Promoting ethical Corporate Social Responsibility in the Events Industry

Angelo Nicolaides
Graduate School of Business Leadership
University of South Africa
nicola@unisa.ac.za

Abstract
The purpose of the paper is to address the concept of ethically driven Corporate Social Responsibility (CSR) and seeks to add to the literature on stakeholder theory and corporate sustainability in an era of globalization. Events companies are obliged to develop strong cultures of ethically driven CSR because it is the ‘right’ thing to do and not simply to enhance their strategic objectives. Ethical CSR should be based on a genuine virtuosity and a desire to engage with the moral values of society. As events are on the increase globally, and thousands of specialist events are happening, ethically driven CSR will enable events management companies to achieve new levels of reach and brand awareness and thus greater scope for sustainability while aligning them with community expectations. The paper presents a model for the development of CSR strategies in companies and recommends possible events industry CSR initiatives that will hopefully be of interest to practitioners in the events industry.

Keywords: Events, corporate social responsibility, ethics, morality

Introduction
Companies are social entities and are orientated towards specific strategic goals while they are linked to the external environment (Daft, 2001). The implication is that events industry companies thus need to interact with the environment in which they operate. They are being challenged more and more to take cognisance of the fact that they have responsibilities far beyond the production of goods and services for society for the benefit of shareholders (Sharma et al., 2011). What is increasingly driving these responsibilities is globalization and regulation, as well as customer awareness. There is thus an urgent necessity for a shift of paradigm in many companies (Korhonen, 2002). The way an event industry company aligns and integrates CSR into its business strategy is a major challenge. Whether a business is an event management company, an event catering company, professional event organizer, exhibition organizer or production company, each has a great role to play in the society in which it operates. How companies relate to all stakeholders such as shareholders, customers, employees, the environment and the community at large are increasingly under the microscope. It is a given that companies need to make profit in order to survive but it is necessary for them to carefully consider if they are in fact working against the needs of the society in which they are operating (Carroll & Shabana, 2010). Business ethics, which includes strong CSR initiatives, is becoming a far more sophisticated issue in our society today. The expectations of the public of companies’ social contributions are rising, while the perceived performance of companies on social goals is progressively declining. Companies are called upon to assist in poverty alleviation and in meeting and addressing a wide range of community needs (Miller, 2006). Approaching CSR without depth and vision can destroy a company’s efforts to establish its brand and to enhance its reputation. Consequently, more than
half of the world’s 250 largest companies now issue separate CSR reports as standard operating practice (AME, 2006).

If we follow Friedman’s proposition (1970), that a company has maximization of profits for the benefit of its shareholders, as its only area of social responsibility, and that all social problems should be solved by the state, (Margolis & Walsh, 2003) then, society is in trouble. Companies should be undertaking social initiatives while maximizing their profits. They need to see beyond profits and follow practices that include all the stakeholders, who are basically all those who have an interest of some or other sort in a company (Kaler, 2003). Corporate misconduct and degradation of the environment cannot go on if society is to improve. It is essential for companies to address wider social issues that affect society and to adopt CSR practices. In 2011, the South African government sanctioned an action plan for 2011-2014, namely, the National Strategy for Sustainable Development (NSSD) to speak to concerns over sustainability in South Africa in partnership with universities, the business sector and other strategic key role-players (Department of Environmental Affairs, 2016).

