

The Lifecycle and Effective Communication of CSR to the Stakeholder and the Public

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ABSTRACT

The lifecycle of CSR focuses on the essential needs of an effective communication with the prospective stakeholders, as well as the public. The topic will include the explanation of the CSR definition and the vigorous growth of the CSR. This paper will focus on the detailed description of the importance of the CSR transparency that will maintain a good reputation. Furthermore, a global example, such as UN, will be used to explain the tremendous growth of CSR in various sectors. An in-depth research has been used to clarify the importance of the CSR program through an effective communication.

Keywords: Corporate social responsibility, Global, Public, Stakeholders, Reputation

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1. INTRODUCTION

Corporate social responsibilities have been found in the early eighteenth century which was known as corporate responsibility (CR). CSR movement is specifically trying to make the present CSR a global practice for many different sectors of the organizations as effectively possible. It is a multiple disciplinary that covers many various categories and the different kinds of benefits for an organization or it may destroy the entire organization. This encourages the organization to show more responsibility for its success and it looks for different paths to evaluate and scale without destroying the sustainability which has become a more important structure for the growth of the media industry or it could destroy the organization due to its irresponsibility. To clarify this, an organization can accomplish and create a difference focus on the world sustainability in which understanding the lifecycle of the corporate social responsibilities and other necessary aspects should be a priority.

1.1. An Understanding of Corporate Social Responsibilities

“Corporate responsibility (CR) describes an organization’s respect for society’s interests, as demonstrated by taking ownership of the effect its activities have on key constituencies, including customers, employees, shareholders, communities, and the environment, in all parts of its operations” (Argenti, 2012). Introduced a long time ago, the concepts of the corporate social responsibility (CSR) have been frequently practiced by the local and the international organizations; still, there is skepticism in understanding the implementation of the CSR which has been defended correctly. Many scholars and business organizations favor the practice of CSR, and “although organizations increasingly adhere and demonstrate their commitment to CSR, many struggle in this effort” (Lindgreen and Swaen, 2009). CSR has been defined different ways in which some use it as an ethical stance and it is used as a good business strategy for the company. Moreover, this perception has been practiced and implemented by many kinds of local or international organizations. With the popularity of the CSR program, it is also crucial for the organization to have a clear understanding of the true meaning of this concept and the negative effects that could be produced by CSR and may produce the same in the unpredictable future (Wan-Jan, 2006).

1.2. A Growth And Surge of Corporate Responsibility

It has been continually shown that the organizations "look out for society's best interests; they are actually looking out for their own interests too, particularly in the long run" (Argenti, 2012). During a growth and surge of CSR over the last decades, there were various conceptions and perceptions that should be studied. CSR is a rapidly changing concept, which does not raise many concerns for worry because various organizations have increased their interests in working in more critical and difficult destinations which increased their popularity and success. The continuous growth of CSR increases the positive reports of CSR. Organizations like government, NGO's, and stakeholders are all in favor of a greater emphasis on CSR and they want to emphasize the voluntary and involuntary reports of the lack of a betterment.

2. EXPLORATION OF THE TOPIC

2.1. The Ten Global Compact Principles of UN

The ten principles of the UN are a set of agreements upon the principles that are based on the human rights, labor, environment, and anti-corruption documents. These principles focused on the international labor organization's declaration on the fundamental principles and the rights at work and they also focused on the universal declaration of human rights, the Rio Declaration on the environment, climate change, the development of society, and the United Nations protections and convention against corruption. The global compact has proven

more effective than previous initiatives and this contributed to increasing the growth of CSR programs globally. The organizations have integrated the global ten compact principles into their strategies, policies, and different procedures which they used to establish a culture of integrity. This helped the organizations to accomplish their goals and it helps them to sustain their obligations to their perspective stakeholders and the environment while they are moving to achieve their success. Although this concept is mainly voluntary, many organizations or companies have adopted it as an effort to achieve the social security and the corporate culture of CSR. Meanwhile, if a company wants to subscribe to these principles, it needs to make a clear practicable statement of cooperation and must emphasize valuable references in their yearly reports or other public documentation that will demonstrate the making of globalization with the operated fields (Williams, 2007). This global compact of ten principles had proven sufficient effectiveness than previous activities and it also contributes in favor of the growth of the CSR locally, internationally, and globally (Runhaar and Lafferty, 2009).

2.2. Corporate Reputation Based On CR

What are the choices responsible businesses must have to strengthen their reputation for sustainability? In today's world, the business environment is very competitive, and any damage could occur which is recognized by the organizations as a crisis that has to be clarified and must be resolved by the organization. The organization, whether positive or negative, has a huge impact on its reputation. "When it comes to corporate associations that stakeholders make toward a company, there are two dimensions: corporate ability (CA) associations and corporate social responsibility (CSR) associations" (Kim, 2014). The first dimension, CA associations are mainly concerned about the company's product quality and the second dimension CSR associations give priorities on good corporate citizenship about social, environmental, ethical and political issues. These associations are directly related to the stakeholders' perceptions which influence them tremendously to shape the reputation of the organization.

