

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Humanities**



**Bachelor Thesis**

**Business Ethics and Corporate Social Responsibility in  
Bolivia**

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## BACHELOR THESIS ASSIGNMENT

ANA LUCIA ASCARRUNZ LOBO

Economics Policy and Administration  
Business Administration

Thesis title

**Business Ethics and Corporate Social Responsibility in Bolivia**

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### Objectives of thesis

This thesis will investigate attitudes towards business ethics and consumer responsibility among businesspeople in Bolivia. Business ethics is seen as an important part of contemporary business practice. Ethical questions arise in the relationship between businesses and their customers (e.g. advertising, safety information), between businesses and their employees (e.g. issues of exploitative pay and conditions), and between businesses and wider society (e.g. duties to community or the environment). This is often described in terms of 'corporate social responsibility', which suggests that businesses have duties to society beyond making money for shareholders. There are debates, however, whether such duties exist at all, what they are, and how companies should fulfil them.

### Methodology

Develop a literature review focusing on the key issues in business ethics and corporate responsibility. Qualitative research into attitudes of business people towards these issues through interviews with selected businesspeople in Bolivia.

## **The proposed extent of the thesis**

40-50 pages

## **Keywords**

Corporate Social Responsibility, Business Ethics, Bolivia

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## **Recommended information sources**

CARROLL, Archie B. and Kareem M. SHABANA. (2010). The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice. *International Journal of Management Reviews* 12(1):85-105.

FREDERICK, Robert. (2008). *A Companion to Business Ethics*. London: Wiley-Blackwell

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SIMS, Ronald. (2003). *Ethics and Corporate Social Responsibility: Why Giants Fall*. Greenwood press.

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## **Declaration**

I declare that I have worked on my bachelor thesis titled "Business Ethics and Corporate Social Responsibility in Bolivia " by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 23.03.2020

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**Ana Lucia Ascarrunz Lobo**

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# **Business Ethics and Corporates Social Responsibilities in Bolivia**

## **Abstract**

This Bachelor Thesis studies the role of Corporate Social Responsibility (CSR) in organizational development. The research studies types of CSR and its importance. As well as how values and cultures vary around the world, I will try to distinguish different perceptions of corporate responsibilities in Europe, USA, and Latin America.

The interest in CSR has grown rapidly in recent years and people are starting to demand that companies take action in social responsibility. At the same time, companies have started to understand that they can use CSR as a management strategy and competitive advantage.

The research outcomes will enable us to discuss what is Corporate Social Responsibility, why is it important for companies and what are the attitudes towards it.

The practical part of this thesis will be focused on the attitudes of people in Bolivia towards CSR. The qualitative research method is selected to determine awareness of corporate social responsibility, their personal perception of it and whether they believe there is a connection between CSR and business success.

**Keywords:** Corporate Social Responsibility, Types of CSR, CSR in Bolivia, Employees Attitudes, Carroll's Pyramid.

# Obchodní etika a Společenská odpovědnost firem v Bolívii

## Abstrakt

Tato bakalářská práce se zabývá úlohou sociální odpovědnosti firem (ang. Corporate Social Responsibility CSR) v organizačním rozvoji. Studie zkoumá typy CSR a jeho význam. Podle společenských hodnot a kulturních rozdílů byla rozlišena různá vnímání odpovědnosti firem v Evropě, USA a Latinské Americe.

Zájem o CSR v posledních letech rychle roste a lidé začínají požadovat, aby firmy jednaly ve prospěch sociální odpovědnosti. Podniky si začínají uvědomovat, že mohou využívat CSR jako jednu ze strategií řízení firmy a zároveň konkurenční výhodu.

Výsledky tohoto výzkumu nám umožní diskutovat o tom, co je společenská odpovědnost firem, proč je pro společnost důležitá a jaké jsou k ní nynější postoje.

Praktická část této práce je zaměřena na přístup obyvatel Bolívie k CSR. Pro zjištění povědomí o sociální odpovědnosti firem, jejich osobního vnímání CSR a toho, zda věří, že existuje souvislost mezi CSR a obchodním úspěchem, byla vybrána metoda kvalitativního výzkumu.

**Klíčová slova:** Společenská odpovědnost firem, typy CSR, CSR v Bolívii, postoje zaměstnanců, Carrollova pyramida.

# Table of content

<b>1</b>	<b>Introduction .....</b>	<b>10</b>
<b>2</b>	<b>Objectives and Methodology .....</b>	<b>11</b>
2.1	Objectives.....	11
2.2	Methodology .....	11
<b>3</b>	<b>Literature review.....</b>	<b>12</b>
3.1	Corporate social responsibility (CSR).....	12
3.1.1	Introduction to CSR .....	12
3.1.2	Types of CSR.....	13
3.1.3	Importance and benefits of CSR.....	17
3.1.4	The strategic approach to social responsibility.....	19
3.2	Implementation of CSR.....	19
3.2.1	ISO 26000 .....	19
3.2.2	Global Reporting Initiative (GRI).....	20
3.3	Differences of CSR around the world .....	20
3.3.1	CSR in Europe .....	20
3.3.2	CSR in the USA .....	21
3.3.3	CSR in Latin America.....	22
<b>4</b>	<b>Practical Part.....</b>	<b>24</b>
4.1	CSR in Bolivia .....	24
4.2	Interviewees .....	26
4.3	Output.....	27
4.4	Results and Discussion.....	38
<b>5</b>	<b>Conclusion.....</b>	<b>40</b>
<b>6</b>	<b>Bibliography .....</b>	<b>41</b>



## **List of pictures**

Figure 1 Carroll's Pyramid of Responsibilities (1971) .....	13
Figure 2 source: "Interinstitutional Cooperation Between Private Business Federation", 2016.....	25
Figure 3 Own creation - Data based on "Interinstitutional Cooperation Between Private Business Federation", 2016.....	25
Figure 4 Own creation - Data based on the interviews - "Thoughts about CSR" .....	27

## **List of tables**

Table 1 Own creation - Data based on interviews .....	28
Table 2 Own creation - Data based on interviews .....	35

# 1 Introduction

At an international level, enterprises and organizations, in general, establish inside of their policies, norms that assure the quality and the care they give to most or all their stakeholders, such as employees, costumers, etc.

Companies based in Europe, USA, etc. are always ahead of the third world countries, and one of the reasons is because they are constantly looking for new ways to improve their regulations and norms in order to provide the best service, product, or simply quality of life for their employees and customers. And all of that can be accomplished when companies implement CSR.

In addition to that, CSR is a business management tool that helps companies to be successful not only economically but in terms of their contribution to society, CSR appears closely linked to the concept of Sustainable Development, that is the ability to generate value and last over time from the responsible use of available resources without affecting future generations.

CSR is also transparency and accountability, as it urges companies to ensure that all levels of the company hierarchy adopt the established values and principles and are responsible for their compliance.

In Latin America in general and in Bolivia in particular, Corporate Social Responsibility has become universal as a concept. But, Corporate Social Responsibility has a contribution at a theoretical level, it supposedly favors the sense of belonging and the trust of the employees towards the company when they understand or are aware of these activities or values the company has, which allows them to increase their loyalty and sometimes even their willingness to work. Plus, it improves the image of the company, which contributes to maintaining customers and access to new markets.

## **2 Objectives and Methodology**

### **2.1 Objectives**

The objective of this thesis is to give an overview of what corporate social responsibility means, some main areas where it can be applied to make a social impact, and how can it be implemented. So, after doing interviews with some people, who have worked or are currently working in companies from different fields in Bolivia, I can analyze the attitudes of most people towards CSR, and come up with a conclusion that will summarize these opinions.

