



Corporate Social Responsibility – Why Bother?

1. CSR – What Is It?

- Corporate conscience, responsible business, corporate self regulation.
- Affects the way you deal with suppliers, employees and clients alike.
- It is part of your business strategy on how you run your company.
- States your approach to how you use resources in the environment.

2. CSR – Why Do It?

- New income generation is not a reason to take CSR seriously.
- Encourages community, company growth and development
- Includes public interest into corporate decision-making.
 - Example – Public consultation on proposed projects

3. CSR – What's In It For Me?

- CSR benefits are difficult to quantify, marginally easier to measure
- A key piece of research by Orlitzky, Schmidt & Rynes (2003) "Corporate Social and Financial Performance: A Meta-Analysis" concluded that "Corporate social performance is positively correlated with Corporate Financial Performance and is bi-directional.
- CSR Benefits to a business include;
 - Staff Retention – especially with graduates, and raises company profile with staff.
 - Risk Management – business reputations take years to build, scandals can ruin a company instantly. Encouraging a culture of "doing the right thing" can offset risks.
 - USP – CSR can assist with differentiation against competitors if done well. Will build customer loyalty.
 - License to Operate – Voluntary steps in promoting CSR can assist with dealing with Govt. Departments e.g. HMRC as they believe you take your business seriously.

4. Different Forms Of Approach

- Community Based Development – Most people aware of this type e.g. assisting local schools with children's learning, refurbishment of buildings etc.
- Philanthropy – Money donations to local or impoverished organisations in developing countries e.g World Child Cancer.
- Incorporation into Business Strategy – e.g. KPMG stating that all tea and coffee's in all offices will be Fair Trade only.
- Creating Shared Value (CSV) – corporate success and social welfare are inter-dependant.

5. Main Criticism's of CSR

- Businesses are owned by their shareholders - money spent on CSR by managers is theft of the rightful property of the owners
- The leading companies who report on their social responsibility are wasting their time - the most effective business leaders don't waste time with CSR
- Our company is too busy surviving hard times to do CSR. Can't afford to take our eye off the ball, we have to focus on core business
- It's the responsibility of the politicians to deal with all this stuff. It's not our role to get involved
- Corporations don't really care - they're just out to cheat the poor and the environment to make their obscene profits.



6. Conclusion

- CSR can assist in supporting a business. This is a fact.
- CSR will not generate sales by itself.
- There is a proven correlation between corporate social performance and corporate financial performance that should not be ignored.
- We live in a cynical world and any CSR statements or policy should be well thought out and truly meant.
- You will be helping others by indirectly, and possibly directly improving their lives with the previously discussed benefits.

7. The Bottom Line

- CSR is already happening in most businesses through professionalism and care of environment, staff, suppliers and clients.