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# The Controversy of Corporate Social Responsibility: What Is Best For Business

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*The Corporate Social Responsibility (CSR) is the subject of permanent theoretical debates and the constant object of a company's business practices but also of some controversy. This makes it necessary to bring some valid arguments to support the growing role of CSR in the company's efforts to achieve its objectives. This article aims to contribute to a better understanding of CSR issues and how it may help by better meeting the demands of society. It begins with a brief overview of the phenomenon of social irresponsibility which is justifying a better understanding of CSR issues. Therefore, the second part deals with the concept and the improved content of CSR which includes an author's proposal of a new updated structure of the CSR content and ends with the presentation of its potential contribution to the company's performance and to better satisfy the demands of society.*

*The conclusions highlight the main ideas and arguments of the article. At first, they present the arguments in favor of CSR that are justified by the changes in contemporary society and then the ones which stems from the fact that the companies are members of the society. The article has as support the idea of Riley (2012) who argues that "ignoring CSR potentially damage stakeholders, embracing CSR creates value".*

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*Keywords: Corporate Social Responsibility, Corporate Social Irresponsibility, CSR pyramid, CSR contribution*

*JEL Classifications: M14, M21, Q20, Q30, Q56*

## **1. Introduction**

The companies involved in business seek to obtain economic benefits, ie revenue and profit before anything. Due to the pressure to evolve and innovate in Market Economies, the companies find the prospects for success or survival depend on how they better support social objectives, in order to achieve their economic goals. The idea of an active response to the needs of business environment which led to the concept of Corporate Social Responsibility (CSR) exists since the 50s and 60s of the former century. As time passes, the developments and challenges of domestic and international environment contributed to the CSR development of both theoretical and practical activities of the companies. The most fertile period for the CSR proved to be the late 20th century when all accumulated developments were found in companies' practices on CSR. These developments were supported by pluses brought by CSR, among them being a good citizen, attracting customers, brand positioning, image and reputation, motivating and retaining employees, reducing the production costs, and improving the access to capital. Unfortunately, the beginning of 21st Century was the rise of the corporate social irresponsibility. The corporate scandals that continued on and on show how integrity can easily be lost. Many and various examples point out the phenomenon of lack of Corporate Responsibility. The collapse of Enron and the oil spill of British Petroleum are only two cases of countless social irresponsible behavior. Some people draw up lists and rankings of the most irresponsible companies at the beginning of 21st Century. Harris Interactive annually conducts a survey which rates 60 large American companies based on six key characteristics including social

responsibility, product quality and how employees are treated. The results are found in Reputational Quotient which shows the Top ten list below of less reputable companies for 2013.

**Table 1.**  
**Top ten less reputable companies**

Company	Reputational score
AIG	48,57
Goldman Sachs	49,39
Halliburton	52, 51
American Airlines	53,85
Bank of America	55,85
Citigroup	55,90
British Petroleum	56,55
J.P. Morgan	58,20
Wells Fargo	60,47
Concast	60,99

Source: MarketWatch, Mars 5, 2013

Concast is also present in some other classifications as those which show „the most hated businesses in America” ( Troutman, 2015) where the company is first. It is followed by Monsanto on the ground of company’s role in supporting and developing genetically modified crops and many others such as the BST hormon used in diary cows that has been linked with breast, colon and prostate cancer in humans, Sea World, Wal Mart that has been accused of discrimination, human rights violation, environmental crimes and more and Chase Bank. Another source of information about the companies’ lack of social responsibility is the annual „Public Eye Award” coordinated by

Greenpeace Switzerland & Berne Declaration. This award is intended to the companies with the „the worst corporate social responsibility records”. Some companies that were nominated for the year 2014 are BASF, Bayer and Syngenta for toxic pesticides killing the bees essential for environment, agriculture and global food production, Eskom for impacts on health and environments through coal-fired power stations in South Africa, Gap for lack of effective commitment to protecting workers health and safety in Bangladesh, Gazprom for damage to the environment through oil spills or Marine Harvest for its actions’ impacts on indigenous peoples livelihood and damage to environment in Chile (Business&Human Rights, Resource Centre, 19 March, 2014). Some of these big corporations like Monsanto and WalMart have ample historical records of irresponsible social behavior and they go on with it. A research performed by Stefanie Rogers (2009) identified the seven companies that were most socially irresponsible in 2009: Nestle, Pfizer, WalMart, Exxon Mobile, Chevron, Dow Chemical and Monsanto.

