

Some reasons why the teaching and application of Corporate Social Responsibility (CSR) is failing

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1. Introduction

Corporate Social Responsibility (CSR) is a topic of growing interest both for the businessmen and for the university community in business schools. The above mentioned include increasingly training in CSR. Nevertheless, it seems that this training was not working, because very often we see how the graduates of business schools act irresponsibly in the interest of maximizing profits at any cost. It seems that ethics and social responsibility learned in his university studies did not have the desired effect. Many managers were trained in CSR, but these did not lead to socially responsible behavior (Kletz, 2009; p. 1582). The many examples of unethical actions by corporate executives lead us to believe that the tenets of CSR are difficult to apply in the for-profit organizations. Then, which are the reasons of this?

It is necessary to clarify that the teaching of CSR has been examined from three different perspectives: One perspective is descriptive overview of CSR courses, another is on recommendations for the teaching of CSR, and another perspective is making analytical judgments about the effectiveness of ethics/CSR courses for changing values and attitudes of students (Setó-Pamies, Domingo-Vernis & Rabassa-Figueras, 2011, p. 606). This paper belongs in the third set of perspectives enunciated.

2. Some reasons why the teaching and application of CSR is failing

One definition of CSR states that CSR is a concept whereby organizations serve the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. On principles, there are three main principles of social responsibility, namely Sustainability, Accountability and Transparency (Dalei & Dalei, 2011, p. 332). However, the corporate scandals that came to light show that these principles are not being applied. Some reasons why training in CSR could failing or could be failing are set out below.

2.1. Lack of freedom for Business Decisions (Lack of free on the part of employees of a company)

The University promotes the autonomy and the ability to make decisions with criteria of fairness, equity and justice. Nevertheless, when a graduate is hired by a for-profit company, usually falls under the command of a chief who frequently measures the effectiveness of the work of subordinates using indicators of productivity and profitability. In countries with structural unemployment, where the working class save less and less percentage of their income, wage dependence for survival is greater. Therefore, to avoid being fired from the job is imperative to achieve the objectives set out by his boss, implying set aside their autonomy and instead act to achieve those objectives, which can lead to decisions that do not conform to ethics and to the principles of CSR learned in his vocational training.

Another reason why some employees make unethical decisions is because people like to please persons in a position of authority. Although the orders of their bosses are contrary to their conscience and are ethically questionable behavior, employees are more willing to please them (Prentice, 2012).

2.2. Tendency to use the CSR as a strategy to improve the public image and sell more.

“Consumers are willing to pay more for purchases from a company they know to be doing good. Corporate altruism can be used as a positive marketing device” (Kelleher, 2007). Many studies recommend the application of the principles of CSR as a useful strategy to increase company profits. They consider that CSR enhances corporate image and financial performance (Darsono, 2009). This is a very instrumentalist orientation that impedes a genuine implementation of CSR, it prioritizes the pursuit of profit as the main reason for business decisions. Moreover, this is a position that says that there can be no social responsibility without benefits.

2.3. Social environment in which it is valued more the persons who have capacity of consumption and ostentation.

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As explained by Annie Leonard (2010), firms tend to offer its customers new models of their products, even though they are still useful for its users. This is known as planned obsolescence. Nowadays people are under social pressure from possessing or using fashion products.

With planned and perceived obsolescence, increases the possibility that people tend to consider that they should have more, so they will be more willing to make decisions with such unethical to achieve higher income to buy the products that advertising will show.

2.4. Enormous capacity of lobbying of the businessmen and executives of the big companies and corporations.

When a company decides to implement CSR, often not enough to listen to the representatives of other stakeholders such as employees, suppliers, customers or society (Prieto-Carrón, Lund-Thomsen, Chan, Muro & Bhushan, 2006). Something similar happens with the formulation of laws of a country, in the sense that the representatives of the companies are better able to defend their interests lobbying for the rest of society. Worse, in countries with high levels of social inequality, it is perpetuated, because precisely the lobbying capacity is in the business representatives and few defends the interests in order to benefit the poor.

2.5. Growing ambition, insatiable greed.

Generally, the business class of a country has an income well above the average. Some of them are rich. Something similar happens with the main shareholders of multinational corporations and their officers. Therefore, within civil society, is the business class and the executives of large companies and corporations who are better able to provide resources to help the poorest. Despite this, some studies show that greater wealth, lower social sensitivity and less willingness to help the less fortunate. Moreover, a greater wealth, greater greed. The rich are more unethical and greedy (Verschoor, 2012). Money makes people stingy (Ruvinsky, 2011). Belong to a high social class predicts an increase of unethical attitudes, and it is more common for upper class people see the greed and self-interest as positive attitudes (Piff, Stancato, Cote, Mendoza-Denton & Keltner, 2012).

2.6. Some psychological factors affecting senior executives.

According to Prentice (2012), some psychological factors that influence senior executives commit unethical actions are explained below:

2.6.1. Overconfidence

If people are too comfortable with their own character and too confident in their moral judgments, they become vulnerable to making ethical decisions without adequate reflection (Prentice, 2012, p. 3).

2.6.2. Self-serving bias

People have great difficulty being objective when their well-being is at stake or their deeply-held views are at issue. Their psychological need to look out for themselves and to maintain consistency in their views strongly affects how they gather information, process information, and even remember information. The self-serving bias can cause people to sincerely believe that whatever course of action is best for them, personally, is ethically permissible. Leaders are particularly vulnerable to this effect (Prentice, 2012, p. 3).

2.6.3. Moral license

People who have done something good, and who have added 'points' to their moral scoreboard, to allow themselves a little leeway to depart from their own ethical standards. This is a subconscious process; people usually do not realize how their earlier actions are affecting their current decisions ((Prentice, 2012, p. 4).

2.6.4. Moral rationalization

Often times, decisions are driven by emotion. People who become top executives of large corporations tend to be extroverts to behave more impulsively than the average person (Prentice, 2012, p. 4).

2.6.5. Difficulty handling success

Corporate leaders and other successful individuals often act in a sexually manner, act profligately, and are utterly tone deaf regarding ethical issues. Elite corporate officers, top government officials, and other successful figures come to believe that the rules which apply to everyone else do not apply to them. Much wrongdoing is perpetrated by men and women of strong integrity and intelligence who are unable to handle success (Prentice, 2012, p. 4).

4. References

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