#### **Research questions:**

What is Corporate Social Responsibility?

Why is it important for companies to have CSR?

What are the attitudes towards CSR in Bolivia?

### **2.2 Methodology**

This thesis will start on the first part with the theoretical part, giving some of the most used definitions of Corporate Social responsibility and how it's normally understood by people. Following that, I'll be naming some of the basic types of CSR, with some real-life examples of companies who are practicing them, to, later on, give some of the platforms and standard reports that can be helpful for companies and organizations to implement CSR in their management strategy or to just improve them in order to be as sustainably developed as possible. In the second part, I'll be writing the practical part of the thesis, which is going to be the analysis of some interviews made to specific people who have worked in fields closely related to CSR in their respective companies located in Bolivia. The answers of the interviewees will be the support for my conclusion regarding the attitudes towards corporate social responsibility in Bolivia.

### 3 Literature review

#### 3.1 Corporate social responsibility (CSR)

##### 3.1.1 Introduction to CSR

There are many theories of when was the concept of Corporate social responsibility born. Some people argue that it was an important matter since the early XIX century because in America they were starting to have more and more companies established to “promote a public interest or purpose” (Colombo, 2008). Although, some philosophers and economists like Smith had discussed similar ideas in the 1700’s<sup>1</sup>, one of the most relevant authors, in the topic of corporate social responsibilities, until now is Howard R. Bowen. He wrote the book “Social Responsibilities of the Businessman” (1953), which “...was the first comprehensive discussion of business ethics and social responsibility.” (Bowen, et al., 2013).

Currently, Corporate social responsibility (CSR) has no exact definition after all of these years, because it’s a paradigm that is constantly developing and evolving as a whole. It can be called different things when it’s being discussed as a plan in an organization. We can call it, human social responsibility, or social responsibility for the business, but at the end what any firm or organization is trying to be accomplished it’s an operation path of socially responsible activities to give back to society and try to improve it on anyway that it’s possible.

In many cases, it is thought that the only way of being socially responsible it’s in a philanthropic way, and like Carrols stated, “...CSR includes philanthropic contributions but is not limited to them. It would be argued here that philanthropy is highly desired and prized but actually less important than the other three categories of social responsibility.” (Carroll, 1991). So, as he said, CSR is not a charity, there are many ways of giving back to society, and one important part of it is actually how the companies earn their money and not how they spend it. So, here we are talking about business ethics because it takes employees of integrity and appropriate organizational structure to perform CSR correctly inside an organization.

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<sup>1</sup> Adam Smith discussed topics like human’s moral and social benefits in his books; “The Theory of Moral Sentiments” (1759) and “The Wealth of Nations” (1776)

The most common definition that is found on the internet, at least until a couple of years back, the definition that most people would use for CSR is; “*The social responsibility of business encompasses the economic, legal, ethical, and discretionary [later referred to as philanthropic] expectations that society has of organizations at a given point in time.*” (Carroll, 1999). Which I will be explaining a little further on, to have a better understanding of these expectations from our society.

Another well-known definition, the ISO 26000 standard defines CSR as: “*An organization's responsibility for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour*” (ISO26000, 2010). This international norm ISO 26000 made it pretty clear that It’s not actually a legal requirement that firms or enterprises must have CSR implemented in their management strategies, but it’s a platform where they can base their implementation plan for it.

### 3.1.2 Types of CSR

Corporate Social Responsibility can be developed in so many ways, it’s almost impossible to name all the ways how it can be applied. Although, I will focus on the four domains of CSR from Carroll’s pyramid which are Economic Responsibilities, Legal Responsibilities, Ethical Responsibilities and Philanthropic Responsibilities (Carroll, 1991). Plus I’ll give an overview of Environmental CSR, which nowadays is one of the fields with bigger changes when a company is implementing CSR.

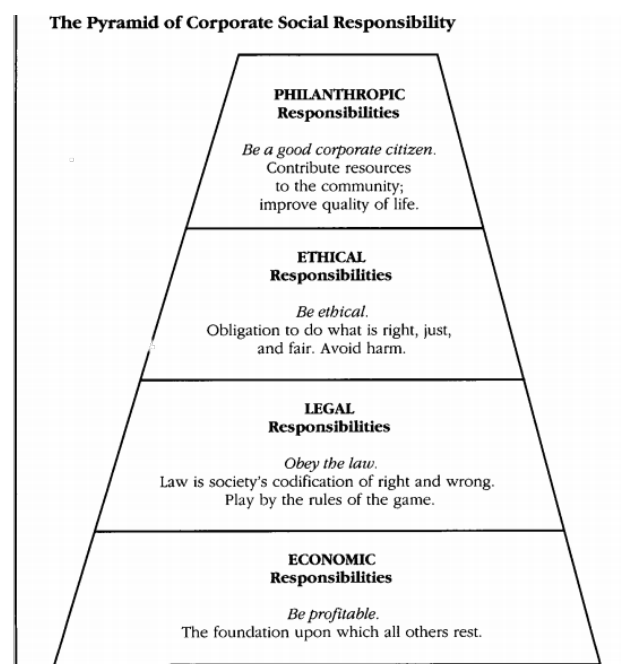


Figure 1 Carroll's Pyramid of Responsibilities (1971)

**Economic Responsibilities** in Carroll's pyramid is placed at the lowest level, that makes it the base of it, and also the largest one. Obviously, for a company, the first and more important goal should be to be as profitable as possible, without acting like mercenaries of course, but as it's understood in any business is necessary to be able to pay the employees a fair salary, while having good quality in whatever their service or product is that they provide to their customers (Thacker, 2019).

It may sound weird for some people to have 'Economy' as a social responsibility, even more as one of the most important ones, but according to this approach is that society should see important for companies to be able to sustain themselves economically, in the short term as much as long term, because if a company can't be financially sufficient then it will not have any other option than close down (Carroll, 2016).

Based on Carroll's pyramid some important components for the economic responsibilities are to try to maximize the earning per share while keeping a high level of efficiency in operation and of course to try to maintain constantly a good level of profits to keep the company successful at all times (Carroll, 1991).

**Legal Responsibilities** can be pretty easy to understand as the name pretty much says it. For a company, their legal responsibility differs depending on what time of work they do and of course where they are located, because they need to comply with their local and national laws and regulations (Carroll, 1991). Giving a little deeper explanation, this means that besides all companies having their primary goals which is being profitable, they also need to always stay inside the legal framework by being a law-abiding company and also making sure their employees are too. Some examples of the things that must always be done within the law to avoid any legal issues are; employment laws, competition with other companies, tax regulations and health and safety of employees (Thacker, 2019).

Also, Thacker probably based his ideas on Friedman's philosophy about the general business that was normally going around the best interest of the company. He had the famous opinion that businesses' most important mission is just to maximize their profit. So, for him, their social responsibility is just whatever legal requirements they need to meet, and of course, doing their work honorably. But, he didn't really see necessary for the extra social activities other people seem to agree is needed (Friedman, 1970).

**Ethical Responsibilities** - When we talk about ethics it all comes down to morals. *“Defining the responsibility in the action is the first step to determine the ethical value in the action”* (Rodriguez, 1998). With this in mind, we can start by saying that only us, people, can be morally evaluated by our actions. Furthermore, any action that we do is morally correct if we, in fact, believe it is the right thing to do, not just for us but for anyone who would be affected by it.

