

**Opening remarks by
Fadi Saab
Chairman, The Lebanese Society for Quality (LSQ)**

The the President of the Republic represented by Minister Mona Efaish, Your Excellencies, distinguished guests, ladies and gentlemen,

The World Trade Center – Beirut and UMB, organizers of today’s conference honored me to address such a learned group about **Unveiling the Moral Purpose of Business**. So is CSR the responsibility of corporations? And what is the nature of the relationship between CSR and Quality?

In the 70’s, economists such as Friedman and many business leaders argued that a corporation's purpose is solely to maximize returns to its shareholders. They asserted that the only obligation of corporations towards society is that they should obey the laws of the countries within which they work.

More recently however, management gurus such as Crosby, Demings and Juran among others, considered individual and team principles like ethics, values, beliefs, behaviors and respect for people, as key principles of a corporate culture that leads to excellence... while important pillars such as “meeting customer’s needs” and “improvement of business productivity” can result in higher profits... It is adopting CSR principles that can provide business excellence.

In today’s increasingly competitive business world, companies need to address various aspects of their operations that not only affect the quality of their management –in terms of people and processes, but that also measure the nature and quantity of their impact on society in the various areas of a) the workplace, b) the marketplace, c) the community, and d) the environment.

Moreover, corporate activities are increasingly extending well beyond the immediate sphere of traditional relationships, towards a wider network of internal and external stakeholders including: 1) personnel and unions, 2) Shareholders, business partners and financial analysts, 3) Consumers, 4) State and local authorities, 5) Non-government organizations, and 6) the community at large.

Thus, in addition to being concerned about their own well being i.e. **doing well**, Companies are increasing their attention towards the well being of society i.e. **doing good**.

Hence the emergence of modern concepts such as CSR and other over lapping approaches like corporate sustainability, corporate sustainable development, corporate responsibility, and corporate citizenship.

While CSR does not have a universal definition, many see it as the private sector’s way of integrating the economic, ethical, social, and environmental imperatives, of their activities.

As such, CSR closely resembles the important business pursuit of sustainable development and the triple bottom line impact on "people, the planet, and profit".

But is CSR a contradiction in terms, or a modern-day labeling of complementary practices and principles that guide contemporary business activities.

The most commonly used definition of CSR is by the world business council for sustainable development that defines it "as the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large."

But a more practical definition is proposed by Freeman, a major contributor to the stakeholder literature who believes it to be a combination of several good business principles such as:

- 1) making great products that consumers like and that make their lives better;
- 2) having great suppliers wanting to work together in a relationship that benefits both parties;
- 3) having employees who are really committed to their jobs;
- 4) being a good citizen within the community; and
- 5) making a lot of money for shareholders and other financiers.

Moreover, on a practical note, the predominant anchors of CSR were found to have considerable congruence with Quality management principles that are already well established within the theory and practice of business and management.

Thus, many specialists conclude that CSR can be advanced more rapidly in organizations if it is incorporated in TQM processes and ISO standards.

To assist in promoting these concepts, ISO 26000 was recently developed as voluntary guidance standard with the following 7 principles:

Accountability; Transparency; Ethical Behavior; Stakeholder Interests; Respect for the Rule of Law; Respect for International Norms of Behavior; Respect for Human Rights...

... and with the following Seven core subjects:

Organizational governance; Human rights; Labor practices; The environment; Fair operating practices; Consumer issues; Community involvement and development

In conclusion, because CSR and Quality principles are interrelated, Corporations are encouraged to jointly apply such standards that will undoubtedly result in major benefits such as:

- higher financial performance and profitability through operational efficiency gains
- improved relations with the investment community and better access to capital
- enhanced employee relations that yield better results respecting recruitment, motivation, retention, learning and innovation, and productivity
- stronger relationships with communities and an enhanced goodwill license to operate, and
- gained reputation and branding

I wish you a successful conference with enriched knowledge and concrete benefits.