




Corporate Responsibility

Corporate Responsibility Management of the Company

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Introduction of Persons

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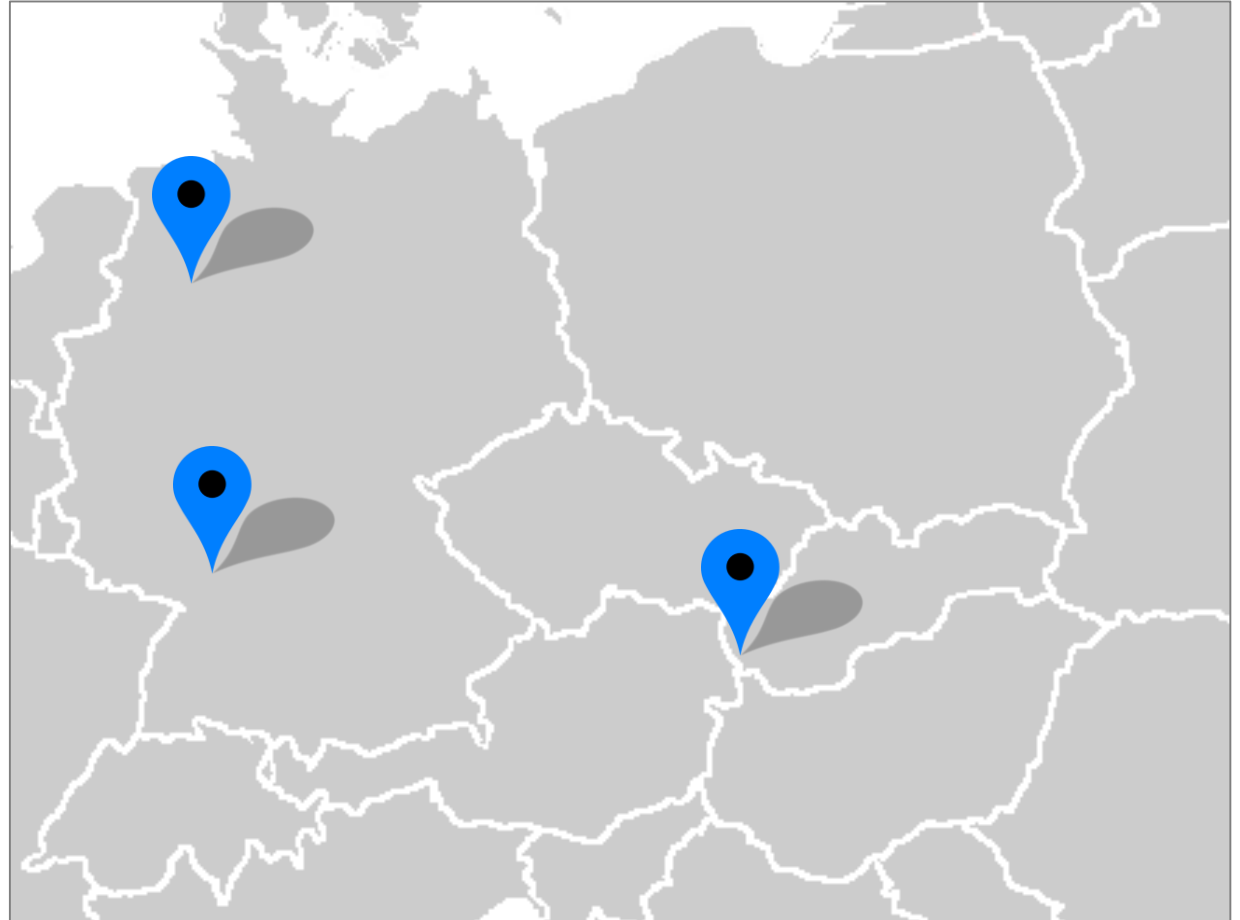