Although, technically for our actions to be ethical, there shouldn't be any legal norm, law, punishment or price at the moment of making decisions about it. Kant argues, that a person is good or bad depending on the motivation of their actions and not on the goodness of the consequences of those actions. He believes that one can have moral worth only if one is motivated by morality. Therefore, we can conclude that Kant's theory is an example of a deontological moral theory -according to these theories, the rightness or wrongness of actions does not depend on their consequences but on whether they fulfill our moral duty (Kant, 1997).

Without a doubt, there are certain laws and regulations in each country and each field, that need to be fulfilled by any entity, normally for customer safety and satisfaction. But, besides those, each company or organization has its own policies and internal management, so it is in those decisions, that normally are made by people in higher positions, where we can actually see the ethics and morals of the company.

One of the best-known tools at the international level for the implementation of ethical CSR is the Global Reporting Initiative (GRI), whose objective is to give platforms that companies can use to create standard reports for economic, environmental and social impacts. In more simple words, one of the main points of creating these types of reporting, and making them known worldwide, is for any company or organization to be able to show that the work or any activity that they are doing is in the best social interest. Plus, by being transparent with their sustainability information they show they are working honestly and trying to make positive changes in their area of reach.

In 2001 the United Nations Conference on Trade and Development took place in New York and Geneva on the ‘UNCTAD Series on Issues in International Investment agreement’ with the topic of Social Responsibility. One of the issues which are on the official documents of discussed matters is the Ethical Business Standards: *“Codes may be formulated and adopted by an individual firm, but set standards of conduct to apply*

*not only throughout a firm and its foreign affiliates but also to its entire supply chain, sometimes involving thousands of contractors and subcontractors, often in many countries. These can, therefore, have widespread effects if adopted...”* (UNCTAD, 2001).

So, to support one of the points I made previously, one of the big impacts that a company can do by adopting Ethical CSR is not just to change things inside the company but to make sure all the stakeholders they have are also managed with good values to increase the awareness about it to the larger amount of people that they can.

**Philanthropic Responsibilities** is probably the easiest way to show interest to the public eye that you care about the community and that your company wants to help by giving. But, there is always more than one point of view regarding this type of CSR.

The bases of philanthropy are in altruism. Psychologists have been interested in altruism for a very long time. Why do people/businesses do this kind of compassionate action without expecting anything in exchange? Some scholars argue that altruism is just well-presented egoism and in reality, it serves for egocentric aims (Yung-An Hu, 2003).

One famous Chinese proverb says: *“Give a man a fish, and you feed him for a day. Teach a man to fish and you feed him for a lifetime”*. Where I’m going with this is that social inclusion to be beneficial should be organized, that it will not be a one-time concept, for a specific event. Instead, it should have the ambition to create a system, which fights against poverty.

It is argued, that the social responsibility that the company develops when it comes from a form of philanthropy has a far more significant impact in the long run than the marketing costs incurred to raise brand awareness and loyalty (Jean B. McGuire, 2017).

Accordingly, the first and second decades of the 21st century are the role of socially responsible companies and are an important driver of social progress. Apple, Google, Microsoft, Pepsi, Shell are companies that provide the best example of corporate philanthropy. Thanks to such companies, about \$500 billion is donated annually to a target that helps a particularly vulnerable group and individual.

**Environmental CSR** is mostly where companies are focusing more of their attention too. Even though is not part of Carroll’s Pyramid, I find very important to talk about it, due to all the environmental problems the world is suffering thanks to all the pollution humans create. Depending on the type of work a company does, some of them try to change the way some things are done inside their workplace in order to obtain the results they are meant to, but in a more “green” way to be more sustainable. In other



words, companies try to reduce their carbon footprint as much as they can. An example of this kind is McDonald's. In 2012 McDonalds completely replaced their foam coffee cups with double-walled paper containers which are 100% recyclable (Walker, 2013).

On the other side, when companies sometimes don't have the possibility to make some changes on the way they work or the materials they use, there is always the option where they try to compensate environment by calculating the carbon footprint that they are leaving in the world and donate money to environmental organizations or take action in a way that the company will be compensating the world for the amount of greenhouse gas emission (TheGivingMachine, 2017).

Currently, there are many carbon footprint calculators available for a small calculation such as the amount produced by only one ordinary person (WWF, 2016), and better, more professional websites where you can calculate the amount of carbon footprint your business is issuing, to try to reduce as much as you can or to find other ways your company can compensate it. Most companies do the calculations to figure out which activities from the company are able to change in order to be less harmful to the environment. However, some of the best environmental groups where it is possible to donate to compensate for the harm and hope for a change for a better world, are Environmental Defense Fund, The Nature Conservancy, and Natural Resources Defense Council.

Also, there is the Pure Earth/Blacksmith institute which is a non-profit organization whose mission is to *"Identify and clean up the poorest communities throughout the developing world where high concentrations of toxins are located and teach communities how to improve soil, water, and air quality"*.

### 3.1.3 Importance and benefits of CSR

Inside the general frame of how CSR is seen from an international level, mostly talking about developed countries, we can assume that some of the main objectives for companies that make this matter important are as follows:

Firstly, to be as economically sustainable as possible, for the long term, together with trying to avoid social exclusions<sup>2</sup> - based on culture, gender, social identity, etc.- (Werner,

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<sup>2</sup> Socially-excluded groups are populations that have been excluded from the advantages of economic growth and social advancement through exclusion from society

2009). Secondly, to have a very clear picture of what they should do in order to accomplish their moral and ethical goals. Also, to ask stakeholders and come up with ideas regarding procedures, models or practices that can help improve their responsibilities, to have better relations between them and meet their expectations. And at last, it's to leave it clear for everyone that any business activity will always be reflected in the social areas of reach, this means that there's no company which is not affecting its surroundings. Therefore, it's important for all companies to act and manage the business ethically and adequately, with high morals and reach high competitive advantages.

The importance of social responsibility can be explained focusing on two dimensions; Internal Dimension of CSR (the company itself), and External dimension of CSR (the community and the environment).

When we talk about social responsibility for the company itself, this is normally when the company is investing in its growth or just internally making it may be a better environment and more beneficial for its employees. This is one of the greater benefits because when the employees have a good understanding of CSR, and they know they work for a transparent company with good values, they tend to be more loyal to it, and it leads to greater productivity in their work (MURPHY, 2019).

The responsibility towards the community is what many people think is the main objective of CSR. Even though is one of them, the external dimension extends to local communities including, shareholders, business partners and suppliers, consumers, and all the company's stakeholders.

Some of the key aspects of the external dimension of CSR according to the book "*Corporate Social Responsibility (CSR), theories, trends and future challenges for Bolivia*"<sup>3</sup> are:

- The integration of the company in the local community – providing jobs, helping in the development of the local areas, etc.
- Business partners, suppliers, and consumers– it's expected as part of their social responsibilities from the companies to satisfy their stakeholders and provide them the best quality of service or product that they can.
- Global ecological problems- trying to decrease or compensate for the amount of carbon footprint they leave on the planet. (Cuéllar Crespo & Hurtado , 2015)

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<sup>3</sup> This book is originally in Spanish, it's called "Responsabilidad Social Empresarial (RSE), teorías, tendencias y desafíos futuros para Bolivia"

### **3.1.4 The strategic approach to social responsibility**

In developed countries, like in Europe and North America, the matter of corporate responsibility it's pretty advanced; with principles, standards and guides that have been developed to support these diagnoses and to work as a base for the strategic planning of the companies (Ansoff, 1977).

