

## CORPORATE SOCIAL RESPONSIBILITY (CSR): EXAMINE THE EVOLVING LANDSCAPE OF CSR

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### ABSTRACT

*Corporate Social Responsibility (CSR) has become a significant concept in the contemporary business environment, emphasizing the voluntary actions taken by companies to address social and environmental concerns. This article gives a thorough review of CSR, outlining its history, significance in the contemporary business environment, and integration into corporate strategies. It explores the evolving scenery of CSR, highlighting the need for embedding Pr in corporate tradition, treating it as a proper business decision, and aligning Pr goals with general business goals. The importance of successful stakeholder weddings and conversations, as well as the dimension and reporting of CSR impact, are all emphasized in the article. It examines the inclusion of CSR by discussing essential companies, such as Unilever, Google, and IKEA, that have successfully incorporated CSR into their business strategies. The article also emphasizes the importance of international certifications and standards in fostering ethical business practices and sustainable development, such as the Global Reporting Initiative (GRI) and the UN Sustainable Development Goals (SDGs). Last, but not least, it looks at how technology, such as blockchain, artificial intelligence (AI), and other emerging technologies, can improve CSR initiatives and deal with social and environmental issues. The options and difficulties involved in putting tech-driven CSR initiatives into practice are discussed, with a focus on the value of cooperation and moral considerations. Ultimately, this article provides a thorough knowledge of CSR, its inclusion into business methods, the role of international standards, and the potential of technology in driving good social and environmental impact.*

### INTRODUCTION

The concept of corporate social responsibility (CSR) has received a lot of attention and recognition in the modern business environment. It makes reference to the initiatives and volunteer work that businesses have taken to tackle and incorporate social and environmental

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issues into their operations and various interactions.<sup>1</sup> The purpose of CSR is to go beyond profit technology and contemplate the broader impact of business actions on society and the environment. In the current global environment, a company needs more than just profit-generating to exist. An organization's reputation is significantly impacted by the number of socially beneficial goals it has attained or plans to achieve in the future. In some cases, it may even set them apart from competitors who do not consider different social issues when conducting business. Hence, CSR is crucial because it enables companies to expand, which will ultimately be advantageous to society.

## HISTORICAL BACKGROUND

Earlier in the 20th century, when some business leaders began to recognize the importance of responsible business methods, CSR had its roots in history. Nevertheless, it was in the 1950s and 1960s that the modern notion of CSR began to emerge. By introducing the notion that companies have responsibilities beyond economic performance, important people like Howard Bowen and Archie Carroll paved the way for the formalization of CSR.<sup>2</sup> In 1953, Bowen became the first person to coin the term CSR.

During the 1970s and 1980s, a series of major events, such as climate disasters and labor rights breaches, brought CSR to the cutting edge. These situations highlighted the negative effects of business activities and led to increased investigation from the government, media, and governments. Companies began to recognize the significance of addressing social and environmental issues as a result, which resulted in the formalization of CSR practices.

## IMPORTANCE OF CSR IN MODERN BUSINESS ENVIRONMENT

Due to a number of compelling factors, corporate social responsibility (CSR) has become of utmost significance in the contemporary business environment. As society becomes more aware and worried about social and environmental issues, businesses are increasingly expected to go beyond profit technology and contribute positively to the universe. It helps the corporation enhance its reputation and build confidence. Customers and stakeholders

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<sup>1</sup> Reckmann N, 'Corporate Social Responsibility' (*Business News Daily*)

<<https://www.businessnewsdaily.com/4679-corporate-social-responsibility.html>> accessed 27 June 2023

<sup>2</sup> Rao S, 'A Brief History: How CSR Came into Existence?' (*TheCSRUniverse*)

<<https://thecsruniverse.com/articles/a-brief-history-how-csr-came-into-existence#:~:text=helping%20the%20dispossessed,-.THE%20TERM%20WAS%20COINED%20FIRST%20IN%201953.,back%20to%20the%20Industrial%20Revolution.>> accessed 27 June 2023

appreciate companies that demonstrate a commitment to ethical techniques, conservation, and social causes.<sup>3</sup> By constantly engaging in CSR, organizations can create trust, loyalty, and goodwill among their target market, leading to increased customer satisfaction and long-term associations. Stronger connections between businesses and their stakeholders, such as customers, employees, investors, suppliers, and communities, are facilitated by CSR. Companies demonstrate that they value and respect the interests and well-being of their partners by addressing social and environmental issues. This fosters positive engagement, reduces issues, and enhances assistance, leading to common benefits and shared value development. It also helps companies in attracting and retaining skilled employees. Workers seek more than just financial rewards, according to the present job market trend. They want to work for companies that align with their beliefs and provide a sense of purpose. By implementing Pr initiatives, organizations can attract leading talent, increase employee morale, and enhance retention rates. Employees are more likely to get motivated and engaged when they see their company making a positive impact on society and the environment.<sup>4</sup> Marketplace and consumer conduct are very active; they change with every minute incident. Hence, CSR helps them control reputational damage as well. Embracing CSR helps companies actively manage dangers by identifying and addressing potential problems before they escalate. It also ensures compliance with regulations, strengthens business management, and enhances clarity.<sup>5</sup>

