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Commentary

A CONCERN WITH CORPORATE SOCIAL RESPONSIBILITY (CSR) INCLUDES HOW IT RELATES TO THE GOAL OF BUSINESS

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DESCRIPTION

Corporate social responsibility is a management concept known as "corporate social responsibility" encourages businesses to incorporate social and environmental considerations into their daily operations and interactions with stakeholders. It refers to a company's efforts to balance its commitments to economic, environmental, and social goals while also addressing stakeholder and shareholder expectations and which can be a philosophy for strategic business management and philanthropy, endorsements, and other sorts of charity. Even if the latter can also significantly reduce poverty, it will drastically improve a company's reputation and consolidate its brand.

It is divided into four groups: financial obligations, philanthropic activities, ethical duty, and environmental implications.

BENEFITS OF CORPORATE SOCIAL RESPONSIBILITY

- By implementing CSR principles, businesses can reduce risk by avoiding problematic circumstances and participating in beneficial activities.
- Non-financial employment perks that support employee retention include CSR-related values that unite businesses and employees.
- CSR is a business strategy that encourages organisations to work in ways that benefit society and the environment rather than harming them.
- CSR promotes a beneficial perception of enterprises as well as many societal improvements.
- Corporate responsibility initiatives are an excellent way to improve office morale.

CRITICISMS AND CONCERNS

Supporters of CSR assert that businesses engaging in CSR, particularly in developing nations, are less likely to exploit workers and communities, while critics contend that CSR itself imposes foreign values on local communities with unpredictable results. An alternative to CSR that shifts decision-making and resource allocation from public to private groups is better governmental regulation and enforcement rather than voluntary approaches. However, critics contend that effective CSR must be voluntary because governmental imposed social responsibility initiatives impact people's goals and preferences, alter resource allocation, and raise the likelihood of irresponsible behaviour.

Some critics contend that organizations engage in the initiatives to divert attention away from the ethical quandaries raised by their usual business practises. They contend that the benefits to a company's reputation that CSR businesses enjoy and expose the hypocrisy of the strategy. Additionally, some research reveals that CSR initiatives constitute a sort of agency issue in firms because they are driven by corporate managers' personal interests at the expense of the shareholders. Their various personal perspectives are clearly manifested in their

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political philosophies. Depending on the accomplishments of their organisations, each CEO may use various authorities. Their preferences for CSR outcomes are likely to be influenced by their political convictions. Supporters assert that politically liberal CEOs will view CSR as advantageous and desirable to boost a professional reputation. They are more inclined to concentrate on how the company can serve the demands of society. As a result, they will develop their CSR practises while supporting the company. Property rights, on the other hand, might be more important to conservative CEOs.

Conservatives are less prone to thinking of this discipline than people who identify as liberals because they value free markets, entrepreneurship, and the need for respect of authority. The company's finances and the practise of CSR also have a beneficial association. Moreover, conservatives are more inclined than liberals to be influenced by a company's performance. Liberals frequently have the perception that CSR contributes to the triple bottom line of the company, despite not viewing it from the perspective of financial performance. The researchers stated before the analysis that it is common for CSR and other ethical principles to be implemented within the framework of a financial institution, such as banks, giving the impression that these are marketing tools for luring and interacting with stakeholders rather than serving as tools that afford banks and other financial institutions the opportunity to benefit the people they serve.

IMPORTANCE

- In the modern world, CSR plays a significant role in business ethics and governance. However, it should be viewed as an investment rather than a cost in order to achieve better long-term benefits.
- CSR is crucial since it can enhance a company's reputation and portray an ethical image. As a result, clients are often driven to patronise these businesses because they also like to contribute to the community. Additionally, it forges ties between the public and the business, assuring persistent customers.
- Governments frequently provide these organizations subsidies because they actually facilitate societal objectives. Tax credits, refunds, and other incentives are a few examples of the subsidies. These elements assist businesses in boosting sales and obtaining rewards, which increases profitability.
- Last but not least, CSR measures may promote company operations. Typically, people are unable to spend during times of crisis. Customers are in a position to spend money when companies that practise corporate social responsibility collaborate and contribute a portion of their income. The economy rapidly operates at optimum efficiency as one activity promotes the next.