The concept of corporate social responsibility

Business

The concept of Corporate Social Responsibility (CSR) has grown significantly in the modern business era. Companies now tend to pay attention to the consequences of their operations on the society. Currently, more than half of the Fortune 1000 companies issue corporate social responsibility reports to cope with pressure from different stakeholders (Alexander & Rogene, 1978). Corporate social responsibility boasts of vast definitions, but all definitions share the same meaning in one way or another.

Business for Social Responsibility (BSR), states that the term corporate social responsibility refers to the achievement of success in commercial circles through processes that acknowledge and respect ethical values of people, societies, and the natural surroundings.” A corporation that wishes to follow a socially responsible approach should implement policies and practices that enhance operations and the overall decision-making processes. Such corporation would consider issues like business ethics, governance, environmental concerns, community investments, labor rights, and safety of the workplace. The idea of CSR here is not just doing well, but doing well while doing the right thing. Another definition is that corporate social responsibility is the responsibility of an organization to take the extra step to improve social welfare beyond its interests and beyond what is a legal requirement (Hatfield et al, 1985).

In short, corporatesocial responsibility focuses on corporate circles regard as the triple bottom line of people, planet, and profit rather than only profit. Companies that choose to be socially responsible do so by using different implementation strategies that depend on the firm’s size, industry, competition, culture, and stakeholder pressure. Some companies assign greater weights to specific areas of the CSR. For instance, some companies give human rights the greatest priority while other companies see environmental concerns as their number one concern. Regardless of what the firm's priority is in CSR, it is essential that management and employees align their goals to reach the best possible outcome of implementing CSR. The biggest question arising nowadays regarding this topic is whether CSR enhances the financial performance of the firm.

Some experts claim that CRS does add intangible values, such as reputation, but has nothing to do with better financial performance. Other experts claim that CSR, in fact, works against the firm as it incurs greater costs. Finally, a third group of experts insists that CSR adds intangible values and improves the overall financial performance of the firm. Several studies and literature have focused lately on the matter, but no crystal-clear conclusion is forthcoming yet. This paper endeavors to dig deeper and arrive at the best answer of the previously proposed conclusions.

This paper will empirically study whether or not corporate social responsibility has a role in solidifying/weakening the financial performance of the firm. The corporate social responsibility of the firms still requires the managers or individuals involved, to implement the spirit of strategic corporate management. This strategy is particularly vital in the running of the internal affairs as well as the external affairs of the firm. It will employ the use of the SWOT analysis tools to help evaluate its performance even in the financial sector. Strategic Management is that set of actions and decisions, applied in the formulation, and implementation of appropriate strategies that will help in the provision of competitive advantage to the organization. Consumer behaviors are the studies aimed at informing the marketers, advertisers and public agencies onto how personalities influence a commodity selection through values, beliefs and perceptions.

In cases of marketing reasons, studying of the influences is within demographic considerations. The context of demography here includes ethnicity, age, family size income, marital status, employment and education. Elements such as sociology, psychology, economics and social anthropology play a crucial role in consumer behavior. Consumer behavior fundamentally interprets the decision making process of the consumer both in groups and as an individual. It tries to assess what influences the consumer in making consumption behavior like the friends, families and society in general.