The events market is diverse and ever-changing and can have a huge impact on an area. An example of such an event is the Grahamstown National Arts Festival, held annually in South Africa, which is the largest event of its kind in Africa. This quaint Eastern Cape city is transformed into the country’s creative melting-pot for 11 days each July. From theatre to dance, opera to cabaret, fine art to craft art, classical music to jazz, poetry readings to lectures, every art form imaginable is represented in one of the most diverse festivals in the world. And there’s something for every taste, with techno raves, Mediaeval banquets, craft fairs, cyber cafes, carnivals and buskers. (www.places.co.za/html/grahamsfest.html)

The National Arts Festival, which is organised by the Grahamstown Foundation, began in 1974 with about 60 items. Currently there are about 600 events on the Main and Fringe programmes and close to 1800 performances on offer. Initially, supporters came in their hundreds; now it is estimated that they total around 100 000. They attend for either, personal, social or organizational reasons. It is thus a major opportunity for event organizers to show CSR sensitivity and do play a role building a better future for society. They can show innovation, environmental awareness and social responsibility towards especially sustainable development, in how they organize the event. Grahamstown is an ideal venue for promoting social upliftment. On the hillsides around the town, there are poor dwellings and shacks as far as the eye can see, and these serve as a constant reminder of how harsh racial policies divided societies in Apartheid South Africa. Buildings from the colonial era on the one hand, contrast with squatter shacks. The festival tends to attract the attention of the media, both local and foreign, as well as government and can thus be used to boost CSR initiatives and influence public opinion concerning the plight of the poor on a national scale. In South Africa, the government is dedicated to the sustainable development of business event tourism as an important national priority. It also considers business events to be a foremost driver in the tourism sector since the latter contributes 9.5% to South Africa’s Gross Domestic Product (GDP), which effectively translates to more than 1.4-million jobs (Hanekom, 2015).

Corporate social responsibility (CSR) is accepted as a major component of a company’s growth and leads to its sustainability. CSR entails economic, ethical and legal responsibilities as well as philanthropic activities (Carroll, 1989). The ethical responsibilities are not per se, legally required, but promote philanthropy on the part of companies which are keen to uplift society in terms of quality of life and who seek the welfare of the community at large (Carroll & Shabana, 2010). The problem is that moral ‘truths’ are not easily rationally identified. Companies thus do not easily see
the effects of their actions on society. If they do see the effects, they are not always certain as to what the relational response should be.

CSR programs aid in expanding positive public opinion for events companies but whatever CSR is undertaken should be primarily geared towards an ethical need to do the right-thing. Events companies that adopt CSR practices invariably have healthier cultures, augmented employee morale and retention. The literature also shows that when a company is engaged in CSR, this directly affects their bottom line (Carroll & Shabana, 2010). Consequently, it is sound practice to add percentage of an event budget to CSR, since this aids sustainability. Events industry companies should share the opportunity to offer CSR with their partners in any venture and promote the sponsoring of CSR programmes.

Moral truths are in essence relationally established but without telos. Contemporary society copes best by creating an artificial end of utility and by postulating human rights notions which are artificial. Despite this, society and business share tacit knowledge that is a part of humanity and this leads to the creation of a moral fabric. Our moral judgement enables us to make conditioned responses to aspects of cause and effect. We create ethical culture based on moral truths which are relational responses that every person is accountable for (Sharma et al., 2011). However, since the 1990s, globalization is challenging our paradigms. Companies are forced to perceive the community at large as part of an interdependent network within which they operate (Bartlett & Ghoshal, 1989). It is vital for business to engage communities as stakeholders and to promote CSR (Ballard & Banks, 2003).

CSR is an issue which is not new but which was debated by the Classical Greek philosophers such as Aristotle and Plato. For a business, outcomes should include humanitarian aid to society, provision of education to assist governments, sponsorship and employee volunteer schemes (Brammer & Millington, 2003), not simply lip-service to such ideas. Globalization is encouraging the promotion of the idea of partnership among organizations and this should be extended to include more communities and governments (Rugman & D'Cruz, 2000). The Global Association of the Exhibition Industry (UFI) provides an international podium as a business event association to honour exceptional sustainable development and CSR performance in the industry (Global Association of the Exhibition Industry, 2016), thus stressing its importance.

