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An Overview of Corporate Social Responsibility

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Research Article

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Abstract:
The literature on business, society, and economics has focused on corporate social responsibility. Despite the difficulties in putting it into practice, it has greatly benefited the corporate organization and the corresponding community. The idea is still hazy since it is not well understood, despite its apparent advantages. Nonetheless, it is an indisputable reality that a combination of important facets of corporate social responsibility should be used as a guide for policy formulation, business decision-making, and knowledge advancement. In this context, this study provides an overview of corporate social responsibility by synthesizing the literature on its definition, motivations, forms, advantages, difficulties, and potential solutions.

Keyword: Social Responsibility of Businesses Classification by JEL: M14

Introduction

One of the biggest and most prominent banks in the United States, Wells Fargo & Co., made a $1.1 billion philanthropic gift between 2011 and 2014, which may surprise you (Wells Fargo & Company, 2014). There are a number of possible questions. Is there a connection between the company's non-profit contributions and its mission? What advantages are connected to this, either directly or indirectly? How will this be seen by the shareholders? What potential "perils" are connected to this charity? The most difficult questions in the area of corporate social responsibility include these and several more. Based on the aforementioned inquiries, corporate social responsibility has garnered significant attention, discussion, and debate in business, social, and economic literatures and platforms. Researchers have attempted to provide definitions, examples, and methods that clarify the term's meaning, motivations, forms, underlying advantages, implementation difficulties, and solutions. Despite all of this, the idea is still not entirely understood. A number of studies attempt to provide a summary of corporate social responsibility (see, for instance, Aguinis & Glavas, 2012; Devinney, 2009; Dahlsrud, 2008; Lindgreen, Swaen, & Johnston, 2009; Carroll & Shabana, 2010; Freeman & Hasnaoui, 2011; Hess & Warren, 2008; Jamali, 2007; Silberhorn & Warren, 2007; Khan, Khan, Ahmed, & Ali, 2012). Nevertheless, not all of the most contentious aspects of corporate social responsibility are covered by the summaries included in these research. In light of this insight, the following six crucial elements are taken into account while providing an overview of corporate social responsibility:

1. What corporate social responsibility means
2. The reasons for corporate social responsibility
3. Corporate Social Responsibility
4. The value of corporate social responsibility
5. Implementing corporate social responsibility presents challenges
6. Effective corporate social responsibility strategies

The article gives academics, researchers, scholars, and students the chance to fill in any or all of the six explanations of corporate social responsibility with ideas, models, and other gaps. Once again, governments may use the information presented in this article to create frameworks that effectively direct corporate social responsibility policies in their economies. Additionally, we anticipate that this report will help managers, CEOs, and other staff members make informed decisions on corporate social responsibility.

Methodology

As it has already been hinted above, the aim of this study is to provide an overview of corporate social responsibility based on meaning, motives, forms, benefits, challenges and best practices. The paper is the result of gathering and synthesising of ideas from different studies on corporate social responsibility. It adopts a narrative approach but borrows few systematic review's traits. The papers used to frame this study were obtained from different publishers. These are the papers that were accessed online. Words such as corporate social responsibility, social corporate citizenship, corporate responsibility, social responsibility, responsible business, corporate social opportunity, corporate social performance, social performance, social responsiveness, corporate philanthropy, andorganization citizenship behaviours added with the term journal were used to search for the relevant literatures and publishers through Google Search using a computer that was connected to the library subscribing to EBSCOhost, OECDi Library, Oxford Open, Wiley Online Library, JSTOR, Emerald, and Sage Publications. Other literatures were freely accessed online. The aim was to mainly use journal articles and related literatures in this study. We also found the most cited literatures on corporate social responsibility based on references of published literatures in the field. All publication years were taken into consideration due to the nature of the study (overview-based). This brought us one hundred and three (103) literatures. All literatures that could present facts or analysis regarding at least one of the six pre-identified areas explaining corporate social responsibility were taken into consideration. Thereafter, literatures with well understood study purpose and clear overall presentation were considered. Finally, a total of seventy-two (72) literatures were found relevant and useful for this study. We however could not have access to all the databases and articles on corporate social responsibility. Therefore, the literature review is limited to articles that were easily accessed by the author.

Meaning of Corporate Social Responsibility

Many academics in the social sciences, business, and economics have found it challenging to define corporate social responsibility (CSR). It makes sense that the term has several other names besides corporate social responsibility, such as social corporate citizenship, corporate conscience, corporate responsibility, responsible business, corporate social opportunity, social responsiveness, and organizational citizenship behaviors, to name a few. CSR is defined by Kitzmueller & Shimshack (2012) as actions that transcend the legal boundaries of the specific corporate environment. This is not the behavior of a single individual. Both voluntary and required regulations may enhance this company behavior (Adeyeye, 2011). Therefore, we may concur that companies can only exceed their legal and contractual duties on a voluntary basis (Bénabou & Tirole, 2010). In that regard, we can state with confidence that CSR is founded on reason and does not include coercion (Cavico & Mujtaba, 2012), which is why its activities primarily extend outside the organization's local domain (Bénabou & Tirole, 2010). CSR cannot be completely implemented if it stays within the company's "territory." According to Hossain, Siwar, Jani, and Bhuiyan (2013), businesses engage in corporate social responsibility by advancing the public interest, which is primarily community development. Andersen & Skjoett-Larsen (2009) call this "the overall treatment of people and the environment."

