

Redefining the Value Chain to Achieve Social and Business Progress: A Case Study of Sri Lankan Export Oriented Out Grower Programme

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External pressure led businesses to adopt corporate social responsibility (CSR) practices. However, the common objective of CSR practices of many companies is to enhance the corporate reputation by offering something back to society. However, the current argument is different i.e. if the businesses create value for the society from their operations, they do not need to give back to society. Therefore, businesses can create value for the society while they are achieving business progress. Hence, the objective of this paper is to find out how to achieve social and business progress at the same time. In achieving this objective the researcher used the redefinition of value chain activities suggested by Porter and Kramer (2011) which looked at CSR from a strategic management perspective.

A qualitative embedded single-case design was adopted for the study. The case study is referring to an “Out Grower” programme in one of the leading Sri Lankan export oriented condiments manufacturers. Several units of analysis were used including the top management involved in value chain operations, extension officers and the farmers. Secondary data was gathered from company documentary evidence and primary data was collected by using semi-structured interviews. Judgmental sampling was used in selecting the respondents for the study. Data analysis includes documentary analysis and synthesizes the findings in a cross-respondent synthesis.

The findings reveal that the company can use its value chain activities in order to achieve both social and business progress simultaneously. Particularly, the company can create value for the society while they are undertaking the business operations. Further this way of social contribution tends to be much more appealing and beneficial for the stakeholders compared to short term CSR initiatives. Moreover, this strategy driven CSR practices enable to provide a solution for some of the burning issues faced by farmers and also uplift their standard of living.

Key words: *Strategy-driven corporate social responsibility, Value chain, Social progress*