

Group 7

Corporate Social Responsibility

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Corporate Social Responsibility

A glass globe with a grid pattern, reflecting a lush green forest scene, resting on a bed of green moss. The globe is positioned in the center-right of the frame, and its reflection shows a dense forest with tall trees and a clear sky. The moss is a vibrant green and covers the entire surface the globe is resting on.

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Defining CSR

- *“Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large (world business council for Sustainable development)”*
- *“Open and transparent business practices based on ethical values and respect for employees, communities and the environment, which will contribute to sustainable business success (IBLF 2003)”*
- *“corporate social responsibility is a concept whereby companies decide voluntarily to contribute to a better society and cleaner environment (commission of European communities, 2001)”*

Let 's Start from History....!!



CSR before **1900**

1 History of CSR is as old as trade and business itself , e.g. law to protect the forest ,

1950 focus on

responsibilities to society, doing good deeds to society

Howard Bowen,
Peter Ducker

1960

Many laws introduced to protect customer and employees

1970

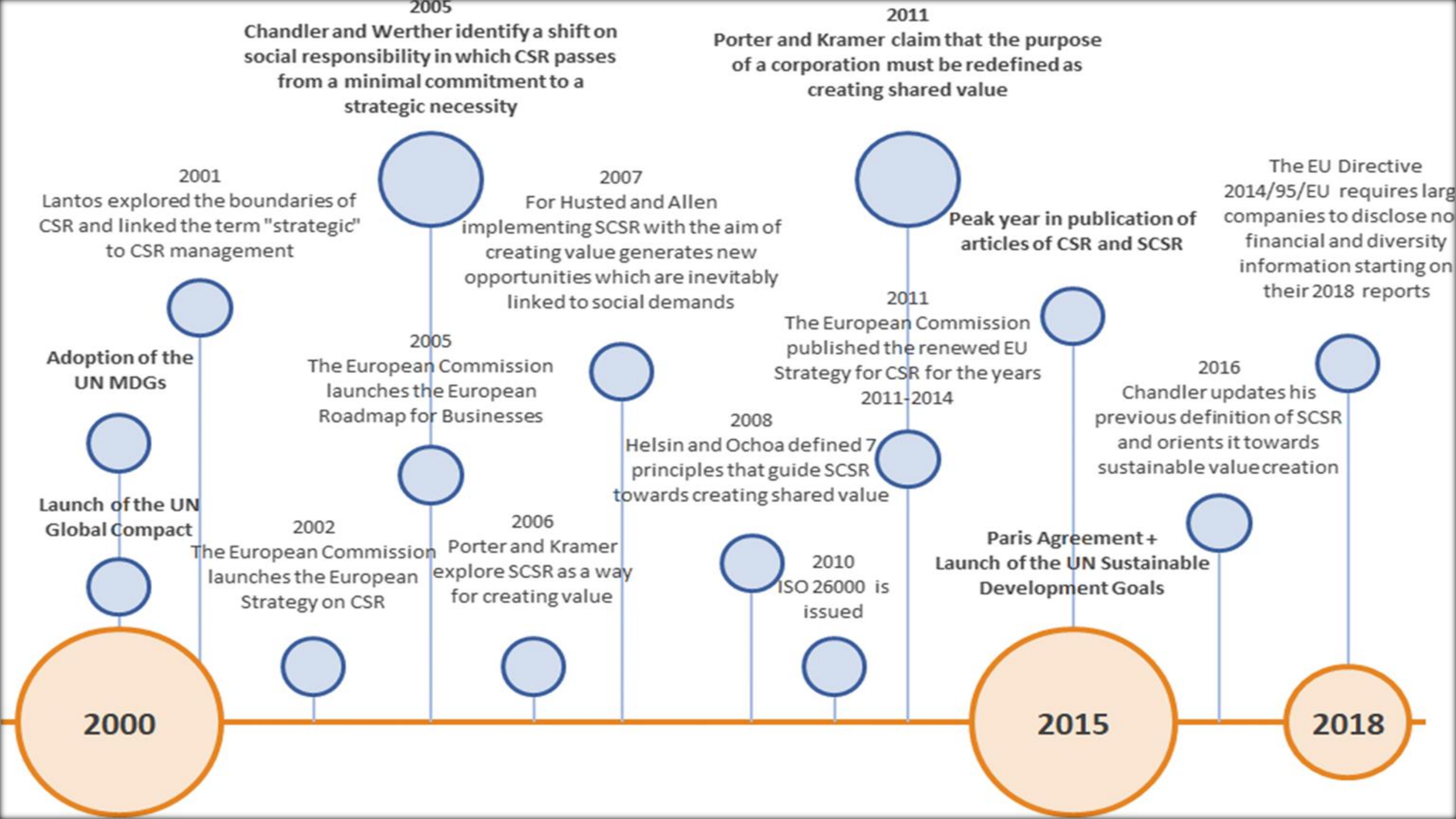
Businesses adopted the pieces of legislation and made the CSR as a part of their business model

1980

Business and social interest came closer and firms become more responsive to their stakeholder(Rosamaria .c)

1990

Ethical and environmental issues took more seriously by the businesses, Carroll pyramids of CSR



Are Business Ethics important?