Businesses deal with both the environment and people. Customers, suppliers, workers, communities and their environs, shareholders, investors, governments, activists, rivals, and other business stakeholders who are either directly or indirectly impacted by a company's existence are all included in the environment. CSR illustrates how a company accepts accountability for how its actions affect its stakeholders (Hossain, Siwar, Jani, & Bhuiyan, 2013). Customers, workers, society, and other stakeholders want businesses to implement this in the contemporary, civilized corporate environment (Mark-Herbert & Schantz, 2007). It has been shown that stakeholder views are impacted by effective CSR implementation (Kiran & Sharma, 2011). Since they are the company's principal source of funding, we contend that shareholders are its "main and important" stakeholders. This is because, given that every business seeks to maximize the wealth of its shareholders, their infused financial and non-financial resources allow the firm to fulfill its objectives and reach its goals. But according to CSR, businesses must fulfill their obligations to stakeholders other than their shareholders (Goel & Ramanathan, 2014). They have therefore been able to strike a balance between the objectives of shareholders and the demands of other stakeholders (Gill, 2008). Therefore, via corporate social responsibility, businesses may reach or beyond what stakeholders identify as desirable corporate behaviors (Maignan & Ferrell, 2004). By doing this, businesses are developing complex connections with their stakeholders (Bakos, 2014). Because these stakeholders are different, the interactions that are formed are complex. They may be internal or market-related stakeholders, and the

business must address any problems that impact them, either directly or indirectly (Karagiorgos, 2010). Ultimately, we can all agree that corporate social responsibility (CSR) attempts to manage the connection between business and society (Pedersen, 2006), which is formed by the company's commitment to social issue solving (Ismail, 2009). Fundamentally, the public and business communities are the primary focus of corporate social responsibility (CSR) (Forte, 2013).
It has been stated that the idea of corporate social responsibility (CSR) is motivated by the idea that wealth is mainly intended for social welfare (Dari, 2012). This is consistent with the idea that CSR is about sacrificing the company's profits for the societal interest (Bénabou & Tirole, 2010). As was previously noted, corporate social responsibility (CSR) is based on the idea that society wants businesses to take accountability for how their activities affect the community and its surroundings (Ismail, 2009). According to Lantos (2001), CSR is felt when the detrimental consequences of an organization's activities on a certain society are reduced. This is equivalent to stating that the fundamental idea of corporate social responsibility (CSR) is to maximize and promote the beneficial effects of well-run business operations and procedures on society (Samy, Odemilin, & Bampton, 2010; Lantos, 2001; Bakos, 2014). We may argue that other stakeholders originate from society. Customers, suppliers, investors, workers and their families, and the local community in which the specific business may operate may all be seen from it. These people have a variety of immediate and long-term requirements and desires (Lantos, 2001). According to literature, the government is unable to satisfy every need and desire of a given society. This presents a chance for corporate social responsibility (CSR), in which a "responsible" company satisfies the needs and desires of society even though the expectations of the firm's responsibility to all stakeholders differ (Samy, Odemilin, & Bampton, 2010). This goes beyond the company's adherence to the law, which is why the choice to freely address social issues is seen as one of the elements or facets of CSR. This might be in the form of corporate philanthropy or charity donations, which are mostly philanthropy. However, corporate philanthropy is not the same as CSR; rather, corporate philanthropy may be seen within CSR. Since corporate philanthropy is a component of corporate social responsibility (CSR), its absence cannot be considered a sign of social irresponsibility (Kincaid, 2012; Adeyeye, 2011; Bahadur & Waqqas, 2013). This is due to the fact that corporate social irresponsibility includes actions that go against societal norms (Kotchen & Moon, 2012).

The idea that corporate social responsibility is just another commercial strategy is disputed in the literature. There have also been debates on whether or not corporate social responsibility (CSR) should be a part of a business strategy. CSR is thought of as a win-win or integrated business approach. This is because CSR may be utilized to generate profit and value for investors in addition to being linked to the company's purpose and competences (Bakos, 2014; Kiran & Sharma, 2011). This is due to the fact that CSR has been employed to achieve a balance between morality and profitability (Mozes, Josman, & Yaniv, 2011). Businesses think that moral and socially responsible practices characterize corporate social responsibility (Ismail, 2009). To achieve a well-structured corporate social responsibility, however, social, health, economic, and environmental/ecological factors are incorporated into corporate strategies and governance structure (Jones, Wynn, Comfort, & Hillier, 2007; Bahadur & Waqqas, 2013; Aldama, Amar, & Trostianki, 2009; Hossain, Siwar, Jani, & Bhuiyan, 2013; Goel & Ramanathan, 2014; Dari, 2012). The purpose of the integration is to expedite the company's voluntary contacts with stakeholders (Sharma & Kiran, 2013). For this reason, developing CSR initiatives is strategically linked to social and economic implications (Filho, Wanderley, Gómez, & Farache, 2010). We might get the conclusion that corporate social responsibility is defined by a number of actions. All of them, however, aim to achieve the welfare of stakeholders. According to Ismail (2009) and Bénabou & Tirole (2010), they include cooperation with and respect for local communities, employee and investor friendliness, consumer friendliness, ethical practices, environmental protection, and socially conscious investing. These activities alter and continue to adapt to environmental changes. These shifts are caused by a number of variables, such as public expectations and pressure from the political, social, cultural, and economic spheres (Bakos, 2014).

