The Theme of Corporate Social Responsibility (CSR) within & Outside Organizational Activities: A Theoretical Approach

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Abstract
This paper aims to elaborate the internal and external role of CSR within the organization and also explains that what an organization can contribute internally and externally for the benefits of the society. Within CSR activities it explains the theme of CSR in the core activities of an organization like production & manufacturing, marketing, HRM, corporate governance, investments and accounting. CSR contributions are identified from CSR reports presented by the organization that how they can contribute their efforts internally and externally for CSR activities and gain CSR accounted. CSR framework identified 21 external CSR contributions and 50 internal CSR contributions which an organization can adopt for accounted in CSR rights and performances.

Key Words: Corporate Social Responsibility (CSR), Internal & External Contributions.

Introduction
Most of the organizations treat CSR as function of their business; they deploy CSR crew to perform CSR operations, spend money on huge projects philanthropically, create reports to share with stakeholders for satiating them for their social role from organizations platform. Through this study we will show the real figures of organizations spending for CSR, its result showing the real contributions towards the welfare of the society. The CSR philanthropic spending will be compared among organizations and also report their image among the masses accounted from CSR contributions. Corporate social responsibility (CSR) becomes a strategic and competitive part of successful organizations, and considered as function parallel to other functional areas of business, CSR stand out and implemented now in all the gamut of business areas like production, accounting & finance, marketing, HRM etc.

This paper will try to elaborate the role of CSR beyond the functional areas of business, also try to explain the role of CSR in the functional areas, which socially inculcate the organizations to implement the CSR in the true sense for the welfare of society and stakeholders. Inyang (2004) described that, the business “owes society an obligation or debt- for taking something from the former it must give something in return to the latter, which would continue to provide the fertile ground for it (latter’s) continues existence”. A socially responsible company puts the interests of its shareholders on a par with the social, community and environmental interests of third parties or stakeholders involved in its activities. By controlling the impact of its activities on stakeholders, it targets a threefold economic, social and environmental performance through which it contributes to the overall objective of sustainable development. That is why socially responsible companies are also called sustainable companies, (Eveline et.al. 2006).
According to Green Paper of European Union (2001) yes indeed, CSR affects all the functional activities and operations of business like, productions, marketing, communication, strategic planning etc.

**Literature Review**

**Theme of CSR in Functional Areas of Business:**

**Corporate Governance and Strategic Level**

There are two perspectives of corporate governance, one is narrow and other is broad, the narrow perspective showing the relationship between the shareholders and top management, Bradley, Schipani, Sundaram, & Walsh, 1999; Hart, 1995. While the broader concept explains the relationship of the organization with the various parties of the society, like employees, shareholders, creditors, government and all other directly or indirectly connecting entities (Bradley et al., 1999).

Here is the complexity in the broader concept, it collapsed and declined many of the corporate around the world and particularly in Englishworld (Adams et al., 2001; Clarke, 2004; Niskanen, 2005). It brings monetary losses to the shareholders and job losing for the workforce directly or indirectly connecting to the corporate, (Mehmood et al., 2008).

Thus at the top up level management, corporate governance would be implemented without discriminations of all the stakeholders, make sure the availability of all the instruments to operate the corporate governance, complete ethical codes are laid down to all the bottom level managements, balance score card would be implemented for standardized internal auditing system, and last but not the least there would be an environmental safety management system to the protection of external stakeholders (Adetunji and Ogbonna 2013).

Corporate social responsibility (CSR) is the agenda which prevails on the top management floor, having strategic importance from competitiveness and market values stand points (Ilaria B. et. al 2005).

Sacconi (2006) elaborated that firms serves as institutions of society. Institutions are structured according to legal, economic and ethical standards; institutions should govern all the activities in legal and ethical framework, and make profits for the benefits of the society.

**HRM**

Inyang (2001) defines HRM as “a set of organization wide and people-oriented functions or activities deliberately designed to influence the effectiveness of employees in the organization”. The recent shift by organizational leaders from viewing socially responsible or sustainable business practice as a peripheral issue, related mainly to brand perception and public relations, to a strategic issue, presents a significant leadership opportunity for HR professionals, Susan (2007). According to Cohen (2010), HR can leverage CSR strategies to deliver greater benefits for the business, for employees, for the society, for the environment and ultimately, for HR professionals themselves.