- ☐ A field of study concerned with judgements about what is right and wrong within the area of business practice.
- ☐ It is mostly not about right and wrong but about “wrong and more wrong” or “almost-right and a-bit-wrong”



Carroll's four-part Definitional Framework for CSR

- Carroll's four part definition of CSR was originally stated as follows: "Corporate social responsibility encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time" (Carroll 1979, 1991).



Fig. 1 Carroll's pyramid of CSR

BENEFITS OF CSR....?? LET'S FIND OUT..!!



- **Companies earn tax benefits**
- **Competitive Advantage**
- **CSR and firm value are positively related**
- **Advertisement and media coverage, creates brand awareness and improve brand value**
- **Attract and retain more investors**
- **Corporate social responsibility and consumer behavior are related.**

Stock returns got 2.3 to 3.8% higher as compared to peers
(Alax Edmans,2012)

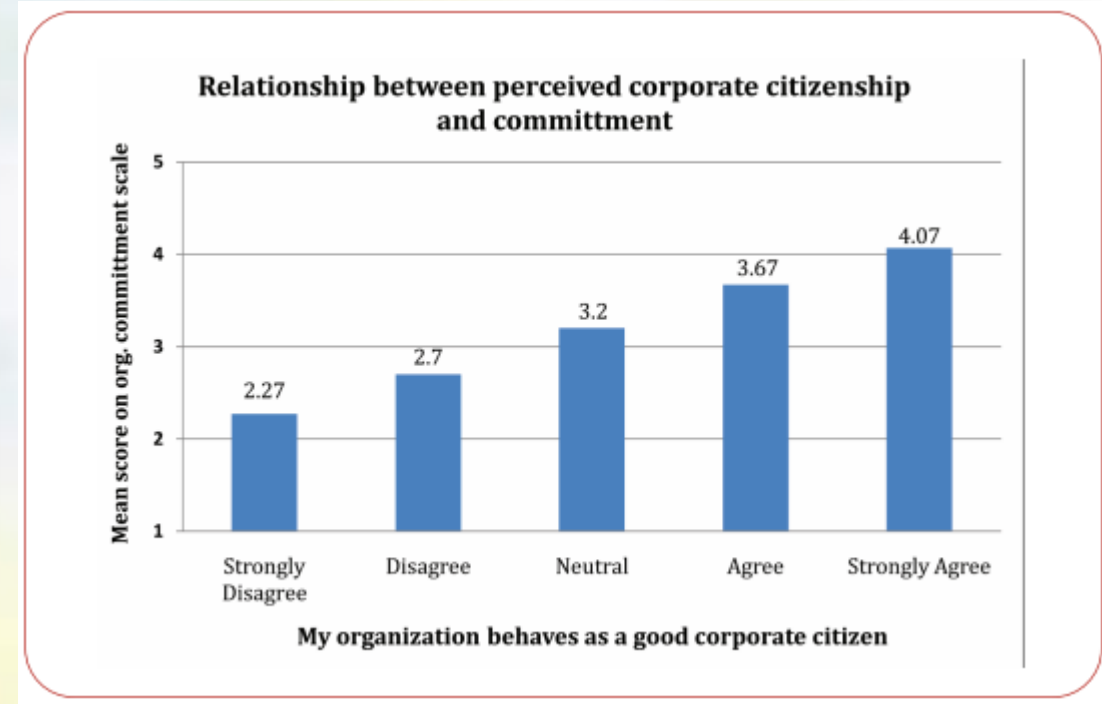
Melo, Galan (2011)
Impact of CSR on Brand value.
It affects financial performance over long term

Margarita Tsoutsoura(2004)
CSR and Financial performance positively related

(Eweje and Bentley)
Consumer Behavior and CSR positively related and employees retention and firms. Also affects financial performance

- **Attract, motivate and retain employees.**
- **It may lead to cost efficiencies and using “green” approach or producing less waste materials, using less raw materials can save costs**

(Patton 2009)