The above examples are a small sample but they show that many companies ignore the requirements and standards of ethics, environmental protection, ecological behavior and sustainability most of all. These companies and many others have plans and philanthropic activities, but they counteract their effects by not observing ethics, damaging the environment and ignoring the principles of sustainability. In these circumstances a question arises and continues: If so many multinationales and global corporations are ignoring most of the rules and content of CSR what happens with CSR? A possible response may be found in this paper.

## **2. The rise of Corporate Social Irresponsibility, a new challenge**

The proportions and the intensity of the socially irresponsible practices call for a good knowledge of Corporate Social Irresponsibility (CSI) at the same time with a better understanding of

CSR. The good understanding is helped by a fair response to the following questions: What is CSI? Why CSI is so spread and resistant? Is CSI risky and why?

### 2.1. The concept of Corporate Social Irresponsibility

Those who debate the CSR issues agree that this should be good business. In opposition to this belief, the focus of Corporate Social Irresponsibility is on businesses that behave in a less than ideal way with regards to their legal obligations, ethical commitments, and the consideration they give to economic, social and environmental factors thinks B. Jones (2013). He believes that CSI defines itself as distinctive from and at the same time in relation to CSR. Therefore, CSI can be defined as business doing wrong in relation to environment, community, society, and business practice. In their turn, Armstrong & Green (2013) think that CSI occurs when a manager makes decisions that are either: (1) unethical in terms of manager's personal values or (2) inferior to other options when considering the effects upon all parties. Another analysis is made by those who say that CSI is often an active attempt to increase the corporate domination than a defensive „image management operation” (What's wrong with CSR?). When CSR diverts the attention from real issues, helping the corporations to avoid the regulations, gain legitimacy and access to markets and decisions makers, and shift the ground toward the privatisation of public functions, it becomes an issue not a help. There are many situations when the CSR is not fulfilling its aim for helping the consumer, community and society and they make understanding easier the CSI concept and content. A few cases of this kind are the following (What's wrong with CSR?):

~ CSR helps the companies to build the brand loyalty and develop a personal connection with their customers. The companies are looking for ever more innovative ways to get across their message and CSR offers up many ways to subtly reaching the consumers. *But when the*

*messages are intended to mislead or deceive the customers, a potential for CSI is developed.*

~ CSR may help to greenwash the company's image, to cover up the negative impacts by saturating the media with positive images of the company's CSR credentials enabling the business to claim progress despite the lack of evidence of verifiable change. *When such misleading information is wide spread, this is a case of CSI.*

~ *CSR may become a strategy for avoiding regulation.* Such a strategy may contain the lobby against regulation until an opposition towards regulation on the ground that it will threaten the positive work they are doing and „never promote the best practice”. When the regulation is a reaction to public mistrust, including rules on the impact the companies can have on the environment and society, is the only way a democratic society can control the corporate behavior.

## **2. 2. Drivers of Corporate Social Irresponsibility**

An issue that occurs in the debate is how should a company make effective its Corporate Social Responsibility if it is to be both responsible and successful as a business (Bowie N., 2012). The proper response is to run the corporate responsibility like the rest of the company. But when a lack of convergence between the results of the company and those of the society occurs a socially irresponsible behavior may be viewed as a possible solution for correcting the results in favour of the company. Possible drivers of irresponsible behavior can be those suggested by Bowie N. (2012), the material having the title „Demistifying Corporate Social Responsibility: Understanding Corporate Social Irresponsibility through the Lens of CSR” (2015) and others:

# *The leaders* if they are amoral or imoral depending „upon the level of moral reasoning possessed by the individual”.

# *The stakeholders* when the interests of different groups of stakeholders, customers versus shareholders conflict, for example, and this may be due to stakeholder irresponsibility.

# *The influence of organizational characteristics*. For example, the state-owned enterprises are less likely to engage in CSR activities since they have privileged access to competitive resources from the state. The larger a business's size, potentially less likely it is that the management will engage in CSI given their access to more resources, but this isn't a rule as many examples (see some of them in Introduction) show. With regard to the organizational life-cycle stage, at the early stage managers often concentrate more on the potential problem of obtaining capital investment and, thus, be relatively unwilling to make decisions in favour of CSR initiatives. If they lack the finance may more likely to behave in a manner in keeping with CSI.

