

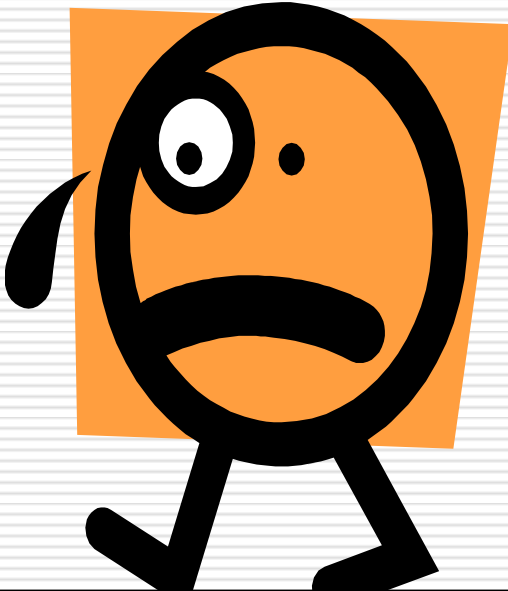


Corporate

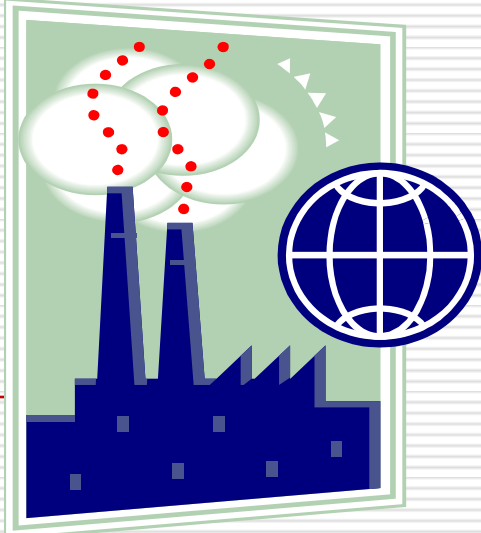


Social

Responsibility



DAM Knowledge Management Forum  
Welcome to Presentation On CSR  
May 29, 2010



# CSR: Different Terminologies

Corporate Social Responsibility

~~Corporate Philanthropy~~

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Corporate Charity

Corporate Accountability

Good Corporate Citizenship

Responsible Business,

Sustainable Responsible Business (SRB),

Corporate Social Performance,

Corporate Self-regulation

# CSR Evolution

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- ❑ The oldest concept in different names and different use
  - ❑ 18<sup>th</sup> Century: Classical Economic model
  - ❑ Era of Industrial Revolution
  - ❑ Back in 1960, the phrase CSR become only started in use
  - ❑ Globalization and Rights movements
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# CSR: Concepts/Definition ??

- Corporate social responsibility (CSR) can be defined as the "economic, ~~legal, ethical, and discretionary expectations~~ that society has of organizations at a given point in time" (Carroll and Buchholtz 2003, p. 36).
  - CSR has been defined in general terms as 'the obligation of the firm to use its resources in ways to benefit society, through committed participation as a member of society, taking into account the society at large and improving the welfare of society at large independent of direct gains of the company' (Weile et al., 2001: 288).
  - According to Wilson (cited in McIntosh and Thomas, 2002: 7), the key idea behind CSR and corporate citizenship is that responsible behavior makes good business sense.
  - CSR is about Profit, Planet and People (LH group, Nepal)
  - Corporate social responsibility, as we see it, is a 'complementary' combination of ethical and responsible corporate behavior, as well as a commitment towards generating greater good for the society by addressing the development needs of the country (Grameenphone)
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# CSR: Cont.....

