

# The Impact of CSR on Transnational & Multinational Corporations in Bangladesh: A Comparative Analysis on the Basis of Carrols's Pyramid Regarding Global Perspective

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— *Review of* —  
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## ABSTRACT

The purpose of this study is to examine and compare how CSR is perceived by Transnational & Multinational corporations through globally as well as in Bangladesh. The study additionally describes and provide an explanation for the challenges that each corporation could face and the responsibilities that they are anticipated to fulfill through conceptualizing CSR idea of MNC & TNC. In order to examine the impact of CSR on TNC & MNC in Bangladesh, 34 managers are selected from 2 corporations. A set of open- minded questionnaire was developed on the basis of interviews with managers who deal with CSR problems and procedure and an evaluation of published reports equivalent to annual reviews of consecutive years. Findings reveal that both corporations define the notion of CSR similar, namely what organizations do, how they do it and the impact of their behavior on society at large. All of them infer that CSR reflects appearing as an excellent corporate citizen, being moral, obeying the law and being moneymaking.

Keywords: CSR, Carroll pyramid, transnational corporations, multinational corporations

## 1. INTRODUCTION

Globalization and the technological revolution, such as the web, have created new economic growth opportunities for organizations. Rather, of simply doing a trade of possessing their home market, establishments at the moment are coming into world markets in hopes of increasing revenue and earnings. With globalization, the number of multinational corporations (MNC) and transnational corporations (TNC) has expanded. In 2003 the number of MNC's boosted from 7000 to 63000 holding firms operating with around 69000 subsidiaries (Behind the Mask: The real face of CSR, 2004) in 1997. The number of TNC involves roughly 63,000 businesses, with more than 800,000 subsidiaries (Kytel & Ruggie, 2005). MNC's and TNC's are today commonly governed through the countrywide legislation of Bangladesh in which they operate, however countrywide laws in setting up countries are susceptible and lots of lack an appropriate legal framework to thoroughly shield social and environmental rights.

In such places, the fundamental legal guidelines won't exist because of a lack of political will or technical 'know-how' to implement them (Behind the Mask: The real face of CSR, 2004). Firms running internationally where principles are uncertain and control is difficult can do whatever they need to do and get away with it, or they are able to effortlessly decide on not to do what they ought to do on the grounds that they have got no clear authorized duties. This has ended in unethical conduct and lots of corporate scandals.

## 2. LITERATURE REVIEW

A lot of research work has done on CSR & different researchers have framed different definitions on corporate social responsibility. However, most of them argue that CSR is about how companies manage the business processes to produce an overall positive impact on society. Here, a brief discussion of relevant prior research is provided below:

According to Worthington, Ram, and Jones (2003, p.113), CSR refers to "the continuing commitment by business to behave ethically and to contribute to economic development while improving the quality of the life of the workforce and the families as well as the local community and society at large". It is "a commitment to improving community well-being through discretionary business practice and contribution of corporate resources" (Kotler & Lee, 2005, p.11). Communities' well-being refers to human conditions and environmental issues. The basic idea of CSR is that business and society are interwoven rather than distinct entities (Wood 1999 cited in Moir, 2001). In the green paper (2001) of the Commission of the European Communities defines CSR as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis."

According to Enderle & Tavis (1998), CSR is "The policy and practice of a corporation's social involvement over and beyond its legal". Edu (2009, p3) defines "The use of environmental information to disclose the impact of corporate activities on the natural environment to stakeholders of the corporate entity or organization. In the book 'Corporate Social Responsibility' by Crowther D and Aras G, 2008, Milton Friedman (1970) stated that "There is one and only one social responsibility of business- to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud"

According to Friedman (1970 cited in Galbreath 2009, p.111), it is the firm responsibility to meet the economic needs and that only leads to the welfare of the society and it is the role of the government, service organizations, educational institution to meet the societal welfare. Galbreath, (2009) cited that after the publication of the thesis of Friedman, (1970) there was much research on the social responsibilities of the firm. Galbreath, (2009) states that 'in the late 1970s, Carroll (1979) offered one of the first - and perhaps still the most widely accepted conceptualizations of CSR (Matten and Crane, 2005).'

Carroll (1979) suggests three-dimensional models of CSR by developing and expanding the corporate social performance (CSP) model of Sethi (1975). This model consists of four groups of corporate social responsibility. In his model of CSR, Carroll focuses on those groups of responsibilities and states that organizations face becoming good corporate citizens. These responsibilities include; 1) economic, 2) legal, 3) ethical, and 4) philanthropic. Companies should fulfill these responsibilities to maintain a balanced sustainability image. Further, the companies involved in responsible business should include the basic definition of CSR in their policies. This act depicts that companies understand the issues regarding social responsibility and are responsive to these issues in a productive way (Jamali &

Mirshak 2007). Carroll refers different ideas about CSR that are relating the CSR's types and suggests that effective strategy of CSR is all about the integration and adoption of CSR strategies in practice. The first subcategory of Carroll's CSR model is economic. It represents that responsibility has an economic nature which can provide the return on investment to the owners and shareholders. It creates the job opportunities, remunerations, the creation of new resources, technological advancement, innovation in products, and services. From this perspective, business is a basic economic unit in the society, performing its activities according to the above-mentioned categories of economic responsibility (Carroll 1979).

The second subcategory of Carroll's model is legal responsibility. It is the most important factor in CSR. It involves the anticipation of the legal agreements and performing the activities according to rules and regulations in the society. This responsibility of CSR allows firms to operate and perform economic functions within legal requirements (Carroll 1979). Many authors identify that rules and regulations cannot apply equally to all firms operations. Legal requirements are reactive in nature that creates the opportunity for the firms to be proactive. In conclusion, firms only focus on fulfilling the legal requirements than the ethics and morality in practice (Solomon 1994; Pratima 2002 cited in Jamali & Marshak 2007).

The third subcategory of Carroll's CSR model is ethical responsibility. It conquers the limitation of rules and regulations with the help of ethical culture and identifies the right and fair in the society. Ethical activities are not enacted by the legislative body, creating the opportunity to perform functions with societal members by respecting people, avoiding social destruction, and avoid social injury (Carroll 1979). These kinds of responsibilities are found in spiritual certainty, human principles, and rights commitments (Lantos 2001). However, this kind of responsibility has some limitations. It cannot cover the essence of CSR and creates the consequent difficulties for business in practice (Carroll 1979).

The final sub-category of responsibility is philanthropic. It refers the optional judgment and choice regarding decisions on specific activities. It aims at giving back to society. This kind of responsibility creates a concept of putting the business and society together organic, like philanthropic contributions, carrying out in-house treatment programs for HIV-positive employees and educational chances for employees and scholarships (Carroll 1979). However, Jamali and Mirshak (2007) argue that it creates the organizational image as profit making firm, conflicting with the basic conceptualization of philanthropic responsibility.

### **3. HYPOTHESIS DEVELOPMENT**

This study adopts the perspective that investments in CSR are positively associated with company monetary performance. For this reason, CSR facilitates construct name popularity, client loyalty (Rosen, Sandler, and Shani, 1991), and marketplace role (Fombrun and Shanley, 1990). The perspective of this study is in step with recent analysis documenting a positive relationship between CSR and Corporate financial performance. For that reason, hypotheses mergers are:

H<sub>1</sub>: Effective CSR policies are taking part in a major role in overall Business & monetary performance.

H<sub>2</sub>: Corporate ethical's CSR dimensions are positive significant to company financial performance.

