Why is CSR relevant today?

CSR as a strategy is becoming increasingly important for businesses today because of three identifiable trends:

* Changing social expectations Consumers and society in general expect more from the companies whose products they buy. This sense has increased in the light of recent corporate scandals, which reduced public trust of corporations, and reduced public confidence in the ability of regulatory bodies and organizations to control corporate excess.

• Increasing affluence This is true within developed nations, but also in comparison to developing nations. Affluent consumers can afford to pick and choose the products they buy. A society in need of work and inward investment is less likely to enforce strict regulations and penalize organizations that might take their business and money elsewhere.

• Globalization The growing influence of the media sees any ‘mistakes’ by companies brought immediately to the attention of the public. In addition, the Internet fuels communication among like-minded groups and consumers—empowering them to spread their message, while giving them the means to co-ordinate collective action (i.e. a product boycott). These three trends combine with the growing importance of brands and brand value to corporate success (particularly lifestyle brands) to produce a shift in the relationship between corporation and consumer, in particular, and between corporation and all stakeholder groups, in general. The result of this mix is that consumers today are better informed and feel more empowered to put their beliefs into action. From the corporate point of view, the market parameters within which companies must operate are increasingly being shaped by bottom-up, grassroots campaigns. NGOs and consumer activists are feeding, and often driving, this changing relationship between consumer and company. CSR is particularly important within a globalizing world because of the way brands are built—on perceptions, ideals and concepts that usually appeal to higher values. CSR is a means of matching corporate operations with stakeholder values and demands, at a time when these values and demands are constantly evolving.

2. Key steps of CSR.

Answer. Key steps on the road to integrating CSR within all aspects of operations include:

• Ensure the commitment of top management, and particularly the CEO, is communicated throughout the organization

• Appoint a CSR position at the strategic decision-making level to manage the development of policy and its implementation

• Develop relationships with all stakeholder groups and interests (particular relevant NGOs)

• Incorporate a Social or CSR Audit within the company’s annual report

• Ensure the compensation system within the organization reinforces the CSR policies that have been created, rather than merely the bottom-line

• Any anonymous feedback/whistle-blower process, ideally overseen by an external ombudsperson, will allow the CSR Officer to operate more effectively.

Corporations today are best positioned when they reflect the values of the constantly shifting and sensitive market environment in which they operate. It is vital that they are capable of meeting the needs of an increasingly demanding and socially-aware consumer market, especially as brands move front and center of a firm’s total value