In society today, moral values are twisted to suit the needs of many companies that intent on enhancing only the ‘bottom-line’ (Carroll & Shabana, 2010). Many totally avoid their responsibilities concerning the legal requirements of the society within which they operate. More alarmingly, many show no or very little concern at best, for the social and environmental impacts of their business operations on local communities. Clearly, companies have adopted a plethora of positions regarding CSR and these appear in a spectrum ranging from high degrees of involvement in communities to low degrees of involvement (Barney & Griffin, 1992). Some companies do nothing to help solve societal problems and promoting CSR, and are not too concerned about avoiding legal requirements. Others, while observing all the legal requirements for their operations, are reluctant to become involved in society and do nothing concerning CSR (Lindgreen et al., 2009). They generally view the government as the custodian of the people and the environment. Then there are those who exhibit very high degrees of CSR. These companies see themselves as part and parcel of society and are only too keen to make meaningful contributions to uplift the society in which they operate (Lacey & Kennett-Hensel, 2010). As events are opportunities for either a leisure, social or cultural experience, outside the normal choices of everyday experience, and have played a great role in society since the beginning of recorded history, they are ideal for promoting CSR (Shone & Parry, 2004). Some companies make vast contributions to non-profit organizations,
provide humanitarian aid and assist the governments in its endeavours on many fronts (Brammer & Millington, 2003).

**Events Industry Companies as dynamic CSR drivers**

Since the events industry involves much planning, it is important to obtain the best possible outcomes from each event and this means having a good event-CSR campaign. Events industry companies should view CSR as a business opportunity as they can increase their revenue behind services. Although events may vary considerably and are highly diverse in nature, they share a common denominator: thousands of attendees, thus providing the event organizers who promote and manage them with great scope for CSR initiatives. There is generally a broad consensus that companies have a great role to play in helping society fulfill basic human rights and in finding sustainable solutions to societal problems such as poverty, disease and lack of education. Companies that have CSR initiatives in place have great opportunities to differentiate themselves in a highly competitive global marketplace. For example, they could adopt cause-related marketing (CRM) which is an integration of public relations advertising which shows linkages between a company and especially non-profit organizations (NPOs). These initiatives are tax-deductible and tend to foster long-term ties between the company and the society in which it operates. Companies provide income and employment and help broaden the tax base for the development of governmental services, but need to do more to help promote human development. Whilst it is important to provide shareholders with value through high performance and good growth in profits, it is equally important to develop and nurture partnerships with the community at large and to maintain good relationships (Lacey & Kennett-Hensel, 2010). Partnerships between large companies and governments and society in many countries are considered to be to the benefit of all parties (Rugman & D'Cruz, 2000).

Ethical CSR is about the ways an events company can add value to their business by their involvement in social and environmental aspects of their operations. While making more money is a good thing, companies must invest in CSR as an ethical obligation to society. According to Schwartz and Gibb (1999), in the last century, and more particularly the 1980s, companies tended to place an enhanced emphasis on stability and efficiency and shareholder value was considered to be the only one that mattered. However, things have changed somewhat nowadays as CSR is assuming a much greater importance. Society now has greater expectations of what it is that companies should be doing and there are many stakeholders who experience the impacts of company operations. In essence companies have a moral responsibility towards society at large and what they do has to be both within the bounds of legality and legitimacy. South African business events tourism companies for example, have by and large incorporated CSR, but also identify the worth of such practices to remain competitive in a highly competitive global industry.

