

By using corporate social responsibility: the tobacco industry

[Business](#), [Management](#)



Declaration

I hold a copy of this assignment if the original is lost or damaged. I hereby certify that no part of this assignment or product has been copied from any other student's work or from any other source except where due acknowledgement is made in the assignment. No part of the assignment/product has been written/produced for me by any other person except where collaboration has been authorised by the subject lecturer/tutor concerned. I am aware that this work may be reproduced and submitted to plagiarism detection software programs for the purpose of detecting possible plagiarism (which may retain a copy on its database for future plagiarism checking). I am aware that the plagiarism detection software programs are not the only means that will be used to detect plagiarism (i. e. having a zero report may still result in plagiarism).

Note: An examiner or lecturer/tutor has the right to not mark this assignment if the above declaration has not been signed.

The tobacco industry has come under scrutiny regarding their use of corporate responsibility to change an unethical image that has plagued them since the latter half of the 20th century. The purpose of this essay is to evaluate the use of corporate social responsibility using three ethical principles of the global business standards codex and studies reviewing the tobacco industry's use of corporate social responsibility in relation to the health issues, environmental issues and the social issues concerning the tobacco companies. The tobacco industry's use of corporate responsibility to

change their unethical public image is ineffective and disingenuous, as they are simply using this strategy as a defence against public disparagement.

The farming and production of tobacco carries widespread environmental impacts which are damaging to the surrounding ecosystems and natural processes. British American Tobacco and Phillip Morris had established supply chains in the 1990s as a means of farming tobacco more efficiently aiming to maximise profits (Otanez & Glantz 2010). However these supply chains were damaging to the environment as well as local communities of developing countries as deforestation and the use of child labour on tobacco plantations became widespread throughout these supply chains. In the 2000s these companies addressed the environmental and labour concerns by redefining their tobacco farming procedures and implementing environmentally sustainable practices.

Although it was revealed through the studies undertaken by Otanez & Glantz (2010) that the tobacco farming practices remained the same and this attempt to deceive the public was revealed to be a CSR exploit. The use of corporate social responsibility seeks to minimise risks and adverse effects maximising economic and social benefits establishing relationships based on trust to promote progress in accordance with ethical principles and moral values (Crisan, CM & Borza 2012). In terms of the Business Standards Codex, the tobacco industry violates the citizenship principle which states that "Every employee should act as a responsible citizen in the community." (Stanwick & Stanwick 2009).

The principle states that employees must protect and preserve public goods or common grounds including sustainability and other environmental issues in order to conduct business in an ethical manner. The tobacco industry's attempt to appear ethical was transparent as their business practices remained unchanged despite the illusion of addressing the issues. Furthermore the tobacco industry uses CSR to uphold the wellbeing of society despite continuing to produce lethal products. The health effects which occur as a result of using products manufactured by tobacco companies are widespread and in most cases deadly. The tobacco companies are well aware of their products deadly nature however they continue to manufacture and distribute these products.

In an effort to repair their image, the tobacco companies used public relations exploits and funding youth anti-smoking campaigns which have been proven to be ineffective and in fact a heinous marketing tool directed at underage smokers. (Friedman 2009) Tobacco companies have even gone as far to focus their corporate social responsibility tactics at the education sector in the form of scholarships, grants, professorships and even the creation of an entire school (World Health Organisation 2003). This use of corporate social responsibility however was used as more of a defence against public condemnation due to the unchanged nature of their selling practices.

On August 17, 2006 the United States District Court found the tobacco industry guilty of a number of allegations of fraud and conspiracy (Friedman 2009). The conduct of the tobacco companies in light of this case was highly

unethical in terms of the global business standards codex in particular the dignity principle which states “ Protecting the dignity of people in society includes ensuring the human rights of health, safety and privacy” (Stanwick & Stanwick 2009). Tobacco companies continue to manufacture and distribute products with full knowledge of the products lethal nature when used as directed, using CSR only as a defence against public scrutiny.

Clement-Jones (2004) states that no company producing weapons or growing tobacco can ever be truly socially responsible due to the harmful effects of their products indicating that corporate social responsibility can merely be used as a tool of deception and hypocrisy. The tobacco industry’s use of CSR is not only a publicity exploit but a means of self regulation to avoid further government legislation on business and manufacturing practices. By implementing CSR practices into the business conduct of tobacco industry, the companies create a false representation of responsibility for their actions. This however has come under scrutiny from NGO’s as calls for “ international regulation backed up by national legislation to ensure the enforcement of real social responsibility on the corporate world” (Hirschhorn 2003).

