ORIGINAL ARTICLE

REBUS – THE NEW VEHICLE FOR CSR

M.N. PRABADEVI AND A. CHANDRAMOHAN

Assistant Professor - SRM B School, SRM University
Professor of Management, SRM School of Management, SRM University

Abstract:

　　　　The voluntary compliance of social and ecological responsibility of companies is called Corporate Social Responsibility (CSR).Corporate social responsibility is basically a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. Corporate social responsibility is represented by the contributions undertaken by companies to society through its business activities and its social investment. This is also to connect the Concept of sustainable development to the company's level. Over the last years an increasing number of companies worldwide started promoting their Corporate Social Responsibility strategies because the customers, the public and the investors expect them to act sustainable as well as responsible. In most cases CSR is a result of a variety of social,environmental and economic pressures.

　　　　The Term Corporate Social Responsibility is imprecise and its application differs. CSR can not only refer to the compliance of human right standards, labor and social security arrangements, but also to the fight against climate change, sustainable management of natural resources and consumer protection.The concept of Corporate Social Responsibility was first mentioned 1953 in the publication 'Social Responsibilities of the Businessman' by William J. Bowen. However, the term CSR became only popular in the 1990s, when the German Betapharm, a generic pharmaceutical company decided to implement CSR. The generic market is characterized by an interchangeability of products. In 1997 a halt in sales growth led the company to the realization that in the generic drugs market companies could not differentiate on price or quality. This was the prelude for the company to adopt CSR as an expression of the company's values and as a part of its corporate strategies. By using strategic and social commitment for families with chronically ill children children, Betapharm took a strategic advantage.

　　　　In July 2001, the European Commission decided to launch a consultative paper on Corporate Social Responsibility with the title „Promoting a European Framework for Corporate Social Responsibility". This paper aimed to launch a debate on how the European Union could promote Corporate Social Responsibility at both the European and international level.How a company perceives its societal responsibility depends on various factors such as the markets in which it operates, its business line and its size.

KEYWORDS:

　　　　ecological , society , cleaner environment , Corporate Social Responsibility .

INTRODUCTION

　　　　In recent years CSR has become a fundamental business practice and has gained much attention from the management of large international companies. They understand that a strong CSR program is an essential element in achieving good business practices and effective leadership. Companies have explored

that their impact on the economic, social and environmental sector directly affects their relationships with investors, employees and customers

How "social responsible" are Companies in reality?

Due to the lack of international CSR guidelines, the practical application of CSR differs and CSR Strategies within most companies still show major deficiencies. There are still complaints about multinational companies wasting the environment and NGOs still denouncing human rights abuses in companies.

Some critics believe that CSR programs are undertaken by especially multinational companies to distract the public from ethical questions posed by their core operations. That meanwhile even multinational companies such as Microsoft or Pepsi confess to their social responsibility, is discussed quite controversial. While companies increasingly recognize their social responsibility, many of them have yet to adopt management practices that reflect it: company employees and managers need training in order to acquire the necessary skills and competence.

REBUS Project - an European investigation in new approaches to Corporate Social Responsibility

The mission of the REBUS project – RElationship between BUsiness & Society, an European Investigation in Corporate Social Responsibility – is to investigate how the concept of corporate social responsibility is perceived by management of both large and medium-to-small enterprises in Europe, and by society as a whole, with particular reference to the main stakeholders in firms - shareholders, employees, community, public institutions, trade unions, etc. The overall objective is to single out and exchange good practices which facilitate the assumption by the management of European companies of responsible managerial behaviour.

The project is therefore transnational in its scope and has set up a partnership with four organisations representing three European countries (ISTUD and Formaper- Italy, BFZ - Germany, Esc-Grenoble - France). The final beneficiaries of the project will be shareholders, the employees of firms, and the community, with particular regard to the "weaker components" of society. The main results expected are increased awareness among managements and within society, the exchange, trialling and dissemination of good practices, and the creation of a European network which fosters a sense of corporate social responsibility, especially in small and medium-sized firms.

The approach used throughout the project will be bottom-up in nature and will involve all the partners from the initial stages onwards. The main methodologies used will be analysis of the literature, ethnographic analysis, interviews, focus groups, workshops, case studies, and training/counselling.

The REBUS Project pursues the following objectives.

