

Pathways to Management and Leadership

Level 5: Management and
Leadership

Unit 5022

Organisational Corporate Social
Responsibility

Pathways to Management and Leadership

Unit 5022 Organisational Corporate Social Responsibility

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Organisational Corporate Social Responsibility

SAMPLE MATERIAL

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SAMPLE MATERIAL

About this workbook

The unit

The main purpose of this workbook is to support you as you study for the Chartered Management Institute Level 5 in Management and Leadership qualifications. Specifically it focuses on the content relevant to Unit 5022 *Organisational Corporate Social Responsibility*.

This workbook provides underpinning knowledge and develops understanding to improve your skills as well as to prepare you for future assessment. If you are studying for the Level 5 in Management and Leadership qualifications, then you will be assessed by your approved centre on 'your knowledge and understanding of' the following learning outcomes.

1. Be able to understand the principles of an organisational corporate social responsibility strategy
2. Be able to understand the results of an organisational corporate social responsibility strategy on organisational performance
3. Be able to implement and evaluate an organisational corporate social responsibility strategy at the operational level

The aims of this workbook

This workbook aims to help you learn how to:

- understand the organisational strategy for corporate social responsibility
- develop and deliver an implementation plan
- evaluate and report the results of implementing that plan.

Syllabus coverage

The table below shows which sections of the workbook address each of the assessment criteria of the qualification syllabus.

Unit 5022 Syllabus coverage	Addressed within section:
Organisational Corporate Social Responsibility	
1.1 Explain the environmental, social and governance principles of corporate social responsibility	1
1.2 Discuss the links between an organisational corporate social responsibility strategy and the organisation's internal stakeholders	1
1.3 Discuss the links between an organisational corporate social responsibility strategy and the organisation's external stakeholders	1
1.4 Assess the impact of an organisational corporate social responsibility strategy on corporate governance	1
2.1 Explain how a corporate social responsibility strategy for stakeholders can affect organisational performance	2
2.2 Identify how a corporate social responsibility strategy for product/service safety and quality can affect organisational performance	2
2.3 Review the regulatory standards that protect customers/consumers and other competitive organisations	2
3.1 Devise a plan to deliver the corporate social responsibility strategy at an operational level	3
3.2 Develop methods to communicate and implement the plan at an operational level	3
3.3 Discuss methods to evaluate the impact of the plan at the operational level and to report the results	3

Getting started

Corporate social responsibility (CSR) is of growing importance, both to support the changing social needs and desires of people and to protect the planet. You will also see in this unit that attention to CSR can also directly affect profits.

The three sections of this unit focus on three topics. The first looks at the principles of corporate social responsibility and how they affect your organisation's internal and external stakeholders. The second considers the effects of adopting social

responsibility strategies on organisational performance. And the third looks at ways of implementing and evaluating an organisational corporate social responsibility strategy at the operational level.

How to use the workbooks

The workbooks provide ideas from writers and thinkers in the management and leadership field. They offer opportunities for you to investigate and apply these ideas within your working environment and job role.

Structure

Each workbook is divided into sections that together cover the knowledge and understanding required for that unit of the Chartered Management Institute Level 5 in Management and Leadership. Each section starts with a clear set of objectives that identify the background knowledge to be covered and the management skills in the workplace that enable you to demonstrate this knowledge. You do not have to complete the sections in the order they appear in the workbook, but you should try to cover them all to make sure that your work on the unit is complete. There are self-assessment questions at the end of each section that allow you to check your progress. You may want to discuss your answers to these questions with your line manager or a colleague.

Activities

Throughout the workbooks there are activities for you to complete. These activities are designed to help you to develop yourself as a manager. Space is provided within the activities for you to enter your own thoughts or findings. Feedback is then provided to confirm your input or to offer more ideas for you to consider.

To get the best from the workbooks, you should try to complete each activity fully before moving on. However, if the answer is obvious to you because the issue is one you have encountered previously, then you might just note some bullet points that you can then compare quickly against the feedback. You may sometimes find it difficult to write your complete response to an activity in the space provided. Don't worry about this – just keep a separate notebook handy, which you can use and refer to as needed.

Try not to look at the feedback section before completing an activity. You might like to try covering up the feedback with a postcard or piece of paper while you are working through an activity.

Timings

Timings are suggested for each section and activity, although it is important that you decide how much time to spend on an

activity. Some activities may occupy only a few moments' thought, while others may be of particular interest and so you might decide to spend half an hour or more exploring the issues. This is fine – the purpose of the activities is to help you reflect on what you are doing, and to help you identify ways of enhancing your effectiveness. It is always worth writing something though, even if it's brief – the act of writing will reinforce your learning much more effectively than just referring to the feedback.

Scenarios

There are scenarios and examples throughout each workbook to illustrate key points in real workplace settings. The scenarios cover a wide range of employment sectors. As you work through, you might like to think of similar examples from your own experience.

Planning your work

The reading and reflection, scenarios and activities in each section of the workbooks are designed to take around two hours to complete (although some may take longer). This is a useful indicator of the minimum length of time that you should aim to set aside for a study session. Try to find a quiet place where you will not be interrupted and where you can keep your workbooks, notes and papers reasonably tidy. You may also like to think about the time of day when you work best – are you a 'morning person' who likes to get things done at the start of the day, or do you work better in the evening when there may be fewer disturbances?

Preparing for assessment

Further information on assessment is available in the Student Guide produced as part of the *Pathways to Management and Leadership* series. If you have any further questions about assessment procedures, it is important that you resolve these with your tutor or centre coordinator as soon as possible.

