CSR of the Company

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**Corporate Social Responsibility**

Corporate Social Responsibility can be broadly and simply defined as the formal and ethical roles and activities of the businesses and companies in society. The main purpose of Corporate Social Responsibility (CSR) is to enhance long term revenues and trust of every shareholders and stakeholder. This is done by the positive public and community relationships and ethical approaches which decreases legal and ethical risks for the business or company through taking responsibility for corporate actions (McWilliams, & Siegel, 2011). This is not the ultimate goal of companies to generate profits and revenues and just meet the expectations of customers and requirements of rules and laws regarding business operations.

Currently, every individual expects from businesses and companies to make profits and be engaged in activities that are taken for society’s well-being. CSR strategies and tactics encourage business/company to develop an inspiring and positive image in the society/community where they operate.

**History of CSR**

In the early time, the main and ultimate goal and primary focus of every business and company was to make a profit or generate revenues. While in 16950, social wellbeing became the fundamental responsibility and concern of businesses and companies where they were involved in deeds that are in the best interest of society and community. This change took a rapid and strong pace after the 1960s. In the 1970p71, business leaders and managers implemented management functions for improving society wellness and take formal steps towards Corporate Social Responsibility. With the time (in 1980), business operations and social interest came highly close and businesses/companies took more involvements towards each of their stakeholders.

The idea of Corporate Social Responsibility got international and universal approval all over the world at the end of the nineties. After that, the concept and approach of CSR have been linked with organizational strategies and considered as a part of business operations and strategies (McWilliams, Siegel, & Wright, 2016). Hence, in 2000 and afterwards, the CSR finally became a major and important strategic approach for businesses and organizations around the globe.

**Background of CSR**

The approach of CSR has tracked back to the past times. The very initial step of CSR has been taken thousands of years ago where authorities announced rules and policies for the companies and workers. The rules and regulations were introduced regarding the punishments of being careless towards employees and their health and security at the workplace. The approach took growth to a new level with the industrial revolution and got significance for businesses. After some time, the approach has not been considered as an ethic but became a complete concept (McWilliams, & Siegel, 2011). The ideology of CSR has developed as feedback to pressure form the organization or business side as well the concept got established because of the strong globalization.

Hence, the impact of globalization cannot be ignored which it has played in the development of CSR. This forced businesses to get involved in the operations which are in the best of society’s interest. As well as keep society’s wellbeing as a priority instead of profit and revenues. Therefore, Corporate Social Responsibility was the outcome of an in-depth transformation of the association of business and society/community in a post-industrial economy (McWilliams, Siegel, & Wright, 2016).

**Advantages and Disadvantages of Corporate Social Responsibility**

The concept of CSR is not as simple as we think about it. It has numerous advantages and disadvantages for everyone associated with it. The advantages and disadvantages of CSR include but not only;

* Economic Benefits
* Company Benefits
* General and Community Benefits
* Environmental Benefits

**Economic Benefits of CSR**

**Advantages**

Based on the results of more than 167 studies, 58% results show a significant relationship and 27% show positive relations while only 2% of outcomes show a negative association/relation. They state that the concept of CSR has a huge impact on profitability. The results also indicate that companies are more successful and profitable when they have better engagement in CSR activities (Porter, & Kramer, 2006).

* In the present time, most consumers prefer and purchase products from socially responsible businesses and companies.
* Sales of socially and environmentally friendly products are most likely to be purchased by customers than others. And these benefits are always provided by the concept of CSR.
* Strong policies towards CSR make employees more involved and motivated and this further results to better productivity and results of employees at work (Burke, & Logsdon, 2016).
* Corporate Social Responsibility assist to make sure the proper compliance with requirements
* Involvement and relationships with the society and community generate opportunities to companies and businesses to develop positive press coverage. This also helps companies economically (Porter, & Kramer, 2006).
* Having a good society and community relationships make it easy to reduce the costs of doing extra operation regarding CSR.

**Disadvantages**

It is a fact that CSR has been around a concept that provides several benefits to businesses. But. It cannot be hidden too that the concept sometimes has economic disadvantages. Some key and crucial disadvantages are as follows.

* Huge concentration towards Corporate Social Responsibility leads to extra expenses for the business (Waagstein, 2017).
* Having the CSR concept does not always and surely provide the expected economic benefits.
* Being so much involved in CSR sometimes convey a negative message towards the community, and people give sarcastic reviews about the business or company (Sprinkle, & Maines, 2018). This further put negative impacts on the reputation of the business or company.

**Company Benefits of CSR**

**Advantages**

Corporate Social Responsibility is the concept which always adds something crucial and amazing to the success of every business once they fully follow it. CSR has many company benefits for businesses which are also known as the advantages of CSR. Some of those advantages are the following.

* **Enhanced Customers Loyalty**

Corporate Social Responsibility makes the businesses and companies to become the top purchasing driver. CSR makes the business, top purchasing driver because according to the Neilson Survey 2017, a business or brand with strong community commitment always leads the purchasing driver (Porter, & Kramer, 2006).