However, neither in European nor Latin companies, the resources are not unlimited and, on the other hand, the expectations of the interest groups are increasing. Therefore, it is necessary to develop strategic planning mechanisms that allow prioritizing, with more objective criteria and a comprehensive vision, the actions of social responsibility that the company may implement (Mitchell, et al., 1997). The strategy will be how an organization relates to its environment and guarantees its survival, its viability, and its growth to fulfill the expectations of society (Ansoff, 1977).

## **3.2 Implementation of CSR**

There are different ways for organizations to start implementing socially responsible activities in their management strategies and policies, and some of the tools that are currently popular to help these plans to get started are; the international norm ISO 26000, a tool many companies are using for transparency reporting is the Global Reporting Initiative (GRI), as well as SA8000 Standard as a framework for fair treatment of workers.

Because ISO 26000 and GRI are two of the most used guides for CSR by companies in Latin America, and that will be where the thesis will be focusing, later on, I'll introduce a little more of these standard organizations.

### **3.2.1 ISO 26000**

ISO 26000 was released just a few years ago, in 2010. It is not exactly a norm from the International Organization for Standardization, it's more like a guide for any kind of organization for social responsibility (ISO, 2010).

According to it, the main objective of corporate social responsibility is to make each company as sustainably developed as possible.

This guide also tells you that the main reason why any company would start with these socially responsible activities should be an honest try to develop a better social, economic and environmental change in their area of reach. Besides being a competitive advantage from a business point of view, because part of the things CSR means to improve for your business is the relationship with all the stakeholders you have or might be interested in acquiring (ISO/TMB Working Group on Social Responsibility, 2010).

Although, the ISO26000 can be a little overwhelming for SMEs because they would probably need a team to carry it out, and it can be too expensive and time-consuming for that size of companies. This is why they came up with the ‘ISOFastTrack’, a cloud-based app for the implementation of CSR that can be easy and affordable for any type of company. And after finishing with the step by step process that they help you implement, you can get an ISOFastTrack assurance certificate to let your stakeholders and competitors know that you have done it (Foy, 2016).

### **3.2.2 Global Reporting Initiative (GRI)**

GRI is a set of principles to create sustainable reports that their goal is to guarantee the quality of the reports and the information disclosed in them. It also includes the basic contents, which are made from performance indicators, as well as a series of guidelines on technical aspects related to the preparation of reports.

Even though it is a very good reference model for companies reports, the problem for some companies, especially SMEs, is difficult to follow because it requires a degree of sophistication in the information report (GRI, 1997).

## **3.3 Differences of CSR around the world**

### **3.3.1 CSR in Europe**

The eighth president of the European Commission, Jacques Delors 1 was the first to start talking about social responsibility. At the end of the 19th and beginning of the 20th century, world-known entrepreneurs: Henry Ford, Andrew Carnegie, George Cadbury started implementing social responsibilities in their companies. They have started healthcare programs for the employees as well as apartment provision (Kinderman, 2013).

If we will dive deeper into Henry Ford's activities, his programs were paternalistic that included medical care (as mentioned) and support for recreational activities. This approach was grounded business-minded responsibility towards society. Later, these approaches have become the driving force behind social responsibility formation (Tsavdaridou, 2010).

The idea of social responsibility started back in the 15th century in Europe when Jacob Fugger decided to provide houses for underprivileged citizens in his town. It is argued that the reason behind it was that Fugger had been criticized for monopolistic actions.

According to the way of thinking of managers by that time, companies should have been supporting charities by their authority and influences. Moreover, the tendency was changed and driven by their profits. In order to get support from society, alike activities mentioned above should have had been voluntary (Tsavdaridou, 2010).

Given that the social norms and values of countries differ from one another, the perception of corporate social responsibility also varies by country. Therefore, talking about CSR in Europe, in general, would not be accurate. However, in more developed countries social responsibility had high importance. In less developed countries the Corporate Social Responsibility is considered to be more philanthropic.

In Denmark, CSR is considered to be essential. Some scholars argue that in Estonia, Lithuania and Latvia's satisfaction of employees is positively correlated to the existence of CSR.

In Spain, the companies in Iberia Index are obliged to provide the CSR activities that took place in the companies. In Hungary, Corporate Social Responsibility is considered to be a relation to society. In central and eastern Europe companies consider CSR as part of marketing (André Habisch, 2005).

### **3.3.2 CSR in the USA**

As mentioned previously, Howard Bowen is considered as the academic founder of Corporate Social Responsibility in the 1950s USA (Carroll, 1979). He argued that the role of a business was going beyond its main purpose, getting economic benefits. He believed that businesses and their activities could have an important impact on people's lives. Therefore, he concluded that the company should have been focusing on its social

responsibility linked to community values and expectations (Bowen, 2013). Afterward, many scholars have developed their own views and perceptions of CSR.

Leading international analytical research company “Nielsen” published a report in 2012 concerning the growing interest of the world’s population in socially active corporations. According to the report, the demands of the consumers, to be more socially responsible, is the biggest factor of motivation (Nielsen, 2012). It is also noteworthy, that 80% of Fortune 500 companies in the USA are actively involved in corporate social responsibility campaigns (Sankar Sen, 2004).

As already mentioned, American companies today are concerned about CSR. For example, according to Ethisphere Institute, IBM is considered as one of the World’s Most Ethical Companies (Ethisphere, 2019). The company has adopted policies that promote inclusion and treat people with dignity and respect. Reflection of the company values can be seen in commitment to genetics privacy and LGBTQ equality for company employees to advocate for public policies.

### **3.3.3 CSR in Latin America**

The concept of Corporate Social Responsibilities in Latin America is not as old and advanced like in Europe or North America. Although it has been growing in the last few years, the typical management model in these countries does not have CSR practices implemented. And in some companies, they just count as CSR if they comply with the laws and norms of their field and region (Vives, 2008).

The one type of social responsibility that has been in some of these countries for many years now, is the philanthropic responsibility. This is mostly because historically in Latin America, most of the countries’ beliefs were based on religious morals and ethics. Therefore, companies, especially in the private sector, would have some philanthropic activities, mostly donating money to charities or supporting financially any activity which is not related to the field of the companies’ work. (Vives & Corral, 2005).

In Latin America, the priority issues are different from the ones in Europe or the USA. The labor issues in some of the countries in this region are not sufficiently dealt with by the laws, so this makes it a priority due to the exploitation of workers or other issues that might come for the lack of regulations for the protection of the employees (Vives, 2008).

According to the study by the AVINA<sup>4</sup> foundation – present in 19 Latin countries- the main characteristics of CSR in Latin American are as follow:

- Democracy is the generalized form of government, decisive in most countries for progress towards citizen participation, the generation of social capital for sustainability and the validity of legal certainty. But evolution is slow, affecting fundamental issues such as working conditions, access to basic services and the development of environmental sustainability.
- Latin America is integrated into the global economy by adopting various policies of openness to international trade. From the State, there are usually few effective control mechanisms on business behavior and little legislation and incentives related to the issues of corporate responsibility.
- The business community that exerts great influence both at the micro-level, in its locality, and at the national level, is characterized by a coexistence of large foreign multinationals with a high incidence in production and employment, growing ‘translatinas’<sup>5</sup> and a majority of small and medium-sized companies (SMEs), which represent a large part of the private sector and job creation.
- Civil society is increasingly organized under different forms and with the support of new information and communication technologies.
- Inequality, poverty, and unemployment represent the main problems in the region.

