

Corporate social responsibility analysis commerce essay



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Nike an American Multinational has its engagement in the development and design, worldwide selling and marketing of apparels, equipment, footwear, services and accessories. It has it's headquarter near Beaverton, Oregon, Portland. It is one of the leading brands in supply of athletic shoes, other sports equipment and apparels. It had a revenue exceeding US\$24. 1 in the 2012. Till the end of 2012 it had employee strength of around 44000 people worldwide. It is valued at around \$10. 7 billion which has made it the most valuable brand in the sports product market. According to The Oregonian Nike and Precision Castparts are only ones among the Fortune 500 companies with their headquarters in Oregon.

Being one of the leading brands Nike's works is dedicated towards delivering inspiration and innovation to every athlete. They have a clear vision to provide itself and its customers to thrive in sustainable economy where profit, people and planet are balanced. To have such an approach they are integrating sustainable practices and principles and have involved corporate responsibility into Sustainable innovation and business. Corporate social responsibility reports mainly self-regulation of the corporate involved in

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business model. It is a self-regulating built-in policy under which business ensures the monitoring and compliance of issues having spirit of laws, international norms and ethical standards. (About Nike, 2012)

The three main types of CSR report are

Philanthropy

In case of philanthropic approach the companies contribution extends far above from just making financial contribution, financial check etc... however apart from financial aspect it involves contribution of a wide range of support and expertise in modern philanthropic activity. In the financial year 2007-09 they mainly had their contribution towards community giving guidelines and responding towards international crisis. Starting from the year 2007 the foundation has provide more than \$100 million to its partners and programs that benefits adolescent girls. In the financial year 2010-11, Nike contributed a sum of around \$27 million to its own Nike foundation. Its philanthropic investment also had a great impact from its collaboration with NoVo foundation. NoVo's contribution to cause of girl effect was around \$112 million. The leveraged Philanthropy helped the organization by enabling them to have long term success financial flows and scaling without limits. (Nike's Charity Fund, 2012)

The Nike employee grant fund provides a huge amount of \$500000 every year to communities near its global headquarters. The funding is done based on a priority which is ordered in the following manner that is health, education, environment and social inclusion. However physical activity involving practices and sustainability deeds have a higher demand and

potential to have a long lasting effect on the community. The overall stats for the year 2011 were around 44 programs and 28, 000 people which have been funneled by the company. The Oregon Community Foundation also has a role to play in guiding the Nike people in granting and funding recommendation activities of the company. The company is benefited by such deeds as this contributes the company with economic growth contributions, monetary payments and public health and science in an effective manner

Community Based Development

The company has a strong belief towards human potential. Their aim behind leveraging the reach of their brands and their sizes is to have a long term positive effect. This would provide support to the communities and empower them thus improving the place where we play, live, work. Being a global economy the company by leveraging the power of their partners, consumers and employees aim at having exciting innovation and thus scaling up the power sport. They have taken a leading step in creating a number of such programs both a single basis as well as on partner basis. Naming a few:

Social Change Networks program for sports: The concept behind this program is simply to bring sports based communities together in order to propagate best practices, shared ideas and have proper funding and also overcome the local changes.

Homeless World Cup: Nike has funded this organization which works to build resilience; camaraderie and self-esteem with homeless children who can be made a part of football team and a way to get back on their feet.

Magic Bus, India: This organization works in helping the vulnerable children by educating them and by providing them a place to live and have a stable environment.

Nike (Red)/Grassroots Soccer: Nike worked with Grassroots Soccer organization by providing funding and donation to the young people ignoring gender, religions, races and boundaries.

Similarly Let Me Play, Students Run LA are also funded by Nike Inc. The Nike Foundation is a non-profit organization started by Nike Inc. that is dedicated in investing on adolescent girls to provide positive change for them on the planet. (Community, 2012).

Creating Shared Value

The Company is about the evolution embraced by the creation of shared value that has taken place in the private sector. The increasing attraction of the companies towards creating shared value they have benefited the society and boosted their competitiveness at the same time. The sophistication of capitalist model has created shared value to show evolution to its next stage. The company has created a winning culture through the representation of its values visually which are action, inclusiveness and competitiveness.

The difference between fulfilling corporate social responsibilities and creating shared value is that there is a need for societal and economic benefits in relation to cost but not taking action of doing merely good. The idea behind it is creation of value for the company and its community thus integrating in order to compete and produce profit in the long run.

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Creating shared value has appealed to corporate sector in a form to improve corporate sustainability conscious citizenship or social responsibility. The company's culture has always motivated towards creating shared value. The concept of holistic bottom lines, mutual benefits and stakeholder engagement is dictated by creating shared value. But it has been resonated by instantly dictated responsibility that has been resonated by mortality.

Benefits of CSR

A sustainable report is away to show the companies sustainable growth in a way which is similar in manner of financial report and facilitates companies to have a sustainability comparison. A sustainability reporting has the benefits of metrics and agreed disclosures reporting which systematic and in order. CSR is basically the combined integrated approach of good social and environmental governance practices in to all aspects of business which provide an integrated approach to all aspects material with non-financial issues.

There are two basic benefits of CSR for both at company levels and property levels. First, it acts as a guide to the company and its programs that also acts as measure in facilitating organizational shifts and continuity in turnover. Secondly, it also helps in invoking the tracking procedures and measurement that enable analysis in terms of purchases, waste, water and energy. The data above further helps in in decision making in terms of retrofits and programs and capital expenses.

The careful implementation of CSR policies can help an organization and it is a resource drain which is good for an organization. The benefits of CSR to Nike are

The company has started new business ventures like New Green Venture Capital Arm to Fuel Innovation, New Model of Corporate Venture Capital etc. It has gained customer retention and has established some permanent motivated customers. The company has also improved its relationships with suppliers and developed networks like Native American Employee Network, Latino Employee Network, Lesbian, Gay, Bisexual, Transgender & Friends Employee Network, Black Employee and Friends Network etc... It has established an employee friendly environment giving rise to human resource retention and attraction towards a happy workforce. The company has also saved money incurred in energy and has managed its risk and operating cost. There has been a vast improvement in points that differentiate the company from its rivals like reebok, puma. The company has also improved in terms of generating innovative learning like starting development programs like Nike summer of innovation etc... and improving its standard and reputation from a leading brand to a best brand in the market. The company has also succeeded in generating media opportunities and publicity in a positive manner in business activities ethically to invoke interest.

(Corporate Social Responsibility – Companies in the News, 2012)