What are CSR Factors?

According to KPMG, an international firm providing audit, tax, and advisory services, there are 10 motivators that drive organizations to engage in CSR for competitive reasons. KPMG published their findings in their 2005 report (released last summer) in which they interviewed more than 1,600 companies worldwide. The top 10 motivators are:

1. Economic considerations,
2. Ethical considerations.
3. Innovation and learning,
4. Employee motivation,
5. Risk management or risk reduction,
6. Access to capital or increased shareholder value,
7. Reputation or brand,
8. Market position or share,
9. Strengthened supplier relationships, and


Yet another viewpoint can be found in Bob Willard’s book, The NEXT Sustainability Wave, which outlines major market forces that are driving the need for companies to address CSR in a credible manner.

Willard lists five market forces that he believes are “mega issues:”

- Climate change,
- Pollution/health,
- Globalization backlash,
- Energy crunch, and
- Erosion of trust.

He also names five major stakeholder groups that he believes drive the need for CSR:

- Green consumers,
- Activist shareholders,
- Civil society/non-governmental organizations (NGOs),
- Governments and regulators, and
- The financial sector.

*KPMG = Klynveld, Peat, Marwick and Goerdeler*