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Research Article

## Roles and Challenges of Technology in Corporate Social Responsibility

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**Abstract :** Many believe that Corporate Social Responsibility (CSR) is irrelevant and bad for businesses, while others swear of its strategic importance for the overall growth of local and global economies. This paper examines the impact of technology on corporate morals and social responsibility. Companies like GE and Nike direct resources and strategies to strengthen the environment and local and global communities. Through improving education programs and investing in technology, these companies attempt to fulfill their social responsibilities to many communities.

Companies use corporate social responsibility to build a reputation and eminent brand name. Through technology, the world's economy is synchronized. Creating and sharing technology enhances the world's productivity and economy, mainly because developing countries are incapable of investing much in research and development (R&D).

As the infusion of technology contributes to the growth of the global economy, the question remains to what degree the technological breakthroughs create ethical and moral concerns when exploring new frontiers, and to what degree scientists consider the social and ethical consequences when testing and investigating.

Technology advancements impact life, the environment, and corporate moral and attitude towards balancing the cost and benefits of becoming a good corporate citizen. This study explores the literature review showing examples of corporate commitment to improving the quality of life in local and global communities. Furthermore, two cases are reviewed to explore corporates' commitment and reaction to some of the ethical, social, and legal circumstances related to different controversial research fields to include human cloning, and the research of synthetic biology science. Both cases debate that self-governance is adequate to ensure the advancement of research which is being hindered by the governmental interference when over regulating.

The advancement of technology comes at a price. Researchers sometimes push the boundaries and approach the unthinkable to understand how the universe works. The thirst for knowledge is justified and needed to find cures for diseases and improve the quality of life.

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**Keywords:** Social, education, technology, ethics, moral, cloning, synthetic, and growth.

### Introduction:

Corporate social responsibility's true meaning is fading away. The focus has shifted from becoming a good corporate citizen - who is socially responsible and accountable to the society and the environment to a tool many corporates use to manage their image, brand, and reputation.

CSR is not cheap, according to Double the Donation 2018 research, corporates gave to charities in 2017 around \$17.8 billion, and 65% of the fortune 500 companies offer donation matching programs (estimated around \$2-3 billion of annual donations). Corporates are choosing to become socially responsible.

The main objective of For-profit organizations is to increase the wealth of their shareholders. The question remains, why to become socially responsible - knowing its high cost, the answer is: because it pays. The benefits exceed the cost; not only the company's image will improve, but the business will attract more customers and potential investors, and engage and retain productive employees. ("Corporate Social Responsibility: 12 Undeniable Benefits", 2019)

The current failing economy did not only affect businesses, but

also the public education, which suffered cuts in budgets, and faced difficulties in retaining capable employees and talented teachers. In an attempt for businesses to focus, impact, and boost their brand-name recognition, business leaders have chosen a targeted approach, hence education has become a win-win cause. Companies that are established within the same community are investing more in education, correlating their business goals, thus proving themselves to customers, investors, government regulators, and other stakeholders.

In his article "The history of Corporate Social Responsibility," Asongu (2007) presents four traditional arguments for CSR; moral (ethical), reputation (brand image), license to operate (legal), and sustainability. While Asongu identifies the four aspects of CSR, its components range from corporate governance to patriotism, and fair trade to diversity in the workplace. CSR is becoming more important to businesses due to three strategic trends: changing social expectations, increasing affluence, and globalization.

Understanding Corporate Social Responsibility helps companies build a sound reputation and a recognizable brand-

name. Companies now compete to find causes by which to be recognized. Hence, health, environment, and education issues have become important and noticeable.

Within the last years, as the world economy has been in a constant decline, many believe that CSR is coming to an end. Townsend (2015) believes that CSR has been misused by corporates, it became a tool used to create the illusion of social responsibility. Peter Bakker, the president and CEO of the World Business Council for Sustainable Development (as cited in Townsend, 2015) urges the leading companies to understand the meaning of success and good performance and reflect on the true cost of progress (meaning the impact on people, societies, and the planet).

Stephan Stern, a writer from the Financial Times, once suggested that alpha capitalists are fed up with CSR, and he is glad that a recession is here, so they may return to making money. Stern mentioned that during an alpha capitalist meeting discussing CSR, an executive voiced "I can't stand writing CSR reports. I hate it. It's so boring," and another executive stated that "CSR was just a case of BDF meaning Babies, Dolphins, and Forests." (Stern, 2009)

Countries of the world are becoming more interdependent and harmonized with the world's economy. Nations interact in many ways to include trade and the exchange of technology, which accelerates their economic growth. Nations' growth is not "a random process," but rather economic performance excellence. The "Traditional theory of growth known as Endogenous Theory of Growth" viewed growth as an external process and technology innovations are contributing more to countries' economic growth. This theory views technological innovation and investments in human capital are the main contributor to nations' knowledge and economic development. Creation and sharing knowledge among nations generate public knowledge domain; this continuous investment in research and education enhances the productivity and capacity for the member nations. Developing countries do not invest as much in R&D; their contribution to the public domain knowledge and innovation is limited. When trading globally, the developing countries imitate and adapt to technological capabilities transferred from other advanced countries who face difficulties in protecting their investments and invention rights.