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- ❑ Corporate Social Responsibility is good for business growth as it fosters an environment of trust, mutual cooperation for the greater good and strengthens workers' as well as customer's affinity and loyalty to companies, says Ms. Carol Narcisse, UNDP Partnership, Resource Mobilization & Communication Advisor.
  - ❑ Corporate responsibility to respect human rights would require a process of due diligence that ensures compliance with national laws but also manages the risks of human rights harms in order to avoid them. To meet their due diligence obligation, companies would be expected to Protect → Respect → Remedy
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# In essence

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- However, certain ideas are becoming commonly accepted. One is that **CSR is not only about philanthropy or charitable work.** It refers to something much more fundamental. It is about how companies take **responsibility for their actions in the world at large.**
  - In essence, '**CSR is positive rapport with the society**'.
  - Conventional CSR Watchdogs include Labor Unions, Consumer Groups, Environmentalists, NGOs and all 'Stakeholders' watching over their interest as opposed to 'Stockholders' only.
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# CSR: Responsibility Domains

## **ECONOMIC**

- ❑ ~~The economic responsibilities cited in the definition refer to society's expectation that organizations will produce good and services that are needed and desired by customers and sell those goods and services at a reasonable price. Organizations are expected to be efficient, profitable, and to keep shareholder interests in mind.~~

## **LEGAL**

- ❑ The legal responsibilities relate to the expectation that organizations will comply with the laws set down by society to govern competition in the marketplace. Organizations have thousands of legal responsibilities governing almost every aspect of their operations, including consumer and product laws, environmental laws, and employment laws.

## **ETHICAL**

- ❑ The ethical responsibilities concern societal expectations that go beyond the law, such as the expectation that organizations will conduct their affairs in a fair and just way. This means that organizations are expected to do more than just comply with the law, but also make proactive efforts to anticipate and meet the norms of society even if those norms are not formally enacted in law.

## **DISCRETIONARY**

- ❑ the discretionary responsibilities of corporations refer to society's expectation that organizations be good citizens. This may involve such things as philanthropic support of programs benefiting a community or the nation. It may also involve donating employee expertise and time to worthy causes.
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# CSR: Major Focus Issues

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- Core business activities
  - Philanthropy
  - Management of environment and Social issues
  - Contribution to community development
  - Policy dialogue
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# CSR: Consideration

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- Employees
  - Customers
  - Investors
  - Business Partners
  - The Community
  - The Government
  - The Environment
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# CSR Argument

## For CSR:

- **The rise of the modern corporation created and continues to create many social problems. Therefore, the corporate world should assume responsibility for addressing these problems. In the long run, it is in corporations' best interest to assume social responsibilities. It will increase the chances that they will have a future and reduce the chances of increased governmental regulation. Large corporations have huge reserves of human and financial capital. They should devote at least some of their resources to addressing social issues.**

## Against CSR:

- **Taking on social and moral issues is not economically feasible. Corporations should focus on earning a profit for their shareholders and leave social issues to others. Assuming social responsibilities places those corporations doing so at a competitive disadvantage relative to those who do not. Those who are most capable should address social issues. Those in the corporate world are not equipped to deal with social problems.**
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# CSR Approach

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## **Community Based Approach:**

- An approach for CSR that is becoming more widely accepted is community-based development approach.