Motives behind Corporate Social Responsibility

As we have already seen, corporate social responsibility is a strategy that intends to attain something. Companies have a variety of underlying factors that influence their engagement in corporate social responsibility. These are the ones regarded in this paper as motives behind corporate social responsibility. We all agree that the fundamental objective of any company is to serve the society by providing quality and safe products and services at the same time preserving the

environment in which it operates (Visser, 2010). As we have already argued earlier, the business ought to consider its stakeholders who are affected in one way or another by its existence(Lantos, 2001) because it is difficult to exist without inflicting harm on others (Kincaid, 2012). In this context, we argue that CSR seems to be in the long-term self-interest of business (Cavico & Mujtaba, 2012). The interest of business is mainly to maximize shareholders' wealth. However, through CSR, companies are able to balance the shareholders' goals with the need to reduce externality that impacts on other stakeholders (Gill, 2008). These stakeholders such as government and civil society collaborate with business and create a win-win situation amongst them (Ismail, 2009). It is also believed that this relationship holds water when the government fails to meet the growing needs of its people and as a result, benefits from the support provided by the firms through CSR (Khan, Khan, Ahmed, & Ali, 2012).

The business world is still witnessing some companies that equate CSR with donations or philanthropic activities (Sharma, Sharma, & Devi, 2009). To them, benefiting the society regardless of its impact on the bottom line is proper. This practice is what is referred to by Lantos (2001) as altruistic or humanitarian CSR. This kind of CSR is not driven by publicity (genuine philanthropy) and it conflicts with CSR practices (Lantos, 2001). In this context, we can agree that the "real" CSR practices intend to benefit all parties (business and society). This is because, maximizing profit only is no longer the only objective of business rather it is profit sharing (Sharma & Kiran, 2012). This objective seems to be well understood by the society. The society has high expectation from the business and the sheer pressure it exerts on business is the one triggering corporate social responsibility (Kincaid, 2012). Therefore, in this case, CSR becomes mandatory due to the fact that both the tangible and intangible resources the business expects to exploit are mainly controlled by individuals from the particular society (Ismail, 2009). However, some benefits enjoyed by the society from CSR initiatives are received at a great cost by the particular society (Tuodolo, 2009). A mining company for example, may help the surrounding communities with tap water while its operations are causing irreparable environmental degradation to the same communities.

Since corporate social responsibility is a strategy, firms use it to concurrently fulfil the needs of its stakeholders and attract profit (Carroll & Shabana, 2010). By using CSR to build a strong relationship with its stakeholders, the firm is automatically improving its competitiveness (Battaglia, Testa, Bianchi, Iraldo, & Frey, 2014). Competitiveness can be a blend of various ingredients such as increased profit and revenue, competitive advantage and market share. What motivates many companies nowadays to adopt CSR is the need to increase the market share and promote its activities to prospective customers (Karagiorgos, 2010). This compels CEOs to consider CSR as an important tool to achieve success (Galbreath, 2009). That is why the most profitable companies are more sensitive to CSR issues (Battaglia, Testa, Bianchi, Iraldo, & Frey, 2014). To them, CSR initiatives reward. Orlitzky, Schmidt, & Rynes(2003) point out that companies that actively implement CSR are rewarded by the market and this makes them continue practising CSR due to the fact that it increases their financial performance. This motive (creating a win-win situation) of attaining profit at the same time fulfilling the needs of its stakeholders, is what is referred to by Lantos (2001) as strategic CSR. Unlike humanitarian CSR, strategic CSR is practised by most business organizations and it helps firms achieve their financial obligations(Lantos, 2001). We find that a firm needs support from its stakeholders in order to derive its success. This support cannot be established unless there is greater emphasis on building strong firm-stakeholder relationship. We find that firms have realized this and use CSR to strengthen their relationships with stakeholders to increase customer loyalty, access qualified human resources and reduce employee turnover. By doing so, CSR will help firms to yield a return on investment and create competitive advantage. Ultimately, this will be the motive behind strategic CSR (Carroll & Shabana, 2010; Lantos, 2001).

