

## CORPORATE SOCIAL RESPONSIBILITY (CSR): CONCEPT OF THE RESPONSIBILITY OF THE CORPORATIONS

Warsani Purnama Sari<sup>1</sup>, Ni Made Dwi Ratnadi<sup>2</sup>, E. Laxmi Lydia<sup>3</sup>, K. Shankar<sup>4</sup>, Wiflihani<sup>5</sup>

<sup>1</sup>Economic and Business Faculty, Universitas Medan Area, Medan, Indonesia. E-mail: [warsani@staff.uma.ac.id](mailto:warsani@staff.uma.ac.id)

<sup>2</sup>Economic and Business Faculty, Universitas Udayana, Bali, Indonesia.

<sup>3</sup>Professor, Vignan's Institute of Information Technology(A), Department of Computer Science and Engineering, Visakhapatnam, Andhra Pradesh, India. E-mail: [elaxmi2002@yahoo.com](mailto:elaxmi2002@yahoo.com)

<sup>4</sup>Department of Computer Applications, Alagappa University, India. E-mail: [shankarcrypto@gmail.com](mailto:shankarcrypto@gmail.com)

<sup>5</sup>Universitas Negeri Medan, Medan, Indonesia. E-mail: [wiflihani@unimed.ac.id](mailto:wiflihani@unimed.ac.id)

Received: 12.11.2019

Revised: 10.12.2019

Accepted: 09.01.2020

### Abstract

A self-regulating business model that is use to help public, a company be socially accountable—to itself and its stakeholders is known as Corporate social responsibility (CSR). By rehearsing corporate social duty, additionally called corporate citizenship, organizations can be aware of the sort of effect they are having on all parts of society, adding environmental, economic, and social. To take part in corporate social responsibility implies that, in the standard course of business, an organization is working in manners that improve society and the earth, rather than contributing adversely to them.

**Keywords-** self-regulating; buiness; CSR; corporate citizenship.

© 2019 by Advance Scientific Research. This is an open-access article under the CC BY license (<http://creativecommons.org/licenses/by/4.0/>)  
DOI: <http://dx.doi.org/10.31838/jcr.07.01.43>

### Introduction

It can say that CSR (Corporate social responsibility) is a kind of global private business self-guideline that intends to add to cultural objectives of a generous, extremist, or magnanimous nature or by participate in or support volunteering or morally situated practices. While once it was conceivable to portray CSR as an inner authoritative approach or a corporate ethic technique, that time has gone as different universal laws have been created and different associations

have utilized their power to push it past individual or even industry-wide activities. While it has been viewed as a type of corporate self-guideline for quite a while, in the course of the most recent decade or so it has moved significantly from intentional choices at the degree of individual associations, to obligatory plans at provincial, national and global levels.



Figure 1: Corporate Social Responsibility

### CORPORATE SOCIAL RESPONSIBILITY EXAMPLE

In 1992 IPO (first sale of stock), Starbucks was known for its sharp feeling of corporate social obligation, and promise to manageability and network welfare. As indicated by the organization, Starbucks has accomplished a significant number of its CSR achievements since it opened its entryways. According to its 2018 "Worldwide Social Impact Report," these achievements incorporate "arriving at 99% of morally sourced espresso, making a worldwide system of ranchers, spearheading green working all through its stores, contributing a great many long periods of network administration, and making an earth shattering school program for its accomplice/representatives."

Starbucks' objectives for 2020 and past incorporate enlisting 10,000 exiles crosswise over 75 nations, diminishing the natural effect of its cups, and connecting with its representatives in ecological authority.

Today there are numerous socially dependable organizations whose brands are known for their CSR programs.

### TYPES OF CORPORATE RESPONSIBILITY THAT BUSINESS CAN PRACTICE

Perceiving how significant socially capable endeavors are to their clients, representatives and partners, numerous organizations currently center around a couple of expansive CSR classifications:

1. Ethical labor practices: By treating representatives decently and morally, organizations can exhibit their social obligation. This is particularly valid for organizations that work in worldwide areas with work laws that vary from those in the United States.
2. Volunteering: Attending volunteer occasions says a ton regarding an organization's genuineness. By carrying out beneficial things without anticipating anything consequently,

organizations can express their anxiety for explicit issues and duty to specific associations.

