A Study on Selected Firms of the Apparel Industry to Find Out the Motive Behind Firms to Exercise Corporate Social Responsibility – ‘To Buy Goodwill’ or ‘Out of Good Intention’

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Abstract
At present, being socially responsible is not only seen as a competitive advantage for an organization, but more of a requirement to be sustainable. But this stress on social responsibility leads to a simple question – Does a firm engage in CSR activities out of good intention or simply to attain any tangible or intangible benefits? This paper argues that if the attitude of firms towards CSR changes after realizing the tangible or intangible return that it can receive from CSR activities, then the firm is not doing it out of good intention. It is the same for firms who have a changed attitude towards CSR because of the pressure from some external factors. Lots of multinational retailers have been observed to actively engage in CSR activities regarding labour standards in their supply chain. This paper attempts to find out the true motives of the retailers behind these activities. The CSR history of four big names among the UK retailers i.e. Nike, GAP Inc., Primark and Marks & Spencer has been analysed. The analysis has been carried out by categorizing the firms according to the stances they take towards CSR. The influences of any tangible or intangible benefits or any external factors on the CSR activities of these firms have also been analysed. The findings illustrate that while most of the firms do not practice CSR out of good intentions, firms like Marks & Spencer have CSR embedded in them since their origin. However, all the firms realize the business benefits of CSR at some point and use it as a business strategy.

Keywords: Corporate Social Responsibility; Apparel Industry; External Factor; True Motive; Goodwill; Profit
1. Introduction

CSR refers to the way in which a corporation fulfils its responsibilities towards its various stakeholders by aligning its behaviour and values with theirs’ (Scott, 2003), and has gained immense popularity in recent years. The stakeholders of a firm are those who are impacted by the operations of a business (Johnson, Whittington and Scholes, 2011). Firms today are taking Corporate Social Responsibility (CSR) very seriously. Most of the biggest multinational corporations even have a separate department to manage their CSR (Tseng, Jim Wu, Wu and Chen, 2010). Good CSR leads to good publicity for the firms (Zhang and Swanson, 2006) and this has an influence on the perception of the customers about a particular company or its brands (Ellen, Webb and Mohr, 2006). This trend is mostly common in the developed countries.

Customers in these countries take into account of the social responsibilities of firms while making a purchase decision (Sankar, Bhattacharya and Daniel, 2006). This subsequently affects the profitability of firms (Waddock and Graves, 1997). Additionally, employees are more interested to work with a firm that is known to be more socially responsible since it will ensure them an ethical treatment (Valentine and Fleischman, 2008).

The true motive of the firms behind engaging in CSR activities still remains a mystery (Rowley and Shawn, 2000; Ullman, 1985). Many literatures on CSR have been directed towards motivating the companies to carry out socially responsible activities by emphasizing on the benefits of CSR (McWilliams and Seigel, 2011). However, will firms still be carrying out CSR activities even if it does not bring them any tangible or intangible return? A firm must maintain consistency in its approach towards CSR to establish itself as an ethical organization entity (Wagner, Lutz and Weitz, 2009). The analysis of the evolution of the concept of CSR in an organization may help to give an insight in this matter. Again, the analysis of the stances the companies are taking on CSR can also contribute towards understanding the motives of the firms.

In this paper, we try to fill this gap by identifying the true motive of the firms for engaging in CSR. If the conclusion of this paper reveals that companies are carrying out CSR activities just to buy goodwill, then it will demonstrate that there is no such thing as socially responsible company. The research is focused on four well known textile brands of the world. They fall under the category of textile suppliers or retailers or both. These companies are Gap,
Marks and Spencer, Nike and Primark. This paper examines how the concept of CSR has evolved in these companies by focusing on the operational CSR of the textile firms in terms of their supply chain. Here, the labour and human rights issues will be given more importance. The following section explores the prevalent literature in the field of CSR relevant to supply chain and is then followed by a case study approach of all the four organizations. Here, the CSR stances model is used to evaluate the true motive behind the CSR activities of these organizations.

