

Example of argumentative essay on corporate social responsibility

[Business](#), [Company](#)



Winston Churchill the popular former British prime minister once said, "Responsibility is the price of greatness." In other words, greatness and responsibilities are bedfellows. In the quest to become great and outstanding, many corporations have taken up social responsibilities such as environmental conservation and the setting up of social amenities (schools, hospitals, and water and sanitation facilities) for needy communities across the world. In the past, many corporations engaged in Corporate Social Responsibility (CSR) out of the sheer willingness to give back to the community. However, cutthroat competition in the business environment has seen many corporations use CSR as a strategy to increase profitability. In addition to being the right thing to do, Corporate Social Responsibility programs can support a company's profit-making business interests. CSR has shifted focus, and it is now labeled as "corporate sustainability". The shift draws more environmental, social and governance issues to the traditional CSR. The corporations are now benefiting from a perpetual profitability or sustainable shareholder returns because they can thrive and become sustainable within a broader social and environmental context (Ioannis & Serafeim, 11). The establishment of executive roles of the Chief Sustainability Officer in many companies such as AT&T, Dow Chemical, Nestle, Siemens, Unilever, among many others has elevated the role of CSR in increasing the profitability of corporations (Ioannis & Serafeim, 12). The new executive role allows for the interpretation and the assessment of CSR thereby shifting it from an issue largely related to "philanthropy" to a core avenue for the achievement of strategic objectives and driver of innovation and long-term performance (Ioannis & Serafeim, 12).

CSR may mitigate against the likelihood of negative fiscal, regulatory, or legislative action (Ioannis & Serafeim, 13). For instance, the Coca-Cola company CEO stated in an interview with Harvard Business Review that his company works with governments, civil society organizations and other companies (Gallo, 1). The groups influence policy and governance to be a part of the initial conversations and the other entities share the ownership of projects from the start. As such, it is possible that getting governments to support CSR creates a good rapport and that the government is less likely to harass the corporation through unfavorable legislations and regulations. The lesser the negative and restrictive legislations an organization faces, the more it stands to do brisk business and increase profitability.

In essence, CSR can also attract financial resources from socially responsive investors. The Coca-Cola Company has entered into partnerships with the Bill and Melinda Gates Foundation as well as the Global Fund to Fight AIDs, Malaria, and Tuberculosis. As such, the company stands to benefit by learning about the practices of other corporations that work in collaboration with big charity foundations (Gallo, 2). Moreover, Coca-Cola is working with the Tanzanian government to offer better healthcare helps it to hone its supply chain expertise when distributing medicines to medical stores (Gallo, 2). The issue also helps the organization to learn about reduction of bottlenecks and distribution as a whole. The better a company can manage its supply chain and other business functions, the more it stands to improve its profitability.

CSR can also lead to better performance by protecting and enhancing corporate reputation. CSR enhances its face value, trust, and appeal to

customers. For instance, the success of Coca-Cola Company has greatly relied on the creation of a good reputation thanks to its ability to create value for each of the countries and regions in which it operates. The company can appeal to the economic, or resources scarcity as well as gender inequality. These issues are, usually, critical to the local populace, and, therefore, the assisted communities hold the company in high esteem thereby becoming loyal customers. For instance, Coca Cola's use of recyclable materials made up of up to 30% plant material has helped it to boost the sales of Dasani water brand (Gallo, 2). The higher the customer loyalty coupled with the uptake of more clients sustains the profitability of companies.

Some CSR strategies are directly beneficial to the company. For instance, the coca cola company has a CSR program to achieve water neutrality by 2020. The company has managed to replace 52% of the water used in main beverages and reduce water across the company's 800 bottling plants thereby reducing the overall cost of production. The company is also implementing programs to empower 5 million women by 2020 (Gallo, 2). These strategies help to increase penetration and sales of the company's products. This aspect coupled with a reduction in the cost of production boosts the company's profitability.

Conclusion

CSR has ceased to be a pure philanthropic agenda for many companies. Competition has compelled many companies to use CSR strategies to increase their profitability. These companies benefit by creating better and beneficial relationships with governments thereby mitigating against

oppressive Legislations and regulations. Moreover, the company's activities such as coca cola are empowering of women in poor communities thereby increasing penetration, sales. Loyalty that companies derive from CSR activities often translates to increased profitability. The creation of executive CSR roles helps to interpret and create many CSR programs that can enhance the profitability of companies. As such, in addition to being the right thing to do, Corporate Social Responsibility programs can support a company's profit-making business interests.

Works Cited

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