

6.1 About business Corporate social responsibility

Discussion

1 Brainstorm a list of groups of people a company has a responsibility towards. What conflicts of interest are there between the different groups?

Scan reading

2 Read the credo below and identify the four groups of people that Johnson & Johnson prioritize. The words in grey are explained in the *Wordlist* on pages 155–156.

The Johnson & Johnson group manufactures health care products in over 200 companies in 57 countries. Their Credo, first written in 1943, has been a model for corporate social responsibility (CSR) policies for over 60 years.

Our Credo

We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality.

We must constantly strive to reduce our costs
 5 in order to maintain reasonable prices.
 Customers' orders must be serviced promptly and accurately.
 Our suppliers and distributors must have an opportunity
 to make a fair profit.

We are responsible to our employees,
 10 the men and women who work with us throughout the world.
 Everyone must be considered as an individual.
 We must respect their dignity and recognize their merit.
 They must have a sense of security in their jobs.
 15 Compensation must be fair and adequate,
 and working conditions clean, orderly and safe.
 We must be mindful of ways to help our employees fulfil
 their family responsibilities.

Employees must feel free to make suggestions and complaints.
 There must be equal opportunity for employment, development
 20 and advancement for those qualified.
 We must provide competent management,
 and their actions must be just and ethical.

We are responsible to the communities in which we live and work
 and to the world community as well.
 25 We must be good citizens – support good works and charities
 and bear our fair share of taxes.
 We must encourage civic improvements and better health and education.
 We must maintain in good order
 30 the property we are privileged to use,
 protecting the environment and natural resources.

Our final responsibility is to our stockholders.
 Business must make a sound profit.
 We must experiment with new ideas.
 35 Research must be carried on, innovative programs developed
 and mistakes paid for.
 New equipment must be purchased, new facilities provided
 and new products launched.
 Reserves must be created to provide for adverse times.
 40 When we operate according to these principles,
 the stockholders should realize a fair return.

Internet research

Search for the keywords *Starbucks bean stock* and *Starbucks standards business conduct* or *CSR* find out more about the social performance of other companies.

Reading and discussion


3 Read Johnson & Johnson's credo again and discuss who should decide what is meant by:

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|--|--------------------------------------|
| 1 maintaining reasonable prices (line 5) | 4 just and ethical actions (line 22) |
| 2 making a fair profit (line 8) | 5 our fair share of taxes (line 26) |
| 3 fair and adequate compensation (line 14) | 6 a fair return (line 40). |

4 Discuss the questions relating to Johnson & Johnson's credo opposite.

- Which 'good works and charities' (line 25) should multinational companies support?
- What kind of 'civic improvements' (line 27) should the company encourage?
- How should the company protect 'the environment and natural resources' (line 30)?
- Are there any points in the credo you disagree with or items you would like to add?
- Does a credo really change the way a company operates or is it just good PR?
- Do small businesses have the same responsibilities as multinationals?

Listening for gist

5  2:48-2:50 You are going to hear an interview on NPR (National Public Radio), a US news provider, with author Marc Gunther, who believes corporate America is changing for the better.

Part 1

Listen to Part 1 and complete the summary.

Marc Gunther is interested in companies that treat employees well, (1) _____ and (2) _____. Nowadays, businesses work closely with (3) _____ and many employees are like (4) _____. Starbucks, for example, gave away its bean stocks to (5) _____.

The Bush administration does not see (6) _____ as a man-made problem. However, US utility companies are (7) _____ and transportation companies are changing from (8) _____ to (9) _____.

Part 2

Listen to Part 2 and answer the questions.

- Tick the reasons that motivate companies to be responsible, according to Marc Gunther.
 profitability altruism recruitment
- Tick the reasons that motivate employees.
 They want to enhance shareholder value.
 They want to define the company's goals.
 They want their jobs to have meaning.
 They want to make the world a better place.
- How do Southwest Airlines prioritize the three groups they have responsibility towards?
- What is the theory behind this choice?
- What example does Marc Gunther give of how this works?

Part 3

Listen to Part 3 and decide if the following statements are *T* (true) or *F* (false).

- In the 50s and 60s American corporations believed it was their duty to take care of their employees and customers.
- In the 70s and 80s corporations no longer wanted to take care of employees and customers.
- Marc Gunther believes the short-term model of the 70s / 80s is sustainable for businesses and for society.

