

# Practical Class #12

International Management  
Spring 2025

May, 15/16

## What is CSR?

*“Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.”*

- 
- Employees
  - Customers
  - Suppliers
  - Government
  - Communities
  - Investors/Shareholders

Source:

<https://www.unido.org/our-focus/advancing-economic-competitiveness/competitive-trade-capacities-and-corporate-responsibility/corporate-social-responsibility-market-integration/what-csr>

# Key CSR activities

- Environmental management
- Eco-efficiency
- Responsible sourcing
- Stakeholder engagement
- Labour standards and working conditions
- Employee and community relations
- Social equity
- Gender balance
- Human rights
- Good governance
- Anti-corruption measures

Source:

<https://www.unido.org/our-focus/advancing-economic-competitiveness/competitive-trade-capacities-and-corporate-responsibility/corporate-social-responsibility-market-integration/what-csr>

# Different meanings in different societies

- ❖ Most known approaches to **CSR** may be **regarded as Anglo-Saxon\***, which:
  1. Imposes certain assumptions about what CSR means based on theoretically developed measurement scales;
  2. Often shares the instrumental perspective on CSR as a business case.
- ❖ Interpretations of the CSR concept reflect the importance of country-specific political, cultural, and social elements (Freeman & Hasnaoui, 2011).
- ❖ Religion also plays a role.

\* Blowfield & Frynas, 2005; De Geer, Borglund, & Frostenson, 2009 in Golob, U., Turkel, S., Kronegger, L., & Uzunoglu, E. (2018). Uncovering CSR meaning networks: A cross-national comparison of Turkey and Slovenia. Public relations review, 44(4), 433-443.

# Consumers responses to MNCs non-ethical practices

- ❖ E.g.: Labour rights violations at an MNC's global supply chain
  - Boycott
  - Anger
  - Disgust
  - Contempt
  
- ❖ Business managers should then take the consumer moral foundations into account when establishing a crisis response strategy:
  - Full apology, and acceptance of responsibility.
  
- Accepting responsibility suppresses development of emotional anger.

# IKEA child labour case

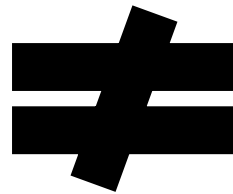
- ❖ Go to Moodle >>> IKEA's case (PDF)
  - 15 min to read
  
- ❖ Based on the article, discuss and answer to the following questions:
  - What happened?
  - How did IKEA respond?

# IKEA & child labour in India

- ❖ Scandal on IKEA's supply chain in India.
- ❖ Child labour was socially accepted in India.
- ❖ British law that states child labour is illegal (Western and anglo-saxon dominant).

# What is the difference between CSR and charity?

CSR



Charity  
Sponsorships  
Philanthropy



# Example of CSR practices

Intermarché

“The inglorious fruit and vegetables”



# Example of not so clear CSR practices

Nu Skin

“Nourish the Children” – “a for-profit social initiative empowering future generations one bowl at a time.”



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THE DIFFERENCE. DEMONSTRATED.™



# Patagonia: The owners that do not own

- ❖ Go to Moodle >> Patagonia: The owners that do not own ([article](#) by Nova Awareness Club)

- 10 min to read



- ❖ Based on the article:

