Analyzing the Adoption of Corporate Social Responsibility Strategies

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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
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
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
Sources