

Corporate Social Responsibility: ERA Shields Real Estate Sets an Impeccable Standard

ISSUE: ERA Shields Real Estate has set a high standard for their community involvement. Are voluntary actions outside of profitability and mandated government and civil regulation a necessary part of a successful business?

Introduction

Corporate social responsibility is a business ideology with different interpretations or criteria depending on the parties involved. The degree of social responsibility also varies, but for an organization to be considered 'socially responsible,' an effort outside of profitable gain must be observed. The psychology of the media is to report on businesses operating outside of a corporate social responsibility framework. The following case study is a proclamation of a local business franchise that embodies and sets a standard for corporate social responsibility through years of documented service. Several reasons exist as to why this business meets the definition in the text as 'the duty of a corporation to create wealth in ways that avoid harm to, protect, or enhance social assets' (Steiner 123). The company itself is ERA Shields, a franchise segment of ERA Real Estate, is a real-estate organization whose involvement in the community through charity work and client appreciation has shaped corporate social responsibility to an impeccably high standard. Three elements of social responsibility exist, according to the text. Market actions are responses to competitive forces in the market to fulfill its social responsibility. Mandated actions are required by the government or civil regulation. ERA Shields has been successful in fulfilling both elements through the profitability and lawful adherence. However, the voluntary actions through charity work and clientele appreciation are a distinguishing factor for corporate social responsibility. On page 134 of the text, a study involving the correlation between profitable businesses and corporate social responsibility was reported. "A review of 95 such studies over 30 years found that a majority (53 percent) showed that socially responsible behavior was related to higher profits. However, 24 percent found no relationship, 19 percent a mixed relationship, and 5 percent a negative relationship" (Steiner 134). Despite the majority in favor of a correlation, doubt still exists. A question to consider while reading the case is if a successful and profitable business that adheres to governmental and civil regulation, should they put forth effort towards charity work and contributions on behalf of the community outside of the realm of business?

Charity Work

ERA Shields is an example of enhancing social assets in the support of a worthy cause. On ERA Shields website is an article entitled "Newsroom - ERA Shields Real Estate Raises Over \$45,000 for MDA," which discusses ERA Shields contribution to the cause. At the banquet, ERA Shields raised over \$45,000 during the 7th annual 'The Arts' Downtown MDA Banquet and Art Show to benefit the Muscular Dystrophy Association with over 300 people in attendance. The entertainment was noteworthy, but the focus was the motivating factor behind such a strong local turnout. In prior years, the company has generated over half a million dollars for the MDA with similar events and contributions (National 2011). What motivated so many broker associates to be in attendance and to generate traffic for the event was the monetary return funneled back into the local community. The money helped send local kids to the annual MDA camp hosted by the MDA – a nonprofit health agency dedicated to curing muscular dystrophy, ALS (Lou Gherig's Disease), and related neuromuscular diseases with comprehensive health care, support services, advocacy and education. The majority of agents in attendance were also parents, and the local MDA camp was designed to provide some respite for parents of children with the disease, working around the clock to care for their little ones (MDA 2013). A charitable contribution outside of the housing market umbrella represents a component of voluntary actions. MDA is not related to real-estate in any direct form. Through the networking of individuals within both organizations, an interest from both parties to benefit local children with MDA arose. The entire event was compelled not by the law or regulation exceeding required mandates. With so many agents contributing their time and money to such a worthy cause, ERA Shields set a standard for corporate social responsibility outside of the real-estate framework, by coordinating such a noteworthy event.

Client Appreciation

Not only do the broker agents at ERA Shields donate money and time towards community well-being outside of the real-estate spectrum, but their appreciation for their respective clients also demonstrates corporate social responsibility within the business framework. On August 15, 2013 ERA Shields Real Estate professionals hosted the biggest client appreciation night with 415 people in attendance. The event was hosted by Mark Rudolph, Barry Cavanaugh, Lauren Thomas, Martha Marzolf, and Michelle Blessing. Family and friends were in attendance, but the focus of the event was on past clients with expressed appreciation for their business and continued support (Clients 2013).

National Recognition

So far an examination of corporate social responsibility for the community and for clientele has explained how ERA Real Estate embodies this theme. Their recognition for their contributions on behalf of different groups has allowed them to become one of the most respected real-estate franchises worldwide outside of ERA Shields Real Estate Franchise. On April 4, 2012 ERA Real Estate –the franchise as a whole recognized ERA Shields Real Estate (a branch of the franchise) for the 2011 Circle of Light for Community Leadership Award for their commitment to business and charity with the award being presented at the ERA 2012 International Business Conference in New Orleans, LA. ERA Real Estate was “founded on the ideals of meeting customer needs and serving community interests” (Circle 2012). What this award signifies is meeting extraordinary expectations of a business through charitable work and the significant and lasting impact on the surrounding community. Bill Hurt, the owner of ERA Shields franchise motive behind his philanthropic effort is quoted as, “Nearly 15 years ago we established our Community Involvement Committee, now known as the Shields Community Leaders, because actually stepping and up and doing something to help those in need is more important than ever because, quite simply, there aren’t enough dollars to go around. I believe part of my responsibility as a human and corporate citizen is to be a role model for philanthropy, a vision that is shared by our entire company. I like to say that we all share the same community so investing in its future just makes good sense.” Bill Hurt has certainly been the voice and leader behind such a strong and respectable business. His efforts and those of the brokers on his team exemplify and set a standard business models, other organizations should follow by (Circle 2013).

Conclusion

Through their monetary efforts for the MDA and clientele appreciation, ERA Shields has gone above and beyond the business standard for the Colorado Springs community. Through a strong leader like Bill Hurt, agents under his supervision have taken on a similar mentality of improving the community outside of their work contributions. Of course, voluntary actions as a corporate social responsibility are just that; voluntary, but because of their efforts, the well-being of Colorado Springs has improved and ERA Shields remains one of the most respected real-estate offices in the city.

Questions to consider:

Why do some organizations embrace social responsibility while others primarily focus on monetary gains? Who is better off in the long-run?

What are some other business organizations (local or national) that exemplify corporate social responsibility? Are their efforts similar to ERA Shields Real Estate or do they differ in their contributions?

Why is corporate social responsibility so important? Why is getting involved in the community such an important aspect of business?

Why would an organization oppose corporate social responsibility? Is this opposition considered ethical?

References

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