

# THE IMPACT OF CSR

## Corporate social responsibility (CSR)

### ABTRACT:

Corporate social responsibility (CSR) is how companies manage their business processes to produce an overall positive impact on society. It covers sustainability, social impact and ethics, and done correctly should be about core business - how companies make their money - not just add-on extras such as philanthropy. In this paper we highlight the impact of CSR on society , community development and environment

❖ **KEYS WORDS : CSR meaning, impact on society, CD ( community development)& Environment**

### THE IMPORTANCE OF CORPORATE SOCIAL RESPONSIBILITY



These days, being a responsible participant in the larger society is not optional for your company. To position your brand as a forward-thinking corporate citizen, you must take authentic steps to provide solutions to common human problems in the world around you. Valuing corporate social responsibility, or CRS, will not only benefit your larger community, but it will also provide you with specific organizational benefits. Here are our top five reasons why corporate social responsibility should matter to your company, in addition to common good it brings society.

## 1. MORE MEDIA COVERAGE

Companies that focus on doing good in their communities will attract the attention of local media. These positive stories will provide you with highly trustworthy free publicity, because they will come from journalistic sources rather than from advertising copy. Furthermore, all the people who are beneficiaries of your assistance will sing your company's praises on their social media networks.

## 2. GREATER CUSTOMER RETENTION

According to Business2Community, "Nine out of ten consumers would refrain from doing business with a corporation if there existed no corporate social responsibility plan." Customers are seeking dual benefits when they do business with you: They want to enjoy good services and products, but they also want to feel that they are contributing to efforts to make the world a better place.

## 3. BRAND DIFFERENTIATION

Corporate social responsibility provides an opportunity to stand apart from your competitors. In this era of social media, you are not entirely in charge of your own brand image. Participating in programs to benefit your community is crucial to fostering a brand image that is trustworthy, durable and honest. This corporate identity will be integral to people's subjective shared impressions of who you are.

## 4. LOWER COSTS

Lowering costs while being socially responsible can happen in a number of ways. As an example, the Environmental Defense Fund has honored IKEA, Nike and Walmart for their cost-cutting, sustainable shipping practices. These three companies have shown a way

forward, changing shipping practices to reduce the company's carbon footprint while drastically lowering costs at the same time.

## **5. HAPPIER EMPLOYEES**

Employees work harder and stay with a company longer when they believe in what the company is doing. Focusing on corporate social responsibility can be a great way to show your team what your company values. You foster the well-being of your workers when you make clear that each of them is contributing to the betterment of their community while also earning a paycheck.

Learn more about [corporate social responsibility benefits](#) and contact us for a free [organizational performance assessment](#) to see how to incorporate CSR into your business

## **i)IMPACT OF CSR ON SOCIETY**

### **Prioritizing Social Issues**

#### **A ) Generic Social Issues**

Social issues that are not significantly affected by a company's operations nor materially affect its long-term competitiveness

#### **B) Value Chain Social Impacts**

Social issues that are not significantly affected by a company's operations nor materially affect its long-term competitiveness Social issues that are significantly affected by a company's activities in the ordinary course of business

#### **C)Social Dimensions of Competitive Context**

. Social issues in the external environment that significantly affect the underlying drivers of a company's competitiveness in the location where it operates.

Corporate Social Responsibility (CSR) is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources. However it is not charity but it is a core business strategy of an organization. It is not a common term,infact many Indian companies talked about responsible business or triple P(People, Planet and Profit).Some others of corporate citizenship or stewardship, responsible entrepreneurship and triple bottom line. Responsible competitiveness is nothing other than CSR.

J.R.D TATA, the founder of TATA STEEL, stated, 'Every company has a special continuing responsibility towards the people of the area in which it is located and in which its employees and their families live.' The aspect of social responsibility of a company is mainly concerned with the role of the company in addressing issues of societal benefit and of reduction in social costs.

## **II)The role of CSR in CD(COMMUNITY DEVELOPMANT )**

Community development (CD) refers to initiatives undertaken by community with partnership with external organizations or corporation to empower individuals and groups of people by providing these groups with the skills they need to effect change in their own communities. These skills are often concentrated around making use of local resources and building political power through the formation of large social groups working for a common agenda. Community developers must understand both how to work with individuals and how to affect communities'positions within the context of larger social institutions.

**1)To share the negative consequences as a result of industrialization.** This is related to increasing conscience-focused marketplaces necessitating more ethical business

processes. E.g. higher UK road tax for higher emission vehicles, thus reducing the burden of small vehicle owners in a community (Wikipedia, 2009). By doing so, small vehicle owners share less the tax burden, hence could re-channel the money for more productive uses in the community.

