Corporate governance & audit archive review
E(ISSN P(ISSN)
URL: https://cgareview.com/index.php/Journal

Corporate Social Responsibility in the Workplace Bahaviour and Business Practices

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Abstract:
Undoubtedly, economics activities result in environmental harm and the exhaustion of the Earth's natural resources. In the midst of the chaos, Corporate Social Responsibility (CSR) emerges as a possible solution to hold firms accountable for the environmental impacts of their activities and to mandate them to allocate a portion of their earnings to stakeholders. This paper addresses the increasing need for international corporate social responsibility (CSR) laws to act as a mechanism for regulating the immediate and long-term environmental impacts of company activities. This filter is expected to constantly influence the strategies businesses use to achieve their objectives. The research study utilized a phenomenological technique to examine the harmful environmental impacts of corporate activities. This was done through a qualitative review of books, journals, and media sources. The findings support the idea of implementing a comprehensive worldwide approach to Corporate Social Responsibility (CSR), which requires the establishment of global regulation and enforcement by a global institution like the United Nations. This method is expected to protect countries with insufficient corporate governance, where government officials frequently succumb to the temptation of multinational firms attempting to evade accountability for regulatory breaches.

Keywrods-Corporate Social Responsibility, Workplace Bahaviour, Business Practices

Introduction

CSR has become synonymous with emotive terms that indicate a sense of obligation towards the society in which a corporation operates, during an era when it is popular for companies to be viewed as decent corporate citizens opposed to exploiting the public. Although there was a certain level of comprehension of Corporate Social Responsibility (CSR) in the 1920s, significant knowledge on the subject was not accumulated until the 1970s (Asongu, 2007). According to Maignan (2001), Bowen's publication in 1953 on corporate social responsibility is said to have triggered the release of several publications linked to CSR, including those by Mason (1960), Eells and Walton (1961), McGuire (1963), Davis (1973), and Ackerman and Bauer (1976). The word "CSR" was initially described as "social responsibility" in its early stages (Carroll, 1999). The influential publication titled "Social Responsibilities of the Businessman" has probably played a pivotal role in shaping the current body of literature on corporate social responsibility (CSR) (Carroll, 1999). Bowen (1953) asserts that corporations exert a substantial economic influence on the communities in which they operate and, therefore, have a duty to act responsibly towards the public.

Bowen (1953) defined CSR as the obligations of entrepreneurs to adopt policies, make decisions, or follow courses of action that align with the objectives and principles of our society (p. 6). Since 1953, commercial organizations have increasingly moved away from the conventional notion that their only objective is to make profits for investors. Instead, they have come to acknowledge that businesses also have obligations towards society (Hinson & Ndhlovu, 2011). Despite acknowledging this fact, there are still differing viewpoints regarding the exact meaning of CSR. The European Union (2001) defines corporate social responsibility (CSR) as the deliberate integration of environmental factors into business activities and interactions with stakeholders. Unlike Bowen's (1953) characterization of CSR as a societal duty, this definition of the European Commission aimed to establish CSR as a discretionary endeavor. CSR, or business Social Responsibility, is a principle driven by ethical ideals that aims to engage with stakeholders outside of the organization's boundaries in order to gain the community's approval as a responsible business entity (Maon, Sen, & Lindgreen, 2009). As per the authors' own statements, these definitions aim to highlight that CSR is a deliberate attempt to integrate the interests of both business and society.

The concept of Corporate Social Responsibility (CSR), which involves the integration of business and societal interests, is effectively supported by Davis (1973), who defines it as "the firm's acknowledgment and consideration of matters beyond its narrow economic, technical, and legal obligations in order to achieve societal benefits in addition to the traditional economic gains that the firm seeks," and Carroll (1979), who defines it as "the societal responsibility of businesses in relation to the economic, legal, ethical, and discretionary expectations that society imposes on organizations." However, the authors' definition of CSR thus far appears to be unclear regarding whether it is mandatory or voluntary. The question of whether CSR is optional or obligatory is clarified by Berger's (2007) succinct explanation: "the way in which businesses openly and responsibly incorporate social, environmental, and economic considerations into their values, culture, decision making, strategy, and operations to promote better practices within the company, generate wealth, and enhance society." Certain groups maintain the prevalent belief that corporations undertake CSR initiatives as a social duty towards the local and wider communities in which they operate.

Another factor to take into account is the influence of globalization and trade liberalization, which have created an urgent requirement for the formulation and implementation of corporate social responsibility (CSR) programs. This article aims to promote the implementation of worldwide regulations regarding corporate social responsibility (CSR) and to offer more understanding of the harmful environmental effects caused by business operations. The research study utilized the phenomenological descriptive research approach to record various environmental infractions carried out by business organizations in specific global locations. Phenomenological research is a method that aims to clarify how individuals' previous experiences might be used to impact societal advancements (Reiners, 2012). Recently, some of these violations have sought refuge in Ghana, where mining activities have persistently contaminated the environment without taking into account the potential impacts on people's livelihoods.