1.Sensitize the managements of European companies and their main stakeholders to the theme of Corporate Social Responsibility (CSR). This expression has yet to acquire a distinct and generally endorsed meaning. It is consequently essential to act not only on firms but also on the communities of which they are part. It is increasingly recognized, that it is necessary to shift from an approach based on the maximization of value for stakeholders to one based on the maximization of value for shareholders.
2.Provide a snapshot of the current situation of CSR with the direct involvement of the main actors and to investigate the perceptions and expectations of economic and social actors with regard to CSR, thereby increasing their awareness. The project also intends to facilitate dialogue between company managements and their stakeholders. Indeed, it is of crucial importance for companies to establish a process of two-way communication which not only delivers information efficiently but also reinforces key relations. Company managements are growing increasingly aware of the need to know what is happening in society, and what to expect from it, and to understand people's perceptions and expectations in order to remedy past errors and to plan future action in keeping with those expectations. Society, in fact, is becoming more and more aware of the ethical and social implications of firms' activities, and its level of expectations and demands is increasing as a consequence. It is therefore important that society should be able to express its own instances and thus play an active role in ensuring that companies respond positively to its constantly changing interests and needs. A further purpose of involving companies and stakeholders is to identify guidelines and possible best practices by investigating the behaviour of small and medium-sized business and large European countries. We believe that identification of best practices is a crucial step toward definition of shared standards which will enable company managements to adopt responsible practices.
3.Share with European companies the most innovative and efficacious practices emerging from the

research. Indeed, we deem it essential that our research findings be translated into practice, because Social Responsibility must not remain a fashionable catch phrase; instead, it is a "hard reality" which is in everyone's interest to put into practice.

4.Extend the concept of Social Responsibility to small and medium-sized enterprises by investigating:

·   whether small and medium-sized firms will in the future be able to fulfil the standards required for SA8000 certification on respect for human rights, respect for workers' rights, protection against the exploitation of minors, and workplace health and safety guarantees. Analysed in particular will be issues concerning the sourcing of goods and services, especially if these are internationalized; the difficulties of small and medium-sized firms in employing weak labour-market categories or persons with physical/mental problems, including alcoholism, handicap, depression, drug abuse, etc. This aspect is of fundamental importance, and it relates to the appeal made by the European Council of Lisbon for the promotion of responsible managerial practices, with particular regard to life-long learning, the organization of work, equal opportunities, social inclusion, and sustainable development.

5.Disseminate Europe-wide the results of the research conducted by the partners in their countries. We believe that international dialogue among the main socio-economic actors concerned with CSR to be indispensable.

The aim of the project is to give significance and sense to the concept of CSR by drawing up guidelines which will induce and enable the managements of European companies to adopt responsible managerial practices.

DEFINING THE MANAGERIAL CULTURE

The Council's appeal to a corporate sense of social responsability comes at a time of significant changes in the economy and society amid the complex phenomenon of globalization, which in many instances compels firms to pursue only efficiency and profit maximization. In a context of global competition, firms consider the quality of life in organizations and the more general interests of the community to be of secondary importance.

Against this background, defining the managerial culture required by our society is of increasing importance. This culture should centre on the principle of responsible management in firms and institutions. A firm and its environment are closely bound up together: a firm is changed by the environment in which it arises and works, and in its turn, the environment is changed by the firm's distinctive features. Thee relationship between a firm and the environment is therefore so close that responsibility must be the main component of corporate strategic planning. In this sense, corporate social responsibility becomes a managerial skill.

A culture of responsible management requires sensitivity and commitment by firms' managements towards their main stakeholders. Shareholders, employees and society, particularly as regards weaker segments of the population, are intended to be the final beneficiaries of the REBUS Project.

FINAL & INTERMEDIATE BENEFICIARIES

Shareholders.

The majority of studies on the association between ethically responsible management and profitability suggest that the two are often closely connected. The key element in this link is trust: a firm which is not trusted by its employees, partners and consumers is bound to have difficulties; moreover, in a system where businesses are geographically distant from their customers, a reputation for trustworthiness is even more important and strategic. It is therefore essential for shareholders and investors to apply pressure on companies so that they become socially responsible – as also pointed out by Romano Prodi: "today's responsible companies will be tomorrow's profitable companies".

Company employees.