3. Philanthropy: Businesses can rehearse social obligation by giving cash, items or administrations to social causes and not-for-profits. Bigger organizations will in general have a great deal of assets that can profit philanthropies and neighborhood network programs. It is ideal to counsel with these associations about their particular needs before giving.

4. Efforts of environment: One essential focal point of CSR is the earth. Organizations, paying little mind to measure, have huge carbon impressions. Any means they can take to decrease those impressions are viewed as useful for both the organization and society.



Figure 2: Types of corporate responsibility

**THE BENEFITS OF CSR TO BUSINESSES**

Both online business and physical organizations remain to profit by the usage of CSR procedures. A few exercises that fall under the umbrella of CSR, with their comparing benefits are as follows:

1. Social Concern: Donating to compassionate causes that battle tenacious destitution, help the casualties of pandemics like Ebola or AIDS, or help those uprooted by tropical storms or seismic tremors shows worry for issues that customers are increasingly more mindful of in our cutting edge, interconnected world.
2. Positive reputation maintenance: Demonstrated cognizance in an assortment of territories can gather attention and give a business unmistakable evidence of their lead, which can be gladly shown on an organization site
3. Community of Local: Involvement in neighborhood network ventures, either through budgetary gifts, worker cooperation, associating clients with venture pioneers, or advancement of the task through promoting and raising money improves your CSR qualifications with customers in the given area.

4. Financial ramifications Prevention: Compliance with the soul and stated aim of the law — both broadly and universally — through self-administrative procedures will avert fines, put business "low on controllers' radar screens," and lower legitimate costs.
5. Consciousness related to environment: Reducing waste, reusing, limiting carbon impression, and other best practices can. Utilizing or delivering just maintainable items, bringing down vitality use, and supporting ecological causes will help a business' "green notoriety" among naturally concerned customers.
6. Employee loyalty increment: Treating representatives decently and liberally is a part of corporate social obligation. By giving steady employments and empowering high expert and good guidelines, it increment representative unwaveringness, and by getting just those abroad items delivered at plants where laborers were dealt with morally, gain support among "Reasonable Trade" advocates.



Figure 3: Corporate social responsibilities benefits

**USAGES OF WEBSITE IN ONLINE BUSINESS TO ENGAGE CUSTOMERS IN CSR**

Online organizations can use and join the above strategies, yet there are extra digital chances to give back:

1. Allowing customers to pick a philanthropy that gets a bit of benefits. Numerous clients value their information being considered and are bound to return when they feel actually associated with the recipient of a magnanimous crusade.
2. Promoting extra social/helpful causes with show promotions on the site, blog substance, and internet based life posts.
3. Helping the earth through "site maintainability," which means bringing down the carbon impression of site pages by expelling screen mess, supplanting video cuts with slide appears and improving simplicity of route.

Selected CSR reports - reasons	Selected benefits of CSR reports
Ethical reasons	Local community support
Economic reasons	Reduction of resource usage, emission of pollutants, operational costs (eco-effectiveness), income increase
Brand reputation	Boosting appeal for investors, improvement in a company's standing and image
Innovativeness, learning	Stimulating constructive changes in management of environmental and social issues
Employee motivation	Employee education, building loyalty, boosting productivity
Management risk reduction	Strengthening of business relations, limiting business risk
Strengthening links with suppliers	Raising competitive advantage in the supply chain, increasing customer trust
Access to capital, increasing shareholder value	Building trust and credibility among key stakeholder groups
Market share, competitive position	Boosting competitive advantage