(AVINA Foundation, 2019)

Besides AVINA Foundation, among the most outstanding advances in Latin countries regarding CSR, there are the actions carried out in Brazil with the creation of the ETHOS Institute<sup>6</sup>, in Argentina with the Argentine Institute of Corporate Social Responsibility (IARSE)<sup>7</sup> and Chile with the ProHumana Foundation<sup>8</sup>.

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<sup>4</sup> AVINA is a Latin American foundation that promotes sustainability through collaborative processes, leading to large-scale positive impact.

<sup>5</sup> “Translatinas” constitute an increasingly notorious phenomenon, although official statistics do not always dimension it appropriately. They are mega-companies of Latin American origin that carry out their activity through foreign direct investment (FDI).

<sup>6</sup> The Ethos Institute of Business and Social Responsibility is an OSCIP (Civil Society Organization of Public Interest) whose mission is to mobilize, raise awareness and help companies manage their business in a socially responsible manner.

<sup>7</sup> IARSE is the acronym for the name in Spanish “Instituto Argentino de Responsabilidad Social y Sustentabilidad”

<sup>8</sup> “Research Program for Human Promotion”, resulted from the elaboration of the project “Philanthropic action as an element of social responsibility”.

## 4 Practical Part

In the practical part of this thesis, my goal is to show some of the attitudes that people working in different companies – both employees as well as owners- have towards CSR in Bolivia, as an example of a developing country. As we can see from the research done in the last part of the theoretical part of this thesis, there's a big difference between CSR in Europe and USA compare to the CSR in countries that are not fully developed, like most of the ones in South America, Africa, etc.

To see what people in Bolivia, understand and thinks about CSR in general and in their own company I chose 5 interviewees from different business field to try to find the different perceptions that they can have.

### 4.1 CSR in Bolivia

In Bolivia, the amount of companies having any type of social responsibility has grown a lot and in a very fast in the past few years. It's still a developing country with just so many big companies, but every year more people are specializing in this area of management and strategic planning. This helps the companies to start or improve their CSR programs, due to more understanding of the topic from their competitors and also customers themselves.

The Bolivian specialist and consultant for Corporate Social Responsibility, Javier Espada, stated in an interview:

The conception of CSR varies in each country. (It is generally understood as the active and voluntary contribution of companies to social, economic and environmental improvement with the aim of improving their value and competitive situation): In Bolivia, it is a concept under construction, which represents an opportunity to achieve its own model that applies to all companies. For this reason, we propose to include the community among those involved today recognized in CSR (Government, companies, and universities), because a project that does not involve people do not have sustainability.

(Espada, 2014)

Almost two years after that interview, at the end of 2015, more than 200 private companies -from 5 of the 9 cities of Bolivia- agreed to start a research in order to gather



valuable information regarding CSR in Bolivia (Interinstitutional Cooperation between Private Business Federation, 2016).

The following pie chart shows the number of companies – in percentages- per city that were participating in this research:

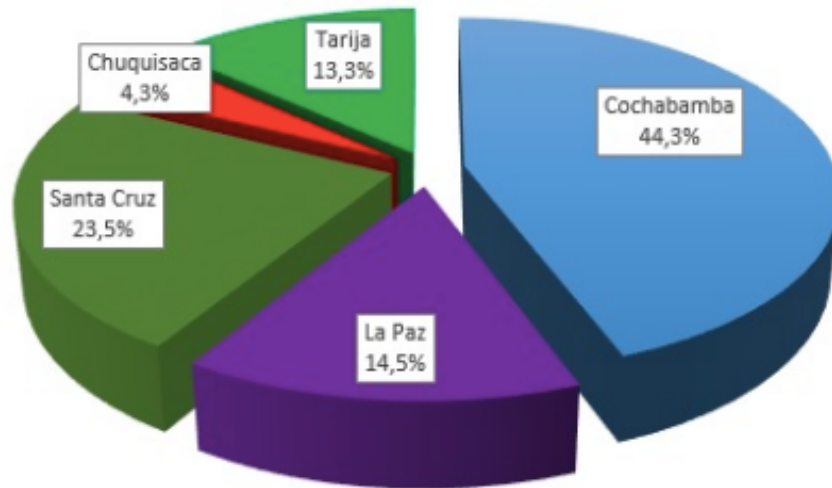


Figure 2 source: "Interinstitutional Cooperation Between Private Business Federation", 2016.

Next, it'll be shown where are these companies more interested in focusing their CSR actions to:

**WHERE THEY WANT TO FOCUS MORE CSR ACTIONS AT:**

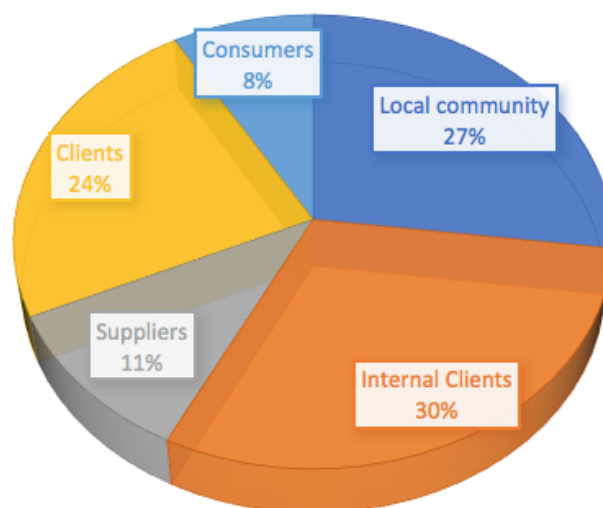


Figure 3 Own creation - Data based on "Interinstitutional Cooperation Between Private Business Federation", 2016.

As mentioned before, this investigation started in 2015 and it was published on 2016, with the main objective of gathering reliable information from the private sector, for the “Observatory of Social Responsibility” – a relatively new organization- to have a good starting view of how is CSR is being held in Bolivia.

Furthermore, one of the first initiatives of CSR was the “Bolivian Corporation for Corporate Social Responsibility” (COBORSE)<sup>9</sup>, founded in 2004 and whose objective is the promotion of Corporate Social Responsibility in Bolivia through training, guides and other entrepreneurial actions for Bolivian companies (Zelaya, 2014).

As well as the Bolivian Institute of Foreign Trade (IBCE), also a member of COBORSE, has promoted research on CSR issues since 2006 through agricultural publications related to the topic, child labor, sustainability, measurement tools, and others.

Given that corporate reputation is an increasingly important factor –inside Bolivia as well as outside- in the decision to purchase products or services, identified by transparency in every sense of the product, it becomes the corporate brand more important than the commercial brand (Niello, 2006).

## 4.2 Interviewees

As established before, there were five people interviewed, and to have a better understanding of the analysis I’ll do a little later on, I want to give some important information about these people. In order to respect their anonymity, I’ll be giving only the size and the field in which their companies do their work. So, when reading their attitudes and points of view regarding this matter, we take into consideration their workspace and we can maybe see the differences between some companies that educate or not their employees about CSR.

- a. Small Food company.
- b. Governmental/Public company.
- c. Small Tech. Service Company.
- d. International Petroleum company.
- e. International Vehicle’s dealership.

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<sup>9</sup> “COBORSE” is the Spanish acronym for “Cooperativa Boliviana de RSE”

### 4.3 Output

I would like to start by analyzing the knowledge concerning CSR of participants, to have a quick overview of what CSR means to them. As one of the respondents explains *“It is a management model adopted by the companies that plan and execute their business in the framework of sustainable development (social, economic and environmental)”*.

