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What We Know and Don't Know About Corporate Social Responsibility: A Review and Research Agenda

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The authors review the corporate social responsibility (CSR) literature based on 588 journal articles and 102 books and book chapters. They offer a multilevel and multidisciplinary theoretical framework that synthesizes and integrates the literature at the institutional, organizational, and individual levels of analysis. The framework includes reactive and proactive predictors of CSR actions and policies and the outcomes of such actions and policies, which they classify as primarily affecting internal (i.e., internal outcomes) or external (i.e., external outcomes) stakeholders. The framework includes variables that explain underlying mechanisms (i.e., relationship- and value-based mediator variables) of CSR-outcomes relationships and contingency effects (i.e., people-, place-, price-, and profile-based moderator variables) that explain conditions under which the relationship between CSR and its outcomes change. The authors' review reveals important knowledge gaps related to the adoption of different theoretical orientations by researchers studying CSR at different levels of analysis, the need to understand underlying mechanisms linking CSR with outcomes, the need for research at micro levels of analysis (i.e., individuals and teams), and the need for methodological approaches that will help address these substantive knowledge gaps. Accordingly, they offer a detailed research agenda for the future, based on a multilevel perspective that aims to integrate diverse theoretical frameworks as well as develop an understanding of underlying mechanisms and microfoundations of CSR (i.e., foundations based on individual action and interactions). The authors also provide specific suggestions regarding research design, measurement, and data-analytic approaches that will be instrumental in carrying out their proposed research agenda.

Keywords: corporate social responsibility; sustainability; microfoundations of corporate social responsibility; corporate citizenship; corporate social performance

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Creating and Capturing Value: Strategic Corporate Social Responsibility, Resource-Based Theory, and Sustainable Competitive Advantage

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Good Ethics
= Good business?

The authors analyze the creation and capture of private and social value by firms that adopt corporate social responsibility (CSR) strategies. Strategic CSR is defined as any “responsible” activity that allows a firm to achieve a sustainable competitive advantage, regardless of motive. To provide a roadmap for managers to accomplish this objective, the authors integrate the resource-based theory (RBT) framework with concepts and tools from economics, such as hedonic pricing, contingent valuation, and the new literature on the economics of industrial organization, where CSR is referred to as “the private provision of public goods.” By linking CSR, RBT, economic models of private provision of public goods, and pricing models, the authors demonstrate how RBT can provide a structure for determining the strategic value of CSR. They then discuss the conditions under which CSR can contribute to sustainable competitive advantage.

Keywords: strategic CSR; RBV; RBT; contingent valuation; hedonic pricing; externalities

In recent years, scholars have devoted considerable attention to the managerial implications of corporate social responsibility (henceforth, CSR). Although there has been considerable discussion about the moral choices managers face when encountering CSR (McWilliams & Siegel, 2001b), most CSR studies in the management literature focus on the relationship between CSR and firm performance (e.g., Margolis & Walsh, 2001; McWilliams &

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Freedom of Expression, Internet Responsibility, and Business Ethics: The Yahoo! Saga and Its Implications

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Abstract In the late 1990s, the Internet seemed a perfect medium for business: a facilitator of unlimited economical propositions to people without any regulatory limitations. Cases such as that of Yahoo! mark the beginning of the end of that illusion. They demonstrate that Internet service providers (ISPs) have to respect domestic state legislation in order to avoid legal risks. Yahoo! was wrong to ignore French national laws and the plea to remove Nazi memorabilia from its auction site. Its legal struggle proved futile and may have harmed its business. This essay argues for the adoption of standards of corporate social responsibility (CSR). CSR considerations may trump some forms of antisocial, highly offensive expression.

Keywords Internet · Yahoo! · Nazi memorabilia · Corporate social responsibility (CSR) · Business ethics

Introduction

In his cyber law scholarship, Lessig (1999, pp. 43–44) distinguishes between two claims. One is that, given its architecture, it is difficult for governments to *regulate behavior* on the Internet. The other is that it is difficult for governments to *regulate the architecture of the Internet*. The first claim is true; the second is not. It is not hard for governments to take steps to alter Internet architecture and, in so doing, facilitate regulation of Internet behavior.

In the late 1990s, the Internet seemed a perfect medium for business: supranational, diffusive, with wide distribution and little regulation, offering enormous opportunities to investors. In his famous “declaration of the independence of cyberspace,” the Internet theorist John Perry Barlow wrote,

Governments of the Industrial World, you weary giants of flesh and steel.... You have no sovereignty where we gather. You have no moral right to rule us nor do you possess any methods of enforcement we have true reason to fear. Cyberspace does not lie within your borders.¹

Cases such as that of Yahoo! mark the beginning of the end of the no-sovereignty illusion. They demonstrate that Internet service providers (ISPs) have to respect domestic state legislation in order to avoid legal risks. An ISP is a company or other organization that provides a gateway to the Internet, enabling users to establish contact with the public network. Many ISPs also provide e-mail service, storage capacity, proprietary chat rooms, and information regarding news, weather, finance, social and political events, travel, and vacations. Some offer games to their subscribers and provide opportunities for shopping. Yahoo! is one of the most popular search engines and websites in the world. The company also provides multiple other web services, including a directory (Yahoo! Directory), email, news, maps, advertising, an auction site, and video sharing (Yahoo! Video).²

The Yahoo! controversy juxtaposes two contrasting views: Yahoo!’s Internet-separatist view that it can engage in commerce as it chooses notwithstanding national laws

Famous Yahoo case.
What can we learn?
Note Lawrence
Lessig - see my
notes +
Bowie (2006)

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¹ “The Internet’s new borders” (2001); Shea (2006, p. K4).

² <http://everything.yahoo.com/>; <http://uk.yahoo.com/?p=us>.

Business ethics and its impact on SCA (Case study Amazon.com)

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*Case Study
Use for your
analysis.*

Abstract

The article uses a case study analysis of Amazon.com's strategy to develop an understanding of the e-commerce competitive environment and the importance of building a sustainable competitive environment to create value for the firm, its customers, and its shareholders. Business ethics are becoming more and more topical and important. Ethics are very important to all business people. Yet, many neglect ethics as an important concept that has a major impact upon a person's success as an entrepreneur and investor. In this paper we aimed to provide some evidences to support the idea that being ethical, transparency, and morality can make a firm much different from competitors. This paper is trying to present a model for relationships between ethics and SCA and connect it to amazon.com situation to show how this web site cares about ethics and transparency to keep customers satisfied. We conclude that the need for ethics in any kind of business like amazon.com has never been greater, precisely because the power of business was never so manifold and as extensive as it is today. In a global business environment, responsible marketers discover what consumers want and respond with marketing offers that create value for buyers in order to capture value in return. Some marketing companies use questionable practices and some marketing actions that seem innocent in them but strongly affect the larger society.

Keywords: Business ethics, SCA, Amazon, customer behavior

Introduction

Amazon.com began by selling books directly to customers over the Internet and by passing the traditional industry channels. Customers who valued the time saved by shopping from home rather than driving to physical retail outlets flocked to Amazon.com's Web site to buy books. Industry competitors Barnes and Noble and Borders Books were forced to develop their own Web sites, thus driving up their cost of doing business.

According to Efuture center (2008) some types of goods are ideal for selling over the Internet; others are less suitable. For example, Amazon.com aims to make book buying fast and easy. Most people buy books based on the information contained on the jacket, or after reading a book review. Or, they may simply like the previous work of the author. Because all of this information can be displayed effectively on an e-business site, selling books over the web works well.

To survive, it is critical that online retailers create a sustainable competitive advantage in their e-commerce strategy and plan for long-term strategic positioning. Ethical issues are becoming very important in today's competitive market. Transparency and "honesty is the best policy" still have

Examining the effect of ethics on internet advertising effectiveness, case study: Niazrooz.com web site

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*Iranian
case study
Quantitative
Method.*

Abstract

Advertising and marketing is one of the factors that affect consumer behavior and their selection. With the advent of new technologies and increase the ease of goods development, consumers are more at risk. One of the most important ways to protect consumer, is regulate advertising and marketing side by side promote the professional ethics in business. As the use of internet commerce, the use of ethical standards is also will be important in the virtual world. The aim of this research is examining the ethics of advertising in e-commerce and impacts of ethics on advertising acceptance. This research is based on data that obtained through a survey study. Hypotheses were tested by Spss and Amos software and after explaining the topics, the effect of ethics on trust, advertisement avoiding and advertisement effectiveness is examined. It is clear that ethics is an effective factor on advertising effectiveness and finally some others conclusion and discussion is offered as the results.

Key word: Trust, Internet Advertising, Ethics, Advertisement Effectiveness

1. Introduction

In order to achieve organizational goals, they have to relate with various community and groups and satisfy their needs. By developing commercial and industrial organizations and increase competition between them they only focus on their profit and organizations done their goals through any instruments. One of the most extensive areas of marketing systems, is advertising. The importance of advertising is so that the term of marketing has been synonymous with advertising. Every year, billions of dollars spent on advertising in different media and Modern human lives is exposed to the commercial advertising. Actually from the time that man wakes up until he goes to sleep, he faces variety of different advertising media. Advertising effectiveness is a key point in evaluating advertising. Companies are always interested in measuring the effectiveness of their advertising. Effectiveness of advertising is varied from a media to others. Media such as TV, magazines, newspapers, radio and recently online media, are infrastructures to convey the ad messages. Development of internet has created new environment that provides possibility of purchase and sale and actually transaction for consumers and vendors. The numbers of internet users have approximately



Corporate social responsibility: the 3C-SR model

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Abstract

Purpose – To develop a model that bridges the gap between CSR definitions and strategy and offers guidance to managers on how to connect socially committed organisations with the growing numbers of ethically aware consumers to simultaneously achieve economic and social objectives.

