This course is designed for you to use your knowledge in the workplace. As I have explained in class, you will become leaders in your work environments and will be challenged on a regular basis to support your ideas. The purpose of this project is for you to help me understand how you think the future of the law will be affected by changing social constructs, including demographics. I want you to show me you have a legal understanding of the topic you are presenting and then do your best to convince me how you feel the law may change in the future.You may choose a Supreme Court of Canada case such as *Meorin* that ultimately changed the evaluation process for employment candidates.

Power of Attorney Legislation in Canada and New Brunswick

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The field of corporate social responsibility has grown exponentially in the last decade. However, there remains a lot of debate about the value of corporate responses to CSR concerns, different views of the responsibility of the corporations in society as well as the disparity of whether wealth maximization that is to shareholders value maximization should be the main concerns of a corporation. The objective of this paper is to show what effect CSR has on financial performance of a corporation. In support of this position it will be argued, firstly, there indeed is a positive relationship between corporate social performance and Return on Investment(ROI) secondly, CSR has a positive effect on Return on Asset (ROA) finally, CSR has a positive effect of CSR on Return on Equity(ROE).

The definition of corporate social responsibility is not precise, it is a term-a modern mechanism of accountability in the business world and competitive era. According to Business for Social Responsibility (BSR), corporate social responsibility is defined as “achieving commercial success in ways that honor ethical values and respect people, communities, and the natural environment.” <http://www.bulentsenver.com/yeditepe/htm/BSR%20%BB%20Business%20for%20Social%20Responsibility%20-%20Overview%20of%20Corporate%20Social%20Responsibility-b.htm#:~:text=BSR%20defines%20corporate%20social%20responsibility,business%2C%20and%20making%20decisions%20that>

McWilliams and Siegel (2001:117) describe CSR as “actions that appear to further some social good, beyond the interest of the firm and that which is required by law.” A point worth noticing is that CSR is more than just following the law (McWilliams & Siegel, 2001). <https://nairaproject.com/projects/4710-corporate-social-responsibility-and-financial-performane-of-quoted-manufacturing-companies-in-nigeria.html>

Alternatively, according to Frooman (1997:227), the definition of what would exemplify CSR is the following: “An action by a firm, which the firm chooses to take, that substantially affects an identifiable social stakeholder’s welfare.” <https://escholarship.org/content/qt111799p2/qt111799p2.pdf>

CSR refers to the voluntary activities of companies, over and above regulation, that serve to integrate social, environmental and economic concerns into their activities. <https://www.nrcan.gc.ca/our-natural-resources/minerals-mining/mining/sustainable-mineral-development/corporate-social-responsibility/18693>

In short, CSR is about companies moving beyond mere compliance with laws to integrating social responsibility into their decision-making process. In business, we should bear in mind that we have lot of responsibilities to perform not just only with our specific tasks in the organization where we belong but with the community and society where our organization belongs. A company whether profit or non-profit in its form should give back whatever it can contribute for the development and betterment of its society. For me that is what Corporate Social Responsibility is all about.

Each company differs in how it implements corporate social responsibility, if at all. The differences depend on such factors as the specific company’s size, the particular industry involved, the firm’s business culture, stakeholder demands, and how historically 4 progressive the company is in engaging CSR. Some companies focus on a single area, which is regarded as the most important for them or where they have the highest impact or vulnerability—human rights, for example, or the environment—while others aim to integrate CSR in all aspects of their operations. For successful implementation, a socially responsible corporation should take a step forward and adopt policies and business practices that go beyond the minimum legal requirements and contribute to the welfare of its key stakeholders. Examples of csr responsibility are …..from book plus internet like google

(Could add in conclusion or linked in between any issue: Responsible corporate behaviour not only boosts a company’s chances for success but can create economic benefits for Canada and other countries where the company has a presence. Investing and operating responsibly helps companies promote Canadian values internationally and contribute to the sustainable development of communities.

In the CSR Strategy, *Doing Business the Canadian Way*, the Government of Canada states that it expects Canadian companies operating abroad to respect human rights and all applicable laws, and to meet or exceed recognized international standards for responsible business conduct. For companies operating where local laws do not align with Canadian values, the Canadian government encourages them to find ways to reflect Canadian values while respecting local laws.

