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## Corporate Social Responsibility Part I

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Corporate Social Responsibility is the ongoing commitment by organisations to contribute to societal issues with their current business activity, as well as other responsibilities that consider the actual needs of the community as well as society as a whole.

Engaging in Corporate Social Responsibility (CSR) for organisations can benefit organisations regarding their image with investors, as well as customers. CSR includes awareness and positive reaction to ensuring that materials used in the production of products in a manner that considers the environment, as well as workers. It includes consideration for the environment such as reduction of waste material and the reduction of the carbon footprint of an organisation. According to Cone Communication/Echo Global Impact consumers are likely to which to a brand associated with a good cause. Consumers are starting to send a message to they want to do business with organisations that are socially responsible.

While organisations often consider strategy as part of a decision-making CSR programs are not always related to or aligned with the overall corporate strategy, which can be okay for an organisation. CSR initiatives should be transparent, accountable, and measurable for their performance to determine if desired effects are resulting.

Organizations undertaking such initiatives should not expect that it will yield a financial return on the financials, rather the payback if any will be over a longer period. The investment in CSR is a long-term approach that considers the of society, customers, suppliers, as well as employees. A successful strategic CSR goes beyond statutory (or pending) requirements where it operates.

Investment in CSR can have a positive effect on goodwill for an organisation regarding their responsibility towards society, as well as the environment. It can generate positive publicity for an organisation, and allow it to differentiate from its competitors it can include investing and ensuring safe working conditions for (direct and indirect)

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employees (including those offshore) and care for the environment. Undertaken of the impact can assist in determining if the initiatives have the desired effect. There are many challenges and causes an organisation can address; as a result, an organisation that undertakes CSR will need to determine causes that do not distract it from its core organisational activities.

**There are several reasons why an organisation should care about corporate social responsibility.**

**Increased Brand Recognition**

Increased brand recognition with a product or service associated with a positive impact on society or the environment. Consider marketing campaigns or initiatives that organisations have supported. With many homogeneous goods and services, the tendency to remember goods and services would be greater

**Cost Savings**

In undertaking CSR, a company may see cost savings this can include the use of less packaging, the use of less energy in producing, and delivering products which can quickly add up to cost savings

**Meet Customer Expectations**

Customers are increasingly expecting organisations to be aware of the environmental impact of their operations and take a proactive approach including not using material that is harmful to the ecosystem

**Increase Employee Engagement and Retention**

Employees greenly like to be associated with an organisation that considers social considerations such as for the community, and the environment. The use of such initiatives can be used to increase employee engagement and attract new talent as prospective employees.

Michael Porter and Mark Kramer have noted in an article in Harvard Business Review Strategy and

Society: The Link Between Competitive Advantage and Corporate Social Responsibility "just a handful of them can positively impact the society or confer a positive advantage". They noted that those that undertake the right section would widen the gap with their competitors. There are four common justifications for CSR which are sustainability, moral obligation, reputation, and license to operate. Each of these areas will need to be considered while undertaking considering CSR as part of the overall corporate strategy.

Social responsibility is not limited to being socially responsible concerning sourcing material that respects the environment. It includes the protection rain forests, environment, as well as the wise use of energy such as supply electricity from the wind, or solar power; it can also include minimising the use of packaging, as well as recyclable materials. The mission statement of organisations is an indicator of the social awareness. Organizations can find a higher level of engagement when they consider the communities which are affected by the operations, and its clients.

A clear CSR strategy can also have long-term value for organisations that it can use to manage the relationships effectively it has to its employees, customers, investors, society, government, as well as competitors, and doing so it can maximise the goodwill of the organisation while building a sustainable organisation by building brand awareness. An efficiently executed CSR can increase awareness for the organisation as being socially responsible.



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