

PGDM-RM, 2014-16

Corporate Social Responsibility

Subject Code: RM-108

Trimester – I, End Term Examination: September 2014

Time allowed: 1 Hr 30 Min

Max Marks: 50

Roll No _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.

Section A (5 marks)

Write a short note on any **ONE** of the following:

1. Caroll's CSR Pyramid
2. Human Rights responsibilities of Business
3. CSR: an integrated approach to business

Section B (15 marks)

Attempt any **ONE** of the following questions:

Q1 Integration of CSR with business incorporates a stakeholder perspective. A barrier to the implementation of a stakeholder perspective, however, is the primary emphasis given by many corporations to the interests of its shareholders. Explain?

Q2 Elaborate on the responsible business issues that figure and need to be dealt with in the retail business sector?

Section C (30 marks)

Case Study (Compulsory)

On January 1, 2009, Nokia India, the Indian arm of the world's leading mobile phone company, Nokia Corporation (Nokia), announced its 'Take-back' campaign, aimed at educating mobile phone users about the importance of recycling e-waste. On the occasion of the launch of the initiative, D. Shivakumar, Managing Director, Nokia India, said, "If every Nokia user recycled just one unused phone, the discarded phone will live on in something new, as the material is used to make items like park, benches, utensils etc.

TURN OVER

Nokia first launched take-back campaign in 2005 in Finland before which, it ran pilot projects in the UK and Sweden during the late 1990s. It supported the concept of individual Producer Responsibility (IPR) and the Take-back initiative was launched as an IPR initiative.

According to the company, Nokia was very environment conscious and followed the Design for Environment' (DfE) process where it took into account environmental aspects in every phase of product development right from the beginning of the product life cycle. It aimed at reducing the use of natural resources in its manufacturing and tried to achieve maximum energy efficiency besides enabling maximum recycling and reuse of the materials used in its products, according to the company's environment reports. Nokia also worked with several nongovernmental organizations (NGO) and government organizations around the world such as World Wide Fund for Nature (WWF) to increase consumer awareness in recycling e-waste and other environmental issues. Nokia not only followed several environmental friendly processes in its manufacturing facilities, like DfE but also wanted its suppliers to follow several such measures. In addition to the Take back campaign, Nokia undertook several green initiatives to follow a sustainable business model. Nokia installed several sophisticated vide and tele-conferencing equipment to make it unnecessary for its employees to travel to meetings. As of 2007, Nokia employees used teleconferencing for about 1,45,000 hours per month. In 2007, Nokia had used 25 percent of renewable electricity on its premises and it aimed to reach the 50 percent level by 2010.

In the year 2007, Nokia carried out several campaigns to increase awareness about its Take back scheme. In China, Nokia, on its own, recycled obsolete materials weighing up to 50 tonnes, equaling approximately 5,50,000 devices. Nokia continued its Green Box scheme in China, which it began in 2005, where it partnered with China Mobile and other manufacturers such as Motorola and Panasonic to promote Take back Schemes. As a part of the campaign, China Mobile gave incentives in the form of pre-paid cards to consumers participating in the scheme. In the year 2007, Nokia collected 80 tonnes of obsolete material in China through Take back boxes installed at several Nokia care points and China Mobile stores. In Finland, Nokia distributed 2,00,000 postage paid envelopes till the end of 2006 and donated 2 Euros to WWF for each phone that was returned.

The Take back through prepaid envelop scheme in Finland achieved a return rate of over 11 percent, collecting around 25,000 phone. However, Nokia postage paid envelop scheme did not get much of a response in the US. Infact, the response was as low as 2 percent. In North America, Nokia had involved several of its employees and the community in collecting the e-waste on a campaign held on America Recycles Day in 2007, and it had collected over 16 tonnes of obsolete electronic materials including 7000 mobile phones. It ran a similar campaign in the US on Earth day in 2007 to collect over 50 tonnes of e-waste for recycling. In the same year Nokia launched the Take back campaign in Malaysia in cooperation with a local retailer where the consumers were offered a 20 percent discount on the purchase of enhancement or batteries for every unused mobile phone returned. In the year 2007, Nokia had contributed to the management and recycling of 17,000 tonnes of e-waste through Waste Electrical and Electronic Equipment (WEEE) collection schemes in the EU. Nokia expanded its Take back scheme to Africa in the year 2008. It launched the initiative in Kenya, in East Africa and Nigeria, Senegal, and the Ivory Coast in West Africa in February 2008. It set up collection points at Nokia Care Centres. Commenting on the initiative, Nicholas Mania, Nokia East Africa's customer care manager, said, "Nokia wanted to ensure that the environment in which we do business is protected. That is why; we are asking customers who may not know how to dispose of their mobile phone and accessories to bring them to our care centres for safe disposal or recycling."