<https://www.nrcan.gc.ca/our-natural-resources/minerals-mining/mining/sustainable-mineral-development/corporate-social-responsibility/18693> )

**CSR and Shareholder Benefits**

Milton Friedman, a Nobel Laureate, wrote a paper in 1970 claiming that the position and duty of industry is to maximise profits while adhering to the simple rule of law. Any practise that detracted from this duty for profit maximisation was wasteful and bad for business in Friedman's view. Friedman’s thought was, it is not only counter-intuitive, but also incorrect, to prioritise social responsibility over profit maximisation. [1]

But a company cannot neglect the issues that exist in the environment in which it works. Poverty among a country's population, civil instability, and the depletion of natural resources can all be damaging to a business. For example, a factory that emits green house gas in a suburban area cannot ignore the effect of such pollution to the citizens. There must be some sort of ethical and social responsibility to run the business. These responsibilities do not mean extra burden to a company, rather, these have a positive correlation on a company’s overall well being that indirectly or directly leads to shareholder’s benefit. Some of these impacts are discussed below:

1. **Brand value with CSR**

Companies who are socially conscious have improved their brand name and credibility. Consumers are also attracted to brands and businesses that have a strong record in terms of CSR. A socially conscious corporation will also benefit from its image in the corporate world by being able to raise more money and trade partners. [2]

Another benefit of incorporating CSR into a company is that the brand is protected from threats. As a result, CSR will serve as “damage insurance” for the brand. An organisation with a good name is less likely to have credibility issues, for example. CSR becomes a competitive branding instrument for managing customer preferences as it is shared. CSR programs help customers develop a healthy mindset and attitudes. As a result, the company's brand reputation is strengthened, which is one of the key reasons for the company's participation in CSR operations. [3]

According to a survey, 52 percent of customers prefer the brand that supports a charitable cause. Furthermore, it was discovered that 55 percent of shoppers claimed that during a slowdown, they would buy from companies that help positive causes, even though they are not the cheapest. [6]

1. **Reduced Risk**

Companies who are socially conscious are often less likely to experience disruptive rare cases. Corporate governance, environmental aspects, and social aspects are the three types of risks related to CSR.

Companies who follow CSR standards are more straightforward, and the chance of fraud and misconduct is reduced. They may also impose tougher, and thus more expensive, safety and environmental regulations, but they may be less likely to have to recall faulty product lines or face large fines for polluting excessively. They also have a lower chance of unfavourable social activities, which can damage their image and cost millions of dollars in public relations and advertisements. Child labour and sweatshop controversies in the garment industry are two excellent examples where a company can reduce its risks related to CSR and gain lower discount rate in their valuation. [2]

1. **Reduced Operating Cost**

CSR activities have the potential to significantly minimise operational costs. Reducing packing material or preparing the best route for shipping vehicles, for example, decreases both the environmental footprint and the expense of a company's service. Executives are motivated to rethink their market strategies and explore more effective ways of working because of following CSR standards. [2]

1. **Employee retention**

Companies who have a good CSR contribution are more likely to retain staff for longer period, resulting in lower turnover, recruiting, and training costs. Employees, too, also assess their employers' CSR results to see if their own beliefs clash with those of the firms they work with. Many documented situations exist in which workers were asked to disregard written or moral rules under the coercion of their bosses to increase earnings. [2] Employees' confidence, loyalty, and commitment to the business are harmed by these policies, which establish a fear atmosphere in the workplace.

A recent study “investigated how organizations' CSR initiatives and the fulfillment of employee job needs (Existence, Relatedness and Growth, or ERG) affect employees' job satisfaction and retention intention.” [5] The findings showed that a company's CSR activities could help it better meet its employees' ERG needs. Furthermore, by meeting workers' ERG expectations, perceived CSR programs can have a favourable impact on employee loyalty and retention intentions.