Further reading

Suggestions for further reading and links to management information are available on the Study Resource Centre section of the Institute website at www.managers.org.uk/practical-support/study-support. Alternatively, email mic.enquiries@managers.org.uk or telephone 01536 207400. You will also find titles for further reading, including websites, in the bibliography at the end of this workbook.

Section 1 Principles of a corporate social responsibility strategy

Time required: about 3 hours

Learning outcome

By the end of this section you will understand the principles of organisational corporate responsibility and will be able to:

- 1.1 Explain the environmental, social and governance principles of corporate social responsibility
- 1.2 Discuss the links between an organisational corporate social responsibility strategy and the organisation's internal stakeholders
- 1.3 Discuss the links between an organisational corporate social responsibility strategy and the organisation's external stakeholders
- 1.4 Assess the impact of an organisational corporate social responsibility strategy on corporate governance

Introduction

This section begins by looking at the principles of corporate social responsibility (CSR). We'll look at those principles in relation to the environment, society and organisational governance.

We then consider how the principles can be used to develop an organisational CSR strategy, and how that strategy may affect the organisation's internal and external stakeholders. Finally, we look at the impact of a CSR strategy on corporate governance, for example, considering the effect of adopting the spirit of legislation rather than merely complying with the letter of the law.

Principles of a CSR strategy

The various terms in the above heading relate to everything that we cover in this unit, so we need to spend a little time clarifying their meaning.

Principles

The Concise Oxford Dictionary gives six alternative meanings for the term 'principle', but the most relevant for our purpose is 'a fundamental truth or law as the basis of reasoning or action'.

As an example of using that definition, a manager may identify one key principle as being 'the organisation should minimise its impact on the environment'. This principle can then be used as

the basis for making a decision or choosing a particular action. For example, to minimise the impact on the environment, a manager in a multinational organisation may decide to use teleconferencing rather than flying people to a meeting.

Activity

Activity 1.1

(about 10 minutes)

List a few of the principles (or fundamental truths) that you use when making decisions at work. Try to focus on principles related to CSR.

Feedback

You may have identified a range of principles that you use in your work. Possible examples that a manager may use when considering CSR issues include:

- Environmental principles like not damaging the environment, minimising waste or energy use and recycling when possible.
- Social principles about treating employees, customers or service users fairly, selling products that are safe to use and encouraging diversity.
- Governance principles such as ensuring the financial viability of the organisation, obeying the law, being open in dealings with suppliers and customers and considering the needs of all the organisation's stakeholders.

Note that we have listed the examples under the three categories that are used throughout this unit: environmental, social and governance.

You may also have noted that there may be conflict between the various principles. A supermarket manager might, for example, feel that the principle of minimising waste conflicts with satisfying customer wishes (perhaps the customer wants carefully packaged fruit and vegetables). Later in this section you will look at how stakeholder analysis helps you to identify and consider such conflicts.

Feedback

The importance of strategy can be illustrated by the comment 'If I don't know where I'm trying to get to, how do I know which direction to walk in?' Unless managers know what the organisation hopes to achieve, they can't ensure that their team contributes effectively to the overall effort.

In many organisations there's a highly formalised process of building downwards from vision and mission to objectives and targets for departments, teams and individuals. In other organisations strategy emerges from many minor changes made at levels throughout the organisation.

You can find out more about strategy and objectives in:

- *the 'Strategic planning' checklist on the ManagementDirect website*
- *Johnson et al., Chapter 4 (see Bibliography)*

Corporate social responsibility

To clarify what is meant by CSR, consider the following three comments. You will see that they each emphasise different points, but together they should give you a good idea of how the term is used:

- 'CSR covers all aspects of corporate governance. It is about how companies conduct their business in an ethical way, taking account of their impact economically, socially, environmentally and in terms of human rights.' (CIPD, 2009a)
- 'You need to think about:
 - The **suppliers** you choose and the way you deal with them. For example, trading with suppliers who pollute the environment could be as irresponsible as doing so yourself...
 - How you treat your **employees**. For the responsible business, this means doing more than simply complying with legal requirements...
 - How your business affects your **local community** and whether you should be actively involved...
 - How what you do affects the **environment** and what you can do to use resources more efficiently and reduce pollution and waste...' (Business Link, 2010a)
- Ed Williams (Head of CSR at Marks and Spencer) argues that CSR should not become a distinct profession but should be part of mainstream business activity. He also said that business should not be compelled to act ethically, but rather that it should be able to see that CSR makes good business sense.

Activity**Activity 1.3****(about 10 minutes)**

Based on those three comments, and on further comments that you can find in your library or by searching the web, what conclusions can you reach about what is meant by corporate social responsibility?

Feedback

The three comments highlight the following points:

- CSR is about behaving ethically in all aspects of the governance of the organisation.
- It relates to economic, social, environmental and human rights issues.
- It should be a mainstream business activity.

The Wikipedia (2010a) entry at the time of writing defines CSR as a highly proactive approach to the whole organisation. By following a CSR strategy an organisation would:

- 'monitor and ensure its adherence to law, ethical standards, and international norms'
- 'embrace responsibility for the impact of their activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere'
- 'proactively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere, regardless of legality.'

As you will have seen from the various quotations given above, there is a range of views about what CSR relates to. In this workbook we emphasise the need to relate CSR to all aspects of the organisation. However, we have also adopted a practical approach to the various issues and considered them under three broad headings: environmental, social and governance.