

MULTINATIONAL MANAGEMENT





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Corporate Social Responsibility: The Four Key Pillars

PART 1: CORPORATE SOCIAL RESPONSIBILITIES

Corporate social responsibility refers to a company's efforts to operate ethically and sustainably. It involves considering the impact on society and the environment. Businesses pursue CSR policies and practices. “Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public” (Fernando, 2024).

1 ECONOMIC RESPONSIBILITIES

The first type is economic responsibilities. Businesses exist to provide goods and services to society. They need to be profitable to sustain operations. Companies fulfill economic responsibilities by creating jobs. They pay fair wages and invest for long-term viability. “The end goal isn’t just to maximize profits, but also to make sure the business operations positively impact the environment, people, and society” (Stobierski, 2021).

2 ENVIRONMENTAL RESPONSIBILITIES

Environmental responsibilities are another key type, “it is the belief that organizations should behave in as environmental friendly way as possible” (Stobierski, 2021). Companies have an obligation to operate sustainably. They should minimize negative ecological impacts. This involves reducing waste, emissions, and resource usage. Businesses can implement recycling programs and green initiatives. They can transition to renewable energy sources.

3 ETHICAL RESPONSIBILITIES

Ethical responsibilities are the third category. Businesses must adhere to laws and regulations. They should maintain high ethical standards in all activities. This includes fair treatment of workers, suppliers, and customers. Ethical companies avoid corruption, deception, and exploitative practices. “Organizations that embrace ethical responsibility aim to practice ethical behavior through fair treatment of all stakeholders, including leadership, investors, employees, suppliers, and customers” (Stobierski, 2021).

4 PHILANTHROPIC RESPONSIBILITIES

The final type is philanthropic responsibilities, “refers to a business’s aim to actively make the world and society a better place” (Stobierski, 2021). Companies can give back to communities. They can donate money, products, and services to causes. Businesses may encourage employee volunteering as well. Philanthropic acts help address social issues locally and globally.

Companies face increasing pressure to fulfill all four responsibilities. Consumers and investors value sustainable, ethical business practices. Failing to meet social responsibilities risks damage to a company's reputation and finances. Shareholders may divest from irresponsible corporations.

Following CSR principles is simply good business sense. It can attract top talent and boost brand loyalty. Responsible business operations lead to long-term success. Companies earn greater profits by balancing obligations to stakeholders.

PART 2: APPLICATION OF THE FOUR TYPES OF CORPORATE SOCIAL RESPONSIBILITIES IN UPS

UPS, the global logistics giant, has demonstrated a commitment to corporate social responsibility (CSR) by implementing initiatives across the four key areas: economic, environmental, ethical, and philanthropic. Here's how UPS applies these CSR dimensions:

1 ECONOMIC RESPONSIBILITY

UPS is a financially successful company, generating \$97.3 billion in revenue in 2022 (UPS, 2022). This economic sustainability enables UPS to create employment opportunities, contribute to economic growth, and invest in other CSR initiatives.

2 ENVIRONMENTAL RESPONSIBILITY

UPS has taken significant steps to reduce its environmental impact. It has invested in alternative fuel vehicles, such as electric and natural gas-powered trucks, to lower emissions (UPS, 2021). Additionally, UPS optimizes delivery routes to minimize fuel consumption and carbon footprint. The company has also implemented recycling programs and achieved its goal of obtaining 25% of its energy from renewable sources in 2020 (UPS, 2020).

3 ETHICAL RESPONSIBILITY

UPS upholds ethical standards through its strict code of business conduct, which promotes integrity, respect, and compliance with laws and regulations (UPS, 2023). The company has policies against discrimination and harassment, creating an inclusive and safe work environment. UPS prioritizes worker safety and provides training programs to ensure employees have the necessary skills and knowledge.

4 PHILANTHROPIC RESPONSIBILITY

UPS has a long-standing commitment to philanthropy and community involvement. In 2022, the company donated \$124 million to various causes, including disaster relief, sustainability, and humanitarian aid (UPS, 2022). UPS supports organizations like United Way, Feeding America, and the World Food Program. Additionally, the company encourages employee volunteerism through initiatives like Neighbor-to-Neighbor, where employees can contribute their time and skills to support local communities.

By addressing economic, environmental, ethical, and philanthropic responsibilities, UPS demonstrates its commitment to being a responsible corporate citizen and creating a positive impact on society.

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