1. **High Productivity**

Companies with better working environments and labour standards have higher efficiency and lower error rates. Regular inspections of manufacturing plants around the world ensure that all workers are treated fairly and are paid a minimum wage. These activities are expensive, but the increased workplace efficiency and higher product output produce positive cash flows that outweigh the associated costs. As a result, socially conscious behaviour can potentially support businesses in terms of employee morale and productivity. [2]

As per Real Leaders magazine about the result of a survey about CSR and productivity, “More than a third of employees have said that they’ve given more time and effort to a job because of their employer’s sustainability agenda, and research suggests that [CSR engagement increases employee productivity by 13%](https://solutions.yourcause.com/csr-stats-infographic/). A strong sense of purpose at work decreases employee stress and fatigue, but to take it a step further, research shows an increase in employee productivity when a corporate social responsibility strategy is put in place.” [4]

1. **Financial Performance and CSR**

Many studies have been carried out to investigate the causal effect of corporate social responsibility on financial efficiency. There are two kinds of empirical research on the relationship between CSR and financial efficiency.

The first employs the event study approach to measure the short-term financial effect (abnormal returns) when companies partake in socially responsible or reckless conduct. The second type of research uses accounting or financial indicators of profitability to investigate the relationship between any indicator of corporate social performance (CSP) and measures of long-term financial performance. [2]

We will examine performance output of some studies in terms of ROI, ROA and ROE that are affected by CSR activities.

1. ROI - The return on investment (ROI) estimates the profit or loss achieved on a given investment in relation to the amount of money invested. The return on investment (ROI) is generally expressed as a percentage and is commonly used to make personal financial decisions, compare a company's viability, or compare the performance of various investments.

If we consider CSR as an investment, successful participation in CSR can increase the corporation's ROI, even if it is not always ethical to do CSR in order to increase profits only. The beneficial influence of CSR on a company's image cannot be overlooked. It may be argued that CSR is a cost in the short term, but in the long run, it helps to attract more loyal clients, in addition to the other advantages of good credibility listed previously.

Wal-Mart is a good example of CSR initiative when they were able to reduce their environmental footprint and save considerable money by addressing inefficiencies in their supply chain. In a direct CSR initiative, the corporation eliminated packaging, saving millions in recycling expenses, and improved road preparation for its massive fleet of vehicles, cutting out 100 million miles from their 2009 distribution routes, saving $200 million in costs and lowering their carbon emissions by the same amount [1].

1. ROA - Return on assets (ROA) is an indicator of how profitable a company is relative to its total assets. ROA gives a manager, [investor](https://www.investopedia.com/terms/i/investor.asp), or analyst an idea as to how efficient a company's management is at [using its assets](https://www.investopedia.com/terms/r/return-on-assets-managed-roam.asp) to generate earnings. ROA is displayed as a percentage, the higher the ROA the better. [7]

In a study of the relation between CSR disclosure and financial performance conducted through 18 banks in Poland, it was found that CSR has a positive relationship with those banks’ ROA and ROE (Return on Equity). Another study on telecom industry of Indonesia found that, ROA was increased significantly by a nominal increment of CSR budget. [9]

1. ROE - Return on equity (ROE) is a measure of financial performance calculated by dividing [net income](https://www.investopedia.com/terms/n/netincome.asp) by [shareholders' equity](https://www.investopedia.com/terms/s/shareholdersequity.asp). Because shareholders' equity is equal to a company’s assets minus its debt, ROE is considered the [return on net assets](https://www.investopedia.com/ask/answers/070914/what-are-main-differences-between-return-equity-roe-and-return-assets-roa.asp). ROE is considered a measure of the profitability of a corporation in relation to stockholders’ equity. [10]

The association between CSR and financial results was determined in a study using ROE. The use of ROE was critical in the study, particularly in determining the quality of a company's financial performance. This describes the strong correlation between CSR and ROE, despite the fact that the correlation was very weak (0.1 percent of CSR). This implies that CSR may have an effect on a company's financial results. [11]

**Examples of Successful CSR Strategies**

Here are some examples of companies that have gained significant value for shareholders by practising CSR activities. [12]

1. Ben & Jerry’s: The corporate social responsibility of this Vermont-based company is well-known for long time. CSR is, in effect, a pillar of the company's operations. The brand has a legacy of demonstrated corporate responsibility stretching back to the 1980s, in addition to speaking out and developing different flavours around social issues. The company only uses fair-trade foods and has developed a recycling scheme for Vermont dairy farms. This is an excellent example of a company that prioritises environmental and social concerns while also contributing to a variety of other charities, organisations, and movements.
2. Target: Many opponents of CSR argue that a large corporation cannot continue to prioritise social or environmental responsibility while being viable, but Target demonstrates that this is incorrect. Since 1946, the large corporation has partnered to help local and environmental causes in the areas where its stores are located. Target organises and donates to numerous charitable campaigns and projects in addition to promoting good corporate practises. Since 2010, the corporation has provided more than $875 million to education alone.
3. Google: Despite being one of the world's largest corporates, Google is a great example of a company that is actively trying to improve society. In addition to various other CSR programs, the organisation has adopted “Google Green”, a highly popular sustainability strategy that is a corporate endeavour to use capital more effectively and promote clean energy sources. It also resulted in a 50 percent drop in power needs for their data centres.

