

Corporate social responsibility of dell



I. Introduction

In its March 2005 issue, Fortune magazine dubbed Dell, Inc., the “ most Admired Company in the US.” A river of ink has been devoted to describing dell’s lightning –fast style of swooping into and rapidly dominating established markets, its famous “ zero tolerance” inventory practices, and its involuntary use of the internet to sell direct. Dell Inc. managed therefore to be role model as a successful company that does online business. The company’s famous service that enables customers to design their own computers at Dell’s website becomes key competitive advantages. This is because customization helps Dell to lower their production costs. This in turn lowers their pricing that leaves the company in sustainable position in the computer hardware industry. It further influences the way Dell interacts with their suppliers in order to ensure that the products are tailored to fit their customers’ needs and faster delivery. At one of Dell’s Website a customer of small business, for instance, can answer some questions in order to have best recommendation from Dell.

In order to provide a comprehensive discussion, I will elaborate the issue of dell’s corporate social responsibility (CSR) in formal outline that incorporate headings and subheadings. A possible outline for this report consists of introduction, research statement, methodology, literature review, discussion, results and conclusion.

II Review of Initial Research

Despite being a proud as a customer focused company, currently the company receives intense critics due to several cases of battery explosion

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that occur at several models of Dell's Notebook series. In addition the company also receives critics for the following reasons:

- a. Dell is accused of making computers with cheap and unreliable parts.
- b. Some home desktop customers protest Dell for being unfair since Dell is likely to help business customers faster than individual ones.
- c. Because of using proprietary parts, there is a higher risk that the component are not fitting and thus not working at all. Furthermore, the system is fried if users install different, non-proprietary parts.

The above condition leads to questions as whether Dell has particular policy or has shown practices regarding corporate social responsibility or not. BY definition, BSR defines corporate social responsibility as “ achieving commercial success in ways that honor ethical values and respect people, communities, and the natural environment”.(2004)

In this sense, CSR is viewed as a comprehensive set of policies, practices and programs that are integrated into business operations, supply chains and decision making processes throughout the company and includes responsibility for current and past actions as as future impacts.

At a first glance, I find in the dell's website corporate philosophy – the ‘ Soul of Dell’ has several elements as following

- a. Customers: Dell strives for creating loyal customers by providing superior experience at a great value

b. Teamwork: Dell is committed to being a meritocracy, developing retaining and attracting the best people

c. Direct relationship: to respond to customers needs in a timely manner, maintaining open communications and building profitable relationship with customers, partners, suppliers and each other

d. Global citizenship: Dell display string presents in its global markets

e. Winning: Dell is committed to operational excellence, superior customer experience and leading in the global markets

III. Methodology

My report will employ observation becomes an important technique for collecting data concerning what occurs in a real life situation. This method also helps us to reach an understanding about the perceptions of those who are being studied in that situation. In addition, the data retrieval was performed through indirect approach, e employ non- participant observation method specially by analyzing qualitative information from journals, books, magazines and Dell's website.

The most important reason of conducting observation is it provides researchers with an understanding about the perceptions about things or people we observe. However, since observation deals with someone's perception, we plan to avoid preconceptions since it would provide this research with some bias.

IV. Literature Review

1. Corporate social responsibility

Corporate social responsibility offers a means by which a company can distinguish itself from its closest and most competitive rivals. While trustworthy behavior should be a characteristic shared across industries, it seems to be the exception rather than the rule in corporate society today. CSR takes into account the financial and environmental well-being of its employees as well as the condition of the environment, it has the tendency to veer off the most economical route – in fact, that is also the reason why CSR is a relatively modern phenomenon with the emergence of other ethical concerns.

2. Dell's CSR Activities

Some of Dell's CSR activities examples are as follows:

- a. Dell Participates in Dedication of New Center for Goodwill Industries of Central Texas
- b. Dell Expands TechKnow Program – The Dell TechKnow program is an after-school program through which students gain hands-on experience refurbishing Dell computers.
- c. Dell Provides Support for North Carolina Center for 21st Century Skills
- d. Dell Launches e-Integrasi Center, Promotes Cultural Harmony

V. Discussion:

Dell Inc. is definitely catching the trend of corporate social responsibility, jumping from No. 71 in 2005 to No. 9 in 2006 on Business Ethics magazine's "100 Best Corporate Citizens". Dell has a direct business model that strengthens its understanding of consumer expectations and eliminates retailers that add unnecessary time and cost. Dell sells more systems globally than any other computer company (nearly one out of every five standards-based computer systems sold in the world today is a Dell). Its profits have increased by 17.4% since 2004 and the company has an annual growth rate of 33% (based on 1995-2005 data). Dell Inc. ranks No. 25 on the Fortune 500 for 2006. How CSR has played a role in this growth of Dell will be my point of discussion.