

# Unit 20: Investigating Corporate Social Responsibility

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## Delivery guidance

### Approaching the unit

This unit allows your learners to investigate the role corporate responsibility plays in business today. The focus should be on the learners developing a sound understanding of the many conflicting ethical, legal and environmental issues facing businesses and of how large private sector businesses face up to these issues. Learners will also need to investigate the benefits and drawbacks of adopting socially responsible practices, which will then lead to learners conducting extensive research into the Corporate Social Responsibility (CSR) record of a private sector business culminating in an evaluation of the impact a poor CSR record can have on the business.

There are many examples in the press of instances where businesses have been shown to be less than ethical when conducting business. Your learners should be exposed to a wide range of examples of both good and bad practice when it comes to CSR. Excessive bonus and pay awards, misleading sales practices and disregard for the health and safety of staff and customers are a few of the examples that learners may wish to look at. Similarly, some businesses are starting to make a difference and are improving their image and at the same time saving money. Having examined the current practices, learners should be able to come to a conclusion about the impact CSR is having on business today.

You can use a range of delivery methods in this unit, for example:

- discussions – class and small group discussions on corporate social responsibility
- individual or group presentations – examples of corporate social responsibility in local businesses
- case studies – illustrating corporate social responsibility in well-known businesses
- appropriate video extracts.

Group work is an acceptable form of delivery but you must ensure that learners individually produce work for assessment that meets the assessment criteria.

You can involve local employers in the delivery of this unit by inviting them as:

- guest speakers
- members of the audience to give feedback on learner presentations
- mentors for learners
- providers of work experience for learners and business materials as basis for case studies and exemplars
- providing opportunities for visits for learners.



## Delivering the learning aims

You could begin learning aim A by having a group discussion on what learners think corporate responsibility means, how this is manifest in the business world, and whether they believe it adds value for consumers. Move on to give some tutor input on the principles and purpose of CSR before getting learners to do small group research to find different examples of CSR in practice from the point of view of a range of stakeholders. Learners can then investigate a range of environmental concerns that businesses must address if they are to be considered socially responsible. This work could be extended to include a review of consumer protection legislation and supply chain issues. Learners could debate these issues and present their findings and opinions to peers. The final section of this learning aim requires learners to understand ways in which a business can strengthen its image. One of these could be the way it promotes diversity in its workforce. Learners should look for examples of CSR in action.

Learning aim B is particularly well suited to a range of practical research tasks, which can then build into a bank of information that can be used to conclude whether a competitive advantage can be gained through recognition by external bodies. Small-group work could be used to investigate the benefits to a business of adopting a CSR policy. A number of different examples should be identified and used to justify learner comments. This work could be extended to include the potential drawbacks of following CSR policies. Recognition comes at a cost. Learners need to be able to demonstrate that this cost is worth the investment.

Learning aim C is, again, well suited to practical research tasks. Learners will need to be selective in their choice of examples to use and will need to develop analytical and evaluative skills when deciding how poor corporate governance could affect a major private sector business. A key element of this learning aim is the need to explain the CSR record of a major business from the point of view of both internal and external stakeholders. Learners could use the many published CSR or environmental/social audit reports of major organisations as a starting point for any analysis. These reports are produced by the business, which wants to be viewed in the best light. Learners should therefore try to use a range of sources to establish the picture from more than one viewpoint.

Learning aim	Key content areas	Recommended assessment approach
<b>A</b> Examine the CSR issues facing large private sector businesses	<b>A1</b> CSR issues and the impact on stakeholders <b>A2</b> Environmental issues <b>A3</b> Consumer protection issues <b>A4</b> Supply chain and community issues <b>A5</b> Methods of strengthening the CSR image of a business	A report outlining the key CSR issues facing large businesses and their stakeholders, that uses up-to-date examples from press reports and/or the businesses' own CSR reporting.
<b>B</b> Investigate the benefits and drawbacks for businesses of adopting a CSR policy	<b>B1</b> Benefits of acting responsibly <b>B2</b> Potential drawbacks from adopting a corporate socially responsible approach to business <b>B3</b> The costs and benefits of seeking recognition from external bodies	A presentation explaining the benefits and drawbacks of CSR, the cost and benefits of recognition from key external bodies and an analysis of the competitive advantage gained by a selected business as a result of its CSR activities. Also to include an evaluation of how it has responded to a recent environmental, or social issue.
<b>C</b> Review the CSR record of a private sector business	<b>C1</b> CSR/social audits <b>C2</b> Corporate governance and executive pay <b>C3</b> Financial responsibilities <b>C4</b> Employment and diversity policies <b>C5</b> Help for communities	A case study which critically reviews the CSR record of a major business and evaluates its corporate governance. The case study will assess whether the business is successful in meeting its corporate aims and presents an acceptable image through its CSR stance.



