

Background

Doing good is good for business

As a young manager, my company had sent me to a graduate jobs fair in which my brief was to attract the brightest and the best from universities around the country. The two-day event had been quite busy with a real mix of students, ranging from those with clear career goals to those who had begun wondering what life might be like after university. A well-established retail company had the stand next to mine and it was being **manned** by two executives. During a slow period of the afternoon, a particularly enthusiastic and studious-looking graduate walked up to them and began asking a whole series of questions and busily took down their answers in his notepad.

The two execs were clearly impressed with this approach. He was just the sort of **bright spark** with initiative they were looking for. Then, **out of the blue**, came the question: 'What's your company's policy on corporate social responsibility?' The two execs looked uneasy, swapping uncomfortable sideways *glances at each other before one of them **waffled** some reply about the company having lots of policies on different things and that lots of people were responsible for things. It was immediately clear to both the graduate – and me – that the question may as well have come from the planet Mars.

This was over thirty years ago and it marks a time when the term Corporate Social Responsibility (CSR) wasn't part of many people's vocabulary. That isn't to say it had never existed. Business **philanthropy** and social responsibility in one form or another has always existed but now we have a name for it. Many companies even have formalized CSR policies with appointed CSR managers. There are CSR annual reports published which outline the positive effect that a CSR programme is having.

The more cynically-minded among you might suggest that all the big corporations are jumping on the CSR **bandwagon** because they have become wide open to criticism for using up the earth's natural resources or exploiting the resources in developing countries. And it isn't

only the energy companies who now spend a great deal on convincing us of their eco-friendliness. All producers or service providers must now prove their credentials when it comes to social responsibility because market forces demand it. No longer is it enough to make a product that does what the customer wants. It must also be proved that nothing was adversely affected in its manufacture.

Perhaps the most famous model of social responsibility at work in business, which still thrives today, is Fairtrade. The origins of the organization go right back to the 1940s and has since had the main aim of making sure producers in developing countries receive fair prices for their goods. The Fairtrade Certification mark on a product acts as this assurance to the customer.

More recently, the singer Bono of the rock band U2 took the business model of CSR a step further by founding a new global brand called Product Red. The idea behind it was to partner with a range of leading brands such as Nike, American Express, and Armani. They have to sell a selection of items with the 'red' brand which indicates that a proportion of the revenue from the item goes towards fighting Aids, Tuberculosis, and Malaria in Africa. Since its launch in 2006, Product Red's new approach to social responsibility has received mixed reviews. Some criticism has included the fact that the amount of money spent on marketing the brand has exceeded what it raises on behalf of good causes. There is even a website which **parodies** Product Red by challenging consumers to buy less and give their money directly to charities, without the expectation of something in return.

However, many people agree that traditional approaches to philanthropy and social responsibility are inadequate and we need new initiatives such as Product Red. Thankfully, no one is asking the question anymore, 'What is your policy on CSR?' Instead, the much harder question that still remains unanswered is: 'What future models of CSR can solve problems on a global scale?'

Glossary

*glance = a short quick look at something or somebody

Reading file 9

Exercises

1 Discuss as a class.

- 1 Do you think all businesses have a responsibility to 'do good' such as raising money for charities? Why? Why not?
- 2 How much does a company's reputation for helping charities or being socially responsible affect your decision to buy their products or use their services?

2 Read the text and answer the question.

- 1 What has changed about Corporate Social Responsibility in the last thirty years?

3 Read the text again and choose the correct ending to each sentence.

- 1 The two executives couldn't answer the young graduate's question because ...
 - a their company didn't do anything socially responsible.
 - b they didn't understand his question.
 - c they thought the question was rude.
- 2 The writer thinks that ...
 - a there have always been socially responsible businesses.
 - b businesses have only become socially responsible in recent years.
 - c businesses do less good than they used to.
- 3 Customers are interested in ...
 - a buying a good product.
 - b knowing if a product was made without causing any harm.
 - c both answers a and b.
- 4 Product Red was a new concept to ...
 - a replace Fairtrade.
 - b raise money.
 - c make more profit.
- 5 The article concludes that ...
 - a Product Red is not an effective form of social responsibility.
 - b most people still don't understand CSR.
 - c traditional approaches to social responsibility won't be enough.

4 Match definitions 1–7 to the words and expressions in bold in the text.

- 1 Controlled or operated by people: _____
- 2 things that are copied, but in a humorous way which makes fun of them: _____
- 3 helping people in need: _____
- 4 unexpectedly: _____
- 5 a new idea or activity which becomes very fashionable: _____
- 6 a young intelligent person with lots of enthusiasm: _____
- 7 talked in a confused way with an unclear message: _____

5 Look back at the text and choose three words that you could use in your day-to-day work.

6 Discuss as a class.

- 1 What do you think motivates the types of companies mentioned in the article to do good? How much is financially motivated? Does it matter?
- 2 Does your company have any kind of CSR policy (or something similar)? Tell the class about it. What does it include?