Companies promote a favourable climate for CSR to flourish by putting in place ethical actions such as entrusting what they are passionate about protecting in society to every stakeholder, including employees, suppliers, the community at large, service providers, customers, trade unions, government, shareholders, directors, trade associations, non-governmental bodies (Freeman, 1984). This implies that enhanced communication is in place to make all the stakeholders aware of a company’s CSR activities. It is a relatively new notion to include local communities as ‘stakeholders’. In the 1990s, once non-financial reporting became the vogue, effective communication with stakeholders was considered to be important to a company’s image. However, it was only at the turn of the century that local communities were viewed as important stakeholders (Elkington & Wheeler, 2003).
Companies are increasingly held accountable by society for negative impacts they are having. Those that do not face this reality are placing their operations at risk as positive stakeholder perceptions are very important for long-term growth in which a company’s performance is maximised. After all, long-term shareholder value is the aim of a business striving for success. Sustainability will, for one, increase revenues and reduce risk. By taking into consideration diversity in society and accessibility, sustainability is promoted. The reputation of a company will be enhanced as it improves the environment to the benefit of the local economy (Walters & Chadwick, 2009). Companies that invest in the community play an increasingly important role in helping governments meet both their short and long-term development goals in areas such as education and health care. Countries in Africa where there is extreme poverty and where the environment is degraded and child mortality rates are soaring, require company interventions in which businesses assist governments to face head-on, the plethora of problems plaguing society.

Responsible business practices in which companies are accountable are non-negotiable. Employees must have a meaningful Code of Conduct to adhere to, which they should have input in developing and should be governed effectively by responsible directors who are bound to true financial reporting. Integrity in business management and transparency are imperative if CSR is to be at all successful. Transparency is vital to many aspects of CSR. Only through effective reporting can real transparency be possible and marginalised people not be exploited by ruthless companies. More and more companies are involved in ‘sustainability’ reporting as an aspect of CSR. In 2004, 45% of the Global Fortune top 250 companies published non-financial reports (CAER 2004). Companies invariably possess inherent skills that can address many societal problems and are indeed the cause of many of these problems. By investing in local communities and helping societies to help themselves, companies are also creating stronger economic climates in which their products and services can be purchased, to the benefit of all stakeholders. Clearly companies must take the lead, in partnership with governments, to address social issues and create environments in which people can develop their full potentials and lead meaningful lives that are productive. Educational and economic opportunities for local communities can be developed through the promotion of civic responsibility and the improvement of fundamental human rights.

Many companies help develop economic opportunities for the ‘have-nots’ by equity investment in SMMe’s (small to medium sized enterprises) and by the creation of employment opportunities. CSR initiatives can target education and health services, help improve the quality of public sector governance and promote a climate for business that is less prone to corruption. There can be drives to encourage diversity awareness and to eradicate gender biases. Initiatives such as these will ultimately encourage new market development and give companies greater powers of advocacy.

**How can companies be more accountable and develop sustainable business?**

A company has to first and foremost, understand how it fits into society and how its employees are relational beings (Lindgreen et al., 2009). Accountability should not be perceived as something in the macro-environment that affects a company, but rather as an inherent part of the micro-environment which is the business and in which certain ethical and moral practices have to be nurtured (Painter-Morland, 2005). A moral and philosophical basis should govern a company’s CSR policy and it should be guided by equity, human rights and justice (Margolis & Walsh, 2003). Accountable companies know about right and wrong behaviour and understand their role in a partnership with government in growing sustainable communities (Walters & Chadwick, 2009). They see that partnerships with society can achieve mutually beneficial synergies and ultimately contribute to innovation and business development. In a nutshell, a discourse including
stakeholders enhances the reputation of a company and goes a long way to increase the ‘bottom-line’ and also serves to give a strategic competitive advantage to the company involved (Alsop, 2004). Including stakeholders thus contributes to sustainability.

**Why companies should create CSR long-term strategic plans**

Globalisation has greatly increased pressure on companies to implement CSR initiatives. All the stakeholders, especially institutional investors, are increasingly aware of what companies do and thus apply pressure on companies to do ‘the right thing’ (Mustafa et al., 2012).

