

The four components of corporate social responsibility



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The four components of Corporate Social Responsibility are economic, legal, ethical and philanthropic.

Economic means that a corporation produces goods and services provide jobs with good wages while still earning a profit for its stakeholders. Legal means to follow the law that government uses to protect employees, stakeholders, customers, suppliers and the community. Ethical means to do what is right and just. Philanthropic means to show concern for humanity, by performing charitable actions such as donating money, time or services. How Wal-Mart is doing in meeting these components varies. The company's main goal is to keep its costs low.

They have done so by creating their own logistics and distribution of their products. They have managed to reduce costs by demanding high productivity from their employees (associates), but wages paid do not meet the demand. They have also pushed many of their suppliers to outsource their products so they can produce more at a lower cost.

Wal-Mart attempts to conduct business practices by the law, but over the years have been subjected to over 5, 000 lawsuits ranging from discrimination (pay for women not being equal to men) to unfair labor practices (working overtime without pay), which means that members of the corporation may not be following the laws as stated. There are also problems with suburban sprawl (with Wal-Mart's massive growth into areas where they are not welcome) and lost jobs from outsourcing. Today, the actions of Wal-Mart executives (or lack there of) seem to not be in the best interest of anyone. There is such a strong focus on keeping costs low that good

business practices seem to have gone out the window. For example, they are the largest corporation that conducts international business in the United States.

Some suppliers feel they are strong-armed into doing business with China in order to do business with them. There was a time where Wal-Mart conducted business in a more ethical manner. That was during the reign of Sam Walton, founder of Wal-Mart was running things. His focus was not only on keeping costs low. It was on making sure his associates were happy. Walton gave his associates stock, which made many of them rich over time.

He felt that by offering this token of his appreciation for his associates it would make them more comfortable about working for him. Walton's actions also warded off the formation of unions. Wal-Mart's philanthropy seems to be the one positive aspect of the corporation. They are a consumer of energy. They operate the largest truck fleet. They lead in film developing, and in the optical industry.

They have also have made their mark as a real estate developer. They have contributed to disaster relief, military support, and college scholarships. Through the Wal-Mart Foundation, the focus is on education, workforce development, economic opportunity, environmental sustainability, health and wellness initiatives, veterans and military families, individuals with disabilities and the underserved.

They encourage associates to support programs in their community through volunteering or cash donations. The foundation works in conjunction with

Wal-Mart associates to determine how its dollars are used to support causes that are important to them.