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Corporate social responsibility- An overview

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Abstract
Corporate social responsibility (CSR, also called corporate conscience, corporate citizenship or responsible business) is a form of corporate self-regulation integrated into a business model. CSR policy functions as a self-regulatory mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards and national or international norms. CSR strategies encourage the company to make a positive impact on the environment and stakeholders including consumers, employees, investors, communities, and others.

Keywords: Corporate social responsibility, communities, stake holders

Introduction
Corporate Social Responsibility (CSR) is defined as the voluntary activities undertaken by a company to operate in an economic, social and environmentally sustainable manner. Corporate social responsibility (CSR, also called corporate conscience, corporate citizenship or responsible business) is a form of corporate self-regulation integrated into a business model. CSR policy functions as a self-regulatory mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards and national or international norms. With some models, a firm's implementation of CSR goes beyond compliance and engages in "actions that appear to further some social good, beyond the interests of the firm and that which is required by law." The aim is to increase long-term profits through positive public relations, high ethical standards to reduce business and legal risk, and shareholder trust by taking responsibility for corporate actions. CSR strategies encourage the company to make a positive impact on the environment and stakeholders including consumers, employees, investors, communities, and others. The term "corporate social responsibility" became popular in the 1960s and has remained a term used indiscriminately by many to cover legal and moral responsibility more narrowly construed. *Business Dictionary* defines CSR as "A company's sense of responsibility towards the community and environment (both ecological and social) in which it operates. Companies express this citizenship [1] through their waste and pollution reduction processes, [2] by contributing educational and social programs and [3] by earning adequate returns on the employed resources."

Common Actions
Common CSR actions include
- Environmental sustainability: recycling, waste management, water management, renewable energy, reusable materials, 'greener' supply chains, reducing paper use and adopting Leadership in Energy and Environmental Design (LEED) building standards.
- Community involvement: This can include raising money for local charities, providing volunteers, sponsoring local events, employing local workers, supporting local economic growth, engaging in fair trade practices, etc.
- Ethical marketing: Companies that ethically market to consumers are placing a higher value on their customers and respecting them as people who are ends in themselves. They do not try to manipulate or falsely advertise to potential consumers. This is important for companies that want to be viewed as ethical.

Types of Corporate Social Responsibility

CSR can encompass a wide variety of tactics, from giving nonprofit organizations a portion of a company's proceeds, to giving away a product or service to a worthy recipient for every sale made. Here are a few of the broad categories of social responsibility that businesses are practicing:

Environment: One primary focus of corporate social responsibility is the environment. Businesses, both large and small, have a large carbon footprint. Any steps they can take to reduce those footprints are considered both good for the company and society as a whole.

Philanthropy: Businesses also practice social responsibility by donating to national and local charities. Whether it involves giving money or time, businesses have a lot of resources that can benefit charities and local community programs.

Ethical labor practices: By treating employees fairly and ethically, companies can also demonstrate their corporate social responsibility. This is especially true of businesses that operate in international locations with labor laws that differ from those in the United States.

Examples of Corporate Social Responsibility

While many companies now practice some form of social responsibility, some are making it a core of their operations. Ben and Jerry's, for instance, uses only fair trade ingredients and has developed a dairy farm sustainability program in its home state of Vermont. Starbucks has created its C.A.F.E. Practices guidelines, which are designed to ensure the company sources sustainably grown and processed coffee by evaluating the economic, social and environmental aspects of coffee production. Tom's Shoes, another notable example of a company with CSR at its core, donates one pair of shoes to a child in need for every pair a customer purchases. Undertaking socially responsible initiatives is truly a win-win situation. Not only will your company appeal to socially conscious consumers and employees, but you'll also make a real difference in the world. Keep in mind that in CSR, transparency and honesty about what you're doing are paramount to earning the public's trust. "If decisions [about social responsibility] are made behind closed doors, people will wonder if there are strings attached, and if the donations are really going where they say," Cooney said. "Engage your employees [and consumers] in giving back. Let them feel like they have a voice.

Criticisms and Concerns

CSR concerns include its relationship to the purpose of business and the motives for engaging in it.

Nature of business

Milton Friedman and others argued that a corporation's purpose is to maximize returns to its shareholders and that obeying the laws of the jurisdictions within which it operates constitutes socially responsible behavior. While some CSR supporters claim that companies practicing CSR, especially in developing countries, are less likely to exploit workers and communities, critics claim that CSR itself imposes outside values on local communities with unpredictable outcomes.

Better governmental regulation and enforcement, rather than voluntary measures, are an alternative to CSR that moves decision-making and resource allocation from public to private bodies. However, critics claim that effective CSR must be voluntary as mandatory social responsibility programs regulated by the government interferes with people’s own plans and preferences, distorts the allocation of resources, and increases the likelihood of irresponsible decisions.

Motives

Some critics believe that CSR programs are undertaken by companies to distract the public from ethical questions posed by their core operations. They argue that the reputational benefits that CSR companies receive (cited above as a benefit to the corporation) demonstrate the hypocrisy of the approach.

Misdirection

Another concern is that sometimes companies use CSR to direct public attention away from other, harmful business practices. For example, McDonald's Corporation positioned its association with Ronald McDonald House as CSR while its meals have been accused of promoting poor eating habits.

Controversial industries

Industries such as tobacco, alcohol or munitions firms make products that damage their consumers and/or the environment. Such firms may engage in the same philanthropic activities as those in other industries. This duality complicates assessments of such firms with respect to CSR.

Conclusion

The rise of ethics training inside corporations, some of it required by government regulation, has helped CSR to spread. The aim of such training is to help employees make ethical decisions when the answers are unclear. The most direct benefit is reducing the likelihood of "dirty hands", fines and damaged reputations for breaching laws or moral norms. Organizations see increased employee loyalty and pride in the organization.

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