### **4. RESEARCH METHODOLOGY**

The research populations of the study consist of all top managers of 2 companies: International Textile Procurement Services (BD) Limited & Unilever Bangladesh Ltd. The sample size was made up of 34 top managers of these 2 companies who are working under CSR department from which 20 managers from Unilever Bangladesh Ltd & 14 managers from International Textile Procurement Services (BD) Limited. A non-probability judgment sampling methods were used for this study. Sample units were selected based on the potential for information about CSR practices.

Therefore, the study used Interviews to collect deeper and more detailed information. The positive sides with doing an interview are that it provides information that is deep as well as it brings a high answer frequency and flexibility in question priorities (Denscombe, 2000). The negative sides of interviews are though often related to the fact that they are time-consuming and difficult to interpret and analyze. An open-minded questionnaire was designed for an interview to give respondents the freedom to develop their own ideas & expresses them in their own words. The interviewees had no prior knowledge of the questions so they could not prepare or correct answers. In addition, they did not follow a specific order and had, therefore, a semi-structured order (Denscombe, 2000). This semi-structured order provides a possibility to repeat unclear questions and answers that are allowed to access lacking or unclear information.

The study has used Carroll's CSR theory to analyze data. Therefore, a deductive examination approach method has been used because deductive methods involve the principle that from existing theories one can draw general conclusions about defined phenomena (Patel & Davidsson, 1994).

## **5. THEORY**

### **5.1.CSR PYRAMID**

Corporate social responsibility involves the conduct of a business in order that it's economically profitable, law-abiding, moral and socially supportive. To be socially accountable then implies that gain and obedience to the law area unit foremost conditions once discussing the firm's ethics and therefore the extent to that it supports the society within which it exists with contributions of cash, time and talent(Carroll,1983:608). And therefore the completely different layers within the pyramid help to ascertain the various forms of obligations that society expects of companies.

### **5.2.ECONOMIC RESPONSIBILITY**

Looking again in history, companies had been created as economic entities "designed to deliver sensible and offerings to social participants". Economic responsibility explained in above figure is that the most elementary one since "all alternative business responsibilities is predicated upon the economic responsibility of the firm, as a result of while not it the others become moot considerations". Economic components of Corporate Social Responsibility in (Figure1) step with Korkchi and Rombaut, 2006 supported Carroll, 1991 are:

1. It's vital to perform in a manner in step with maximizing earnings per share
2. it's vital to be committed to being as profitable as attainable

3. it's vital to keep up a powerful competitive position
4. it's vital to keep up a high level of operative potency

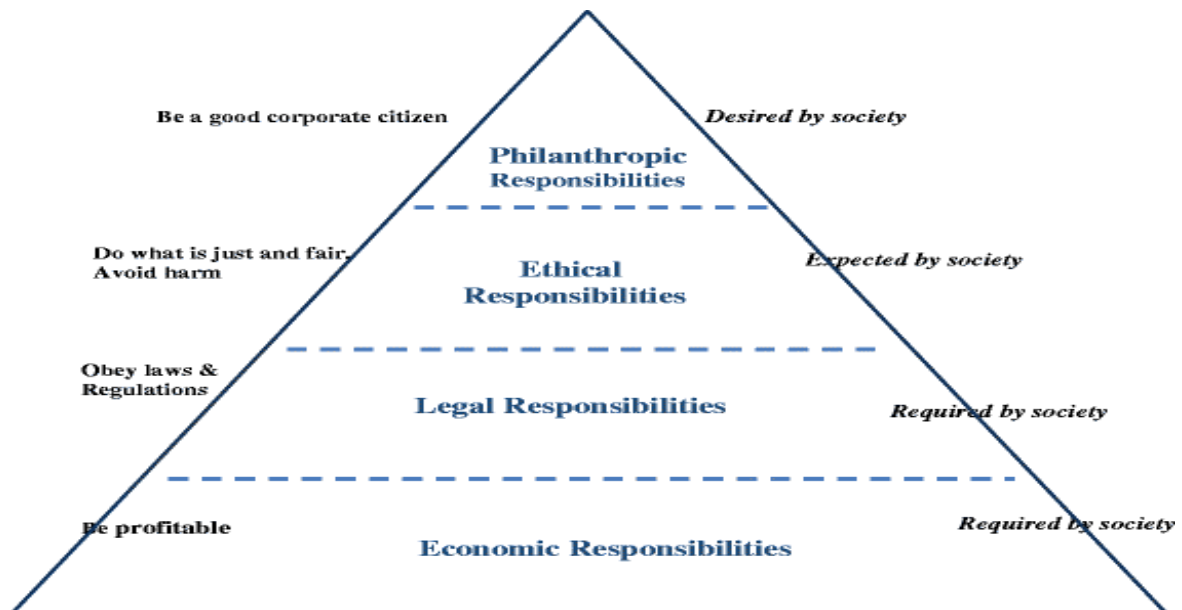


Figure 1: The pyramid of CSR according to Carroll, 1996

### 5.3. LEGAL RESPONSIBILITY

Businesses are expected to pursue its economic responsibility inside the framework (Figure1) of the legal one. Businesses are looked upon as company subject that complies with the law and rules broadcast by federal state and native governments. These laws and rules are the bottoms on that business should operate. Legal responsibilities embody basic notions of "fair operations as established by our lawmakers". Even if they are pictured as a result of the subsequent level of the pyramid it's seen synchronous with the economic one. In various words increasing one's profit whereas obeying the principles and rules that are set by the govt. Legal elements of Corporate Social Responsibility in step with Korkchi and Rombaut, 2006 supported Carroll, 1991 are:

1. it's vital to fits numerous federal, state and native rules
2. it's vital to produce product and services that a minimum of meet stripped legal requirements
3. it's vital that a prosperous firm be outlined mutually that fulfill its legal obligations is consistently profitable

### 5.4. ETHICAL RESPONSIBILITY

Ethical responsibility (figure 1) refers to the one's activities and practices which can be anticipated or prohibited by means of societal members even if they're now not codified into regulation. Those duties are approximately conventional norms, requirements, and expectancy that reflect a concern for what clients, employees, shareholders, and the network regards as fair. It is simply about respecting and protecting stockholder's moral rights. In some cases, moral norms and standards precede the institution of law. Moral responsibility can even be seen as

grasp new values and norms that businesses square measure expected to fulfill, even though those values and norms might mirror on a typical performance that's higher which isn't presently needed by law. Despite the fact that ethical responsibility is the next layer in Carroll's CSR pyramid, it ought to according to Carroll be "continually well-known that it's in dynamic interplay with the legal responsibility category". It's in alternative words pushing the legal responsibilities to broaden at a constant time as expecting businesses to control at a level higher than that's needed by law. Ethical elements of Corporate Social Responsibility in step with Korkchi and Rombaut, 2006 supported Carroll, 1991 are:

1. it's vital to perform very in line with expectations of social mores and moral norms
2. it's vital to stop moral norms from being compromised to attain corporate objectives
3. it's vital that sensible company citizenship be outlined as doing what's expected virtuously or ethically
4. It is important to be aware of that company integrity and ethical habits go past mere compliance with legal guidelines and rules

### **5.5. PHILANTHROPIC RESPONSIBILITY**

Philanthropic responsibility (Figure 1) refers to corporations performing as a just right corporate citizen, by using contributing resources to the group and improves excellent of life. The glory between ethical and philanthropic is that the philanthropic one isn't anticipated in a moral or sense of right and wrong. It's excellent if companies provide a way charities, however, they aren't seen as unethical businesses if they aren't engaged in those sorts of movements. Philanthropic accountability is, for this reason, extra discretionary on the part of businesses. Philanthropic elements of Corporate Social Responsibility in step with Korkchi and Rombaut, 2006 supported Carroll, 1991 are:

1. it's predominant to participate in a manner regular with the philanthropic and charitable expectations of society
2. It's miles fundamental that managers and employees participate in voluntary and charitable pursuits inside their local communities
3. it's major to voluntarily support those projects that enhance a community's "quality of life"

The pyramid pronounces the particular components that together constitute the whole. Despite the fact that the obligations were explained and handled separately, they aren't mutually wonderful (Carroll, 1991).

