

Corporate social responsibility essay sample



**ASSIGN
BUSTER**

With the growth of Corporate Social Responsibility (CSR) in the majority of organisations over the last 20 years it is evident through developing strategies to incorporate CSR the importance it can have is widespread. Tesco's have used such strategies to enable them to gain competitive edge but at the same time neglected some of its responsibilities which has lead to missed opportunities & knocks on its reputation.

The meaning of CSR given by the European Communities (2001) is “ a concept whereby companies integrate social & environmental concerns in the business operations & their interactions with their stakeholders on a voluntary basis”

This underlines the importance of getting it right in the overall view of an organisation to all stakeholders. This said it has been argued that this philosophy isn't as clear with Frankental (2001) who describes it as “ a vague & intangible term which can mean anything to anybody, & therefore is effectively without meaning”.

There is a lot of confusion in regards to CSR & the extent to which it entails; who's responsibility is it? Some firms have seen CSR, encouraged it & embraced it trying to enable them to go forward. This being said some organisations have seen it as a means of meeting legislation & only doing what's the bear minimum required of them to avoid breaking legislation.

The ethical questioning can be seen from this perspective with organisations not being fully responsible; the use of ' Carroll Social Responsibility Pyramid' underlines how organisations categorise the importance of each factor in the

pyramid, this can also illustrate that some will just do what necessary to survive.

It can be argued that with the competitive nature of the supermarket industry its firstly important to make sure they are making a profit, but with CSR this can also be used as a tool to progress & implement it in the organisations strategy & use its core competencies to achieve its goals.

The last few years has seen Tesco's develop its CSR policy to try and satisfy it Stakeholders, in 2007 their annual report including initiatives they have deployed, results & planning for the future. Even with this detailed report and results they have produced they are continually slated in the press and they have built a reputation for cutting corners, bad trading practices & for the way in which they have treated suppliers.

Through successfully deploying Corporate Social Responsibility Tesco's's can benefit even more than it already does , these benefits can be widespread and include all stakeholders.

Positive press & praise can be achieved from CSR and can come from several sources including press, other organisations, charities & the from consumers. Adversely if not implemented correctly can have a big impact with the press & its consumers.

If consumers recognise the policy & the work that being put into CSR this will have a positive reaction, this can then lead to consumer loyalty enabling Tesco's to further build its brand loyalty, increase its market share & make more money. From building the brand & having the image of embracing CSR

it can help to develop relationships Tesco's's has with its suppliers, government backing & charitable organisations.

Creating social awareness for consumers can be of benefit as there are many that don't know much about areas involved with CSR & don't actually participate in activities themselves. Through promoting CSR & using it can help to encourage consumer i. e. getting them to think about carbon footprints, climate change & healthy eating.

Diversity can be achieved as it could allow Tesco's's to develop into other markets, develop overseas & reach new consumers which would enable them to become even stronger.

Through targeting more diverse & different markets it can enable greater market share, CSR could also be used to get consumer into the stores and then Tesco's's could use discounts, offers to gain loyalty from them.

Tesco's's have been one of the best at doing this over recent years, with the introduction of the loyalty cards it has not only been able to show loyalty to its consumers but it has also given a great market research tool enabling them to track what people buy, what time, etc. They have recently released Green loyalty cards which cater for more health conscious consumers and reward them for buying healthy eating products.

Community is an integral part of any organisation being successful & through CSR strategy the community could benefit, it could help to bring communities closer together, create initiatives & with the majority of employees being from local areas help with employment in communities.

The way in which this has been deployed in the past & currently include both Tesco's & Asda running buses around local areas going to the stores; this has enabled older consumers, people in the areas & employees more direct transportation to the stores.

Staff are important to any organisation & within the food retail industry there is a high turnover of staff with many only staying for a couple of years before moving on, the reason why this occurs can be due to part time workers, seasonal employees & staff who work there while studying.

A benefit of a good policy CSR can be greater staff retention & increased staff loyalty. Through treating staff better, going the extra for employees & developing schemes which will encourage employees to stay with the company. Many supermarkets have started to attempt this & have introduced management training programs, bonus schemes & extra incentives on top of their basic pay.

Using CSR can enable staff loyalty & reputation as an employer, as supermarkets have a wide range of goods & services this can help to create a flexible workforce which could lead to staff being able to adapt to change, get the best out of staff & potentially produce innovation on the workforce.

An example of this has been the introduction from Sainsbury's of its "Learning @ Sainsbury's" intranet site which is an intranet site which helps staff to do online courses & helps to improve their skills.

With the development of Technology over the last 20 years all retailers have embraced this & looked to be at the forefront of both technology &

communication systems. The internet, self scan & security system that have been deployed by retailers has enabled them to give consumers convenience & also potentially market a different segment of consumer.