Companies are increasingly called upon to align their business strategies with CSR and community involvement (Hess et al., 2002). In any event, an ever-increasing number of companies are publicly demonstrating taking great pride in promoting CSR. This has become so pronounced that a global standard to monitor best practices and ethical manufacturing of products has been developed-Social Accountability 8000 (SA 8000). In terms of this standard, companies are monitored on aspects of business conduct including health and safety, compensation, disciplining of employees, the promotion of human rights and the eradication of cheap and inhumane child labour. Companies that meet a required standard in terms of meeting the standard are awarded a certificate which attests to their CSR practices (Fabian, 1998). Any CSR initiatives employed by companies help improve the investment climate and this is especially true in developing countries. They promote healthy societies in which education increases and in which companies face less risk to productivity due to political upheaval that is the direct result of extreme inequality. By partnering with governments and other stakeholders in society, companies are able to focus on their core strengths and provide specific knowledge and experience to bear on a venture.

**Creating a CSR sensitive company**

Companies should embrace principles such as human rights promotion, effective leadership, action to address societal problems and the creation of an *esprit d’corps* between all stakeholders. They need to muster stakeholder support for their CSR initiatives to be effective and should also implement new workplace practices in line with human rights and the protection of the environment in which they operate. In this regard, the United Nations Global Compact must be adhered to.

In terms of the Global Compact, companies are asked to put in place core values that are in line with anti-corruption, fair labour practice, observation of human rights and environmental sustainability initiatives. Child labour, forced labour, environmental degradation, discrimination in employment practices, the right to collective bargaining as well as bribery and corruption are all considered in the Compact and businesses are required to support initiatives to foster a better world for all (UN Global Compact, 2005). It is argued that only by engendering morally and ethically correct core values can businesses hope to survive and prosper. Millenium Development Goals (MDGs) are to be striven for which centre around people and which should be supported by governments’ as well as civil society. Some of the MDGs include the eradication of extreme poverty and hunger in especially depressed areas such as Africa, the provision of education up to at least primary school levels, the reduction in child mortality rates, the combating of diseases such as HIV/AIDS and malaria, provision of fresh drinking water for the billions of people without it and an improvement in gender equality and the empowerment of women in the global community. Without the input of companies, goals such as these cannot hope to be met. It is companies that possess the inherent skills that are needed to meet objectives and targets of the Global Compact.

**A model for the development of CSR strategies in companies**
In Order for effective CSR initiatives to be undertaken it is imperative to develop a strategic plan based on the following questions as pointers:

1. What CSR opportunities exist in terms of savings due to eco-friendly products and services?
2. Can CSR initiatives be adapted or integrated into the existing operational practice?
3. Does the company wish to earn customer loyalty through products and services and also through helping society to solve problems?
4. Does the company want to make greater profits?
5. Is the company serious about retaining performance driven employees?
6. Is the environment and culture enabling in that ethics is freely discussed and unethical conduct put under the spotlight?
7. Is employee performance monitored and evaluated?
8. Are employees listened to?
9. Does the company want to be seen to develop partnerships with society and to deliver superior service on an ongoing basis?
10. Is the company bent on keeping good relationships with all stakeholders where it is operating and does it have a good reputation with both internal and external stakeholders?
11. What are the strengths and weaknesses of a company?
12. What would it cost to/not to implement CSR?
13. What are the threats to CSR in terms of regulation and non-involvement with communities?
14. Does management ‘walk the talk’ and communicate morally and ethically appropriate values that guide decision-making or are there major inherent weaknesses?
15. What are the values of the business founders?
16. Is the company seen as a ‘good neighbour’?
17. Does management share its vision through effective communication on how it wishes to operate?
18. Is management committed to and involved in CSR policies?
19. Are employees responsible enough to handle CSR initiatives?
20. Are there mechanisms in place to ascertain employee buy-in?
21. What are the main business drivers in terms of a company’s reputation and risk management?
22. Is the company committed to both domestic and international standards in its operations (i.e. UNO Human Rights as well as governmental legislation)?
23. Does the company apply and consider UNESCO and ILO initiatives?
24. Is a company’s style of governance enabling for CSR initiatives to be put in place or are there weaknesses in this regard?
25. Are there meaningful stakeholder relations in place already?
26. What are the estimated costs of CSR initiatives?
27. Do employees feel proud working for the company?