Table 1: Selected benefits of CSR

**CORPORATE SOCIAL RESPONSIBILITY CORE FOCUS**

CSR IS A TO SOME DEGREE INDISTINCT IDEA, AND THUS THERE ARE A FEW DIFFERENT WAYS OF UNDERSTANDING THE BASIC IDEA. A MODERATELY WELL KNOWN MODEL IS THE DUTY MODEL MAPPED OUT BY STEFANIE HISS. SHE ISOLATES CSR INTO THREE CENTER ZONES, WHICH ARE EACH NAMED BY THE IDEA OF THEIR WORK:

- The internal area of responsibility includes every single inward technique and procedures that don't arrive at the general population yet which are fundamental for the moral direction of the organization.
- The middle area of responsibility incorporates the entirety of the fields that are openly successful and directly affect the earth and society; however which are as yet typical pieces of the working procedure.
- The external area of responsibility is for all exercises that require activity; for example, if an organization turns out to be altruistically dynamic (for the most part monetarily) and hinders or adjusts its day by day work forms.

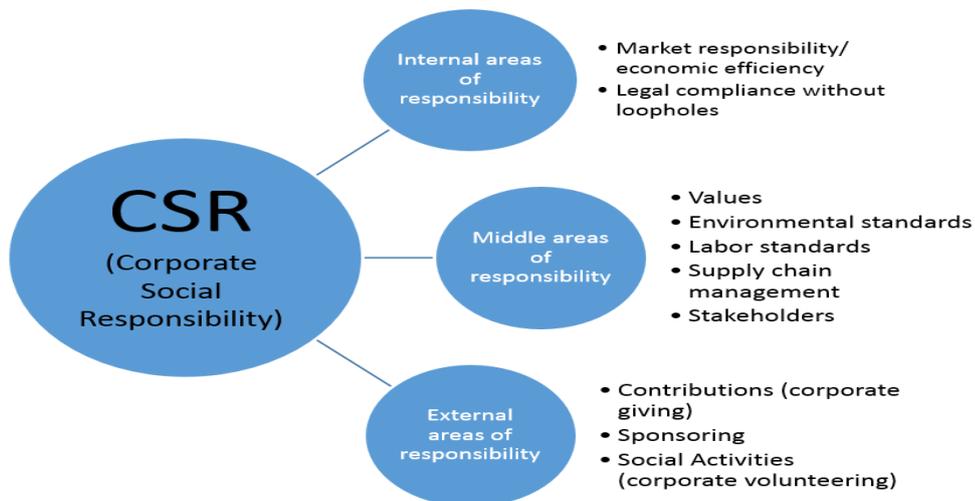


Figure 4: core focus of CSR

**Responsibility of internal area**

The internal area of responsibility incorporates every single inner procedure that influence the corporate technique itself. The interior zone of obligation is generally the duty of organization administrators and impacts significant choices, for example which colleagues are procured, one's very own duty to the market with respect to imposing business models, reasonable and sensible development arranging, and sound benefit.

**Responsibility of Middle area**

The middle area of responsibility incorporates each one of those activities of an organization whose impacts on nature and society can be estimated pretty much legitimately. This incorporates CO2 discharges and air contamination just as working conditions for representatives. This likewise incorporates mindful store network the board, since collaboration with ethically sketchy organizations at last supports their corporate arrangement.

**Role of Employees**

Organizations have an obligation to their employees to guarantee a wonderful workplace and, moreover, to make data adequately straightforward as far as vocation openings and pecking orders. This likewise incorporates the issue of reasonable installment and benefit sharing just as the impediment of the term of agreements.

**Debt and Equity capital providers**

Financial specialists have a reasonable intrigue in the accomplishment of the organization, yet in addition in reasonable participation. Most importantly, recorded organizations are undermined with significant harm if their dealings with colleagues and financial specialists are ethically sketchy or exploitative.

**Role of Clients**

Organizations that supply items ought not hoodwink their clients. Particularly on account of buyer merchandise, for example, nourishment, an organization has the duty to effectively advise the client about the arrangement and creation of the item. Knowing the beginning of the item and the crude materials utilized is likewise imperative to numerous clients. In the event that an organization presents itself to the outside world as ecologically neighborly, however utilizes eggs from confined generation or segments from naturally destructive creation plants in the assembling of an item, this can prompt the departure of an extensive client base.