With the positive impacts CSR can have it can bring help to bring long term success, improve public image & relations with investors & also help to reduce costs.

Tesco's has been a big part of the regeneration of certain areas over the last 10 years, this has helped to improve the economy in these areas with more jobs, shops closer to their homes & has also benefited the company as its continued to grow.

Long term use of CSR could see retailers use these goals to improve & manage the risks that are involved, with better risk & crisis management it could help to prevent problems occurring by being proactive and in turn will help to improve its reputation. This said the balance of CSR & business targets organisations have can be conflicted, this view is shared by Hopkins & Crowe (2003) who state " there has always been tensions between business & social goals".

Through neglecting Corporate Social responsibilities can effect the marketing strategy which can lead to problems such as damage to reputation, loss of staff & potentially loss of its market share.

To highlight the importance of getting it right & making sure that the CSR policy meets all targets intended, examples of problems that have been

found within organisations, criticism made on Tesco's and other retailers & the extent to which those problems effected them.

Although with the 2007 annual CSR review Chief Executive Sir Terry Leahy underlined the importance of bringing the community together, along with work currently done plans in are place to further that, they haven't revealed as to how or plans long-term.

There is a part of the community that has been affected dramatically through the growth retailers have had, in particularly Tesco's's, over the last 20 years the local businesses such as butchers, newsagents & bakers. As Tesco's's have become more of a place of convenience & with the low price it has meant that many have gone out of business.

Because of the buying power & superior resources that Tesco's's has & the shear size of the organisation it has enable them to lower prices to the extent where local shops just cant compete.

Healthy eating has become as issue which has increased over the last few years & has been highlighted in the press by the school dinners campaign, calories & examples of high sugar & fat contents in foods. Tesco's's has had it fair share of bad press in respect of this including attacks on their pricing strategies, availability & ingredient content.

With the many price reductions that Tesco's's have to offer the organisation has been widely criticised for not including as many offers on healthy products. National Consumer has reported that only 14% of its offers included fruit & vegetables with considerably more offers on fatty more

sugary foods. This is an issue with the promotion, although the have advertised healthy eating an increase of offers on these products could improve consumption & awareness.

The growth in concerns of food safety & concern has been brought on by epidemics like CJD, bird flu & pesticides in food products, through illustrating & advertising this could enable retailer to put confidence about food product's for customers.

The confidence that a consumer has in the product or service is vital & many consumers feel that areas in regards to their data protection & privacy have been effected with the development of technology. The use of club cards has been a great way of showing customer loyalty & for marketing purposes but is has also been criticised for to tracking purchases & buyer behaviour, this has had some negative press which has led to consumers confidence being tainted.

An example of this was in 2004 when Tesco's deployed a camera in one of it's displays to view consumer behaviour, this cause a huge press debate & led to Tesco's being criticised.

Tesco's's commitment to improving the environment has been universal & with the introduction of Environment Fund in 2006 It has underlined the importance by the funding of $\frac{1}{2}$ 100 million.

Even with this commitment many have argued based on Tesco's's size & growth that it could do more to improve on this. This can be seen with all big

supermarket chain due to the amount of energy they use, the amounts of waste they create & the carbon emissions they produce.

With idea of reducing plastic bags, trying to reduce waste & looking at the carbon footprints consumers have its evident that more can be done and if enough is put in place then this could lead to consumers turning away & being blown up in the press, therefore its vital ideas & plans are put in place long term to make sure they protect the environment.

Environmental issues have had a negative effect on certain areas within the supermarket industry, all retailers have looked to put initiatives in place & try to combat these problems, the ideas haven't had great impacts.

Suppliers play a big part in a CSR policy & without correctly putting the right people in the right place it can lead to problems for retailers. With a lot of suppliers for supermarkets being from third world & poor economic countries there are many issues that are continually reported.

In 2006, Tesco's were reported to be at the centre of suppliers exploitation in Bangladesh, with workers being paid up to 5 pence an hour, Tesco's response was

“ Our suppliers comply with local labour laws, and workers at all Bangladeshi suppliers to Tesco are paid above he minimum wage”.

This carefully put response looks as though they are trying to skirt over the issue & potentially underneath this shows that they potentially weren't aware of the situation.

Child labour & exploitation are areas that have occurred & have increasingly been reported, the conditions that people work in & the health & safety environments have also been publicised. With these issues its important retailers work at this as not only is it potentially ethically & morally incorrect but in some cases breaking legislation.

Legislation is key to CSR & can have big implications if not correct including fines, removal of authority & knocks to their reputation, all of which could have financial implications.

The land in which Tesco's has bought over the last several years & not used has been criticised. The way in which they have used certain pieces for land and dealt with its competition ha included them not using land just to avoid anyone else buying it. This shows the power that Tesco's currently have & this could potentially be an issue for their reputation as it has continually been a tactic they've used.