Pathways to Management and Leadership

Level 3: First Line Management

Unit 3018V1

Corporate Social Responsibility

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Corporate Social Responsibility

Contents

SAMPLE MATERIAL

About this workbook

The unit

The main purpose of this workbook is to support you as you study for the Chartered Management Institute Level 3 in First Line Management — specifically, it focuses on the content relevant to Unit 3018V1 *Corporate Social Responsibility*. This is about the importance of corporate social responsibility and how you, your department (or team) and organisation can play your part.

This workbook provides underpinning knowledge and develops understanding to improve your skills as well as to prepare for future assessment. If you're studying towards one of the Level 3 qualifications, then you'll be assessed by your approved centre on 'your knowledge and understanding of' the following learning outcomes:

1   Understand the application of corporate social responsibility in an organisation

2   Understand the organisational responsibilities for corporate social responsibility

3   Understand the relevance of corporate social responsibility to departmental performance.

The aims of this workbook

This workbook aims to help you learn about:

■   the importance of Corporate Social Responsibility for organisations

■   who is responsible for Corporate Social Responsibility within your organisation

■   your own responsibility for Corporate Social Responsibility.

This workbook is about how acting responsibly can benefit people, the planet and your organisation.

Syllabus coverage

The table below shows which sections of the workbook address each assessment criteria of the qualification syllabus.

Unit 3018V1: Corporate Social Responsibility Syllabus coverage	Addressed within section
1.1 Describe the environmental areas that could be part of an organisational Corporate Social Responsibility plan or policy	1
1.2 Identify the social areas that could be part of an organisational Corporate Social Responsibility plan or policy	1
1.3 Explain the corporate governance areas that could be part of an organisational Corporate Social Responsibility plan or policy	1
2.1 Describe the responsibilities of your line manager for Corporate Social Responsibility	2
2.2 Discuss the responsibilities of the first line manager in applying a Corporate Social Responsibility plan or policy	2
2.3 Identify the responsibilities of the team members in executing the Corporate Social Responsibility plan or policy	2
3.1 Discuss how actions to the environmental areas of a Corporate Social Responsibility plan or policy can impact on departmental performance	3
3.2 Explain how actions to the social areas of a Corporate Social Responsibility plan or policy can impact on departmental performance	3
3.3 Explain how actions to the corporate governance areas of a Corporate Social Responsibility Plan or policy can impact on departmental performance	3

Getting started

In this unit you'll see that corporate social responsibility (CSR) applies to a very wide range of issues and decisions relating to your work. Some of these are about people, for example, ensuring that you treat employees and customers fairly. Some are about the environment, ensuring that you avoid causing damage to the planet for future generations.

Overall, you'll see that caring for people and the planet in a responsible way will benefit the modern organisation.

How to use the workbooks

The workbooks provide ideas from writers and thinkers in the management and leadership field. They offer opportunities for you to investigate and apply these ideas within your working environment and job role.

Structure

Each workbook is divided into sections that together cover the knowledge and understanding required for that unit of the Level 3 in First Line Management. Each section starts with a clear set of objectives that identify the background knowledge to be covered and the management skills in the workplace that enable you to demonstrate this knowledge. You don't have to complete the sections in the order they appear in the workbook, but you should try to cover them all to make sure that your work on the unit is complete. There are self-assessment questions at the end of each section that allow you to check your progress. You may want to discuss your answers to the self-assessment questions with your line manager or a colleague.

Activities

Throughout the workbooks there are activities for you to complete. These activities are designed to help you to develop yourself as a manager. Space is provided within the activities for you to enter your own thoughts or findings. Feedback is then provided to confirm your input or to offer more ideas for you to consider.

To get the best from the workbooks, you should try to complete each activity fully before moving on. However, if the answer is obvious to you because the issue is one you've encountered previously, then you might just note some bullet points that you can then compare quickly against the feedback. You may some-times find it difficult to write your complete response to an activity in the space provided. Don't worry about this — just keep a separate notebook handy, which you can use and refer to as needed.

Try not to look at the feedback section before completing an activity. You might like to cover up the feedback with a postcard or piece of paper while you're working through an activity.

Timings

Timings are suggested for each section and activity, although it's important that you decide how much time to spend on an activity. Some activities may occupy only a few moments' thought, while others may be of particular interest and so you might decide to spend half an hour or more exploring the issues. This is fine — the purpose of the activities is to help you reflect on what you're doing, and to help you identify ways of enhancing your effectiveness. It's always worth writing something though, even if it's brief. The act of writing will reinforce your learning much more effectively than just referring to the feedback.

Scenarios

There are scenarios and examples throughout each workbook to illustrate key points in real workplace settings. The scenarios cover a wide range of employment sectors. As you work through, you might like to think of similar examples from your own experience.