Overall, in Bolivia, most people, even those who have been working in big companies for years now, don't really understand that CSR can be a strategic management advantage, not only a philanthropic activity made from profits

It is important to find out what are the perceptions of CSR for interviewees, whether they think it's something necessary for all businesses or just something good they can do with extra profit, perhaps they see it as a waste of money and time of the company and its employees. One of the interviewees said, *“To the extent that CSR is articulated to the strategic plan and the business management, it is key to establish and maintain its competitive advantage”*.

Another interesting response was – *“The CSR concept should be a mandatory issue for companies that generate big profits. The government should have tax reduction programs for companies that orient a portion of their profits to CSR programs, thereby benefiting companies and people participating in the CSR program”*

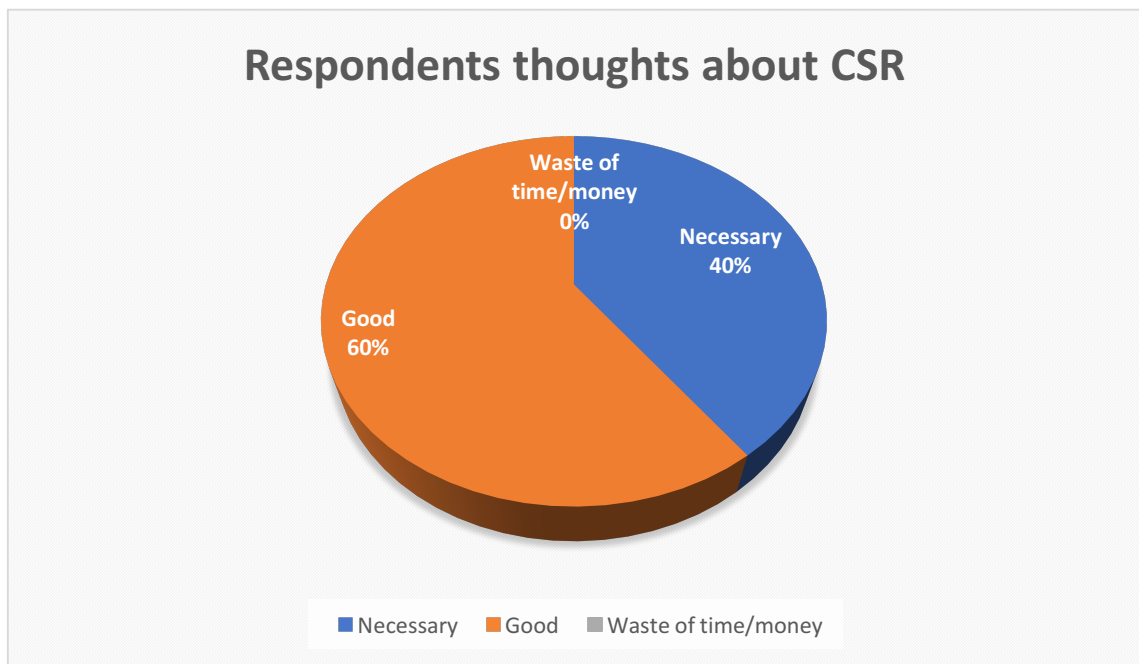


Figure 4 Own creation - Data based on the interviews - "Thoughts about CSR"

So, from those comments, we can come to a little assumption that overall, most people do have positive attitudes towards CSR, but not specifically to the way it is right now.

The next step was to find out whether the companies where the respondents work have implemented any type of CSR program, policy or as part of their management strategy.

**Table 1 Own creation - Data based on interviews**

<b>Type of company:</b>	<b>Employee’s explaining their company’s CSR activities</b>	<b>Analysis</b>
<b>Small company</b>	<p>“Yes, it has and so far, we have developed actions in 2 of the responsibility types:</p> <p><u>Economic</u>: We do not seek to maximize economic profitability but quality in our products, and quality of work-life for employees. Profitability and positioning will be a consequence of the above.</p> <p><u>Social</u>: we sell high-quality gourmet products with affordable prices at all socioeconomic levels.”</p>	<p>As expected, because of their limited resources, a small company can only do so much. But in that specific case, the owner/manager is what we could call an expert in CSR and Strategic Planning, so even though it’s a brand-new company, since the beginning of it, he developed its values and management strategy around CSR and it covers two of the four domains of Carroll’s Pyramid.</p>
<b>International Company</b>	<p>“In the company where I work, yes, we have implemented CSR for many years now. Since the main activity of our company is carried out in remote rural areas or small towns, our company gives support and provides the local people with</p>	<p>This is a big international company, so they do have a CSR program focused on social responsibilities with underdeveloped towns where their company has workers at. In that way, they have better</p>

	certain actions to help them grow a little with their development in the area where they live.”	relationships with the locals which mostly are relatives of the workers. So, it’s better to be in good terms.
<b>Governmental Company</b>	“In the public companies where I had to develop my activities, initially there were incipient CSR programs, but in the following years they were consolidated, allowing greater beneficiaries, as well as results.”	Governmental organizations normally make pretty good marketing of their social activities towards the community, so it’s not a surprise that he said that they’re consolidating them during the past years, in any case, it’s always good that they are helping the locality in any way possible.

As we can see, 3/5 of the companies of the interviewees have some type of CSR implemented. The impact that they can make in whatever they are focusing their responsible actions at, as expected, depends on the size of the company.

From the 60% of interviewees who said their companies have CSR, 66% believe that their companies are having a positive external impact, one of them said, *“We make a high impact because we worked with vulnerable communities like, indigenous communities or vulnerable groups in large cities, such as garbage collectors, in the municipality of Santa Cruz, Bolivia”*. Furthermore, another interviewee responded, *“The impact of CSR implemented is very positive since it has allowed the establishment of good actions in the people of the communities, regarding health, education and recycling activities, among others”*.

Different from two companies that got the chance to implement or improve their social responsibilities during the past few years, the interviewee ‘c’ sadly told me, *“Yes, there was a decrease of it due to lack of interest from stakeholders. About 10 years ago, the quality of a product or service was more important and had more leverage than cost, obviously considering a reasonable cost. Now the cost has more leverage over quality, obviously considering a minimum and reasonable quality.*

*Companies have to adapt to changes and tendencies in the market, that is why my company had to stop doing the philanthropic activities it used to do a few years back. For smaller companies is sometimes difficult to hire people to work specifically taking care of their social responsibilities.”*

As mentioned in the theoretical part, the interest in CSR is growing rapidly. Therefore, it is interesting to see what respondents think about the improvement of CSR in Bolivia in the future. Only 3 of them answered sounding pretty convinced that there will be a positive change in the next few years. They supported their answers by saying this, *“CSR will be improving in Bolivia because it is a management model that probably will be adopted by the companies that plan and execute their business in the framework of sustainable development -social, economic and environmental sustainability – that now a day is one of the main goals for companies in Bolivia as well as other countries”*. Furthermore, another participant added, *“Companies have started to notice that working on CSR policies and programs is a great benefit for them commercially, as well as internally, in Human Relations between workers, for example.”*

However, the other two people left, who answer with different opinions about it were; interviewee ‘b’ who said, *“No, I think CSR is something that will take several years to change in Bolivia. Until now, the knowledge that I personally have of this type of program is that they are oriented to companies with great profits or resources, with human capital and specific areas trained in developing this type of program. This generates an expense that could be compensated with the better image of the company, being conscious of the environment and the needs of sectors that require support. But, I don’t see that happening too soon.”* And interviewee ‘e’ who said, *“Although it is an issue that is present in the business field, it does not have sufficient dissemination or support from the government or private organizations. If there were government tax reduction programs for companies that certify their participation in CSR programs, development and dissemination of tariff incentives for the import or export of products if I am certified as an industry or commerce aligned with CSR, I think there would be more commitment by companies to inform themselves or participate in this type of programs.”*

There was only one respondent who had CSR implemented and who also said that it affects positively but for actions that are done internally in the company, *“High*

*impact for my business and for any company that adopts it as a management model articulated to the Strategic Plan.”*

As mentioned before, 2/5 of respondents did not have CSR. However, one of the interviewees said, *“It would make a great difference. Helping others always helps the person or company who is helping, it makes a positive psychological impact”*.