## **6. EMPIRICAL STUDIES**

### **6.1. PROFILE OF THE UNILEVER**

Unilever Bangladesh Limited, a fast moving consumer goods company, engages in the manufacture and distribution of home care products, personal care products, and foods. It offers household care, fabric cleaning, skin cleansing, skin care, oral care, hair care, and personal grooming products, as well as tea based beverages. The company was formerly known as Lever Brothers Bangladesh Ltd.

and changed its name in December 2004. Unilever Bangladesh Limited was founded in 1964 and is based in Dhaka, Bangladesh. Unilever Bangladesh Limited is a subsidiary of the Unilever Group.

## 6.2. CSR ACTIVITY

Conducted their CSR activities as Lever Brothers Bangladesh in the past and that they principally focus their voluntary activities in 3 totally different segments. These are 1. Health-nutrition-hygiene 2. Education 3. Women's authorization.

They do some activities in global climate change problems conjointly. They same these activities as property and responsible business follow. They conducted some movement regarding health care and launched 'Lifeboy relationship Hospital' in 2002 with a changed floating oiler. In 2006, they sponsored 2 months nursing educational program with Ma O Shishu General Hospital in an urban center and although they already set up a contemporary operation theater and advanced medical care unit on 25 May 2004 for top quality treatment for economically disadvantaged section of the society. They launched a campaign named 'Annual Kalurghat Health Camp' to produce free health care facilities to individuals around urban center since 2007. On November 16, 2007, Unilever declared 'Pepsodent-Bangladesh Dental Society Oral Health Day'. Lifebuoy worked with NGOs, governments and different firms to introduce the 'Global Hand Laundry Day', launched on 15 Oct 2008 in several countries as well as People's Republic of Bangladesh. They created Pepsodent Dentibus for giving free professional recommendation and dental medical checkup opportunities to the individuals and schoolchildren's. For building nations future they stress on instructional campaigns like operating with associate degree organization named Shathee Samaj Kalyan Samity (SSKS) for giving education facilities for Banani residential slum areas kids since January 2005. UBL volunteers conjointly visit the university to indicate the importance of hygiene and health. The scholarship program by the Fair and Lovely Foundation was one such initiative that supported the dreams of proficient women's from economically deprived families.

In 2006, UBL conjointly funded 'Unilever Chevening Scholarship' for a Bangladeshi national desire to review in a university within the United Kingdom with the cooperation of British Council. For women's authorization, UBL was started pilot project 'Joyeeta' in August 2003, afterward that results in 'Project Aparajita' with CARE. They conjointly took some initiatives like urban vocational education program in 2005 and scholarship program for women's with Faria Lata Foundation and Uttorone Nari in 2003. UBL united with Tengamara Mohila Shabuj Shanga (TMSS) started a tree plantation program on 13 Oct 2009 for promoting environmental care and awareness. They created a large positive impact on the mind of Bangladeshi individuals with their numerous campaigns of social works. By fair and lovely scholarship program 375 women's got scholarship annually. They're operating with SSKS for giving study facility to 300 slum kids. Over 10,000 individuals have cured by the Health live of that over 5000 sickly mothers and kids received treatment and protection, 4000 individuals received diabetic medical help and free blood tests and 6000 patients received free eye treatment that surgery facility and five hundred indoor patients are often treated within the Ma O Shishu General Hospital in urban center and conjointly 275000 individuals are helped by the Life boy Friendship Hospital since 2001. Pepsodent Denti bushas reached 250,000 individuals annually with its facilities.

They're contributors in health sector, education, climatically downside and women's authorization and this area unit the foremost very important problems with today society. In order that they created a positive atmosphere among general individuals particularly rural people's mind that they're socially accountable and their product are environmentally friendly. Unilever Bangladesh works with more than a few NGO's; these are the helping hand of the bad individuals. As a number one company, their CSR activities area unit creating positive perception regarding Unilever that helps to form whole equity. These CSR activities aren't solely expressing their dedication for the society, however conjointly to form their own place within the competitive market and keep the very long time and make positive image regarding themselves. Their social activities are relatively appreciating.

### **6.3. THE UBL'S BUSINESS PHILOSOPHY**

The UBL's business philosophy is to "providing customers a browsing expertise that mixes great provider with a comprehensive range of naturally-inspired personal care products that present performance, indulgence and best price for cash" (The UBL's Annual report and debts 2011). Their trade philosophy is largely linked to the enterprise's five core values: aid neighborhood exchange, safeguard Human Rights, against animal trying out, prompt vainness and guard Our Planet. The UBL desires to "operate in a robust commitment to the wellness of our fellow humans and the upkeep of our planet".

### **6.4. THE UBL AND CSR**

"There is no more powerful institution in society than business...The business of business should not be about money, it should be about responsibility. It should be about public good, not private greed." - Anita Roddick, Business as Usual

The UBL stands for clear outlined values: "The pursuit of social and environmental changes ...to make sure that their alternative is ecological property..." CSR is intently linked to the company's 5 core values. Brand Social Responsibility is according to The UBL "The method of doing business... it is to be a good countrywide inside the society, a member of the society ... CSR is not readily an institution developing cash, it's better than that". In 1997 The UBL grew to become the principal global beauty company to receive a present from the Humane Cosmetics ordinary for his or her "in opposition to an animal trying out" protection. Moreover, to the present, UBL was awarded in 1994 the Botwinick Prize in Business Ethics and in 2001 International peace prayers day organization's women's of peace.

## **7. THE UBL RESPONSIBILITIES ACCORDING TO THE CSR PYRAMID**

### **7.1. ECONOMIC RESPONSIBILITY**

Corporations have a responsibility to generate profit for shareholders, but not at the expense of the environment or people. "Profits with principles must be achieved in order to sustain the long-term future" (The UBL's Annual Report and Accounts, 2011). With economic responsibility comes as UBL states ethical responsibility. It is The UBL responsibility to "take care of business, but with that comes to our responsibility that is bigger than our business". Businesses have a responsibility to not just make money, but to also have a positive influence on the environment they operate in and the people they affect. UBL also argues that profits could be seen in different ways: "in figures or in a larger perspective". In a



challenging and competitive marketplace, The UBL must maintain a dynamic balance between the short and the long-term needs of their business and their stakeholders, if they are to achieve a sustainable future (The UBL's Individual Stakeholder Accounts: Environmental Report, 2009). "The UBL's goals and values are as important as products and profits. The UBL has a soul. Don't lose it."

## **7.2. LEGAL RESPONSIBILITY**

It is a fundamental policy of The UBL that all employees observe and comply with the laws and regulations applicable to the Group's business in each country where they operate and that each employee acts with high standards of business integrity. The UBL International's commitments are to conduct business in accordance with their values and with all relevant laws and regulations. When collaborating with new suppliers the company signs different types of contracts to make sure that what is required and expected of them are followed. The UBL's code of conduct is one of many documents that have to be signed, both by suppliers and employees. In that code, the minimum standard has to be in compliance with all relevant legislation which includes for example packaging waste. The legal responsibility also means that The UBL by law and stock exchange rules publishes complete and accurate financial statements and descriptions of their business, neither miss-stating material facts nor failing to disclose facts which might be material to potential investors. The company's money record, together with time, sheets, sales record and expenses reports, should be correct, timely and in accordance with the law. These records are the idea for managing the company's business and for fulfilling its obligation to shareholders, employees, customers, suppliers and regulative authorities.

