

CSR – CHALLENGING QUESTIONS

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Agenda

- What is CSR?
- Width of application
- Imagery of CSR
- CSR and Cause Marketing
- CSR and Social Investment
- Critical approaches
- Developing a CSR checklist

Roots of CSR

- ‘Welfare capitalism’ of late C19
- Religious - Quakers in UK; Parsees in India
- Post-war business ethics movement (Caux Round Table, etc)
- Obverse of Friedman’s argument that responsibility of executives is conduct businesses “to make as much money as possible while conforming to their basic rules of society, both those embodied in law and those embodied in ethical custom” (1970: 1)

Definitions of CSR

- “The basic idea of CSR is that *business and society are interwoven* rather than distinct entities; therefore society has certain expectations for appropriate business behaviour and outcomes” (Wood 1991: 695)
- “Corporate social responsibility is a commitment to improve community well-being through *discretionary* business practices and contributions of corporate resources” (Kotler & Lee, 2005)
- “(CSR is) practices that improve the workplace and benefit society in ways that go *above and beyond* what companies are legally required to do” (Vogel, 2006)

More definitions

- “To advance CSR, we must root it into a broad understanding of the *interrelationship between a corporation and society* while at the same time anchoring it in the strategies and activities of specific companies”
(Porter & Kramer, 2006: 78-92)
- “To fully meet their social responsibilities, companies “should have in place a process to *integrate social, environmental, ethical and human rights concerns into their business operations* and core strategy in close collaboration with their stakeholders”
(European Commission, 2011: 3)

What business schools teach

- Taken from business book slides:
- CSR activities are the processes by which companies negotiate their role in society
- CSR helps companies hire and retain the staff they want
- CSR activities contribute to business performance

But

- Companies can engage in CSR activities even while they are acting in unethical ways (e.g. Enron and Parmalat)

Nailing jelly to the wall?

- Numerous definitions and parameters
- Increasingly focused on financial performance; less emphasis on ethical and societal
- Cause marketing presented as a form of CSR
- 'CSR' PR and marketing programmes



Width of CSR



IMAGERY OF CSR

















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R

Image summary

- Lots of globes and hands (open, passive)
- Globe positions emphasise poor nations
- Images of (either) sharing/togetherness “in our hands” or control/protection
- Colours are mainly green (nature) and blue (water)
- Images of CSR are “an admixture of fear, hope and a low-down sense that ultimately someone will save us” (Fleming & Jones, 2013: Preface)

CSR AND CAUSE MARKETING

Pepsi Refresh Project (PRP)

- Encourage Americans to *Do Good* by participating on a digitally-led community relations project funded by Pepsi
- Objectives
 1. Raise awareness and interest in PRP; position Pepsi as the optimistic catalyst for idea creation;
 2. Generate a steady stream of national, local and online media buzz to support business and brand goals;
 3. Drive Americans to the campaign website, RefreshEverything.com.



PRP strategy

- Position Pepsi as a credible motivator to empower ordinary Americans as “the next social entrepreneur”, with a national spotlight on the implementation of ideas;
- Collaborate with employees and business partners to generate local news and drive awareness;
- The website to be promoted as the online destination to *Do Good*; encourage individuals to submit ideas and vote;
- Encourage online engagement with PRP on Facebook and Twitter;
- Develop national partnerships that enable stories to be told of PRP’s impact and reach.

TOGETHER, WE'RE GOING TO DO
A LOT OF GOOD

COMING 2010

Execution

- Extensive media coverage was based on milestone events, including the Super Bowl, and presentations to grant recipients
- Launch event was held at the New York Stock Exchange (NYSE)
- Partnerships were built with celebrities and performing artists to encourage participation by youth
- Specific actions were targeted at the Gulf states of southern USA after the Deepwater Horizon oil spill
- Digital engagement was monitored and given real-time responses
- Thought leader events created

Measurement

1. Raise awareness and interest: 37% of Americans were aware of PRP, compared with 12-21% for similar cause marketing programmes;
2. Generate a steady stream of media buzz: The media impressions goal was exceeded by nearly 12-fold;
3. PRP received 140,000 tweets and over 2 million Facebook 'likes', both well above target
4. Interaction with the campaign website increased brand attributes (favourability, intent, and trust) significantly, as well as intent to purchase Pepsi among Millennials
5. Drive Americans to RefreshEverything.com: 18 million unique visitors over 11 months in 2011 resulting in 76 million votes on 12,000 projects, with 2 million online comments

But...