Three of the five companies from this research had changed their social responsibilities during the past few years, yet, only two of those three companies were improving their program and the other one had to cut it out. One of the participants mentioned, *“By adopting CSR policies, we have not only improved business but depending on CSR policies and programs, people and families who in their lives could have quantitatively and qualitatively improved their way of life have benefited.”* Additionally, another interviewee said, *“At the beginning, more than 15 years ago, small activities were carried out, and it was more difficult to reach the people of the communities with new ideas. Then the help that was given through CSR was being more appreciated and the same company was innovating in new projects.”*

Different from those two companies that got the chance to implement or improve their social responsibilities during the past few years, one of the interviewees sadly told me, *“Yes, there was a decreased of it due to lack of interest from stakeholders. About 10 years ago, the quality of a product or service was more important and had more leverage than cost, obviously considering a reasonable cost. Now the cost has more leverage over quality, obviously considering a minimum and reasonable quality. Companies have to adapt to changes and tendencies in the market, that is why my company had to stop doing the philanthropic activities it used to do a few years back.”* For some smaller companies like this one is sometimes difficult to hire people to work specifically taking care of social responsibilities.

There is only one company that has CSR implemented and who also agreed that has effected positively but actions that are done internally in the company, *“High impact for my business and for any company that adopts it as a management model articulated to the Strategic Plan”*.

However, it would be interesting to determine respondent’s thoughts on whether they think it would make a difference – either internal, external or environmental – if they would implement any type of CSR. One of the participants said, *“It would make*

*a great difference. Helping others always helps the person or company who is helping, it makes a positive psychological impact.”*

Likewise, according to the answer from another interviewee, *“I am convinced that if my company started a CSR project and made the staff aware of the impact we are achieving within the development of the country, people would work committed not only to internal goals and objectives but would have indirect responsibility for the impact of the program. in the environment and society as a whole.”* What he made me understand was that his attitude is surely supporting the implementation of CSR because, besides the employees having a direct impact of an internal change in the company, he said that the change that they could make outside the company could be also increased by the indirect change of all the staff’s activities and a new way of thinking.

I also discussed with them the existence of a connection between corporate social responsibility and business success. 100% of the interviewees agreed that in their opinion there is a relation between CSR and business success. Nevertheless, their answers were more or less all going in different directions when talking a little more about what they think is the reason for this to happen in the business world.

From one of the respondents – who manages a small and relatively new company- I got this short but very ensured answer, *“Yes. Although, we do not seek to maximize economic profitability we do aim to provide quality in our products, and quality of work-life for employees. We believe profitability and positioning will be a consequence of it.”*

Similarly, another interviewee gave me an example that I think is very important to mention because he talked about one of the very important policies that I talked about in the first part of this thesis regarding ethical responsibilities; *“Indeed, yes, companies that have clear CSR programs, plans and policies have greater business success, for example, The Coca Cola Company, has a very interesting and deep CSR policy that not only concerns suppliers or direct contractors, it also affects subcontractors, directly and effectively, thus allowing contractor employees and subcontractors to have, for example, all their guaranteed labor and union rights.”* As we all know, Coca Cola is one of the biggest companies in the world, for the same reason it’s a very important one in Bolivia and as an international chain, it has to



follow the international policies in all the countries, making it one of the strongest and acknowledge CSR programs in Bolivia.

With a little difference in opinion, although still agreeing that there is a connection between these two things, another interviewee said, *“CSR programs that are developed within companies must be financed or sponsored in some way, either with money or with people's time. Therefore, to develop CSR programs focused on philanthropic activities, the company must generate profits that can be channeled into this area, in this case, yes, there would be a connection and the relationship between business success and CSR would be directly proportional.”*

On the other hand, one of the answers was a lot more opinionated regarding possible CSR attitudes in some fields of services in Bolivia, he said; *“Yes, I think there's is a connection between implementing CSR and the success of a business. CSR is an investment that has a cost impact on the business. But, in countries like Bolivia, in the Oil sector, for example, the quality of service or products has been lowered, therefore the cost has more relevance over quality. This fact makes a huge difference for SME's<sup>10</sup> when we talk about CSR because, even if it's part of the company, the consumers would not care about it so It's not a competitive advantage; which is normally the reason most people here do those socially responsible actions.”* That is clearly a different angle to look at the results that could come after showing that a company is doing any type of CSR.

We can say that all the people I interviewed agreed that social responsibility is something that all companies should practice or try to implement, but again most of them had different opinions regarding ‘why’ or ‘how it should be practiced. The first respondent said, *“I think they should because the business sector is the key to contribute to the solution of structural problems of any society, with even more reason in a developing country like ours – they could help with poverty, basic services, decent employment, qualification of empirical workforce, preservation of protected areas and water sources, carbon footprint, etc.-”* And he is nothing but right when he gives all the examples that are really needed around the whole country.

Another interviewee thinks that *“The global trend, and Bolivia is no exception, is that private and public companies can adopt CSR policies and programs in general.*

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<sup>10</sup> Small and medium-sized enterprises

*The difference made after investing resources for CSR can and should be beneficial to all those who are somehow positively or negatively affected by the companies, meaning the stakeholders. Also, human development not only goes through national, departmental or municipal policies, it also happens that companies that develop their activities in certain places, can give back to the society through CSR policies and programs, something to the community surrounding their activity.”*

Furthermore, other participant implied, *“I think CSR should be implemented in most companies, but, it should include a complete research and lobbying of the market, in order to obtain a majority of the companies to set a minimum standard, where the cost of having CSR is considered value and not a cost. The benefits of having CSR would appear after the majority of companies have implemented it. Once it’s a standard to have CSR, then the results will show up and the benefits would be obtained”.*

Similar to the first respondent, one of the interviews said, *“Companies must implement CSR, in their management because in addition to helping communities, it has an impact on the development of the country, in addition to the awareness of the company's workers and radiates to the entire community.”*

Additionally, the last participant responded, *“If the orientation of the program is towards the care of the environment and organizational health, I think that all companies should be focused on generating more “green” and environmentally friendly work environments, whether from sorting garbage to having a suitable battery disposal program. Both programs do not involve money, it simply improves the organizational culture towards caring for the environment.*

Another topic discussed was the perception of CSR in Bolivia, whether participants think it is sincere or just image & branding.

At first, almost all the interviewees said that it’s for branding. But, they also have some opinions that support the idea that branding is not always bad, actually is a good marketing strategy - in other words, is a competitive advantage – which is good for the business as long as it comes with positive outcomes and transparency for the consumers and all their respective stakeholders.

In the following table, I’ll show some of the interesting parts of the answers, to show some positive and some negative attitudes, depending on how the company uses it, and of course how the employees see it.