# *The competition intensity*. The companies that emphasize the competition and are in highly competitive markets are likely to behave socially irresponsible as they try to surpass the competition.

### **2.3. Risks of Corporate Social Irresponsibility**

The pressures on CSR issues of macro and micro forces led to the recognition of its more significant role and its specific development practices. The numerous episodes of lack of social responsibility practices of the companies that have as authors some of the most important multinational and global corporations have brought back into focus the controversy about the usefulness of CSR and continue to fuel it.

The theorists who believe that CSR do not support companies' efforts to make profit rely on the thesis of Milton Friedman as "making corporate socially responsible is useless making and even potentially dangerous, since it goes against the very basic aim of doing business: making profit" (Riley 2012; CSR: Its Advantages and Disadvantages, 2014). P. Mullan (2014) details and asserts that CSR gets in the way



from the business focus on commercial performance. He believes the business which takes on responsibilities other than sustainable profitability dilute its prime focus which is durable commercial success and that the CSR encourages more extensive regulation of the business. Unfortunately, such approaches ignore the economic and social realities and the factors that favor or even require CSR. First, the companies exist and operate within the society of which they are part and thus they do not have an unquestionable right to operate in society and recognize that they depend on society. In their capacity as members of society, companies may not have the sole objective of maximum profit, regardless the pathways and consequences of the processes used to obtain it on the other members (employees, customers, community, general public). Second, ignoring the evolutions and problems of society proves loser for several reasons. One says that all members of the society are better informed on acceptable practices and those that do not meet both their expectations and those officials. Another reason relates to the fact that employees and consumers are increasingly well placed in terms of the rights they have and are becoming more selective and intransigent. The current ecological and sustainable tendency which is becoming increasingly important for the development of economy and society is another reason for giving up practices that ignore these solutions. In addition, the CSR initiatives are increasingly motivated by the need to build and maintain legitimacy and reputation by convincingly demonstrating that the companies behave like good citizens of organizational communities in which they do business. All these are working in favor of incorporating the social responsibility concerns and practices in companies. The companies that have a bad behavior or irresponsible actions will be sanctioned in terms of reputational penalties and fewer customers will accept their products. As the public awareness turns against the companies with poor environmental or human rights records fewer consumers may want to order from them.



If these companies don't become socially responsible sooner or later their business becomes highly risky. We believe the CSR has a justified and even growing role especially in difficult economic and social conditions. The CSR becomes even more important if the social realities are recognized and viable solutions to existing problems are found. These ideas are supported by D'Amato (2009) too who stresses that the companies (1) have a responsibility for their impact on consumers, society, community, and national environment, (2) have a responsibility for the behavior of others with whom they do business and (3) need to manage their relationships with the general public.

### **3. Corporate Social Responsibility as an appropriate response to the new demands of society**

The existence of active irresponsible corporate social behavior prove and also request that the companies need to demonstrate convincingly and ethically that they want and can contribute to satisfying the needs of customers, communities and society in general, and to persuade all of the impact their practices have on their business. As a result, the CSR is becoming more important to the economic goals and the companies' profit and the integration of its specific activities into policies and their business plans prove indispensable. Therefore, the main theoretical analysis and emphasis on CSR can support the better understanding of theoretical premises, its content and methods, because they emphasize good business practice.

#### **3.1. The theoretical support: A clearer and better understood concept**

A first group of ideas in the benefit of a better CSR understanding and practice is the one who clarify the definition and the concept of CSR. Right from the start, the great number and differences of the definitions should be pointed out. The CSR is a concept on which there is not agreement and such an agreement may be impossible to