To a degree, scientific and technology breakthroughs create ethical and moral concerns while crossing the new frontier of what used to be unknown. Scientists practice the freedom to investigate and seek the truth about the universe with little or no consideration for any social consequence. Robert Oppenheimer (US Physicist and the program leader for building the atomic bomb) once said:

*If you are a scientist, you believe that it is good to find out how the world works; that it is good to find out what realities are, that it is good to turn over to mankind at large the greatest possible power to control the world and to deal with it according to its lights and values.*

Oppenheimer's justification for the political judgment to build the bomb was on the ground that making a decision to use the bomb was for others to decide and make the choice. (Werther

& Chandler, 2005)

### Literature Review:

While many companies direct their resources and strategies towards medicine breakthroughs and protecting the environment, many others have chosen areas within the educational system. General Electric has implemented a five-year \$100 million "College Bound" program to stimulate, advance and enhance the percentage of high school students attending college, particularly in unprivileged districts. G.E's CSR mission statement states: "Making a difference through philanthropy: GE Foundation applies our culture of leadership and performance to contribute in unique and powerful ways." GE chooses to focus on improving math and science skills to equip U.S. students with a strong foundation to help them succeed and compete in local and global markets. (G.E. Foundation, 2009)

On April 7, 2004, Citigroup created the Office of Financial Education, with a 10 years \$200 million grant commitment to improve and launch global financial education programs. In 2006, \$32 million was spent in 67 countries. (Duguay, 2009) Likewise, Ford Foundation is another company who has focused on education; they believe that any society would be unable to thrive and develop to its full potentials unless significant citizenship and democratic practices are implemented in public schools. (Petrovich, 2008)

Nike, Direct TV, and Intel are other examples of companies that have targeted the educational system as their CSR recipient. Nike sustains its decision by creating the Nike School Foundation, with a \$9 million five-year commitment to public schools, they help children develop leadership skills that would ultimately help their communities and society in general.

Direct TV's approach has been in alignment to their business, they have incorporated various educational channels (such as Animal Planet, Discovery Kids, the Learning Channel, the Biography Channel, National Geographic and History Channel) to their programming. Some of these channels are also available in Spanish to serve and reach Hispanic children and families. Direct TV had also created and implemented PBS stations to which participating schools may have access to requested materials. (Expert Satellite TV, 2009)

Intel believes that students - given the necessary tools will be the next generation of innovative thinkers. Intel made commitments to specific programs such as teacher training, excellence in science and math, technology innovation at universities, and community learning. Intel has not limited itself to the US, but also extended their support and reached globally. (Intel, 2009)

East Asia countries witnessed sustained economic growth from 1965 to 1990 due to their public policy in developing the regions' economy. High-performance Asian countries adopted an open public policy along with developing technology capabilities locally. Technology spillover is sustainable in the high-performance countries, seen in South East Asia countries, whereas medium-performance companies are less sustainable to technology spillover, seen in South Asia countries.

Consequently, international technology spillover is a driving factor to economic growth and performance in law performance countries. (Evenson & Singh, 1997)

A country's economic growth and technology diffusion may entail time to recognize the role of international technology. Furthermore, technology development and improving production capacity are also affected by social and economic forces. Rensman (2006) suggests that the following fundamental forces can fuel international technology growth in the long term:

1. The economic expansion: the international increase in economic activities and the expanding of markets – globally and locally helped fuel technology.
2. Worker productivity and social capability: creating institutions specialized in research, human capital (education and training), and the capacity to absorb leading international technology.
3. R&D plays a role in diffusing international technology and innovation across nations.

Differences between local circumstances and international technology – including cultural differences, local government policies, and local and foreign players to name a few - are considered barriers to the diffusion of international technology in local economies. (Hassan, Jamaluddin, & K.M., 2015) International technology and innovation transition to local economies help sustain the economic boom to these nations, maintain production capacity, and improve the quality life of the population of these countries. The role of capital (human and financial) accumulation and education are more important than usually believed, and R&D and education lead toward technology growth.

R&D kept pushing scientists to break new grounds every day, and open new business opportunities to profit from these inventions. The question remains, whether or not businesses were constrained by the ethics and morals of the communities where they operate. (Werther & Chandler, 2005)

### Case Study:

#### I. Humans Cloning Case: Clonaid

One case study that demonstrates this dilemma is Cloning. There seems to be an acceptance within scientists that cloning a human is unacceptable and immoral. Cloning is illegal in many countries; this opposition can be seen when a company (Clonaid) announced the cloning of the first human baby named Eve, born 12/26/2002 (Young, 2002). Dr. Glen McGee (associate director for education, School of Medicine's Center for Bioethics at University of Pennsylvania) said "it's very difficult to identify the kinds of problems you might have with a cloned human baby...that's why no respectable scientist would ever attempt this experiment." Scientists' pursuit of scientific breakthroughs led to the development of science and technology in this field and made this possibility real.