## **Philanthropic Approach**

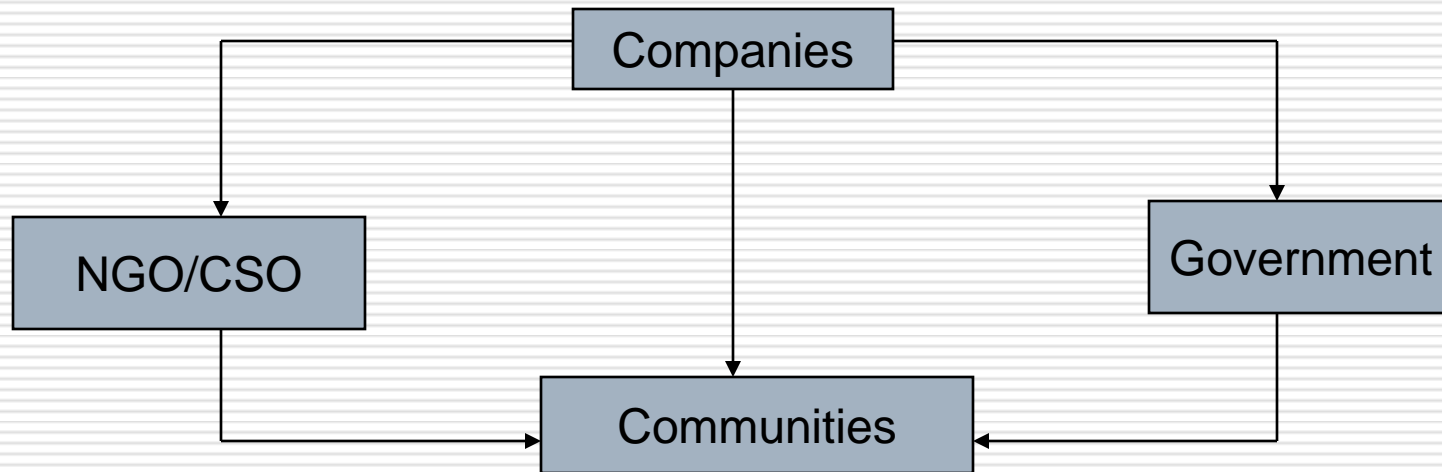
- A more common approach of CSR is philanthropy. This includes monetary donations and aid given to local organizations and impoverished communities in developing countries.

## **Ethical Approach:**

- Another approach to CSR is to incorporate the CSR strategy directly into the business strategy of an organization. For instance, procurement of [Fair Trade](#) tea and coffee has been adopted by various businesses including [KPMG](#).
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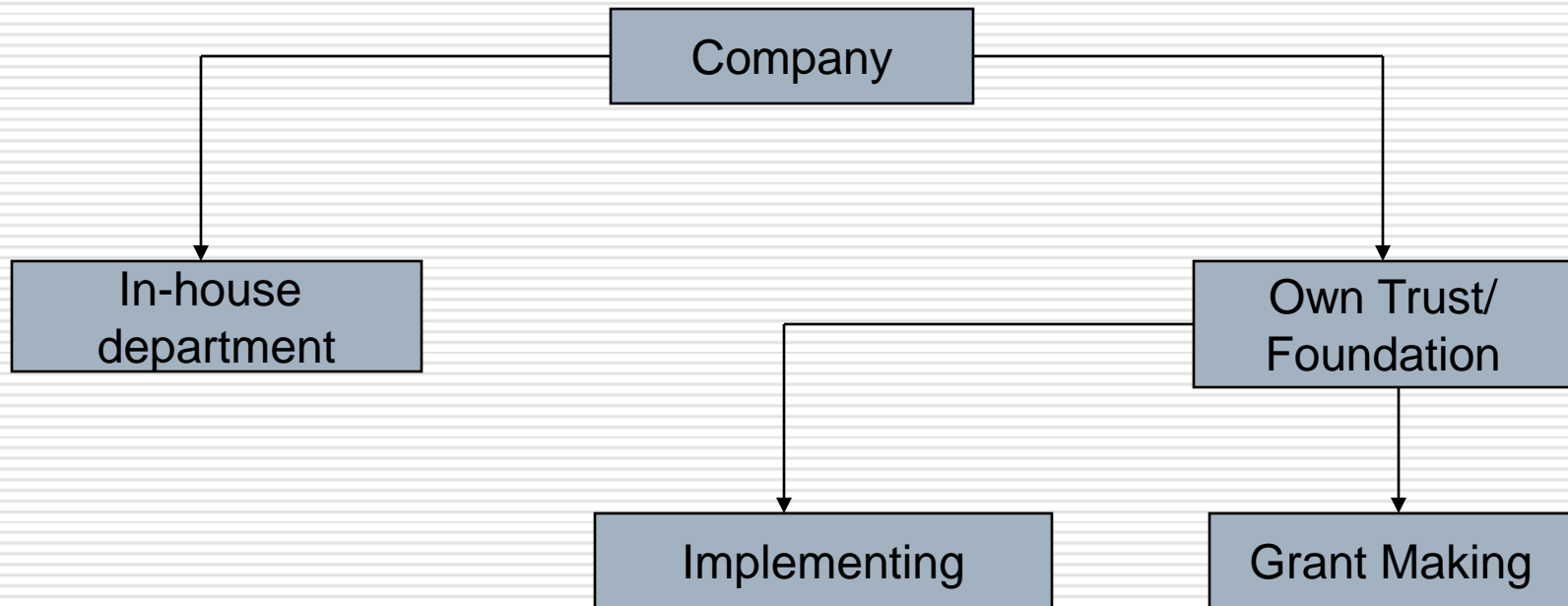
# CSR: Partnership Models