achieve as Armstrong&Green (2013) argue. A comprehensive definition advances Van Aartsen (2013) who says that CSR is a body of theory and practice which has developed to counter the corporate desmbling from society. The CSR argues for the inclusion of social and environmental standards in the daily operations and strategic planning of strategic activities and the decision making as an intrinsic complement of economic, profit-seeking objectives. In other words, the CSR means the conscious effort of the company for aligning the social and ecological objectives with the economic activities ([reset.org/knowledge/corporate-social-responsibility-CSR-die-gesellschaftliche-verantwortung-von-unternehmen](http://reset.org/knowledge/corporate-social-responsibility-CSR-die-gesellschaftliche-verantwortung-von-unternehmen)). More inclusive is the definition saying the CSR is the voluntary integration of a set of social, ethical and environmental concerns into the business operation or model of the company and its interaction with its stakeholders (European Commission, Corporate Social Responsibility, 2010; Sivaranjini et al.; Corporate Social Responsibility: Its Advantages and Disadvantages, 2014; CSR. Eine Orientierung am Umweltsicht; Bundesministerium fur Umwelt, Naturschutz und Reaktorsicherheit, 2008). Another step forward facilitates the definition that stresses on the responsibility over the impacts that occurs due to the decisions and actions that a company has taken, in order to achieve the sustainable development. Integrating sustainability is gaining ground and finds its natural place in the concept of CSR as the companies themselves are sustainable and contribute to sustainable development. These ideas on sustainability are completing the other aspects of the concept of CSR in the comprehensive definition of the World Business Council for Sustainable Development which believes that "corporate social responsibility lies in the commitment made permanent by the company to behave ethically and contribute to the economic development while improving the quality of life for employees and their families, their communities and society in general" (World Business for Sustainable Development: Meeting

Changing Expectation). The various approaches of CSR concept do not exclude common elements which allow its systematization. A first systematization leads to two major categories: *the implicit CSR and the explicit CSR* (Kwasi Bah& Kwasi Amposah-Tawiah, 2011). *The implicit CSR* refers to a country's formal and informal institutions that give the company an agreed share of responsibility for the society interests and concerns. The implicit CSR concerns those values, norms and rules which result in requirements for the the corporations to address the areas that stakeholders consider important. *The explicit CSR* consists of the corporate policies with the objective of being responsible for that interests the society within the organization finds itself. These are generally less formalized and can consist of voluntary and self-interest driven CSR policies and strategies, for examples. Chaterji and Listokin (2007) who suggest *the strategic and nonstrategic CSR* bring forward another systematic vision . *The strategic CSR* is a subset of strategic initiatives such as investing in environmentally friendly operations and indirect methods like targeted charitable giving that could increase the brand reputation and customer loyalty. These activities can have a positive impact on the society, but acting in the interest of the company's stakeholders. The stakeholders of the company are contractual stakeholders and community stakeholders. The contractual stakeholders are the employees, suppliers, and customers. The community stakeholders are those the company has with the society, involving mutual obligations that the society and the company recognise that they have to each other (Riley, 2012). By aligning the social responsibility with the traditional profit maximization, the companies can actually make more money and do more good. *The nonstrategic CSR* includes many other efforts and demands having an activist character and are at direct odds with the short- and even long-term profit maximization.

The analysis of the CSR concept on the basis of its presence in the literature allows us to point out *its essential characteristics that are:*

*\*the complexity and the dynamism;*

*\*the interactions between the company and the society as basis for activating the mechanisms of CSR;*

*\*the integration of all CSR components in the vision, mission and business strategy of the company;*

*\*the constant effort of the company for aligning the social, ecological, sustainability, and ethical objectives to the economic objectives on the one hand and all these to the employees, environment, and society interests on the other side;*

*\*the voluntary commitment of the company for CSR initiatives and activities, no matter this is strategic or nonstrategic.*

The above succession of analysis and systematizations makes easy for us to come to the conclusion that the CSR concept is like an alive body which grows by including new ideas and parts (ecology, sustainability, ethics), is constantly improving and voluntary involving to contribute to the economic development, to improve the quality of life, environment protection, and resources saving.

### **3.2. The tool: An improved and upgraded content**

The CSR transformation into concrete actions greatly depends on the clarification and understanding its contents. In terms of content, the CSR can be analyzed from two perspectives namely *the narrowed perspective and the comprehensive one* (Carroll & Shaban, 2010). In *narrow perspective*, the CSR includes only those parts targeting the company's financial performance. *The comprehensive vision* recognizes the existence of direct and indirect relationships between the CSR and the company performance. The approaches on CSR components of this second category are almost as varied as those regarding the concept. Jim Riley (2012) listed the economic, legal, ethical, voluntary, and philanthropic when referring to the parts that make up CSR. A more complex approach appears in a document of the Ministry of Environment,

