Corporate Social Responsibility (CSR)

What does the above image mean?
CSR: Definition

Corporate Social Responsibility – Ac_______ taken by a firm that appears to further some soc_______ cause, beyond the interests of the comp_______ and what law and ethics require.

Examples: goods and services with “social” characteristics (e.g. organic produce) or managerial practices that promote a social objective, such as “progressive” HRM practices (equality, life balance)

Can you think of any other examples?

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<table>
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<tr>
<th>CSR: Evolving Viewpoints</th>
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<td><strong>CSR</strong> considers the im_____ of the company’s actions on society</td>
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<td><strong>CSR</strong> requires decision makers to take actions that pr_______ and impr_______ the wel_______ of society as a whole along with their own interests</td>
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<td><strong>CSR</strong> supposes that the corporation has not only eco_______ and le_______ obligations, but also certain responsibilities to soc_______ which extend beyond these obligations</td>
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<td><strong>CSR</strong> is the deliberate inclusion of pu_______ interest into corporate decision-making, and the honouring of a triple bottom line: <strong>people, planet, profit</strong></td>
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**Corporate Social Responsibility (CSR)**

- Seriously considering the impact of a company’s actions on society
- Requires the individual to consider his/her acts in terms of a whole social system, and holds him/her responsible for the effects of acts anywhere in that system
Stakeholders: those who are affected by the firm’s actions

Before we start to think about the issue of CSR

• Why do firms/organisations exist?
• What is their purpose?

So, where does CSR play a part?
What about NGOs (Non-governmental Organisations) such as Greenpeace, Oxfam
Some say that firms exist to maximise profits and returns…?  

• Milton Friedman and others economists have argued that a corporation/firm’s purpose is to maximize returns/profits to its shareholders.
• & since only people can have social responsibilities, corporations are only responsible to their shareholders and not to society as a whole.
• Some people perceive CSR as unrelated to the very nature and purpose of business, and indeed a barrier to free trade.

Do you agree?

CSR exercise (individual):

What is your viewpoint on CSR?

a) Does a business need to have a CSR policy? Why or why not?

b) Why should a business care about its stakeholders?

c) Can you name a good CSR idea that you know?
Business allegations

Business/capitalism has been accused of:

- Little concern for the **consu**_______ and **soc**_______
- Cares nothing about the deteriorating social order (gap between the rich & poor for example)
- Has no concept of acceptable **et**_______l behaviour
- **Indifferent** to the problems of minorities and the environment

**Is this true? Who is their loyalty to?**

From the 1950’s to the present, the concept of CSR has gained considerable acceptance and the meaning has been **broadened** to include specific issues, such as:

**Acceptance and Broadening of Meaning**

- Corporate governance (company rules/standards)
- Product safety
- Honesty in advertising
- Employee rights
- Environmental sustainability
- Ethical behaviour
- Global CSR
Worksheet 4A

Further arguments **For** CSR

- Addresses social issues brought on by business, and allows business to be part of the **social** issues.
- Protects business self-interest
- Wards off future **government** intervention
- Addresses issues by using business resources and expertise
- Addresses issues by being proactive
- The public supports CSR

Further arguments **Against** CSR

- Restricts the classic economic goal of profit maximization
- Business is not **equipped** to handle **social** activities
- Dilutes the primary purpose of business
- Increases the power of business
- **Limits** the ability to compete in a global marketplace

For most of what we have just talked, some people ponder the question “isn’t this why we have **laws**?”

- **THE LAW IS NECESSARY BUT INSUFFICIENT**
  - THE LAW IS REACTIVE
  - THE LAW IS SLOW
  - BUSINESS IS CHANGE-ORIENTED & FASTER

- Consider the impacts for your future and your generation
- Big companies are getting larger and more powerful
- Resources in the world are becoming scarce (trees, oil, fish etc.)
- How do you want to live and be treated as a human being, worker and member of society?
**CSR Homework:**

Please find a **large Chinese corporation** that has a CSR policy (one that is in English too)
I would like you to analyse it by:

1. Giving a **brief** introduction of the company (and a website link for me)
2. Outline the main ideas and concepts of their CSR policy
3. Why do you think that they have the particular policies they do?
4. How do you think their CSR policy affects their stakeholders?
5. Anything else interesting that you think is important.

**Deadline for the work:** 12\textsuperscript{th} November 2010
Send to me as a Word document via email to lambtoncarl@gmx.com
In your opinion, what is the most important thing to remember?

What are the keywords from this worksheet?

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<tr>
<th>English:</th>
<th>Chinese translation:</th>
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