

17.2: Business and CSR

Learning Objectives

- Summarize the business relevance of corporate social responsibility

As *Business News Daily* writer Skye Schooley notes “Consumers, employees and stakeholders are beginning to prioritize CSR when choosing a brand or company. They are holding corporations accountable for [affecting] social change with their business beliefs, practices and profits.”^[1] The results from public relations and marketing agency Cone Communications 2017 CSR survey illustrate how critical it is for businesses to get this right.^[2] Key findings:

- 63% of Americans are hopeful businesses will take the lead to drive social and environmental change moving forward, in the absence of government regulation.
- 78% want companies to address important social justice issues.
- 87% will purchase a product because a company advocated for an issue they cared about.
- 76% will refuse to purchase a company’s products or services upon learning it supported an issue contrary to their beliefs.

As PR agency InkHouse CEO Beth Monaghan advises in an article for *Forbes*, “Brands must stand for something because consumers demand it, but they must also live it.”^[3]

For specific examples of CSR in practice, scan the profiles on *Fortune* magazine’s [2018 Change the World list](#), recognizing companies that have made making a positive social impact a core part of their business strategy.^[4] *Fortune*’s evaluation and ranking criteria also provide perspective reflect CSR best practices:

1. Measurable social impact: We consider the reach, nature, and durability of the company’s impact on one or more specific societal problems.
2. Business results: We consider the benefit the socially impactful work brings to the company. Profitability and contribution to shareholder value outweigh benefits to the company’s reputation.
3. Degree of innovation: We consider how innovative the company’s effort is relative to that of others in its industry and whether other companies have followed its example.
4. Corporate Integration: We consider how integral the initiative is to a company’s overall strategy, and how well that strategy is communicated through the ranks and elsewhere.



Although the majority of Change the World honorees have \$1 billion in annual sales, CSR can be integrated into businesses at any scale. [1% for the Planet](#) is a global movement that started by two businessmen who shared a love for the outdoors and committed to contributing 1% of their sales to the environment—regardless of profitability.^[5] To quote Patagonia founder and 1% for the Planet co-founder Yvon Chouinard, “The intent of 1% for the Planet is to help fund these diverse environmental organizations so that collectively they can be a more powerful source in solving the world’s problems.”^[6] If making an ongoing financial commitment feels too risky or you want to take action personally, individual members can participate by donating to and volunteering with local environmental nonprofits. As they put it: “everyone has a 1%.”

To get started with CSR, start local and start small. As an entrepreneur or small business, contribute expertise to events that are consistent with your mission, vision and values. Symantec's Head of global diversity, equity and inclusion recommends involving employees and consumers in the process of deciding what causes and organizations to support, noting that these efforts can increase brand preference and employee engagement and the transparency and value of CSR initiatives.^[7]

? PRactice Question

<https://assessments.lumenlearning.co...essments/17304>

1. Schooley, Skye. "[What is Corporate Social Responsibility?](#)" *Business News Daily*. April 22, 2019. Accessed July 18, 2019. ↵
 2. "[2017 Cone Communications CSR Study](#)." Cone. 2017. Accessed July 19, 2019. ↵
 3. Monaghan, Beth, "[PR for a Purpose: Bringing Corporate Social Responsibility Back to Basics](#)." *Forbes*. February 13, 2018. Accessed July 19, 2019. ↵
 4. "[Change the World](#)." *Fortune*. Accessed July 19, 2019. ↵
 5. "[1% for the Planet](#)." 1% for the Planet. Accessed July 19, 2019. ↵
 6. Ibid. ↵
 7. "[Symantec 2018 Corporate Social Responsibility Report](#)." Symantec. 2018. Accessed July 19, 2019. ↵
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