



Corporate Social Responsibility: Introduction & Definitions

Suthisak Kraisornsuthasinee

Assistant Professor

Faculty of Commerce & Accountancy

Thammasat University

Introduction: CSR

- The Dawn of the CSR Era
 - Drivers of CSR
 - Benefits and Challenges
 - CSR Definitions and Scope
 - Issues & Initiatives of CSR
 - From Principles to Practice
 - Future of CSR: On the Way to ISO
 - Organizations promoting CSR
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The Dawn of the CSR Era

*"85% of (140 Chief Executives of U.S. based MNCs) believe that **sustainable development** will be even more important to their business model in five years than it is today."*

Recent Survey administered by
PriceWaterhouseCooper

The Dawn of the CSR Era

*“Overall, respondents see **CSR** as becoming an **even more important part of business practice five years from now**, and will make crucial and necessary contributions for the betterment of people and the environment.”*

Survey administered at

The European Conference on CSR (Maastricht, November 7-9, 2004) &

The BSR Annual Conference (New York, November 9-12, 2004)

Drivers of CSR

- The shrinking role of government
- Demands for greater disclosure
- Increased customer interest
- Growing investor pressure
- Competitive labor markets
- Suppliers relations

Benefits of CSR...

- Increased sales and market share.
- Strengthened brand positioning.
- Enhanced corporate image and clout.
- Increased ability to attract, motivate, and retain employees.
- Decrease operating costs.
- Increased appeal to investors and financial analysts.

... and Challenges

- Choosing a social issues.
- Selecting an initiative to address the issue.
- Developing and implementing program plans.
- Evaluation.

What is CSR?

■ Variety of Terms

Corporate Citizenship

Corporate Philanthropy

Corporate Social Responsibility

Corporate Responsibility

Social Responsibility

Global Citizenship

Organizational Social Responsibility

Definitions: Concept

- Philip Kotler & Nancy Lee (2005)

“a commitment to improve community well-being through discretionary business practices and contributions of corporate resources”.

Definitions: Practice

- WBCSD (World Business Council for Sustainable Development)

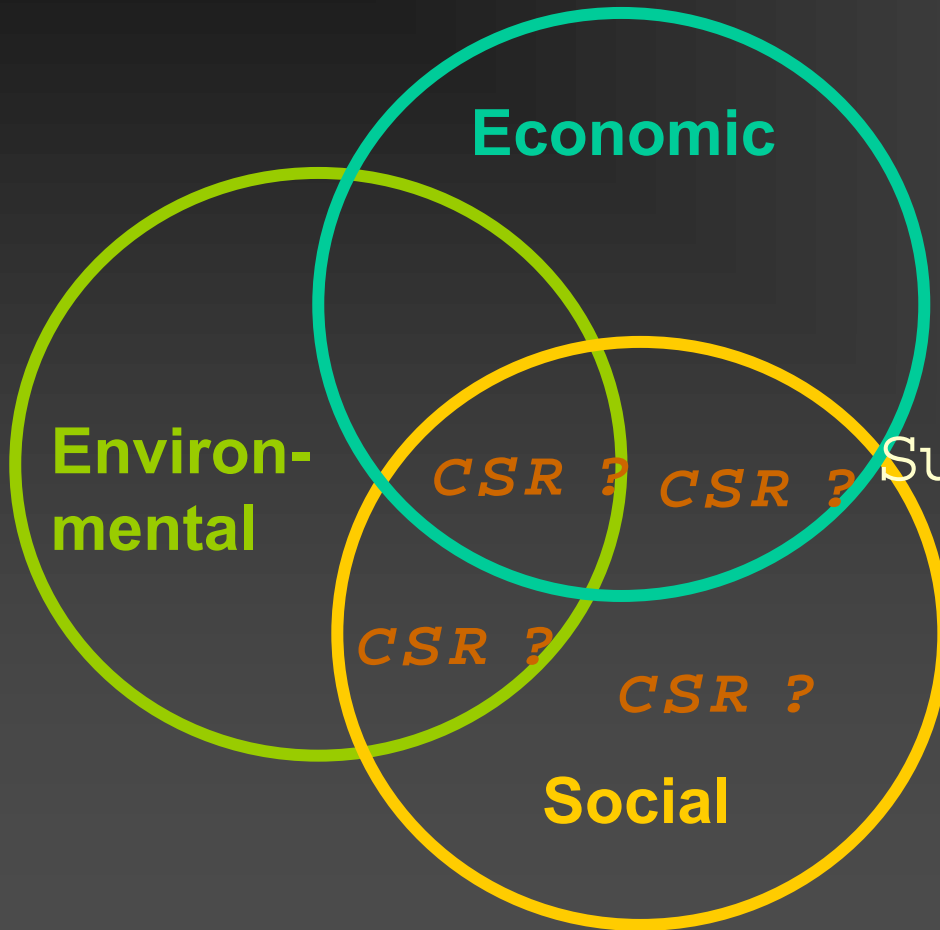
"The continuing commitment by business to behave ethically and contribute to sustainable economic development while improving the quality of life of the workforce and their families as well as of the local community and society."