(Sarah , Jennifer and William 2010)

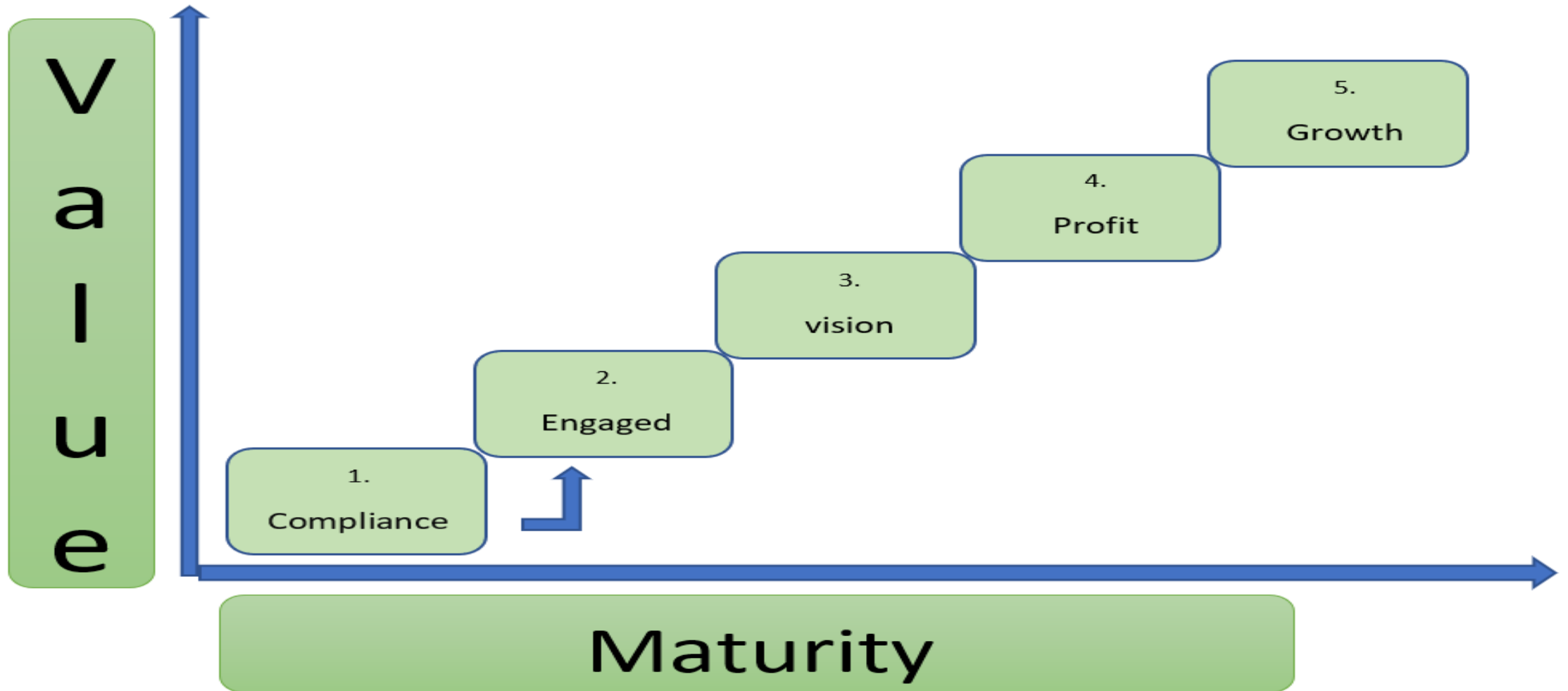


COSTS OF CORPORATE SOCIAL RESPONSIBILITY

- Contributions are tax deductible from profits
- In terms of goods, companies can earn tax relief on the cost of stock given away
- VAT relief



CSR Maturity Model



Should Firms Go Beyond Profit?

Milton Friedman's Narrow view vs Broad view

Profit First

Everything you need to
achieve extraordinary
profitability in business



WHEN SOCIETY WINS,
THE BUSINESS WINS.

Milton Friedman's Narrow view vs broad view

Ford Pinto CSR (Narrow View VS Broad View)



Sustainability

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs, (Brundtland Commission, 1987).

CSR and Sustainability

CSR and sustainability both are responsibility of the organisations to the society and environment.

CSR is antiquated where as corporate sustainability is futuristic.

(Uchendu and Atuluku, 2016)



A close-up photograph of two hands, one from an adult and one from a child, gently holding two small green seedlings with dark soil. The background is a soft, out-of-focus green, suggesting an outdoor setting. The text 'Conclusion' is overlaid in a stylized font at the top center.

