

# SOCIAL RESPONSIBILITY

## CSR & CSI

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PAPER

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TOPIC

### SOCIAL RESPONSIBILITY

#### Define/Elaborate on the meaning of social responsibility.

- An ethical viewpoint that says every individual/organization has an obligation to benefit society.
- The responsibility of every citizen individual/organization to contribute towards the well-being of the community and the environment in which they live.
- It happens when entities participate in activities aiming at society's welfare and growth.,

#### Explain the relationship/link between social responsibility and triple bottom line.

##### Social

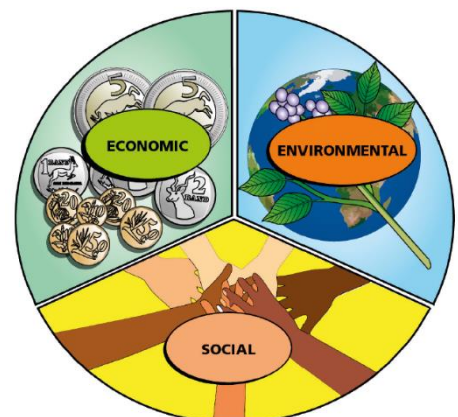
- Business operations should not have a negative impact on/exploit people/ employees/customers/community.
- Businesses should engage/invest in sustainable community programmes/ projects that will benefit/uplift communities.

##### Economic

- Triple Bottom line means that businesses should not only focus on profit/charge high prices but should also invest in CSI projects.
- Businesses should not make a profit at the expense of its community.

##### Environment

- Businesses should not exhaust resources/harm the environment for production/profit purposes.
- Recycle/Re-use waste, e.g. packaging from recycled material.



## **SOCIO-ECONOMIC ISSUES**

*Identify/Name the following socio-economic issues from given scenarios/statements:*

- HIV/Aids
- Unemployment
- Poverty

**Recommend/Suggest ways in which businesses can deal with the above-stated socio-economic issues.**

### **Strategies to deal with HIV/AIDS**

- Counselling programmes/train counsellors to provide infected and affected persons/employees.
- Develop counselling programmes for infected/affected persons/employees.
- Conduct workshops on HIV/Aids programmes/campaigns.

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### **Strategies to deal with unemployment**

- Provide skills development training within the community through learnership programmes
- Offer bursaries to the community and the employees to improve their level of education.
- Create jobs for members of the community.

### **Strategies to deal with poverty:**

- Donate money and food parcels to local NGOSs
- Invest in a young starting SME that can be a business competitor, buyer or supplier.
- Attract the best employees by being socially responsible and offering the best volunteering programs.

### **Suggest ways in which a business project can contribute towards improving the well-being of their employees:**

- Pay fair wages/salaries to the workers based on the nature of their work.
- Working conditions should include safety/medical/canteen facilities/benefits like housing/leave/retirement.
- Provide for employees' participation in decision making that affects them.
- Provide employees with recreational facilities to socialise and strengthen work relations.

### **Contribution of time and effort improving the wellbeing of the community**

- Business should improve the general quality of life of their community, e.g. invest in education, etc.
- Ensure that the product they supply do not harm consumers/the environment.
- Donate money to a community project/run a project to uplift the community.
- Provide recreational/sport facilities to promote social cohesion/healthy activities.

### Define/Elaborate on the meaning of CSR

- The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the local community and society at large

### Describe/Explain the purpose of CSR

- CSR programmes are internal programmes that businesses use to comply with laws and ethics
- CSR aims at creating a safe working environment for employees.
- CSR programmes and activities the business undertakes to contribute positively to the community in which the business operates.
- CSR may take the form of a monetary donation to support local organisations

### Identify/Name/Outline the components of CSR: environment, ethical corporate social investment, health and safety.

#### Components of Corporate Social Responsibility (CSR)

- Environment
- Ethical corporate social investment
- Health and safety
- Corporate governance
- Business ethics
- Employment equity
- Supply chain/Distribution channel
- Customers
- Community

### *Identify CSR programmes from given scenarios/statements.*

### Explain/Discuss/Evaluate/Analyse the impact (positives/advantages and/or negatives/disadvantages) of CSR

#### Impact on BUSINESSES

- + CSR helps to attract investors because of increased profits/income.
- + Promotes customer loyalty resulting in more sales.
- Businesses find it difficult to adhere to legislation governing CSR.
- Small and medium enterprises find it difficult to implement CSI programmes.

## **Impact on COMMUNITIES**

- + Better educational facilities are established in poor communities.
- + Community skills can be improved through the provision of bursaries.
- Businesses are not always equipped to address social problems.
- Communities tend to be dependent on CSR programmes and struggle to take their own initiatives.

## **CORPORATE SOCIAL INVESTMENT/CSI**

### **Define/Elaborate on the meaning of CSI.**

Refers to investment of corporate funds/other assets for the primary purpose of achieving social outcomes

### **Explain/Describe the purpose of CSI.**

- CSI projects play a positive role in the development of communities.
- CSI reveals a business's attitude towards the community in which it operates.
- CSI projects are long-term investment
- It is relevant to the South African context where socio-economic upliftment is such a priority.

### **Name/Outline CSI focus areas**



### **Examples of CSI projects**

- Donation to support local organisations
- Being involved in conversation projects
- Delivering services that government is unable/slow to deliver/ Building infrastructure
- Investing in job creation projects
- Providing adult basic education
- Teaching entrepreneurial skills
- Sponsoring arts and culture programmes
- Establishing programmes to promote early childhood development

### Explain/Distinguish/Differentiate between CSR and CSI.

CORPORATE SOCIAL RESPONSIBILITY	CORPORATE SOCIAL INVESTMENT
The focus is on increasing image and profits.	The focus is on the upliftment of the community without a return on investment
Often intended as a marketing initiative.	Intended to benefit and uplift communities through social development.

#### Tip



Ensure that you are able to differentiate between CSR and CSI.

CSR is the responsibility of the business towards the community and the environment. Whereas, CSI is the donation of money and resources to the community.

The differences do not have to be presented in a table, but the differences must be clear. Know the differences well.