Definitions: Practice

- BSR (Business for Social Responsibility)

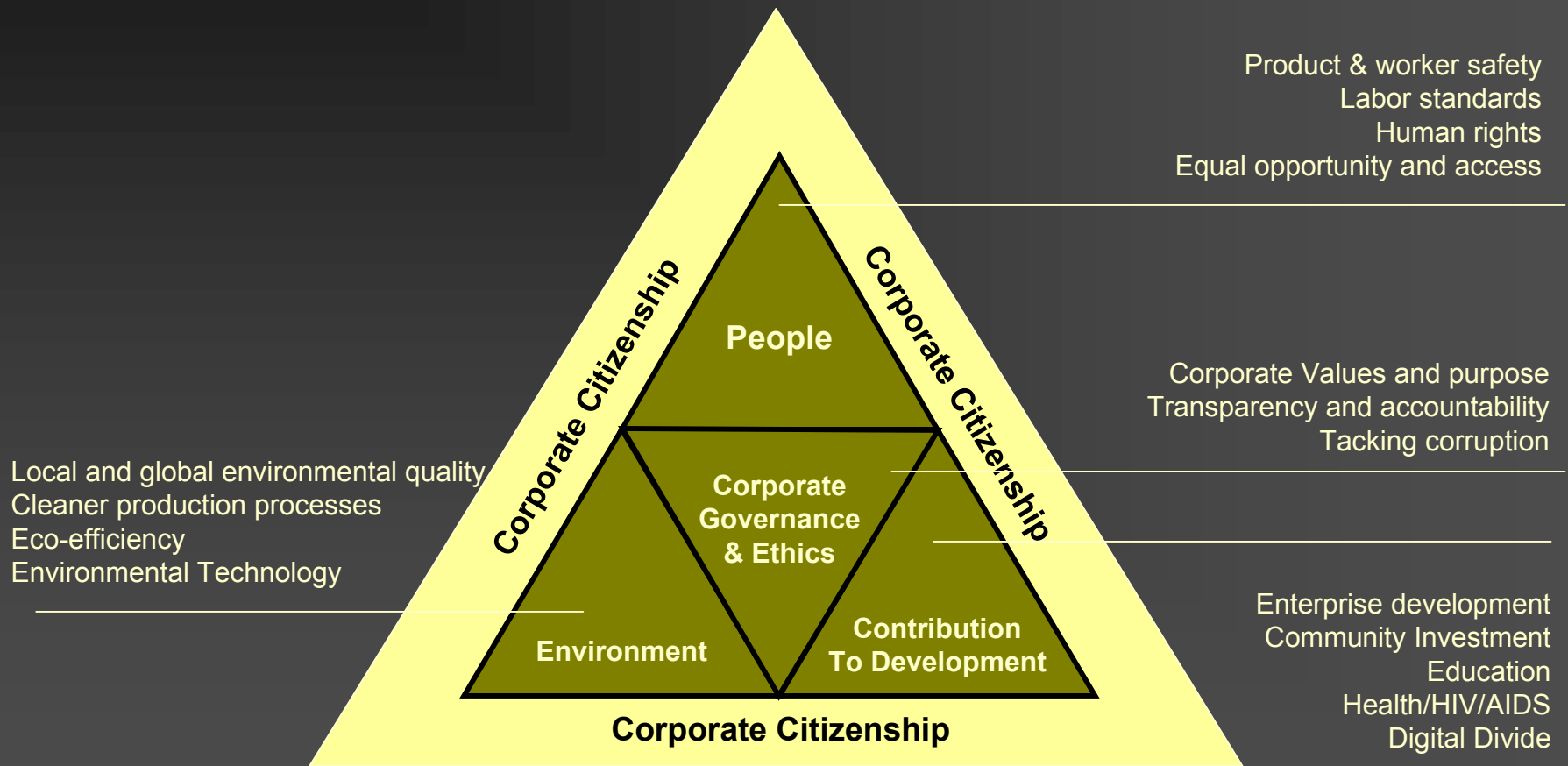
“achieving commercial success in ways that honor ethical values and respect people, communities, and the natural environment.”