## **7.3. ETHICAL RESPONSIBILITY**

Ethical responsibility is something that The UBL strongly promotes that is "leave this world a better a place, and there are a different focus and different ways to achieve that. It's regarding our heritage, our values". It's regarding However companies do business and there's as UBL states continuously an organization selection of what you set therein. Being ethical is to do business in the right way, do business with integrity and transparency. It could refer to a range of issues from choosing the right ingredient or package, how suppliers are being paid, how they test their products and building programs for fair trade, but also to financially support NGOs and human rights organizations like the Red Cross. The UBL is simply using ethical principles to inform the way they do business. For The UBL ethic Responsibility is as mentioned previously closely connected to the company's five core values. UBL emphasize that "when you can have this combination, you can make profit, and be responsible for all your activities at the same time... our main goal is to make a better place to live in but to make that concrete, to make that happen we need to communicate that in different ways and that's why we have our five values, it is simply of how we do business on a regular basis, how we do business every day". In their 2009 Environmental report, The UBL provided their stakeholders with a detailed list on the use of chemicals in their products. They continue to review their use of chemicals to reflect stakeholder concerns. The UBL engages in a number of initiatives with their suppliers to not solely enhance performance but to also ensure ethical compliance in their supply chain. They simply set themselves and their business partners clear standards of practice to ensure ethical behavior (The UBL's Code of Business Conduct, 2011).

According to UBL, it is the reason why the company is different from its competition. The UBL states in his own words that: "Why are we different: we respect the environment. We are against animal testing for cosmetics. We are committed to establishing not - exploitative trading relationships with indigenous people (Santals, Chakma, Garo). We campaign for human rights. Our business is something that people - employees, customers, suppliers, franchisees - can feel great about, but only on one condition: The UBL must never let itself become anything other than a human enterprise" ("The Business of The UBL", 1996). The UBL is an active member of the Ethical Trade Initiative (ETI) and has adopted the ETI Base Code purchasing products only from suppliers that meet ethical trade standards where employment is freely chosen, working conditions are safe and hygienic, child labor is not used, working hours are not excessive, living wages are paid, freedom of association and the right to collective bargaining are respected, no harsh or inhumane treatment is allowed and no discrimination is practiced (The UBL Code of conduct, 2010). In order to make sure that all suppliers meet the ETI standards, they are obliged to sign a contract agreeing to hold on to the standards and to undertake the regular ethical assessment.

They have furthermore established an Ethical Trade and Community Trade program "to help create a livelihood, and to explore a trade- based approaches to supporting sustainable development by sourcing ingredients and accessories direct from socially and environmentally marginalized producer communities". Community trade refers to trade that is based on a long-term relationship with communities by helping them to sell their product and be independent. The ethical trade program conforms to high levels of labor standards, including the avoidance of child labor, forced labor, sweatshops, adverse health and safety conditions, and violations of labor rights, or human rights. The Body Shop promotes the best practice through networks such as the Business Leaders Initiative on Human rights and multi-stakeholder partnerships with the aim to promote sustainable raw material, including wood and palm oil (Individual Stakeholder Account: Environmental Report, 2009). They believe in sustainability and sustainable activities which will balance environmental, social and economic needs to secure the long-term well-being of all their stakeholders. The company believes that by being a good corporate citizen through social and environmental actions, the company will gain trust from their employees, customers, stake, and shareholders. ETI is a forum composed of several developments and campaigning organizations, with the aim of improving working conditions in developing countries by developing a forum for discussion, analysis, and training. The ETI is processes rather than a product, providing a common framework for addressing codes of conduct and monitoring. The initiative hopes to provide a roadmap for companies seeking to develop the best practice in the area.

#### **7.4. PHILANTHROPIC RESPONSIBILITY**

The UBL informs its employees about opportunities to engage and support voluntary and campaign activities (The UBL's Annual Report and Accounts, 2010). Donation and charitable activities are according to UBL a good thing for corporations to do, but not the most important thing. UBL declare it is "very good to support financially in a catastrophe, but that is a short- term action, choosing the right ingredients for example or the right packaging, that's a long- term

action...because a donation ends...donation and charity helps, but only in short terms, it is a really good thing if you have a catastrophe to give money to the victims, but after a few months the problem is still there and you need to put in more money. Charity is a small part of the UBL's business; values are more important and effective". The UBL does, however, donate money to charitable organizations. Only last year the Group donated \$1.3 million to charity. In response to the horror, of the Asian tsunami, they donated \$100 000 which was the same amount that they gave to "The Children on the edge" to help rebuild children's lives in Acen, the worst hit by the tsunami. The UBL do also support the vital work in Aids/HIV carried out by the organization "Until there is a cure" (The UBL's Annual Report and Accounts, 2010). The UBL is furthermore funding campaigns to stop the abuse of human rights, animal experimentation and to help environmental causes. The "Stop violence at home" campaign which is the focus of the company's volunteering activities promote human rights and rose through its customers \$500 000. In addition to this campaign, The UBL also runs operations together with Amnesty International and additional NGO's towards fighting for social, cultural and political rights.

In 2005, it also joined the Campaign for Safe Cosmetic which is commended by Greenpeace and the Breast Cancer Fund. The UBL is working towards achieving sustainable progress in human and civil rights, environmental and animal protection has, in total donated over \$7 million to over 2000 projects across the world. However, all donations made in the name of The UBL (either by Amnesty International, founded in 1961 is a worldwide movement of people who campaign for internationally recognized human rights. Its vision is of the world in which every person enjoys all the human rights enshrined in the Universal Declaration of Human Rights and other international human rights standards. All has today over 1.8million members, supporters, and subscribers in over 150 countries. Company-owned markets or by franchising) must be made in accordance with The UBL's ethical policies and principles, which is available in The UBL International global donation report. Franchisees are obliged to live up to the Values of The UBL as well to those principles that are directly relevant to retailers, e.g. the Environmental Policy and the Human Rights Principles.

## **8. INTERNATIONAL TEXTILE PROCUREMENT SERVICES (BD) LTD.**

### **8.1. COMPANY OVERVIEW**

ITPSL Ltd was started as a small private company operating under a different name in the early 1980s. In the year 2000, the company merged with "POLYCONCEPT GROUP" & was established under its current name. The company has strategically placed itself by having fully staffed offices in key manufacturing areas in Asia-Thailand, Bangladesh & China. As a result, the company also has developed reliable connections in India, Laos, Indonesia, Vietnam, Nepal & Myanmar.

Today ITPSL is the largest fashion chain in Bangladesh by sales and has made its brand well-known worldwide. Nowadays they sell clothes, accessories and Lubricant Oil, Paper in over 1,300 stores in 24 countries and have approximately 100 designers who work with a team to create ITPSL's clothing collections for women, men, children, and teenagers. ITPSL's corporate management is based in Bangladesh where the company's headquarters are located. Dhaka is also where main

departments for "design and buying, finance, accounts, expansion, interior design and display, advertising, communications, IR, HR, logistics, security, IT, CSR and environment "are located. Since the purchasing is centrally organized by the headquarters in Bangladesh, Bangladeshi laws and regulations are deterrents: "other countries do not have much influence on the buying policy". The company does not manufacture any clothing itself but instead works with over 700 independent suppliers across the world. ITPSL have at the moment 22 production offices, nine in Europe, eleven in Asia, one in Central America and one in Africa. They have approximately 50 000 employees. In addition to their stores, ITPSL also offers its customers an alternative and convenient way to shop: via catalogs named ITPSL Rowell's and through the Internet. Each year two big catalogs come out – a spring catalog and an autumn catalog, but so far ITPSL Rowell's only operates in Bangladesh, Norway, Finland, and Denmark.

