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Analyzing the Adoption of Corporate Social Responsibility Strategies

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Analyzing the Adoption of Corporate Social Responsibility Strategies

Presenter: Lia Sorensen

Mentor: Dr. Daniel Holland

What is CSR?

Corporate Social Responsibility (CSR) is a business strategy where companies align social and environmental concerns with its business operations and its interactions with stakeholders.

History of CSR

- 1950s: Modern concept of CSR was formed.
- 1960s: A growing number of protests put pressure on companies to change.
- 1970s: The new regulatory framework influenced corporate behavior and created additional responsibilities.
- 1980s: Thomas Jones—First author to consider CSR as a decision-making process. This led to new frameworks, models, and methods on evaluating CSR from operational perspective.
- 1990s: CSR gained international appeal.
- 2000s: Recognition and implementation of CSR.
- 2010s: Porter and Kramer proposed the idea of creating shared value.
- CSR is growing in popularity.
 - Of the largest 250 companies in the world, 92% produced a CSR report in 2015 (64% in 2005).

Changing Demographics & Purchasing Power

- Millennials are the largest adult generation with 72.1 million people.
- Generation Z is on track to become the most diverse and well-educated generation.
- Consumers use their purchasing power to support companies that align with their values.
 - 87% of Americans would purchase a product that advocated for an issue they care about (Cone Communications).
 - 76% of Americans refuse to purchase a product that is contrary to beliefs (Cone Communications).
- Companies that have strong values and purpose that align with Generation Z's point of view will recruit the best talent.
 - 83% of Gen Zers consider a company's purpose when deciding where to work (Porter Novelli).

Companies and their CSR Actions

Starbucks



- Starbucks Greener Stores framework
 - Ensures materials and products are responsibly and sustainably produced
 - Designs & operates stores to reduce waste
 - Anticipated to save an incremental \$50 million in utilities during the next 10 years
- Greener Cups Initiative
 - 1997: Introduced hot sleeves instead of double cupping
 - 2006: Paper cups produced with 10% post-consumer recycled fiber
 - 2018: NextGen Cup Consortium & Challenge

Procter & Gamble

- Children's Safe Drinking Water Program
 - Started in 2004
 - Invented a simple purification process
 - 15 billion liters of clean water by 2019
- Directly responded to more than 25 disasters across the globe
 - Provide clean water packets, laundry services, and personal hygiene kits



Children's Safe
Drinking Water



Johnson & Johnson



- Early adopter of CSR
- Views their Credo (I believe) statement as a recipe for business success
 - Constantly strive to provide value, reduce our costs and maintain reasonable prices
 - Must be good citizens (support charities, better health and education)
 - Must make a sound profit, experiment with new ideas, and research continue
- Earthwards is a design and evaluation process that supports sustainable product innovation within Johnson & Johnson.
 - Uses a scorecard to take the product through a four-step evaluation process
 - Saved 1.77 million liters of water and cut 14,000 metric tons of packaging (2018)

Nike



- Colin Kaepernick partnership
 - After the first ad, online sales grew 31% from Sunday of Labor Day to Tuesday after Labor Day (17% in previous year).
 - During the second quarter of 2017, Kaepernick's jersey was among the top 50 in sales, even though he was not on an NFL roster.
 - "Dream Crazy" was named outstanding commercial at the 2019 Emmys (first time since 2002).



Ben & Jerry's

- Values-driven business
 - Advance their core values through the way they conduct business
 - Use their influence to achieve systemic change
- Economic, Social, and Product Mission
 - All 3 work together
- Justice ReMix'd and I Dough, I Dough
- Creates stories on social media to:
 - Engage audience quickly
 - Establish an emotional connection
 - Educate & inform the audience



Penzeys Spices

- Largest independent spice retailer who is unapologetically progressive
- Bill Penzey, CEO, is a vocal critic of President Trump.
- Even with the strong language, online sales increased 59.9% and gift box sales increased 135% within 3 weeks after the email was sent to customers.
- Uses promotions & social media to discuss political & social issues with customers



Newsweek

Forbes

CR
MAGAZINE

FORTUNE

CSR Ranking Systems

- Multiple companies/publications that rank organizations based off CSR performance
- Mainstream media is collaborating with big think tanks to publish this information.
- Results widely vary

Conclusion

- Companies can create positive change through CSR activities.
- Consumers and stakeholders show greater loyalty to companies who incorporate CSR.
- Benefits of CSR:
 - Attracts investors & top talent
 - Increases product demand
 - Address stakeholder concerns
 - Can drive innovation
- Companies must put their words into actions.

Questions

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Sources