2.3. Values And Expectations from the Consumers

Consumers are the heart of a company's success and to achieve this success a company or organization needs to respect consumers' values and expectations which can directly relate to the corporate responsibilities. This concept needs to be understood by the company which will value the expectations of consumers that influence the corporate responsibilities. It is mandatory to know what determines the values and expectations of consumers. To understand it deeply, there is a link between the "religiosity" and values; it is demonstrated that the various aspects of religious activity, beliefs, dedications, and rituals that influence the values, and the values determine the consumers' attitudes and behaviors. According to this information, it is demonstrated that the consumers' attitudes and their perceptions about CSR could be the link of both religion and values (Ramasamy *et al.*, 2010). A company or organization must act to achieve and create these values which build a strong relationship with consumers. This will create a path to build value-based leadership into an action which a leader should look at rather than making more profits. Obviously, the company will find the balance among the other factors, reputation, the image of the company, and value of products, obviously a good CSR program and the best practice of human resources (Ancrum, 2007).

2.4. The Investors Pressure that Effects on CSR

Like values and expectations of a consumer, a pressure from investors has a tremendous effect on CSR. It has been said in the past that some philosophers believe that there is no place or fewer responsibilities for profit making entities (Argenti, 2012). It is also the roots of the "anti-apartheid" movement that has been actively achieving the global reputation of the CSR. As an example, the South African government has been assisting the local companies

and different organizations. Primarily, the main business practices in South Africa are based on the colonial history in which they were preferably motivated by the social change, despite the fact of the CSR policy's enactment (Bindu and Zhang, 2009). In past years, organizations have changed their practices which shift in a societal perception which has begun influencing the organization's social problems. A vital role has been played by the investor for the organizations to act more socially and respect their responsibilities towards the society. In terms of gaining this perception, the investors and the creditors may pressure the company to adopt this CSR and other necessary governance requirements (Barton *et al.*, 2004).

2.5. Internal Actors' Responsibilities for CSR

While CSR has been growing, it is a must for the future employees to study the organization that they are going to explore for a future possible career. This is a factor that has influenced their decision process to incorporate track records concerning CSR. When employees are aware that their leaders are genuine in favor of a good CSR agenda, it makes it easier for the employees to commit (Kissida, 2007). Argenti stated, "It is essential that organizations encourage and engage their employees' involvement in CSR. Both the leaders' and the employees' perceptions about CSR could be different; therefore, an internal effective communication will be the key to bring all internal leaders and the stakeholders to walk in the same path (Seitanidi, 2009).

3. INTEGRATION

3.1. Required Strategic Engagement of CSR

It is necessary for an organization to have a strategy in every aspect of engagements in which they must participate. Therefore, trust is the main key that public organizations must continually strive to establish among the stakeholders. If any organization studies NGOs, then it would find different approaches for strategically engaging stakeholders and building trust among themselves. "Companies, as well as other stakeholder groups (NGOs), need to be aware of this: how they are perceived, and the worldview ascribed to them" (Arenas *et al.*, 2009).

3.2. Corporate Responsibilities for Being Green and the Environment

Consumers are not attracted by only seeing the companies' contribution to the environmental responsibilities, but it helps companies to save a huge amount of money for their upcoming investment (Argenti, 2012). It is said that many green technologies help the organizations to make enormous profits while the company portrays an environmental responsible issue. Many organizations have begun to contribute to the environment without being forced, but many of their efforts are not enough for the significant impact on the environment without help. "There is a growing recognition that the social and environmental challenges facing society are so complex and multi-dimensional that the only solution is for the government, non-profits, and businesses to work together" (Babiak and Trendafilova, 2011). The benefits that an organization gets for being green are that its employees are positive in responding to their efforts for the organization. This is correlated directly with areas that had been discussed previously concerning the internal actors' responsibility in CSR. While a company or an organization can effectively communicate clearly for the environmental issues, then the "employees' perceptions of their organization's social role and image lead many of them, who formerly felt that their organization was just a place to work, to view their employer as an institution that shares their own social views and values" (De Roeck and Delobbe, 2012).

3.3. Effective Communication for Corporate Social Responsibility

An effective communication is the most important aspect of CSR concept, which is an important reason that allows the organization to have effective communication throughout the world. Delivering a clear CSR message is important to communicate to the stakeholders and others when they will have their own opinions on the roles of the company's actions in CSR. Many scholars and researchers have demonstrated that "framing of CSR messages, based on a value-theoretical framework, impacts consumer perception of the CSR message" (Schmeltz, 2014). To have an effective CSR communication in action, the organizational leader must stay involved and ensure that the messages have been communicated effectively which will protect the organization's reputation. At the same time, companies must focus on ensuring that the employees' commitments are shown to the external stakeholders before they attempt anything else (Morsing, 2008).