Design/methodology/approach – This paper offers a critical evaluation of the theoretical foundations of corporate responsibility (CR) and proposes a new strategic approach to CR, which seeks to overcome the limitations of normative definitions. To address this perceived issue, the authors propose a new processual model of CR, which they refer to as the 3C-SR model.

Findings – The 3C-SR model can offer practical guidelines to managers on how to connect with the growing numbers of ethically aware consumers to simultaneously achieve economic and social objectives. It is argued that many of the redefinitions of CR for a contemporary audience are normative exhortations ("calls to arms") that fail to provide managers with the conceptual resources to move from "ought" to "how".

Originality/value – The 3C-SR model offers a novel approach to CR in so far as it addresses strategy, operations and markets in a single framework.

Keywords Corporate social responsibility, Social capital, Corporate strategy

Paper type Conceptual paper

Customer focus,
for CSR – a new
theory?

Introduction

Business in society scholars have developed many theoretical frameworks intended to map and measure business organisations' roles and impacts in civil society. However, over 50 years since Bowen (1953) published his seminal *Social Responsibilities of the Businessman*, management practitioners in general still prefer the narrower economic orientation of the Chicago School to a broader acceptance of social responsibilities. Why does this view persist in the face of overwhelming evidence that its associated externalities present clear and present dangers to society? In this paper, the authors argue that adoption of corporate responsibility (CR) in the commercial world has been limited, to those areas offering economic gains, because scholars have not provided adequate conceptual resources to help managers integrate other aspects of CR into their corporate strategies and operations.

To support this claim we first evaluate several well-known models of CR to establish the overriding focus on definition, scope and measurement (at the expense of implementation). This will establish the paucity of conceptual tools with which to realise a strategic, operational and market relevant approach to CR. We will then outline a processual model of CR that we term the 3C-SR model and explain how it may help bridge the gap between academic exhortation and practitioner actionability. Finally, we offer some initial ideas on how the model can be implemented to deliver a competitive strategy built on social resources that offers triple bottom line benefits.

See
Porter &
Kramer
(2011)
CSV
Theory



Are the corporate social responsibility matters based on good intentions or false pretences? An empirical study of the motivations behind the issuing of CSR reports by UK companies

Samuel O. Idowu and Ioanna Papasolomou

Motivation
Can we identify
this? How?

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Abstract

Purpose – This paper documents the motivations of modern corporations in issuing corporate social responsibility (CSR) reports to their stakeholders. It further demonstrates why these entities have suddenly become more moral or ethical.

Design/methodology/approach – An empirical methodology was used to gather and analyse the required information from companies drawn from two sectors of the capital market.

Findings – The study results suggest that UK companies have different reasons for issuing CSR reports, for instance; in response to an increasing number of stakeholders requesting information on CSR, companies believe that doing so is good for business, to derive positive public relations benefits, to comply with the government's request for them to issue information on CSR, etc.

Originality/value – Information on corporate entities' CSR activities is considered to be valuable by both academic researchers and business managers as it provides a working framework on which future studies can be based. In addition, it improves understanding of the social obligations which corporate entities owe to their stakeholders and society in general.

Keywords Corporate social responsibility, Reports, Business policy, United Kingdom

Paper type Research paper

Introduction

Several authors have argued that there are enormous benefits, which corporations of the twenty-first century can derive when they are perceived by their stakeholders as being socially responsible; see for example Crowther (2003) and Idowu and Towler (2004). The field of corporate social responsibility according to Jackson (2003) appears to have thrived following recent incidents in the corporate world and the world in general; for example the collapse of Enron, WorldCom, Parmalat, the pressing ecological issues such as climate change, a few well-publicised environmental accidents, the globalisation of the economy and information transfer. These are a few of the occurrences, which have helped to reshape how society now sees the role of corporate entities around the world and what society expects from these corporations.

A causal relationship appears to exist between an increase in the phenomenon of voluntary environmental disclosure in annual reports or other documents issued by corporate entities and the enormous benefits noted earlier. Campbell (2004) notes an overall increase in disclosure volume of voluntary environmental information in a study of the annual reports of ten UK companies between 1974 and 2000, with a marked upturn in the late 1980s. Patten (1992) and Deegan *et al.* (2000) have also noted an increase in the volume of environmental

*Measure what they do,
not just what they say.*

Raising the bar: from corporate social responsibility to corporate social performance

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Abstract

Purpose – Consensus is emerging that companies should be socially responsible although the nature and degree of responsibility continues to be the source of debate. This continued debate allows the buck to be passed. The paper aims to propose a shift in view from corporate social responsibility to corporate social performance (CSP) as a means to assess CSR policies and practices. A harmful product category was chosen to illustrate how corporate social performance using a consumer's point-of-view can be assessed.

Design/methodology/approach – Literature concerned with alcohol knowledge was used to design a survey to consider whether consumers were adequately informed about alcohol. A convenience sample was used to survey Australian adults. A total of 217 surveys were analysed.

Findings – Australian alcohol marketers are currently considered socially responsible promoting an "enjoy responsibly message" amongst many other policies and programs. A shift in view from corporate social responsibility to corporate social performance (CSP) would change the outcome. Consumers are not fully aware of safe consumption levels of alcohol and these data are consistent with US and UK studies. A shift in view would suggest that companies need to revise their policies and practices.

Research limitations/implications – This study was based on a small convenience sample that varied slightly from the Australian population. Future studies, on a larger scale, are required to ensure representativeness, while replication in other countries is encouraged.

Practical implications – To meet their social obligations, marketers must ensure consumers are armed with sufficient knowledge to make informed decisions. Consumers need to be able to distinguish between safe and risky alcohol consumption levels and they need to know the number of standard drinks/units in alcoholic beverages.

Originality/value – The paper shows that there is considerable room for improvement from key players in the Australian

Keywords Corporate social responsibility, Consumer behaviour, Customer information, Alcoholic drinks, Australia

Paper type Research paper

An executive summary for managers and executive readers can be found at the end of this article.

Introduction

One of the best-known corporate social responsibility (CSR) models is Carroll's (1991, 1999) CSR pyramid, which presents company responsibilities as comprising economic, legal, ethical and philanthropic dimensions. According to this model businesses are expected to be profitable, obey the law, be ethical, and to be good corporate citizens (Carroll, 1991, 1999). This presents a problem for some product marketers. To fulfil their economic responsibilities, marketers of products such as alcohol must simultaneously increase volumes sold, gain efficiencies in production or achieve sales growth and cost efficiencies. In stable markets where there is little population growth, an increase in the volumes sold introduces a conflict, because in order to sell more consumers need to

drink more, thus increasing certain health and social risks. While low to moderate alcohol consumption may offer some protective health effects, high alcohol consumption increases the risk of heart, and vascular diseases, stroke, liver cirrhosis and some cancers (e.g. Blume and Resor, 2007).

In Australia the total volume of beer consumed grew nearly 3 per cent, to 1.8 billion litres in 2005, following a 4 per cent increase in 2004. These growth rates exceeded population growth rates, which are reported by the Australian Bureau of Statistics (2006b) to average 1.3 per cent in Australia in the same time period. These statistics suggest that the average Australian may be consuming more alcohol. This is further supported by the Australian Bureau of Statistics, who report that one in every eight adults drank at high or risky levels and this proportion is rising (Australian Bureau of Statistics, 2006a). While Australian alcohol marketers are meeting their economic responsibilities, they may not be ethically or philanthropically responsible.

A leading beer marketer in Australia acknowledges that "minimising the potential negative impacts of alcohol is a shared responsibility" with a stated aim "to ensure that products are in all cases enjoyed responsibly by informed adults" (company websites) however statistics suggest the proportion of people who are drinking at risky/high levels has increased from 8.2 per cent in 1995, to 13.4 per cent in 2004/2005 (Australian Bureau of Statistics, 2006a). The statistics certainly suggest alcohol is not always enjoyed responsibly by

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The Future of Corporate Social Responsibility

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This paper offers a contemporary look at that part of corporate community involvement which in recent years has become known as 'corporate social responsibility'. The author adopts a broader perspective than Michael Porter's prominent article on 'corporate philanthropy'. Here, the voluntary and discretionary expenditures of business on social and environmental projects are seen to be more closely aligned with corporate risk management and reputation-building than with corporate strategy. After some observations about terminology and philosophical attitudes, the paper notes the growing pressure on business to undertake discretionary social and environmental expenditures and to account publicly for such activities through institutionalized annual reporting. Some recent international initiatives to foster and popularize corporate social responsibility are summarized and their features briefly assessed, as is one attempt to measure corporate social responsibility. The paper seeks to illuminate the 'hidden' issues in this increasingly popular contemporary movement. The most important of these are to identify who ultimately pays for such expenditures and who ultimately makes decisions about them. At the same time it is noted that the capabilities of private business in the social arena may sometimes exceed those of government. The paper concludes with a number of judgements about the nature and legitimacy of this contemporary development and also about its future.

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Keywords: corporate social responsibility; triple bottom line; corporate philanthropy; sustainability reporting

Drivers for
CSR
adoption

Introduction

This paper offers a reasonably comprehensive overview of contemporary attitudes towards 'corporate social responsibility' (CSR), and their influence on business. The author's perspective is that of a commentator on business, rather than a commentator on social or environmental issues. However, the main purpose of the paper is to draw attention to issues which the author regards as important, yet finds neglected. These are explained and their

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While Gap Inc. was once the target of global protests, the company has since cultivated close relationships with stakeholders such as labor groups, human rights organizations and governments.

How Gap Inc. Engaged With its Stakeholders

Back when protesters were targeting the company, the Gap realized that it needed to overhaul the way it interacted with its critics. So the company launched a strategy of stakeholder engagement.