Business organizations are very sensitive of costs and risks. Developing effective and efficient production models, managing unexpected events and other risks is one of their top agenda. Businesses are likely to adopt any strategy that will concurrently help them reduce costs and risks and attain their profit goals. Therefore, CSR can help firms avoid strict government regulations and higher taxes as a result costs are lowered (Carroll & Shabana, 2010; Cavico & Mujtaba, 2012). As we have already seen, without CSR, firms find it difficult to establish a strong relationship with their stakeholders and subsequently unable to outweigh the risk of opposition (Carroll & Shabana, 2010). The need to reduce opposition is one of the reasons that propel firms to adopt CSR. However, it is pointed out that profit and tax goals go hand in hand with consumer satisfaction and benefiting the society (Sharma & Kiran, 2013). There is a rising trend which depicts that community members are interested in the products of responsible companies (Hossain, Siwar, Jani, &

Bhuiyan, 2013). The situation is the same to prospective investors and customers who are attracted by business organizations that adopt CSR initiatives (Battaglia, Testa, Bianchi, Iraldo, & Frey, 2014). We argue that most firms' CSR initiatives are to a great extent, driven by business motives. This claim can also be supported by most firms' intention to attain a win-win situation whereby the firm shows an ability to meet its stakeholders' needs and at the same time operate profitably (Carroll & Shabana, 2010). However, some public pressure might come when firms are financially constrained but forced to adopt CSR initiatives such as corporate greening which require a significant cash outflow and ultimately diminish their profitability (Karagiorgos, 2010).

Firms need publicity to expand their operations. They also need to create reputation and image. Brønn & Vrioni(2001) argue that the brand image that is the result of care and compassion to society is a rewarding strategy. This strategy will help the particular firm to be positively perceived and endorsed by the community members. It will also help the firm to differentiate itself from its rivals (Carroll & Shabana, 2010). In this way, most firms will be adopting CSR initiatives to brand themselves. Hence, they will be using whatever means to acquire good public image and reputation. In their bid to achieve this, they may use several ways to attain reputation. These include published CSR reports (Bebbington, Larrinaga, & Moneva, 2008). Another way is striving to be seen as an environmentally friendly company (Nwete, 2007) or charitable organization (philanthropic CSR) that will ultimately be used as a marketing tool to establish image (Lantos, 2001). This is because in most cases, CSR is connected to public relations and regarded as a preference changing tool (Kitzmueller & Shimshack, 2012). However, not all firms that want to be associated with CSR practices implement what they preach (Nwete, 2007). Others for example, may be fulfilling their obligations from the government's pressure (Khan, Khan, Ahmed, & Ali, 2012).But a "true" CSR should portray strong commitment to social obligations (Sharma, Sharma, & Devi, 2009) and that is why Lantos(2001) argues that a firm should go beyond economic and legal duties and benefit the society even if it does not receive any benefit. By doing so, it will be practicing ethical CSR (Lantos, 2001).

Forms of Corporate Social Responsibility

Corporate social responsibility has mostly taken many various shapes. This has essentially relied on the kind of contributions a company has been making to its stakeholders. Numerous businesses focus on public health, education, and environmental challenges (Sharma & Kiran, 2013), including waste, energy, and water and raw material use (Jones, Wynn, Comfort, & Hillier, 2007). Battaglia, Testa, Bianchi, Iraldo, and Frey (2014) define environment-related CSR as the majority of businesses' efforts to assist their stakeholders in living in environmentally friendly communities. Additionally, we contend that other issues like health and education are also focused on helping the company's stakeholders. For instance, in order to establish a solid rapport with all parties directly and indirectly impacted by its presence, the company may choose to focus on employee training, their health, and the construction of both schools and health facilities. CSR might be considered a stakeholder duty in this perspective (Maignan & Ferrell, 2004). This is due to the fact that corporate social responsibility (CSR) establishes a social compact between society and business (Kakabadse, Rozuel, & Lee-Davies, 2005) after accounting for the cultural, social, and environmental aspects of the company and the society in which it works (Souto, 2009). Ethical marketing and commerce, including advertising, customer and supplier interactions, and the ethical processing and delivery of products and services, might be additional areas of concern. According to Battaglia, Testa, Bianchi, Iraldo, & Frey (2014) and Jones, Wynn, Comfort, & Hillier (2007), this is categorized as marketplace CSR. However, we can also have workplace CSR, which outlines the company's efforts to promote employee well-being, and community-related CSR, which aims to strengthen ties between the company, communities, and its constituents (Battaglia, Testa, Bianchi, Iraldo, & Frey, 2014).

CSR may also be classified according to a company's social obligations. Friedman's (1962) and Friedman's (1970) opinions that the only CSR activity is profit maximization in a lawful manner have been extensively discussed by academics. Friedman (1970) still emphasizes that corporations shouldn't donate their owners' funds to charitable causes. The opinions seem reasonable, particularly since the company's objective is still to maximize the wealth of its owners. But as we've previously seen, increasing shareholder value relies on a variety of things, including how the company interacts with its stakeholders, which sometimes goes beyond the company's objective. Although they seem to be "inadequate" in comparison to Carroll's (1991) four responsibilities—economic, legal, ethical, and philanthropic—Carroll's (1979) and Maignan & Ferrell's (2004) social obligations—economic, legal, and philanthropic—stretch the boundaries of corporate social responsibility. The other three duties, however, rely on financial responsibilities (Carroll,

