New Work and Corporate Social Responsibility (CSR)

13.1 Definition of CSR

The term Corporate Social Responsibility (CSR) was used in 1953 by Howard R. Bowen in his book *Social Responsibilities of the Businessman* and stands for the social responsibility of companies. Bowen preaches in his book for greater consideration for society by the large corporations in the USA (Corporate America), since these corporations have considerable power and, with their economic endeavors, have a major impact on the lives of ordinary citizens (Bowen). In the decades that followed, the concept of Corporate Social Responsibility (CSR) evolved continuously, initially through the zeitgeist of the social movements in the 1960s, for example through the civil rights movement, the consumer movement, the environmental movement and the women’s movements.

13.2 CSR and New Work

Corporate social responsibility (CSR) is an essential factor for a competitive advantage and employee satisfaction. Employees want to work for enterprises with social standards and rules (Stibbe, 2019). For successful sustainable development, actors from politics, companies, nonprofit, science and education deal with the topic of sustainable management. Examples show that CSR is not only a matter of multinational companies (MNC) but also other organisations across industries like start-ups, corporations in metropolitan areas, small and medium-sized (SME) companies.

*It takes 20 years to build a reputation and five minutes to ruin it.*
*Benjamin Franklin*
in rural areas—from high-tech to organic farming (Herzner & Schmidtpeter, 2020). CSR is also known by a number of other definition names. These include corporate responsibility, corporate accountability, corporate ethics, corporate citizenship or stewardship, business ethics, responsible entrepreneurship, and triple bottom line, to name just a few (Helmold, 2020). As CSR issues become increasingly integrated into modern business practices, there is a trend towards referring to it as “responsible competitiveness” or “corporate sustainability”. CSR is understood to be the way firms integrate social, environmental and economic concerns into their values, culture, decision-making, strategy and operations in a transparent and accountable manner, and thereby establish better practices within the firm, create wealth and improve society. A key point to note is that CSR is an evolving concept that currently does not have a universally accepted definition. Generally, CSR is understood to be the way firms integrate social, environmental and economic concerns into their values, culture, decision-making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the firm, create wealth and improve society. As issues of sustainable development become more important, the question of how the business sector addresses them is also becoming an element of CSR. The World Business Council for Sustainable Development has described CSR as the business contribution to sustainable economic development. Building on a base of compliance with legislation and regulations, CSR typically includes “beyond law” commitments and activities pertaining to:

- Corporate governance and ethics
- Health and safety
- Compliance with Laws
- Environmental stewardship
- Intellectual Property Rights
- Human rights (including core labour rights)
- Sustainable development
- Conditions of work (including safety and health, hours of work, wages)
- Industrial relations; community involvement, development and investment
- Involvement of and respect for diverse cultures and disadvantaged peoples
- Corporate philanthropy and employee volunteering
- Customer satisfaction and adherence to principles of fair competition
- Antibribery and anticorruption measures
- Accountability, transparency and performance reporting
- Supplier relations, for both domestic and international supply chains

Lean Manufacturing concepts focus primarily on improvements of the operational processes and efficiency. Another goal is to reduce waste and thus to reduce operating costs. In the last years sustainability has become more and more important, so that any organisation must deploy sustainability elements alongside a lean organisation. Sustainability or Corporate Social Responsibility (CSR) has the following elements as shown in Fig. 13.1. The figure shows that there is a strong need to align the lean implementation process with the sustainability strategy in order to avoid the negative impacts that lean production could have on the environmental and social components of sustainability. Although the concept of corporate social
Responsibility (CSR) has been advocated for decades and is commonly employed by corporations globally, agreement on how CSR should be defined and implemented remains a contentious debate among academia, businesses and society (Helmold, 2020). This gap is problematic for corporations because they are increasingly being required to align with societal norms while generating financial returns. In order to remedy this problem, the following definition is presented: corporate social responsibility is a business system that enables the production and distribution of wealth for the betterment of its stakeholders through the implementation and integration of ethical systems and sustainable management practices. Many of the concepts in the proposed definition are commonplace among CSR practitioners and organizations, the validations for the key segments—production and distribution of wealth, stakeholder management, ethical systems, sustainable management practices—coupled with the application of a systems approach and other business practices make the definition unique and conclusive.

13.3 CSR Maturity Levels

Maturity is a measurement of the ability of an organization for continuous improvement in CSR as shown in Fig. 13.2. The higher the maturity, the higher will be the chances that incidents or errors will lead to improvements either in the quality or in the use of the resources of the discipline as implemented by the organization.
13.4 Global Compact Principles

Corporate sustainability starts with a company’s value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labour, environment and anticorruption. Responsible businesses enact the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success. The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption. Under the Global Compact, companies are brought together with UN agencies, labour groups and civil society. The framework provides a universal language for corporate responsibility and a framework to guide all businesses regardless of size, complexity or location. Joining the UN Global Compact means to take an important, public step to transform our world through principled business. Participation makes a statement about values, and it benefits both society and companies’ long-term success (Helmold & Samara, 2019).

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13.5  Case Study: Volkswagen’s Lean and Green Award

The Volkswagen Wolfsburg plant receives the “Lean & Green Management Award 2019” in the “Automotive OEM” category for its efficient and sustainable production as shown in Fig. 13.4. More than 250 works from more than ten countries and 20 different industries participated in the competition. “We are proud that our persistent work has been successful in saving resources and that we have been awarded the prestigious ‘Lean & Green Management Award’ for this,” said Stefan Loth, Head of Volkswagen’s Wolfsburg plant. “At the Wolfsburg location, we prove that efficient vehicle production while at the same time conserving resources is not only possible, but makes sense. Because the production also carries an ecological responsibility. The deliberate use of raw materials and energy plays a key role in our environmental commitment”. In terms of production efficiency, Volkswagen’s parent plant focuses on its “PQM” strategy—productivity, quality and crew. Every year more than 400 workshops take place, with which the Wolfsburg workforce improves the processes and thus reduces the production costs per vehicle. The plant consistently uses the Volkswagen Production system that describes the basics, standards and methods by which the manufacturing processes are designed, executed and constantly developed. The Volkswagen parent plant is also on course for sustainability and the implementation of the “Zero Impact Factory” environmental program. An important building block for protecting the environment and promoting biodiversity...
are, for example, the process water basins located on the plant site. Thanks to the internal operating water cycle, every drop of water passes through the site about four to six times, helping to keep water consumption per vehicle very low. The “Lean & Green Management Award” is awarded annually by the consultants Growth Consulting Europe and Quadriga Consult and the trade publication AUTOMOBIL INDUSTRIE. The award was recently ranked as one of the highest rated sustainability awards in Germany in a study by the University of Hohenheim.

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