## **8.2. ITPSL'S BUSINESS PHILOSOPHY**

ITPSL's business philosophy involves giving the customers unbeatable value achieved by offering them "fashion and quality at the best price". The Best price is ensured by ITPSL having as few middlemen as possible and buying large volumes. ITPSL's business philosophy involves ensuring and improving the quality of their goods. Quality is a top priority for the company and the company has about 140 quality controllers who on a regular basis visit the factories, to ensure that demands are met. Offering fashion and quality at best price does not only refer to how the clothing looks and fits but also on how the products have been manufactured. Have they been manufactured without the use of environmentally hazardous chemicals or harmful substances and to be produced under good working conditions?

## **8.3. ITPSL & CSR**

According to ITPSL, Corporate Social Responsibility refers to "integrating social and environmental concern into business operations" (CSR report, 2010). It is not about what you as a company does, but mainly how you do it and by clearly defining the corporation's responsibility. ITPSL are like any other company, obliged to follow the laws and rules in its operating countries, whether it involves the people or the environment. That is the minimum requirements. CSR is more related to a responsibility that is based on free will, whereas ITPSL suggests that: "once the action has to be well thought [out] and you have to be able to stand for it". Companies have a responsibility to act rightly, to act in a way that influences the company's shareholders and stakeholders as positively as possible. ITPSL has, as an international retail corporation, influence on the local markets where its products are manufactured, and this requires it to: "act responsibly and focus on the long term... Corporate Social Responsibility is an increasingly important strategic matter and accords completely with ITPSL's fundamental values" (CSR report, 2010) It is not solely the CSR department working and being held responsible for the company's ethical or environmental issues and problems, but rather the company as the whole. CSR must be integrated into everything ITPSL does. For ITPSL, CSR is mostly connected to the company's supply chain and its focus on quality improvements which is characteristic of all ITPSL activities. Fashion and quality at the best price do not only refer to how "the clothing fits but also e.g. how it has been manufactured". ITPSL states that: "a fundamental principle is that our clothes must be manufactured under good working conditions. ITPSL, therefore, sets high

standards in this respect and works towards long- term improvement of working conditions for the people producing our goods..." These standards are in detail stated in the company's code of conduct which lights up issues like child labor, legal requirements, safety, workers' rights, factory and housing conditions, environment and inspection and compliance. ITPSL's focus on quality and quality improvements have to lead to ITPSL undergoing a number of quality and security tests of their garments such as chemical test, button test, nickel test, Ph-test, and PVC-test etc. They do though put extra high demands on children's clothes were no sharp objects or flammable materials may occur (CSR report 2010). ITPSL's recognition of CSR work has led to ITPSL being included in a number of share indexes that take into account companies CSR work, such as the Dow Jones World Sustainability Index and the FTSE4Good.

In 2011 ITPSL received the SvD prize for improves of the year. The award is given to a company that during the year has improved its social and environmental activities. The focus is put on human rights, working conditions, environment and business routines. ITPSL's keen demand on their suppliers has according to the jury, led to noticeably improved production conditions. In ITPSL's 2010 Corporate Social Responsibility report the company discusses and highlights its responsibilities as a corporation and as a corporate citizen.

#### **8.4. ECONOMIC RESPONSIBILITY**

Corporations exist to make a profit for its shareholder, but this should be accomplished in consideration of environmental and ethical aspects. ITPSL's customers are of great importance and it is critical that ITPSL meets their expectations and deliver good products and acting fairly. By doing so ITPSL will be able to, satisfy its shareholders. Creating shareholder wealth will simply be accomplished by providing customers with the products they want, by treating employees in an ethical and responsible way, and by taking care of the environment in which they operate: "Taking responsibility for how our operations affect people and the environment is an essential prerequisite for ITPSL's continued profitability and growth" (CSR report, 2010)

#### **8.5. LEGAL RESPONSIBILITY**

Since ITPSL does not own any factories but instead buy their products from independent suppliers and their subcontractors, they require that wages and working conditions must meet or exceed existing laws in the country in question and those children may not work in factories that supply ITPSL's (CSR report, 2010). CSR is for ITPSL's closely connected to the company's supply chain whereas they are on a regular basis working toward making sure that their suppliers pursue the rules and principles, for example, the legal requirements that are stated in their code of conduct. ITPSL will not work with any suppliers not signing their code of conduct as well as ITPSL's chemical restriction compliance commitment and restriction for oil and hygiene products compliance commitment. No collaboration or exchange of goods and money will take place before those contracts have been signed. In addition, they will not place an order if their suppliers haven't been controlled by the company's inspectors, and approved by the CSR department. ITPSL's ambition is to "work with suppliers who meet our stringent requirements for price, capacity, quality and working conditions" (CSR report, 2010).

## **8.6. ETHICAL RESPONSIBILITY**

By being a participant in UN's Global Compact and supporting its ten principles, ITPSL wants to demonstrate that it is working towards human rights and is working and contributing to sustainable development within areas that they are able to influence (CSR report, 2010). They're however aware of "the hazard of human rights violations and non-compliance with neighborhood exertions regulation and the world over agreed exertions requirements" (CSR-report, 2010). The company does in addition support the OECD's guidelines for multinational companies and is a member of Amnesty International group (AI) and the Fair Labor Association (FLA).

Additionally, it is a member of Business for Social Responsibility (BSR). Out of concern for the health of ITPSL's customers and employees, it has conducted restriction for textile, leather, plastic and metal products. The restrictions do not only include chemicals that are restricted by law but also chemicals that ITPSL has chosen to list on its restriction list for precautionary reasons. ITPSL is devoted to acting in a responsible and ethical way by not solely obeying the laws but also by doing more the law requires. The corporation desires to "cooperate with their suppliers on making improvements to social and environmental standards" (CSR report, 2010). ITPSL policy against animal testing was established in the mid-1990s. It does not allow animal testing on its oily or hygiene products, either during the production of these products or after completion.

## **8.7. PHILANTHROPIC RESPONSIBILITY**

Even though ITPSL does not have any employee volunteer programs, it does participate and collaborates with various numbers of organizations. One is called 'Mentor Bangladesh', which is an organization that works towards preventing drug abuse amongst youth by strengthening the relationships between young people and adults. ITPSL also participates in the MFA Forum Bangladesh which brings together international and local stakeholders as well as ETI, Social Accountability International (SAI), FLA and representative from the Bangladeshi government to help address the issues that the garment industry in Bangladesh is facing. In 2009 ITPSL entered a three-year agreement with UNICEF, working towards raising the awareness of Aids and HIV. The enterprise wants to support to contribute to the progress of those international locations where AIDS and HIV are predominant problems (CSR report, 2010).