The project aims to promote responsible behaviour by companies towards their employees. The intention is therefore to increase managerial awareness of certain important issues concerning employer/employee relations. The project aims to raise awarness on some important issues regarding the link between company and employees, such as developing respectful and helpful relationships and a solidaristic conception of life in organizations; offering equal opportunities for personal growth and lifelong learning; setting value on gender, ethnic and generational diversity; improving internal company communications so that they are transparent and exhaustive; defending spaces for personal and family life.

The community

The fact that a business is closely tied to the context in which it operates has significant implications. The actions undertaken by companies cannot be considered in isolation from the external environment; conversely, events in the external environment cannot be considered insignificant by companies. This close interconnectedness entails acknowledgement by companies of their increasing responsibility for the well-being of the communities in which they operate. Companies can foster the welfare of the communities in which they operate through the rapid work entry and socialization of young people; the occupational and social reintegration of those forced to leave work; careful assessment of the impact of corporate strategies on the natural, cultural and social environment; the optimization of the economic and intellectual resources employed by the public administration and the health and educational systems; the development of a multicultural and pluralist society. The project will therefore also address society at large by seeking to build awareness among corporate managements of the effects of their actions on collective welfare. Businesses must therefore act responsibly towards this particular stakeholder, also in view of the fact that globalization amplifies the harmful effects of unacceptable business practices. Within the community, a specific category of beneficiaries will be the more vulnerable social groups: indeed, the project intends to analyse and experiment with innovative methods for the work integration of the socially marginalized and their correct management in small and medium-sized enterprises.

The REBUS Project is structured on four basic integrated dimensions:

study;
international comparison;
information & training;
networking

STUDY

Design and methodology

A macro-design which sets out the best lines of analysis and research.
Analysis of the literature in order to reconstruct the situation of CSR in Europe and to identify possible reference models. It aims to define a concept of CSR as it is viewed by small and medium enterprises.
Design of the methodology and research tools.

Organization of two workshops at which the methodology and research tools will be discussed with the other partners in the project.

INTERNATIONAL COMPARISON

·   A survey conducted in each partner's country on the perceptions and expectations of the managements of large companies vis-à-vis Social Responsibility, with analysis of the practices adopted on an everyday basis in these companies.
·   A survey conducted in each partner's country on the perceptions and expectations of the managements of small and medium enterprises vis-à-vis Social Responsibility, with analysis of the practices adopted on an everyday basis in these companies.
A survey conducted to determine whether SA8000 certification can be introduced for small and medium-sized firms, and to analyse the difficulties encountered by these firms in managing 'weak' human resources.

INFORMATION & TRAINING

·   The organization of training/counselling courses intended to promote knowledge about SA8000 certification for small firms and to heighten awareness of social accountability both internally and externally to firms.
·   The organization of pilot projects to assist firms in obtaining SA8000 certification and to experiment with new methods to support firms in the management of difficult situations.
Information/training workshops held by all the project partners, and involving company managements and the social partners. European-level comparative analysis will be conducted in order to specify clear and agreed-to guidelines on CSR.

NETWORKING

Creation of a permanent network on Social Responsibility which will continue discussion of the theme, the aim being to gather the most innovative approaches adopted in the various European countries and to give renewed impetus to a theme which evolves with the evolution of the economy and society. The purpose of the network will be to foster a sense of Corporate Social Responsibility throughout Europe. This activity will be undertaken by ISTUD and all the project partners.

INNOVATIVE FEATURES

it heightens the awareness of CSR among company managements and their main stakeholders;
it directly involves the economic and social actors concerned with CSR;
it promotes the idea of social certification (SA8000);
it develops new approaches to the management of weak segments of the population;
it directly involves small and medium-sized firms in the adoption of responsible management practices;
it experiments with new methods of information/training like workshops;
it fosters the 'permanent' exchange of best practices through the creation of a European network

The REBUS project resources offer an extensive list of tools, research and reading on responsible business practices. The section content is free, however we do request for you to register as a member to access certain areas, such as the section in "Issues in CSR", which is an archive of over a thousand summaries from over 150 publications monitored and updated weekly for the latest in breaking CSR news and trends.