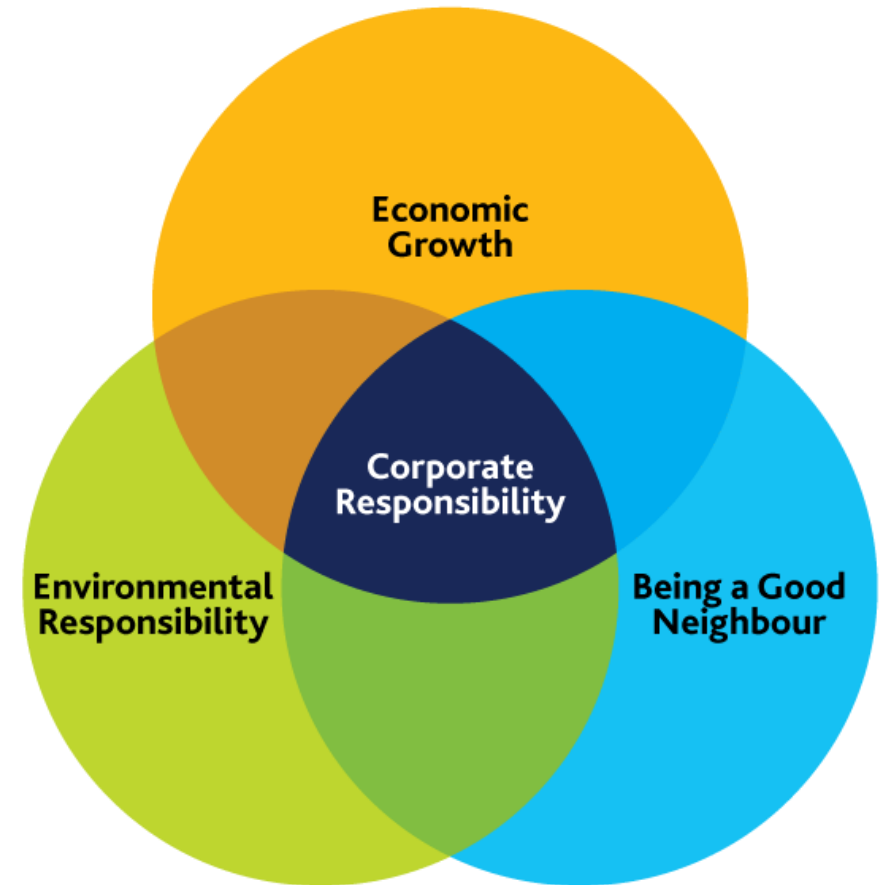
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I. Importance of CR

- Improved public image
- Increased brand awareness and recognition
- Cost savings
- An advantage over competitors
- Increased customer engagement
- Greater employee engagement
- More benefits for employees

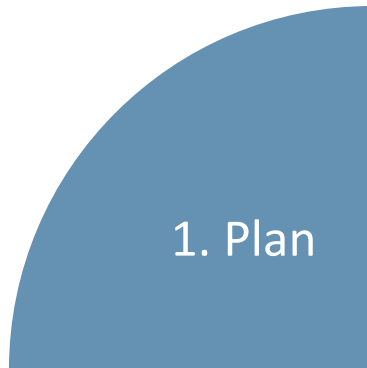


II. Implementation framework of CR



Hohnen (2007)

II. Implementation framework of CR



- Conduct a CR assessment
- Develop a CR strategy

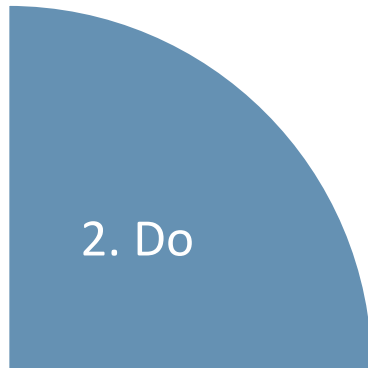
Conduct a CR assessment

- gather and examine relevant information about the firm's products, services, decision making process and activities
- assessment identifies main risks and opportunities
- can save firm from launching ineffective CR approaches or heading in an unsustainable direction

Develop a CR strategy

- from database created from the assessment
- ensures that a firm builds, maintains and continually strengthens its identity, its market, and its relationships

II. Implementation framework of CR



- Develop CR commitment
- Implement CR commitments

Develop CR commitment

- CR commitments = policies or instruments to show what the firm intends to do to address its social and environmental impacts
- aspirational commitments: long-term goals written in general language
- prescriptive commitments: more specified behaviours to which the firm explicitly agrees to comply

Implement CR commitments

- into day-to-day decisions, processes, practices and activities
- the firm can better address problems, should they arise