Nature Conservation and Reactor Safety of Germany (Corporate Social Responsibility, Oktober, 2008) where the content of CSR is treated on three levels of the company. The most comprehensive level is those of strategic management, which includes the vision and strategy on environmental management, sustainability and society. The next level is the core business processes of the company where are the ecological responsibility on the product, consumer protection interests and the interests of customers and the responsibility for employees about working conditions and terms of their rights. On the third level, which covers personal responsibility to the community, the CSR has specific cooperation actions and discipline and lobby for environmental protection and anti-corruption, involvement in the community and free participation of employees through sponsorship, charity or volunteer on various occasions as components. The systematization of the above mentioned various CSR components but also of the existing ones in the literature and in practice help our efforts to complete and configure the actual content of CSR in a version adapted to current conditions. Our efforts for configuring the architecture of modern multidimensional modern CSR have as support the pyramid proposed by Carroll (1979, cited by Eiglmeier, 2014). This pyramid is a structure made up of economic, legal, ethical and philanthropic responsibility as the elements of CSR in the broad sense. By including in this pyramid the responsibility for sustainability which has the ecological component and completing the philanthropic part which thus becomes socio-humanitarian responsibility, the CSR content remodeling is worked out in a pyramid with five levels.

At first level is *the economic responsibility*, defined by the company's profitability. The company's effort to demonstrate social responsibility targets here its economic objectives that have the profit as common denominator. Focusing on economic responsibility should nevertheless not be separated from other elements of the CSR. *The*

*responsibility for sustainable development* fills the second level and includes the ecological one and can be found in the company's efforts directed towards environmental protection and more recent but rapidly growing in importance, obtaining and ensuring the sustainability of operations in support of development. Among these actions stand out reducing the use of non-renewable resources in favor of renewable sources, carbon dioxide reduction programs, measures to protect waters, air, forests, etc. Evaluations are made and ranking are prepared based on the preoccupations the results obtained by the companies that are preoccupied of the environment protection and have environmental friendly practices. Newsweek review has compiled the ranking top of the most eco 2015 companies on the table 2.

**Table 2.**  
**Top ten world's greenest companies 2015**

Place	Company/Country	Industry
Scor (%)		
Biogen Inc./US		Healthcare
89.20		
SHIRE PLC/US		Healthcare
85.10		
Allergan Inc./US		Healthcare
84.20		
Reckitt Benckiser Group PLC/US		Consumer staples
84.10		
Adobe Systems Inc./US		Information technology
82.60		
Swisscom AA/Switzerland		Telecommunication services
81.60		
Unilever PLC/US		Consumer staples
81.30		

Broadcom Corporation/US 81.30	Information technology
Roche Holding AG/US 80.40	Healthcare
BT Group PLC/UK services 80.40	Telecommunication

Source: www.newweek.com

In areas known to have high potential for environmental concerns, such as car sector and oil sector in 2015 the most environmentally friendly companies are found to be in order BMW, Toyota, Daimler, Nissan, Ford, Volkswagen, Subaru, General Motors, Hyundai and Honda in the car sector and in the oil sector Royal Dutch Shell, Total and Statoil (Norway). *The legal responsibility* from the third level of pyramid is in direct correlation with the law, in general, but especially with regard to protecting the rights of employees, working conditions, making products, consumer protection, environmental protection and safety. *The ethical responsibilities of CSR* are manifested by means of efforts and actions designed to do what is correct, just and right. The general perception is that most of the ethical problems occur in public institutions and services. The companies may be involved in many external unethical actions when they give bribes, they try to attack their competitors using methods and unethical means, if you try to manipulate public opinion and consumers. The domestic component of ethics includes proper treatment of employees, their promotion on merit. The companies that respect ethical principles in their work prove to be socially responsible and enhance their image. Various corporate hierarchy based on ethical practices are set as for the greening of CSR. Table 3 shows the top ten hierarchy of world's most ethical companies 2015.