**Table 2 Own creation - Data based on interviews**

Positive	Negative
<p><b>b.</b> Possibly in the past yes, but today, it is not possible to have CSR programs only by fashion or by image, since the impacts are visible and tangible. If any company made the mistake of wanting to do fraud through CSR programs, it is almost certain that the same company will unmask and highlight this lack, for ethical reasons, but above all, by the beneficiaries they would denounce this fraudulent compartment.</p>	<p><b>c.</b> I think that most of the companies that have CSR are mainly for branding or to avoid legal issues with communities or employees.</p>
<p><b>d.</b> Other companies implement their projects without making them public, simply working on what the project really is about to make a difference.</p>	<p><b>d.</b> I think there are both; Some companies place the CSR work they carry out as a promotional screen to get the attention of customers.</p>
<p><b>e.</b> There is a direct correlation between CSR programs and the image that the company wants to project. Generally, companies use this type of tool to generate dissemination and brand positioning, which will directly impact their level of sales and income. In my opinion, they are valid strategies that do not affect or negatively impact the market or the consumer, conceived under purely financial decisions.</p>	

And the last thing regarding this topic is what interviewee ‘a’ argued, “*Many companies are still assuming CSR as donations of what they have leftover or giving to key audiences so that they do not affect my operation; Fewer companies have assumed CSR as part of social marketing supporting projects and social causes that*

are not related to the business, and there are even fewer companies that make CSR as an investment so that there is a return that contributes to the continuity and growth of the business.” In his opinion, the lack of understanding of CSR and all the ways how it can be applied affects the number of companies in Bolivia who actually have it implemented as a marketing strategy and even less of them that would try to have any type of social responsibility when it does not come with a connection with the field of the activity performed by them. Therefore, he claims that is very little the amount of companies that see it as an investment for their benefit.

Furthermore, we have discussed the choice of participants if they had an opportunity to invest in a company, would they care about CSR. Four of the five people that I interviewed answer ‘Yes’ without hesitation to this question. The fifth person gave a very interesting answer. He was interviewee ‘c’ and he said, *“My answer would vary according to the country or the type of companies. Some CSR actions are mandatory by law, some are demanded by employees or communities where the company works and just a few companies are for the real CSR benefit.”* After continuing our discussion about the topic -of what were the factors which would make him decide whether invest or not in a company without CSR- his opinion started to make more sense because he sees the fact that in Bolivia and in many other countries that are still developing, or ‘3rd world countries’ in other words, it really depends on the field where the company is working to see how is the competition working and to be able to adapt your management plan in a strategic way that can show it’s better service or product than others.

On the other hand, one of the interviewees answered confidently, *“I’d surely do. In Europe, Asia or America, one of the indicators for investments is precisely the issue of CSR. In the same way, many buyers in the world, before buying a product, analyze their CSR policies, concerning the environment and/or socio-labor issues. Some major brands of sportswear/shoes, years ago were involved in issues of child exploitation when producing their products in certain countries where child labor is allowed.”* In a shorter, yet similar idea, other interviewee said, *“Yes, it is definitely a relevant factor, which denotes the values and principles with which the directors and managers of the company carry out their tasks, therefore, if it would be a factor to be taken into account.”*

In addition to the reasons why they would take CSR into consideration, a different

respondent said, “*Yes, thinking about the development of my country, I would choose a company that has CSR since today there are many issues that can be developed through CSR.*” And as simple as it sounds, for some people it is also important to know that they are helping the companies who are trying to improve and develop the countries that they live in, to have major growth in the society as a whole.

#### 4.4 Results and Discussion

From the results gathered during all the interviews, it is shown that those who really know and understand the meaning and extension of CSR and how it can be developed, are people who actually have study and work specifically on this topic before. So, we can assume that most companies are not educating their employees regarding the responsible actions that they are practicing, if they do have them.

For the most part, people showed pretty positive points of view regarding their companies having CSR activities or programs to keep improving their impact inside and especially outside the company, meaning the local areas and local communities.

With Bolivia being a developing country, compared to first world countries it's a fact that there are so many ways that any type of company can engage in any simple way in order to help the country develop. This is probably why most of the companies, that claim to have CSR implemented, from this research are in forms of external impact. As we heard from some of them, it is not only philanthropic, like it used to be in the past, but also it has grown in terms of quality in the products, to provide the customers with the best and fulfill their expectations.

Some companies are finally starting to succeed in terms of CSR and perhaps they just try to get a positive reaction from the consumers towards the company to increase profits. But, besides that, the fact that these opinions come from regular employees and it says that the people who are doing the social activities and helping –meaning also other employees like the interviewees- have a positive psychological impact, this supports the idea that people who are part of this socially responsible actions feel better when they know the impact that they are making in others and create as consequence a healthier and more enjoyable work environment, as well as loyalty from the employees towards the company.

Furthermore, it was discussed the opinions of the interviewees regarding the relationship that CSR has with business success. Two perspectives came out from this topic, one argues that the amount of social responsibility that a company can perform it's connected with the success of its business, because more profit means more money that can be channeled into the CSR projects as an investment, and the second one argues that the implementation of corporate social responsibility as a strategic management tool can improve the company's work environment, better image from customers and also better relationships with stakeholders, leading to business success as result.

Also, those opinions regarding business success when adopting CSR could be spread faster in Bolivia if only the local or national government would support these types of initiatives that help the country to grow, by tax reduction programs or certificates that can bring them some economic benefits, like one of the interviewees said, that could probably encourage many more companies to implement good CSR programs.

Thus, it's fair to say that more companies in Bolivia need to be taking CSR into consideration now that is such an important factor for companies and investors all over the world. And they don't always need to be external activities – as some companies still think that's what CSR is mostly about-, it can also focus on changing the company from the inside or in any way they see possible to give back to society and help in its development.

## 5 Conclusion

Due to the business world becoming more and more competitive, all companies have to always be at their best to aim for success in their field. In first world countries Corporate Social Responsibility is already a popular strategic tool to establish in the company's management, but in developing countries like Bolivia, and many others in Latin America, CSR and business ethics are still concepts that are growing and they need to be more encouraged by the stakeholders as well as the government.

Accordingly, to the research and the analysis of the interviews from previous chapters, due to the lack of external support – meaning the government and people in powerful positions- to encourage companies to implement CSR projects, a lot of people are not aware of the impact they can make. Even SME's, who not always have the resources to take actions in matters like environment or social activities to improve the development in different areas of the country, they can always start with economic or ethical responsibilities (Carroll, 1979) and apply those types of CSR in their management system.

As mentioned previously in this thesis, if companies in Bolivia start educating more their employees regarding some possibilities of corporate responsibilities, and they show them the differences these can accomplish, the same employees and the rest of the stakeholders can change their mentality towards the company, and over time it probably results in a competitive advantage, due to more efficient work and corporate loyalty.

Some of the organizations, guides, and more, that are mentioned throughout the thesis to help companies implement or improve their corporate responsibilities are ISO26000, SA8000, and GRI. In addition to those, in Latin America, there are the AVINA Foundation, ETHOS Institute, among others. And particularly in Bolivia, there are the COBOSRE and the CSR Observatory<sup>11</sup> – mentioned in the practical part of the thesis- who offer technical advice on CSR, auditing and reporting, among other services related to CSR.

If it's taken into consideration and strategically planned, with that brief information it can be possible to make big changes with CSR in any company, regardless of the size or region where it is established.

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<sup>11</sup> Originally named in Spanish: "Observatorio RSE"



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