BY N. CRAIG SMITH, SEAN ANSETT AND LIOR EREZ

Case Study - Drivers for CSR

THE PICTURES THAT came out of the southern African mountain kingdom of Lesotho in August 2009 were truly disturbing. A reporter from the London *Sunday Times* had found that a contractor to leading apparel brands, including Gap Inc., had allegedly dumped toxic materials into local landfills.¹ Poor local children, some as young as five, had reportedly found razors and harmful chemicals while scavenging through burning refuse piles. "We itch all day and some of the sacks used to dispose the chemicals have powder that makes our hands and arms burn," said one girl. Some children suffered from breathing problems, rashes and watery eyes. A subsequent CBS broadcast added a further, vivid twist: The contractor's discharge of garment dyes and other contaminants into the nearby Caledon River had turned the water indigo blue, making it hazardous for local inhabitants. To make matters worse, some workers at the factory claimed management treated them badly. All in all, it was a brand manager's nightmare.

A similar crisis 10 years before had led to global protests that went on for months, at considerable cost to the San Francisco-based company, employee morale and even the child workers themselves.

?

THE LEADING QUESTION

How does stakeholder engagement work in practice?

FINDINGS

- Stakeholder engagement is not easy; the process is often expensive and slow.
- Identifying and prioritizing stakeholders can enable a company to focus on developing relationships with a few key stakeholder organizations.
- Over time, Gap's stakeholder engagement strategy has improved perceptions of the company.



Shopping for tomorrow: promoting sustainable consumption within food stores

Shopping for
tomorrow

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Abstract

Purpose – The purpose of this paper is to offer an exploratory case study of how the UK's top ten food retailers are communicating sustainable consumption agendas to their customers within stores.

Design/methodology/approach – The paper begins with a discussion of the growing awareness of the role that retailers, and more particularly food retailers, can play in promoting sustainable consumption. This is followed by a short literature review of current thinking on sustainable consumption. Information obtained from two simple "walk through/visual observation and information collection" surveys conducted within the largest store operated by each of the top ten food retailers within the towns of Cheltenham and Gloucester, UK, provided the empirical material for the case study. The paper concludes with some reflections on how sustainable consumption fits into the large food retailers' business models.

Findings – The survey revealed that, while the UK's top ten food retailers were providing customers with some information on sustainable consumption, the dominant thrust of marketing communication within stores was designed to encourage consumption. More generally, the paper concludes that, at best, the UK's leading food retailers are pursuing a weak model of sustainable consumption and that their definitions of, and engagement with, sustainable consumption is driven as much by commercial imperatives as by commitments to sustainability.

Originality/value – This paper provides an accessible review of the extent to which the UK's leading food retailers are communicating sustainable consumption agendas to their customers within stores and as such it will be of value to academics, practitioners, consumer organisations and policy makers interested in the role retailers can play in promoting sustainable consumption.

Keywords Sustainable consumption, Food retailers, Food industry, Marketing communications, Retailers, United Kingdom

Paper type Research paper

Introduction

Sustainable consumption is a core policy objective within the UK government's sustainable development strategy yet Cohen (2005) has argued that "sustainable consumption" is the most obdurate challenge for the sustainable development agenda. In examining "the role of business" in "mainstreaming sustainable consumption", the World Business Council for Sustainable Development (2008) has stressed the importance of "using marketing communications to influence consumer choice and behaviour." This report further argues that marketing "can help consumers to find, choose and use sustainable products and services, by providing information, ensuring

Visual
Observation
methodology



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Recognizing Business Ethics: Practical and Ethical Challenges in Awarding Prizes for Good Corporate Behaviour

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Philippe Bélanger

Rewards + Penalties for good CSR?

ABSTRACT. There seems to be a proliferation of prizes and rankings for ethical business over the past decade. Our principal aims in this article are twofold: to initiate an academic discussion of the epistemic and normative stakes in business-ethics competitions; and to help organizers of such competitions to think through some of these issues and the design options for dealing with them. We have been able to find no substantive literature – academic or otherwise – that addresses either of these two broad topics and audiences. Our modest aim, therefore, is to suggest an agenda of issues, and to begin to explore and analyse some of the possible arguments for and against various philosophical or practical solutions. Part I explores the challenges facing a prize-organizing committee, including problems derived from what Rawls calls the “fact of pluralism” in democratic societies (reasonable people will always disagree over some basic values, including those relevant to evaluating business practices), and epistemic issues about how we can justify qualitative judgments on the basis of incomplete quantitative data. We also try to identify risks and opportunity costs for ethics-prize granters. In Part II we spell out (a) a range of design options and (b) some advice about how any particular prize-awarding committee might select among these options to best achieve its goals (which typically involve highlighting and publicizing best practices for ethical business).

KEY WORDS: business ethics, corporate citizenship, prizes, rankings, social and ethical auditing and reporting

Introduction

Consultants and academics who specialize in business ethics know the drill. They open the newspaper to see details of an emerging corporate scandal, typically involving illegal activities. And within a day or so the telephone rings and a journalist is on the

line seeking an expert opinion on the “ethics” of the firm at the heart of the scandal. If there are two or three such scandals in quick succession, the journalist may want an opinion on whether or why we are witnessing a general decline in business ethics. More often than not, the business-ethics expert has very little to add to such stories. The company or one of its managers broke the law. The law had been put in place precisely to serve as a disincentive to engage in activities with particular types of ethically negative consequences. The company or its agents knowingly or negligently went ahead with the dubious activities. There is often little of interest that an ethicist can contribute here, although journalists are obviously happy to be able to transmit some expert finger-wagging. As Bob Dylan famously put it, “You don’t need a weatherman to know which way the wind blows”. You do not need an ethicist to tell you that fraud, or theft, or lying, or poisoning people, is unethical.

It would be much more interesting for business ethicists to receive a different kind of call from journalists from time to time, for example, about a difficult dilemma faced by a business, where it is not at all obvious what the most ethical solution is. Or, to get to the point of this article, many business ethicists would be delighted to comment on the innovative ethically ‘positive’ practices of certain firms. But these calls rarely come. The net effect is that business-ethics news is almost always bad news. And one consequence of this is that it reinforces a perception of business and business leaders as fundamentally unethical, checked only by the countervailing power of state regulations, auditors, police, investigative journalists, whistleblowers and heroic NGOs.

Employee volunteering: soul, body and CSR

Tamar Barkay

Forms of
Corporate
Philanthropy

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Abstract

Purpose – By focusing on the intra-organization dimension of corporate social responsibility (CSR), this paper aims to offer an ethnographic analysis of the way Coca-Cola integrates its re-branding and marketing strategies with CSR and the processes through which this strategic agenda is diffused into the company's national franchise in Israel.

Design/methodology/approach – The research is based on a combined qualitative methodology of interviews with managers and employees on all levels of the organization; participant observations of formal meetings, company events and informal gatherings; and document evaluation.

Findings – This paper shows how the CSR program is purposefully and rationally designed to meet the standards of a business case approach to CSR and that, accordingly, company managers integrate it into the activities of departments and divisions such as sales, marketing, and human resources (HR). The paper further shows that the cause-marketing and product-branding goals underlying the global re-branding strategy of Coca-Cola have been mediated through employee volunteering projects that are based on the recruitment and mobilization of the physical bodies of employees not only as "bodily-corporate-producers", but also as "bodily-corporate-ambassadors".

Research limitations/implications – The in-depth empirical research that focused on a single corporation enabled the author to reach a better understanding of the intricate organizational processes involved in the implementation of CSR programs and their effects. At the same time, the research plan lacks a comparative examination of similar processes in other corporations. In this regard, this paper delineates the theoretical and empirical contours for future studies on the actual effects of implementation processes of the business case model for CSR.

Originality/value – The paper enriches a missing part in the literature regarding empirical examination of the impact of CSR at close range and at the level of individual firms.

Keywords Employee-volunteering, Corporate governance, Business case for corporate social responsibility, Community relations, Israel

Paper type Research paper

Introduction

The notion and practice of corporate social responsibility (CSR) has by now become an integral element of political life in general and corporate governance in particular (Aras and Crowther, 2008; Kolk and Pinkse, 2010). Corporations design or join a variety of initiatives with the aim of promoting their social performances (den Hond *et al.*, 2007). Such measures include the creation of designated managerial positions, the development of "socially responsible" managerial systems, and the adoption of firm-specific and industry-wide codes of conduct. Corporations also launch community projects which they publicize through various media, integrate "corporate citizenship" and CSR items to their websites, publish annual social sustainability reports, mobilize CSR at the service of "social branding" and "cause marketing", and join global initiatives such as the UN Global Compact[1] (Crowther, 2008; Brown *et al.*, 2010).

The author is indebted to Professor Ronen Shamir for his invaluable comments and insights. The author would also like to thank the two anonymous reviewers for critical reading and useful suggestions.

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The view from within: internal publics and CSR

Internal publics
and CSR

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Received 10 September 2009
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Abstract

Purpose – The purpose of this paper is to explore the significance of corporate social responsibility (CSR) as a predictor of organisational commitment of internal publics. More precisely, the study seeks to examine which dimension/s of CSR significantly predict/s which dimension of organisational commitment.

Design/methodology/approach – The study uses web-based survey research method and employs hierarchical multiple regression analysis to explore the predictive ability of four dimensions of CSR on three dimensions of organisational commitment, from the perspective of employees.

Findings – The research shows that while the ethical-legal dimension of CSR is a significant predictor of three dimensions of organisational commitment, the discretionary and economic dimensions of CSR are not.

