

Chapter 2

Corporate Social Responsibility in Organizations: A Global Perspective – Types, Advantages, and Disadvantages

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ABSTRACT

The European Commission 2011 defines social responsibility as the responsibility of companies for their impacts on society, so it is a complex concept that the authors will define, not only theoretically to give content to this activity but also practical to get to understand the advantages that can be used to use corporate social responsibility, not only at the image level but also at the economic level. Organizations can carry out different types of actions with social responsibility; stations with some advantages can even become a competitive advantage. But not all are advantages for companies when CRS policies are made; there are also disadvantages that must be known by marketing managers. In this chapter they will be developed. Finally, the conclusions of all the above will be presented.

INTRODUCTION

Companies have begun to introduce into their vocabulary the concepts of transparency, ethics, training, protection of human rights, financial and social inclusion or sustainability, even priorities within their corporate culture.

Also, having a positive impact on society, companies want to generate trust among both their employees and their clients, thus fostering a sense of belonging. It is demonstrated by the figures, according to Nielsen (2015), four out of ten consumers would be willing to pay more for products manufactured by companies with corporate social responsibility. The international report called: “Consumer versus Corporate Social Responsibility of Brands,” was carried out 2015, with the participation of more than

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30,000 consumers from 60 Asian countries Pacific, Europe, Latin America, Middle East, Africa, and North America, which have had a child in the last five years. It is Figure 1.

However, in addition to price and quality, for about one in three, it is also decisive when buying the brands' social commitments.

In particular, it takes into account aspects such as the company known for its social values (36%) and its commitment to its community (36%). The environmental factor is decisive for 35% of consumers because the brand is known for its commitment to the environment or its environmentally friendly packaging. (Nielsen, 2015). This practice is why organizations need to use socially responsible causes, as a profound change is taking place in society.

This chapter tries to define which is a CRS, types, factors to consider, developing the objectives to be achieved by the organizations, as well as the models used by them. Also, the use of corporate social responsibility has advantages and disadvantages for those who use them, and in the end, conclusions will be drawn from the above.

CORPORATE SOCIAL RESPONSIBILITY

This section will develop the evolution and the corporate social responsibility concept, as well as the impact that this tool has had in the marketing world.

Evolution and Concept of CRS

Evolution

For Chaffee (2017), the origins of the social part in company behavior will be derived back to the traditional Roman Laws. It might have seen in entities like asylums, homes for the poor and previous, hospitals, and orphanages. "Modern corporate law largely grew out of English law governing universities, municipalities, and religious institutions during the Middle Ages" (Chaffee, 2017, p. 352). Later, it distended into the sixteenth and seventeenth centuries with the influence of the English Crown, which saw companies as Associate in Nursing instrument for social development (Chaffee 2017).

During the late 1800's and early 1900s, the creation of welfare schemes took a paternal approach geared toward protective and retentive workers, and a few corporations even looked into up their quality of life (Carroll, 2008; Heald, 1970).

In the years 1920's and early 1930's, business managers began with the social seeking a balance between their benefits and service to the community, maintaining equilibrium with the strain of their purchasers, their labor, and the community (Carroll, 2008). This semiconductor diode to managers viewed as trustees for the various sets of external relations with the corporation, that successively translated into social and economic responsibilities adopted by companies (Carroll, 2008; Heald, 1970).

According to the organization Joined Hands (2016)¹, CSR emerged in the United States in the late 1950s and early 1960s, following the Vietnam War and other world conflicts, such as apartheid. It is of interest to citizens who are beginning to believe that, through their work, companies by purchasing certain products, are collaborating with the maintenance of specific political regimes or with politically or economically questionable practices.

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