

# [Recommendations report for the monsanto company analysis of social responsibility...](https://assignbuster.com/recommendations-report-for-the-monsanto-company-analysis-of-social-responsibility-report-samples/)

The increases of food production in a growing globalize demand with limitations of natural resources and global climate change has become a huge problem in every part of the world. Monsanto believes they have an answer to this problem: Grow more food with fewer seeds. This provides the necessary balance to double the world’s food production by 2050, which is what the United Nations predicts, will be necessary. This could be the solution to resolving the world’s food needs in an environmentally and socially sustainable manner.

Biotechnology could be used to support an agricultural system based on the principles of ecology, stability, and sustainability. It appears to offer the necessary means to diminish the environmental pressure of industrial agriculture.

Monsanto’s involvement in Keystone Alliance Project for sustainable agriculture is a step ahead to achieve long term, permanent improvement in sustainable agriculture production. Monsanto and other companies joined together to bring a solution for improving the ability to feed future generations.

Despite Monsanto’s advances in biotechnology, corporate social programs and alliances the company has done little to change consumer opinions of the company and the acceptance of the GMOs. Examples of this are a marketing strategy that ties Roundup to Monsanto’s genetically engineered products. Monsanto’s opposition to seed saving by farmers, followed by a heavy enforcement of intellectual property rights and an opposition to the labeling regulations of genetically engineered crops. Monsanto thinks it will stigmatize the product and possibly raise more consumer concerns. Yet Monsanto’s objection to food labeling raises a conflict with the very notion that GMOs would eventually be more desirable than traditional crops. As a result, not only did Monsanto’s actions hold back its growth potential, they also hurt present day markets by eventually undermining public confidence.

Monsanto has not demonstrated a willingness to listen to these concerns. From a sustainability perspective, its biotech based strategy does not address poverty and food access issues. It fails to differentiate between the developed and developing worlds. This calls into question the sincerity of its “ feed the world” mission. Genetically engineered western commodity crops were Monsanto’s first products, which were completely inappropriate for developing countries.

## Introduction

Today consumers are very aware with what companies are selling, promoting and marketing. What’s more, in today’s information rich society most consumers are aware of how corporate social responsibility (CSR) programs can impact the bottom line.

As a result of this social awareness and a down economy, companies are starting to prove the value of their products and services to consumers. One of the main reasons of CSR awareness was the proliferation of social media tools that result in an increased consumer activism. Consumers are now rapidly sharing online to both praise and attack companies. As a result, firms started a new trend where they are looking to effectively communicate and rally stakeholders around their shared values. Monsanto, the world leader on sustainable agriculture has been working and implementing a development on corporate social responsibility. Implementing biotechnology to aid hunger and malnutrition world problems, as well as programs like Baechell-Borlaug International Program, the Keystone Alliance for sustainable agriculture, the Mississippi River Basin, and voluntarism on the communities where business operates.[1]

But despite all of its technological advances, programs and implementations Monsanto is under the gun on a number of different issues. The public has not responded positively to Monsanto’s efforts; fail to provide reliable information and proof safety for consumer acceptance to support GM food. Many activists questioned the firm’s use of science saying it creates foods that threaten the health of both people and the planet, and the use of intellectual property laws to squeeze every last penny out of the world’s poor. Also Monsanto has not show willingness to listen to this environmental and health concerns.

To gain public’s trust Monsanto has to improve their business integrity, ethics, and be more transparent and truthful about the scientific information on the biotechnological products to give the consumer confidence of GM foods. Also the company needs to change position from being opposed to labeling foods that are GMO’s.

## Strengths

Overview

## Biotechnology

Monsanto’s biotechnology appears to offer the necessary means to diminish the environmental pressure of industrial agriculture. The use of herbicides, pesticides, and other agricultural inputs can be significantly decreased, and the ability to grow crops in poor-quality soils and drought areas could prevent deforestation and the alteration of sensitive lands to agriculture. Monsanto’s biotechnological sustainability, offers a way to improve the ecological efficiency of agriculture by reducing inputs (herbicides, pesticides) and increasing resource efficiency.[2]Yet, the environment is but one consideration in the transition to sustainable agriculture. And although biotechnology may indeed prove to be a necessary tool for achieving agricultural sustainability, by no means is it sufficient. Robert Shapiro’s (Ex-Monsanto’s CEO) strategy was based on the belief that biotechnology and the life sciences were the solution to resolving the world’s food needs in an environmentally and socially sustainable manner.[3]

## Commitment to Sustainable Yield

The increase of food production in a growing globalized demand with limitations of natural resources and global climate change is the company’s commitment to sustainability. The company’s three strategies to meet these challenges are:

1) By the year 2050 the need for more food production will have to double to meet the demands of a growing population. The Company’s commitment is to produce more yields by helping farmers to double their crops by 2030.[4]

2) Reduction of agricultural resource by one third per unit of output by 2030. The Company’s seeds products are design to require less water, land and energy resources to conserve more resources by minimizing soil loss and greenhouse emissions.

