

The corporate social responsibility of nissan



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Not all companies leave a positive impact on society. Business leaders strive to iron out the desires of the government, well being of the society, the consumer desires, and how to improve their community. This is when corporate social responsibility attempts to play a vital role. CSR is a way to measure the impact of these businesses, as well as meeting the social and environmental concerns. Also, it does hold international perspectives so it is not narrowed down to one definition. Although, it has evolved and matured since it first started to exist the 1950's. This essay contains the views of CSR through different perspectives from different nations, as well as, Nissan company CSR effectiveness, how they implement the policy, and my own personal opinion regarding CSR.

This theory that has changed over decades, still probably has more change awaiting it, due to the political, social, and businesses changes occurring in the world, according to Gail Thomas a professor at the Curtin University of Technology. CSR covers everything from the obligations of societies, consumer needs, the communities they operate in, and so on. As a result of CSR, businesses do not exist solely to make a profit, but to improve and provide for their communities. On one hand, some business leaders do position money on the top of their priority list.

According to the South China Morning Post 2002, CSR connects and concerns itself with associating legal actions and policies, optimistic employee and customer relationships, acceptable ethical principles, clear purpose, and the respect for the community in which they provide to. Though, it also goes a little more further than that, constrains on strategic decision making, training

and employment customs, companion selection, and in due course, brand development.

As said by The Institute of Directors UK 2002, CSR is about supervising the impact a business or organization can have on society and communities. Moreover, it specifically reaches out to organizations dealing with employees, consumers, society, and their suppliers. In addition to the fact that they are obliged to protect the environment.

According the Academy of Management Review by Archie B. Carroll, when measuring CSR on a daily basis, you need to consider mainly two fundamental factors which are the working area dilemmas and environmental sustainability. This is where ethics, strategic philanthropy, legislation, diversity, community relations all fit in.

CSR is growing relevant today because of the increasing social expectations that come from the community they operate, the employees working for the business/organization, and consumers etc. Secondly, globalization, the integration of societies and cultures globally has lead to transparency. Thirdly, because of the increase in wealth. Finally, the outcome of the above is empowered stakeholders.

Personally, I chose the Nissan Company's CSR to analyze. Firstly, I would like to summarize the CEO statement. According to Nissan official website, Nissan believes that a company is judged through the long term vision they create. Also sustainability is not easily achieved. Thus for Nissan, the short term decisions that they make builds a sustainable business purpose over the long term.

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After the economic crisis in 2008, Nissan did expect a business slow down. In 2009, they started planning and implementing ways on how to look after their free cash flow, further develop their presentation, and role in society sustainably. Furthermore, they communicated clearly and honestly with governments and stakeholders globally about the thin line their industry was on. Eventually, Nissan came to conclusion that they should focus on medium to long term concerns. Basically, the company's mission is fully committed to offering zero emission and affordable vehicles. Therefore, as an automobile company it is their responsibility to minimize the negative impact vehicles has on the natural environment. Finally, Nissan defines sustainability as providing environmentally friendly cars, reasonably priced vehicles, and fuel efficient.

According to the Toshiyuki Shiga, the Chief Operating Officer of Nissan, he describes their approach to CSR as supplying in the most positive manner to the communities they operate in since they are involved in creating value and sustainability. What they contribute to the society is what classifies them as a company. In addition, he personally quoted, " Our activities have to contribute to society not just through the cars we provide, but in terms of improving the environment. We need to reduce the environmental burden and improve living conditions for our workers. We've got to have good relationships with the people who live where we work. Achieving this balance between business and social responsibility is good for the company's growth."

Simon Sproul, the Corporate Vice President of Nissan is in charge of CSR. According to him, CSR means a lot of the Nissan Company. Their CSR

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objective revolves around sustainability. This includes assuring that Nissan will carry on for decades and what they achieve today will not put them in a risky position in the future. Nevertheless, it is quite clear that Nissan measures up to being more economically dominant than countries. With that power, people have obligations towards them, and Nissan itself has a high level of responsibility to attain, as well as the transparency they need to offer. Confidently quoted by Simon Sproul on the Nissan website, " This isn't just window-dressing; CSR is a task with real impact, and a way to keep our business sustainable."