TURN OVER

Unlike in other nations, the Take back campaign got off to a slow start in Africa, mainly because of the economic status of most of the consumers. In Africa, many petty traders bought dead sets for spare parts which they could use in other phones requiring a replacement of those spares. This made economic sense to many consumers who could not afford to replace / upgrade their mobile phones and were not aware of the hazards to the environment caused by e-waste.

Nokia joined the Eco-Patent Commons in January 2008, where it shared innovative, ecologically friendly patents free of charge. Nokia started by donating a patent in the area of recycling, in which it outlined the re-use of the computing power of the unwanted mobile phones and transforming those into electronic items like cameras that did not have cellular capability.

Despite the several green initiatives taken by Nokia, it was criticized for not educating its staff well about the Take-back scheme. Its rank fell from number one to number nine in the guide to Greener Electronics in December 2007. The steep fall in its ranking was because of the penalty point it received for its corporate misbehavior on its Take-back and recycling initiative. Greenpeace found that the Nokia staff was ill-informed about the Take-back initiative in the Philippines, Thailand, Argentina, Russia and India. It also found that in Argentina, Thailand, and Russia, information regarding the Take-back scheme was not available in the local language. Nokia also scored badly on reporting the quantities of discarded mobiles that it recycled as a percentage of past sales. However, the company improved on its practices and regained its top slot in September 2008 rankings and retained it in November 2008 also.

Nokia India, through the Take-back campaign, encouraged mobile users to deposit their unused mobile phones and accessories at any of the 1,300 Green Boxes which were set up at various places across the country. Nokia India announced that for every handset that was dropped in for recycling, the company would plant a sapling in addition to giving gifts for those who deposited their handsets.

In a survey result published by Nokia in mid-2008, the company found that the awareness about the concept of recycling handsets in India was the lowest. The company had interviewed 6,500 people as a part of survey conducted in 13 countries including Finland, Germany, Italy, Russia, Sweden, the UK, United Arab Emirates, USA, Nigeria, India, China, Indonesia, and Brazil to measure the awareness of the concept of recycling handsets. The survey results showed that the awareness was least in India at 17% and highest in the UK at 80%. Of the people surveyed, 74% said they had not thought of recycling their phones and 72% thought that recycling could make difference to the environment. The survey revealed that on an average, each person had five phones whereas only 3% of the people recycled their phones, 4% were thrown in to landfills, 44% were kept at home idle, 25% of them either passed on their devices to their relatives or friends, while 16% of them sold the used devices in emerging markets. Nokia's survey revealed that the lack of awareness of the recycling concept was the main reason for the low participation from mobile phone users in Take-back. Nokia reported that upto 80% of any Nokia handset could be recycled and precious material within it could be used in music instruments, kitchen utensils, dental fillings, park benches, etc. Markus Terho, Director of Environmental Affairs, Markets, at Nokia said, "Using the right best recycling technology nothing is wasted. Between 65-80 per cent of a Nokia device can be recycled. Plastics that can't be recycled are burnt to provide energy for the recycling process, and other materials are ground up into chips and used as construction materials or for building roads. In this way, nothing has to go to landfill."

TURN OVER

Nokia launched the Take-back initiative in January 1, 2009, in India where the awareness of the concept of recycling e-waste was the poorest among the 13 nations surveyed. Experts felt that this posed a challenge for Nokia to design campaigns to take the initiative to masses effectively.

Answer the following questions:

1. Critically analyze Nokia's Take-back initiative?
2. Identify the stakeholders with whom Nokia partnered across different countries towards the objective of recycling e-waste?
3. Do you think Nokia's Take-back initiative will receive a good response in India? What should Nokia's strategy be to create awareness about recycling e-waste among Indian consumers?
4. What do you understand by the terms:
 - Individual Producer Responsibility
 - Design for Environment

End of the Question Paper