**CORPORATE SOCIAL RESPONSIBILITY IN THE USA.**

**CORPORATE SOCIAL RESPONSIBILITY AT GENERAL ELECTRIC**

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Business scandals involving high profile organizations have rocked the corporate world and become front-page news. This has shaken consumer confidence in both business leaders and the economy, creating concern about business ethics and governance. As a result, corporate social responsibility (CSR) has become increasingly important.

CSR, which includes such elements as environmental protection, social equity and economic growth, has a strong affinity with the founding principles of quality management.

With CSR being adopted by many as the means of assuring values based corporate governance, the quality community now has the opportunity and responsibility to take leadership in promoting ethical business practices and driving CSR to regain consumer confidence.

What Is CSR?

The International Organization for Standardization, known as ISO, strategic advisory group on CSR describes if as “ a balanced approach for organizations to address economic, social and environmental issues in a way that aims to benefit people, communities and society.”

CSR includes consideration of such issues as:

* Human rights.
* Workplace and employee issues, including occupational health and safety.
* Unfair business practices.
* Organizational governance.
* Environmental aspects.
* Marketplace and consumer issues.
* Community involvement.
* Social development.

Ethics and values are essentials on which businesses are founded and through which businesses are founded and through which success can be achieved and communities developed. CSR has always been a major influence in the business world and is growing in importance as it is increasingly supported by business models and standards.[1]

History of General Electric

The company was founded in 1878 by inventor Thomas Edison and was originally called "The Edison Electric Light", after the merger in 1892 with "Thomson-Houston Electric" received its present name – General Electric.

Nowadays, General Electric, or GE, is an American [multinational](http://en.wikipedia.org/wiki/Multinational_corporation) [conglomerate](http://en.wikipedia.org/wiki/Conglomerate_(company)) corporation incorporated in [Schenectady, New York](http://en.wikipedia.org/wiki/Schenectady,_New_York), and headquartered in [Fairfield, Connecticut](http://en.wikipedia.org/wiki/Fairfield,_Connecticut), in the United States. The company operates through the following segments: [*Energy*](http://en.wikipedia.org/wiki/GE_Energy), [Technology Infrastructure](http://en.wikipedia.org/wiki/GE_Technology_Infrastructure), [Capital Finance](http://en.wikipedia.org/wiki/GE_Capital) as well as [Consumer and Industrial](http://en.wikipedia.org/wiki/GE_Home_%26_Business_Solutions).

In 2011, GE ranked among the [Fortune 500](http://en.wikipedia.org/wiki/Fortune_500) as the 26th-largest firm in the U.S. by [gross revenue](http://en.wikipedia.org/wiki/Gross_revenue), as well as the 14th most profitable. However, the company is listed the fourth-largest in the world among the [Forbes Global 2000](http://en.wikipedia.org/wiki/Forbes_Global_2000), further metrics being taken into account. Other rankings for 2011/2012 include No. 7 company for leaders (*Fortune*), No. 5 best global brand (*[Interbrand](http://en.wikipedia.org/wiki/Interbrand" \o "Interbrand)*), No. 63 green company ([*Newsweek*](http://en.wikipedia.org/wiki/Newsweek)), No. 15 most admired company (*Fortune*), and No. 19 most innovative company ([*Fast Company*](http://en.wikipedia.org/wiki/Fast_Company_(magazine))). [2]

Corporate social responsibility of General Electric

*“We recognize that opportunities for growth bring real social responsibility challenges. When society changes, business must be proactive in changing along with it. We are doing so, moving beyond dialogue to action.”*

Jeffrey R. Immelt  
Chairman of the Board and Chief Executive Officer General Electric Company

General Electric developed many programs in different areas that are a part of corporate social responsibility.

