ ratings vary significantly, $F(3,425) = 25.87$, $p < .001$. Both Tukey HSD and Scheffe Tests further reveal that the most significant difference is between Shop Ethical and all three other systems ($p < .01$). In addition, Better World Shopper is significantly different from Ethical Consumer ($p < .01$). There is no significant difference between Ethical Consumer and GoodGuide or between Better World Shopper and GoodGuide. This suggests that Shop Ethical’s system is significantly different from the other three. GoodGuide’s system differs the least among the three remaining systems.

Reorganizing the sample of 106 companies into evenly populated quintiles according to their annual sales and comparing their mean scores (Table 8) indicates that the largest companies tend to perform poorly, while the smallest companies tend to perform well. This suggests an expected bias against large corporations and in favour of small businesses (here it should be noted that

---

11 Each quintile contains approximately 20% of the 106 companies (exactly 21 companies except for the middle quintile which contains 22). Annual sales data recorded from Hoover’s online research database of company information (hoovers.com) accessed on 12 July 2014.
“bias” refers to mathematical variation, not necessarily substantive inaccuracy. Furthermore, these data suggest that Ethical Consumer is more likely than other systems to privilege small companies. Similarly, Shop Ethical’s evaluations are nearly a full quintile lower for companies of every size, except in the case of the smallest companies, revealing again its highly critical view of most corporate behaviour. GoodGuide, in contrast, privileges the largest companies and is consistently more critical of smaller companies. This counters the trend of all three other systems. Better World Shopper alternately underestimates and overestimates companies of varying sizes, thus failing to trend in one direction or another.

Table 8 Large vs. small companies (mean scores by annual sales in quintiles)

<table>
<thead>
<tr>
<th>Quintiles</th>
<th>Ethical Consumer</th>
<th>Shop Ethical</th>
<th>Better World Shopper</th>
<th>GoodGuide</th>
<th>Average mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Largest $25–250 billion</td>
<td>3.81</td>
<td>4.90</td>
<td>4.29</td>
<td>2.52</td>
<td>3.88</td>
</tr>
<tr>
<td>Larger $12–25 billion</td>
<td>2.76</td>
<td>4.14</td>
<td>2.95</td>
<td>2.71</td>
<td>3.14</td>
</tr>
<tr>
<td>Medium $3–12 billion</td>
<td>2.32</td>
<td>4.23</td>
<td>3.32</td>
<td>2.91</td>
<td>3.19</td>
</tr>
<tr>
<td>Smaller $0.6–3 billion</td>
<td>2.52</td>
<td>4.38</td>
<td>3.05</td>
<td>3.71</td>
<td>3.42</td>
</tr>
<tr>
<td>Smallest $.005–0.6 billion</td>
<td>1.86</td>
<td>2.67</td>
<td>2.57</td>
<td>2.90</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Arguably the most important question is the degree to which these systems agree on which companies are (and are not) socially and environmentally responsible. In this sample of 106 companies, there is unanimous agreement on only 2 companies. All four systems rate Seventh Generation and Method in the highest quintile. Another 17 companies earned the same quintile rating in three of the four systems (Table 9). Thus, 87 companies (approximately 82% of the sample) remain largely in dispute. On the face of it, these results are somewhat disappointing, particularly in light of the closely aligned values of each system. However, given that these four systems were established in three different countries and utilize significantly differing methodologies to calculate their ratings, any degree of consensus may arguably be taken as a significant step toward a more cohesive analysis of CSR. It may also be worth noting that the only place unanimous agreement occurs is at the very top of the ratings (i.e. the most responsible companies). This aligns well with the broader trend in CSR of being able to more easily identify those that are involved in best practices while struggling to identify those who may be consistently disregarding their responsibilities to broader stakeholders.
Table 9  Majority consensus ratings of companies per CSR quintile

<table>
<thead>
<tr>
<th>CSR</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest</td>
<td>Ecover, Lush, Method,† Patagonia, Seventh Generation,† Weleda</td>
</tr>
<tr>
<td>More</td>
<td>Kao Brands, Kimberly-Clark, Lego, Xerox</td>
</tr>
<tr>
<td>Average</td>
<td>Carlsberg, Hallmark, Kikkoman, Nike, North Face</td>
</tr>
<tr>
<td>Less</td>
<td>n/a</td>
</tr>
<tr>
<td>Lowest</td>
<td>Nestle, Polo Ralph Lauren, Procter &amp; Gamble, Revlon</td>
</tr>
</tbody>
</table>

† denotes perfect consensus from all four systems (all others are agreed upon by three)

Conclusions

The results of this study contain important implications for consumer organizations focused on CSR-related issues, ethical consumers, companies, legislators, and scholars. First, in the absence of more consistent ratings, ethical consumer organizations will find it challenging to achieve their primary goal: an informed and empowered consumer public that can effectively channel economic resources toward responsible companies and away from their less responsible counterparts. Because there exist no clear means by which we can accurately measure CSR, the organizations behind these rating systems should consider moving toward a more consensus-based model that will yield more consistent results for ethical consumers regardless of their geographic location.