Scope

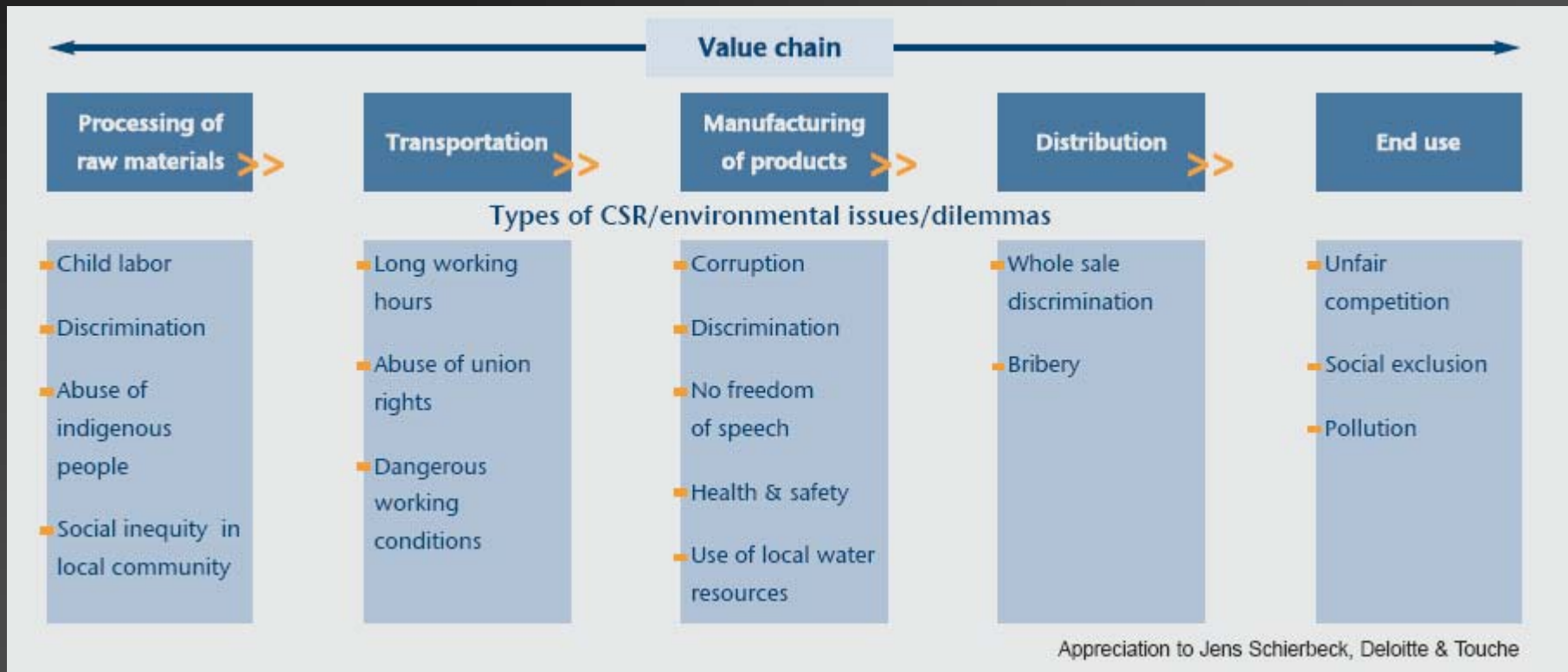


CSR and Sustainable Development

Scope



Issues: by Value Chain



Issues: by Social Ratings

- KLD Social Rating Criteria
 - Community
 - Corporate Governance
 - Diversity
 - Employee Relations
 - Environment
 - Human Rights
 - Products

Initiatives

- **Cause Promotions**

Supporting social causes through promotional sponsorships

- **Cause-related Marketing**

Making a contribution or donating a percentage of revenues to a specific cause based on product sales or usage.

Initiatives

3. Corporate Social Marketing

Supporting behavior change campaigns.

4. Corporate Philanthropy

Making direct contribution to a charity or cause.

Initiatives

- **Community Volunteering**
Providing volunteer services in the community.
- **Socially Responsible Business Practices**
Adopting and conducting discretionary business practices and investments that support social causes.

From Principles to Practice

■ Framework for CSR

■ Provide Leadership

- Articulate purpose, principles and values internally and externally;
- Promote business case 'internally';
- Engage the financial sector;
- Enter the debate on globalization and the role of business in development;

From Principles to Practice

- Define what it means for your company
 - define the issues;
 - Agree on company's spheres of influence;
 - Identify key stakeholders;

From Principles to Practice

- Make it happen

- put corporate citizenship on board agenda;
- establish internal performance, communication, incentive and measurement systems;
- engage in dialogue and partnership;
- encourage innovation and creativity;
- build the next generation of business leaders;

From Principles to Practice

4. Be Transparent about it
 - Agree what and how to measure;
 - Develop a program for external reporting;
 - Be realistic.

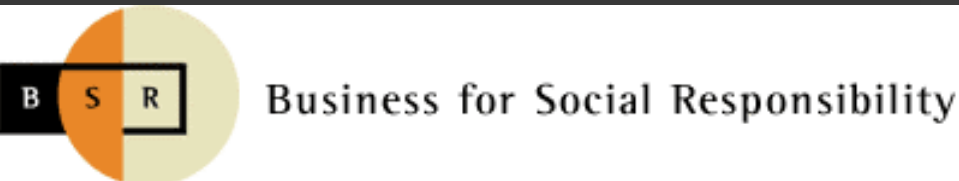
Future of CSR: On the Way to ISO

- The International Organization for Standardization (ISO) decided to develop standard for ISO in 2002
- 1st Discussion in 2004
- 2nd international meeting to draft the standard in September 2005 in Bangkok

Organizations promoting CSR



World Business Council for Sustainable Development



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ECONOMIC
FORUM





Thank you for your attention

Q & A Session