2. Literature Review

CSR has been one of the major topics of debate in the business world during recent years. However, not much attention has been given towards finding out the true motives of the firms behind being socially responsible (Rowley and Shawn, 2000; Ullman, 1985). The popular theoretical framework regarding this subject is mostly related to the relationship of CSR and the financial performance of firms (Rowley and Shawn, 2000; Walsh, Weber and Margolis, 2003). In addition to this, researchers have also shown interest on other benefits that CSR might bring to the firm. The papers by Orlitzky, Schmidt, and Rynes, (2003) and Doh and Guay, (2006) have provided some valuable insights on the institutional conditions that might lead companies to act in a socially responsible way. According to Williamson (1985), both the firm and the individuals working in the firm are opportunists. They would not restrain themselves in acting in a socially irresponsible way if it helps them reach their goals and if they think that they can get away with that. Again, the literatures on political economy have introduced the concept of free riders. According to this concept, the firms are expected to free ride on public or collective goods, rather than contributing to the society (Albert, 1993; Crouch and Streeck, 1997; Dore, 2000; Roe, 2003). In the practical world, there are plenty of instances where firms are engaged in socially irresponsible activities, for example swindling investors by manipulating share prices, deceiving customers, exploiting the employees, poisoning the environment etc. (Ortize Martinez and Crowther, 2008; Hans Mathias, 2007; Robin S., 2000). Therefore, it can be inferred that the firms put their self-interest before everything else and hence cannot be trusted. On the other hand, some organizations take a great deal of effort to be socially responsible. These include being fair to the customers and the investors, giving to philanthropic causes, providing proper rights to their workers, abiding by the rules and regulations, performing environmentally friendly
business, maintaining the standards of integrity and honestly etc. (Jones III and Jonas, 2011). This attitude of the firms again makes one curious about the intention of the firms. A survey carried out by Mallen Baker on 121 members of the Chartered Institute of Purchasing and Supply demonstrates that according to the managers, directors or senior executives of these firms, the company engages in CSR activities because they feel that ‘it is the right thing to do’ (Harwood, Humby and Harwood, 2011). But this is only something the companies are claiming to do, the true motives can be found by analysing the CSR histories of the firms.

Developing countries still have a long way to go when it comes to CSR (Visser, 2007; Jamali, 2007). Campbell, (2007) in his paper argued that this difference exists mainly because of the economic condition of the firms. Strong firms tend to be more socially responsible compared to the weak ones and the majority of these strong firms belong to the western countries. However, he did not take into account the CSR behaviour of the same company (MNC) in different parts of the world. Although globalization is the sign of the development of the firms and better communication of the CSR activities, problems related to the management of these activities are supposed to increase (Andreas, Guido and Dirk, 2009). For instance, Starbuck has always been well appreciated for its ethical conduct. Yet in 2005, the firm was trying to secure the trademark protection from Ethiopian farmers for their coffee and was depriving them of a better price (Adamy and Thurow, 2007). In addition to the firm size, Campbell (2007) also took the economy and the level of competition prevailing in each country as factors leading to CSR differences across countries. According to him, the firms tend to put less importance on CSR during times of recession. Much of CSR related initiatives from customer’s side have been observed in developed countries by the researchers. Firstly, the customers in these countries consider the CSR activities of the firms while making a purchase decision (Creyer and Ross, 1997; Handelman and Arnold, 1999). Most of the researches on customer perception regarding CSR were conducted based on the developed countries (Wagner, Lutz and Barton, 2009). Therefore, the area of customer perception towards CSR in the context of developing countries is still unexplored and needs further exploration. One research was conducted to find the customer perception in Indonesia (Arli and Lasmono, 2010). Predominantly, the idea of outsourcing to developing countries by the firms in developed countries has been motivated by the huge differences in cost of production of their products (Wilkins, 2000; Kabeer and Mahmud, 2004). But this huge difference can only be achieved at the cost of poor labour
conditions and violation of labour rights (Haltsonen, et al., 2007; Emmelhainz and Adams, 1999). The issues mostly criticized were associated with the use of child labour, abuses (both physical and verbal), poor work place conditions and safety of the workers (Bachman, 2000). The main topic of debate is whether the corporations should be held responsible beyond the issues of their direct employees (Christopherson and Lillie, 2005). Some researchers have argued that buyers’ responsibility is at the core of outsourcing and they should be held accountable for any violation of employee rights associated with their supply chain (Mares, 2010).

According to a research conducted by London Business School, a total of 84 research works had been carried out to find the relationship between CSR and profitability (Smith, 2001). Out of these, 42 showed a positive impact of CSR on profitability, 19 found no link and 15 ended up with mixed results. However, 4 of the research works actually demonstrated a negative impact. Another research showed that increase in CSR of firms increases their profitability. The average profit of these firms is 18% higher than the others (Waddock and Graves, 1997).