**Table 3.**  
**Top ten of the world's most ethical companies 2015**

Place Country	Company	Industry	
	3M Company	Manufacturing	SUA
	ABB Group Switzerland	Diversified machinery	
	Accenture LLC	Consulting services	Ireland
	Adobe Systems Inc.	Computer software	SUA
	Aflac Inc.	Insurance	SUA
	Allstate Insurance Co.	Insurance	SUA
	Alyeska Pipeline Service Co.	Oil&Gas	SUA
	Applied Materials Inc.	Semiconductors, Equipment, Materials	SUA
	Aramarkt	Food service	SUA
	Arthur J. Gallagher&Co.	Brokerage	SUA

Source: [www.forbes/sites/](http://www.forbes/sites/)

*The socio-humanitarian responsibility* is the last level of CSR and covers the philanthropy and donations and other charity events, sponsorships of community events in the health, social and voluntary social construction, sanitation of surfaces, planting trees and shrubs or selecting waste, participating in other community programs. All these are meant to convince that company is behaving like good organizational citizen who engages in conducting educational, cultural and sport programs, events aimed at promoting human welfare and goodwill.

### 3.3. The potential result: A more lasting contribution

As part of the company's corporate conscience and citizenship the Corporate Social Responsibility can help all those involved in its particular efforts which are the company itself, the environment and sustainable development, the community, and the general public. Many authors and experts among which are Hohner (2007), Carroll&Shaban (2010), Tonello (2011), Lulevicz (2013), Savaranjini et al (2013), Davis S. (2015) emphasize where and how the contribution of CSR can be identified. Many other contributions such those included in „Corporate Responsibility: Its Advantages and Disadvantages” (2014), and „Corporate Social Responsibility”, European Commission (2010) are added to these standpoints. The results of these large views are the various possibilities of the CSR contribution to better meet the expectations of all those who take part in the society's life. The systematization of the favourable effects of CSR efforts bring forward three characteristic areas that are (1) the company, (2) the sustainable development including the environment protection and (3) the society (community and general public).

#### 3.3.1. The contribution of Corporate Social Responsibility to the company performance

The CSR is a viable business choice as it can help to ( Tonello, 2011; Davis S., 2015; Savaranjini et al, 2013; CSR: Its Advantages and Disadvantages, 2014): *A. Cost and risk reduction. B. Gain competitive advantage. C. Develop corporate reputation and legitimacy. D. Seek win-win outcomes through synergetic value creation.*

*A. Reducing the cost and risk.* The contribution of CSR by reducing the cost and risk assumes that certaines CSR activities reduce the company's inefficient capital expenditures and exposure to risks. The main initiatives of the company may be the equal employment opportunity policies and practices, energy-saving and other environmentally sound production practices, and community relations

management. The CSR activities in the form of equal employment opportunity (EEO) policies and practices enhance the long-term shareholders value by reducing the costs and risks. The argument is that the explicit EEO statements are necessary to illustrate an inclusive policy that reduces the employee turnover through improved morale. The companies that are environmentally proactive have the reduction of costs and risks by lowering the costs of complying with the present and future environmental regulations, enhance the company's efficiencies and drive down the operating costs. In their turn, the positive community relationships may contribute to the company's attaining tax advantages offered by the city and central authorities to further local investments and decrease the number of regulations imposed on the company.

*B. Gaining competitive advantage.* The company can obtain competitive advantages when it use the activities of CSR that are setting themselves apart from the competition. These practices are part of a differentiation strategy and require the companies to integrate their social responsibility initiatives with their broader strategy. The CSR initiatives that may help the company gaining competitive advantages are mainly EEO policies, customers and investors relations programmes and corporate philanthropy. An explicit statement of EEO policies would have additional benefits to the costs and risks reduction. These policies would provide the companies without inclusive policies may be at a competitive disadvantage in recruiting and retaining the employees from the widest talent pool. Certain initiatives can create a customer base for the company that in turn can set it apart from other companies. This may help in the brand differentiation. These initiatives also may have a positive impact on attracting investment, since many investors seek the companies with good records on employee relations, environmental stewardship, community involvement, and corporate governance. The companies may align their philanthropic activities with their capabilities and core

competencies. By doing so they avoid the distractions from the core competencies, enhance the efficiency of their charitable activities and assure unique value creation for the beneficiaries.

*C. Developing reputation and legitimacy.* A business is perceived as legitimate when it fulfills its social responsibilities. This means that its activities are congruent with the goals and values of the society in which the company operate. The CSR initiatives that may enhance the reputation and legitimacy of the company are the corporate philanthropy, the corporate disclosure, and the transparency practices. The companies can enhance their legitimacy and reputation by disclosing information regarding their performance on different social, environmental and sustainability issues. Through social reporting, the companies can document that their operations are consistent with the social norms and expectations and therefore are perceived as legitimate.