Regarding the most important global issue, which is "sustainable development," CSR has made one of its most significant contributions in recent years. CSR enables companies to align their strategies and operations with the United Nations Sustainable Development Goals (SDGs).<sup>6</sup> By integrating social and environmental factors into their decision-making processes, businesses try to lead to a more lasting future.

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<sup>3</sup> Murphy CB, 'Why Is Social Responsibility Important to Some Businesses?' (*Investopedia*, 5 April 2023) <<https://www.investopedia.com/ask/answers/041015/why-social-responsibility-important-business.asp>> accessed 27 June 2023

<sup>4</sup> Benevity, 'What Are the Top Seven Benefits of Having a Corporate Social Responsibility Program?' (*What Are the Top Seven Benefits of Having a Corporate Social Responsibility Program?*, 1 December 2022) <<https://benevity.com/resources/corporate-social-responsibility-benefits>> accessed 27 June 2023

<sup>5</sup> *ibid*

<sup>6</sup> Courtnell J, 'Corporate Social Responsibility and Sustainability: What's the Difference?' (*Green Business Bureau*, 20 June 2023) <<https://greenbusinessbureau.com/business-function/executive/corporate-social-responsibility-and-sustainability-whats-the-difference/#:~:text=CSR%20is%20a%20business%20commitment,economy%20in%20the%20long%2Dterm.>>> accessed 27 June 2023

## EVOLVING LANDSCAPE OF CSR AND ITS INCLUSION INTO BUSINESS STRATEGIES

Corporate Social Responsibility (CSR) has evolved from being a mere philanthropic endeavor to becoming an integral part of a company's business strategy. Today's prosperous businesses understand that CSR can have a significant positive impact on both society and their own long-term sustainability and profitability. Embedding CSR in the corporate culture and values, treating it as a proper business selection, and aligning CSR objectives with general business objectives are essential factors that contribute to the efficient integration of CSR.<sup>7</sup> Starting from the highest levels of command within the organization necessitates a top-down strategy. When CSR is deeply ingrained in corporate culture, it permeates all aspects of daily operations and decision-making. This ensures that Pr factors are taken into account at every level of the organization, from product development and operations to advertising and stakeholder weddings. By embracing CSR as an integral part of the corporate culture, businesses foster a sense of shared responsibility among staff and create a good reputation both internally and externally.

CSR should be viewed as a proper business decision rather than just an isolated initiative. Treating CSR in this manner means that it is no longer seen as an add-on or optional exercise but as an important factor that drives value creation. By aligning CSR initiatives with key company functions, companies may leverage their resources, capabilities, and expertise to solve social and environmental challenges in ways that are both important and helpful. For instance, a technology company committed to sustainability may focus on developing energy-efficient goods or reducing its carbon footprints throughout the supply chain. By doing so, the company not only fulfills its CSR responsibilities but also gains a competitive edge, as consumers extremely favor socially responsible products and techniques.

The positioning of Pr goals with general business objectives is crucial for ensuring that CSR efforts are integrated easily into the broader company technique. CSR objectives become a driving force for advancement, growth, and long-term success when they are in line with the mission, vision, or strategic objectives of the business. For example, if a business aims to be recognized as a leader in the healthcare industry, it can connect its CSR aims with initiatives that promote access to healthcare in underserved areas or invest in research and development

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<sup>7</sup> Maccarrone P and Contri AM, 'Integrating Corporate Social Responsibility into Corporate Strategy: The Role of Formal Tools' (2021) 13 Sustainability 12551

for living-saving procedures. This position enables the business to generate a good social effect while simultaneously advancing its business objectives.

Integrating CSR into the company method requires effective communication and engagement with partners, both internal and external. Employees must be internally educated about the importance of CSR, how it aligns with the bank's principles, and its part in implementing it. In order to promote a sense of ownership and engagement, employees should be encouraged to add their thoughts and efforts to CSR initiatives. Outwardly, companies should participate with their partners, including customers, providers, local communities, and regulatory bodies, to comprehend their expectations and concerns. By actively involving partners, companies can build CSR strategies that address appropriate social and environmental issues while gaining support and reliability from their key partners.

Another important component of integration is assessing and reporting the effects of CSR efforts. Companies should create clear indicators and performance indicators to assess the effectiveness and development of their Pr efforts. This allows for continuous development and clarity, enabling partners to examine the company's commitment to CSR. Measuring impact also helps companies determine areas where they can produce a significant difference and change their strategies accordingly.