In collaborating this program pursuit to increase "female manufacturing unit workers advantage about HIV/AIDS and reproductive health" (CSR report, 2010). For the past years, ITPSL has supported the work of the organization Water Aid with the aim to improve access to water for people living in Asia and Africa. ITPSL is supporting the organization by donating ten percent (10%) of the proceeds of selected swimwear (CSR report, 2010). As a corporate citizen, ITPSL also believes it important to provide aid to these areas affected by natural disasters as the case with the tsunami in Asia to which it donated \$150,000, Hurricane Katrina in the USA to which USD 20,000 was donated, and the earthquake in Pakistan to which it gave \$500,000 (CSR report, 2005). As important as donation and charity activity are for ITPSL's, ITPSL also points out that "it is not the most important thing looking at Corporate Social Responsibility".

## 9. ANALYSIS

### 9.1. CORPORATE SOCIAL RESPONSIBILITY

The interest of CSR has during the last decade increased and despite the lack of definition clarity, CSR points at the pursuit of sustainable development and the triple bottom line. In accordance to Worthington, Ram and Jones (2003) ITPSL perceives CSR as "what organizations do, how they do it and the impact of their behavior on the wider society". CSR refers to "integrate social and environmental concern into business operations". It is about ensuring that they as an international company can grow on a sustainable basis while at the same time ensuring fairness to their share- and stakeholders. Companies are responsible for providing more benefits than just profit for its shareholders. Decisions must be taken in consideration to human rights, environmental concern and legal requirements, rather not solely on financial ones. The focus on the people, planet, and profit plays together an important and essential role rather than separately. CSR is an entirely voluntary corporate-led initiative, rather than forced upon corporations. It is based on a responsibility that is first and foremost based on free will.

But either way, CSR must in accordance to ITPSL be integrated into everything the company does since it is for ITPSL a big part of their strategy and culture. For ITPSL it is of great importance to operating ethical and adhere to ethical principles in every area of their business. However, CSR is mainly for ITPSL linked to the company's supply chain activities and practices. Reputation takes years to build up but can be lost in an instant which ITPSL experienced when they were put in the limelight for the use of child labor in its factories. They are aware that bad business practice can quickly be spread via the Internet and contribute negative effects on sales and profits. However, ITPSL's philosophy refers to continuous improvement and for the company learning is the key to achieving this. As the scandal became reality, so did the change of their business philosophy when they went from offering fashion at the lowest price to fashion and quality at the best price. This change and improvement have led to ITPSL pressuring their suppliers and through that seek to enhance their credentials. ITPSL's states in their CSR report (2005) that "Corporate Social Responsibility is an increasingly important strategic matter and accords completely with ITPSL's fundamental values".

Values are related to operating rightful and for ITPSL's that are too "act responsibly and focus on the long term" (CSR report, 2005). It is vital for the company to respect human rights as well as to sustain the environment for future generations. And it is through responsible and sustainable behavior that business can succeed and create value for their customers. The UBL defines CSR as "the pursuit of social and environmental changes ...to ensure that our business is ecologically sustainable..." It is about "the continuing commitment by business to behave ethically and to contribute to economic development while improving the quality of the life of the workforce and the families as well as the local community and society at large" (Worthington, Ram & Jones, 2003).

There is more to life than making money. The UBL is working towards "operating in a strong commitment to the wellbeing of our fellow humans and the preservation of our planet" (The UBL Annual Report and Accounts, 2005). CSR is a

part of how they do everyday business and closely linked to values which are a great part of The UBL identity. Everything they do, they do it with their values in mind. Their five core values are long termed commitments which the company is working with on a daily basis. Working in a long term perspective is the way for The UBL to operate ethically and with integrity (The UBL Annual Report and Accounts, 2011). Their philosophy is strongly rooted in ethical behavior. Therefore, they offer products which are making a positive impact the environment and on people's well-being & quality of life. CSR is about the way of thinking about and doing business.

## **10. CORPORATION'S RESPONSIBILITY ACCORDING TO CARROLL'S PYRAMID**

### **10.1. ECONOMIC RESPONSIBILITY**

ITPSL, as well as The UBL, states that it is fundamental principle is to perform in a manner that involves creating shareholder wealth. Corporations are economic entities (Carroll, 1991) which involve economic responsibility towards its shareholders, whom without there would be no company. It is corporation's fundamental responsibility for ITPSL as well as the UBL, to make a profit and grow, but "profits with principles must be achieved in order to sustain the long-term future" (The UBL, ITPSL's Annual Report and Accounts, 2011). The UBL goals and values are as important as their products and profits (The UBL brochure: "The Business of The UBL", 1996). The UBL takes their economic responsibility by maintaining a high level of operating efficiency and a strong competitive position. This is achieved by integrating their values into their day to day operations. Their business is much bigger than making money; it is about having a positive influence on the environment and its people. It is furthermore an issue of definition. How does one define profit? Is it in terms of monetary terms or social and environmental ones?

For ITPSL economic responsibility is more clearly since maximizing the present value of shareholder wealth is still the goal and CSR is a means for achieving that goal. They do take their economic responsibility where profitability and growth are essential for the company (CSR report, 2005), but this accomplished in consideration to environmental and ethical aspects. Shareholder wealth is very important to achieve and will be accomplished by giving the customers the products that they want, take care of employees and of the environment operating in. They want to through their business attain economic, social and environmental benefits.

### **10.2. LEGAL RESPONSIBILITY**

It is not solely expected from business to pursue its economic responsibility, but also to do this within the framework of the legal requirements. The UBL and ITPSL stress out the importance of them as international companies to perform in a manner consistent with laws and regulations. Laws and regulations are the ground on which their business must operate in. The UBL and ITPSL do stress out the importance of being a law-abiding corporate citizen that provides goods and services that at least meet minimal legal requirements. Profitability must be achieved based on legal obligations. The UBL has a fundamental principle which adheres that all their employees and supplier have to comply with the laws and regulations. Business must consist of a high standard of integrity which involves conducting business in harmony to The UBL values and to all relevant laws and regulations (The UBL's Code of Business Conduct, 2006). To make sure that suppliers are following the rules and the laws in their operating countries The UBL requires its suppliers to



adhere to its CSR standards in order for them to do business with them. Several documents and contracts are being signed to ensure this whereas their code of conduct is one of them where the company is stating their values and principles that their employees and suppliers have to adhere to.

To take legal responsibility also includes for The UBL to publish complete and accurate financial statements and descriptions of their business. Statements have to be correct and not miss-state since those records are the basis for managing the company's business and for fulfilling its obligation to shareholders, employees, customers, and suppliers. ITPSL also requires that minimum legal requirements are being implemented into their business operations. Wages and working conditions must for example "meet or exceed existing laws in the country in question and that children may not work in factories that supply ITPSL" (CSR report, 2005).

However, they might require more from their suppliers than the law entail since ITPSL believes that a company of their size can contribute to a positive change. ITPSL is strict with making sure and follows up that their suppliers are pursuing the legal requirements that are expected and forced upon them. ITPSL is being this strict and putting a lot of effort on making sure that the company integrates good business practices in its supply chain due to the bad publicity that they were exposed to. And this has led to them expecting more from their suppliers than they did before. They do not want to once again end up on the scrap map of bad publicity. Therefore, ITPSL will not work with any suppliers not signing their contracts and documents which force them to accomplish their legal responsibility. If they do find out that laws and regulations aren't being implemented and followed, they will immediately end their partnership with the concerning supplier.

### **10.3. ETHICAL RESPONSIBILITY**

For the UBL it is not enough to be economic or legal without being ethical. They believe that every company is obliged to follow the law and in some ways pursue economic responsibility, but in the end, it all falls back on a corporation's ethical responsibility which may reflect on performance that is higher than required by law. It is when you take ethics into consideration when making decisions that the corporation can make a profit. Ethical norms may not be compromised in order to achieve corporate goals. Instead, corporate goals should be accomplished through ethical norms and standards. Being ethical is a way of being a good corporate citizenship and doing what is expected morally or ethically. For The UBL ethical responsibility is what their business is all about and why it from the first place was to be established. For The UBL ethical responsibility refers to be responsible for all their activities and by that leave this world a better place to live on.