Tobacco companies have been some of the first organisations in the early years of the 1900s to realise the value of public relations and gaining support for their industry (Thomson 1998). The tobacco industry’s use of CSR is nothing more than companies protecting their profits and satisfying their shareholders. Hastings & Liberman (2009) state that CSR is another means of promotion and sponsorship for the tobacco companies, by conducting “

socially responsible causes” tobacco companies are able to inadvertently sponsor these causes and promote their products giving further evidence that the tobacco companies have ulterior motives to their use of CSR.

The transparency principle of the global business standards codex states that employees are not to operate in a deceptive manner and that business should be conducted openly and honestly (Stanwick & Stanwick 2009). The tobacco industry fails to follow this principle through their use of CSR as they operate in a deceptive manner. CSR can however be an effective tool for improving an organisations reputation and ethical image such is the case of Alcoa, an Australian based aluminium manufacturing company which improved its standing in the community with effective CSR practices (Black, Sydney-Smith & Zhao 2009). The use of CSR by organisations such as tobacco companies can never truly be an effective strategy as long as the manufacture of harmful products continues under these organisations.

Using three principles of the business standards codex as well as the use of CSR by the tobacco industry to secure public support, it has been shown that these strategies have ulterior motives and are purely marketing tools used by these companies to conceal the promotion of their products which is banned by legislation. CSR however can remain a highly effective tool for public relations as long as the intentions of those organisations are beneficial to society.

References

1. Black, LD, Sydney-Smith, K & Zhao, Y 2009, How Business Behaviour Contributes to Reputation and Perceptions of Performance: A Case Study of Alcoa of Australia, viewed April 2012 .
2. Clement-Jones, T 2004 ' Corporate social responsibility - bottom-line issue or public relations exercise? ' in J Hancock (ed), Investing in corporate social responsibility: a guide to best practice, business planning & the UK's leading companies, 1st edn, Kogan Page Limited. , London, United Kingdom.
3. Crisan, CM & Borza, A 2012, ' Social Entrepreneurship and Corporate Social Responsibilities' International Business Research, 2 February, viewed 4 April 2012, <http://search.proquest.com.ezproxy.uws.edu.au/docview/963357717/fulltextPDF?accountid=36155>;
4. Friedman, L 2009, ' Tobacco industry use of corporate social responsibility tactics as a sword and shield on second hand smoke issues', Journal of Law, Medicine and Ethics, vol. 37, no. 4, pp. 19-827 viewed 11 April 2012, University of Western Sydney Database, DOI: 10.1111/j.1748-720X.2009.00453.x
5. Hirschhorn, N 2004, ' Corporate social responsibility and the tobacco industry: hope or hype? ', Tobacco Control, vol. 13, no. 4, pp. 445-453, viewed 7 May 2012, University of Western Sydney Library database, DOI 10.1136/tc.2003.006676
6. Hastings, G, Liberman, J 2009 ' Tobacco corporate social responsibility and fairy godmothers: the Framework Convention on Tobacco Control slays a modern myth', Tobacco Control, vol 18 no. 2 pp 73-74, viewed

- 9 May 2012, University of Western Sydney Library database, DOI 10.1136/tc.2008.029264
7. Otanez, M, Glantz, G 2011 ' Social responsibility in tobacco production? Tobacco companies' use of green supply chains to obscure the real costs of tobacco farming', Tobacco Control, vol 20 no. 6, pp403-411, viewed 5 May 2012, University of Western Sydney Library database, DOI 10.1136/tc.2010.039537
8. Stanwick, P & Stanwick S 2009, ' The foundation of ethical thought' , in Campbell, N (ed.) , Businessacademicskills, 4th edn, Pearson Australia, Frenchs Forest, NSW
9. Thomson, S. R. 1998, Public Relations and the Tobacco Industry: Examining the Debate on Practitioner Ethics, Journal of Mass Media Ethics: Exploring Questions of Media Morality, vol. 13, no. 3, pp. 152-164, viewed 3 April 2012, UWS Library database, DOI 10.207/s15327728jmme1303_2
10. World Health Organisation 2003, Tobacco industry and corporate responsibility... an inherent contradiction view 3 April 2012, .