In April 2009, the Nissan Company set out their CSR group to address CSR issues. The establishment was further described through the words of Shiga and Sproul. According to Shiga, Nissan's previous activities were not set out with a clear purpose as they are today. So they decided to develop their efforts and consume their capital efficiently and even more professionally. As a result, this action has helped them send a public message easily and clearly. The approach was a directed way to contribute to the Nissan stakeholders as well. As a final point, Shiga proudly confirmed, " A more transparent process-a quicker, more efficient way to do things-is something we're shooting for. Having a defined policy is ideal"

Similarly, Sproul described the establishment pretty much like Shiga did since they share the same intentions. Although, Sproul mentioned the way that they communicate their priorities, which is using a scorecard. He clearly stated, " The scorecard also sparks valuable dialogue with them (stakeholders)-we expect that some of them will challenge us. This feedback

helps us focus on the priority issues that we want to include in the broad category of CSR.”

Nissan’s approach to CSR is through three balancing factors. Firstly, balancing between short and long term outlooks. This means that they aim for ethical behavior with a high rate of transparency and acceptance of diversity. Secondly, balancing between the business’s growth and the society’s advances/changes. This refers to the sustained and controlled profitable growth of the company. But, together contribute continuously to the sustainable progress the society shows. Thirdly, balancing the company’s values towards the stakeholders. This indicates that the company will cooperate, negotiate, and compromise with their stakeholders globally, forming trust, reliance, and long term sustainable values. Lastly, according to the Nissan official website their policy also contributes to a few other aspects, “ The Nissan CSR Policy contributes to the creation of value for all our stakeholders in line with our Vision, Mission and Nissan Way.”

Nissan Company’s method of approaching CSR management is through the CSR policy they created which contains eight essential parts. As well as that, they have established a CSR Steering committee that includes over ten midlevel managers from the sections that are within the fields, which includes organizing and keeping record of progress in every field across the company. So, the eight key areas are safety, environment, corporate governance & internal control, value chain, economic contribution, employees, quality, and philanthropy.

As stated above, Nissan uses the CSR scorecard to evaluate progress. The scorecard uses the eight essential aspects that were also stated above, showing the values and management factors that the Nissan Company depends on in its activities, and demands of society. Additionally, by associating society's desires with their business activities, they have managed to create a scorecard representing horizontally and vertically. On one hand, horizontally, is the balance they strive for between the development of their company and the well still nourishment of society. On the other hand, vertically, is the balance they wish to achieve with the stakeholders by offering value. However, Nissan believes in a third type of balance, which is mainly established on the perspectives on the vertical and horizontal axes. As stated on their website, every year they look over the outcome of the scorecard, evaluate their performance towards pursuing goals, and objectives.

Additionally, Nissans role in the community has further widened. According to their website, in Japan, they held school visit programs, support community activities, held their own Nissan Cup Oppama Championship, they aid scientific progress, promote social participation, and many more activities. In South Africa they established a nonprofit Mobile Eye Clinic. Also, they held a silk walk in China to raise funds and awareness for education.

In my opinion, Nissan can go a long way. It is already accomplishing more than I expected. I believe that they are trying to improve their approach towards the environment and they are probably one of the few vehicle companies that care about the environment. Almost most of the world's pollution comes from vehicles. Nissan, a vehicle company itself cares about

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the environment and takes efforts to minimize the environmental impact vehicles may leave. The company evaluates the direct and indirect impacts of its business. According to their website Nissan hopes to be, “ sincere-innovator.” To prove what they aim to be Nissan takes action towards the environmental challenges, the finest type of inventive and up to date products, technologies, services, plus contributing towards a sustainable society. To end with, Nissan desires to achieve, “ a Symbiosis of People, Vehicles and Nature.”

In conclusion, corporate social responsibility is even greater than I thought. It is a key aspect if a company is looking for long term success with acceptable ethics. In summary, as I stated, the Nissan Company is addressing environmental issues and has a strong CSR policy. With their policy and approach the company can improve even more than it already is.