Research limitations/implications – This was a quantitative study using survey methodology and would benefit from a follow up qualitative study or a set of case studies in multiple industries/countries. Since the results show that ethical-legal CSR significantly predicts organisational commitment, a relational outcome in relationship management theory, PR practitioners can incorporate ethical-legal CSR in CSR strategy, implementation and communication, thus enabling the building and maintenance of organization-public relationships.

Originality/value – This study offers a fine grained investigation of the predictive abilities of four dimensions of CSR on three dimensions of organisational commitment and offers public relations practitioners insight into the specific dimension of CSR that has most impact on multiple dimensions of organisational commitment.

Keywords Corporate social responsibility, Employees behaviour, Public relations, Organizational commitment, Internal public, Stakeholders

Paper type Research paper

*Internal
organisation
of CSR dimensions*

Introduction

The debate surrounding corporate social responsibility (CSR) has undergone multiple iterations in recent times (Lenssen, 2007). According to Lenssen, one of the latest shifts has been the business case for CSR, which contends that being socially responsible is

The methods and results sections of this paper greatly benefited from consultations with Dr Klaus Boehnke, Professor of Social Science Methodology at Jacobs University Bremen, Germany, Visiting Professor at the Department of Psychology of the National University of Singapore (NUS) in the academic year 2008-2009. Thanks are also due to Dr Cho Hichang, Assistant Professor, Communications and New Media Programme, NUS, Dr Mohan J. Dutta, Professor of Communication at Purdue University, Dr Linda M. Perry, Visiting Senior Fellow at Communications and New Media Programme, NUS, and the two anonymous reviewers for their valuable comments and suggestions.



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Doing Right Leads to Doing Well: When the Type of CSR and Reputation Interact to Affect Consumer Evaluations of the Firm

Yuan-Shuh Lii · Monle Lee

*Reputation Management
Impact on Consumers*

Received: 4 October 2010 / Accepted: 13 June 2011 / Published online: 28 June 2011
© Springer Science+Business Media B.V. 2011

Abstract This study investigates the efficacy of three corporate social responsibility (CSR) initiatives—sponsorship, cause-related marketing (CRM), and philanthropy—on consumer–company identification (C–C identification) and brand attitude and, in turn, consumer citizenship behaviors. CSR reputation is proposed as the moderating variable that affects the relationship between CSR initiatives, C–C identification, and brand attitude. A conceptual model that integrates the hypothesized relationships and the moderating effect of CSR reputation is used to frame the study. Using a between-subjects factorial designed experiment, the results showed that all three CSR initiatives have a significant effect on C–C identification and brand attitude. The level of that influence, however, varied according to a firm’s CSR reputation. Managerial implications of these findings are also discussed.

Keywords Brand attitude · C–C identification · Citizenship behavior · Corporate social responsibility · Cause-related marketing · Philanthropy · Sponsorship

Introduction

The notion of developing a good reputation as a sound investment by firms is well recognized. Obtaining the right

reputation helps firms realize value (Fombrun 1996), such as charge premium prices, enjoy enhanced customer loyalty (Klein and Leffler 1981; Milgrom and Roberts 1986b), increase customer identification with the company (Keh and Xie 2009), and attract better human resources and more capital resources (Milgrom and Roberts 1986a; Stigler 1962). Corporate social responsibility (CSR) initiatives are one means firms utilize to gain a positive reputation (Fombrun and Shanely 1990). Today, more than 80% of the Fortune 500 companies address CSR issues on their Websites (Bhattacharya and Sen 2004) and as many as 90% of these companies already have CSR initiatives in place (Luo and Bhattacharya 2006), clearly reflecting the pervasive belief that performing CSR initiatives does lead to better reputation.

CSR includes corporate social acts that satisfy social needs beyond the legal obligations of a firm (Angelidis and Ibrahim 1993; Enderle and Tavis 1998). CSR is thus a key component of a firm’s marketing toolbox because it responds to consumer expectations, improves corporate performance and reputation, and at the same time, helps worthy causes (Sen and Bhattacharya 2001; Nan and Heo 2007). For example, Starbucks’¹ recent CSR campaign, using the slogan “Are You In?”, offers a free cup of coffee and a pledge card in exchange for 5 h of documented community service between January 21 and 25, 2009. While the campaign provides a platform to those consumers that are ready to do something meaningful, it also helps to reinvigorate Starbucks’s image and its tie to each local community.

CSR initiatives are well established in marketing literature as affecting a variety of outcomes, including a firm’s image or reputation (Nan and Heo 2007; Polonsky and

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¹ Starbucks corporate website: <http://pledge5.starbucks.com/>.

A new direction for CSR: the shortcomings of previous CSR models and the rationale for a new model

Jane Claydon

Jane Claydon is based in the Sociology Department, University of Sussex, Brighton, UK.

Abstract

Purpose – This paper aims to take the reader on a journey through the development of CSR since it first emerged in the 1940s, through to contemporary models of CSR.

Design/methodology/approach – By drawing on existing CSR literature the achievements and gaps of CSR are demonstrated. The literature review focuses on a small selection of important CSR models, referencing the most iconic from the last few decades.

Findings – Existing CSR models are critiqued as being insufficient in providing an adequate understanding of CSR. It is asserted that a more efficient model of CSR is required and a new model of CSR is proposed, which is more relevant to and reflective of the present day business environment. The model of "consumer-driven corporate responsibility" (CDCR) is founded on the notion that consumer demand for CSR is both the most likely and the most effective driver for the implementation of CSR in a company.

Research limitations/implications – As CSR is rapidly evolving, undoubtedly models will be created after this paper was written, that, for this reason, are out of the scope of this review.

Practical implications – This paper provides an alternative, more comprehensive and more effective model of CSR, useful as a tool for academics and business leaders alike.

Originality/value – As the model of CDCR focuses on the conditions under which companies are most likely to adopt CSR from both a descriptive and normative perspective, it is proposed as being a more suitable approach to CSR.

Keywords Corporate social responsibility, Business ethics, Corporate governance, Sustainable development, Ethical consumption, Consumerism

Paper type Conceptual paper

The concept of corporate social responsibility (CSR) has become an increasingly common term and conjecture in the political, academic and business realms over the last century. During this time, it has experienced a period of constant defining and modelling, re-defining and re-modelling. This paper aims to take the reader on a journey through the development of CSR, demonstrating what it has achieved and highlighting the gaps it is yet to fill. The reader will be navigated around the development of CSR since it first emerged in the 1940s through to four models of CSR that have been more recently created. These models are a small selection but range from those which have been the most commonly referred to over the last few decades, such as stakeholder theory (Freeman, 1984) and the "pyramid of CSR" (Carroll, 1991), to the some of the more complex and contemporary, such as the "model of sustainable development" (Aras and Crowther, 2009) and "CSR 2.0" (Visser, 2010). A critique shall then be put forward, arguing that such models are insufficient in providing either an adequate descriptive or normative understanding of CSR, subsequently asserting that a more efficient model of CSR is required. Lastly, a new model of CSR will be proposed which is more reflective of and better suited to the present day business environment. This model, named "consumer driven corporate responsibility" (CDCR) is founded upon the notion that consumer demand for CSR is both the most likely

Another 'NEW' model of CSR - see Porter & Kramer (2006) etc.

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Effects of Skepticism on Consumer Response toward Cause-related Marketing in Malaysia
 Anuar, Marhana Mohamed; Mohamad, Osman. *International Business Research* 5.9 (Sep 2012): 98-105.

Abstract (summary)

Hide highlighting

Cause-related marketing (CRM) is a marketing tool that brings benefits to a sponsoring company, a cause and a consumer. Companies all over the world are showing greater interest in CRM because of the plethora of benefits it brings to key stakeholders and the increasing consumer concern over socially responsible consumption. However, despite the widespread adoption of CRM among companies, consumers may view CRM with skepticism. Using a survey method, this study examined whether or not Malaysians are skeptical toward CRM. Further, this study examined the impact of consumer skepticism on attitude toward and evaluation of CRM. The results showed that, in general, consumer skepticism toward CRM falls in the middle range. The results also showed that consumer skepticism significantly influences attitude toward CRM and CRM evaluation. Thus, some issues need to be taken into consideration by companies in order to reduce the level of consumer skepticism toward CRM. [PUBLICATION ABSTRACT]

Full Text Turn on search term navigation

Headnote
Abstract

Cause-related marketing (CRM) is a marketing tool that brings benefits to a sponsoring company, a cause and a consumer. Companies all over the world are showing greater interest in CRM because of the plethora of benefits it brings to key stakeholders and the increasing consumer concern over socially responsible consumption. However, despite the widespread adoption of CRM among companies, consumers may view CRM with skepticism. Using a survey method, this study examined whether or not Malaysians are skeptical toward CRM. Further, this study examined the impact of consumer skepticism on attitude toward and evaluation of CRM. The results showed that, in general, consumer skepticism toward CRM falls in the middle range. The results also showed that consumer skepticism significantly influences attitude toward CRM and CRM evaluation. Thus, some issues need to be taken into consideration by companies in order to reduce the level of consumer skepticism toward CRM.

Keywords: cause-related marketing, consumer skepticism, Malaysia

1. Introduction

Today's consumers are becoming increasingly concerned over environmental and social issues such as conservation of the environment, recycling, poverty and education of the poor. This has influenced and shaped their consumption patterns. Consumption patterns that take into consideration the impact of consumption on environmental and social issues can be considered as socially responsible forms of consumption. Cause-related marketing (CRM) enables consumers to make a difference in society through their purchases. In line with this, there has been increasing interest in the adoption of CRM campaigns among companies in many parts of the world. According to IEG Sponsorship, spending on cause-partnerships was expected to reach USD1.55 billion in 2009, a 2.2% increase from the previous year (IEG Sponsorship Report, 2009).

