Module 8 – Lesson One: Lesson Plan

What is CSR? Two Opposing Views

Module 8 Lesson One begins with an explication of the relationship between business and society, which helps understand the notion of corporate social responsibility (CSR). The lesson provides a definition of CSR, identifies the different viewpoints of CSR and then shows why CSR is of growing concern to students and leaders as well as public relations practitioners. Though businesses are economic entities that exist to advance the financial interests of their owners; this is not their only concern. The lesson argues that without the balance of a multi-stakeholder approach, firms can become unethical, exploitive, anti-social, and corrupt—losing legitimacy and their ability to pursue the owners’ economic goals over the long term. Arguments for and against CSR are presented along with trends that are propelling CSR to a greater prominence in corporate and strategic thinking.

Collectively, Lesson One draws on core concepts and innovative models to provide a comprehensive overview of CSR. The lesson concludes with a case study that illustrates how broad societal issues, such as LGBT rights, are increasingly influencing the relationships between stakeholders, including shareholders, and corporations. The lesson illustrates the practical challenges faced by organizations and practitioners that grapple with this complex topic. Throughout the lesson and its accompanying instructional materials, additional readings, suggested audio/visual resources, and stimulating questions for debate allow easy application in the classroom.

**Key Concepts:** Corporate Social Responsibility, Stakeholder, Economic View, Societal View, Globalization, Affluence, and Sustainability

**Discussion Starter:** It may be useful to ask students to identify current issues from local newspapers, the *Wall Street Journal*, or other business periodicals as the basis of a classroom discussion that illustrates the timeliness and immediacy of CSR.

1. **What is CSR?**

To answer this question, we need to consider the big picture questions: What is the purpose of for-profit organizations in society? What value do businesses serve for society? Students should be introduced to the **two opposing** perspectives to CSR have emerged resulting from different interpretations of the role of corporations in society—business view and societal view. In the business view (or economic view), corporations contribute to society by making a profit, which supports employment, wages, purchase, investments, and taxes. The societal view, also called the stakeholder view, argues that no one group of stakeholder has a priority over other groups, and that corporations must balance the interests of all stakeholders. Based on this discussion, we can define CSR as the notion that corporations have responsibilities to society that go beyond economic, legal, and moral expectations. The lesson suggests that a hierarchy wherein discretionary issues that appear abusive may become ethical considerations.

**Discussion Question:** Ask students about the responsibilities that businesses owe society to self-regulate their actions in pursuit of profit.

1. **Arguments for CSR**

In Lesson One, we discuss four arguments for CSR: ethical, moral, rational, and economic.

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| Ethical Argument | Argues that CSR is shaped by individual and societal standards of morality, ethics, and values that define contemporary views of human rights and social justice. |
| Moral Argument | *Focuses on the relationship between a company and the principles expected by the wider society within which it operates.* |
| Rational Argument | *Considers CSR as a means for maximizing businesses’ performance by minimizing restrictions on operations.* |
| Economic Argument | *Considers CSR as a way of matching corporate operations with societal values and expectations that are constantly evolving.* |

**Discussion Questions:** What are the “pros” and “cons” for each argument? It might be useful to create a table and make a list of students’ answers.

What extent does a business have an obligation to re-pay the debt it owes society for its continued business success?

1. **Why is CSR Important?** Lesson One argues that society is becoming better informed and more socially aware of what firms are doing. Businesses, especially those that survive and prosper directly from consumers, risk their success and brand name when acting in ways that are not seen as socially appropriate.

**Discussion Question:** What would be the impact on Starbucks, for example, if the farmers on coffee plantations from which the company source its coffee seen as exploited by poor wages or working conditions?

1. **Why is CSR Increasingly Relevant Today?**

Lesson One discusses five major forces that enhance the importance of CSR in today’s world: affluence, ecological sustainability, globalization, the free flow of information, and brands.

1. **Case Study**

The Case study presents Starbucks’ stand for same-sex marriage and its response to this activist campaign voiced by shareholders, in spite of the bottom-line concerns. This challenges the traditional understanding of ethical or proper corporate behavior. The case study resides at the intersection of management, public relations and social activism, and provides important insights into the boundaries of corporate social responsibility.

1. **Conclusion**

Lesson One defined CSR as the notion of companies looking beyond profits to their role in society and identified the different viewpoints of CSR and then shows why CSR is of growing concern to business students and leaders. CSR are presented along with trends that are propelling CSR to a greater prominence in corporate and strategic thinking.

**Discussion Question:** Ask students which of the forces is the most important and why.