

INDUSTRY RECOMMENDATIONS

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TO: Executives of Consulting Firms

FROM: The Research Consultant Team

DATE: July 15, 2025

SUBJECT: CSR Challenges and Recommendations

Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) has raised major concerns of the public, which brought attention for companies who need to improve performance in both areas. Various organizations have agreed to request our team's expertise to identify the key challenges and provide recommendations to resolve the problems. After evaluating the leading consulting firms, AT&T, Verizon, and T-Mobile, we have discovered several challenges linked to the entire business sector. Furthermore, we have implemented comprehensive research for each problem to provide data and effective recommendations.

Key Challenges

Regulatory compliance

The telecommunications industry is at a critical point in recent years, managing rapid evolving technology alongside increasing environmental requirements. With the escalation of traffic of data and the increasing number of 5G networks, telecommunications providers are more compelled to diminish energy usage, adhere to rigorous environmental standards, and conform to shifting political agendas. Additionally, the industry is susceptible to security risks as endpoints of the network and dependence on software has developed opportunities for hackers (Zubira, 2025). For example, the salt typhoon espionage campaign in China has executed one of the worst telecommunication attacks in United States history, which resulted in significant impact on business operations, the national security, and theft of private data from a democratic presidential candidate campaign and the president (Jones, 2025).

Regulatory compliance is essential in the telecommunications industry as it ensures operational integrity, customer trust and company sustainability. Noncompliance with regulatory standards may result in severe consequences, such as data breaches, identity theft, and regulatory penalties. Ultimately, compliance is not only a legal requirement but a business asset, as it safeguards customers, develops reputational trust, mitigates expensive penalties, and empowers telecommunications companies to assert leadership in an ever-growing digital world.

Data Privacy

Data privacy is critical for telecommunication companies as it has a direct influence on the trust of customers, company reputation, and consequently, profit (Guzman, 2024).

Telecommunications companies has to comply with compliance regulators such as the Federal Communications Commission (FCC), which regulates companies by ensuring equal and

effective functioning of the US telecommunications sector by overseeing communications across many platforms, supporting competition and innovation, safeguarding consumer rights, enforcing communication regulations, administering spectrum distribution, and maintaining national security priorities. Additionally, companies must comply with the General Data Protection Regulation (GDPR), which requires telecom providers to notify regulators of compromise data 72 hours of detection and to use sufficient security measures, such as encryption, to secure personal identifiable information (PII) (ECG, 2024).

Customers anticipate that their personal data will be properly managed with the highest level of confidentiality and security when entrusted to a telecommunications company. Failure to comply with requirements could result in consequences such as loss of customer trust, reputational damage, penalties, and fines from compliance regulators. For example, the FCC issued four decrees with a total of \$196 million in penalties against AT&T, T-Mobile, and Verizon for sharing client location data with external companies without any agreement prior and thereafter neglecting to implement adequate safeguards against illicit disclosure of such information (Guzman, 2024). This fine is an example and a reminder of the consequences telecommunications companies will face if they fail to protect customer personal data. Unfortunately we live in a world where communication is essential to all facets of life but the dedication to data privacy determines if telecommunications companies are seen as reliable custodians for the future of the digital world.

Corporate Social Responsibility

When it comes to Corporate social responsibility challenges in the telecommunications industry companies usually avoid being too invested in CSR initiatives to meet the politics or

being overly scrutinized. In a way these companies are trying to be compliant without believing in their initiatives. For example, AT&T changed their DEI and renamed it “Culture and Inclusion, as well as discontinued their involvement in social programs. Another challenge that they would face would be regarding the companies’ financial focus. The reason behind this would be because as a competitive market, these companies would lose focus on prioritizing Corporate Social Responsibility efforts in exchange for profit and the potential to merge with other companies. A third challenge would be regarding transparency. To keep an image, companies would avoid reporting any shortcomings regarding emissions and e-waste. Leaked information or reports about the negative impact these companies might have would most certainly weaken the public trust.

Diversity Equity and Inclusion

To avoid any negative stigma or political backlash, many companies have retracted their commitment to Diversity Equity and Inclusion, this to avoid losing a promising deal, or damaging their image. For example, ATT is encouraging employees to no longer wear pins with their preferred pronouns (Bloomberg Law, 2025). This is a major step back from a few years back when they freely allowed LGBTQ friendly events. Challenges also arise applying genuine effort in initiatives that seem to just due the bare minimum in training employees regarding DEI. Often these weak efforts translate to other areas of the workplace, more specifically promotions, as well as in the aspect of hiring. (Reuters, 2025)

Recommendations

The Recommendation to curb the social concern of Data privacy that is lack of transparency, vulnerability to data breaches, data monetization without concerns and loss of trust

in digital infrastructure is for the companies in the telecommunication industries to publish an annual transparency report on data access and usage. Regular disclosures on how data is used, who requests it (e.g., law enforcement), and breaches help build stakeholder trust and demonstrate accountability (Verizon, 2023). If this recommendation is taken on board, a lot of consumers who don't know how much information is gathered, what it's used for, or with whom it's shared with will feel a sense of security and build trust. The accessibility of the annual transparency report helps grow trust.