3) Improve farmers’ lives and income growth through modern biotechnological agricultural technology.

## Beachell-Bourlaug International Scholars Program

The objective of this program is to educate rice and wheat plant breeders who can serve as future agricultural leaders. The yields of wheat and rice have grown at a compound rate of about 0. 8 percent over the past decade and the population has grown about 1. 25 during the same period. Monsanto has come up with this program to overcome these challenges and to meet the growing demand of food. The Company pledged 10 million dollars to improve yields in these crops as part of the Company’s commitment to sustainability agriculture. The program provides full support to students seeking a PhD in rice or wheat plant breeding. The program includes tuition, insurance, research fees and travel.[5]

## The Mississippi River Basin

This initiative is focused on reducing nutrient and sediment movement into the United States’ largest river system, the Mississippi River. For this project, Monsanto is partnering with The Nature Conservancy, the Iowa Soybean Association, Delta Wildlife and National Audubon Society. The company has committed more than $ 5 million to this conservation project for the Mississippi River and agricultural landscapes, in which farmers can produce higher yield crops, fiber and fuel in ways that further preserve water quality as well as support diverse and abundant wildlife populations.[6]

In the future, crop producers are expected to have additional on farm tools that can enhance their environmental stewardship efforts. And this project is one of many contributing to this end.

## Field to Market: The Keystone Alliance for Sustainable Agriculture

With experts saying that we have to double food production by 2050 to meet the needs of a population projected to grow to 9 billion, the world has two choices: we need to either make each acre of farmland twice as productive, or use twice as many acres. Option two inevitably requires deforestation which can lead to habitat loss and many other environmental problems.

Monsanto got involved in Keystone Alliance Project for sustainable agriculture, a nonprofit organization along with 30 other organizations, including food companies and Environmental Non-government, Private and International Organizations committed to achieve long term, permanent improvement in sustainable agriculture production.

Monsanto and these other companies joined together to bring a solution for improving the ability to feed future generations. This is to be done by increasing agricultural production while decreasing environmental impact.[7]

## Investing in Communities

Monsanto established the Monsanto Fund in 1964 as the charitable division of the company. It states that “ our philanthropic goal has been to bridge the gap between people’s needs and their available resources. We want to help people realize their dreams, and hopefully inspire them to enroll others in their vision.”[8]

Monsanto’s commitment to give back to communities where business is operated has been done through the creation of the Monsanto Fund which has awarded $13. 9 million in grants for nutrition, education, environmental and community programs. Monsanto has awarded United Way with $ 1. 1 million. Monsanto has also Monsanto Fund Matching Gifts Program. This program “ gives permanent Monsanto employees and active members of the Monsanto Board of Directors an opportunity to join Monsanto Fund’s support of not-for-profit institutions.”[9]

Monsanto’s philanthropic activities are meant to not only improve its image, but also provide key relationships. It understands better than anyone that relationships, partnerships and network are the key for success of the company.

## Weaknesses

## Overview

## Consumer Acceptance

Many factors point to believe that Monsanto’s head position in the biotechnological industry race is going to collapse along with the public’s support for GMO’s. Financially, Monsanto has depleted a considerable amount of resources during its acquisition phase and has accumulated significant debt. Its designation as a biotech firm and the increased dependency on Roundup is forcing the company to rapid sales growth of its biotech products, perhaps too rapid for the public’s comfort. With the growing disapproval, started in part by the mad cow disease alert and the subsequent doubts of regulatory bodies, raised doubt about the possibility of continued consumer acceptance. Monsanto’s choice of electing to pursue biotech products first, has contributed little to consumer acceptance of the GMOs; there is no perceptible benefit for the consumer. Also it’s marketing strategy at best, are only tolerated by the farmers. In addition, the environmental and human health concerns seemed suitable, and Monsanto has not demonstrated a willingness to listen to these concerns. From a sustainability perspective, its biotech based strategy do not address poverty and food access issues and fails to differentiate between the developed and developing worlds, therefore calling into question the sincerity of its “ feed the world” mission.[10]Genetically engineered western commodity crops were Monsanto’s first products, crops wholly inappropriate for developing countries.

## Food Labeling

Monsanto fears that GMO labeling would stigmatize the product and possibly raise additional consumer concerns, consequently preventing or slowing acceptance of GMO’s technologies. Yet Monsanto’s objection to labeling is in conflict with the very notion that GMOs would eventually be more desirable than traditional crops. Once GMO’s products entered the market, farmers would attract additional value only if an infrastructure existed for segregating GMO’s crops and preserving their identity throughout the supply chain. From a midterm perspective (3-5 years), it would have been advantageous for Monsanto to support labeling requirements and to facilitate creation of an identity preserving infrastructure. As a result, not only did Monsanto’s actions hold back its growth potential, they also injured present day markets by ultimately undermining public confidence.[11]

## One- Size-Fits-All Strategy

Although Monsanto declared an intention to meet the world’s food and fiber needs, its initial GMO’s technologies is directed to western markets and commodity crops. There are many inconsistencies with Monsanto’s planning as a one-size-fits-all strategy with respect to developed and the developing countries. For example rice, sweet potatoes, cassava, and yams were the principal crops of developing countries, not corn, cotton, and soybeans.[12]In addition, Monsanto’s patenting of life forms and intellectual property right protection policy is seen by some as indignation to the thousand year old cultural and seed saving traditions of many of the developing countries.