Some literature on CSR emphasized on the benefits with respect to employee recruitment and retention, over time reduction and productivity (Becchetti, Di Giacomo and Pinnacchio, 2008). Employees are more likely to work for firms that are more socially responsible. According to Luo and Bhattacharya (2006), employee satisfaction depends on whether or not they feel proud to work for the firm. This feeling of pride comes from the way the firm runs its business and treats its employees. Other research works conducted on CSR examined its impact on customers, such as their attitudes toward firms (e.g., Brown and Dacin 1997), retail stores (e.g., Lichtenstein, Drumwright, and Braig 2004); and brands (e.g., Klein, and Dawar, 2004), causal attributions (Sen, Bhattacharya, and Korschun, 2006), identification with companies (Sen and Bhattacharya, 2001); and purchase behaviours (Mohr and Web, 2005). Some studies have tried to investigate the impact of both positive and negative information regarding CSR of firms on public and found out that the impact of negative information is more than positive information (Sen and Bhattacharya, 2001). Although the existing researches have examined the impact of CSR information on customers, no research work has been conducted to make customers aware of the true motives of the companies to make an informed decision.

Apart from the benefits that a firm can gain from CSR, some other external forces can initiate or trigger the CSR practices of the firm. According to Freeman (2006), CSR began with the initiatives of the Non-Government Organizations (NGOs) via exertion of pressure on...
businesses. Another force contributing to the CSR is the media. Some researchers argued that many firms have been observed to engage in CSR activities after negative media exposure (Islam and Deegan, 2010). Apart from NGOs and media, trade unions have also played an important role in CSR initiatives taken by firms. According to Lutz, Axel and Dirk (2006), trade unions, especially in countries that follow a strong corporatist tradition, are one of the key drivers of CSR. Customers’ role in this subject is very vital too. According to Barbara et al. (2007), customers can change the way organizations behave towards CSR but proper customer awareness about their role is necessary in order to achieve it.

The book, ‘Exploring Strategy (Johnson, Whittington and Scholes, 2011) explains the four different stances on CSR. These are Laissez-Faire, Enlightened Interest, and Forum for Stakeholder Interaction and Shaper of the Society. Laissez-faire refers to the lowest stance of CSR where companies feel that their sole responsibility is to maximize profit whereas Enlightened Self-Interest states that the motive of the firms is to build a good reputation. Forum for Stakeholder Interaction is the main concern of my research paper because here the corporations take into account the sustainability of the society and are proactive. Although shaper of the society is the best example of a socially responsible firm, it doesn’t hold for profit oriented organizations.

The literature presented so far shows that there has been a considerable amount of work in academia to explore the real motive behind CSR activities. It also shows that despite all these works, the true nature and the motive behind the CSR activities still remain unclear. As such, the paper aims to explore the motive behind the CSR activities of the four selected organizations.

3. Methodology

This report has been conducted based on only secondary data. Therefore, only the published books on CSR, corporate governance and business ethics have been taken into account. In addition to these, journals and articles on corporate social responsibilities were also used. A case study approach was used because of the individualistic nature of the implementation of CSR activities, as these activities are generically related to the business activities of the organization in concern.

The research has been carried out on four well known textile retailers having global operations. These are Gap, Marks and Spencer, Nike and Primark. Previous researches
performed on each of these firms’ concerning CSR were used to build case studies on them. The report tried to find information on the evolution of the concept of CSR in each of these firms and analysed them accordingly. This helped to identify the true motives of the firms. Different stances (Laissez-Faire, Enlightened Self Interest, Forum for Stakeholder Interaction and Shaper of the Society) adopted by the organizations on CSR also aided in analysing their motives. The information has also been compared with the concept discussed in the literature review to reach a conclusion.

4. Case Studies

In order to analyse the true motives of the firms, it is important to know how the concept of CSR evolved in these companies. If a firm has been socially responsible since its initiation, then it can be assumed that the firm has some ethical element in its base. On the other hand, if a firm starts behaving in a socially responsible way only after certain events or under some pressure, we can infer that CSR has not been a product of good intentions in the firm.

4.1 Firm 1: Nike

Nike is considered one of the few brands in the textile industry which is emphasizing on the strict implementation of its code of conduct by the producers in recent years (Mares, 2010). However, the scenario was not always the same, as this attitude of Nike towards CSR was not embedded in it since the beginning (Islam and Deegan, 2010). The reputation of no other company has perhaps suffered as much as Nike due to poor working conditions in its subcontracted factories in some developing countries such as China, Vietnam, Indonesia, Philippines, and Thailand etc. (Business China, 2008).