There are various companies that have incorporated CSR into their operations and even have set goals for the future to commit to a more lasting potential. A few of them include:

- 1) Unilever: Unilever, a multinational consumer goods company, has embedded CSR into its corporate culture and values. Their commitment to sustainable development and social obligation are outlined in their Sustainable Living Plan.<sup>8</sup> Unilever aligns its Pr goals with its company objectives by focusing on places such as reducing climate impact, enhancing incomes, and promoting health and well-being. For instance, they have set a target to sustainably source 100 % of their agricultural raw materials and are actively working towards achieving this goal. By integrating CSR into its business method, Unilever has not only improved its climate efficiency but also strengthened its company status and consumer loyalty.

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<sup>8</sup> (Unilever's approach Social Review 2000 to Corporate Social Responsibility)  
<<https://www.unilever.com/files/origin/b7c407227f4eb0b869ff1b6b50f81d5c50ccdecdf/2000-social-review-of-1999-data.pdf>> accessed 27 June 2023

- 2) Google: Google incorporates CSR into its business strategy by aligning its goals with its mission to organize the world's information and make it universally accessible. Their CSR efforts focus on areas such as solar power, climate change, and digital inclusion. Google has committed to being carbon-neutral and aims to power its operations with 100 % renewable energy. Additionally, they make investments in programs to close the digital divide by giving underserved communities access to technology and training in modern skills.<sup>9</sup> By integrating CSR into its firm technique, Google demonstrates its dedication to social impact while driving development and maintaining its competitive edge.
- 3) IKEA: IKEA, a global furniture retailer, has integrated CSR into its business strategy by aligning its goals with its core values of affordability, sustainability, and social responsibility. IKEA focuses on places such as green purchasing, energy performance, and social influence. They have pledged to invest in renewable energy projects and to only use alternative and recycled components in their products. IKEA even runs numerous social programs, such as providing support to refugees and improving the livelihoods of areas in developing nations.<sup>10</sup> Through this integration of CSR, IKEA has not only strengthened its product image but also achieved cost savings and operational efficiency.

## INTERNATIONAL STANDARDS AND CERTIFICATIONS

International trends and legal systems are incredibly important in influencing efforts to promote sustainable development in today's world, which is exceptionally inclined towards efficient and politically helpful guidelines. International standards and certifications, such as the United Nations Sustainable Development Goals (UN SDGs) and the Global Reporting Initiative (GRI), have emerged as significant drivers in promoting responsible business practices and fostering sustainable development worldwide.

- The UN SDGs are a widely accepted platform for addressing global issues and achieving sustainable growth. Consisting of 17 goals and 169 targets, the SDGs provide

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<sup>9</sup> 'Google's Mission, Values & Commitments' (*Google*)

<<https://about.google/commitments/#:~:text=We%20unify%20our%20practices%2C%20partnerships,make%20more%20positive%20impact%20together.>> accessed 27 June 2023

<sup>10</sup> Dean M, 'Ikea Corporate Social Responsibility (CSR) and Sustainability' (*Thomasnet® - Product Sourcing and Supplier Discovery Platform - Find North American Manufacturers, Suppliers and Industrial Companies*) <<https://www.thomasnet.com/articles/other/ikea-csr/>> accessed 27 June 2023

a complete roadmap encompassing ecological, social, and economic sizes.<sup>11</sup> The Goals serve as a guiding force for governments, companies, and organizations globally, urging them to connect their methods, policies, and practices with the goals. This positioning includes efforts to eradicate hardship, promote gender equality, combat climate change, foster lasting cities, and maintain dependable consumption and production.

As the significance of Sustainable Development Goals (SDGs) rises, businesses are incorporating them into their business strategies. They align their practices and products with specific Goals, report on their progress, and strive to achieve the targets. This approach attracts socially responsible investors, customers, and employees while enhancing the business's reputation.

- Sustainability reporting has become an integral part of this approach, with the Global Reporting Initiative (GRI) emerging as a leading framework for it. GRI provides guidance and signals that enable businesses to assess, manage and communicate their economic, environmental, and social performance.<sup>12</sup> By fulfilling GRI's reporting requirements, companies can demonstrate their commitment to accountability and transparency, which builds trust with stakeholders. GRI reporting helps businesses assess their impacts and identify areas for improvement. It enables them to share relevant information about their conservation practices, including their ecological footprint, social initiatives, work practices, and governance structures. This comprehensive monitoring system enables stakeholders to make informed decisions, promotes responsible business practices, and facilitates measuring and comparison between organizations.