Planning your work

The reading and reflection, scenarios and activities in each section of the workbooks are designed to take around two hours to complete (although some may take longer). This is a useful indicator of the minimum length of time that you should aim to set aside for a study session. Try to find a quiet place where you won't be interrupted and where you can keep your workbooks, notes and papers reasonably tidy. You may also like to think about the time of day when you work best. Are you a 'morning person' who likes to get things done at the start of the day, or do you work better in the evening when there may be fewer disturbances?

Preparing for assessment

Further information on assessment is available in the *Student Guide* produced as part of the *Pathways to Management and Leadership* series. If you have any further questions about assessment procedures, it's important that you resolve these with your tutor or centre coordinator as soon as possible.

Further reading

Suggestions for further reading and links to management information are available via ManagementDirect through the Study Support section of the Institute's website at http://mde.managers.org.uk/members. Alternatively, email ask@managers.org.uk or telephone 01536 207400. You will also find titles for further reading in the Bibliography at the end of this workbook.

The CMI Management Library holds an extensive range of books and pamphlets for loan to members. A postal loan service is offered to members in the UK only. You will only pay your return postal charges. Go to www.managers.org.uk/library to review the collection and to place your requests.

Section 1 Applying CSR in an organisation

Learning outcome **(about 3.5 hours)**

By the end of this section you will understand the application of corporate social responsibility in an organisation and be able to:

1.1 Describe the environmental areas that could be part of an organisational Corporate Social Responsibility plan or policy

1.2 Identify the social areas that could be part of an organisational Corporate Social Responsibility plan or policy

1.3 Explain the corporate governance areas that could be part of an organisational Corporate Social Responsibility plan or policy.

Defining corporate social responsibility

Before looking at the importance of corporate social responsibility (CSR) in detail, we need to look at what people mean when they use the term.

CSR has been defined in many ways. For example, the coffee company Starbucks comments that, 'a responsible company is one that listens to its stakeholders and responds with honesty to their concerns'.

If people are clear that the stakeholders include shareholders, employees, customers, suppliers and the wider community, then this is a useful start, but it says little about what concerns those stakeholders may raise.

Some more detailed definitions of CSR include the following:

> *'A concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis.'*

European Commission

> *'The commitment of business to contribute to sustainable economic development. Working with employees, their families, the local community and society at large to improve their quality of life, in ways that are both good for business and good for [international] development.'*

World Bank

'The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.'

Making Good Business Sense, a report by the World
Business Council for Sustainable Development

Activity

Activity 1.1   **(about 5 minutes)**

Study the three definitions above and identify the key ideas that they contain.

Note down below what you would say if you were going to explain CSR to a colleague.

Feedback

The key ideas can be summarised as:

■ *People: CSR is about being fair to employees, customers, suppliers and the wider society.*

■ *Planet: CSR is about avoiding damage to the environment, for example, by minimising energy use and reducing or recycling waste.*

■ *Profit: CSR must contribute to the economic development of the organisation and the wider community.*

Think of these as the 3Ps. You'll find more about them in the CMI checklist entitled 'Corporate social responsibility', available on the ManagementDirect website.

Notice that not all the definitions give equal importance to all three of the key ideas. As you study CSR, you'll see that different writers focus on very different responsibilities. But all of them emphasise the need to act ethically, thinking about the effect your actions may have on others.

Why is CSR important?

MORI research in 2009 found that '78% of the public wants to hear about companies' responsibilities to their customers, employees, communities and the environment'.

It's also clear from the media that the public are concerned about many aspects of CSR. Thinking of the four categories in the MORI report, examples of CSR issues include the following:

- Customers: Electrical and car companies get a lot of media coverage when they have to recall products because of safety issues.

- Employees: A great deal of legislation in recent decades has aimed to ensure that employees are treated fairly during recruitment and while at work.

- Communities: Pressure groups and the media have encouraged, for example, supermarkets and sports shoe manufacturers to ensure fair working practices in Third World countries.

- The environment: The discussion of global warming and sustainability has encouraged companies to look at their levels of energy use, their production of waste and the question of pollution.

Activity

Activity 1.2   (about 10 minutes)

For each of the MORI categories above, identify two CSR issues that currently affect your own organisation.

MORI category	Issue 1	Issue 2
Customers		
Employees		
Communities		
Environment		

Feedback

The issues that you identify will reflect your own organisation's interests. As an example, some of the issues relating to an out-of-town supermarket might include the following.

MORI category	Issue 1	Issue 2
Customers	Is the food kept hygienically?	Are there suitable facilities for people with particular needs or parents with young children?
Employees	Are people recruited and treated fairly?	Do parents of young children have a chance to work flexibly?
Communities	Does lighting and traffic from the supermarket have an adverse effect on people living nearby?	How does the supermarket affect town centre shopping?
Environment	How much packaging does the average shopper take away?	How can energy use and waste production be minimised?