**The Relation Between Law and CSR**

CSR is commonly regarded as a charitable activity that is not governed by any laws. Since the two are not mutually exclusive to each other, there are underlying relations between law and CSR. The legislation guides the content, execution, and correspondence of CSR. CSR, on the other hand, forms or also imitates rough statute. Here is a short summary on how law and CSR may converge.

Firstly, law is a rich source of CSR norms and values. Even if corporations are not expressly bound by international instruments, international law on human rights, the environment, and labour, still they receive ethical substances from local and international rules and regulations. The Global Reporting Initiative (GRI), for example, uses principles based on international conventions and declarations to encourage mutual sustainability reporting by companies and organisations.

Secondly, CSR can function in a quasi-legal capacity. Judicial standards are arising from private codes and procedures over time. Businesses may be trying to fill regulatory gaps by handling challenges on their own terms, perhaps in reaction to underdeveloped public rules. Prescription by authoritative bodies (i.e. business groups), successful strategies to encourage enforcement, and real compliance by main players are all hallmarks of cooperative interventions. Some academics have referred to specific CSR trends as "private lawmaking" or "informal law." [13]

Finally, an increasing number of countries and foreign organisations are enacting formal legislation with the purpose of encouraging, monitoring, and enforcing CSR. Regulators are simply turning a charitable activity into a legal requirement. For example, Liao predicts that “the next significant stage in the CSR movement will be in the reformation and creation of corporate legal models that not only enable, but require, CSR concepts to be embodied within corporate governance practices.” [13]

**Canadian Legal Scenario for CSR**

Recent changes in Canadian business law have sparked legal speculation that corporate social responsibility (CSR) could be incorporated into traditional governance structures. If such a transformational effort is ongoing, it is currently unfinished. The Supreme Court of Canada's landmark rulings on the fiduciary duty have left more questions than answers.

The term Creating Shared Value (CSV) is being widely used to illustrate the idea of value creation that works for both the corporate and social parties. Shared value is merely "the best-case scenario" when it comes to running a company that pleases both parties. What happens when the authority needs to choose between short-term economic output and long-term social results in the face of actual conflict? This is a dilemma that should be acknowledged.

CSV answers a fundamental question too, why should businesses be expected to be responsible corporate citizens in the first place? So far, the Canadian courts have not given a clear answer to this issue. But CSV asserts that because of their interdependence, businesses and culture are eventually transformed into quasi-public entities of social responsibilities. To summarise, CSV will make significant cross-disciplinary additions to the law by directing the fiduciary responsibility of corporates. [13]

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Reputation / Brand Image: <https://escholarship.org/content/qt111799p2/qt111799p2.pdf> (page-6)

<http://www.diva-portal.org/smash/get/diva2:867885/FULLTEXT01.pdf> (page-45)

Financial market sensitivity with CSR news

<https://poseidon01.ssrn.com/delivery.php?ID=409065022090121083015073075087115107100012095020070029025082079086096066094098067085122016002103042099002123084008028088123114015041086013071087068090000105001081037071001103072118023027124023116020006023121116099100102110122029071005109029005103&EXT=pdf&INDEX=TRUE>

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CSR and Profitability:

<https://www.diva-portal.org/smash/get/diva2:630572/FULLTEXT01.pdf>

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Less Risk: same link/page as above

Reduced Operating Cost: same link

Employee retention: same link

Increased Productivity and reduced error rate:

Results of empirical study: ekhane bolte hobe je csr er jonno improve hoy abar hoy na, clearly bola jay na always.

Negative Impact: After completing the above writings , if have time <https://www.vdu.lt/cris/bitstream/20.500.12259/36239/3/tolulope_moses_adeyemo_md.pdf> page-15