## Assessment guidance

This unit is internally assessed through three assignments, each covering one of the learning aims. The first assignment is a report outlining the key CSR issues facing large businesses, and their stakeholders, that uses up-to-date examples from press reports and/or the businesses' own CSR reporting. The second assignment is a presentation explaining the benefits and drawbacks of CSR, the costs and benefits of recognition from key external bodies and an analysis of the competitive advantage gained by a selected business as a result of its CSR activities. Also to include an evaluation of how the selected business has responded to a recent environmental, or social issue. The final assignment is a case study which critically reviews the CSR record of a major business and evaluates its corporate governance. The case study will assess whether the business is successful in meeting its corporate aims and presents an acceptable image through its CSR stance.

All learners must independently generate evidence that can be authenticated. The main sources of evidence are likely to be individual written reports together with individual research. For the display, evidence of preparation and planning, photographic evidence of the assembly, and completion of a suitable display. Observation records and witness statements could also be used as support.

BTEC assessors should complete observation records, while people such as work colleagues can complete witness statements. Observation records alone are not sufficient sources of learner evidence; the original learner-generated evidence must support them.

It is essential that you allow learners to individually select their own examples of businesses to investigate, and the research evidence to include in their work, if they are to demonstrate independent learning and meet the distinction criteria.

The depth and quality of the initial research for the first suggested assessment (learning aim A) will prove key when learners come to attempt the set task. Research based purely on the internet is unlikely to have sufficient depth of knowledge and detail to allow them to achieve at the highest level. For a distinction grade to be awarded, learners need to evaluate how well the chosen business has responded to a social or environmental issue and be able to assess whether the response has strengthened the image of the business, justifying their viewpoint.

For the second suggested assessment task (learning aim B), learners will need to understand the advantages and disadvantages of adopting a CSR policy. They will also be expected to have a working knowledge of some of the third party businesses that endorse CSR policies and be able to assess the costs and value of seeking such endorsement.

The final suggested assessment task allows learners to present a case study of the socially responsible practices of a well-known business and to make judgements about the impact a poor CSR record would have on this business.

## Getting started

**This gives you a starting place for one way of delivering the unit, based around the recommended assessment approach in the specification.**

### Unit 20: Investigating Corporate Social Responsibility

#### Introduction

Consumers today are more demanding than ever before. While some simply want good products at low prices, the ethical consumer demands that the businesses from which they buy goods and services supply those products in a socially acceptable way. The ultimate aim of this unit is for learners to evaluate the corporate governance of a major business and assess the role of social responsibility in helping businesses meet corporate goals.

#### Learning aim A – Examine the CSR issues facing large private sector businesses

Start with a group discussion on what corporate responsibility means, and how businesses enact CSR and add value for consumers.

- Learners will require initial tutor input so they have a basic understanding of the principles and purpose of CSR. They could work in small groups to research different examples of CSR in practice and look at some of the corporate excesses that a CSR policy should aim to reduce. Corporate responsibility means carrying out business processes for the good of all stakeholders and learners need to be able to give examples of different stakeholder needs and wants. For example, you could hold a class discussion on whether the needs of the owners for increased profits and dividends outweigh the rights of employees for a living wage, or whether businesses are right to ignore environmental concerns to ensure that maximum production levels are maintained.
- Learners need to ensure they understand a wide range of environmental concerns. This can be achieved by an individual or small group research task where learners consider a range of issues such as whether businesses need to establish sustainability of supply for the future or if they need to recycle products to avoid landfill. Learners should collect a range of examples, which they can use when they come to attempt the assignment for this learning aim.
- Businesses are constrained by legislation, which comes in many forms. Learners should research a number of consumer protection issues which businesses face. Are the major businesses trying to implement or delay the introduction of such laws? For example, is food labelling clear or is there room to improve this? What effect does your favourite beverage have on your health, and would you be prepared to pay more if additional tax was levied on these items and was used to promote healthy lifestyles? Learners could debate these issues and present their findings and opinions to peers.
- Learners also need to understand the role of the supply chain in the supply of goods and services, and the responsibility major retailers have to their suppliers. Do the retailers operate restrictive practices that prevent a supplier from making a living by selling to other customers? Are retailers paying fair prices for their supplies? Should major businesses be concerned over the welfare of workers who are not directly employed by them? Learners could research these issues and present their findings in a report to the CEO of a major business.
- The final section of this learning aim requires learners to understand the different ways in which a business can promote diversity in its workforce, or support the local community in which it operates. One way to address this part of the



specification would be to arrange for a guest speaker to discuss issues and potential solutions with the learners who would then present an evaluation of the way in which the business has responded to these issues.