Conclusion

- ❖ **CSR and sustainability, both concepts are highly beneficial for the companies regardless of their size.**
- ❖ **Corporations have power to make this world sustainable, as we individual we have choice to boycott companies who are not ethical and not sustainable.**

A close-up photograph of two hands, palms up, holding a small, rectangular piece of torn, off-white paper. The paper is held horizontally across the center of the hands. On the paper, the words "THANK YOU" are printed in a bold, dark brown, sans-serif font. The hands are light-skinned, and the background is dark and out of focus.

THANK YOU

Video link

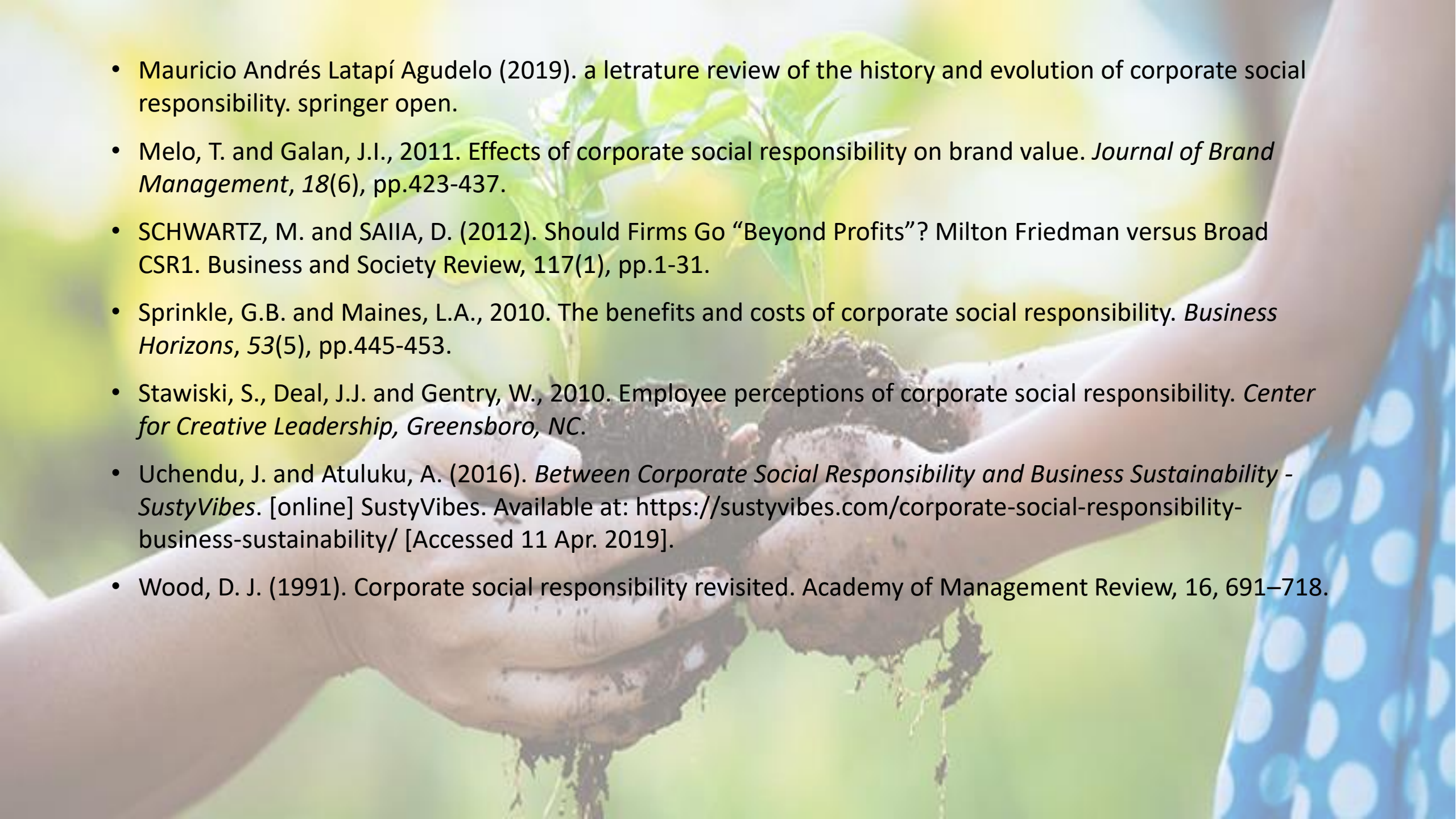
- <https://youtu.be/LAeZw752VDA>



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