CSR in Nike had evolved only in the late nineties as a result of several criticism faced by the company that hampered its reputation. The first such issue the company faced was during the early nineties involving the labour standards in its sub contract factories in China, Thailand and the Philippines. According to a study conducted by Christian Aid, Nike prices its products in the multiple of 1-2-4. In this respect, Christian Aid argued that the average labour cost of making the shoes in these countries was $1.44. It also argued that Nike can afford to significantly increase the wage rate of the workers while scarcely changing the price for the final customers (Schwartz and Gibb, 1999). Nike’s initial response to this criticism was very defensive. It refused to take the blame for the issue based on two points. Firstly, according to Nike, it could
not find any problem with the issue and argued that the workers were lucky that they had a job and that having a job was better than not having one. Its second point was that even if this is an issue, it does not concern them since they are not involved in the production processes (Schwartz and Gibb, 1999). As a result of this denial, Nike had to face severe condemnation from the media and the public and its image was severely shaken (Islam and Deegan, 2010).

Moreover, Nike was alleged to not having its subcontracted factories in China, Indonesia and Vietnam comply with the lowest standards of working conditions and was severely criticized by anti-sweatshop groups worldwide in 1996 (Waller and Conaway, 2011). The situation got worse when Nike made an argument denying their responsibility since they neither owned nor operated any of the factories. It stirred up further criticism in the US, and the spotlight on them barged in bitterly when a television documentary called, “Just Do It- Or Else” was broadcasted, portraying the miserable working conditions in Nike-contracted factories (Waller and Conaway, 2011). After a strike of some 3000 Chinese factory workers and widespread protests, Nike finally initiated a dramatic alteration to its approach to operational corporate responsibility in 1998 (Business China, 2008). Its spokesperson in China Shannon Shoul said, “We have established our code of conduct, which sets Nike and its contracted factories in a leadership position for worker protections in the supply chain” (Murdoch, 1999). This approach resulted in an improved system for monitoring the factories of its suppliers. It has also contributed to the production of Nike’s annual CSR report. Nike was the first in the industry to include a list of all contract factories in its CSR report (DeTienne and Lewis, 2005).

According to Erin Dobson, Nike’s director for corporate responsibility communications, better working conditions have its own set of pros. According to her, better CSR initiatives in their supply chain contributes to the firm by resulting in better quality products, improved relationships with contracted factories, and increased opportunity for building long-term relationships. Currently, the most critical need for Nike is lean manufacturing, which is the process of providing the maximum value to the customers, by using the least possible resources (Paul, 2007). Nike realizes that meeting its CSR objectives and goals will take up some time.

4.2 Firm 2: GAP Inc.

Apparel retailer GAP Inc. is currently recognized as a leader in CSR that has realized
the value of integrating and investing CSR into its business (Amazeen, 2011). It happened to become renowned most notably for its supply chain human rights program and was second in the industry to develop a code of conduct. However this was always not the case, as previously the CSR programs of GAP Inc. was not highly appreciated by its stakeholders. This was in light of the belief that even 10 years back, the company was considered to be one of the poster children of ‘globalization gone wrong’. GAPInc. has gone through a tough evolution with respect to CSR (Sean, 2007). Although it did not deny its responsibility as a retailer like Nike, it was not strict about the implementation of its code of conducts. This has been the result of the many labour standard related consequences it had to face in the past (Sean, 2007).

GAP had to take CSR seriously during mid-nineties when activists aggressively started to draw attention and bring more light upon the horrible living conditions of factory workers who were producing clothes for many renowned retailers (Karnani, 2011). In 1995, National Labour Committee informed GAP that labour rights were being violated at the Mandarin International factory in El Salvador. These included violation of freedom of association by factory management in response to activities they carried out at the factory (Sean, 2007).