The list of possible issues shows that CSR has a major impact on many aspects of an organisation, its departments and teams. So who is responsible for CSR?

Responsibility for CSR

Let's take two of the examples listed in the feedback above.

First, the example of the facilities for people with particular needs or parents with young children. Senior management will have considered the need for these facilities when the supermarket was built. The store manager and supervisors must ensure that the facilities are maintained and kept clean, and individual cleaners must carry out the cleaning regularly.

Second, think about the amount of packaging that a customer takes away. Senior management will decide whether the chain will try to reduce the level of packaging. Technical managers will look at ways of maintaining quality while reducing packaging. The store manager and supervisors must ensure that customers can buy non-packaged goods where possible, and checkout staff must remember to charge customers who purchase plastic carrier bags.

The two examples suggest that responsibilities for CSR are shared between everyone in the supermarket organisation. Now use the following activity to assess whether that's also true in your organisation.

Activity

Activity 1.3   (about 10 minutes)

Select two of the examples of CSR issues that you identified in the last activity.

Who has responsibilities for each issue?

Feedback

Your answers will vary depending on the organisation and the examples that you chose. However, you probably found that people at all levels had at least some responsibilities for CSR. You may also have found that your organisation has a team of managers or a department that focuses on CSR.

You will now focus on what you need to do to ensure that every member of your team and department acts responsibly in relation to people and the planet.

CSR and the planet

You have seen that the term 'Planet' is used in the 3Ps to relate to all environmental issues. Figures 1.1a and 1.1b show the most important of these issues and how the environmental issues are interrelated:

■   Figure 1.1a shows that energy use typically leads to emissions and pollution, which appear to be creating climate change and may lead to extremes of weather in the future.

■ Figure 1.1b shows some of the effects of travel. Travel increases energy use, which increases the need for natural resources such as oil. Opening new oilfields then leads to damage to natural environments.
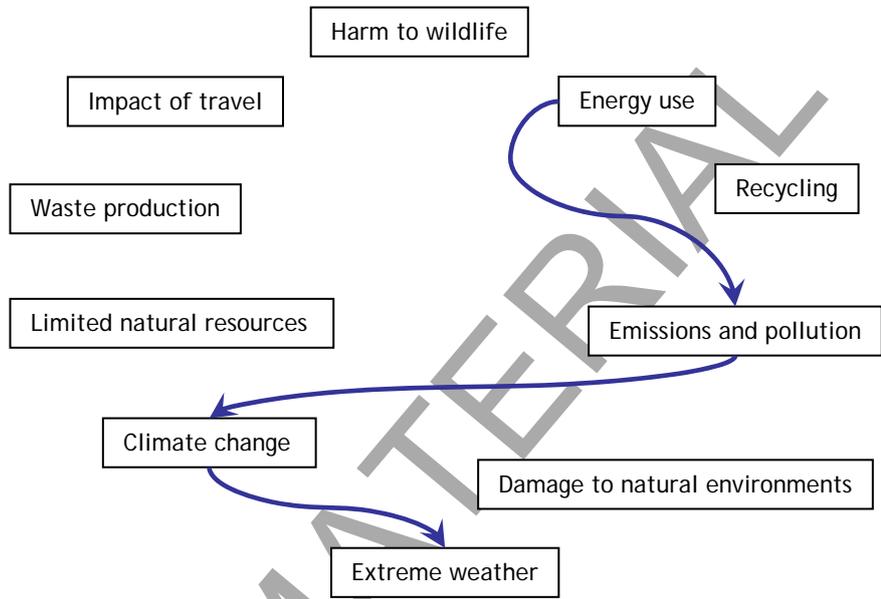