1991). We contend that this is because, for example, charity cannot be supplied until the company has committed its resources to doing so. The profit it generates is the primary source of these resources, including financial ones. The firm's duty to maximize profit is defined by economic responsibility (Khan, Khan, Ahmed, & Ali, 2012; Carroll, 1979). This may be accomplished by providing consumers with high-quality, secure, and fulfilling goods and earning a fair return on investors' capital (Lantos, 2001). One of the company's stakeholders is its shareholders. We discover that the quantity of resources that shareholders entrust to the company defines the relationship between the company and its shareholders. As a result, the company should be in charge of all activities involving the cash committed by shareholders. Shareholders must ultimately profit from the resources they have invested. The company benefits from the equitable return on the investment made by the shareholders. This is equivalent to establishing a win-win scenario that permits the share value to rise while assisting the company in obtaining a return on the investment of its shareholders. Another example of a win-win scenario is when a business manufactures and supplies high-quality goods that clients need. By doing this, the company may draw in a large number of new clients, growing its market share while also pleasing (benefiting) existing clientele. In this regard, we contend that any company that applies Lantos's (2001) strategic CSR may fulfill its economic obligation.

Research in social science and business has also focused on the legal obligation. Compliance with rules and regulations is what Khan, Khan, Ahmed, and Ali (2012) call it. These might include applicable international, national, and municipal rules and regulations (Carroll, 1979). If we broaden Friedman's (1962) and Friedman's (1970) perspectives that the sole CSR is maximizing profit in a legal manner, we see that legal responsibility supports economic responsibility in addition to assisting the company in adhering to the rules of the game (Lantos, 2001). consumers may see a foreign business as a "responsible and caring company" if it complies with local rules about providing "instructions to use" in a local language. As a result, the business may gain the loyalty of its consumers. Increased market share and profit might result from this client loyalty. It is difficult to determine if a company's compliance with rules and regulations is "genuine," as noted by Lantos (2001). This is due to the possibility that a legal obligation may sometimes be carried out against one's will, especially when businesses want to avoid penalty. The ethical obligation overcomes these constraints (Lantos, 2001). These moral obligations go above and beyond the law to act justly and equitably (Khan, Khan, Ahmed, & Ali, 2012; Lantos, 2001; Carroll, 1979). Self-interest is often what drives businesses (Maignan & Ferrell, 2004). This is due to the fact that these obligations are not always outlined in the law (Kakabadse, Rozuel, & Lee-Davies, 2005; Carroll, 1979). Lantos (2001) refers to them as ethical CSR, and they stem from moral customs, religious beliefs, and human rights and principles as established by a particular society. People who were brought up with distinct ethical and social beliefs run businesses. As a result, society expects these CEOs to behave morally. In this sense, they are likely to develop into moral agents and, as a result, make their enterprises ethical.

Carroll's (1979) discretionary or altruistic obligation has been the subject of much discussion. This obligation goes against Friedman's (1970) belief that businesses shouldn't donate the funds of their shareholders to charitable causes. According to Khan, Khan, Ahmed, and Ali (2012), philanthropic responsibility, also known as Lantos's (2001) humanitarian or altruistic CSR, is the act of providing a volunteer service to society utilizing the company's resources, such as time and money. This is because the company's existence was both directly and indirectly "made possible" by the specific society, and as a token of gratitude, it should "give back" what it "took" from the society (Kakabadse, Rozuel, & Lee-Davies, 2005). Humanitarian corporate social responsibility (CSR) maintains that businesses should assist or benefit society whether or not the benefited society members have a direct impact on the business, even though, for instance, we can find customers who purchase and consume the company's products or suppliers whose materials are consumed by the company and therefore "deserve a payback." This is what Lantos (2001) calls "genuine philanthropy," which is an improper kind of corporate social responsibility. Due to this image, big businesses now include philanthropic duty within their vision and objectives in order to reap advantages (Bakos, 2014). But we contend that these companies will not be engaging in "genuine philanthropy" if they do this. They're going to switch to strategic CSR.

Usefulness of Corporate Social Responsibility

As we have already noticed, the demand for CSR has increased drastically in recent years. This is because, business organizations are expected to actively develop and implement CSR initiatives (Mark-Herbert & Schantz, 2007). This expectation comes from various stakeholders such as customers, suppliers, employees, employers, civil societies,

governments, and the society at large(Dari, 2012; Mark-Herbert & Schantz, 2007). That is why relations with stakeholders are of paramount importance in implementing CSR initiatives (Battaglia, Testa, Bianchi, Iraldo, & Frey, 2014). At the end, a well CSR practising company not only becomes a suitable employer, but also retains the best employees (Souto, 2009; Sharma, Sharma, & Devi, 2009). For example, some of the best UK retailers believed that there was a relationship between caring their employees and success (Jones, Wynn, Comfort, & Hillier, 2007). Therefore, many companies that satisfy employees' different needs are in most cases perceived as ethical entities (Bauman & Skitka, 2012) perhaps by their employees who want to be associated with socially responsible firms whose values match with theirs (Lynon & Maxwell, 2008). Basically, the company's CSR initiatives do not only benefit the company and its members but also its effects go beyond the corporate structure and therefore enable other community members satisfy their demands (Aldama, Amar, & Trostianki, 2009; Carroll & Shabana, 2010).

