

*Indonesia Business Links*

**CORPORATE SOCIAL  
RESPONSIBILITY  
COMMON MISCONCEPTION**

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**CSR WORKSHOP SERIES:  
Debunking CSR Practices - Unleashing CSR Potentials  
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# CORPORATE SOCIAL RESPONSIBILITY

- Community Development?
- Corporate Philanthropy?
- Good Corporate Governance?
- Environment Stewardship?
- Health and Safety?
- Transparency?
- Anti Corruption?
- Compliance?
- Beyond Compliance?

**CSR is all of the above and more**

# CSR DEFINITIONS

"A **concept** whereby companies **integrate social and environmental concerns in their business operations** and in **their interaction with their stakeholders on a voluntary basis.**"

*(European Commission)*

"The continuing **commitment** by business to **behave ethically** and contribute to **economic development** while **improving the quality of life** of the workforce and their families as well as of the **local community and society at large.**"

*(World Business Council for Sustainable Development)*

"Actions of an organization to **take responsibility** for the **impacts of its activities on society and the environment**, where these actions: are **consistent with the interest of society and sustainable development**; are based on **ethical behavior, compliance with applicable law and intergovernmental instruments**; and are **integrated** into the ongoing activities of an organization."

*(ISO 26000: Guidance on Social Responsibility – Working Draft 2)*

"The **commitment of business** to **minimize its negative impacts and maximize its positive contributions** to all stakeholders in connection in **economic, social and environmental aspects** to achieve sustainable development"

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# CSR DEFINITIONS

No single definition for CSR **but** majority contain key words/dimensions:

- **Economic:** Business concept, decision making process, commitment, economic development
- **Voluntary:** Ethical behavior, values, voluntary, beyond legal obligations
- **Environmental:** environmental stewardship, environmental concerns in operations
- **Social:** contribute to better society, integrate social concerns in operations, impact on communities
- **Stakeholders:** interaction with stakeholders (employees, suppliers, customers, communities)

Source: "How Corporate Social Responsibility is Defined: an Analysis of 37 Definitions"  
- Alexander Dahlsrud, 2006

# CSR MISCONCEPTION

## CSR equals Community Development

- CD focuses on disadvantaged communities
- CSR engages all stakeholders

**CD is a small part of CSR**

# CSR MISCONCEPTION

## CSR equals Charity or Philanthropy

- Charity/Philanthropy is aimed at the needy
- CSR maximizes positive impact

**Philanthropy is a “primitive” form of CSR**

# CSR MISCONCEPTION

## **CSR is about Social Aspects only**

- Business not only has social impact
- Business has economic, environmental and social impacts

**CSR address the 3Ps**

# **CSR MISCONCEPTION**

**CSR is implemented by a department  
within a business**

- CSR is not the responsibility of one department
- CSR is every employee's responsibility

**CSR has to be build in NOT bolt on**



# CSR MISCONCEPTION

## CSR is after profit

- CSR starts with the first action of a business
- CSR is aimed at business sustainability

**Profit is a by product of CSR**

# CSR MISCONCEPTION

## CSR is for large corporations

- All businesses, big and small, has impacts
- CSR is about managing business impacts

**CSR should not depend on business size**

# **CSR MISCONCEPTION**

## **CSR is an addition to business operations**

- CSR manages a business' impact due to its operations
- CSR is about minimizing business' negative impacts and maximizing its positive impacts

## **CSR leverages business core competence**

# **CSR MISCONCEPTION**

**CSR is a the particular business' responsibility**

- A business operation depends and impacts other business entities
- A business is accountable for what its suppliers provides and what its distributors supplies

**CSR is the responsibility the whole supply chain**

# CSR MISCONCEPTION

## CSR ends with the consumer

- Business must take total responsibility for its products
- Business must be responsible for its products from the drawing board up to the end of its life cycle

## CSR is about product stewardship

# CSR MISCONCEPTION

## **CSR adds cost to business**

- CSR has positive impact on business performance
- Higher performance results in profits

## **CSR is an investment**

# CSR MISCONCEPTION

## **CSR is corporate image enhancement**

- Promotions cannot cover negative impacts of a business
- Communication cannot present what does not exist

**CSR commitment and implementation  
builds corporate reputation**

# CSR MISCONCEPTION

**CSR is voluntary however...**

- At minimum, business must comply with the law
- CSR is also about minimizing negative unregulated impacts and maximizing all positive impacts

**CSR is also about beyond compliance**



# CSR MISCONCEPTION

## **CSR is focused on external aspects**

- Business cannot ignore internal stakeholders
- Positive impact on internal stakeholders will result in overall positive impact

## **CSR concerns all stakeholders**

# CORE CSR ISSUES



# THANK YOU

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