According to UBL, ethical responsibility is simply the way of doing business today where integrity and transparency are two important elements. Taking ethical responsibility could be everything from choosing right ingredients to how the company's products are being tested. The UBL ethical responsibility is closely connected to their five core values which reflect on how The UBL do business on a regular basis. They are thought most famous for their "Against animal" testing and even though ITPSL also introduced the "Against animal" principle (in the mid-1990s), it is The UBL that has the title of the principle since they were the first to adopt it into their business. Taking ethical responsibility also refers to according to The UBL, the use of right chemicals in their products. Even though there are

chemicals that are allowed, they will not use it since they believe it is not good and that there are more proper ones to use. The company furthermore engages their suppliers in enhancing their performance by ensuring ethical compliance in their supply chain. Clear ethical standards and practices are set to ensure ethical responsibility (The UBL's Code of Business Conduct, 2006).

They adopt the ETI's base code which states that The UBL solely buy products from those suppliers that meet their ethical standards such as safe and hygienic working conditions, the absence of child labor and no excessive working hours etc. Their ethical trade and community program is another way for The UBL to take their ethical responsibility. What they want to accomplish with such a program is to create livelihood and support sustainable development. This is achieved by them sourcing ingredients and accessories direct from socially and environmentally marginalized producer communities (McIntosh, et al., 1998). It is a long-term relationship rather than a short one where the main goal for The UBL is to help producers to sell their product and act independently. The program verifies with high levels of labor standards, including the avoidance of child labor, forced labor, sweatshops, adverse health and safety conditions, and violations of labor rights, or human rights. The company sees itself as nothing other than a human enterprise. ITPSL also put a focus on their ethical responsibility even though The UBL is better known for doing so. In their code of conduct, ITPSL describes their ethical responsibility which involves human rights and working conditions. Being sustainable and acting in a long term perspective is a way for ITPSL to take their ethical responsibility. They are working towards sustainable development within areas that they believe they are able to influence (CSR report, 2010). The company has today restriction for material or chemical used in their products. These restrictions do not only include chemicals that are restricted by law but also chemicals that ITPSL have chosen to list on their restriction list for precautionary reasons. They believe that corporations have to conduct ethical which can mean to do more than the law requires. What they want to achieve with this is to improve social and environmental standards (CSR report, 2010). ITPSL is working on improving their ethical behavior by supporting various NGO's and organizations such as the UN's Global Compact, OECD's guidelines for multinational companies, BSR, AI and the FLA.

#### **10.4. PHILANTHROPIC RESPONSIBILITY**

Philanthropic responsibility refers to businesses acting as a good corporate citizen, by contributing corporate resources to e.g. charitable activities. It is a discretionary part of businesses. The UBL participates in philanthropic activities and supports various numbers of organizations. For 2005 and 2006 the "Stop violence at home" campaign was their main volunteering activities promote human rights and it generated over \$500 000 (The UBL 's Annual Report and Accounts, 2005). But even though donation and charitable activities are good it is solely a short-term solution. Donating money to areas that have been affected by a catastrophe is good, but choosing the right ingredients is even better since it is a long-term action. Philanthropic responsibility is, therefore, a small part of The UBL business. However, the main aim of taking their philanthropic responsibility is to stop the abuse of human rights, animal experimentation and to help environmental causes. The UBL work towards achieving sustainable progress in human and civil rights, environmental and animal protection has totally donated over \$7 million to over

2000 projects across the world (The UBL's Annual Report and Accounts, 2005). ITPSL makes the voluntary contribution to society, even though they do not have any Volunteer Programs. ITPSL do however participated and collaborated with various organizations, one called Mentor Bangladesh which works toward preventing drug abuse among youth.

They are also working with organizations who engage in female projects and prevention programs for Aids and HIV. Participating in such programs is a way for ITPSL to "increasing worker's knowledge about HIV/AIDS and reproductive health" (CSR report, 2005). The company does also collaborate and work with ETI, FLA, MFA Forum Bangladesh, UNICEF and Water Aid (CSR report, 2005); as a corporate citizen, ITPSL feels that they have as an international corporation a responsibility to provide help in the areas that was affected by natural disasters like the tsunami. They came to donate \$19,000 000 to those affected. Donation and charity is a good thing to do according to ITPSL, but it is not the most important thing looking at CSR, rather a complement to everything else the company does. UBL states that it is important for corporations to take their philanthropic responsibility, contributing resources to the community and improve the quality of life.

## **11. FINDINGS OF THE STUDY**

Comparison of how CSR is perceived by The UBL & ITPSL, both perceive the notion of CSR similar. ITPSL perceives CSR as what organizations do, how they do it and the impact of their behavior on the wider society. The UBL identify it as the pursuit of social and environmental changes to ensure that their business is ecologically sustainable. They explain the notion of CSR by referring triple bottom, line; Profit, People, and Planet. This means raising performance that goes beyond minimum legal standards. Multinational corporations use their influence to help raise the quality of life and standards of living by doing business in a responsible and sustainable way. Sustainable development and values are essential components of the companies CSR work. Ethical values are a big part of how they do business. It is built into their strategy and the culture of the organization. The UBL have always been very successful in communicating their values, ITPSL is working towards that direction. Everything the companies do, they do it with their values in mind. There is more to life than making money. Even though ITPSL implicit states that companies are responsible for providing more benefits than just profit for its shareholders it is still the economic performance that matters. The UBL also imply the importance of making a profit but not as strong as ITPSL. Both companies' states that business success is achieved through responsible and sustainable behavior which itself create value for their customers. CSR is about the way of thinking about and doing business.

## **12. COMPARISON OF CORPORATION'S RESPONSIBILITY ACCORDING TO CARROLL'S PYRAMID**

### **12.1. ECONOMIC RESPONSIBILITY**

The UBL and ITPSL believe that it is companies' fundamental principle to act in a manner that involves creating shareholder wealth as economic entities. However, profits must be made in consideration to ethical values and sustainable development. Profits are made through integrating the companies' values into their

day to day operations; it must be made in consideration to environmental and social aspects. And it is by doing so that they provide their stakeholder's values and not solely financial means.

### **12.2. LEGAL RESPONSIBILITY**

MNC or TNC, fashion sector, NGO or cosmetic sector, it does not matter. Both corporations fulfill the legal requirements that are forced upon them, doing business that exceeds the minimum legal requirements, but that is not enough according to The UBL & ITPSL. Businesses must, of course, pursue not merely its economic responsibility, but to do so within the framework of the legal responsibilities. Laws and regulations are the ground on which their business must operate in. However, it is not enough for them to make sure that their suppliers, partners, and employees adhere to the minimum legal requirements, but also to their ethical standards and principles. For ITPSL and The UBL, no collaboration will take place before the companies' suppliers have signed their contracts and codes.

### **12.3. ETHICAL RESPONSIBILITY**

It is not enough for either company to be economic and legal, but also ethical. The UBL believes that every company is obliged to follow the law and in some way pursue economic responsibility, but in consideration and based on ethical values and principles. The UBL ethical responsibility refers to responsible for leaving this world a better place to live on for the next coming generations and it is when companies take ethics into consideration that they can make a profit. ITPSL argues the same. Being sustainable and acting in a long term is the way for them to take their ethical responsibility. Ethical responsibility involves issues like human rights and working conditions, environmental concern and use of chemicals etc. Use of chemicals also refers to exclude chemicals that are not restricted by law forbidden, but that the companies have chosen to list on their restriction list for precautionary reasons.