In response to the NLC warning, GAP formed a global compliance team in 1996, and came up with a vendor code that covered issues such as wage standards and child labour. They also started monitoring supplying factories against the code of conduct (Karnani, 2011). In 1999, 26 US retailers, including GAP Inc. were charged with the allegations of violating federal law. The violation included non-payment of overtime, intolerable living conditions for the foreign contract workers and use of indentured labour. The firms were brought to court over these issues in the United States Commonwealth of Saipan. GAP Inc. responded to the allegations brought upon by Saipan lawsuit by implementing a separate set of guidelines and expectations for the foreign contract workers and their vendors (Sean, 2007). It was not long before a British Broadcasting Corporation Panorama report in 2000, alleged that child labour was being used in GAP Inc. contracting factories in Cambodia (Sean, 2007). After that GAP Inc. changed its policy regarding age verification in Cambodia and emphasized on strict implementation. Currently the management of these factories has to check the national identification card or the government issued election cards of the workers before recruiting them (GAP Inc., 2003).

In October 2007, GAP Inc. received tremendous criticism after a disclosure that revealed that children as young as 10 were being made to work at a sweatshop in India for
producing children's merchandise for the retailer (Marka and Thomas, 2008). In an attempt to resolve the issue, GAP took responsibility and informed the press that the manufacturer was using an unauthorized subcontractor. Moreover, it took a very commendable step by promising that the products would never be sold (Marka and Thomas, 2008). The endless campaigns and attacks by NGOs and customers impacted the company’s reputation, shattered employee morale, and exhausted management resources. Looking at the bright side, the campaigns were effective in challenging the company and compelling it to seek new ways to tackle these issues (Sean, 2007). These made GAP Inc. realize the true importance of CSR and they started being proactive, rather than reactive.

In 2001, the company started off fresh on a path of new commitment to external stakeholders facilitated by its already existing relationships as a springboard. Now, the company not only focuses on social responsibility ratings, but also categorizes top vendors on factors such as speed, innovation and quality. According to Dan Henkle, GAP's senior vice president of social responsibility, GAP Inc. has established a committee called, "Sourcing Counsel," consisting of a number of internal groups that are involved in the sourcing of their supplies. The committee works by taking inputs from each group on a particular issue and a decision is made based on the combined opinions of all groups. This way of decision making calls for the involvement of the people who are actually facing the problems, thus leads to better solutions and implementation of the solutions.

In 2003 GAP Inc. was highly appreciated as it came up with a social responsibility report that included a comprehensive overview of its approach to CSR. It also realized the benefits that CSR can bring to a firm. In an interview, Eva Sage-Gavin (ESG), Executive Vice President of Human Resources and Corporate Communications of GAP Inc. mentioned the benefits that GAP believes it achieves by being socially responsible. She said that GAP thinks CSR is critical to its long-term growth and sustainability. The more obvious benefits were the attraction and retention of employees and better supply chain that can deliver better products. She also discussed how being socially responsible helps them reduce energy usage which in turn helps to reduce cost (Wright, 2007).

4.3 Firm 3: Primark

At a period when Britain was badly plagued by recession and a sharp downturn in
consumer spending had hit retailers’ hard, Primark Stores Ltd. surprisingly maintained consistent performance (Whitehead, 2005). It has shown huge success due to its incredibly low prices for fashionable, fast-moving merchandise.

How does Primark manage to charge such low prices for its products? It has managed to do so by outsourcing manufacturing and holding down overhead. Primark outsources a majority of its merchandises from countries in Asia (Brian, John and Anderson, 2009). This information itself can give insights into Primark’s attitude towards ethics in its supply chain. Hall (2009) points out that, “While Primark’s popularity is not in doubt, there is one weak link: its supply chain. The retailer has been subject to criticism about its suppliers’ use of cheap factory labour. After all, critics argue, if a retailer can sell T-shirts costing £1.96 it must be cutting corners somewhere”. Although Primark is a member of Ethical Trading Initiative (ETI) and agreed to follow the code of conduct, it failed to implement it in practice (McDougall, 2009). In a research conducted by Ethical Consumer Magazine in 2005, Primark was voted the most unethical apparel firm (Whitehead, 2005).

The BBC program Panorama (June, 2008) censured a few of Primark’s business practices such as the treatment received by labourers working for Primark’s suppliers. This included the employment of illegal child labour. The Panorama program “triggered a barrage of negative publicity, with footage of child refugees in India making low-cost garments for Primark” (Magee, 2008). The retailer sacked three of its suppliers in response. Again, Primark was forced to take off its logo that endorses the ethical credentials of its clothing. This was the result of a newspaper investigation revealing the violation of immigration law and labour standards. The investigation was carried out by an undercover journalist of The Observer who claimed that the Manchester based knitwear supplier TNS has been caught underpaying illegal immigrant workers. Primark responded by saying that it had fulfilled its duties by paying for independent audit of TNS Knitwear in April and December of 2008 and claimed to have taken necessary actions to deal with the problem (Mary-Louise, 2009).