### **Learning aim B – Investigate the benefits and drawbacks for businesses of adopting a CSR policy**

- In small groups or on their own, learners could investigate the potential benefits to a business of adopting a CSR policy. The examples should be wide ranging. This work should be extended to include the potential drawbacks of following a CSR policy such as increased operational costs or lack of operational focus on the core business goals. Learners could evaluate the role CSR plays in business success. They will need to justify their views with specific examples from their research.
- Many businesses seek the recognition from bodies such as Investors in People (IiP) or Business in the Community (BitC), as they believe this will give some competitive advantage. Recognition, however, comes at a cost and learners need to be able to demonstrate that this cost is actually worth the investment. Learners can achieve this criterion by researching a range of examples that they can use to demonstrate whether recognition is beneficial or not.
- Learners also need to demonstrate the role these external bodies play in assisting organisations to implement change. Research could be presented either as a case study of different businesses or as a portfolio of evidence.

### **Learning aim C – Review the CSR record of a private sector business**

- A key element of the learning aim is that learners need to be able to explain the CSR record of a major business from the point of view of both internal and external stakeholders. Most major organisations now publish annual CSR or environmental/social audit reports and these should be the starting point for any individual investigation. These reports are produced by the business, which wants to be viewed in the best light. Learners should therefore be cautious and try to use a range of sources to establish the true picture from more than one viewpoint.
- The audit of a major business should look at a range of social responsibility issues. Learners could look at whether corporate governance is operating as intended. Do decisions makers have the skill and experience required to carry out their duties? Is there a conflict of interest between the wants of the directors and the wants of the shareholders or other stakeholders? This audit could be extended to look at the financial responsibilities of the business. Primarily, has the business accurately reported its profits? Recent examples would suggest that some organisations are not fully following the legislation and rules governing financial reporting. Others use offshore subsidiary businesses to avoid paying higher tax on profits. Learners will need to understand these practices and be able to comment on the impact they would have on the business and its reputation.
- Two further areas need to be researched before embarking on the final assignment. Much is being made of the need for boardrooms (and government) to reflect society as a whole. Diversity in the workplace and in the boardroom is an issue under scrutiny. How many women or people from ethnically diverse backgrounds are in senior roles? Similarly, does the business help its local community in addition to providing employment to the local neighbourhood? Is training and access to promotion equally available to all?
- Having completed the teaching and learning activities for this learning aim, learners could undertake a practice assessment where they present their findings on one major business and receive tutor and peer feedback. This feedback could then be used to help learners achieve the highest grades when attempting the actual assignment, which should cover a different organisation.



## Details of links to other BTEC units and qualifications, and to other relevant units/qualifications

Pearson BTEC Level 3 Nationals in Business (NQF):

- Unit 1: Exploring Business.
- Unit 29: Relationship Marketing.

The previous QCF Level 3 BTEC National in Business also has units that link to this and resources produced or purchased for those units may be suitable for use in this unit.

## Resources

In addition to the resources listed below, publishers are likely to produce Pearson endorsed textbooks that support this unit of the BTEC Nationals in Business. Check the Pearson website (<http://qualifications.pearson.com/endorsed-resources>) for more information as titles achieve endorsement.

## Textbooks

- Brent D – *Corporate Social Responsibility: Definition, Core Issues, and Recent Developments* (Sage Publications, 2013) ISBN 9781452291567.  
This book introduces and defines CSR and arguments for and against CSR are outlined.
- Blowfield M and Murray A – *Corporate Responsibility*, 2nd edition (Oxford University Press, 2011) ISBN 9780199581078.  
This book gives a comprehensive and in-depth overview of CSR with real examples.

## Websites

Many large and multinational organisations publish CSR and sustainability reports on their websites. These are a useful, if somewhat biased, appraisal of the organisations CSR credentials.

- [https://responsibleflying.ba.com/wp-content/uploads/BA\\_CRR\\_Full\\_Report.pdf](https://responsibleflying.ba.com/wp-content/uploads/BA_CRR_Full_Report.pdf)  
BAA Corporate Responsibility Report 2012.
- [www.bitc.org.uk](http://www.bitc.org.uk)  
'Business in the community' – a scheme promoting community involvement.
- [www.fairtrade.org.uk](http://www.fairtrade.org.uk)  
This is a global foundation dedicated to international fair trade.
- [www.mallenbaker.net/csr](http://www.mallenbaker.net/csr)  
This is a website containing useful corporate social responsibility news articles.
- [www.sd-commission.org.uk/](http://www.sd-commission.org.uk/)  
This is a website for the Sustainable Development Commission, an independent, taxpayer funded organisation that advises on sustainability, particularly for the UK government. It contains some useful resources and information on recent projects.