Kramar (2004) urges that HR department ha the potential to play a significant role in developing CSR activities in the organization, while CSR is expanding the role of HRM, it also supports the benefits of workplace practices, which contribute significantly to organizational efficiency and effectiveness. Greenting and Turban (2000), find that job applicants and employees are perceptions of a company’s CSR determines their attractiveness towards the organization.

An organization for human resources would be a learning oriented, with great place to work, having complete health and safety measures, opportunities for equalization and make changes with out force labor and these all functions are tailored in the framework of corporate social responsibility.
Marketing

Marketing is an important aspect of companies operations, it aware customers for the products, services and company’s image, in today marketing plans environmental initiatives have great importance for boosting brand images in the customer’s minds. Now customers prefer environmental friendly products among products, while on the other side firms try to produce such products that lead and fulfill any cause of the society, which covers the aspects of Cause Related Marketing.

Climate changes and environmental awareness brought in focus strategies for green marketing in companies strategic marketing planning and implementation, eco, fair trade labeling, white goods, are the initiative towards green marketing. Green marketing concepts covers, green washing, eco labeling, environmental justice ecosystem services and eco and fair trade labeling (Atiq Uz Zaman et. al. 2010).

In Green Marketing a specific focus given in every aspect of marketing like, product development, pricing, promotion and distribution in such a way that does not harm the natural environmental factors. Mandl and Dorr (2007) suggest that high employees’ satisfaction and publicity in the way of CSR activities can very helpful retaining customer loyalty. Longo et al. in 2005 surveyed Italian SME’s and found a positive result of consumer loyalty in result of their CSR engagement.

Accounting & Finance

“Socially Responsible Investment (SRI) is the combination of investors’ financial objectives with their concerns about social, environmental and ethical (SEE) issues. SRI is an investment process that considers the social, environmental or ethical consequences taken into account in the selection, retention and realization of investments, both positive and negative, within the context of rigorous financial analysis (Mansely, 2000)”. Orlizky et al. (2003) studied the relationship between corporate social performance and corporate financial performance; results confirmed that socially responsible investing pays off. According to Eveline et. al. (2006), there is no significant difference between SRI and traditional investments approaches but corporate social responsibilities add shareholders values and more significant results are shown by SRI than traditional investment portfolios.

Production

In production gamut CSR focused on cost and energy saving by improving working conditions, higher loyalty and productivity by workers, and cleaner productions that leads to better opportunities and international standards tradeoffs. CSR also has pro-active social and environmental strategies that focused to reduce polluted productions, and protect the environment and society. Cleaner production (CP) is combination of other elements of environmental management, which protects human and environmental health, and leads to sustainable development, it reduces environmental risks and liabilities and increase public images and confidence of consumers, Yacoub et al (2006).

To avoid wastage and emission, prudent use of materials and energy through optimum modification and improvement in production process are the viable appeals of cleaner production (CP), it is estimated that 20-30% we can reduce pollution by no investments and 20% or more is achieved by real investments, Habil, Stanikis, Stasiskiene and Arbachauskas, (2001). The means of Cleaner production (CP) are, production processes, health and environment safety products & services, and CP tools are, Life Cycle Analysis (LCA), Environmental Accounting, Eco Efficiency, energy management, and waste management.

“Cleaner Production requires changing attitudes, responsible environmental management, creating conducive National Policy and evaluating technology options”. (Global Environment Centre Foundation, 2008)
Research objectives:

This research study aims to elaborate that how an organization can contribute the theme of CSR within functional areas of business, and how an organization can contribute and accounted CSR contributions for the benefits of the society.

Methodology:

This paper is written on the basis of CSR reports of different Multi National Corporations (MNC’s) and National organizations who have their outshine contributions for CSR activities within and outside of the organizations.

