



## **Corporate Social Responsibility is Dead; Welcome to the Era of Corporate Social Opportunity**

*By Dr. Nadya Zhexembayeva\**

During the last decade, the idea of Corporate Social Responsibility took the world of business, media, and public dialogue by storm. A beautiful concept in theory, social responsibility demanded for businesses to take a proactive role in society, and approach its relationship with social needs in a more systematic and strategic way. In practice, however, the idea of responsibility did little for line managers of most corporations, and many CSR reports later, a 'normal' business person still looks at it as a marginal but time-consuming PR effort, an annoying expense, or an irrelevant and unrealistic caprice of top management.

In the meantime, an amazing transformation in the world economy started to happen. As the natural resources such as oil, water, and food continue to decline, and the expectations of consumers, employees, and investors continue to rise, companies have suddenly discovered that environmental and social concerns are no longer an issue of responsibility, but rather of significant business opportunity.

Designing ecologically-smart products and services is no longer just a philanthropic contribution, but a smart business concept, as it provides for greater cost-efficiency, access to new markets, and better risk management. Investing in social development of local communities is no longer just a morally right thing to do, but a sure way to win a war on talent, as it allows attracting and retaining skilled workforce while igniting passion and innovation among company employees.

Business is quickly becoming the leading force for positive and lasting change, an unexpected role for the sector that is often considered to be at the source of ecological and social problems.

Consider, for example, the story of Trimo Trebnje, Slovenia's award-winning manufacturer of steel building solutions. Trimo's social and environmental efforts started with traditional community development work such as the annual Environmental Day, but quickly became a source of cost efficiency, new product development and market positioning. In the domain of facilities and operations, the company performed CO2 audits, water use audits, and waste audits, all leading to decline in resource use with positive impact on the environment and decreased costs to the company. Trimo's new EcoSolar PV roof panel – an integrated photovoltaic system that combines a roof and a solar module – represents a unique product that offers environmental, economic, architectural, and aesthetic benefits far beyond impacts of traditional social responsibility and philanthropy efforts.

The story of Wal-Mart, an international retail giant, offers another glimpse of what a mutual benefit approach for business and society can produce. By their own admission, Wal-Mart started its 'ecological sustainability' efforts as an attempt to prevent attacks and criticism from the general public, but quickly discovered that introduction of a new lens into its traditional decision-making processes created



tangible positive results for society and the profit margin. Introduction of new eco-smart products through Wal-Mart stores, such as organic 'bio' cotton clothing or toxin-free cleaning detergents attracted new customers, while re-design of packaging and distribution models allowed for significant reduction of paper, plastic, and fuel expenses – all on top of significant environmental benefits. One of the Wal-Mart's first experiments in this domain, an effort to 'right-size' the packaging for a children toy product line, saved 3,425 tons of corrugated paper materials, 1,358 barrels of oil, 5,190 trees, 727 shipping containers, while creating savings of \$3.5 million in transportation costs. Hundreds of similar initiatives have been implemented at Wal-Mart ever since.

So, the 'death' of Corporate Social Responsibility is not a reason to panic, but rather to celebrate. No longer do we engage in blame and shame, but rather begin to see possibilities for a true win-win – for business, governments, non-profit organizations, and the world at large – and find ways to turn those possibilities into successful realities. If the recent crisis of the world's financial markets is of any indication, it is time to re-write our visions of the relationships between business and the rest of the world. Social Responsibility is dead, welcome to the era of Social Opportunity.

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