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# CSR Models: Intervention

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# CSR: Some Leading Agencies

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- ❑ Prince of Wales Business Leaders Forum (PWBLF)
  - ❑ London Benchmarking Group (LBG)
  - ❑ Corporate Citizenship Company (CCC)
  - ❑ Confederation of Indian Industries (CII)
  - ❑ Federation of Nepalese Chambers of Commerce and Industries (FNCCI)
  - ❑ Women Entrepreneurs Association Nepal (WEAN)
  - ❑ Fair Trade Movement (FTM)
  - ❑ Philippine Business for Social Progress (PBSP)
  - ❑ Tata Steel Rural Development Society (TSRDS)
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# CSR in Bangladesh

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- “CSR concepts and practices in Bangladesh have a long history of philanthropic activities from time immemorial. These philanthropic activities included donations to different charitable organizations, poor people and religious institutions. Till now, most of the businesses in Bangladesh are family owned and first generation businesses. They are involved in community development work in the form of charity without having any definite policy regarding the expenses or any concrete motive regarding financial gains in many instances. Moreover, most of the SMEs fall under the informal sector having low management structure and resources to address the social and environmental issues. These limitations drive the top management of local companies to think only about the profit maximization rather than doing business considering the triple bottom line: profit, planet and people (CSR definition of Lotus Holdings)”.
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# CSR Information Base

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- ❑ Not much study done on CSR so far
  - ❑ CPD study highlighted a background on CSR
  - ❑ CSRB is now working as focal
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# CSRB

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- Corporate Social Responsibility of Bangladesh – CSR Bangladesh is being launched with private sector start up to facilitate, expand and encourage CSR practice in Bangladesh. Registered as a firm in 2008, the CSRB is a nonprofit organization and operates under the Societies Act 1860.
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# CSRB Aims

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- Raise CSR Awareness amongst CSR stakeholders

Provide Strategic, structured and systematic tools for CSR practice and adoption

Evaluate, implement and monitor CSR for profit maximization

Good Governance

Establish benchmark for CSR practices

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# Some Leading Corporate CSR Initiatives in Bangladesh

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- ❑ Grameenphone
  - ❑ Dutch Bangla Bank
  - ❑ Standard Chattered Bank
  - ❑ Prime Bank Foundation
  - ❑ Monnu Foundation
  - ❑ Uniliver
  - ❑ Singer
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# CSR Limitations

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- ❑ Absence of policy
  - ❑ Lack of enforcement of industrial laws and regulations
  - ❑ Weak Corporate Governance
  - ❑ Weak presence of Customers Forum
  - ❑ Poor Corporate Community Linkage
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# Way forward

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- ❑ Respond to globalization and global requirement
- ❑ ISO 26000 requirements
- ❑ Intergovernmental especially US and EU requirements for Standards
- ❑ Compliance of RMG export
- ❑ Civil society engagement for awareness
- ~~❑ Government policies~~



Thank you for your  
patience hearing