![Figure 1 CORPORATE SOCIAL RESPONSIBILITY FRAMEWORK](CSR_BEYOND_COMPARISON.png)

**CSR BEYOND COMPARISON (External Activities)**

<table>
<thead>
<tr>
<th>Work For:</th>
<th>Drinking Water &amp; Sanitation</th>
<th>Anti Terrorism Awareness</th>
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<tr>
<td>- Hunger &amp; Foods</td>
<td>- Technical Skills Studentship</td>
<td>- Control Over Energy Crises</td>
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<tr>
<td>- Community &amp; Economic Development</td>
<td>- Local Community Involvement</td>
<td>- Cooperation among Religious</td>
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<tr>
<td>- Literacy Programs</td>
<td>- Charitable Philanthropy Involvements</td>
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<td>- School Reforms</td>
<td>- Work for Islamic Values Development</td>
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<tr>
<td>- Health Cares Centers</td>
<td>- Socially Responsible Companies (SRC)</td>
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<td>- Environmental Protection</td>
<td>- Social Audit</td>
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<td>- Global Harmony</td>
<td>- Social Partnership with NGOs</td>
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| CSR Contributions beyond Functional Areas [Real World Examples] |

**The Citibank in Australia and CSR**

Citibank Australia, presents financial and environmental education programs to local communities. Citibank has a program to help and inform teachers and parents to guide the childerns for money
managements. Hip Pocket program helps the teenagers in the year ten and eleven that how to become an educated consumers. Citibank has other program for children to understand the difficulties of mathematics.

The Citibank in Pakistan and CSR

Citibank objectives for community focused on micro finance, financial education, education for the poor and environmental protection projects. Citibank received CSR National Excellence Award since 2007 to 2009 for their outstanding CSR. Citibank has CSR recognition awards from CSR Asia Forum in Manila 2009. Global CSR Award 2011, Best Community Program was also awarded to Citibank Pakistan in result of working for poverty alienation, better education opportunities and community engagements.

IBM and CSR

IBM won more than 12 CSR awards in the period of 2009, China Ministry of Education (MoE) awarded IBM certificate of appreciation for outstanding contribution in Chinese Education programs, IBM ranked as #3 among 1000 companies ranked for corporate citizenship from philanthropy and community partnership, financial transparency, governance, labor diversity, and the environmental and supply chain practices. IBM awarded Equal Opportunity and Work Life Balance for its programs and governance. Other awards won by IBM during 2009, Labor Social Affairs and HR Management, The Greenest Company in Romania Award, Most Valuable Pollution Prevention (MVP2).

Glaxo Smith Kline (GSK) Pakistan and CSR

According to CSR Report 2011, main CSR theme of GSK to create innovation in the medicine and health care facilities for the improvement of treatments, access to new delivery of these product and services, make difference with innovation and improvements, and thus become a social responsible business part. This them is revolving around four main core areas, Health for All, Save the Planet, Save the Our People and Communities, and Strong value based culture through our Behaviors. GSK awarded top ranking in the Access to Medicine (ATM) Index published in 2010.

Proctor & Gamble (P&G) Pakistan and CSR

“P&G Company believe that profitability and social responsibility must go hand in hand, that’s why touching and improving lives, is at the heart of our business model, and its what motivates to make difference in communities around the world. Through our global Live, Learn and Thrive Social Responsibility programs, we’re demonstrating that doing well and doing good can flow from the same Purpose”. Committed to disaster relief, committed to child development, committed to employee’s volunteering, live learn and thrive, childrens’ safe drinking water and relief are the main programs relating to CSR by Proctor & Gamble. P&G also provided drinking water, other product of daily use, and hygiene products to flood affected families of Pakistan.

Conclusions & Recommendations

It has been concluded from above discussions that corporate social responsibility does not mean to give a charity, but it means to revolve all the business activities around social responsibility and go beyond that, a firm should not have the economic creed but business should be operate for the welfare and well of the overall society and the rest of the world. The CSR frame work defined above the intensity of CSR, a entrepreneur we should go beyond that and contribute our well for the development and welfare of the society. Economic responsibility is the first priority of the organizations to give profitable business to the society and be profitable in all respect. Legal and ethical every organization should bind their self to work in legal and ethical framework and could not damage any article of legal and ethical manners. Production related industry should firmly focused on cleaner productions, and work for the cure of environmental
issues relating to wastage, emission, water, air pollution and safe use of societal assets. These all the above mandates are evolve philanthropically round the activities of organizations internally and externally and it could be reported in true sense not in cosmetic manner.

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