

Mercedes

Business



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Mercedes has existed for more than a century now. It is the oldest and most famous automobile brand in the globe. Its quality standards, technical perfection, innovative impact, and sound corporate social responsibility have seen it grow to not only a global brand but also an icon (Hawkins, 2006).

The Mercedes Brand is not all about cars and technology. It goes past the car owners who are its clientele to the community and societies, which are part of it. The Company in China has sponsored many educational, artistic, cultural, and athletic activities that go a long way in enriching the lives of Chinese citizens. Besides, and for the first time it has set up an exhibition at the Beijing Motor show for its corporate social responsibilities in China. In 2011, in collaboration with UNESCO, the company initiated the Green Legacy program.

This project has seen the company carry out financing of the giant panda sanctuary in Karst and Ya'an Sichuan areas of China amounting to RMB6. 5 million (Mallin, 2009). On cultural and artistic development in China, the company has carried out activities that promoted these two such as cooperation with National Center for the Performing Arts (NCPA). The company through its financial services Korea has supported the projects of habitat for Humanity Korea. Besides, it has taken many other initiatives such as in Pyungchon-dong, Daejeon.

The company offered a day off to its staff who were taking part in the home building initiative under its unique Day of Caring program (William B. Werther, 2010). This year, the company has budgeted for RMB40 million for corporate social responsibility in China alone. According to Mr. Klaus Maier,

CEO Mercedes-Benz in China, pursuing the public welfare cause is not only a corporate responsibility but also precondition that determines its survival. He further argues that the company's participation in Chinese harmony and economic development is obligatory and an indispensable part of the company's long term commitment in the Chinese market.

In its unending support for education in China, the company through its program dubbed 'Inspiring the Future' Happy Music Classrooms', has issued one hundred and twenty five Hope schools new music equipments and teacher training programs in music. It has initiated nature protection program, "Let Nature Take Its Course" in conjunction with United Nations Educational Scientific and Cultural Organization. This has helped in protection of Luhan Mountain. Presently, the company has invested CNY13 million in protection of heritage items in China including endangered animals as in the karst landscape (Banerjee, 2007). Mercedes Benz A. S, a subsidiary of Daimler Chrysler, have assisted in the project "Each of Our Girls is Star.

" This project seeks to provide scholarships, internships in Mercedes Benz A. S and foreign language courses to over 1000 girl in vocational high schools. The company has financed this project for 4 years in across 29 cities. The company had established a Star fund of RMB 30 million in collaboration with the China Youth Development Foundation (CYDF) (David Crowther, 2004). This was geared towards its CSR.

The advantages for CSR for Mercedes Undertaking CSR is in the company's self-interest. According to Friedman, a critic of CSR, argue that, CSR in an organization is a manifestation of a fundamental misconception of nature

and character of a free economy. Business activities are economic not social. Consequently, the company should be led by the economic criterion only. This is the classical dimension of CSR. However, proponents of CSR argue that corporate social responsibility is a survival agent for businesses in the environment.

Thus, whenever the economic climate varies, it favors the corporate social responsibility initiated by the company. This has given a slight edge as opposed to others who have not invested in CSR and that a socially conscious organization will avoid government intervention. Mercedes Benz has grown to be a top preference in Chinese market due to its Social responsibility among other factors. It has held close to 50% of the market base and to retain such a client base it needs to add value to its business through CRS. Companies that are not socially responsible damage their reputation. Since damaging behavior is innately wrong, the natural course is to right it.

Although Corporate social responsibility like any other company project costs a lot to the company, many companies indicate reluctance to CSR policies due to the demerit it causes to those companies that do not. A company must produce products that are beneficial to the community while making sure that the processes of manufacturing avoid causing damage such as pollution. Besides, corporations budget for resources for socially responsible behaviors, thus they should use such resources to help the community (Mallin, 2009). This has been the key driver for Mercedes. Its reputation across the globe has grown since its inception.

A key driver when investing in CSR is the increased interests in focusing on the customer. This coincides with sustained realization that client retention and loyalty are essential to the long-term success of the business. Theorists argue that CSR is a paradigm of corporate governance. Although some theorists like David Vogel argue that Corporate Social Responsibility does not pay and that many organizations that abide by CSR rules do so in fear of community backlash and not because they foresee long-term success of the company, they also subscribe to the argument that the company should remain in good books of the community. As such, practicing corporate social responsibility is for the good of Mercedes Benz. According to My efficient Planet Website, CSR has been a key concern for the last half century.

It will remain a major business concern in the near future due to increased buyer awareness, consumerism, and rise of consumer movements. Besides, with the millennium development goals and other conventions laid down, a company cannot afford to go against. For instance, the present eco-friendly practices. Mercedes Benz has moved from one form technology to another in a bid to comply with these guidelines (Hawkins, 2006). This has enabled its products gain its global acceptance thus larger market and clientele base.

The rise of the present day organization created and continues to create social problems. These include pollution and other social evils. Thus, the corporation should assume responsibility of addressing these issues.

Besides, it is in the best interest of the company in the long run. Whether a critic or proponent of corporate social responsibility, however, does not alter the fact that organizations operating in the world face numerous daunting social issues.

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Many Multinationals face legal, ethical, and social issues that have come up because of globalization of business. Large organizations have big reserves of human and financial capital. As such, it is worthwhile to devote at least some of the resources in addressing social problem. However, CSR is an expensive and nonprofit maximization policy to the organization. This makes many organizations reluctant in undertaking CSR and where they do, it is due to fear of public backlash and not future endeavors.

All said every one should take responsibility of problems s (he) has caused.