

# CSR Activities in Maritime and Shipping Industries

**Erdem Akkan**

*Mersin University, Turkey*

## EXECUTIVE SUMMARY

*In today's global business, customers, governments, and international organizations are more sensitive to environmental (such as oil spills, explosions) and ethical (such as sexual harassment at office, child labor, labor safety) issues caused by business activities. The shipping industry seems to be a "usual suspect" because of comparatively big potential environmental risk taken. Corporate social responsibility (CSR), which is simply defined as adopting continuously responsible business activities to customers, public, and environment, is a helpful tool to achieve many business outcomes such as increased revenue, sales, or firm reputation. This chapter explores CSR in the maritime and shipping industries.*

## INTRODUCTION

The shipping industry, which is responsible for global transportation of cargo and passengers for commercial purposes, deals with about 90% of global trade (ICS, 2017:12). This huge proportion causes the industry indispensable for business and also urges it to be more responsible. Furthermore, the business environment for shipping companies has significantly changed, due to increased awareness and pressure from various stakeholders for quality services (Fafaliou *et al.*, 2006:413). The importance and extensity of this industry caused it to be a 'usual suspect' mostly, because of the comparatively big potential environmental risks taken in it.

Maritime industry is, in a sense, inevitable, as Hamad (2015:1) asserts, without shipping, the import/export of affordable food and goods would not be possible: half the world would starve and the other half would freeze. But, it is also a very risky business. Until 10.8 million gallon oil spilled from the Exxon Valdez oil tanker into the Gulf of Alaska in March 1989, probably no one could imagine how risky it was. While Exxon spent more than \$2.5 billion for only cleanup costs afterwards, the spill resulted in too many irretrievable outcomes, including the death of 250,000 birds, 2,800 sea otters, 300 harbor seals, 250 bald eagles, up to 22 killer whales, and billions of salmon and herring eggs. Although the spill is

not the largest ever, it is still widely considered the number one spill worldwide in terms of damage to the environment. With around \$7 billion of total cost, the Exxon Case is considered the largest punitive fines ever handed out to a company for corporate irresponsibility (Fadul, 2004:5). As the wreckage of some recent massive environmental catastrophes (e.g. Exxon Valdez, Deepwater Horizon) become clear, the maritime industry practices attract much more public attention. In this aspect, the maritime business must be accountable and responsible.

## **Concept of CSR**

The roots of literature on CSR go back to the 1950s. The first comprehensive work on this field might be Howard R. Bowen's *Social Responsibilities of the Businessman* (1953). In his book, he explains the definition of the social responsibilities of businessman as follows: "It refers to the obligations of the businessman to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (As cited in Carroll, 1999:270). Davis (1973:132) defined CSR as "the firm's consideration of, and response to, issues beyond to narrow economic, technical, and legal requirements of the firm" (as cited in Ciliberti *et al.*, 2008:88). Brown and Dacin (1997) define CSR as "a company's status and activities with respect to its perceived societal or, at least, stakeholder obligations" (as cited in Crane *et al.*, 2008:5).

There are many definitions of CSR and there are disagreements over the appropriate role of the corporation in society. Furthermore, there is also a lack of consensus on the definition of the concept (Fafaliou *et al.*, 2006: 413; Crane *et al.*, 2008:5; Dahlsrud, 2008; Pawlik *et al.*, 2012:206; Ellis & Sampson, 2013:92). Arat (2011:9) prefers to see the concept not just with a definition, but an umbrella term for a concept of operations that companies use to act responsibly. According to her, CSR is built upon voluntary basis, and it seeks to overcome the ethical standards by law.

Finally, the European Commission defines CSR as "the responsibility of enterprises for their impact on society." According to the Commission, companies can become socially responsible by following the law; integrating social, environmental, ethical, consumer and human rights concerns into their business strategy and operations (European Commission, 2018). From the stakeholder perspective, CSR can be defined as "a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders" (Khan, 2013:13). The CSR concept covers many dimensions according to various scholars such as economic, legal, ethical and voluntary (or philanthropic) responsibilities (Carroll 1979, 1991); or environment, social, economic, stakeholder and voluntariness dimensions (Dahlsrud, 2008). From a study related to maritime business, Skovgaard (2018:279) claims that, in order to have a CSR policy any company must report the five issues given in Table 1.

## **CSR in Shipping**

The term 'corporate social responsibility' has different meanings to different industry sectors, due to the different stakeholders involved. In some organizations, CSR is considered to mean compliance to social norms and philanthropy, although some large companies are now placing CSR in a more strategic framework (Froholdt *et al.*, 2014:19). From shipping perspective, Fafaliou *et al.* (2006:413) suggest that, the business environment for shipping companies has significantly changed, due to increased awareness and pressure from various stakeholders for quality services. Nowadays maritime industry feels increas-

21 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

[www.igi-global.com/chapter/csr-activities-maritime-shipping-industries/221834](http://www.igi-global.com/chapter/csr-activities-maritime-shipping-industries/221834)

## Related Content

---

### XML-Enabled Association Analysis

Ling Feng (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition* (pp. 2117-2122).

[www.irma-international.org/chapter/xml-enabled-association-analysis/11112](http://www.irma-international.org/chapter/xml-enabled-association-analysis/11112)

### #TextMeetsTech: Navigating Meaning and Identity Through Transliteracy Practice

Katie Schrodtt, Erin R. FitzPatrick, Kim Reddig, Emily Paine Smith and Jennifer Grow (2020). *Participatory Literacy Practices for P-12 Classrooms in the Digital Age* (pp. 233-251).

[www.irma-international.org/chapter/textmeetstech/237424](http://www.irma-international.org/chapter/textmeetstech/237424)

### Reasoning about Frequent Patterns with Negation

Marzena Kryszkiewicz (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition* (pp. 1667-1674).

[www.irma-international.org/chapter/reasoning-frequent-patterns-negation/11042](http://www.irma-international.org/chapter/reasoning-frequent-patterns-negation/11042)

### Discovery of Protein Interaction Sites

Haiquan Li, Jinyan Li and Xuechun Zhao (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition* (pp. 683-688).

[www.irma-international.org/chapter/discovery-protein-interaction-sites/10894](http://www.irma-international.org/chapter/discovery-protein-interaction-sites/10894)

### Statistical Web Object Extraction

Jun Zhu, Zaiqing Nie and Bo Zhang (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition* (pp. 1854-1858).

[www.irma-international.org/chapter/statistical-web-object-extraction/11071](http://www.irma-international.org/chapter/statistical-web-object-extraction/11071)