

Corporate Social Responsibility (CSR) Definitions, Principles and Success Indicators: A Review

¹Shruti Maggo & ²Dr. Ramratan V. Dhumal

²A.P. Department of LAW, Amity Institute of Advanced Legal Studies, Amity University (India)

¹Research Scholar, Amity Institute of Advanced Legal Studies, Amity University (India)

ARTICLE DETAILS

Article History

Published Online: 15 May 2019

Keywords

Corporate Social Responsibility & Customer Loyalty.

ABSTRACT

Consumers certainly look for safety and quality. What do products that are secure mean? For an aware consumer, product quality & safety means, something that not just fulfills the requirements of his but additionally protects society and environment at large. With the increasing recognition through electronic press and print about the product safety, consumers would also love to really know what they really want to get is made considering green sustainability and social causes. In the globalized world, corporate social responsibility (CSR) belongs to an impressive profile idea that provides an advantage on the business. This paper puts forward the connection between CSR & purchase behaviour of customer. This study investigates the point of view about CSR of not just the staff but additionally customers. Corporate Social Responsibility (CSR) is usually described as corporate responsibility, corporate citizenship, social enterprise, sustainable development, triple bottom line, company ethics, and in a number of instances, corporate governance. What binds these conditions together may be the hope that corporate (public and private businesses alike) behave ethically vis-à-vis an extensive group of stakeholders - employees and their the, communities, and families broader culture. The results of the research confirm that that firms with notable CSR activities & effective communication of CSR activities positively influence customer loyalty & purchase behaviour. Further it observes that the connection between CSR activities & Purchase behaviour of shareholders is insignificant.

1. Introduction

Corporate Social Responsibility is essentially by which companies choose voluntarily to help a much better society and a cleaner planet. Over last year's an increasing number of businesses around the world begun advertising their Corporate Social Responsibility methods because the buyers, the investors and everyone anticipate them to act sustainable and responsible. In many instances CSR is an outcome of a wide variety of social, economic and environmental pressures. Public service has invariably been an inherent part of Indian tradition and culture. There are many selfless employees that are working tirelessly and making a significant influence to many livelihoods. Over 1 million Non Government Organizations (NGOs) operate in India and also tackle a range of interpersonal issues including water harvesting, education, environmental concerns, micro credit, and sanitation along with other such basic concerns which have created the NGOs an indispensable component within the social change process. The need on the hour however is making the Indian business houses recognize their duty towards giving to the culture. There's a basic opinion that business group in India is selfish and much more interested in boosting the profits of theirs and also maximizing shareholders' profits. In case they react to charity, it's through their own household trusts. The KMPG Indian Corporate Survey 2011 points to sixteen % of the top listed companies which happen to have a CSR policy as compared to seventy three % of the worldwide counterparts. The gap appears to lie in the understanding and appreciation of the benefits of CSR in the general scheme of things. CSR is going to receive a comprehensive boost in case corporate realize that a sustainable and effective CSR won't just help

their businesses gain a competitive advantage several years down the line but also will become essential to the existence of theirs. The accrual of company advantages of CSR regarding increased sales and consumer loyalty has created idea that is new called cause branding "or Cause relevant Marketing". Vendors in India are still to imbibe these techniques in their DNA. Nevertheless, Project Shanty of HUL, Chou pal Venture of ITC, Train the Trainer of Wipro, Sexual and general health solutions to Truckers by Apollo tyres and Call in the price of Post Card by Dhirubhi Ambani are several of the CSR things which became best Business Strategies & practices per se.

2. Definitions of the concept

According to the World Business Council for Sustainable Development, CSR includes commitment and activities pertaining to:-

- Corporate governance and ethics
- Health and safety
- Environmental stewardship
- Human right (including core labour rights)
- Human resource management
- Community involvement, development and investment
- Involvement of and respect for aboriginal people
- Corporate philanthropy and employee volunteering
- Customer satisfaction and adherence to principles of fair competitions
- Anti bribery and anti corruption measures
- Accountability, transparency and performance reporting

- Supplier relations for both domestic and international supply chains

According to Hopkins (2003) CSR is concerned with treating the stakeholders of the firm ethically & in a social responsible manner. The wider aim of social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation.

3. United Nations Industrial Development Organisation (UNIDO) defines CSR as below:

CSR is a management idea whereby companies integrate environmental and social concerns in the business operations of theirs and interactions with the stakeholders of theirs. CSR is often known as being just how whereby a business achieves a balance of economic, social and environmental imperatives (Triple Bottom-Line- Approach) while simultaneously handling the expectations of stakeholders and shareholders.