However, Primark has started realizing the value of ethical trading. To win back its lost reputation, Primark launched a website to promote its ethical practices labour. The website contains standards and code of conduct such as prohibition of the use of child labour and safe and hygienic working conditions that all Primark suppliers must follow (Marketing Week, 2008). ETI’s investigation on Primark in January 2010 found out that the firm has strengthened
its ethical activities and practices with regards to purchasing. It also stated that Primark has introduced an updated standard in responsible buying and has started recruiting ethical trade staff.

### 4.4 Firm 4: Marks and Spencer (M&S)

For the firms mentioned above, CSR activities had evolved over time. M&S is one name that has been associated with CSR since its foundation. The retailer came up with staff welfare schemes as early as 1933. Simon Marks, the founder’s son, administered the establishment of a pension service for the staffs, subsidized staffs canteens, war effort fund raising, health and dental services, rest rooms, hair dressing and camping holidays.

In an attempt to create more suitable work environment for the employees, implement more progressive employment standards, and as a part of its commitment to ethical business practices, Marks & Spencer has worked aggressively with suppliers, especially in developing countries. After a lot of noteworthy investments in people, processes, system and training, the company has a sustainable solution to labour issues in its supply chain by motivating and empowering suppliers to take actions themselves to improve the lives of their workers. (Muriel, 2004) The work experience program of M&S consists of a rising number of suppliers, communities and employees working together with a common objective (M&S report, 2007).

The eco plan, called Plan A, launched in January 2007 by Marks & Spencer demonstrates the firm’s devotion to CSR (Grayson, 2011). It is a detailed, extensive initiative with 100 goals jotted down comprehensively and covers five key areas. These are health and fair trade, waste reduction, combating climate change and sustainable raw materials. The manifesto calls for the firm to elongate sustainable sourcing, stop sending waste to landfills, become carbon neutral, and help its customers and employees live a healthier lifestyle. The retailer also aims to improve the lives of the workers in its supply chain by 2012 (Nagappan, 2009). The social behaviour of M&S was never made relevant to the business until 2002, as a result of which the company has somewhat shaken off its image as a large corporate benefactor. Ed Williams, head of CSR at M&S, says that previously, CSR for M&S was based on traditional philanthropy because it felt that it was doing this for the benefit to the society. It didn’t consider the advantage that CSR can bring to the company. But it eventually realized that it is vital for its reputation and customer perception about the brand. The retailer has shown that CSR plays an
important role in boosting the spirits of the workers and hence in increasing productivity. In another interview, Ed Williams stated that independent research into the effect of the company's flagship community program played a significant role in motivating as well as increasing the skills of the employees (Personnel, 2005).

Regardless of all its claims and effort, Marks and Spencer faced a ‘sweatshop scandal’ in 2010. According to the Observer newspaper (2010), some factories in India supplying the three apparel retailers were paying their workers only 25p or 26p an hour. Even after working 16 hours a day, these workers were forced to work overtime, leaving their children unattended. The wage rate that they were receiving was less than the minimum required by Indian law (Marketing Week, 2010).

5. Firm Analysis

This analysis is done by mainly categorizing the four companies according to the stances they are taking towards CSR. The difference in stances over time is also taken in to account. This is carried out based on the information mentioned in chapter 4 of the paper. Again, the reasons behind the CSR initiatives that the findings from literature review reveal will also be considered to analyse the motives.

5.1 Firm 1: Nike

Nike has gone a long way to promote CSR since the mid-nineties. The stance on CSR that it previously had was laissez-faire. Initially, the company was in the state of denial regarding its CSR. But over time, Nike had started to take the stance of Enlightened- Self Interest. The company started to be reactive towards the criticism and established its own code of conduct to be followed in the supply chain. It also realized the business benefits that CSR can bring to a firm. Though Nike showed the sign of being proactive by becoming the first firm to come up with a CSR report and targeting to eliminate excessive overtime by 2011, it still does not fulfil the other criteria to fall under the category of Forum for Stakeholder Interaction. Nike still has to work on certain issues like sustainability and partnership with other stakeholders. Again, if we consider the reasons for which Nike started to change its attitude towards CSR, we see that it was started as a means to save its reputation and image. Among the external factors, pressure from NGOs and media has contributed towards this change.
5.2 Firm 2: GAP Inc.