Literature Review

The emergence of corporate social responsibility (CSR) efforts can be attributed to the ethical standards advocated by spiritually motivated leaders of state. Some authors rejected the initial notion that organizations exist exclusively to cater to the interests of shareholders, influenced by this perspective (Friedman, 1970). He believed that executives exploit company resources to further their own self-interests, and that the idea of corporate social responsibility is clearly a problem of agency. The Agency Theory argues that firms have a primary obligation to their shareholders and suggests that corporate social responsibility (CSR) activities are a misuse of precious resources that may be better utilized for business growth and increasing shareholder wealth (Friedman, 1970). The ethical standpoint of corporate social responsibility (CSR) has resulted in the recognition that firms are primarily concerned with three aspects: maximizing profits, practicing environmental stewardship, and promoting human welfare. Personnel serve as representations of both society and the workforce. Businesses have an obligation to treat labor and the communities in which they operate equitably, without exploiting them just for the advantage of shareholders. The planet represents the entirety of the natural universe. Businesses engaging in activities that have the potential to harm or destroy the environment are deemed inappropriate. Simultaneously, heightened economic activity and globalization present a peril to the preservation of environmental sustainability. The cosmos can be likened to a theatrical stage, with individuals acting as the performers who enter and exit. Hence, the preservation of the ecosystem falls upon the present generation. Profits are a reflection of the return on investment (ROI) from capital investments. The spirituality of business strongly emphasizes the need for extreme caution when seeking profits. The pursuit of profit maximization should be accompanied by a firm commitment to upholding human dignity, preserving life, and ensuring environmental sustainability. The recognition of this has resulted in the Agency Theory being replaced with the Stakeholder Theory.

Definition of Stakeholder Theory

The Stakeholder Theory can serve as a framework for understanding and meeting the needs of stakeholders by improving understanding of CSR. The Stakeholder Theory, initially introduced by Freeman in 1984, posits that the primary objective of enterprises is to fulfill the needs and desires of a wide array of persons with vested interests. According to Melé (2003), managers have a duty to take into account the concerns and well-being of different stakeholders, such as consumers, suppliers, employees, shareholders, the local community, and the government, when making choices. It is crucial to carefully evaluate the communities, organizations, and persons who may be affected by a company's activities (Freeman, 1998). Nevertheless, a notable challenge comes in finding a way to address the varied interests of the stakeholders, considering the restricted resources available. Meeting the requirements of one group unavoidably undermines the capacity to meet those of the others. Increased employee pay and salaries can negatively affect the profitability that can be distributed to shareholders as dividends. Similarly, shareholders may choose to withdraw their cash and invest in other ventures if they are unsatisfied with the dividends they get. Therefore, the Stakeholder Theory aims to create a balanced state where the satisfaction of one group does not come at the expense of excluding any other stakeholders (Gangone & Ganescu, 2014). The notion of stakeholders revolves around the principle of fairness, rather than sameness. It would be unfair to provide equal treatment to a group that has made minor contributions compared to a big stakeholder group, such as shareholders. Incorporating the various interests of stakeholder groups into a company's strategic management process requires managers with remarkable insight and honesty. These managers will firmly resist any attempt to favor the interests of one group over another. Conflicts can occur as a result of the conflicting demands made by stakeholders and the challenge of serving the interests of all parties, which creates a contradiction. According to a biblical proverb, a person can only have two authorities and must love both of them; else, they will develop animosity against the other. Managers may have a tendency to be more drawn to a particular set of stakeholders based on the level of influence that group has over the company's success.

The CSR Filter is a tool used to analyze and evaluate corporate social responsibility practices.

Undoubtedly, economic activities are accelerating the exhaustion of the world's natural resources and exacerbating climate change. Consequently, corporations that do not exhibit social responsibility should be subjected to censure, such as fines, adverse media attention, and scrutiny from civil society organizations (Chandler & Werther Jr., 2014). Globalization has heightened the necessity for an international legal structure to manage corporate social responsibility (CSR), as highlighted by Vaccari (2021). This framework aims to protect states with weak corporate governance from being exploited by multinational firms. Corporate Social Responsibility (CSR) will serve as a deterrent to impede the worldwide proliferation of unethical practices conducted by corporations lacking in CSR, due to the establishment of an international legal framework (Gheraia, Saadoui, & Abdelli, 2019). If a succession of organizational goals were to take place, it would be evaluated and influenced by a CSR filter, as stated by Chandler and Werther Jr. (2014). The filter evaluates the immediate and long-term environmental impacts of organizational operations. Social media, in particular, has exerted a substantial influence on corporate social responsibility (CSR) by consistently examining and publicizing corporations' environmental transgressions (Chandler & Werther Jr., 2014). Implementing a CSR filter can decrease the frequency of company failures, hence enhancing both business performance and environmental sustainability.

