



Social Responsibility Isn't Exclusive Right Of Large Corporations – Interview

By **Peter Tase**

Sunday, September 6th, 2015

Jorge Emilio Sierra Montoya was director of “*La República*”, the first business daily newspaper in Colombia and was the first director of the Latin American Institute of Leadership. Currently he is an Advisor on Social Responsibility at the *Universidad Simon Bolivar* (USB) of Barranquilla, Colombia (after serving earlier in the same capacity in the Colombian Association of Universities - ASCUN-) where he is the director of “*Desarrollo Indoamericano*” a renowned journal of Colombia, one of the most important publications on social issues in Latin America and the Caribbean.

With a University Education in Philosophy, Literature, Political Science and Economics, during the recent years Prof. Jorge Emilio has been recognized for his contributions to the study of Corporate Social Responsibility (CSR), and has

published three books: *CSR: Lessons cases and lifestyles*; *New CSR Lessons* and *Basic lectures on CSR*.

His most recent work is: *Leadership with Values* published by Digital Reasons, a Spanish publishing house (www.digitalreasons.es); in his essay collection “*Arguments for the XXI Century*”, Prof. Jorge Emilio highlights precisely the socially responsible leaders in different organizations in order to overcome the contemporary crisis in economics, politics, family, etc.

In continuation is included the full interview of Sierra Montoya given to Peter Tase (PT).

The trend of Corporate Social Responsibility (CSR)

PT: There is no doubt, that Corporate Social Responsibility has become very trendy during the last years...

Jorge Emilio Sierra Montoya: In fact, CSR has seen a remarkable growth during the recent years not only in Colombia but also across Latin America and worldwide. This is why it has become a new fashion by many, but rather it is very trendy because at different companies, whatever their size maybe (large, medium, small, micro or family), this subject is mandatory and must be addressed at all of their levels.

At the same time, there are organized many forums about this issue, it is being studied in universities, especially the area of University Social Responsibility (USR) – and even the number of specialists in this field is increasing, just to cite some of the many indicators that clearly show how this issue has gained

momentum and ceased to be neglected by a selected group of people, and has indeed become something very popular.

PT: How popular has it become in reality?

JESM: It is beginning to acquire popularity. Hence the Mass Communication, which is usually handling general topics of interest for the majority of the population, is beginning to report all issues concerning CSR and USR, including internal or institutional campaigns, while exercising their social responsibility, which is another way of promote it accurately.

PT: Why is it necessary that corporate leaders should understand the importance of developing social responsibility programs?

JESM: First, because CSR involves a fundamental change in the business sector, beginning with entrepreneurs themselves. Let me explain: For some time it was believed that the function of a company is to generate profits, income or wealth, always understood within the economic field, in terms of money or monetary resources. Of course, that's common sense and fundamental, among other things because it is required for development, but it is not enough.

Today, however, there is a need for a company to seek both economic benefits and social benefits, thus promoting not only their owners or shareholders' profits but the benefits of different stakeholders (such as employees, suppliers, community, etc.), with whom a corporation must be socially responsible.

It is therefore a much broader concept of a company; it includes the responsibility of employers and the responsibility that these groups have, that is, the social responsibility towards employees, suppliers, universities and the government...

All invest and everyone wins

PT: But there are those who believe that social responsibility is exclusive to large corporations where CSR programs are more ordinary.

JESM: It is true; they are seen obliged to adopt such programs because social responsibility also includes environmental issues that are of utmost importance today. Large companies should, therefore, be very strict on these areas and ensure high standards of environmental protection, increasingly required by international markets, under the internal laws of each country, and there are even laws of global proportions in nature that must be respected. It is no wonder, afterward, that they are very committed to CSR policies.

PM: According to your thoughts, however, CSR should not only be a responsibility of large companies but also medium, small and micro or family enterprises. Why?

JESM: Let me insist that CSR applies to all companies, even smaller ones, and to other social organizations, it is far from reality in believing that CSR is unique to large private companies, public or joint ventures. Any organization can apply this model to be, above all, socially responsible. The same is true of the universities, newspapers or Mass Communication entities, families, etc.

Micro enterprises and Small & Medium Enterprises (SME) cannot be ignored or set this concept aside. And even if they have an economic limitation pertaining to such costs, they should see it as an investment, not as an expense, given the multiple benefits, including economic results that CSR generates. There is a great educational process required to change their attitude and learn to develop a corporate strategy that will generate economic, social and environmental value for the company and its stakeholders.

PT: Let's explore the benefits that you mentioned. What are some of them?

JESM: In each company or organization you have to look at its stakeholders. However, the main group is the employees, who are seeking support with various programs (housing, health care, education, retirement plan...) within the framework of social responsibility. Why? It is obvious, as I said before, the responsibility of a company is not only to give benefits to their owners but share these benefits, with solidarity, with various interest groups and first of all, with its workers, to improve their living conditions.

PT: And what benefits do these workers bring to the company?

JESM: There are many. They range from acquiring a greater sense of belonging to the organization, increase productivity, efficiency and competitiveness or have a substantial reduction of labor disputes. Furthermore, it should be clarified that there are not only economic benefits. We must recall that in the business world of today there are so-called intangible assets whose value –allow me to reiterate- sometimes exceed the economic value of the company. And

when a company is socially responsible, respect human and labor rights or promote policies such as environmental restrictions, tends to improve its reputation, image, brand or prestige, leading to greater consumer preferences, which results ultimately, in higher sales and then it corresponds to greater financial strength. Several studies have demonstrated and have backed these results.

University Projects

PT: Finally, We know that you have been engaged with the university sector for a long time, first at ASCUN and now at the Simon Bolivar University (USB) of Barranquilla, with the mission to establish plans that promote social responsibility. What can you tell us about this initiative?

JESM: Yes, I was in charge of Social Responsibility Projects at ASCUN, which is part of its corporate strategic plan, and recently assumed the same responsibilities at the USB, where we are developing specific projects such as the Centre for Social Responsibility and the CSR-USR by writing specialized books focused on this subject. I will never be tired of saying that universities, like mass media, have an enormous social responsibility, perhaps more than any other sector that could have a lesser impact on the collective well being.

PR

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