

# Companies and Social Responsibility Programs

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**Abstract-** While many corporations have already voluntary sustainability programs, governments should make laws and set guidelines to put sustainability programs at the top of their priorities. The sustainability programs and policies issued in countries such as Saudi Arabia, Mexico and Canada exemplify some of the advantages and of sustainability programs in general. It also explains why some companies refuse to participate in CSR programs.

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## Examples of Social Responsibility Programs

The ministry of Labor in Saudi Arabia has recently implemented "SANID" program which is a support fund for unemployed people or those who lost their job and it offers a monthly salary in addition to training courses to develop their skills. The ministry of Labor deducts 2% of each employee's salary, in which the company pays 1% and the employee pays 1% each month. Although some employees opposed to the program, but many others accept it because it helps them to participate in social programs and some of them may face the same problem and benefit from this fund.

Sustainability programs provide many benefits for companies. They help to increase revenue and capture more loyal customers because customers are more willing to buy from companies that participate in helpful programs for society. On the other hand, the cost is the obvious reason that could stop some companies from participating in the sustainability programs.

Fortunately, this was not the case in Mexico. In 2004, the Mexican Ministry of Economics created the "Support Fund for Enterprises" with a budget of more than three million pesos. The budget was allocated to develop the economy based on competitiveness, productivity, and sustainability. In cooperation with COMPITE, a Mexican nonprofit organization, they covered up to 70% of the consulting cost for companies. As a result, they built a confidence and trust between the Mexican government and the companies to develop the countries in different aspects. (Public Policy, 2009)

A positive progress has been made in Canada by two government agencies; Industry Canada and Foreign Affairs and International Trade Canada. They promoted corporate social responsibility principles and practices for Canadian companies and built a website to help companies to understand different activities related to sustainability programs. This helped the companies to be more innovative, productive domestically and competitive

internationally and it also had a positive impact on the economy (Public Policy, 2009).

In 2012, Microsoft ranked first in the Corporate Social Responsibility list issued by a consulting firm called Reputation Institute. In addition, Microsoft announced, in an annual "Giving Campaign", that the donation of employees has reached US\$ 1 billion over the past 30 years. Moreover, it launched "Microsoft YouthSpark" in cooperation with the government, nonprofit organizations and companies to educate, train and employ young people across the world (International).

## Goals of Customers and Companies

It is not an easy task to just take one side of being with or against making social responsibility as a key criterion in business planning and management. This is due to the fact that we as one part of the society and corporations as another part have different interests and diverse goals to reach. As Byron mentioned about applying the ethical principles in business, "Nothing in these pages can be taken as a guarantee that it is going to be easy" (Byron 213). However, evidence has shown that corporations with a sense of social responsibility, like Microsoft, are more sustainable than others without social activities. Customers and companies think about CSR from different areas, but the government can help to ease the efforts toward social responsibility initiatives.

### The Customers' Perspective

Customers pay attention to the practices of companies and their effects on society before deciding to purchase because they become more knowledgeable about the company's sense of responsibility. As a result, CSR will cause an increase in sales which makes companies more profitable in a competitive market.

### The Companies' Perspective

Some companies consider social activities a cost for them rather than an investment in the long run. Companies need to apply "Take & Give Policy". This means money from

customers generating a profit is given back to the people through social responsibility programs, which helps to develop their society and surrounding communities.

## Conclusion

In summary, social responsibility practices are essential for corporations and people simultaneously because such practices affect the society where they live. Additionally, companies have to think about it as a "Win-Win Strategy" instead of considering it as a cost and everyone will benefit.

## References

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Byron, William J. (2006), *The Power of Principles: Ethics for the New Corporate Culture*, Maryknoll, NY: Orbis Books, p. 213.

International Website. [www.international.gc.ca](http://www.international.gc.ca).

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