II. Implementation framework of CR



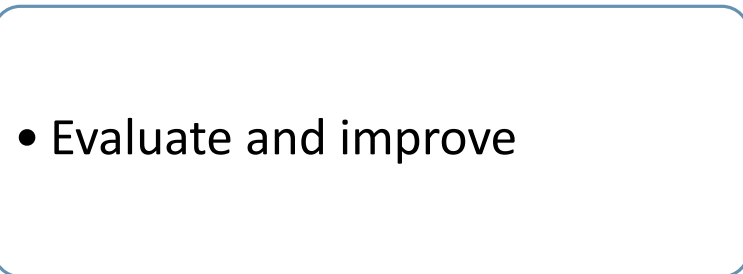
3. Check

- Assure and report on progress

Assure and report on progress

- CR is about improving performance
- reporting, verification and assurance are important tools to measure how well the firm meets its commitments and what affect that has
- reporting: objective is to share information with stakeholders to gain their trust and be viewed as credible
- verification: form of measurement like internal and external audits or reviews
- proof of CR progress is crucial to a firm's success as it provides information to interested parties and to give licence to operate

II. Implementation framework of CR



Evaluate and improve

- evaluation tracks the overall progress of CR
- allows the firm to determine whether the current CR approach is achieving its objectives and whether the implementation approach and overall strategy are correct
- basis for improvement and modification

Responsible Units for implementation, running and improvement of the CR

- a CR process needs both high level management vision and support, and buy-in at all levels of the company
- CR leadership team in big enterprises:
 - representatives from board of directors
 - top management/owner
 - volunteers from various units within the firm (e.g. HR, environmental services, health and safety, community relations, legal affairs, finance, marketing and communications)
- CR leadership team in small enterprises:
 - owner/management
 - volunteer/consultant
- CR implementation largely rests in the hands of employees and, in some cases, supplier, while the overall CR success depends first on senior leadership

Documentation for the implementation of CR strategy

- Raps (2005) made a checklist of ten critical points to overcome and improve the difficulties in the implementation context
- this checklist is used for strategic implementation in general

- ✓ Commitment of top management
- ✓ Involve middle manager's valuable knowledge
- ✓ Communication is what implementation is all about
- ✓ Integrate point of view
- ✓ Clear assignment of responsibilities
- ✓ Preventive measures against barriers
- ✓ Emphasize teamwork activities
- ✓ Respect the individuals' different characteristics
- ✓ Take advantage of supportive implementation instruments
- ✓ Calculate buffer time for unexpected incidents

III. Five stages of CR by Zadek

The five stages of corporate social responsibility by Zadek



Saylor Academy (2012); Zadek (2004)

Implementation of CSR in an international companies

Informal mechanisms:

Departmentalization(grouping of organizational units)

Centralization (of decision making through the hierarchy of formal authority)

Formalization(written policies/rules)

Formal mechanisms:

Lateral or cross-departmental relations

Informal communication

socialization

IV. BP plc as a Loser

BP Deepwater Horizon (04/2010 – 09/2010)



- More than 200 million gallons (>900 mio liters) of crud oil was spilled into the Gulf of Mexico
- Over 16,000 miles (~25,700 km) of coastline was affected
- Over 8000 animals were reported dead six months after this spill



- Blame others for this accident (*Transocean*)
- Minimize ownership of the accident
- Downplay BP's liability
- Lack of empathy
- Lack of truthfulness



V. Merck Ltd. as a Leader

Merck reached the fifth stage by Zadek with its work in Thailand



- Partnership with Raks Thai Foundation (since 2002)
- Employee Training and Development Program: Increase Employee Satisfaction
- Environment, Health, Safety and Security Policy (EHSS):
 - based on Merck's Vision and
 - Responsible Care[®]
- ...



VI. Results

What can other companies learn from a leader like Merck Ltd.

CR, integrated in the business strategy, can help generate new business and achieve differentiated market positioning.	Operational implementation of CR focuses above all on the involvement of employees and customers.
Success of CR depends on a variety of factors of influence.	CR has a strong, positive effect on employee and customer loyalty.
Orientation of the CR strategy on international brand management is necessary to ensure a consistent perception by the stakeholders.	CR can become the largest component of the brand image.
Selection of measures is strictly based on the criteria set out in the CR and brand strategies.	Regular measurement of CR success among employees and customers is the prerequisite for the development and modification of existing CR activities.

VII. Summary

Every company can implement CR

5

Try to reach stage no. 5 by Zadek

CR can help to create new business



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Thank You For Your Attention!