Once these questions have been addressed, initiatives can be prioritised and the company’s values can be publicised in a Code of Ethics which can govern CSR initiatives (Mustafa et al., 2012).

Possible Obstacles to CSR endeavour

1. Lack of commitment or interest on the part of the hierarchy in a company resulting in inertia.
2. Lack of expertise, knowledge and skills on how to go about promoting CSR.
3. The view that only government is responsible to society.
4. Lack of coordination between business and government initiatives.
5. A young business struggling to survive and still trying to 'find its feet.
6. The belief that profits will fall if CSR is undertaken.
7. Lack of awareness of environmental and social impacts.
8. The low status of CSR as a business imperative in a company.
9. Form partnerships with both public and private sector organizations to address the many environmental and social challenges in the communities in which events are undertaken.

Possible Events Industry CSR Initiatives

1. Develop innovative events with a CSR emphasis as core business practice.
2. Encourage support of a community project such as the Nelson Mandela Childrens’ Fund.
3. Introduce ‘new’ concepts of caring for others in an increasingly materialistic world.
4. Support community objectives with respect to the upliftment of the poor.
5. Aid fund-raising for charity.
6. Involve the community-at-large in public development projects of the state.
7. Create new events in remote and poverty-stricken areas, thus giving back to society.
8. Promote the exchange of ideas between culturally diverse groupings in society.

Conclusion

CSR implies voluntary business strategies that go beyond the legal requirements of the environment in which a company operates. Companies are increasingly called upon by society to make commitments to it based on consultation between employers and employees that are adapted to suit particular societal needs. Companies that promote CSR initiatives are complementing laws and social dialogue and the work of governments. Industry and government must, via constructive and responsible dialogue, jointly develop and establish strategies aimed at improving the sustainability of society. The core purpose of business could well be a social goal, but does not necessarily have to be in order to make a meaningful contribution to societal development. An events company’s needs to examine its CSR initiatives and integrate these into all meetings as fixed agenda points to discuss and act on. By integrating CSR activities into events is a very useful way great way to enhance the experience of an event and reinforce a company’s strong ethical values. This will require that all departments have buy-in and present their ideas for integrating CSR into all events. This consideration of all employees is critical since they are important stakeholders and need to know that their company is ethically focussed when it comes to promoting community benefits. Clearly then, all CSR promotions should be aligned with corporate values and the mission and vision espoused.

Adopting a CSR perspective that fits in with the strategic objectives of a company for profitability and growth in the long-term is commendable (Freeman, 1984) as it enhances community trust in a company. Companies that offer only lip-service to CSR are soon discerned to be doing so. It is thus imperative that when undertaking CSR initiatives, a company must be totally committed to its supportive role of society, rather than simply putting up a façade of concern. Companies must honour their moral duty to society and to all the stakeholders in their business operation and will increasingly be called upon to do so as public opinion swings more and more towards fairness and justice. By being moral and ethical companies will become more effective and successful. There is clearly a bottom-line pay-off for CSR sensitive events industry companies’. By guarding and maintaining corporate reputation through ethical CSR practices, a company can enjoy enhanced financial and non-financial performance due to greater trust, more commitment, and positive
identification by stakeholders. In addition there is a competitive advantage to doing so. The community ups its impression of the company when they see sincere philanthropic behaviour in action.

In the next decade, the competitiveness of companies will increasingly hinge on their social awareness and how they adopt CSR initiatives. They thus now have a golden opportunity to promote their own sustainability by respecting human rights and by protecting the environment. This is the challenge facing today's business leaders. Businesses promoting special events development, which have a developmental impact, can showcase CSR as an image-enhancing mechanism which may improve the environment or have some other image transformation impact such as developing public involvement in charitable endeavours, or fund-raising for special projects.

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