Of course, this lack of agreement among CSR rating systems places ethical consumers in a difficult position. At the moment, ethical consumers’ best alternative may be to rely on the mean scores of each company across the four systems. While these scores are an imperfect option due in part to significantly reduced variance, they are more likely to be accurate than any one system. For this reason, these data should be made publicly available. Ethical consumers would be wise to urge these systems to reconcile their assessments in order to provide a more effective means of economic influence.

Companies themselves should be strongly encouraged to release more CSR data, more specifically data that can be usefully compared with those of other companies. In order to reduce bias, self-reported data should be easily auditable by independent, third-party, non-profit or government sources. Some of this work may be most appropriately spearheaded by CSR reporting organizations, such as the United Nations Global Compact, Global Reporting Initiative, or Social Accountability International, since these groups already require companies to format their data in particular ways.

From a legislative perspective, the most effective approach to increase the availability of CSR data would be to require companies to release it on an annual (or quarterly) basis, much like publicly held companies are required to release financial data. In this way, companies would not have to “unilaterally disarm”
by revealing CSR information that could be exploited by industry competitors but allow for mutual scrutiny of CSR practices at a predictable interval. In order to maximize the impact of this information, the reporting could be translated into a CSR equivalent of the FDA’s nutritional labels requirements for food items. This would allow the public to access more clearly comparable data, as well as provide the data in a user-friendly form that is immediately familiar to consumers.\(^{12}\) By making information accessible at the point of purchase, there is also an increased likelihood that consumers will take action based on the data provided. While the prospect of such regulation may appear slim, legislation like the Dodd–Frank Consumer Protection Act (US House of Representatives, 2010), which requires US manufacturers to report their use of Congolese conflict minerals, provides some hope for this avenue of potential progress.

For researchers in the field of ethical consumerism and CSR, it is clear that these consumer-oriented rating systems do not offer a ready-made replacement to the standard measures being used to assess CSR behaviour. These systems are significantly different from one another, and they agree upon fewer than 1 in 5 of all companies rated. However, there is (with the exception of GoodGuide) majority agreement that the largest companies are viewed more critically for their CSR legacy than smaller companies (reinforcing a popular insight often expressed by ethical consumers themselves). These systems also seem to provide a useful point of comparison that may allow us to better understand the blind spots that exist both for ethical consumers themselves (as they attempt to make sense of their range of responsible choices) and for scholars interested in improving the accuracy of the measurement tools currently being utilized in the field.

Additionally, the study’s findings suggest at least five potentially fruitful lines of future research. First, it would be useful to conduct similar studies that include the CSR rating systems of non-Anglosphere countries, including countries that have budding consumer movements (e.g. Japan, many EU countries) and countries where we are most likely to see future movements coinciding with rapidly expanding economies (e.g. Brazil, Russia, India, China). Second, it would be worthwhile to generate a more extensive comparison of the CSR ratings of the hundreds of companies that exist in only three of the four systems studied here. Such a study could help confirm or problematize the current findings and shed further light on the methodological dynamics discussed in this paper. Third, it could be valuable to return to these four systems in a few years in order to re-sample the same company ratings as well as re-examine their methodologies. From this researchers could develop a better understanding of how company practices have been changing over time and how rating systems are refining their methods to more effectively measure CSR behaviour. Fourth, it may be helpful to parse out exactly why there tends to be more agreement at the “most responsible” end of the corporate spectrum (both in terms of more consensus and in terms of fewer outliers) and less agreement on how to assess

\(^{12}\) Timberland has experimented with an ecological impact label for many of its shoes that mimics the FDA’s nutritional label format.
both “less responsible” and “least responsible” companies. Finally, researchers should consider comparing these systems’ data to those generated by the more commonly used for-profit ratings agencies, reputation scales, and companies themselves. Such an analysis might further clarify the advantages and disadvantages of using data gathered by third-party, consumer-oriented sources as well as reveal more biases that may need to be urgently addressed in the current data models.

References