If we look at how CSR evolved in GAP, we will notice that it too had gone through a drastic change. However, unlike Nike, GAP Inc. was reactive in its response towards criticism since the beginning. The fact that it was the second company among textile retailers to develop its own code of conduct shows that it has acknowledged its responsibilities even before the criticism and scandals. So, it can be inferred that it has been taking the stance of Enlightened Self-Interest on CSR since the beginning. However, a system to ensure good practice was missing. Criticisms that GAP Inc. had to face were the outcome of failure to implement the code of conduct properly. Formation of the global compliance team by GAP in 1996 shows the firm’s attempt to fulfil this criterion. Gap also considers the benefits that CSR can bring to a firm. It believes that investing in CSR contributes to long-term sustainability of GAP Inc. But certain changes in its approach towards CSR since the beginning of 21st century illustrates that the firm is gradually trying to move to the category of Forum for Stakeholders Interaction. These include formation of ‘Sourcing counsel’ in 2001 with other stakeholders to maintain a high standard of CSR, being proactive in coming up with social responsibility report in 2003, decision of not selling the products made by the use of child labour in 2007, etc. However, GAP had only realized the importance of going through the change because of certain factors. It had to work on boosting up of employee morale and save its reputation that was largely troubled by criticisms. Here as well, media and NGOs played an important role. Customer protest has also contributed towards the change.

5.3 Firm 3: Primark

Primark is considered to be one of the most unethical retailers and the trend has not changed much. Though it is a member of Ethical Trading Initiative (ETI), it cannot be categorized into the group of organizations that take the Enlightened Self-Interest stance on CSR. This is because it has not yet developed a system to ensure implementation of good practice. It did come up with a website to show its business ethic policies which includes its code of conduct, but that does not ensure the implementation of the code of conduct. While the harsh criticism of both Nike and GAP Inc. were followed by necessary corrective measures, Primark only came up with the website. Although in 2010, individual auditors have confirmed that Primark has improved its performance with regards to ethical practices, no visible CSR
initiatives have been observed. So, it can be concluded that the stance that Primark take on CSR is still Laissez-faire.

5.4 Firm 4: Marks and Spencer (M&S)

Out of all the firms mentioned above, M&S is the one company which has the CSR values embedded in it since the beginning. Its staff welfare schemes in 1933 when the concept of CSR had just started to evolve confirms its commitment to CSR. It always took the Forum for Stakeholder Interaction stance on CSR and is continuing to do so. It not only wants to be fair to the workers but also wants to improve the quality of their lives. Its work experience program consists of different stakeholder working as a forum to ensure fair practices. M&S has always been proactive to outside pressure except for the recent child labour related criticism in India. Its eco plan, plan A is a very good example of CSR initiative for the other firms in the industry to follow. The company focuses on sustainability for its shareholders, as well as its stakeholders. It did not have to take the CSR initiatives because of any external pressure; rather it has always been focusing on CSR out of good intention. It did not even make its CSR initiatives public until 2002. Even though they are looking for gaining some benefits from CSR, the original noble intent still remains. This provides a valuable insight for us, that most businesses, whether they are engaged in CSR out of good intention or not, will think about the business benefits at some point of time.

6. Findings

The findings of the analysis of the case studies show that although there are examples of truly socially responsible firms like Marks & Spencer, most of the firms do not carry out CSR with good intentions. Again, although firms like Nike and GAP Inc. are on the verge of taking the stance of Forum for Stakeholder Interaction, they did not initiate the change in the attitude towards CSR themselves. The realization of the benefits and the pressure from some external forces contributed towards the change. These findings are aligned with the previous research works on CSR that proved that sometimes, the firms engage in CSR due to pressure from forces like media, NGOs and customers. The findings also demonstrate that customers are also one of the main concerns of the firms while taking decisions regarding CSR. If the firms have their customers support, they become immune towards damage to their reputation by media or NGOs.
The case study on Primark is a good example of this phenomenon. The implications for the customers are to be more aware of the activities of the firms and take an active part in changing their attitudes towards CSR. The media and the NGOs should also be more involved, especially in the developing countries. Another important finding is that, although the motives behind being socially responsible for firms like Marks & Spencer is purely good intention, they also start considering the benefits it can bring to them sooner or later.

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