Many companies around the world strive to acquire a positive image and reputation in the eyes of the public. Literature confirms that companies that implement CSR practices enhance their image and reputation (Sharma, Sharma, & Devi, 2009; Kiran & Sharma, 2011; Cavico & Mujtaba, 2012; Ali, 2011; Forte, 2013; Masuku & Moyo, 2013; Souto, 2009; Hossain, Siwar, Jani, & Bhuiyan, 2013; Carroll & Shabana, 2010; Sharma & Kiran, 2013). The image or reputation for example, has been used to attract customers, best employees and shareholders, reduce interventions from the shareholders and government authorities (Cavico & Mujtaba, 2012; Ali, 2011; Forte, 2013; Kiran & Sharma, 2011; Ismail, 2009). Therefore, we can argue that reputation has long-term effects on the firm. That is why managers who are familiar with long-term reputation concerns do consider the needs of their company stakeholders in CSR decision making (Orlitzky, Siegel, & Waldman, 2011).

As we have already introduced, customers form one of the key company stakeholders. Literature confirms that corporate social responsibility practices lead to customer satisfaction (Sharma & Kiran, 2013; Alafi & Al sufy, 2012) and loyalty (Sharma, Sharma, & Devi, 2009; Kitzmueller & Shimshack, 2012). Customer satisfaction is central to the link between CSR and firm market value (Luo & Bhattacharya, 2006) particularly when there is high customer awareness (Servaes & Tamayo, 2013). This might be due to the fact that CSR pressurises purchase intentions and business attraction (Ali, 2011; Battaglia, Testa, Bianchi, Iraldo, & Frey, 2014). We argue that customer satisfaction and loyalty can lead to an increased market share. This is why CSR influences market share (Karagiorgos, 2010; Battaglia, Testa, Bianchi, Iraldo, & Frey, 2014; Kiran & Sharma, 2011).

CSR can help the firm create competitive advantage (Carroll & Shabana, 2010; Janney & Gove, 2011; Khan, Khan, Ahmed, & Ali, 2012; Battaglia, Testa, Bianchi, Iraldo, & Frey, 2014). This competitive advantage can be explained by the extent to which the firm interacts with its stakeholders such as customers whose decisions are subsequently influenced in the firm's favour (Carroll & Shabana, 2010; Battaglia, Testa, Bianchi, Iraldo, & Frey, 2014). Competitive advantage leads to firm performance. The resultant success can be in terms of innovation and intangible performance (Galbreath, 2009; Khan, Khan, Ahmed, & Ali, 2012; Battaglia, Testa, Bianchi, Iraldo, & Frey, 2014).

Business leaders believe that CSR brings a lot of opportunities to the firm particularly when CSR is aligned with business strategy (Carlisle & Faulkner, 2004). We also argue that the inclusion of CSR into corporate strategies drives the firm's performance. Bakos(2014) argues that CSR that is linked with corporate strategies leads to increased financial returns. But the returns are mainly long-term (Orlitzky, Siegel, & Waldman, 2011; Forte, 2013). This is because creating a strong stakeholder relationship that fosters the firm's competitive advantage, customer loyalty and subsequently image, reputation and trust through CSR is not an overnight process. This process ultimately leads to the firm's increased revenue and enjoyable profit (Kiran & Sharma, 2011; Hossain, Siwar, Jani, & Bhuiyan, 2013). Therefore, from the foregoing it is evidenced that CSR leads to improved financial performance (Sharma, Sharma, & Devi, 2009; Burianová & Paulík, 2014; Alafi & Al sufy, 2012; Sharma & Kiran, 2013). This has made competitive firms to be sensitive with CSR issues (Battaglia, Testa, Bianchi, Iraldo, & Frey, 2014).

Apart from the financial returns instituted by CSR, costs and risks are also minimized (Carroll & Shabana, 2010; Kiran & Sharma, 2011; Forte, 2013). For example, reduced costs can be in terms of tax saving (Sharma & Kiran, 2013) while risks can be minimized through reputation and firm-stakeholder relationship (Kiran & Sharma, 2011). CSR also helps firms reduce government regulations (Forte, 2013). We also find that there is a strong relationship between CSR practices and attracted investors, shareholders and business partners (Sharma, Sharma, & Devi, 2009; Cavico & Mujtaba, 2012; Kiran & Sharma, 2011; Carroll & Shabana, 2010; Battaglia, Testa, Bianchi, Iraldo, & Frey, 2014). Basically, CSR brings

a lot of benefits to the society and this strengthens the relationship between the firm and the society (Masuku & Moyo, 2013). Through this community relationship, any harm or injury to the society cannot be recorded (Lantos, 2001).As a result, companies will be able to realize different business outcomes (Sharma & Kiran, 2013) and at the same time creating both credible public relations and a desirable community (Shah & Chen, 2010; Forte, 2013).