Developing countries, a majority of whose populations participated in the agricultural sector, often at a minimal level, more and more are looking upon Monsanto and other multinational agricultural firms as profit motivated corporate entities whose products would displace the small holder farmer[13].

The rapid consolidation of the seed sector, the integration of the agricultural supply chain, and the patenting of genetic “ inventions” by Monsanto reinforced the notion of corporate domination. Consequently, by failing to differentiate between the needs of the minimal level economies to those already mature. Monsanto is hurting its global sustainability campaign and is alienating many in the developing countries. In the end, Monsanto overpromised and under delivered on its global sustainability vision, a fact that is not going unnoticed by NGOs and consumers worldwide.

## Recommendations

## Consumer Strategy

When people are not treated with fairness and honesty and respect for their right to make their own decisions, there is little risk communication can do to keep them (the public) from raising hell – regardless of the extent of the hazard.[14]

Talking to the public is not the problem; listening to the public is. Monsanto essentially views the opposition as arising from consumer ignorance and, consequently, the attempt to diminish it with a supposedly effective advertising campaign, is failing miserably. Monsanto is doing little to understand the concerns of consumers upset by GMO’s concerns and skeptical of science-based declarations of safety. The company does not address cultural sensitivities toward food and farmland. In the end, Monsanto’s relentless persistence on scientific data and ignore public perceptions is provoking even further outrage.

An approach that Monsanto should follow is a process called “ Six Sigma” which begins with listening to public to determine the strongest quality issues on Monsanto’s products and how that can be changed to benefit the consumer and the company yielding more profit. Following this approach, everyone wins. Consumers will benefit from safe and better products while feeling that their needs are being taken seriously and their business is valued. Monsanto would be happy because their products will gain from new innovation and improved value. Also, the company will gain loyalty and credibility through this social responsibility.

The object of this system is to gain a deep understanding of consumers, in order to give them what they want. All the advertising and marketing in the world won’t make up for failures on these key strategic elements. This can also be applied on the human resources policies that must support this customer focus: if the company wants happy customers, first get a content staff.

## Transparency

Replacing secrecy and protection of proprietary information, for transparency and stakeholder commitment will likely hold the keys to success in the future. Transparency basically means taking the firewall down and reveal everything about the products from research, biological and chemical technological process and tests so that consumers can be better informed and make decisions about the products they consume. It will also lead to integrity of the company.

Basically sharing information openly will welcome ideas and innovations from every angle. By analytically measuring and reporting the sustainability, Monsanto will engage everyone from employees to consumers to critics in the process of building a truthfully sustainable company.

But unfortunately Monsanto’s checkered history as a chemical manufacturer offers the public little assurance about the accuracy and validity of the company pronouncements.

The company manufactured virtually all the PCBs in the United States until they were finally banned in 1976, and taxpayers are still shelling out to clean up PCB-riddled waste sites. Monsanto also manufactured Agent Orange, which is linked to cancer and reproductive problems in Vietnam War vets. According to the Environmental Protection Agency, Monsanto is a “ potentially responsible party”.[15]

## Better Strategies Model

Monsanto needs to create a balance multi modal strategy to succeed in the development of sustainability. The four strategy process is: rational, symbolic, transactive, and generative. The symbolic mode involves management’s creation of a convincing vision and clear corporate responsibilities mission. The rational mode relies heavily on strategic planning and reporting systems: For example corporate responsibilities and accountability based on performance. The transactive mode is based on interaction and learning; its center is communication across organizational boundaries. And the generative mode depends on organizational members is the entrepreneurial behavior.

Sustainable development became a core aspect of Shapiro’s vision, and the strategy making process came to be dominated by the symbolic mode.

Monsanto needs to build up and set up a balanced multimodal strategy-making process. The symbolic mode dominates all others. A better balance of strategic processes may help the company avoid the problems it has encountered in the past. Open connection between the rational mode and the symbolic vision of sustainability might have overcome some of Monsanto’s problems of inconsistency.

## Conclusions:

Monsanto’s biotechnology may be the solution for the necessary means to diminish the environmental pressure of industrial agriculture. But even that biotechnology may indeed prove to be a necessary tool for achieving agricultural sustainability by no means is sufficient. Even Monsanto has taken the rights steps to be socially responsible. By increasing sustainability yield, developing ecological and educational programs, aid and tools for farmers and the participation in communities. Regardless of these efforts the company still has a lot to work on, like being more conscious about the consumers, transparency and business strategies.