**2. Closer ties between corporations and community.:** Through CSR the existence of corporations in the social system is felt beyond a perception that corporation is a place just to get employment and Uluslararası Sosyal Araştırmalar Dergisi The Journal of International Social Research Volume 2 / 9 Fall 2009 - 205 - producers of goods and services. By doing so, corporations and community would stay in peace and harmony. This becomes a social capital that is essential in community development.

**3. Helping to get talents.:** Organizations with a reputation for CSR can take advantage of their status and strengthen their appeal as an attractive employer by making their commitment part of their value proposition for potential candidates. They believe their organizations recognize and reward great customer service, act quickly to address and resolve customer concerns, and are led by people in senior management who act in the best interest of customers. Confidence in senior management is higher in other areas, too, when employees give their company high marks for being socially responsible. For example, if a large number of employees perceive that their organization's senior management supports new ideas and new ways of doing things, this would result on better perception of employees to the organization, hence their trust and loyalty to the organization. There is a correlation between a company's success in the marketplace is often influenced by its capacity for innovation,

**4. Role in transfer of technology (TOT).:** Closer ties help in TOT between MNCs that give concerns on CSR and communities in the host countries. MNC is a corporation that has its facilities and other assets in at least one country other than its home country. Such companies have offices and/or factories in different countries and usually have a centralized head office where they coordinate global management. Very large

multinationals have budgets that exceed those of many small countries. Barton (2007) focuses on three mechanisms of international technology transfer: the flow of human resources; the flow of public-sector technology support; and the flow of private technology from MNCs to developing countries. He argues for greater mobility within, and globalization of, the world's scientific enterprise and reasserts an economic rationale for investing in public-sector research in the developing countries. Through TOT coupled with CSR processes, the targeted community would gain in the various aspects of product development and marketing, such as better price and quality, as well as concern for people's wellbeing.

**5. CSR helps to protect environment.:** Some of the world's largest companies have made a highly visible commitment to CSR, for example, with initiatives aimed at reducing their environmental footprint. These companies take the view that financial and environmental performance can work together to drive company growth and social reputation. This attitude can only serve to enhance the employment value proposition such as interest in "going green" gains traction (Towers Perrin, 2009). "We green the earth" slogan made by some MNCs in Malaysia who own large golf areas within the vicinity of residential areas is another CSR initiative seems to protect environment. Many non-profit organizations have been involved in learning and advocacy of environmental protection of CSR such as those reported by the United Nations. They are for example a) "Friends of the Earth" who highlights the environmental impact of some MNCs and campaign for stronger laws on environmental responsibility; b) "Green Peace mission" is another example of CSR initiative that gives benefit to society and community in preserving the latter's rights towards reaping healthy environment (Wikipedia, 2009).

# Corporate social responsibility (CSR)

## Corporate social responsibility: environmental impact

Corporate social responsibility (CSR) can refer to a wide range of actions that businesses may make - from donating to charity to ethical trading. One primary focus of CSR is the environment.

### **What is environmental CSR?**

**Environmental CSR** aims to reduce any damaging effects on the environment from your business' processes. Activities may focus on:

- energy use
- water use
- waste management
- recycling
- emissions
- eco-friendly office and business travel policies



Some of these are significant from both environmental and financial point of view.

### Advantages of environmental CSR

Green CSR can reduce business risk, improve reputation and provide opportunities for **cost savings**. Even the simplest energy efficiency measures can generate savings and make a difference to your business. For example:

- switching off lights and equipment when not in use
- reducing the use of water
- reducing the amount of paper you waste

Caring about the environment can **increase revenue** too. Many customers prefer to buy from responsible companies.

For more information, find out how to [improve your environmental performance](#).

### **How to reduce your environmental impact**

You can reduce your business' environmental impact in many ways. For example, you can:

- create products that can be recycled

- optimise your product life cycle
- source responsibly (eg using recycled materials and sustainable timber)
- reduce packaging
- buy locally to save fuel costs
- create an efficient (and fuel-efficient) distribution network
- work with environmentally-conscious suppliers and distributors

If you'd like to assess your environmental impact, find out how to [carry out an environmental review of your business](#)

## **FINDINGS :**

1. Meaning of CSR
2. How CSR will help for society
3. How can environment changes made through CSR
4. Whether community development possible through CSR
5. Highlighting the importance of CSR
6. How importance is CSR for over all development of society ,environment and for community development

## **Referance**

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