In Western countries, especially in the United States of America (USA) and in the United Kingdom (UK), CRM campaigns have been widely used as a promotional tool to increase sales and to raise funds for causes. Indeed, CRM has been used as an important promotional tool for more than 20 years. The first CRM campaign is believed to have been conducted by American Express in 1983; the campaign was conducted to raise funds to restore the Statue of Liberty (Adkins, 2000; Pringle & Thompson, 2001). CRM has now evolved from being a promotional tool to a strategic tool that is tied directly to corporate strategies. In Malaysia, CRM is becoming more and more popular; many companies such as Kentucky Fried Chicken (KFC), Colgate, The Loving Company (TLC) and Body Shop have used CRM campaigns to increase sales and at the same time contribute to several causes. This means that each time a consumer purchases a CRM product, a proportion of that spend is donated to a cause. For example, since 2006, KFC has conducted CRM campaigns to support World Hunger Relief Funds to help support poor people all over the world. In this campaign, a proportion of the purchase price for certain KFC menu items is donated to the World Hunger Relief Funds. Cause-related marketing allows consumers to express their concerns about environmental and social issues such as environmental conservation, hunger, poverty, education for poor children and support for disabled people through their purchases in grocery stores or supermarkets at no additional cost to them in terms of time and money.

An important issue that has arisen in respect of the increasing trend toward socially responsible consumption among consumers and the widespread use of CRM in many parts of the world is whether or not consumers view CRM with skepticism. Consumer skepticism makes consumers doubt or question a company's claims regarding its involvement in trying to improve or mitigate social and environmental issues. Previous studies point out that in a country where CRM is widely used, such as in the USA, consumer skepticism toward CRM is declining (e.g., Webb & Mohr, 1998). In addition, previous studies suggest that consumers in countries where CRM is less established have a less positive attitude toward CRM (Lavack & Kropp, 2003; Singh et al., 2009). Consumer skepticism toward CRM is a challenge for companies investigating the possibility of implementing CRM. This is because CRM tends to be viewed with skepticism because a donation to a particular cause is linked with a purchase of a product (Singh et al., 2009). Thus, consumers often perceive CRM as an exploitation of a cause for a company's self-interest (Cui et al., 2003; Forehand & Grier, 2003). Past research suggests that skepticism affects consumer response to CRM campaigns (Bronn & Vrioni, 2001; Pirsch et al., 2007; Singh et al., 2009; Webb & Mohr, 1998). Moreover, consumer skepticism could lead to rejection of the CRM claims made in CRM campaigns (Bronn & Vrioni, 2001) and could affect the purchasing behavior of consumers (Gupta & Pirsch, 2007).

Since CRM is becoming more prevalent in Malaysia, it is crucial to gain an understanding of the level of Malaysian consumer skepticism toward CRM. In relation to this issue, this study aimed to answer two questions: First, are Malaysian consumers skeptical toward CRM campaigns? Second, what is the impact of consumer skepticism toward CRM on attitude toward and evaluation of CRM campaigns?

The study of these issues is essential considering the widespread adoption of CRM among companies and lack of empirical evidence on the level of consumer skepticism toward CRM in Malaysia. This study will extend the application of Signaling Theory (Spence, 1973) to the context of CRM. The results of this study will also provide important information for marketers and managers who are involved in CRM campaigns in Malaysia and in other countries where CRM is a new concept. In this paper, first an overview of CRM is presented together with a definition thereof. Second, a definition of skepticism is given and the impact of consumer skepticism toward CRM on consumer behavior variables is discussed. Third, the methodology used in this study is

Investigating the Types of Value and Cost of Green Brands: Proposition of a Conceptual Framework

Erifili Papista · Athanasios Krystallis

Value of being green

Received: 12 September 2011 / Accepted: 23 May 2012 / Published online: 23 June 2012
© Springer Science+Business Media B.V. 2012

Abstract This conceptual article applies the customer value (CV) concept in the context of green marketing aiming to provide insights on the factors that motivate and/or hinder the development of consumer–green brand relationships. The article draws upon existing literature on the streams of CV, relationship marketing and environmental behaviour and synthesises relevant findings to propose an integrated conceptual framework entailing all identified types of value and cost, psychographic characteristics, as well as dimensions of relationship quality (RQ) and loyalty. Furthermore, it addresses existing questions on the links among constructs and proposes several relationships that may lead to a better understanding of consumer behaviour towards green brands. Through the here-proposed conceptual model, the article initiates the process of empirically examining the consumer adoption of and relationship development with green brands. The CV framework adopted here may provide practitioners with knowledge on the value and sacrifice factors, as well as the dimensions of RQ that are the most important in targeting green consumers and designing relationship marketing strategies. The article also fulfils an identified gap in the literature, as it is the first that brings together and applies research findings from CV and relationship marketing

fields in the green marketing context and proposes an integrated approach to understanding consumer–green brands relationships.

Keywords Green brands · Customer value · Cost · Relationship quality · Loyalty

Introduction

The issue of consumer behaviour towards green brands has received considerable attention in contemporary consumer research. The main dimensions addressed by this research stream include the identification of environmental consciousness of consumers of various socio-demographic profiles (e.g. Diamantopoulos et al. 2003; Schwepker and Cornwell 1991), and the development of scales for measuring the level of environmental concern (e.g. do Paco et al. 2009; Schultz 2001; Zimmer et al. 1994), whereas much research has also focused on non-consumption and post-consumption behaviours, such as recycling and energy conservation (e.g. Follows and Jobber 2000; Lee 2009). Notwithstanding the wide array of environmental issues that existing research has addressed, knowledge of the factors that influence consumer purchasing behaviour towards green brands remains limited. The widely applied attitude-value-intention models have clearly demonstrated that, although individuals do perceive environmental issues as serious, their environmental attitudes do not consistently translate into environmental behaviours (e.g. Bamberg 2003; Kilbourne and Beckmann 1998; Nordlund and Garvill 2002; Krystallis et al. 2011). Thus, despite increasing level of concern towards the environment, research to date has not provided satisfactory answers to the puzzling question of why expectations about purchases

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Trust & business

FEB 2013

<http://bsr.london.edu/blog/post-109/index.html> Accessed 12-04-2013

Can we really trust today's businesses?

Posted by: Ioannis Ioannou Tag(s): Sustainability, with Comments

Companies that behave well cannot always be trusted — at least not until you know more about their corporate culture. Some set up elaborate websites to showcase their ethics and broader commitments to society and the environment. Others participate in the UN Global Compact, publish sustainability reports, implement complex and detailed sustainability scorecards, or adopt far-reaching mission statements. Most are undertaking numerous corporate social responsibility (CSR) initiatives, including carbon, energy and water management and community involvement. Why not trust them?

Actions alone are simply not enough. In times of economic crisis, these initiatives are often dropped or cut back — a sign of fickle commitment. There is also a major lack of understanding by the companies regarding the true impact of their “socially responsible” activities on themselves and on others. Frequently they follow the latest sustainability trends simply because others do.

As a result, plenty of these initiatives soon fail, are ineffective or wasteful, cannot scale up, and even destroy shareholder wealth. Not surprisingly, companies that engage in such activities have received a mostly negative reaction by capital markets — often by consumers too. PepsiCo, for example, had to refocus attention on products that linked to obesity and diabetes risks, retreating from earlier promises to make health and wellness a priority. This was partly due to capital market pressures to fix declining profitability and a flat share price.

However, as my recent research with Robert Eccles and George Serafeim shows, in order to build trust, a company needs to become sustainable not only environmentally, but also in the social and economic senses. Adopting a multi-dimensional commitment to sustainability, deeply embedding it into its corporate culture, and synergistically linking it to corporate strategy involves leadership and corporate governance, deep stakeholder engagement, strong employee commitment, transparent reporting and auditing practices, and truly long-term thinking. Significant financial benefits await companies that do establish such a culture.

Corporate cultures are not established overnight. They require time, effort, investment, and long-term commitment. It's a transformational change that may take years. This means that during the period of change, companies may sometimes behave well and also misbehave, depending on how far along they are on the journey.

Therefore, in deciding whether to trust business, keep in mind two things. First, good behaviour alone is not enough to make a company trustworthy. Second, bad behaviour should not automatically lead to the loss of your trust. Ultimately, it's crucial to understand the direction and speed of change that mark the company's corporate culture. “Corporate cultures are not established overnight. They require time, effort, investment, and long-term commitment.”

Author(s)

Ioannis Ioannou is Assistant Professor of Strategy and Entrepreneurship at London Business School
There are 4 posts by [Ioannis Ioannou](#) in Opinion.