4. Principles that Should be Held in Implementing CSR

The advancement of CSR within the Indonesian context (particularly with regard to the implementation of CSR in the group of discretionary responsibilities) is seen from 2 different perspectives. For starters, the implementation of CSR is a voluntary business practices (discretionary business practices) indicates that the implementation of CSR initiatives is from much more of the business and it is not a required activity of the organization by the legislation in power in Indonesia. Next, the implementation of CSR is not a discretionary business training though implementation is governed by law () that is mandatory.

In a further advancement of businesses - companies operating in Indonesia ought to keep a minimum of the principles - principles relevant law particularly the principle and environmental law of interpersonal responsibility. To the individuals impacted as a result of the functioning of the business, among the concepts is: The very first concept will be the continuity or even sustainability. This doesn't mean the organization is going to continue to offer support to the community.

Nevertheless, an application created should have a sustained impact. CSR differs from the donation of disasters are unpredictable and can not be predicted. It became good activity along with generosity. The next idea, CSR is a long-range program. Companies should recognize that a company is able to develop due to the assistance of the interpersonal environment of the surrounding environment.

Reference

1. Abdul Rasyid Idris. (2009). Corporate Social Responsibility sebagai Sebuah Gagasan. Jakarta: Fokus Sahabat.
2. Babatunde, Kamaldin Abdul Salm, 2013. Corporate Social Responsibility effect on consumer patronage- Management perspective: Case study of A Telecommunication company in Nigeria, Jilid 29(1) 2013; 55- 7/ Malaysian Journal of communication.
3. Bambang Rudito & Arif Budimanta & Adi Prasetyo. (2004). Corporate Social Responsibility: Jawaban Bagi Modal Pembangunan Indonesia Masa Kini. Jakarta: ICSD.
4. Dirjosisworo Soejono. (1999). Hukum Perusahaan Mengenai Penanaman Modal, Indonesia. Bandung: Mandar Maju.
5. Dwi Nurwoko. (2006). Sosiologi Teks Pergaulan dan Terapan. Jakarta: Kencana.

Therefore, CSR is a kind of keeping relations that are good with the community. He's not the moment to increase the acceptance of the pursuit or maybe the activity of profit. The 3rd principle, CSR is going to have a positive effect to the community, environmentally, both economically, and socially. Companies that perform CSR should be to care and considerate of the effect. The 4th idea, the money are considered for CSR is not integrated into the price structure of the organization because the funds for advertising which will ultimately be converted into product prices.

5. The Success Indicators of CSR

Indicators of results can be seen from 2 sides of the community as well as the company. From the company side, the picture must be improving in the public eye. Meanwhile, in regards to modern society, there ought to be a rise in quality of life. Thus, it's crucial for businesses to Evaluate to determine the good results of CSR programs, both qualitatively and quantitatively. Something to remember, "One crucial way of measuring financial success CSR is whether the individuals that helped be independent, not determined by the assistance of others.

Nevertheless, you will still find many businesses within the area of setting which hasn't been undertaking the obligations of its, insufficient effectiveness in the implementation of CSR Also end up Since The organization experienced difficulties in its program. The issue is additionally to the software of its not completely comply with Reviews those rules, programs of neighbourhood development or maybe neighborhood development (CD), hasn't touched the basic issues experienced by the neighbourhood. The program generally hasn't empowered people so that they're prepared for post mining masses. The organization in this particular situation hasn't been in a position to realize the local community development program perfectly because the estuary of the community development program is community empowerment.

6. Conclusion

Corporate social responsibility is going to be effective in case there's cooperation between the manufacturer and group. To attain a far more equitable world poverty and sustainable with no environmental damage. It will take a paradigm shift, from the fulfilment of "the interests of individuals" into "common interests", ie the modification of management "usual corporate responsibility" to "corporate interpersonal responsibility". Highly effective implementation of CSR in environmental police in Indonesia is nevertheless not ideal. Optimization of the use of CSR is essential to be able to offer protection on the affected individuals because of environmental degradation.

6. Emily Mokeira Okewemba, MWalate Solomon Chitiavi, Robert Egessa, Musiega Douglas 2014. Effect on Corporate Social Responsibility on organisation performance: Banking Industry Kenya. International Journal of Business Management Invention. ISSN (online) 2319-8028, ISSN (print) 23/9-801X, Vol.3, Issue 11, April 2014, pp.37-51
7. Hari Govind Mishra, Piyush Kumar Sinha and Sarabjot Singh. 2014. Impact of Consumer Social Responsibility and Brand Social Responsibility image on Brand Loyalty ,W.P No. 2014-03-16, research and Publications, IIMA, India.
8. Hendrik Budi Untung. (2009). Corporate Social Responsibility. Jakarta: Sinar Grafika.
9. Kaniya Porn Pratang, David W. Lockard, Chittipa Ngamkroe Ckjoti, 2013. The impact of Corporate Social Responsibility (CSR) on Consumer Trust and purchase intention.