

Corporate Social Responsibility:

Just Good Business

by

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## Corporate Social Responsibility: Just Good Business

Corporate Social Responsibility sounds lofty but can it really provide a window of transparency into the soul of an organizations deeper purpose, other than generating revenue for shareholders? In the next few pages I am going to address the notion that CSR is not only purposeful but strategic in conducting business in the 21<sup>st</sup> century.

Having been in business for a number of years I have recognized both schools of thought on the issue of CSR. The enlighten self-interest in my view is always the starting point for most business endeavors no matter how noble. From this the normative and business case arises. I submit that the mere creation of a business or organization will result in some form of CSR it cannot be helped. The only question that truly remains is does it provided a benefit to both the organization and society as a whole? And if so, how might one go about balancing the two?

It is also important to remember that CSR is not new. Solomon correctly stated in Ecclesiastes “what has been will be again; what has been done will be done again; there is nothing new under the sun.”

“CSR is not a new idea, the hype surrounding it today notwithstanding. Second, although there is a clear difference between CSR stemming from a desire to do good (the “normative case”) and CSR that reflects an enlightened self-interest (the “business case”), a firm’s reasons for engaging in CSR might reflect a mixture of these motivations.”

(Smith, 2003, p.53.)

As stated in the beginning I believe that CSR needs to be both purposeful and strategic. My personal belief notwithstanding successful businesses and organizations in this new century must find a hybrid approach to CSR can serve both the stakeholder and the greater community and can be seen as just good business.

That's very well and good you might say, but why? Fair question. The reason lies in the fact that businesses today can no more separate what they do from how they impact markets and communities than a strip mall store owner can separate him/herself from their immediate neighborhood. This current G8 generation has grown up with environmental, financial and social agendas hammered into their collective psyche that it is almost anathema to approach conducting any business whether local or global without a serious nod to how you will strategically and purposefully position your company. And why wouldn't you? It's not so self-serving as it sounds.

It is not in any businesses self-interest to merely focus on profits when knowing they could assist in helping the community around their core competencies as a business first. Then they are in a position to help improve local or regional conditions within their reach. Notice I stated CSR should take place locally and within that businesses core competencies first. Why? To me it speaks to the issue of transparency in the culture of that business and how it will be perceived by the surrounding community and to perhaps a greater extent the regional community.

For example, if I make kitchen cabinet parts I could potentially partner with the cabinet maker I supply parts to help bring a better esthetic and experience in kitchens. (Don't laugh people spend hundreds of millions annually doing kitchen improvements.) We could create a program around home improvement with the local Lowes or Home Depot featuring our products and hold free weekly or monthly home improvement clinics designed to assist home owners in improving their kitchens. This is real, tangible, purposeful, strategic and transparent. Now, could I achieve this by sponsoring the local baseball team? Sure. But would it be strategic? Maybe. Is it meaningful or purposeful in relation to the business? Not so much. At best it provides goodwill.

If I take the first approach then ease into other transformative projects they would have a greater impact and more meaning in the long-term. So in this case we would have a business which contributes both normatively and in a business case. That's just good business

Here's what I know to be true, whether you are a 100 million dollar company or a home business, when it comes to CRS people hear what you say, but they watch what you do.

**References:**

Smith, N.C. (2003). *Corporate Responsibility: Where and How?* California Management Review Vol. 45, NO. 4