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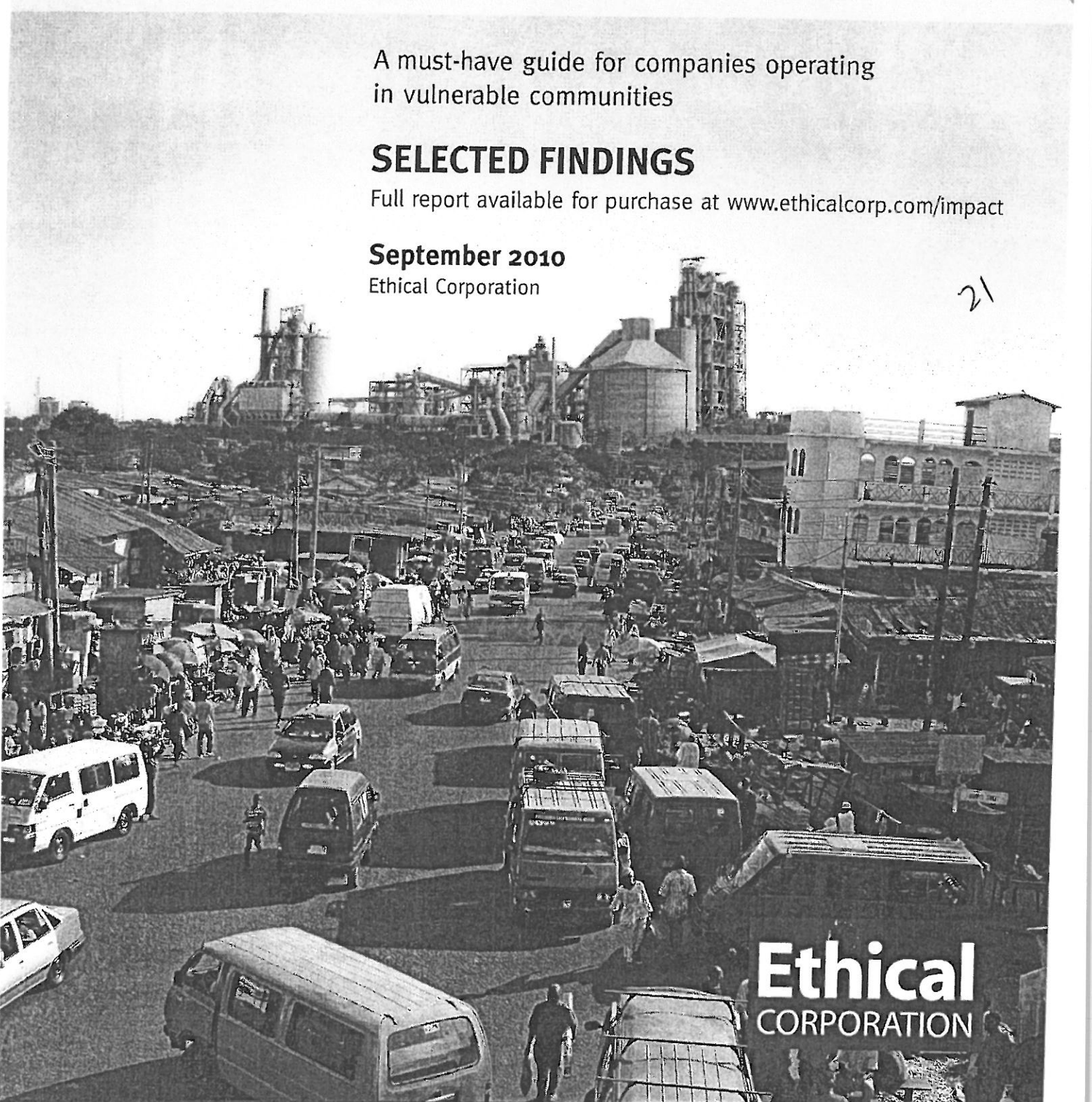
SELECTED FINDINGS

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Impacts -

A few of the report's key findings

This brand new report was prepared by independent experts and incorporates strategies and data from **over 30 corporate sustainability experts**.

Here are a few of the primary data findings published in this report...

67% of corporate sustainability professionals who responded to an Ethical Corporation survey said their company "measures social and/or economic impact of their business on the communities where they operate" (n=116).

This positive response astounded the 100 corporate sustainability professionals who turned up in London for a debate where Ethical Corporation shared its preliminary results of this report.

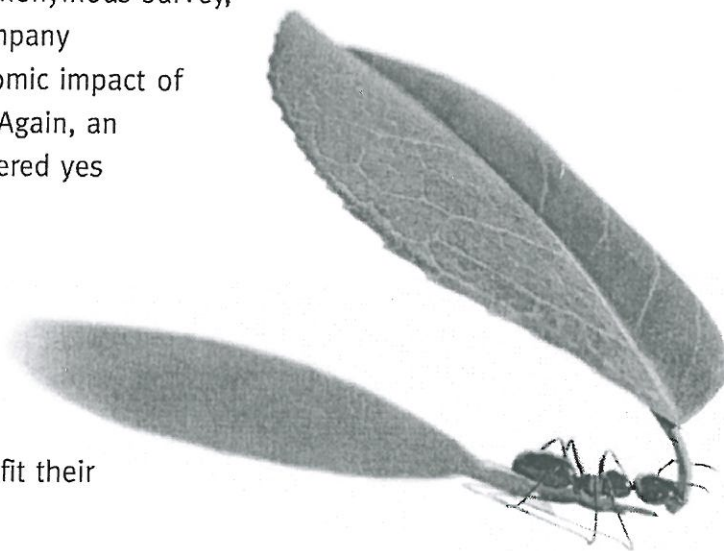
Are companies actually concerned with their impact on society?

Ethical Corporation delivered a second anonymous survey, asking a similar question: "Has your company conducted a study of the social or economic impact of your operations on a local community?" Again, an affirming **69% of respondents** answered yes (n=50).

Companies are beginning to realise that corporate sustainability is about much more than being green, despite a hazy understanding of exactly how social and economic impact studies benefit their business.

73% of respondents indicated that communication of their business impacts is one of the main reasons for conducting the studies. Yet a growing number of companies are using the studies more strategically.

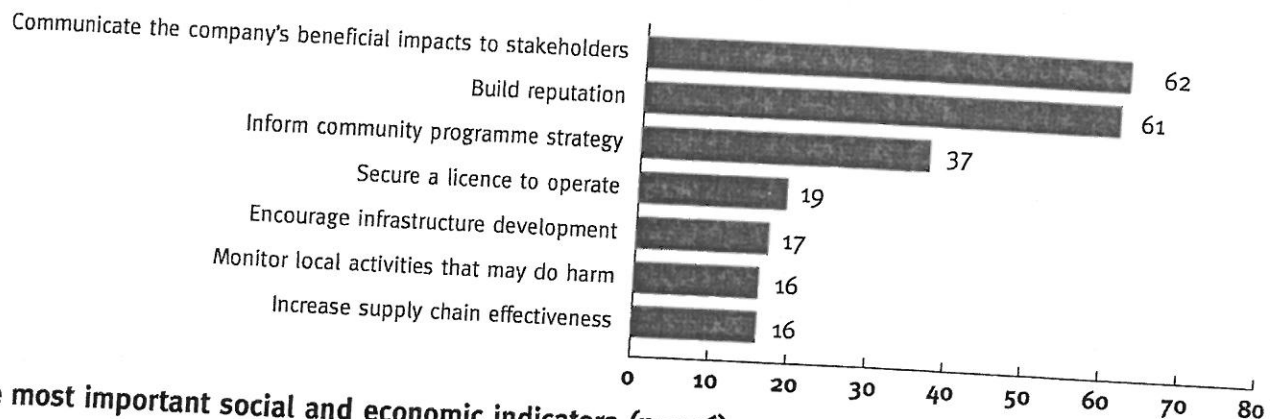
71% of survey respondents said that the results of impact studies directly affect their business strategy.

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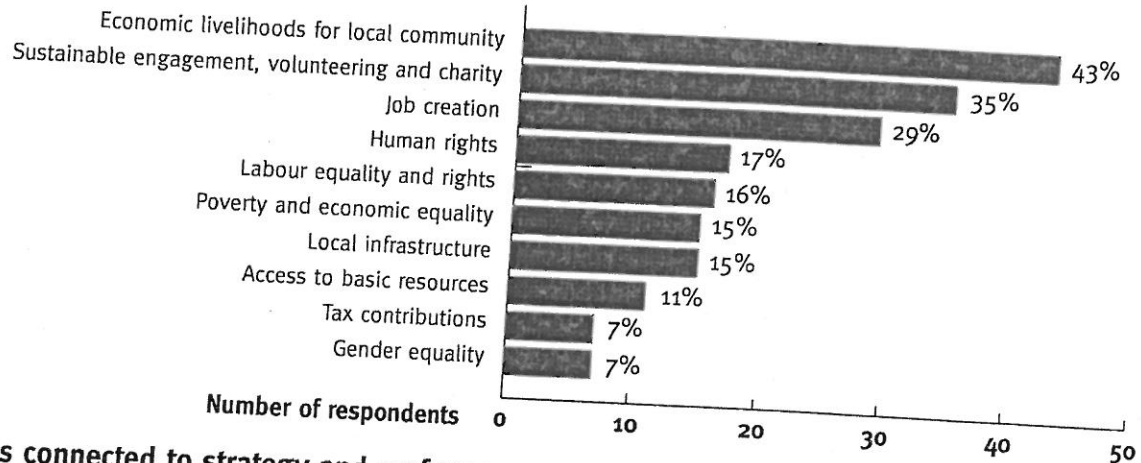
More key findings

The report looks at the 'how' and 'why' companies across a number of industries conduct impact studies.

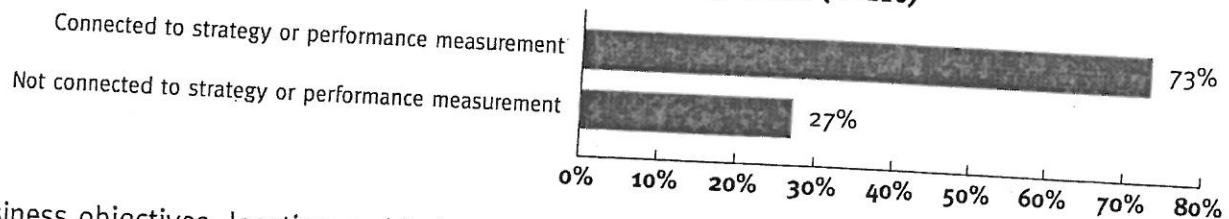
For what purpose does your company measure its social and/or economic impact?
Respondents were asked to select up to 3 answers. (n=116)



The most important social and economic indicators (n=116)



Impact studies connected to strategy and performance management (n=116)



The business objectives, location and industry determine the appropriate model for a company. Ethical Corporation has identified four impact models, each carrying its own set of best practices:

- ✓ supply chain management
- ✓ meeting external reporting standards
- ✓ managing site-level community impact
- ✓ measuring socio-economic contributions

The Telegraph

*Examples but
be careful of*

<http://www.telegraph.co.uk/finance/festival-of-business/10135220/Trading-for-Good-be-loud-and-proud-about-the-social-good-your-company-does.html>

Accessed 20-10-13

*BIAS in press
sources.*

Trading for Good: be loud and proud about the social good your company does

A new scheme will help SMEs to shout about all the work they do to support their local communities, reports James Hurley.