LINKS TO CSR WEB SITES

The web is a rich source of information for companies and individuals needing to know more about the the aims and objectives of corporate social responsibility (CSR). CSR is an increasingly hot management topic as companies undergo the transition to more sustainable profitability. Managers will play a key role in the transition and understanding the issues is a good place to start. The web offers some comprehensive reading on all aspects of sustainability and CSR.

Business For Social Responsibility

www.bsr.org
An excellent resource for finding out about CSR, this site is run by business membership organisation Business for Social Responsibility. Easily navigable, there's information here about all aspects of CSR from business ethics and governance to corporate citizenship and the environment. It offers an online magazine, written resources and latest research from the world of CSR. Much information is free but some resources require membership. There's also a subscription-based newsletter. This site has everything to jump-start a business on the sustainability bandwagon.

Business in the Community

www.bitc.org.uk
This is a non-profit organisation based in the UK. Their mission is to "inspire business to increase the quality and extent of their contribution to social and economic regeneration by making CSR an essential part of business excellence".

Business Impact

www.business-impact.org
The Business Impact Taskforce is an initiative announced by HRH The Proce of Wales in 1998 to identity and promote socially responsible best practices for businesses which maximize competitive as well as social benefits.

Centre for Innovation in Corporate Responsibility

www.cicr.net

This is the website for CSER (corporate social and environmental responsibility) a responsible business approach that is committed to integrating environmental, social and ethical management into the overall business strategy. CSER combines environmental management with corporate social responsibility (CSR), as well as strategies to manage the "Triple Bottom Line."

The Conference Board

www.conference-board.org
They are a global business membership and research group linking executives from different comapnies, industries and countries in its twofold mission to improve the business enterprise systems and enhance the contribution of business to society.

CSR Europe

www.csreurope.org
CSR Europe is a European business driven membership organisation "whose mission is to encourage and help companies to prosper in ways that stimulate job growth, increase employability and prevent social exclusion; thereby contributing to a sustainable economy and a more jsut society"

CSF Forum

www.csrforum
The vision of the Forum is that businesses will adopt socially responsible practices and, as good corporate citizens, that they will be a positive force for change to help improve the quality of people's lives.

Electronic Policy Network

www.epn.org
This is the website for the Electronic Policy Network, a consortium of top public policy organisations and advocacy groups. This is a resource for new thinking in progressive economic policy.

Ethics Resource Center

www.ethics.org
Ethics feature strongly in CSR and this site provides data from several business ethics surveys run between 1994-2000. There are links to other ethics-based websites and also there's a research bibliography covering topics such as ethics programmes or ethics in a global economy. Check how ethical your company is with the "Ethical Effectiveness Quick Test" which can be completed online with results emailed to you.

Investor Responsibility Research Center (IRRC)

www.irrc.org
The Investor Responsibility Research Centre claims to be a leading source of impartial, independent research on corporate governance, proxy voting and corporate responsibility issues. This site is a resource base to help companies make decisions relating to CSR effectively and efficiently. Not the most outstanding example of a practical website but functional enough.

The Natural Step

www.naturalstep.org.nz
The website for a growing sustainability movement. The Natural Step (TNS) is an initiative founded in Sweden by Dr Karl-Henrik Robert in 1989. It provides a practical framework for businesses to operate sustainably. New Zealand companies such as The Warehouse and Phoenix Natural Foods have implemented the framework and internationally companies such as McDonald's and Electrolux are using it. It's fairly bare bones, but this site gives all the basic information you need to find out about ground level TNS. It offers a quarterly subscription newsletter from the US branch of TNS, case studies from companies using the framework and online written resources from sustainability gurus like Paul Hawken.

Prince of Wales Business Leaders Forum (PWBLF)

www.pwblf.org
The vision of the Forum is that businesses will adopt socially responsible practices and, as good corporate citizens, that they will be a positive force for change to help improve the quality of people's lives.

Social Venture Network (SVN)

www.svn.org
Social Venture Network (SVN) is a nonprofit network committed to building a just and sustainable world through business.

