

Adapting Models For Modern CSR

by Steve Multer | Business Insights

Corporate Social Responsibility (CSR) had its unofficial birth as a management practice in the 1920 and its coming out party in the early 1970s. Global organizations sought new and necessary ways to both give back to their marketplace and reconfigure their structures to correct gender and racial imbalances. That effort stemmed from consumer demand, and the initial concept was strong, but the results were mixed. And in some cases, detrimental.



While the intent has always been altruism – and some good has certainly been done in the past century – the reality is that CSR has dramatically underperformed. Too many initiatives have led to little more than an empty ploy for competitive bragging rights and undeserved analyst attention.

Corporate Social Responsibility has come under frequent and well-deserved fire and sharp scrutiny as the world grapples with ongoing inequities and divisive politics in the workplace.

What Went Wrong?

In 2015, Harvard Business Review published [The Truth About CSR](#) stating its main goal as “to align a company’s social and environmental activities with its business purpose and values.” They go on to suggest that, “although many companies embrace this broad vision of CSR, they are hampered by poor coordination and a lack of logic connecting their various programs. CSR (is) often initiated and run in an uncoordinated way by a variety of internal managers, frequently without the active engagement of the CEO.”

In 2014, openDemocracy described [The Problem With Corporate Social Responsibility](#) as “an approach that lets business define (CSR) that is not grounded in a set of principles about what it means to be responsible. Corporate Social Responsibility is whatever companies want it to be, and often, what is most convenient.” They add, “All too often, companies use CSR programs to deflect attention from socially irresponsible practices in their core operations.”

Today, [critics](#) argue that CSR is too incremental, non-economic, peripheral, lacking transparency, or even [masks](#) or [legitimizes](#) shadowy business methodologies. What started with a laudable effort to keep markets free and prevent society from the destructive impact of a global capitalism got abused by lack of integrity and unfair market restraint. CSR must adapt its model for modern times.

Examples of Bad SCR

When corporations use CSR campaigns as a way to raise brand awareness or attract customers, things begin to sour. Rigorous Themes says, “One of the reasons CSR can go horribly wrong is that corporations calculate that it will bring them profits. Simply running performative campaigns without allowing the ethics and morals you claim to care about to change how you do business shows that you aren’t being truthful in your intentions.”

Doing Good to Cover Up Doing Bad

Ever heard a company talk about protecting the environment while simultaneously damaging the environment? Oil companies are expert in this arena. Or cigarette manufacturers touting their heartfelt investment in stronger health initiatives? Any moral credibility these brands’ CSR strategies suggest is undermined and negated by the business practices that actually drive their profits.

Moral Self-Licensing

This is a social psychology term used to describe when doing something right justifies doing something wrong. Greenwashing like “We plant trees to justify cutting down trees” or “Because we invest in EV research we get to build fuel-wasting ICE vehicles” are frequent examples of this phenomenon. It’s like someone spending an hour on a treadmill then stopping at Starbucks for a venti Frappuccino.

What starts as commendable ends with something distasteful that erases any gained benefit. Other examples are pinkwashing (supporting LGBTQ or even breast cancer issues then publicly avoiding

that stance on social media) and colorwashing (expressing care for marginalized or diverse groups then avoiding true workforce diversity.)

Charitable Acts to Distract From Bad Press

A corporation worried about critique from their angry industry crafts a new CSR campaign (or pushes a current campaign to the fore) in order to change the narrative. Suddenly a positive communal effort is sullied as its biggest goal is to help take the focus off that brand's negative behavior. This is Politics 101.

Pop-Up Causes

CSR works best, creates the most benefit, and accurately represents the company when it deliberately and reliably stands for something. Companies that leap-frog from trend to trend, constantly changing charitable destinations to stay current, reek of dishonesty. In their effort to appeal to the cause célèbre they undermine all trust and morality in their CSR campaigns.

CSR Matters More Than Ever

Harvard Business School conducted a 2022 survey demonstrating that 70% of people believe it is important for businesses to make a positive impact. They also showed that 25% of consumers take a zero-tolerance stance on companies that employ questionable ethical practices. 90% of consumers say they are likely to switch to a brand supporting a good cause, and more than 50% are even willing to pay extra for it. CSR remains a vital element of any successful corporation.

While only 44% of people said that price is the most crucial factor when choosing a business, 68-71% said giving back to the local community or environmentally-friendly practices were the most important. And three out of four customers claim they would not do business with a brand that holds views that contradict their own.

Unfortunately, true CSR impact is often relegated to story-led reporting, which is useful for brand building but hard to actually measure and highly administration-intensive. Without powerful KPIs to support evidence of real progress, the market begins to get wary. While we believe that CSR matters more than ever, were justifiably skeptical that it's actually doing the good it purports to do.

Paul Rhodes, founder of WellGiving, believes that too many CSR initiatives are "simply tick-box exercises" and that effective CSR requires "buy-in not only from employees, but from senior leaders

and managers across all departments. Those that have the support of CEOs and senior management tend to thrive and achieve better results.”

Bottom Line

Companies that succeed at CSR are the ones who do it because they genuinely want to do it, regardless of the story it tells or the profit it derives. Those companies have leaders who not only directly and aggressively support their CSR team’s efforts, but who actively participate in it themselves. The fish stinks or swims from the head down.

Adapt your Corporate Social Responsibility model by leaning into and assuring moral honesty and ethical business practices. Value genuine commitment to the greater good far above quarterly earnings. Modernize your CSR and it will speak for itself.

Learn more at www.SteveMulter.com and www.CorporateStorytelling.com

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