Kay Allen (right), director of Trading for Good, and Joanna Sedley-Burke, MD of Sovereign Data Connect Photo: Eddie Mulholland

Advertisement



By James Hurley

24

8:37PM BST 22 Jun 2013

Last summer, *Telegraph* columnist John Timpson returned home from a trip to the US where he'd been visiting relatives. He was greeted by "another barrage of negative news about business – media complaints about bankers, bonuses, fraudulent practice and fat cat bosses that give employees a rough deal".

Nothing new there, but the chairman of the eponymous cobbling business says he was struck by the difference between the UK and the upbeat San Francisco he'd returned from.

"You can't be nice to everyone all the time when you're running a business, but it's possible to do lots of good along the way, and many bosses do," he wrote in his column the following week. "But all this goodness is hidden by the continual media attention given to corporate greed, deceit and incompetence."

He says his call for more recognition that not all businesses are "selfish and greedy" received a deluge of supportive responses from *Telegraph* readers and small business owners.

That reaction should bode well for a new scheme, name-checked by Timpson in his piece, which intends to "show the world an inspirational face" of business. Trading for Good will allow small and medium-sized businesses to shout about the work they do to support their communities, from raising money for charity, to volunteering and hiring apprentices.

"We're putting the spotlight on small companies," says Kay Allen, the founder of the not-for-profit initiative, which has been supported by Number 10 as well as sponsors including Excell Group, Santander, Visa and a range of business organisations. Philip N Green, the Government's "corporate responsibility" tsar and former chief executive of United Utilities, is also championing the drive.

While almost all large businesses devote resources – and space in their annual reports – to so called "corporate social responsibility" (CSR), Allen says that many smaller businesses "are already doing loads of good things without shouting about it".

"To the average small business, CSR doesn't mean anything," she says. "But when I had the idea [in 2011] I was staggered at the amount they are doing without any recognition or publicity."

The online Trading for Good platform, which is due to be launched on Thursday, allows companies to create a free profile to communicate their positive work.

Allen, who built her career in CSR roles at BSkyB and B&Q but also runs two small companies, insists she isn't expecting business owners to suddenly engage in a glut of charity work as a result of the initiative.

"We're not really asking for anyone to do more than they're already doing – we're just saying, we can help you win more business. This is about raising your profile; customers want to know what you're doing, you want to keep staff motivated."

As well as providing a home to display their activities online, Trading for Good will make marketing material available for members to use on websites, letterheads and shop fronts, Allen says.

The project is also aiming to give members access to the supplier lists of larger organisations looking for “good” small business suppliers. The ultimate aim, however, is a consumer-oriented directory of responsible small businesses.

“This is a free platform for small companies to build their profile, which we can then promote to their community and their consumers,” says Allen. “Once we get to scale, I’ll launch it as a business directory. Consumers will be able to use it to find a plumber who takes on apprentices from the local school, for example.”

Joanna Sedley-Burke, managing director of Sovereign Data Connect – a data centre venture that’s part of an £8m turnover IT firm – says her business will be using the service.

“We all work really hard but we don’t want to just drudge around, we do practical, good things,” she says.

“It’s nothing major; cake sales for charity, bike rides for the local hospice, collecting for a food bank. But talking about what we are as a company helps us win business, especially since we’re competing with large corporates. When we bid for clients, they’re amazed we have a [presentation] slide on [our ethical policies]. Ultimately, I want to win more business but with good coming from it, too.”

Promoting the company’s community and charitable work also helps retain staff, she believes. “We can’t offer the perks of a large corporate, but I don’t want a high turnover of staff. People want to feel good about who they work for.”

While Timpson remains optimistic about the scheme, he says it’s a shame it’s needed in the first place.

“There’s enough knocking stuff around about business, so simply pointing out companies doing good is worthwhile,” he says.

“But we’re surrounded by gimmicks and we don’t want this to be another box-ticking exercise to get on to a website or a TripAdvisor of small businesses. But broadcasting the positive side of what businesses do is a good idea.”

Allen wants 75,000 small and medium-sized companies signed up to the service by the end of the year, and a further 175,000 by the end of 2014.

“Imagine if every company has someone for two weeks’ work experience? Or collected tins for a food bank?” she says.

“There are 4m SMEs in the UK and collectively they can make a massive difference.”

The Telegraph Festival of Business network provides news and advice for the directors of mid-sized companies. It is supported by Grant Thornton and the Business Growth Fund

Do you trust the Guardian?

<http://www.theguardian.com/sustainable-business/csr-crisis-managment-shared-value>

Accessed 20-10-13

CSR built around crisis management won't deliver enough value

To be an agent of social change, businesses must concentrate on shared value and not just formulate CSR as a response to the latest crisis, writes **Paul Klein**

- Paul Klein
- Guardian Professional, Monday 24 June 2013 13.39 BST



A rally in 2009 to raise awareness of the New York trial of Shell over accusations of complicity in the death of Ken Saro-Wiwa. Photograph: Bebetto Matthews/AP

Imagine waking up tomorrow morning to find that corporate social responsibility (CSR) no longer existed. No corporate donations, no partnerships with non-profit organisations, no employee volunteer programmes, no cause marketing, no annual corporate social responsibility reports, no CSR consultants and no conferences.

Would important social issues such as hunger, poverty and health be much worse? Would corporations be in jeopardy of losing their social licence to operate? Would consumers boycott their favourite brands? Would investors pull their money out of companies that stopped producing annual CSR reports?

On the one hand, the notion that CSR contributes to both business and positive social change has become widely accepted. On the other hand, the degree to which it delivers measurable

business value and meaningful social change isn't clear. Perhaps this is because the original intent of CSR had nothing to do with what many practitioners now call "shared value".

Beginning in the 1970s, global corporations and their public relations companies constructed CSR in response to anti-corporate activism. Public boycotts of corporations operating in apartheid South Africa and the backlash against Nestlé's aggressive marketing of milk formula meant that corporations needed to improve their reputations. They did so by inventing the idea that business ought to be socially and environmentally responsible.

In the wake of accusations that Shell was complicit in the execution of Ken Saro-Wiwa and eight other activists in Nigeria, Shell spent £20m, according to Corporate Watch figures, on a public relations campaign to rebuild its reputation. It also published a statement of business principles outlining its core values of "honesty, integrity and respect for people", and pioneered CSR reporting by publishing Profit and Principles – Does there have to be a choice?

Tom Delfgaauw, Shell's former vice president for sustainable development described the company's problems as "the best thing that ever happened to us, first because we've come out of it much, much stronger as a company, and second because it accelerated a great many needed corporate developments."

Over the past 30 years, the idea that corporations should be responsible in a way that is unrelated to who they are and what they do to make a profit has become entrenched. A CSR industry has evolved around what started as a new approach to crisis management.

"There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud," wrote Nobel Prize-winning economist Milton Friedman in The Social Responsibility of Business is to Increase its Profits.

It's important to remember that most of the social and environmental change that has happened as a result of changes in the way corporations do business is due to more robust rules of the game. Since 1970, when Friedman's article appeared in The New York Times Magazine, the Sarbanes-Oxley Act was enacted in response to corporate accounting scandals that cost investors billions of dollars, the World Economic Forum launched the Partnering Against Corruption Initiative and the UN Human Rights Council endorsed the Guiding Principles on Business and Human Rights.