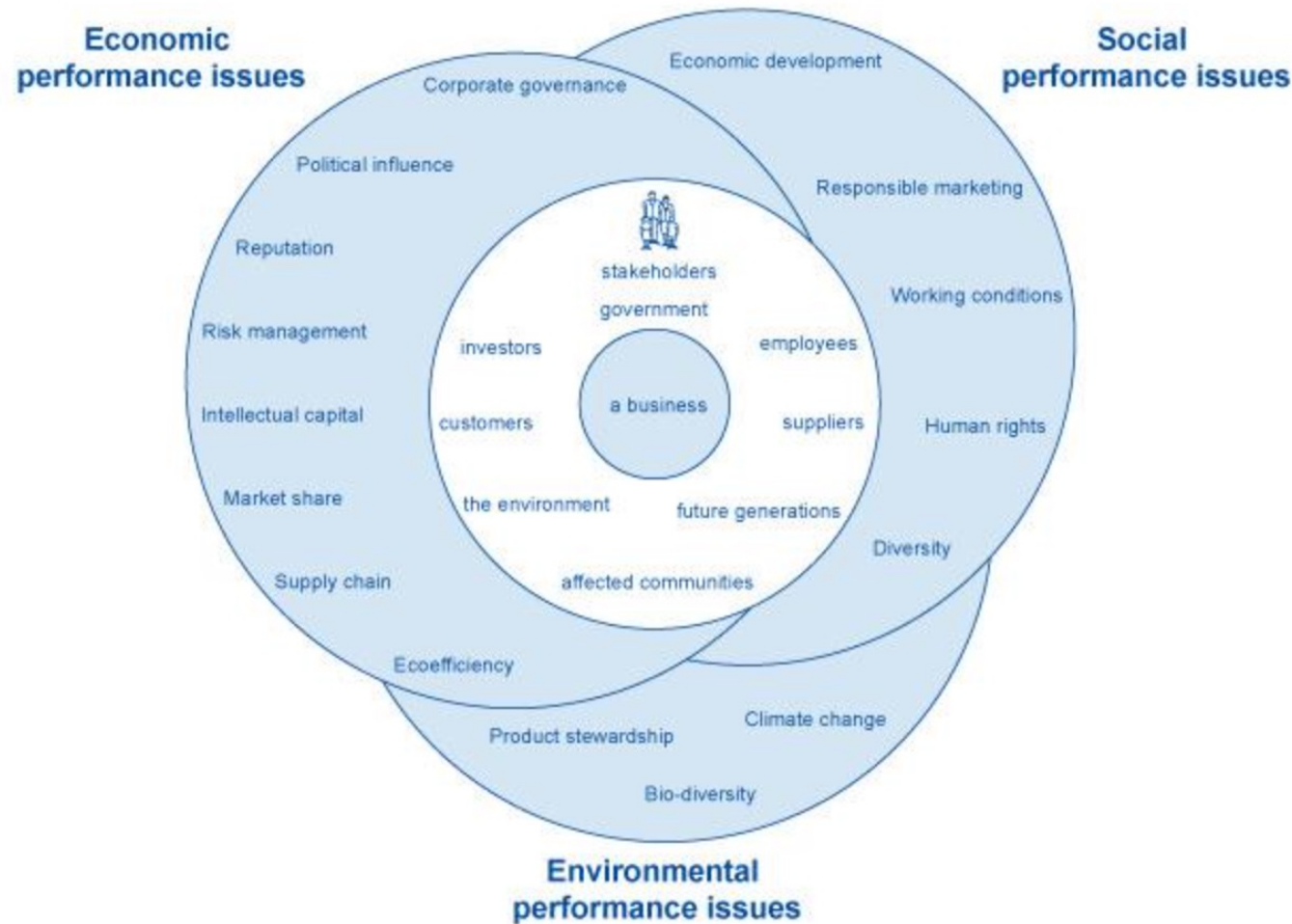
1. What are the CSR initiatives that Patagonia has implemented throughout the years?
2. Why might an IPO not be conducive to CSR?
3. What was the big change implemented by Chouinard? How is it an CSR initiative?

# CSR's impact on business

## ❖ CSR practices:

- Positively influence the quantity of innovation
- Reduce financing costs
- Create highly loyal and more price-inelastic customer base
- Increase trust between employees and managers
- Increase productivity of employees

# Economic + Social + Environmental



# ESG Investing

- ❖ Environmental, social and governance (ESG) investing - strategy to invest money in the companies that strive to make the world a better place and trying to influence positive changes.
- ❖ Companies are rated based on ESG scores (0 – 100, the higher, the better)

# Additional content – ESG investing

- ❖ <https://www.forbes.com/advisor/investing/esg-investing/>
- ❖ <https://www.asyousow.org/invest-your-values>