

# CORPORATE SOCIAL RESPONSIBILITY





- Person going from one side of the canyon to the other... a lot of clouds like fog. The point is going from one way of doing business to another is very tough. There's a lot uncertainty. It takes a lot of skill, but we have to lift ourselves beyond that, above the fog, and that's not going to be a simple exercise. CSR is about seeing the forest, the fog, and seeing how we can get on the other side, and how we can be well-equipped for doing that. So probably we need to develop additional skills, knowledge, and understanding."





“The message is that whatever we do today will have an impact on future generations. It’s not just my kids or your kids or somebody else’s. It’s future generations. We should not hope that the walls we build to protect ourselves will be tall enough to protect our children. Only with very conscious effort we can make the world for them a better place to live...even if we address our most selfish needs we have to address the needs of the next generation. That’s what CSR is about.”



# Definition of Corporate Social Responsibility

*"CSR is about how companies manage the business processes to produce an overall positive impact on society."*



# Definition

*"Achieving commercial success in ways that honour ethical values and respect people, communities, and the natural environment"*



# Definitions: Practice

WBCSD (World Business Council for Sustainable Development)

*"The continuing commitment by business to behave ethically and contribute to sustainable economic development while improving the quality of life of the workforce"*



# Definitions: Concept

Philip Kotler & Nancy Lee (2005)

*"a commitment to improve community well-being through discretionary business practices and contributions of corporate resources".*



# Corporate Social Responsibility (CSR)

## **CSR in Equation Form Is the Sum of:**

Economic Responsibilities (*Make a profit*)

Legal Responsibilities (*Obey the law*)

Ethical Responsibilities (*Be ethical*)

Philanthropic Responsibilities (*Good corporate citizen*)

**CSR**



# Perspective

From the 1950's to the present the concept of CSR has gained considerable acceptance and the meaning has been broadened to include additional components



# Corporate Social Responsibility (CSR)

## **Evolving Viewpoints**

- CSR considers the impact of the company's actions on society (Bauer)
- CSR requires decision makers to take actions that protect and improve the welfare of society as a whole along with their own interests (Davis and Blomstrom)

# *Responsibility*

Frederick provides expanded framework for understanding the evolution of CSR concept

Divided into 4 phases:

- Corporate social stewardship, 1950s – 1960s
- Corporate social responsiveness, 1960s – 1970s
- Corporate/business ethics, 1980s – 1990s

# Drivers of CSR

- The shrinking role of government
- Demands for greater disclosure
- Growing investor pressure
- Competitive markets



# Benefits of CSR...

- Strengthened brand positioning.
- Enhanced corporate image.
- Increased ability to attract, motivate, and retain employees.
- Increased sales and market share.
- Increased appeal to investors and financial analysts.



# CSR also known as

- Sustainable Development
- Corporate Citizenship
- Triple Bottom Line
- Business Ethics
- Sustainable Business Practices



# CSR EXAMPLES

- IBM UK - Reinventing Education Partnership programme Interactions and sharing of knowledge through a web-based technology - the “Learning Village” software. Culture of openness and sharing of good practice
- AVON - a partnership with Breakthrough Breast Cancer, and its Breast Cancer Crusade has raised over 10 million pounds since its launch 12 years ago
- TOI’s Lead India campaign, campaign for contribution towards educating the poor



# Companies in trouble

- **Dasani mineral water (part of Coca-Cola).**
- **Coke's sale was banned as the result of tests, including those by the Indian government, which found high concentrations of pesticides.**
- **Communities in India , around Coca-Cola's bottling operations are facing severe shortages of water as a result of the cola major sucking huge amounts of water from the common groundwater source.**



# Issues at NIKE

- **Nike Inc producer of footwear, clothing, equipment and accessory products for the sports and athletic market.**
- **Selling to approximately 19,000 retail accounts in the US, and approximately 140 countries around the world.**
- **Manufactures in China, Taiwan, Korea, Indonesia , Mexico as well as in the US and in Italy.**
- **People working - 58% young adults between 20 and 24 years old, 83% - women.**
- **Few have work-related skills when they arrive at the factory.**
- **Issue- unhealthy work environment – debates heated arguments, verbal abuse , 7.8% of workers reported receiving unwelcome sexual comments, and 3.3% reported being physically abused. In addition, sexual trade practices in recruitment and promotion were reported**

# Private Sector Perspective

*“Corporate Social Responsibility is not a cosmetic; it must be rooted in our values. It must make a difference to the way we do our business.”*



# CSR – A New Paradigm

To think comprehensively and systematically about

- The role of business in development
- The manner in which the business is conducted
- Corporate Governance
- Poverty alleviation
- Corporate contribution to peace and war against terror
- Business, government and civil society partnership- common ground and collective action



**Thank You!**