India Rural Electrification Program  
GE, in partnership with the U.S. Agency for International Development (USAID), is implementing a Rural Electrification Program to help bring electricity to thousands of people in rural India. In addition to the joint program with USAID, GE has pledged to support the “Power to All by 2012” and “Rural Electrification/Rural Business Hub” initiatives launched by the Indian government. Currently, 56% of India’s 700 million rural residents lack adequate and/or reliable power supplies. The GE Rural Electrification Program for India is incorporating a number of renewable energy technologies from GE Energy’s ecomagination portfolio. The program is being designed around renewable and waste stream technologies that can help to reduce or eliminate a community’s dependence on transported fuels. The GE Global Research Center in Bangalore has developed an integrated hybrid technology model that combines various forms of renewable energy and provides customized power solutions based on availability of local fuel resources. Providing access to more reliable power will serve as the foundation for other improvements, such as expanded health care services, enhanced agricultural productivity, increased access to clean water, skill development, and economic empowerment for the people of India. It demonstrates a paradigm shift from electrical connectivity to economic connectivity. [3]

Canadian oil reserves

In Canada, GE is playing a major role in addressing energy opportunities and challenges in the development of oil sand reserves in northern Alberta. These reserves are the largest proven oil reserves outside Saudi Arabia, with growth of output expected to reach 3 million barrels per day by 2020. Huge global demand for oil and rising prices make the oil sands a significant and viable opportunity. Extracting the molasses-like, viscous oil, however, is a complicated process. Today, GE is one of the few companies that can supply the industry with a complete range of products for oil sands processing. Future development holds many challenges, particularly in the areas of environmental impact, water consumption, greenhouse gas emissions, shortage of labor, and the impact of rapid growth on the province. GE is working closely with oil and gas customers and the Alberta government to develop and implement leading solutions that draw on our technical expertise and initiatives, including ecomagination, to address current challenges.In the area of water conservation, GE has developed a less water-intensive technology to deal with SAGD (steam-assisted gravity drainage) that is more reliable, less costly to operate, less reliant on natural gas, and is being adopted by the majority of new SAGD facilities in Alberta. We are also providing gas turbines for co-generation applications and are a major supplier of wind turbines to the fast-growing wind power market. [3]

Military aircraft/Smiths Aerospace acquisition

GE Aviation develops, manufactures, and supports engines for naval vessels and military aircraft, including fighters, tankers, helicopters, surveillance aircraft, and bombers. In May 2007, Smiths Aerospace, a global aerospace systems and equipment company, and Times Microwave, an engineering-oriented organization, officially became part of GE Aviation. The combined systems and engine expertise will enable GE to expand into new business segments within the aerospace industry to provide more products and services for our customers. As a result of our May 2007 acquisition of Smiths Aerospace, GE Aviation develops, manufactures, and supports flight and stores management systems, mechanical actuation systems, electrical power management, and airborne platform computing systems for numerous military platforms. GE Aviation products perform important national security, search-and-rescue, and humanitarian missions. GE sells and supports products for military uses with certain foreign governments in strict accordance with applicable law and regulation. GE Aviation is committed to investing in its technologies and its people. GE has made significant investments in research and development that have enabled GE Aviation to become one of the leading engine manufacturers. Since 2000, GE has invested approximately $1 billion annually in R&D for aviation technologies. This commitment to technology investment will help the Smiths Aerospace and Times Microwave businesses continue to develop innovative products that meet their customers’ needs. With GE, Smiths Aerospace and Times Microwave employees will have opportunities for career growth in the Aviation business or at other GE businesses around the world as well as a comprehensive GE wage and benefits package. [3]

Healthcare

GE Healthcare is committed to refining and developing new products that accelerate the development of Early Health and help meet the needs of physicians and patients across the world. In particular, we are introducing new products that improve patient safety and enable better access to medical technologies to help address global healthcare inequalities and underserved populations [3]

Investing in company-to-country products and services

GE Healthcare’s XR 6000 X-ray in China for China

Rural China historically has had little access to good-quality, reliable, affordable diagnostic imaging equipment. GE Healthcare has engaged in research in emerging markets to identify the clinical needs that are unique and important to local customers. In China, there is a lack of highly trained personnel and the patient profile is quite different than that in the United States and Europe. To address this unmet need in the marketplace, GE Healthcare launched the LingLong product series. LingLong, which means “small, elegant dragon,” is a set of simple, compact products that are high tech, high quality, and easy to use. GE Healthcare’s first LingLong system, the XR 6000, is adapted specifically for the China market from its Silhouette VR X-ray system. The XR 6000 offers a straightforward, conventional radiographic X-ray solution with a simplified and intuitive operator interface, anatomical programming ability to provide great image quality without retakes at low X-ray dose, tube adaptability to a wide variety of exam types along with the ability to rotate to allow patient wheelchair or gurney access, as well as full upgradeability to other GE Healthcare X-ray systems. The first LingLong system contains many seemingly simple innovations that emerged from having an intimate understanding of the culture and the needs of the customer. [3] For example:

* Space is often at a premium in clinics in rural China, so the local engineering team put all of the necessary cables and generators under the examination table instead of in a separate box, saving valuable space.
* Patient size is generally smaller in China, so engineers were able to use lighter weight tables and less power in the tubes without sacrificing product quality.
* To respond to the varying levels of expertise and training in many rural clinics, engineers ensured that the product is user friendly and easy to operate. The X-ray machine has a graphical console with buttons depicting the different body parts that a technician may want to X-ray, and it also features automatic exposures settings that ensure that the right dose and right image quality is achieved in each and every X-ray.

Smoking in movies

In light of the serious health risks associated with tobacco smoking, Universal Pictures has undertaken efforts to reduce depictions of tobacco smoking in its films that are rated for a youth audience. A committee, comprised of executives with responsibilities across a variety of disciplines, has developed a formal policy and procedures for identifying, evaluating, and where appropriate and feasible, eliminating smoking incidents from its youth-rated films. [3]

Human Rights

To design a program to operationalize human rights, GE considered whether this would be a stand-alone process or if it would be more effective to include human rights considerations within other existing operational review processes. We tentatively concluded the latter and drafted Implementing Guidelines with this approach in mind. We then tested the approach with various stakeholders gathered in Geneva and in Washington, D.C., to ensure we were on the right track. Likewise, in a stakeholders meeting in Washington, D.C., one stakeholder noted that our Implementing Guidelines should have a process akin to “know your customer” to ensure that even laudable products in our ecomagination portfolio were not sold to customers who were likely to use the products in ways that would subvert human rights. Following this stakeholder “road test,” we are in the process of finalizing the Human Rights Implementing Guidelines. [3]

GE Volunteers

GE people are the “face” of GE’s philanthropic activities in 140 locations in more than 35 countries around the world. GE volunteers facilitate volunteering activities that improve student achievement, bolster community vitality, and support environmental stewardship.[3]

GE Volunteers Foundation

GE Volunteer projects are supported by local GE business funding as well as the GE Volunteers Foundation (GEVF). GEVF is funded by direct donations from GE employees and retirees, and through the proceeds from the GE Volunteers credit card. In 2007, the GEVF provided more than $1 million in grant monies to GE Volunteer projects. From Philadelphia, Pennsylvania, to São Paulo, Brazil, grants are funded for projects led and supported by GE Volunteers.[3]

GE Money and the financial empowerment of women

Like most financial services companies, GE Money has been involved in financial education for years, but recently decided that it could make a more significant impact by taking a different approach. The result was developing a strategy that focuses on the financial empowerment of women by looking at financial education, entrepreneurial training, and micro-lending in the developing world. By targeting poor women, and teaching them about finances, managing their own businesses, and giving them the assistance to get started or grow their own enterprise, GE Money hopes to aid in economic development and to ease the impact of poverty.

Moreover, the company is going research in the field of environmental pollution and has been named Green (Environmentally Friendly) Company.[3]

Findings

Quality management is already established within business management theory and practice and is recognized as having a strong ethical focus while significantly contributing to the achievement of organizational goals. Thus, CSR can be advanced more rapidly if it can be incorporated into established quality management models and methodologies. This places the quality profession at the forefront of CSR and represents a return to quality’s roots.

So, as you can see General Electric has many projects in different areas that make GE popular with people all around the world.

*“GE is a global company, serving customers wherever they are. We source products, services, and expertise worldwide to make sure that we tap into the best practice available anywhere.”*

Jeffrey R. Immelt

Chairman of the Board and Chief Executive Officer General Electric Company

Literature:

1. Leonard D. and McAdam R., Corporate Social Responsibility, 2003. 12 p.
2. Official website of General Electric, URL: http://goo.gl/rSEs, (access date 17.04.2014)
3. GE Citizenship Report 2012. Investing and Delivering in Citizenship,2012, 87 p.