Challenges in Implementing Corporate Social Responsibility

Implementing CSR projects is a multi-stakeholder approach. Therefore, in order to realize successful and sustainable CSR, corporations may partner with other companies, the government, community members and the society at large (Ismail, 2009). In most cases, the aim of creating successful CSR is, at the end, to see a well-served community. Hence, it is noteworthy to say that companies have been positively treated by the societies they serve. However, there is no clear path that is used to measure success or performance derived from CSR implementation (Nwete, 2007). It is also difficult to understand the type of social issues that when met will attract benefits to the firm (Galbreath, 2009). This is because company stakeholders have different needs and they do not engage themselves in issues that do not affect them (Carrigan & Attalla, 2001). We agree with Lantos's(2001) notion that the firm needs to achieve its performance by balancing the economic, social and ethical concerns. However, the challenge to allocate resources will remain (Cavico & Mujtaba, 2012).This is because, there will be still some nagging questions such as: to what extent have the company's financial resources been directed to social and ethical concerns influenced the company's economic performance? Therefore, measuring performance of or benefits to both the firm and the society is challenging.

Apart from the challenge of measuring success and performance, corporations face difficulties in understanding and allocating skills needed to pursue CSR practices. This is because there are no any precise competencies needed to carryout CSR initiatives (Ismail, 2009). The reason is that social needs differ from one community to another. For example, a telecommunication company that wants to implement CSR projects in health, education, and environmental concerns, will face difficulties in acquiring and allocating pertinent skills. Hence, planning for the required skills, duties and responsibilities, policies and strategies involved might be long and this process might bring huge costs to the firm (Souto, 2009). It should be noted that not all companies such as Small and Medium Enterprises (SMEs) can meet these costs. That is why most SMEs' managers do not design and implement CSR projects due to high initial costs involved (Hossain, Siwar, Jani, & Bhuiyan, 2013).On the contrary, such huge costs can only be met by corporations with excess resources (Pedersen, 2006).

The other challenge facing the implementation of CSR lies in the arguments that when firms design and implement CSR, their initiatives conflict with business purposes such as profit motive and maximization of shareholders' wealth (Lantos, 2001). The assumption is that shareholders have injected their funds into the business and are expecting return out of them. Therefore, their money should be directed to economic activities that will subsequently increase the value of their shares. Hence, the notion that business organizations are not philanthropic institutions (Bantekas, 2004) can influence managers to consider CSR as a liability. Although, some managers believe that the image and reputation created by CSR practices will outweigh the costs associated with CSR due to the fact that long-term profit will be realized (Dari, 2012), arguments raised by Cavico & Mujtaba(2012) that business organizations may face challenges to successful implement CSR at the expense of the shareholders still hold water. That is why some of the investors are not interested in firms that engage themselves in charitable activities believing that those initiatives have no direct impact on their entrusted funds particularly in competitive market system (Cavico & Mujtaba, 2012; Saleh, Zulkifli, & Muhamad, 2010). This confirms that creating a social responsible business organization may increase costs and reduce profit (Cavico & Mujtaba, 2012). This is the reason why fear of reducing profit and concentration on making the business survive has become a key obstacle in the adoption of CSR practices amongst many business organizations (Ghasemi & Nejati, 2013).

Integrating CSR into a corporate strategy has become a challenge. Some companies face difficulties in positioning CSR into the organization structure. The challenge is to design the duties and responsibilities of CSR officers, their department and how this should be linked with other departments in order to feel its presence in the corporate strategy (Aldama, Amar, & Trostianki, 2009). Again, many managers are not aware of their involvement in CSR issues. They do not know their boundaries and to what extent are their respective departments involved in CSR issues (Ismail, 2009). In most cases they face difficulties in defining ethical business behaviours or what their organizational social responsibilities entail. Far from doing these, most of them are likely to come up with their own specific definitions of morality (Maignan &

Ferrell, 2004). This has mainly been resulted into conflicts of responsibilities these managers face. For example, managers have the duties and responsibilities of making their employees feel that they work with a responsible corporation. This is one of CSR initiatives. However, when these employees perform poorly, it is the same managers who should punish them and sometimes terminate them. In contrast, a manager who dodges his/her responsibilities of punishing these employees is not practising Lantos's (2001) ethical CSR.

There are some managers who believe that CSR has no any impact on the survival of their organizations. This perception is itself a challenge in CSR implementation. They do not anticipate any economic gain or long-term benefit derived from CSR (Bakos, 2014; Razafindrambinina & Sabran, 2014). Perhaps this is due to complexities involved in measuring the financial returns related to CSR implementation. However, they also do not see CSR improving the wellbeing of employees, ethical compliance, and regulatory decisions (Razafindrambinina & Sabran, 2014). Although, by omitting CSR practices in their organizations can lead to reduced market share, profit and competitive advantage, these managers seem to be blind of these effects (Bakos, 2014). However, it should be noted that CSR can be a source of both poor profit and poor customer satisfaction if practised by less innovative corporations (Luo & Bhattacharya, 2006).