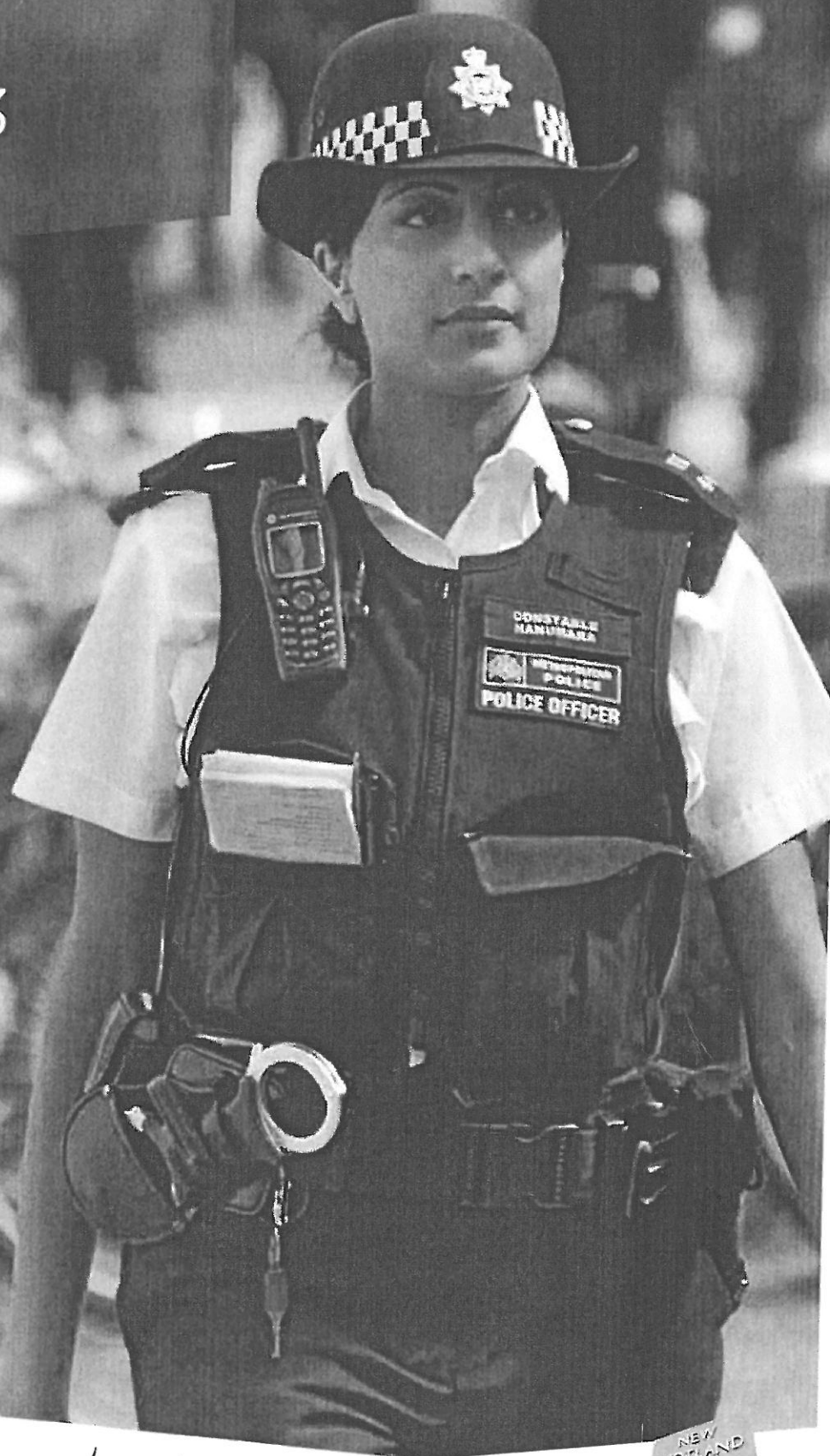
Ironically, although many in the social sector have vilified Friedman, many of his ideas are the basis on which business can deliver more than just profits for shareholders. At TEDGlobal 2013 Professor Michael Porter cited three examples that support Friedman's point of view: Dow Chemical's development of healthier oils that replace transfat or saturated fat products, Brazilian company Fibria's protection of old-growth forests by planting eucalyptus to harvest for paper, and Cisco training four million people, not to "be responsible" but to disseminate IT technology and grow its own business. "There is a fundamental opportunity for business today to impact and address these social problems," Porter said. "This is the largest business opportunity we see."

Business has as a vitally important role as an agent of social change but this has little to do with corporate social responsibility. Executives aren't lying awake at night worrying about their company's charitable donations, partnerships with non-profit organisations, employee volunteer programs, and corporate social responsibility reports. These initiatives aren't wrong but they need to be embedded in the fundamental priority of business: to deliver measurable value in a way that generates profit.

Paul Klein is the president and founder of Impakt, which helps corporations and civil society organisations become social purpose leaders. He was included in the Toronto Globe and Mail's 2011 Leading Thinkers Series and serves on the advisory council of the centre of excellence in responsible business at the Schulich School of Business.

Metropolitan Police Service

Corporate Social Responsibility Strategy 2010-2013



About Corporate Social Responsibility

The terms Corporate Responsibility (CR), Corporate Social Responsibility (CSR) and Sustainable Development (SD) are all used by business and organisations to describe a broad agenda of issues that government, law and society require organisations to consider as part of their core business, to influence strategic thinking, planning and corporate reporting.

At a high level, these 'issues' can be categorised under three 'pillars' of sustainability: environment, society and economy. In order to conduct business in a sustainable manner, these three themes – both singularly and in totality – must be given due consideration during corporate decision making so that, as an organisation, we can make informed decisions about the CSR/sustainability impact(s) of our actions. (Fig.1).

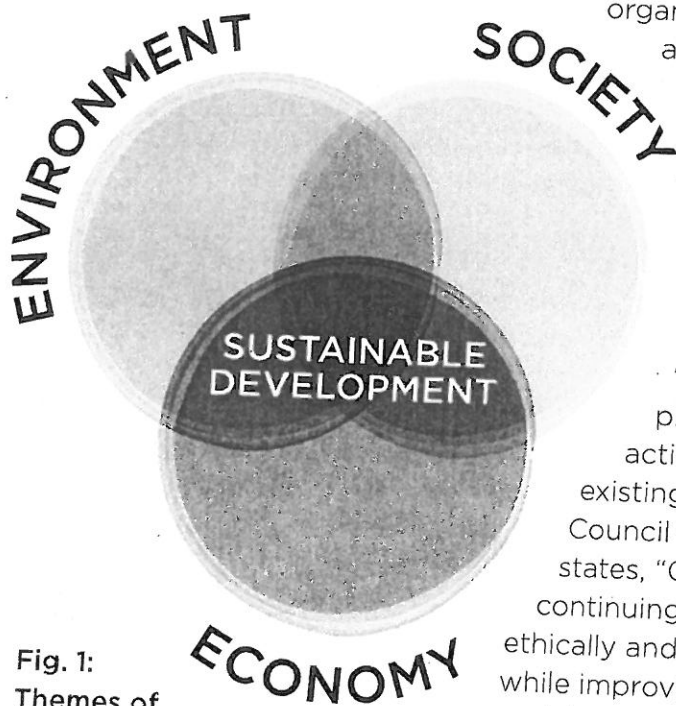


Fig. 1:
Themes of
Sustainable
Development

Generally speaking Corporate Social Responsibility is the act of an organisation ensuring it is sustainable and responsible; being a "good corporate citizen". The European Commission defines CSR as the "voluntary social and environmental practices of business, linked to their core activities, which go beyond companies' existing legal obligations". The World Business Council for sustainable development similarly states, "Corporate (social) responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large."

Therefore a Corporate Social Responsibility strategy confirms an organisation's commitment to being responsible and sustainable and to managing its practices in order to balance environmental, social, ethical and economic considerations.

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THE DRIVERS OF CORPORATE SOCIAL RESPONSIBILITY: A CRITICAL REVIEW

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Abstract

The paper criticises the dominant discourse of corporate social responsibility (CSR) by examining six sets of factors conventionally considered as promoting outcomes consistent with core principles of social responsibility: intra-organizational factors, competitive dynamics, institutional investors, end-consumers, government regulators and non-governmental organizations. Each factor is addressed conceptually, empirically, and with respect to its likely future significance in promoting outcomes consistent with CSR. Our overall conclusions are not promising on any of these dimensions.

no
problem

CORPORATE SOCIAL RESPONSIBILITY AND STAKEHOLDER MANAGEMENT

Business ethicists borrow from the works of such as Thomas Hobbes, John Locke and Jean-Jacques Rousseau to assert that normative obligations on the firm imposed by the social contract require constructive responses to the needs of owner and non-owner groups (Palmer, 2001). Ethics and responsibility are most often unreflexively presented as atomised problems for individual decision-makers in the firm, solvable through straightforward application of logical rules and codes of conduct. Relevant definitions of responsibility are narrow: "issues of corporate responsibility are of smaller scope than the ethical foundations of capitalism" (Goodpaster, 1983, p. 3). Ethical questions are restricted to external corporate effects such as the means of production, in which relevant questions are held to arise in places such as stockholder and consumer protection and occupational health and safety. Exemplary behaviour is encoded in governance guidelines emanating from organisations such as stock exchanges.

Departing from the deference that conventional approaches to CSR show toward corporate interests, Daly (1996) calls for systems thinking on sustainable economic development as a tenable approach to reconfiguring the capitalist apparatus. In contrast, the CSR-related research that we address flags moral justification with one hand as it defers to the mechanics of capital on the other. Four aspects describe conventional approaches. One, corporate entities are assumed responsible only for their own (acquisitive) behaviour and not for capitalism itself. This assumption would explain why most CSR researchers leave undefined categories of obligation and forms that the social contract should take and rarely consider alternatives to neo-liberalism (Lehman, 1999). Two, a related assumption is that self-regulation is a proper normative ideal for corporate entities (Gray, Owen and Maunders, 1988). Voluntary CSR reporting is assumed, without examination, to sufficiently acquit the firm of extra-legal responsibilities. Three, economics is not identified as a matter of choice. Institutional and legal status qua, market forces and the legality of corporations to accumulate private property are reified as part of the "fundamental legitimacy of capitalism" (Goodpaster, 1983, 3), in accordance with its neo-liberal underpinnings (Lehman, 1999). Moral agency is received with as little critical reflection. Finally, inherent contradictions between the pursuit of economic growth and goals of ecological maintenance and social justice are considered, if at all, as trivial. In their review of the business ethics literature, Bowie and Dunfee (2002) note that the CSR-related management-focused research (the subject of this essay) tends to avoid reflecting on conflicts between ethical and profit motives.

DETERMINANTS OF CSR PRACTICES

Influences on CSR practice tend to overlap or interact in quite complex ways; e.g., when investment firms spend media dollars to educate potential financial consumers as to the advantages of social investment funds. Yet, they are analytically distinct in terms of their internal logics and immediate empirical referents. We proceed by identifying six sets of influences that might promote social responsibility actions within the firm: internal pressures on business managers, pressures from business competitors, investors and consumers, and regulatory pressures coming from governments and non-governmental organizations. We address each sequentially with respect to (i) its internal logic (the conceptual arguments for and against it); (ii) its empirical salience in terms of the latest relevant research, and (iii) our considered opinion regarding its prospects to be a

Reflects many themes from the other articles.

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