

Strategic CSR

Instructions

When doing the reading for this class, there are the two basic kinds of information you need to understand:

1. What are the main points or conclusions that an author accepts with respect to a particular issue?
2. What are the reasons, important considerations, and evidence that lead the author to accept that conclusion?

For our purposes, it is *information of the second sort that will be our primary concern* since our most basic task is to *evaluate the reasons and evidence* that are offered to support accepting one possible position on an issue, rather than another.

Reading

Porter, M. E., & Kramer, M. R. (2011, January-February). Creating shared value. *Harvard Business Review*, 89(1-2), 62-77.

Optional: Porter, M. E., & Kramer, M. R. (2006, December). Strategy and society: The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 84(12), 78-92.

Comment

Michael Porter and Mark Kramer (2011) say “Creating Shared Value” (CSV) is radically different from “Corporate Social Responsibility” (CSR). This is a linguistic game. What they call “Creating Shared Value”, I will call “strategic CSR”; what they call “Corporate Social Responsibility”, I will call “responsive CSR”.

My desire is to use terms consistent with this course, where CSR refers to a general concern for a business to benefit its social and ecological environment. Understood in this way, “Creating Shared Value” is clearly a form of CSR.

Furthermore, this distinction between “strategic” and “responsive” CSR actually comes from an earlier article from Porter and Kramer (2006). Guess they got bored of calling things CSR.

Questions

As you read, keep these questions in mind:

1. How do Michael Porter and Mark Kramer conceive of the relationship between business and society? Why do they believe this conception is one that businesses should embrace?
2. What is meant by “shared value”? According to Porter and Kramer, how is creating shared value supposed to expand the scope of strategic thinking for a business?
3. In order to illustrate their strategic CSR approach, Porter and Kramer contrast the local development initiatives by Nespresso with fair trade purchasing (done by companies like Starbucks).
What’s the difference between these two? Which one has more strategic value for the business? Which one seems to produce more social benefit?

To answer these questions you will have to reflect critically on what you have read and possibly re-read important passages.

Although I strongly suggest that you write out brief answers to these questions, you do not have to turn in written responses. You do, however, need to be prepared to speak intelligently about these issues at our next class meeting.