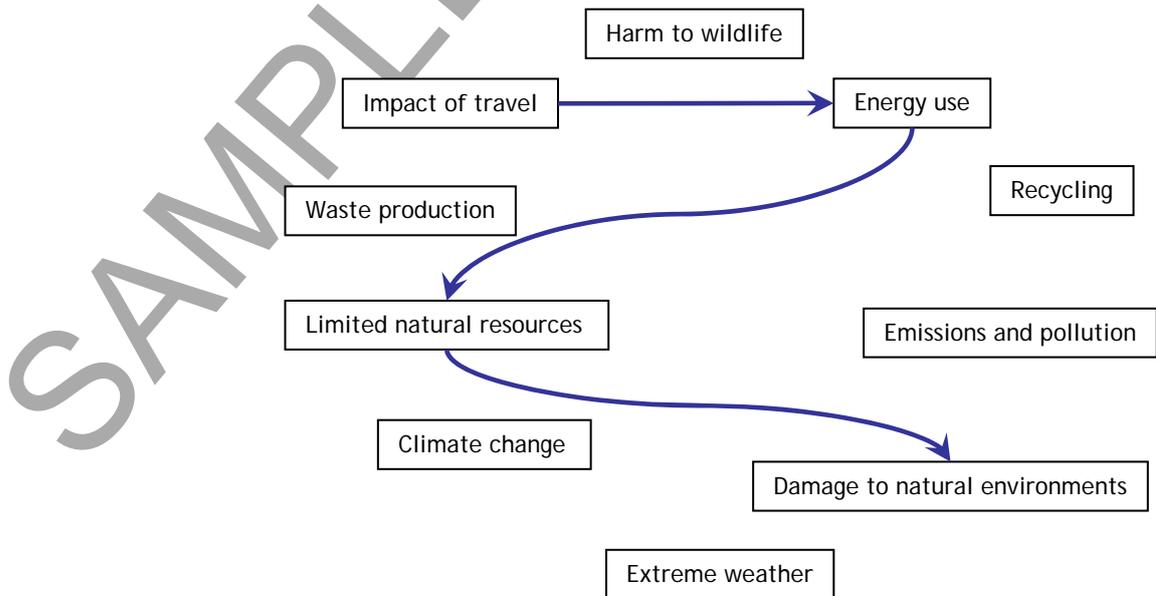Fig. 1.1a: Energy use and pollution

Fig. 1.1b: Travel and energy use

Activity

> **Activity 1.4**   **(about 5 minutes)**
>
> Air travel to a distant holiday destination is often quoted as a significant cause of environmental damage. Which of the other issues in Figure 1.1b can be linked by arrows from *Impact of travel*?

Feedback

> *You could probably argue that all of the other issues can be related to the impact of travel.*
>
> *This activity, however, shows that many of the questions in CSR may not have simple answers. You might conclude that travel uses energy, so reducing natural resources and leading to damage to natural environments. But you could also decide that visits by tourists lead governments to take greater care of their environments and wildlife.*

STEEPLE and SWOT identify factors that may affect an organisation's future. As you will see below, they can also be used to identify environmental issues.

Identifying environmental issues using STEEPLE

The letters of STEEPLE highlight seven areas that managers need to consider:

- **Social:** Lifestyle changes, work-life balance, education, health and welfare, poverty levels and job security.

- **Technological:** Spending on research, new discoveries and developments, changes in IT and mobile communications.

- **Economical:** Particularly changes in the local, national and global economies, changes in monetary policy, government spending, unemployment policy, taxation and inflation.

- **Environmental:** Energy use, waste management, global warming, climate change, carbon emissions and recycling.

- **Political:** Particularly changes that may result from local or national elections or from changes in Europe.

- **Legal:** Changes in legislation or regulations, international trade regulations and competition regulation. Managers may also be concerned about the growth in the litigation culture, with people being more likely to take an organisation to court.

- **Ethical:** Questions of consent, client confidentiality, security access, terms of business and trade, trust and reputation. Many issues here relate to fairness, values and equality.

For this section, the most important letters are likely to be the Es of environmental and ethical. However, each letter may identify important environmental changes that an organisation needs to make. Equipment that is emitting harmful gases could be identified by considering social issues relating to health, technological issues and the use of new equipment, environmental issues such as pollution of the atmosphere, legal issues relating to emissions legislation and ethical issues about safety of employees and the wider community.

Identifying environmental issues using SWOT

The letters in SWOT suggest that an organisation might identify factors under the following headings:

- Strengths of the organisation
- Weaknesses within the organisation
- Opportunities in the marketplace
- Threats within the marketplace.

SWOT can also be used to identify factors relating to parts of the organisation. A team might use it to identify opportunities for working more efficiently, or a department may realise that its financial skills are a strength. The key is to decide the scope of your SWOT analysis. Without a clear focus it can produce long lists rather than identify key issues.

Scenario

Scenario

When a new chief executive joined a local government organisation she encouraged all managerial teams to use SWOT to analyse and assess their CSR performance.

The senior management team felt that having an ethical reputation was one of its strengths. On the other hand, one manager reminded them all that one of their maintenance depots had recently polluted a local stream. They all agreed that the resulting publicity was highly damaging. They decided to ensure that the work to prevent future pollution was publicised in the local press.

Environmental product responsibility

The discussion above focuses mainly on how the organisation can operate in an environmentally responsible way. There is one other area of concern that we must consider. This relates to the environmental impact of the output that the organisation creates.

Take batteries as an example. They contain metals that are environmentally damaging, so they must be disposed of safely. Or electrical equipment left on stand-by. In recent years it has become clear that this approach wastes large amounts of electricity. Manufacturers are currently searching for ways to minimise the amount of power used when the equipment is in stand-by mode. Finally, consider the reports or publicity