SustainAbility

www.sustainablility.com
The website for veteran sustainability specialist John Elkington's UK company SustainAbility, a company which has been at the forefront of initiatives relating to triple bottom line reporting. The site features a monthly round up of triple bottom line issues, information about stakeholder engagement, and sells copies of The Global Reporters - a survey of corporate reports and reporting, in particular looking at the quality of sustainability disclosure and communication

Sustainable Business

www.sustainablebusiness.com
A good site for keeping up to date with news and initiatives in the field of sustainable business. There's a "green dream jobs" section, links directory, and green business directory which lists everything from loan funds for green projects to business opportunities

United Nations Global Compact

www.unglobalcompact.org
The Global Compact is a value-based platform designed to promote institutional learning. It utilizes the power of transparency and dialogue to identify and disseminate good practices based on universal principles. The Compact encompasses nine such principles, drawn from the Universal Declaration of Human Rights, the ILO's Fundamental Principles on Rights at Work and the Rio Principles on Environment and Development. Thus, the Compact promotes good practices by corporations; it does not endorse companies.

World Business Council for Sustainable Development

www.wbcsd.ch
The homepage for the World Business Council for Sustainability. Here you can read the business case for sustainability, implications of the Kyoto Protocol on business, as well as access latest news and case studies from the world of sustainability. Not particularly comprehensive, but the site contains some useful information.

World CSR

www.worldcsr.com
This site describes itself as "the gateway to the leading business led organisations on CSR worldwide". A useful site to launch a foray into CSR, it includes a link to www.business-impact.org, a site that contains a database of links to CSR organisations such as the World Council for Sustainable Development and the Institute for Global Ethics.
        A large part of the Rebus project will be dedicated to researching and interviewing "exemplary" examples of CSR. A sampling from both large national and multinational corporations and well as from SMEs throughout France, Germany and Italy will be undertaken.
        The field research will examine a series of "exemplary cases", conducting in-depth analysis of a set of firms in Italy, Germany and France. The overall aim of the research is to bring out and describe a certain number of significant experiences that have consolidated in these countries in recent years, the

intention being to highlight linkages, trend and problems (tensions, contradictions, etc.). The issues that the project intend to address with regard to corporate social responsibility can be grouped into six main thematic areas:

1) The stakeholders considered in the definition and implementation of CSR programmes/practices, to highlight the 'spatial extent' of CSR

2) The impact of CSR programmes/practices on internal organisation, with particular reference to:
 organisational roles involved
 degree of proceduralization of CSR practices
 consequences on the decision-making and corporate governance system
 general consequences at the level of the organisational 'climate'

3) The impact of CSR programmes/practices on relationships with external actors and organisations – with respect to the reference networks in the economic environment, the public and social actors, the public in general

4) Reference ethical systems, such as the management of moral dilemmas

5) CSR as a mechanism of isomorphic adaptation and/or a mechanism of strategic innovation

6) CSR 'performance' and auditing to highlight the organisational benefits of CSR

On the basis of these research interests, the field survey and the subsequent analysis will focus mainly on the following aspects:
 CSR objectives, strategies and initiatives concretely pursued by the companies

The perceptions, experiences, strategies and conflicts manifested by the subject analysed with respect to CSR practices

The indicators which research and international debate on CSR generally regard to be "evidence" of socially responsible behaviour (the social report, the ethical codes of conduct, investments in the continuing training of personnel, etc.)
 Relations between companies and their environments

COMPANIES INVOLVED

The research on the field will set out a number of case studies, the aim being to analyse the way the companies perform corporate social responsibility with a direct involvement. Researchers run an empirical investigation in large and middle sized companies using direct observation, in depth interviews and artifact analysis techniques.

The case studies offer an insight in the business world helping in analysing the different type of corporate social responsibility in the companies and the different cultural contexts that originated the spreading of these practices. These companies present indeed different point of view of the same subject, sharing at the same time a common understanding about their role within an evolving external context and the rising difficulty to maintain a enduring/lasting competitive advantage without a strong vision in the long term. The case studies were been published in a report (September 2003) and were been spread through workshops and seminars involving the business world interested in the topic of corporate social responsibility.

The Rebus forum is a place for responsible business leaders and people involved in the topic to exchange ideas, network and participate in public and private discussion groups.

REFERENCES;

http://in.reset.org/knowledge/corporate-social-responsibility-csr-%E2%80%93-societal-responsibility-companies?gclid=CIKSlqSFtrgCFfF24godvAgA1g
http://www.rebus-csr.org/indexmission.html
www.rebus-csr.org/change/report/part1.pdf
www.rebus-csr.org/