

Strategic Purpose and Social Value of Corporate Social Responsibility

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Corporate social responsibility is a business term that contributes to sustained development by delivering social, economic, and environmental profits to all the linked stakeholders. CSR is a concept that involves a lot of practical practices and illustrations. Every company has a different effect on the implementation of CSR. As CSR is a vast topic, it addresses human rights, health, safety, environment, corporate governance, and contribution toward economic development (Hassan, 2015). The main focus of CSR is to change the overall sustainability of the company. CSR performs as a self-regulatory tool, where a business displays and makes sure that the company is in accordance with the national/international norms, laws, and ethical standards.

CSR aims to make sure that a company is doing business in an ethical way. It involves taking into account the company's human rights, as well as environmental, social, and economic aspects (Hassan, 2015). It includes a lot of practices, such as partnering with local communities and working accordingly. CSR can be referred to as corporate citizenship, where the company is not getting any financial benefit, but in contrast, it improves the social and environmental aspects.

CSR has its own benefits, where the company tends to bring positive outcomes. Satisfying the employees is one of the main purposes of practising CSR. Employees always want to work where they feel proud of the company, and having a CSR application in the company makes employees feel more positive and responsive to the company. CSR also builds satisfied customers, and it is one of the basic purposes of implementing CSR. When a customer comes to know that the company is socially active, has different seminars for the poor people, and gives donations, it makes a customer directly satisfied that I'm buying a product from a good company. Its main purpose is to create a positive PR, which can be done on social or direct media.

Primary And Secondary Stakeholders:

Primary stakeholders are those who have a direct interest in the company. It can include the top management, employees, strategic partners, and staff of the company (Hassan, 2015). While secondary stakeholders are those who have an indirect interest in the company. It can include the government, banks, customers, clients, and competitors. Here, in the context of Paradigm Toys, the primary stakeholders are the employees working in the company and the top management of the company. The secondary stakeholders are the customers and social media, who are linked with Paradigm Toys.

Responsibility To Stakeholders:

As identified, Paradigm Toys have customers and social media as the secondary stakeholders. Paradigm Toys can meet their Corporate Social Responsibility (CSR) towards their secondary stakeholders by:

- Making socially accepted toys to meet the needs of the customers.
- Organize different seminars to attract media and make sure the media has enough content to publish it.

Moreover, the primary stakeholders of Paradigm Toys are the employees and the top management of the company. Paradigm Toys can improve CSR with the primary stakeholders by:

- Providing annual incentives to the employees and developing training programs. It will increase the level of pride in the employees that we are at the right place.
- Building relationships with the top management and making them a part of the company's decisions can be helpful for the company in building positive CSR.

Importance Of Ethical Culture:

Ethical culture is a belief that is centred on ethics, and its aim is to improve respect for nature and humanity and provide a better world (Yentis, 2016). Members of an organization tend to develop personal ethics, in their relationships and improve activities of social and environmental justice. Practising an ethical culture, where everyone is treated equally and everything is done under the code of law, helps a company improve its brand image and corporate image in the market (Yentis, 2016). The importance of ethical culture is a vast term that explains that a company performs better when practising ethics in the organization. The importance of ethical culture explains that it improves the financial situation of the company and produces positive results. By having ethics in a workplace, everyone is being treated equally, and thus, the results are always positive.

Fostering ethical culture:

Paradigm Toys' management can improve its ethical culture by linking the toys to the poor people of the community. Provide them with the toys for free. They can also train the employees to work as a group while attending to the customers. Interacting with the staff on a daily basis, including them in the decisions, and making them feel at home, these factors can improve the ethical culture of the company.

Ethics Audit:

A traditional audit goes from evaluating the financial and operational data of the company. However, an ethics audit is done to check the level of ethical commitment practised by the company. An ethical audit includes interviewing the employees and managers, analyzing the past record of social and environmental activities, and observing the policies and processes of the company (Yentis, 2016).

Value of an ethical audit:

The value of practising ethics audits is long-term, and it is important for a company to observe ethics audits. Practising ethics audit in Paradigm Toys can:

- Clear the actual mission of the company, which is what it wants to operate.
- Provide a future improvement plan in ethics and financial measures.
- Train the company to meet the societal and environmental results that the company was not focusing on previously.
- Give an overview of the level of ethics observed by the company.
- Identify the specific area where the ethical climate is low.
- Give an overview of the issues which the employees are facing.
- Get the areas of vulnerability that were not examined due to lack of focus.

Ethical Dilemma:

A widespread ethical dilemma faced by a lot of businesses is the difference in gender in the company. I came across a situation where my team partner was differentiated because she was a woman. The supervisor and the management showed a lack of trust in her decisions and actions, which led to demotivation. It affected our team performance as well because she was an important member of our team. The supervisor and the management did not consider her an employee and said that she could not produce results, as she is a woman and she did not match the criteria for which she was hired.

Potential Solutions:

This issue can be resolved by considering some issues from the management perspective, where they can:

- Talk to the concerned people who are creating this type of discrimination, and train them to be leaders who treat everyone equally.
- Let the victim (that woman) gain expertise and provide certain separate tasks, which can lead to results that show that she can perform the task as efficiently as others can.

Explanation of choice:

From the two solutions mentioned above, I would recommend the first one, where the company needs to talk to the supervisor and the management, who are creating disruption in the workplace. Every employee should be treated equally, regardless of their gender, race, ethnicity, and cultural background. Providing them with proper instructions for equality and justice can lead to desired outcomes and improve the overall strength and productivity of the company.

Key Components In The Ethical Training Program:

Ethical training programs are conducted by organizations to improve the skills and ethics of the employees and improve the sustainability of the company (Warren, Gaspar & Laufer, 2014). For this purpose, some training initiatives are taken by the companies to know what type of ethical training they want to observe in their workplace. The three components that paradigm toys can include in their training program include:

- Ethical behaviour development
- Improvement in customer relations
- Providing knowledge about the common dilemmas in the workplace

Explanation of key components:

The above-told training components are chosen because Paradigm Toys is a retailer and manufacturer of toys, and being in a retail business means you have to interact with the customers on a daily basis. So, training in an ethical way of communication needs to be given to the employees, as well as in what way they need to interact with the customers. Training for ethical behaviour needs attention because ethical behaviour concerns the workplace environment, and employees need to be ethically strong so that the workplace is not affected by it.

Delivery Method:

While the ethics training needs to be done in Paradigm Toys, there should be a delivery method to help the employees get better training. For this purpose, the trainers will first define the purpose of the training, followed by the reasons which need to be considered. It can be one-on-one communication and should be very precise. Then, the training should be delivered using practical examples and telling about the consequences of unethical behaviour in the company. The next step would be to develop an interest in the employees by creating classes and seminars where they can do tasks and communicate verbally, which will help them understand the ethical way better.

Justification:

Using this type of delivery method will create a positive improvement in the employees (Warren, Gaspar & Laufer, 2014). Performing different tasks and doing a scenario-based activity will ultimately help the trainees better understand the problem and apply it in their real lives.

References

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