## **LEVERAGING TECHNOLOGY FOR SOCIAL AND ENVIRONMENTAL IMPACT**

Modern technology holds immense potential for businesses looking to drive positive change. By leveraging technology, organizations can enhance their CSR efforts and create a more significant impact. Online platforms and social media offer opportunities for companies to engage with stakeholders, raise awareness about social and environmental issues, and

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<sup>11</sup> Jobanputra NK, 'CSR & Sustainable Development Goals - Comparative Study' (*TaxGuru*, 27 April 2021) <<https://taxguru.in/company-law/csr-sustainable-development-goals-comparative-study.html>> accessed 27 June 2023

<sup>12</sup> Wilburn K and Wilburn R, 'Using Global Reporting Initiative Indicators for CSR Programs' (2013) 4 *Journal of Global Responsibility* 62

encourage collective action. Additionally, advancements in renewable energy technologies, such as solar and wind power, enable businesses to decrease their carbon footprints and shift to cleaner energy sources, making valuable contributions to climate conservation.

#### Role of AI, Blockchain, and Other Emerging Technologies in CSR:

Emerging technologies like Artificial Intelligence (AI) and blockchain are revolutionizing the way businesses approach CSR. AI-powered algorithms can analyze vast amounts of data, identify patterns, and provide insights that inform strategic decision-making.<sup>13</sup> Companies can use this to create more focused and effective CSR initiatives. For instance, AI may help identify communities most in need of assistance, enhance resource allocation, and predict the potential outcomes of various interventions. Additionally, AI-driven bots and virtual assistants facilitate effective and personalized communication with stakeholders, enhancing clarity and responsiveness.

Blockchain tech is also a key component of CSR innovation and is renowned for its transparency, immutability, and security. Blockchain can be used to monitor and verify supply chains, ensuring the moral sourcing of materials and labor. It enables organizations to provide credible details about their CSR activities, empowering consumers to make educated choices. Additionally, blockchain can enable safe and visible charitable donation transactions, ensuring that money reaches the intended recipients and lowering the possibility of fraud. Other emerging technologies, such as the Internet of Things (IoT), 3D printing, and virtual reality (VR), offer unique opportunities for CSR innovation. Internet devices can be used to track and optimize source usage, reducing waste and promoting sustainability. 3D printer technology enables on-need manufacturing, minimizing the need for transportation and reducing the environmental impact of manufacturing operations. Oculus technology can be employed to produce engaging activities that foster empathy and understanding, enabling people to join with social and environmental issues on a deeper level.

- Chances and Challenges in Implementing Tech-Driven CSR Efforts:

Companies face both opportunities and problems when implementing tech-driven CSR initiatives. On the one hand, technologies enable organizations to level their CSR efforts, achieve wider audiences, and measure impact more efficiently. It enhances cooperation with partners and encourages greater accountability. On the other hand, implementing and adopting

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<sup>13</sup> Struensee S von, 'Artificial Intelligence and Corporate Social Responsibility: Employees' Key Role in Driving Responsible Artificial Intelligence at Big Tech' [2021] SSRN Electronic Journal



these technology comes with difficulties. These challenges include fiscal constraints, lack of technical knowledge, data privacy, and safety concerns, and the modern divide, which may exclude specific communities from benefiting from tech-driven CSR initiatives.<sup>14</sup> To overcome these challenges, businesses need to invest in scientific facilities, ensure data safety and privacy, and provide training and education to their workers. Cooperation between the private sector, governments, and civil society is crucial to addressing the digital divide and ensuring equitable access to technology and its benefits. However, organizations must stay aware of the social implications of using technology in Pr initiatives, ensuring that the potential risks, such as computational biases and unexpected consequences, are identified and mitigated.

## CONCLUSION

Corporate Social Responsibility (CSR) has changed from being a charitable endeavor to an essential component of business strategies in the contemporary business environment. The key to successful integration is integrating CSR into corporate culture, treating it as a tactical choice, and balancing it with overall business objectives. In order to encourage responsible business practices and sustainable development, effective communication and engagement with stakeholders, impact assessment and reporting, and the use of global standards like the UN SDGs and GRI have become crucial. Furthermore, technology, including AI, bitcoin, and other emerging technologies, offers opportunities to improve CSR efforts and tackle social and environmental challenges. However, problems such as monetary constraints, data privacy issues, and the digital divide must be addressed to fully leverage the potential of technical-driven CSR efforts. Businesses can handle risks, enhance their reputations, and attract top talent by embracing CSR. This will also help create a more sustainable and equitable future. Finally, CSR is an essential component of modern business methods that drives good social and environmental impact while ensuring long-term company success.

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<sup>14</sup> 'Embracing Technology to Drive CSR in the New Normal' (*Orange Business*, 28 October 2020) <<https://www.orange-business.com/en/blogs/embracing-technology-drive-csr-in-the-new-normal>> accessed 27 June 2023