Another hand, ITPSL and The UBL changes and improvements are carried out through collaboration with several NGO's and organizations such BSR, AI, FLA and the OECD's guidelines for multinational companies. The UBL have in addition to these collaborations established they're own ethical and community trade program as a way for them to illustrate and communicate their values worldwide since the company sees itself as nothing but a human enterprise.

### **12.4. PHILANTHROPIC RESPONSIBILITY**

Even though The UBL and ITPSL contribute corporate resources for charitable and voluntary activities to stop the abuse of human rights, animal experimentation or help environmental causes they believe that donation and contribution is not the main purpose with CSR. Corporations do have a responsibility to act as a good corporate citizen and give back to their community and society, but their philanthropic responsibility is only based on short-term improvements. Money and monetary contribution can and will help victims, but only for a short term. And for that reason, The UBL states that their philanthropic responsibility is a small part of their business activities. Instead, they focus on actions that contribute to sustainable changes. ITPSL also believes that donating is a good thing to do, but not the most important one when looking at CSR. It is a complement to everything else they do. Both companies give away for causes that

they believe are important to shed light on such as the tsunami in Asia and abuse against children.

### 13. CONCLUSIONS & RECOMMENDATION

It can be concluded from the study that CSR is no longer completely practiced in evolved countries; organizations in the growing international locations like Bangladesh are displaying interest and commitment to CSR as properly. Despite the fact that most people recognize the recent development of CSR, a few argue that company are still now not doing sufficient or are only acting in self-interest. Those people say that multinational corporations appearing ethically in areas that are highly regulated, together with North America, but on the identical time, they're performing opposite in different elements of the sector (including using cheap or infant hard work). Further, while businesses should have accurate CSR rules that allow you to maintain their reputation, they're also predicted to maximize income for stakeholders such as shareholders, employees, and clients. Consequently, human beings argue that businesses do no longer put in a sufficient amount of resources to obtain what they have promised of their CSR rules. Due to the fact, CSR is turning into greater commonplace among organizations, there are concerns that a few corporations promote an image of CSR whether or no longer have they got a real approach in location and the consequences to exposing for. The duty the and transparency are the principle to engaging in an enterprise responsible. Furthermore, stakeholder expectations, vital social problems, norms, and values, and institutional and sociological necessities also change over time. CSR is behavior that has to be congruent with triumphing, social norms, values and expectancy of the society. As CSR practices and stakeholder expectations vary across international locations as nicely the MNCs must take into account the indigenous element while devising CSR policy subjects. In light with these, this study recommends the following-

The first recommendation is about corporation's ethical codes and standards. An important question to be asked is how effective these codes of conduct are. How effective are they when people cannot respond to them or when people do not know or understand them. What use is it to have a code of conduct when it's not comprehended or understood by the workers? What purpose does it have when employees can't read or when they do not possess the power to make a change, to insist on the code of conducts implementation? And furthermore is it really effective to have the same standard in different countries? Should companies not customize codes based on which country they operate in and by that putting focus on the concerning issues for that country. Is it really useful and helpful to have a standard code of conduct? Time after time we hear companies working with implementing their values and principles, but time after time we see them breaching their commitments. Companies have to focus on the impact of these codes rather than on their efforts of creating them. It feels like, customers, employees, and suppliers are being steamrolled with standards, code of conducts and guidelines for CSR. However, what is said and written has to though be implemented and communicated throughout the whole organization and on every level be several actors. Otherwise, CRS has no meaning and can solely be seen as a PR tool which many organizations and single actors today are claiming it to be. It is a natural reaction to doubt corporation's effort to act in an honest and truthful way when they are not doing what they are saying that they are or will do. CSR can, therefore, be seen as only a window dressing tactic, a way for corporations to improve their image as well as a

reason for keeping the critics, quit. And in the end, make as much profit as possible. There is nothing wrong with making money, as long as you earn it in a way that does not involve paying workers less than \$1 for an article of clothes that they manufacture. It is not right to earn money by dumping oil in the Atlantic Ocean and extinct species. Therefore, accountability is everything; companies need to be held accountable for their actions, with or without settled codes and principles.

The second recommendation is about corporations and governments responsibilities. The power of corporations and especially Multinational corporations and transnational corporations' has increased whereas in some countries corporations have more power than the government itself and where the company is controlling and changing the society when governments lack that power. Corporations might also work toward protecting citizen when governments fail to do so. They might protect human rights when governments are unwilling or unable to achieve this. And in some situations, corporations might compensate or correct government's failure. This is admirable; however, where should one draw the line or the limit of their responsibilities. How much responsibility should corporations like The UBL & ITPSL take? Is it fair, just or decent to ask corporations to deal with social and environmental issues in countries where the governments lack such approach? When is it too much and too dangerous for corporations to take over and control such complex issues? The line is thin and unclear, but we can't leave corporations to regulate them and we can't let governments wait for corporations to solve their problems. These challenges that globalization bring requires a collaborative approach, it is not a single actor's responsibility. The focus should not be put on who should do what, but rather when and how changes will be made.

The third recommendation focuses on the issue whether CSR should be compulsory and not voluntary. It is said that change can't be brought if the person does not want to change himself. Binding standards rules are needed to force corporate accountability beyond voluntarism. Especially when there is a lack of international procedures and international law in which multinational corporations can be brought under. It has to cost corporations to not act ethically. This is not the case today when it can be beneficial for companies to break the law rather than obey to it. What is \$1 million in fines when you are earning \$20 billion? It is very admirable for society to fill the absence of the legal accountability with guidelines such as the OECD's guidelines for multinational enterprises, but this is not binding and some organizations will only integrate social responsibility into their business if they are forced to. Corporations must, therefore, be held accountable by compulsory standards and principles for them to be more socially responsible than they are today. Accountability is once again essential: corporations have a legal obligation to uphold international standards.

The fourth recommendation focus on essential elements to ensure a better contribution of trade to economic growth and sustainable development, through the integration of trade and development strategies, as resulting from these communications are: (1) sound macroeconomic policies, effective social governance, and human capital development, which include the promotion of core labor standards; (2) better market access and balanced trade rules to underpin domestic reform; (3) trade-related assistance and capacity building to help to develop countries with these tasks.

Here's a query: does sustainability and corporate responsibility disclosure and reporting matter to buyers? We're approaching the quarter-century mark now on account that the question has been raised in various settings and situations. Yes, there are nonetheless discussions like that within the corporate environment. Now not every person has gotten the message. Considering that the early years of this new century, the questions have been answered through a regular stream of papers and books on CSR. The up to date views of Harvard Professor Bob Eccles on integrated reporting – defined in his booklet, one report: built-in Reporting for a Sustainable process -- might exponentially expand the focal point of CSR and related disclosure. Eccles sets out his idea about CSR: Integrated Reporting is the newsletter in a single document of the fabric measures of economic and non-fiscal efficiency and the relationships between them. This work promises to take the discussions of CSR into many extra board rooms and C-suites for serious consideration.

Although, this is the first qualitative research under deductive methods which comparatively analysis CSR practice of TNC & MNC on the basis of Carroll's pyramid in Bangladesh regarding global perspective, it has some limitation to it. The issue of CSR has been of growing concern among businesses. Being socially responsible is the new reality of businesses. However, there is difficulty in defining what is meant by CSR. What would be interesting for the study is to examine the notion of CSR; its definition and benefits.

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