Best Practices for Successful Corporate Social Responsibility

Business organizations can have several options that will make effective CSR implementation. One way is to address the strategy issue. Corporations ought to integrate CSR functions into a corporate culture and system. CSR functions should be defined and clearly understood by all members of an organization. CSR officials should be given authority and ability to link their CSR practices with other departments to create change and benefits to the business and the society(Aldama, Amar, & Trostianki, 2009; Sharma, Sharma, & Devi, 2009). The benefits seen will outweigh the belief that engaging in CSR initiatives is diluting business purpose. This will help managers understand that CSR should be regarded as a strategy that can create a gainful link between the company and its stakeholders particularly in the current competitive business environment (Luo & Bhattacharya, 2006). This strategy therefore should be given proper attention by appropriate organizational levels including the top-level management (Aldama, Amar, & Trostianki, 2009).

We have realized that diverse skills are needed in CSR implementation. However, in order to be successful, innovation and possibly new styles in CSR implementation is needed (Sharma & Kiran, 2013). Successful CSR is the result of engaging the right people in CSR projects (Sharma, Sharma, & Devi, 2009). These could for example, include community members who could possibly be trained and become the right CSR partners in particular projects. Other community members such as physicians may be used by business organizations to implement health projects, or water engineers implementing water projects or environmentalists working in corporate greening campaigns to mention a few. However, these initiatives can well be executed if all employees are engaged in CSR practices. They need to be motivated and see how important CSR is (Cavico & Mujtaba, 2012).

The complexities in measuring the effectiveness of the link between CSR practices and organizational performance need to be addressed. The corporate social responsibilities should be harmonized and linked to stakeholders' needs (Dari, 2012). This means that CSR initiatives should be linked with firm's business (Cavico & Mujtaba, 2012) so that they can be a source of positive results to the society but at the same time creating the firm's competitive advantage (Filho, Wanderley, Gómez, & Farache, 2010). Although corporations are advised to find out the CSR practices that are beneficial or not beneficial to the organization (Bénabou & Tirole, 2010),defining what is beneficial or not beneficial to the organization is very challenging particularly in the contemporary business world where survival of the firm depends on both internal and external environments. This is because corporations cannot understand the needs of their stakeholders unless they respond to the changes in the internal and external environments (Pedersen, 2006). Their response will be determined by what makes them exist. Since there still exists a key question on knowing proper role of the business organization: whether economic or social or both (Lantos, 2001), we argue that organizations themselves should set their own performance standards based on how they define their existence.

The implementation costs associated with CSR practices differ. One of the factors that make such differences is the size of the CSR projects. Our assumption is that the higher the size of the CSR projects, the higher the costs. It is a fact that there are some CSR projects that consume millions of US dollars. We argue that the reason could be the prevailing perception about CSR initiatives that they need huge investment. This has led some business organizations to perceive CSR as an expensive strategy. However, CSR projects can be simple and demand less financial resources (Cavico &

Mujtaba, 2012). For example, employee involvement in city cleanliness needs a little amount of money than establishing heart surgery centre. For big projects, business organizations can involve community members who have particular expertise in various projects. This can well be received by their stakeholders and community members if the corporations considered what their stakeholders want or highly favour and value (Ferreira, Avila, & Faria, 2010). They can also decide to partner with institutions (both rival and non-rival) to execute projects that demand a lot of resources and hence reduce costs.

As we have already observed, CSR implementation is a multi-stakeholder process. This is because, at the end, the assumption is that the society and the company will benefit. The company itself cannot make CSR initiatives successful. Other stakeholders such as suppliers, shareholders, investors, customers, governments, employees and the society in general need to put their efforts in the implementation process. For example, they must join together to pressurize business organizations to change and become social responsible companies (Kiran & Sharma, 2011). These stakeholders can reward or punish corporations upon behaving socially responsible or socially irresponsible respectively (Brammer, Jackson, & Matten, 2012). One of the ways for customers and employees to reward the social responsible firm for example, is to increase their loyalty to the particular firm. The government can institute strict regulations against social irresponsible business organizations and reward them for instance, through tax benefits when they become socially responsible.

Conclusion

In addition to being vast, corporate social responsibility is a difficult field of study. The term's intricacy is caused by a number of variables. For instance, cultural connections, taboos, and religious beliefs have influenced the prevalent definition of corporate social responsibility (CSR) in several communities and businesses. The types of CSR initiatives are also making it more difficult to demonstrate CSR behaviors. A company that carries out community initiatives that are directly related to its objective, for instance, could not be considered a CSR practitioner. This is due to the fact that CSR behaviors are often referred to as "beyond the mission" behavior. In this sense, we do not anticipate an end to the discussion between, say, strategic CSR and true altruism. Since an organization is composed of individuals, we anticipate that its members will carry out a corporate plan. In terms of corporate social responsibility, however, the difficulties of "amalgamating" business and individual interests are well acknowledged. We recommend that further research be done to identify and address these problems. There is still space to build theories and models that will provide a good knowledge of the six topics that have been covered in this article, even if this paper gives an overview of the subject. This article serves as a vehicle for knowledge addition, policy formulation, and decision making in a variety of sectors rather than offering solutions to all the gaps, arguments, and problems raised by social responsibility research.

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