- Pepsi consistently lost market share and volume; dropped to third place behind Coke and Diet Coke
- PRP quietly shut down in early 2012: Website <http://refresheverything.com> diverts to Pepsi Pulse <http://www.pepsi.com/en-gb/d>
- Sales and market share were the ultimate evaluation, not social capital or 'doing good'

CSR AND SOCIAL INVESTMENT

Social Investment (SI) at Shell UK

- Social Investment (SI) portrayed as “beyond CSR” and Shell’s “voluntary contribution to the UK which has a positive legacy”
- Why “beyond CSR”? “Shell has to act responsibly in all activities. Social investment goes beyond the norms of responsible behaviour and CSR, as it gives back to the community and encourages innovation.”
- “Licence to operate is not dependent on SI” (e.g. support for young entrepreneurs doesn’t not directly impact on new pipeline construction)

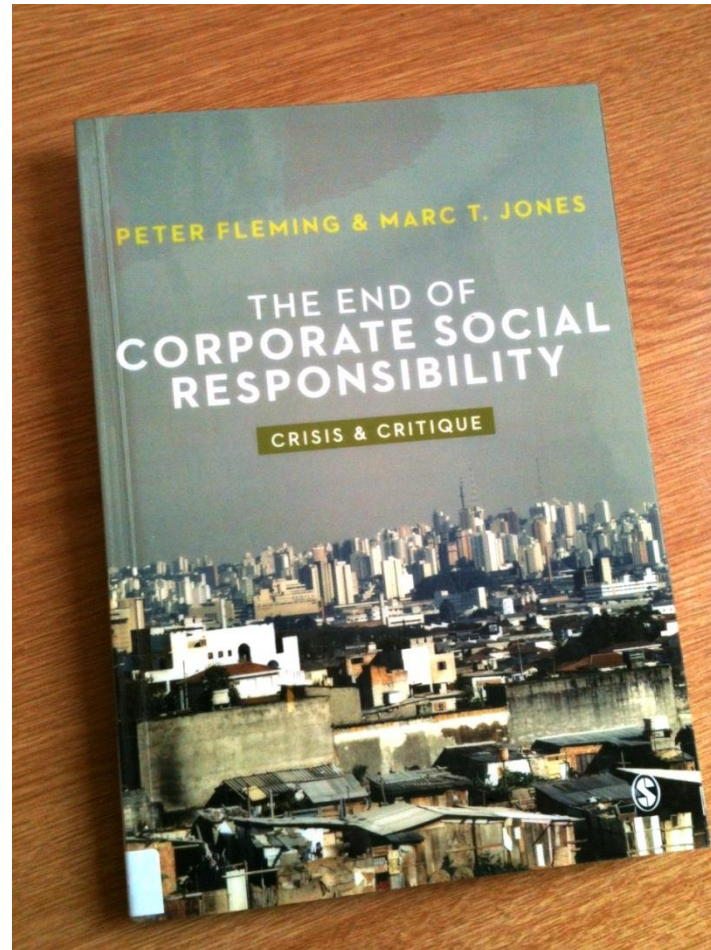


SI and sponsorship strategy

- Linked to operational business footprint and of importance to the community
- Three legs to Shell's approach
 - **Inspire enthusiasm** in science, technology, engineering and maths
 - **Encourage key behaviours** – entrepreneurship, low carbon innovation
 - **Support initiatives** that develop creativity, teamwork and social responsibility
- Engage staff in SI and sponsorships

CRITIQUE

Critical approaches to CSR



Challenge to CSR - 1

- Does corporate social responsibility exist?
- Three critical perspectives of CSR
 - “CSR is a kind of *panacea* that one day cures the ills of corporate capitalism, if applied ardently”.
 - “CSR as an instance of *propaganda*”
 - “CSR as a kind of *parasitical* foray into the community” which pushes corporate interests in the non-corporate social world of NGOs and voluntary groups (Fleming & Jones 2013: 81)

Challenge to CSR - 2

- CSR is blind to society's needs and is only interested in the extension of corporate power
- MNCs are not interested in dialogue with stakeholders; they want a licence to operate
- CSR exists to maintain the capitalist system, especially the 'neo-liberal' form

Critical approaches

“The end of CSR? Again we state that it never really began – in the sense that the majority of its proponents claim to free us somehow from the excesses of a system that is itself excessive (i.e. neo-liberal capitalism)”

Fleming & Jones, 2013: 96

CSR CHECKLIST

Developing a CSR checklist

- Reinstate moral/ethical core
- Prepare as a sustainable activity
- Respond to 'critical' attack
- Aid managers and communicators in planning and implementing strategies and programs

A CSR checklist

- Motives? Something being hidden?
- Dialogue before CSR policies are announced?
- Employees and other stakeholders involved?
- Long-term commitment or short-term advantage?
- Mutually beneficial outcomes or ‘licence to operate’?
- Resources to implement?
- Senior management “owns” the policies? Or functional task?
- CSR governance structure?
- Assessment of ‘value’ and ‘benefit’?
- Is policy ethical? Can *you* live with it?

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QUESTIONS AND DISCUSSION
