



Science in the City

Building Participatory Urban Learning Community Hubs
through Research and Activation



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The focus in this chapter is on corporate social responsibility, which involves responsibilities outside of making a profit and the key questions for corporations include:

- **Does business have a social responsibility?**
- **If so, what is the extent and type of the responsibility?**

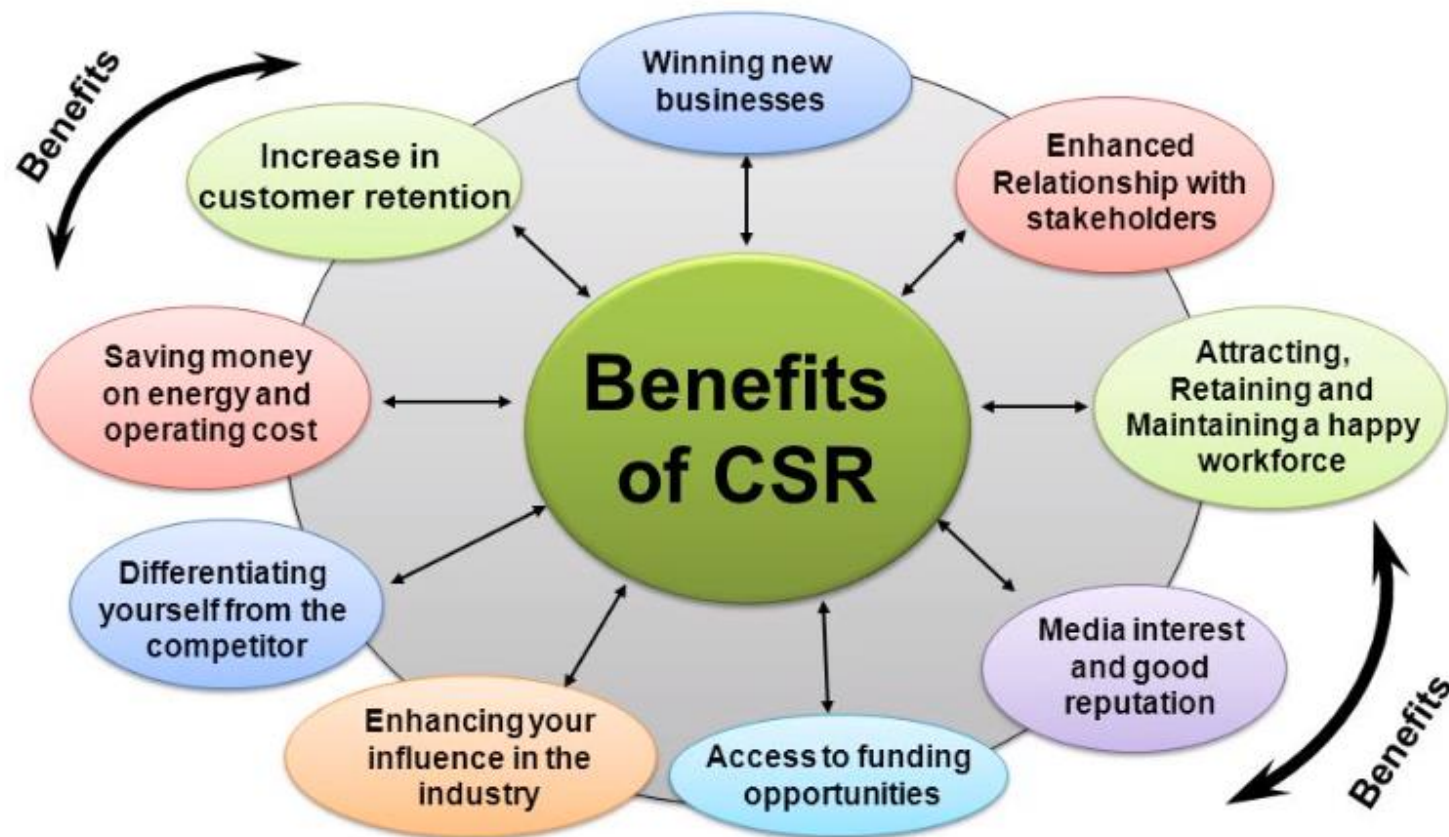
- **What is Corporate Social Responsibility (CSR) :**

➤ **CSR** : “is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders”.

- **What is Corporate Social Responsibility?**



Benefits of CSR



CSR: Supporting Arguments

1. **CSR** Explains a commitment to society's values and contribute to society's social, environmental, and economic goals through action.
2. **CSR** Protects society from the negative impacts of company operations, products and services.
3. **CSR** Demonstrates that the company can make more money by doing the right thing.

Common Corporate Social Responsibility initiative



- Actions to protect the environment.
- Actions to create a work environment that enhances employees' quality of life.
- Actions to build a diverse workforce.

Carroll's Four-Part Definition of CSR

- In 1991, **Carroll** first presented his **CSR model** as a pyramid. It was suggested that, although the components are not exclusive, it “helps the manager to see that the different types of obligations are in a constant tension with one another”.
- **Carroll's model of CSR** includes the **economic, legal, ethical and discretionary** (philanthropic) expectations that society has of organizations at a given point in time.

Corporate Social Responsibility (CSR)

Carroll's Four Part Definition

Understanding the Four Components

Responsibility	Societal Expectation	Examples
Economic	Required	Be profitable. Maximize sales, minimize costs, etc.
Legal	Required	Obey laws and regulations.
Ethical	Expected	Do what is right, fair and just.
Discretionary (Philanthropic)	Desired/ Expected	Be a good corporate citizen.

The CSR Equation

Economic Responsibilities
+
Legal Responsibilities
+
Ethical Responsibilities
+
Philanthropic Responsibilities

=

**Total
Corporate
CSR**

Components of CSR

1. Economic Responsibilities:

- Firm has a responsibility to use the resources available to produce goods and services for society.
- **Examples:** Generating a high and consistent level of profitability, establishing and maintaining a strong competitive position, operating the firm at a high efficiency level.

Components of CSR

2. Legal Responsibilities:

- The laws and regulations that all firms are expected to follow as they perform their daily functions.
- **Examples:** Operating consistent with government and legal expectations; displaying complete compliance with all regulations.

Components of CSR

3. Ethical Responsibilities:

- Change over time because they are based on expectations of society.
- **Examples:** Meeting expectations of both social and ethical standards; ability to adapt to new or developing ethical and moral standards; being a good corporate citizen.

Components of CSR

4. Discretionary Responsibilities:

- Those responsibilities in which society does not have a clear message to present to businesses as to what their courses of action should be.
- Left in the hands of managers to make the right judgment.
- Firms are not considered unethical if they do not participate in these discretionary responsibilities
- **Examples:** giving to charitable organizations; providing drug treatment programs; providing day care centers.

Managers Response to Social Responsibility

There are many ways managers respond to this duty:

- 1. *Obstructionist response* (ممانع):** managers choose not to be socially responsible.
 - Managers behave illegally and unethically.
 - They hide and cover-up problems.
- 2. *Defensive response* (مدافع):** managers stay within the law but make no attempt to exercise additional social responsibility.
 - Put shareholder interest above all other stakeholders.

3. Accommodative response: (مُتَكَيِّف) managers realize the need for social responsibility.

- Try to balance the interests of all stakeholders.

4. Positive response: managers actively support social responsibility.

- Go out of their way to learn about and help stakeholders.

Levels of Responsibility