Hence, customers are more likely to be associated with your brand and products if you or your business is highly aligned with their social and personal concerns. So in this way, CSR creates high and strong customers loyalty for every business or company on the globe (Burke, & Logsdon, 2016).

* **Increased Productivity**

As every customer prefer to purchase products of highly socially involved businesses. Similarly, employees of socially involved feel the pride to be part of the organization, so that is why they also put more efforts and work harder than usual. In brief, the hard work and more efforts of employees at workplace lead to increased productivity (Porter, & Kramer, 2006).

* **Increased Creativity at Work**

CSR is the approach that always encourages and motivates employees to look for and try new things than the ones you usually do. As well as it assists them to be socially interactive which makes them more energized about their jobs and responsibilities.

Because of such involvement, every employee feels empowered to begun contribution to the bigger picture. For the purpose, they usually come up with new ideas, innovative thoughts and new adventures about their jobs and responsibilities. As well as they work to introduce highly innovative problem-solving the solution for the issues they face at work or company. So, all of these things which occur due to CSR leads to enhanced and increased creativity of employees which further contribute to the success of the business/company (Sprinkle, & Maines, 2018).

* **Enhanced Employee Satisfaction and Improved Public Image**

Every individual that feel honoured and supported in his or her job is often more productive and creative at work than the one who does not feel so. The approach and concept of CSR are to allow employees to volunteer especially during work and develop a sense of community at the organization and to be connected to the community (McWilliams, Siegel, & Wright, 2016). So the employees have such (mentioned) opportunities at the organization, he/she always feel satisfied and put more efforts into their job.

Furthermore, employee satisfaction improves the image of the company in public. This improves the company’s public in mind of potential candidates as well as towards customers.

**Disadvantages**

Beyond advantages, several disadvantages of CSR to the company also exist. Some of those are;

* Interest and value of shareholders sometimes get ignored by the organization when focusing on employees and the community.
* It costs more amounts so this sometimes takes up competitive advantage from the company at crucial times (Waagstein, 2017).
* Huge focus on CSR also creates conflicts with the ultimate goals and revenues.

**General and Community Benefits of CSR**

**Advantages**

Corporate Social Responsibility of companies have numerous advantages/benefits for the entire community and/or society. Some of those advantages or benefits are;

* The concept of CSR companies enables and even force them to support the local charities as it has always been at the heart activity for everyone.
* CSR always makes the companies able to give back to the community and improve society.
* A strong Corporate Social Responsibility always has a knock-on impact to encourage and motivate others to take responsibility for society’s wellbeing (Burke, & Logsdon, 2016).
* CSR and its practices help educate people to make a difference by putting efforts towards society wellness and make it their interest instead of forced by someone else.
* CSR enhances the relationship between businesses and community to make the community a better place to live life in (Sprinkle, & Maines, 2018).

**Disadvantages**

* The practices of CSR are involved in social wellbeing but the main and ultimate goal always remains the organization’s success (Sprinkle, & Maines, 2018).
* CSR does not always meet the expectations of society or individuals living in a particular society.
* The community can mean greater scrutiny by the CSR where sometimes companies prefer to ignore then.

**Environmental Benefits of CSR**

One of the main purposes of CSR is to minimize the impact of the company on the environment. It has several benefits. Hence, some crucial benefits/advantages are;

* **Waste Reduction**

CSR helps to identify the key waste streams for the company. So that the company or business take steps and set a reduction target and accomplish it. So the waste gets reduced in this way.

* **Infrastructure**

CSR allows companies to work on improving environmental infrastructure which further leas to better transportation and reduction in pollution in the environment.

* **Recycling**

The concept/approach recycle the process of waste management and force companies to be more involved in waste management. So that, better and greener waste management practices can be brought into actions which would improve waste management in the environment.

**Disadvantages**

Beyond the crucial advantages/benefits, CSR also has critical disadvantages for the environment. Some of those are;

* Difficult for companies to implement strategies and approaches only for environmental improvement when they don’t see any organizational benefit.
* CSR has been found too expensive when it comes to environmental concerns.
* Businesses/companies sometimes take unnecessary CSR practices/actions just to show that they are socially responsible. But, these actions sometimes put negative impacts on the environment at all (Sprinkle, & Maines, 2018).

**Conclusion**

After an in-depth analysis of CSR and the paper above, it has been concluded that the concept of Corporate Social Responsibility is crucial for everybody. The body may be a business or company, an individual, society, community, government, and/or environment. The CSR has several and highly crucial benefits and advantages for company, environment, community, and government. In short, the benefits and advantages of CSR are highly crucial while the disadvantages are not too shocking and can be neglected.

**Recommendations**

It has been recommended that every company/organization and business should;

* Involve customers in CSR and make it a part of their core business strategy
* Get engaged in tactical and strategic utilization of social investment budgets.
* Ensure the CSR existence in every employee in the organization
* Develop and implement a strong review and audit system to improve CSR.
* Search for potential opportunities to develop future pipelines.

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