3.4. The Necessity of Establishing a Continual Dialogue

"CSR addresses the relationship between business and society—a relationship that compels companies to communicate with different stakeholder groups" (Pederson, 2006). A necessity of establishing a continual dialogue pertaining to CSR effective communication must have different ways; the organizations should be focused on these continual dialogues to keep CSR in a line that will effectively communicate with the prospective stakeholders. There are four different proposals that could engage the stakeholders in worldwide establishment of an effective CSR dialogue.

1. **Establish a balance between controlling and co-relating the dialogue.**
 - The company must concentrate on sharing, creating, and controlling the dialogues with its perspective stakeholders in favor of building a trust.
2. **It is necessary to work with the stakeholders to learn about their concerns.**
 - They should address the main reasons that cause the stakeholders' concerns.
3. **It should be mandatory to discuss dialogue that would be the learning experience for everybody of the company involved.**
 - Managing effective CSR communications sometimes needs to have a direct relationship with the stakeholders rather than concentrating on the society.
4. **The company must create platforms that will encourage the stakeholders to execute the implementations of CSR initiatives based on the requirements.**
 - There should be different ways of implementing and promoting CSR which could be a need for the stakeholders.

3.5. Dangers of Futile Boasting

The increased popularity of the CSR program does not surprise us that many of the organizations have already been adopted with this concept and executing their CSR programs successfully. This concept has been utilized by many companies in real life; while in some organizations CSR programs were only written on the paper, but actions were not taken for any substance. It is essential to include the organizational leadership and social activist to be involved in the CSR spectrum. "CSR is little more than corporate greenwashing—the voluntary adoption of a token social or environmental initiative intended to enhance a company's corporate image" (Berkhout, 2005). The organizations must confirm their serious intentions regarding establishing a CSR program by influencing and convincing the stakeholders and it must show honest effort in terms of establishing a CSR program. However, an

effective communication with the stakeholders is required to adopting such policies. The organizations must show their seriousness about the CSR strategies to gain benefits that may come with an image which is a competitive edge, keeping out new entrants, and, at the same time, avoiding penalties for company's unethical behavior, preempting the impact of the company's future legislation and the also the long-term investment for the corporation image (Jahdi and Acikdilli, 2009).

3.6. A Required Organizational Transparency Regarding CSR

It is mandatory for any company to maintain a good corporate image and reputation; an organization must build a trust with its stakeholders, as well as with the public. The transparency could greatly outweigh the benefits of the company's secrecy regarding any issues of the organization. A transparent organization's image or reputation has less damage when a crisis occurs. In terms of building a trust, many companies execute their strategies to prove that they are a transparent company. Many organizations take the initiative to perform on their own, but many of them are encouraged by the government. "Governments endorsing CSR as a new means of governance have different strategies to foster CSR transparency (Dubink *et al.*, 2008). Though the companies are giving their priorities and showing serious intention for a CSR program, many issues have arisen concerning different areas that show that companies are struggling with various kinds of problems. "Transparency topics include activities of grievance mechanisms, reporting on greenhouse gas emissions, reporting on environmental and social management issues, and actions taken by companies to resolve local concerns" (Torrance, 2015).

3.7. CSR is a Report of Both Voluntary and Involuntary

As a CSR report, both the voluntary and involuntary have been the main priority for many organizations locally and internally. To make stakeholders happy, a realistic matrix should be provided. This task could be proven as difficult; the reason is that CSR reporting can be very critical and subjective. Voluntary reporting restricts the organization's reporting as little as possible; a study demonstrated that a fortune of 500 companies in the USA shows that the CSR program's popularity has been increased tremendously which increased the involuntary reporting (Cho *et al.*, 2015). Companies have learned that the main and important key of a CSR program is to build a long-term healthy relationship with the public and together with CSR with public relations (PR) they comprise both CSR management (Black and Härtel, 2004).

4. CONCLUSION

CSR is a diverse concept that has been practiced for many years and will continue to grow in different business sectors as a reminder of the time before the twenty-first century. When the number of the investors and the stakeholders are increasing, and are becoming more powerful for purchases, organizations must show their respect to their stakeholders and find new ways to increase the profits for the companies' future sustainability by prioritizing their improvement of the CSR program. The companies should concentrate on maintaining and increasing the stakeholders' trust by being transparent in which the image or the reputation of the companies will be better protected if any difficult crisis occurs. Achieving these tasks will provide the opportunity for the organizations to maintain a strong positive corporate image and reputation and they will have less pressure from the major investors. While practicing CSR, organizations should remain strategically engaged in favor of all internal and external actors so that they can afford to perform into CSR programs. A dialogue must be created between the organizations and the stakeholders for participating in CSR program that will continue to expand locally and internationally without facing any obstacles in favor of the organizations' success. At this point, there is

only one way to ensure the success of the corporate social responsibility which is to study the lifecycles of CSR which will use the information to develop an ethical program based on the foundation of the transparency of an organization.

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