The Five Dimensions of CSR

An executive seminar with Mal Warwick
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In this session . . .

- Three case studies
- What is CSR?
- The five dimensions of CSR
- What does the future hold?
- Shameless self-promotion
Case Study 1:
Focus on suppliers
Pura Vida

Create good
“Making a profit is no more than the purpose of a corporation than getting enough to eat is the purpose of life. Getting enough to eat is a requirement of life. Life’s purpose, one would hope, is something broader and more challenging. Likewise with business and profit.”

—Kenneth Mason
Former Chairman
Quaker Oaks Company
Case Study 2: Focus on employees
Fight global warming with Cool Tags - get yours now!
“The rewards . . . come from improved reputation, improved staff loyalty, motivation and retention, and from lower transaction costs. But, perhaps above all, they come from an improved quality of management through working more closely with all the players in the business environment.”

—Adrian Henriques, cited in Holliday, Schmidheiny, and Watts, *Walking the Talk: The Business Case for Sustainable Development*
Case Study 3:
Focus on the environment
### Clothing Facts

**Amount Per Shirt**

<table>
<thead>
<tr>
<th>% Daily Values</th>
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</thead>
<tbody>
<tr>
<td>Sweatshop Labor</td>
</tr>
<tr>
<td>Pesticides Used</td>
</tr>
<tr>
<td>Plastic Prints</td>
</tr>
<tr>
<td>Harsh Resins</td>
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</tbody>
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| Certified Organic Cotton           | 100%  |
| Water Based Inks                   | 100%  |

Sustainable Apparel

[tsdesigns.com](http://tsdesigns.com) © 2004
“The vision shared by the many Americans who are experimenting [in business] . . . Is not a utopian society here on earth but the conviction that the arrangements within capitalism can be changed, little by little, to make more space for life, through innovations that eventually become common practice.”

—William Greider, *The Soul of Capitalism: Opening Paths to a Moral Economy*
What is CSR?
Many names . . .

- Corporate social responsibility (CSR)
- Socially responsible business (SRB)
- The sustainable corporation
- Double bottom line
- Triple bottom line
- Blended value proposition
- A dynamic and constantly evolving concept
Phase 1: 1970s

- Origins in Socially Responsible Investing (SRI)
- Early action on the environment (USA)
- Poverty eradication (global)
- First steps toward corporate social responsibility
Phase 2: 1980s

- Double bottom line
- Slow growth of CSR
- Founding of SVN (1987)
- Socially responsible business spreads
Phase 3: 1990s

- Founding of BSR (1992)
- Triple bottom line (1994)
- Rapid spread of SRB
- Blended value proposition
- Emergence of social enterprise
The Triple Bottom Line

- People
- Planet
- Profit

A balanced, sustainable approach
CSR works when . . .

- Management trusts and engages employees
- Owners accept a long-term view
- Management makes decisions holistically
CSR doesn’t work when . . .

- Owners want to “get rich quick”
- Employees are treated poorly
- Management thinks resources are unlimited
- CSR is viewed as corporate philanthropy
- or, worse, as a public relations strategy
The five dimensions of CSR: the stakeholder model
The Five Dimensions of Values-Driven Business

THE ENVIRONMENT

community

employees

your company

customers

suppliers

THE ENVIRONMENT
Three Paths to Social Responsibility

Companies that provide products or services that improve the quality of life in their communities

Companies that invest the profits they earn in social or environmental causes

Companies that are distinguished by the ways they operate
What does the future hold?
Changes are afoot

- Increasing government regulations
- Pressure from insurance companies
- Changing investor perceptions
- Shifting consumer attitudes
- Looming resource shortages
Figure 2.1: In your own words, what does the phrase "corporate social responsibility" mean to you? (n=800)

- Commitment to employees: 27%
- Commitment to communities: 23%
- Provide quality products: 16%
- Responsibility to the environment: 12%
- More charitable donations: 3%
- Don't know: 16%
“Consumers, not experts, are now setting the CSR agenda.”

—Fleishman-Hillard benchmark study, 2005
Degrees of responsibility

- CSR: business for profit but minimize damage
- SRB: evolve new business models to change the world
- Blurring of lines between SRB and social enterprise
Is CSR morally correct?

Why do we do what we do?
Because it’s right?
Because it’s profitable?
Because it’s both?
Are we seeking value—or values?
Is there ultimately a difference?
Phase 4: 2000s

- We’re still destroying the planet – and 2/3 of humanity is still poor
- Recognition that CSR isn’t enough
- Total Corporate Responsibility (TCR)
- Business must address systemic issues
Shameless self-promotion
Ben Cohen
Mal Warwick
values-driven business
how to change the world, make money, and have fun
That’s all for now!

For more information, contact:

Mal Warwick Associates
2550 Ninth Street, Suite 103
Berkeley, CA 94710-2551
Phone +1 (510) 843-8888
Email info@malwarwick.com
Web www.malwarwick.com