Comparative analysis

The process of globalization has heightened the susceptibility of multinational firms to the demands of pressure groups due to the wider array of stakeholders impacted by their activities (Gangone & Ganescu, 2014). As a result of the influence placed on multinational firms, countries such as the United States have implemented laws regarding corporate governance and corporate social responsibility (CSR). To provide an example, the Senate passed the Sarbanes Oxley Act in 2002 as a response to the increasing frequency of business catastrophes that took place in the United States during the 1990s. The challenge posed by legislation is determining the extent to which a state can implement rules pertaining to corporate social responsibility (CSR). Insufficient laws can result in the exploitation of the local population, whilst overbearing laws can discourage foreign direct investment. In 1984, a catastrophic incident took place at the Union Carbide Plant located in Bhopal, a town situated in southern India.

According to Soheli (2012), a plant's factory released over forty tons of toxic chemicals, causing the deaths of around twenty thousand individuals and ongoing impact on over one hundred twenty thousand citizens. In addition, it is important to mention that Unilever disposed of around 300 metric tons of mercury in Kodai Kanal, an area located in southern India, in 2001. Nevertheless, the corporation upheld its dedication to conducting business with ethical standards and taking into account the interests of its stakeholders, as explicitly mentioned in its Corporate Social Responsibility (CSR) statement on its official website. In addition, we are committed to furthering our ultimate goal of creating a sustainable business and continuously improving our management of environmental effect (Soheli, 2012: p. 46). Contrary to the prevailing unfavorable perception of CSR, there are indeed cases where notable achievements have been made. An NGO in Calcutta, India, with the aid of HSBC, imparted life skills training to a group of twenty young women who were graduating from university. In addition, the bank endorsed a corporate social responsibility (CSR) program named "We Care," which showcased its commitment to underprivileged and vulnerable communities by providing significant resources and volunteering time (Soheli, 2012). HSBC and other multinational firms have indeed participated in a range of corporate social responsibility (CSR) programs on a global scale.

Despite these causes, the ongoing issue of legislation vs non-legislation remains. Legislative corporate social responsibility (CSR) requires a robust legal structure, which is not easily available in most underdeveloped countries. In underdeveloped countries, multinational businesses can easily engage in bribery of regulatory officials and evade significant penalties. In contrast, absence of legislation allows multinational firms to operate freely in a country, which may provoke resistance from various groups. In the late 1990s, in Delta State, Nigeria, the Movement for the Emancipation of the Niger Delta (MEND), a militant organization, carried out planned attacks against oil corporations. These groups sabotaged oil pipelines and kidnapped expats in order to seek compensation. The death of renowned writer Professor Ken Saro-Wiwa and nine others from Ogoni Land failed to impede the militants' persistent attacks on the oil firms. The militants persisted with their activities in Delta State until the arrival of former President Goodluck Jonathan Ebeere, who hails from that state. He then sponsored negotiations to reach a peaceful resolution, which included a compensation package aimed at providing reparations to the local population. In order to mitigate the difficulties related to enforcing CSR laws, Soheli (2012) suggested that such legislation should be universally applicable. He believes that implementing universal legislation will provoke a global response to the challenges faced by different countries in executing corporate social responsibility (CSR) regulations imposed by multinational firms.

Countries without corporate governance legislation are already seeing the advantages of implementing sound corporate governance principles due to globalization. This is because parent firms from nations with strong corporate social responsibility (CSR) standards mandate their subsidiaries to adhere to the same norms. Moreover, global firms have the resources to employ corporate governance and CSR experts who possess a profound understanding of the needs of many stakeholders and the most efficient strategies to fulfill those needs. In addition, multinational corporations can encourage corporate social responsibility (CSR) in developing countries with weak corporate governance by including requirements for responsible behavior in their contracts with enterprises operating in those countries. An exemplary case is the danger posed by illegal mining in Ghana, commonly known as "Galamsay," which is resulting in significant environmental deterioration despite the seeming ineffectiveness of the authorities, despite their obligation to prevent it. The illicit mining activities in Ghana have led to the tragic loss of several lives. Some individuals in the general population claim that dishonest government officials are avoiding legal consequences by accepting bribes. The European Union (EU) and individual nations are considering imposing sanctions if the threat continues, as a result of globalization. The ensuing media reports from Ghana regarding the possibility of penalties have been emphasized for the purpose of clarity:

Conclusion

This document was developed by the author to contribute to the important and growing subject of study. It was created by analyzing CSR theories and issues, as well as reviewing relevant literature, media appearances, and journal publications. The utilization of phenomenological research methodology was employed to record the specific events that led to the development of the field currently known as CSR. Originally, corporate social responsibility (CSR) was described in Bowen's influential study article from 1953, as mentioned in Carroll's work in 1999. Corporate social responsibility (CSR), although commonly associated with corporations, is applicable to various types of organizations such as universities, colleges, NGOs, hospitals, government agencies, and departments. It is important to recognize that the field is still in its early stages of development. Therefore, the predictions based on current research and the promotion of a comprehensive approach, especially in terms of global regulations and the adoption of corporate social responsibility (CSR) codes, principles, and laws, will have a significant influence on future business activities.

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