*D. Seeking win-win outcomes through synergetic value creation.* The synergistic value can be obtained as the result of exploiting the opportunities that reconcile the different stakeholders demands. One way to do that is the charitable giving to education that may be used to influence the competitive context. The new competitive context allows the company to improve its competitiveness and, at the same time, fulfill the needs of some of its stakeholders. In the long run, the charitable giving education improves the quality of human resources available to the business. Similarly, the charitable contribution to the community causes eventually result in the creation and preservation of a higher quality of life. Another initiative can be the stakeholders engagement and the satisfaction of their demands. So, the company can find opportunities for profit with the consent and support of its stakeholders environment.

### **3.3.2. The contribution of CSR to environment protection and sustainability**

Many CSR initiatives and practices are focusing on sustainability and environmental causes that seek a better response capacity to sustainability demands and environmental changes and obtaining an increased capability to anticipate these changes (Carroll&Shaban, 2010; Savaranjini et al, 2013). The results of such efforts can be found in the integration of the management tools into the company plans, including the life cycle assessment and costing sustainability and environmental management standards and eco-labelling. A better product durability and functionality, greater material recyclability, greater use of renewable resources can allow a contribution of CSR to a cleaner environment and more sustainability. All CSR efforts focused on sustainability and environment protection can be crowned by stimulating the sustainable and responsible production and consumption.

### **3.3.3. The contribution of CSR to the society welfare**

The socially responsible companies aim at the wellbeing of the communities in which they activate and of the general public. The CSR initiatives aiming at this objective are parts of its socio-humanitarian component (Carroll&Shaban, 2010; Sivaranjini et al, 2013; Davis S., 2015). The profitable and successful companies must strive so that the community and the society may develop. They can contribute to this by philanthropic initiatives such as sponsoring different actions and projects to improve the management and access to clean water, the involvement in homelessness programmes and community education or using media and Internet distribution to create an educational dialogue for the public by developing social community awareness. Many companies involved with social responsibility often take voluntary actions. These actions could be initiatives to voluntarily eliminate business practices that could harm

the environment and public, to participate to social constructions, to plant trees.

#### **4. Conclusions**

The Corporate Social Responsibility is the subject of some controversy which permanently accompanying it ever since. A strong majority of the theorists' opinions and companies' practices are constantly embracing the CSR. Maintaining and even the resurgence of irresponsible practices and the justifications found by some theorists who argue that companies have no other responsibilities outside their incomes and profits and that CSR does not support companies' efforts to achieve these goals, however, are clear evidence that CSR is not accepted by everyone. These developments bring to the forefront of discussion the question of the meaning and the role of CSR for society. The attempts to find appropriate responses must begin with the clarification of the significance of current social and economic realities that require more CSR. On the one hand, the today society is much changed from that only fifteen years ago from at least the following reasons: (1) all its members are better informed on acceptable practices and those that do not meet their expectations; (2) the employees and the consumers are increasingly well placed in terms of the rights they have and are becoming more selective and intransigents; (3) the ecology and the sustainability are becoming increasingly significant tendency for the development of economy and society; (4) the image and reputation depend increasingly on responsible attitudes towards consumers and the communities where they do business. At the same time, the companies are members of society, so (1) they do have no unquestionable right to operate in society and recognize that depend on society; (2) they depend on consumers, communities and authorities. The companies which have bad behavior or irresponsible actions will be sanctioned in terms of

reputational penalties and financial loss; (3) they must become socially responsible if they want that their business don't becomes highly risky. All the above arguments are forcing the companies to recognize and integrate in their business strategies and practices the CSR changes from recent years that led to the passage of CSR from "moral issue" to "strategic / profit issue" as Riley (2012) stated. Therefore, ignoring the CSR potentially damage the stakeholders. Embracing it create value. The CSR can create economic value by creating social value.

The companies must find better answers if they want to meet all the requirements of the society and to fulfill their role by practicing the CSR. The quality of these answers and the feedback from the society will depend on a clearer and better understood concept of CSR, an upgraded and improved content of CSR and a more lasting contribution of CSR to the company performance, sustainability and environment protection and to the society welfare.

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