This announcement led many debaters to reconsider their position in blocking this scientific breakthrough, and recognize the many benefits to gain in curing many diseases such as Alzheimer or Parkinson. The US House of Representatives

voted in February 2003 "to ban all human-cloning experiments, whether for baby-making or to create cells that might be used to treat diseases." However, the Senate did not condemn all aspects of this industry but recognized the many benefits that can be harvested to cure many diseases. (Werther & Chandler, 2005)

Some believed that cloning a human baby is acceptable and ethical under certain circumstances, where others, believed this to be unacceptable and immoral. In his article (2000): To Clone or not to Clone: The Ethical Question, Farnsworth argues that cloning research can be used to help couples have children using parents' own DNA, also can help clone organs to treat cancer and other diseases. Contrary, Dixon (2015), argues that cloning has emotional risks on children when growing up; as they try to establish identity knowing that her or his mother is actually her or his own sister or grandmother and the father is her or his brother or grandfather. In 2001, President Bush announced his thoughts about this subject:

*The issue of research involving stem cells derived from human embryos is increasingly the subject of a national debate... I strongly oppose human cloning, as do most Americans. We recoil at the idea of growing human beings for spare body parts or creating life for our convenience. ...Research on embryonic stem cells raises profound ethical questions, because extracting the stem cell destroys the embryo, and thus destroys its potential for life... I also believe that great scientific progress can be made through aggressive federal funding of research on umbilical cord, placenta, adult and animal stem cells, which do not involve the same moral dilemma. (CNN, 2001)*

The United Nations tried to bring views together in regard to this issue - the US position to ban human cloning for the purpose of production and the position led by several European countries who sought to ban human-cloning for production purposes but allow scientific research to take place. UN diplomats gave up on crafting and altering a treaty law; both sides realized they would not get enough support to create universal ratification. The question remains whether science is responsible for creating social issues, or is it people who manipulate science and abuse technology. (Werther & Chandler, 2005)

#### II. Synthetic Biology Science

The United States is considered among the pioneers, who researched the Synthetic biology science. This field "is concerned with applying the engineering paradigm of systems design to biological systems in order to produce predictable and robust systems with novel functionalities that do not exist in nature." (Synthetic Biology Applying Engineering to Biology, 2005) Scientists, some organizations, and US officials have been debating and considering the implications of this new technology. The debate - especially after the September 11, 2001 attack followed by the anthrax letters attacks - focused the world's attention and concerns to the threats resulted from bioterrorism. The US became more interested in following the development of this new technology, especially through the National Academies of Science reports and in

2004, establishing “the National Science Advisory Board for Biosecurity (NSABB).” (Feakes, 2009)

In 2005, NSABB established a group specialized in synthetic genomics; major responsibilities include examining all potential concerns of biosecurity, and identify, assess, and recommend strategies to address general issues resulting from this technology. This group reported some recommendations to NSABB in 2006 that include: the US Government to issue a clarification and guideline on synthetic DNA to guide providers in improving the process of screening orders, and for the government to foster global dialogue to discuss these concerns and issues with other countries. The Homeland Security Council, created the Policy Coordinating Committee to address concerns and issues related to synthetic biology and biosecurity. (Feakes, 2009)

Synthetic biologists also devoted time and consideration to security relating to their work and research. Some acknowledged the potential risks involved, others avoided the burdensome of federal regulations to a degree they became proactive in promoting and proposing self-regulatory measures. An early example that stands is George Church’s Synthetic Biohazard Non-proliferation Proposal suggesting that the biosecurity concerns can be addressed through licensing agents and equipment, and screening orders. Church suggested that the misuse of this technology is “a low-probability, high-consequence event.” (Rappert & Selgelid, 2013)

Some investors and researchers acknowledged the risks and consequences resulting from synthetic biology technology. Misuse and weaponization would have a catastrophic impact on the planet to include agricultural damages and loss of life. To mitigate these risks, global governance and agreement would be necessary to manage the use and misuse of this technology. World leaders are encouraged to lead, manage, invest in research, and use the benefits of this science to improve the quality of life on the planet. (Gronvall, 2015)

Consequently, synthetic biologists worked on reducing these risks to avoid negative publicity. They insist that synthetic biology is the answer, and scientists should be allowed and trusted to research and explore the benefits of this science. This group believed that the current regulations are sufficient to shield the world from harm - if any. This position is best described by the vice director of the National Centre of Biotechnology in Madrid, Spain. In a statement, Victor de Lorenzo (2006) said “I think the question of regulation should not be the first question. ... Let’s first see what [the technology] is good for. If you first ask the question about risk, then you kill the whole field.” Lorenzo’s position clearly favors the “self-regulation of synthetic biology’s processes.” (Caruso, 2008)

### Conclusion:

Technology is a key component of commitment to corporate social responsibility. R&D and innovations contribute to the growth of the local and global economies as it determines how individuals and corporations interact and advance. The society at large is responsible for exploring the unthinkable frontier

while balancing the desire to grow with all moral and ethical issues that relate to protecting life and preserving the environment.

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