It is also recommendable for the telecommunications industry to adopt global practices such as General Data Protection Regulation (GDPR) compliant data governance. The GDPR has swiftly been established as the standard for data protection worldwide. Adopting the GDPR principles includes user consent, and data minimization this will improve legal resilience and consumer trust . The GDPR places a strong emphasis on informed consent, open communication, and the right to view, update, and remove personal data. A telecommunications company that voluntarily complies with GDPR is demonstrating that it abides by one of the most strict and detailed privacy regulations globally.

Another recommendation to curb the concern of lack of Diversity, Equity, and Inclusion is to set measurable DEI targets and track the process publicly. The companies in the industry need to provide yearly DEI figures and adopt methods similar to T-Mobile's equity dashboard. This increases accountability and drives internal change (T-Mobile, 2023).

Developing mentorship and sponsorship programs for underrepresented groups is another way to promote DEI in companies. Internal initiatives centered on career progression, skill building, and

sponsorship can enhance retention in leadership pipelines and assist bridge opportunity gaps (Catalyst, 2022).

Some recommendations that would help in the Regulatory Compliance challenges these companies have would be to ramp up their cybersecurity practices and frameworks. This means changes like monitoring in real time for threats and hacker activities would need to be implemented. Thankfully, with the help of AI today this can be achieved on many scales and with considerable ease. Another way of strengthening compliance is offering training programs for employees as well as all those involved with the companies. The training would revolve around focusing on data security as well as knowing customers' rights, as well as environmental laws and regulations. These combined with compliance drills will help test the responsiveness and readiness of the company employees. AuditBoard. (2025).

A recommendation for CSR challenges are outsourcing third-party companies to deal with energy crises such as renewable energy which will minimize carbon emissions. The benefits of renewable energy include eliminating copper networks in favor of more environmentally friendly fiber optics and the discontinuation of high energy consuming 3G networks. Telecom companies could also minimize waste and electronic disposals through optimization and the integration of sustainability into company practices (Chowdhury, 2025). This strategy saves money, adds compensation, protects companies' image of committing to the reduction of carbon emissions, and reduces hazardous impact to the environment (Chowdhury, 2025).

Summary

For Telecommunications companies, respecting data privacy is a foundational expectation for doing business in the present age. Adopting GDPR strengthens customer trust,

lowers legal and reputational risks, enhances operational integrity, and puts telecom firms in line with the future of moral, sustainable business practices in a data-driven society. One of the most pressing issues is data privacy, where a lack of transparency, monetization of personal data, and high-profile breaches have significantly impacted public trust. To rebuild consumer confidence, we recommend companies publish annual transparency reports on data access and usage and adopt globally recognized standards like the General Data Protection Regulation. These steps not only align with legal compliance but also establish the company as a responsible data steward in the digital age.

Another critical area is regulatory compliance, particularly as technology evolves and cybersecurity threats become more sophisticated. We found that compliance is more than just meeting legal requirements, it is a strategic asset. To strengthen compliance, companies should implement real-time AI-powered threat monitoring and train employees on current regulations. They should also regularly conduct cybersecurity drills to ensure preparedness and reduce operational risk.

In terms of corporate social responsibility, many telecom firms appear to support sustainability in theory but fall short in execution. Reputational risk increases when CSR efforts lack transparency or appear performative. Outsourcing sustainability initiatives, like renewable energy transitions and electronic waste reduction, to experienced third-party partners can help ensure environmental goals are purposely integrated into operations.

Lastly, the industry has experienced significant backsliding in DEI efforts, often due to fear of political backlash. However, companies that actively support inclusion stand to benefit from stronger internal cultures and broader talent pipelines. Setting measurable DEI targets,

reporting progress transparently, and establishing mentorship programs for underrepresented groups can create long-term, systemic change.

In summary, the telecommunications sector stands at a crossroads. Respecting data privacy, committing to regulatory excellence, investing in authentic CSR initiatives, and rebuilding DEI frameworks are not just ethical imperatives, they are strategic necessities for resilience, reputation, and long-term success in a rapidly changing business landscape.

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