**Role of Local Residents**

Organizations situated in urban areas or possibly in the prompt region of settlements likewise have a duty towards neighborhood inhabitants. The activity ought not negatively affect the personal satisfaction of the occupants. This applies, for instance, to commotion and natural contamination. In numerous nations, individuals still experience the ill effects of the unforgiving living conditions as enormous manufacturing plants disregard their social duty.

**Role of Governmental agencies**

Organizations must conform to the laws of the nations they work inside. This additionally incorporates smooth and fair collaboration with government associations such as, wellbeing and security divisions and wellbeing workplaces. Underway offices, the quality norms and guidelines indicated by the lawmaker must be seen through customary checks and overviews.

**Role of Media**

The responsibility of the "fourth bequest" incorporates the most complete conceivable announcing of complaints in organizations. The connection among writers and business is in this manner regularly two-sided: from one viewpoint, an organization needs to introduce itself just as conceivable, so the media can help develop a positive picture of them through their detailing. Then again, organizations that don't satisfy their corporate duties can rapidly endure harm to their picture if writers take a stand in opposition to it. Media delegates are subsequently not greet on some organization premises.

**Responsibility of external area**

As a major aspect of their corporate social obligation, numerous organizations focus on inside procedures, yet in addition accept social accountability outside their very own activities. The external area of

responsibility is frequently likened with the expression "corporate citizenship".

**POSITIVE IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY EXAMPLES**

At the point when organizations build up establishments, advance social undertakings, and take an interest in gathering pledges celebrations, CSR is seen. Notwithstanding, CSR should likewise be evaluated in connection to the size and extent of an organization. Organizations that work internationally however have their central station in a rich nation ought to likewise stretch out social commitment to the less fortunate nations where they produce their items.

The manners by which CSR can be satisfied are multifaceted: a little neighborhood organization, for instance, as of now acts in a socially mindful way when it is associated with a specific venture; a little budgetary infusion for the nearby city park can imply that CSR has been emphatically actualized similarly as effectively as the organization offering help with the occasion of a cataclysmic event.

**CONCLUSION**

A self-regulating business model that is use to help public, a company be socially accountable—to itself and its stakeholders is known as Corporate social responsibility (CSR). It can say that CSR (Corporate social responsibility) is a kind of global private business self-guideline that intends to add to cultural objectives of a generous, extremist, or magnanimous nature or by participate in or support volunteering or morally situated practices. CSR is a to some degree indistinct idea, and thus there are a few different ways of understanding the basic idea.

**REFERENCES**

- Williams, Cynthia A.; Ruth V. Aguilera (2008). "Corporate Social Responsibility, Responsibility in a Comparative Perspective".
- R.H. Gray, D.L.Owen & K.T.Maunders, Corporate Social Reporting: Accounting and accountability (Hemel Hempstead: Prentice Hall, 1987) p.
- PWC (2013). Handbook on Corporate Social Responsibility in India, Price Waterhouse Coopers Private Limited.
- MCA, 2014a, CSR Rules, 2014, Ministry of Corporate Affairs, Government of India, New Delhi.
- Visser, Wayne (2008), Corporate Social Responsibility in Developing Countries in Andrew Crane, Dirk Matten, Abigail McWilliams, Jeremy Moon, and Donald Siegel (eds.) The Oxford Handbook of Corporate Social Responsibility, Oxford University Press.
- Cao, Y., Huang, L., Li, Y., Jermstipparsert, K., Ahmadi-Nezamabad, H., & Nojavan, S. 2020. "Optimal Scheduling of Electric Vehicles Aggregator under Market Price Uncertainty Using Robust Optimization Technique." International Journal of Electrical Power & Energy Systems 117: 105628.
- Yu, D., Wang, Y., Liu, H., Jermstipparsert, K., & Razmjoo, N. 2019. "System Identification of PEM Fuel Cells Using an Improved Elman Neural Network and a New Hybrid Optimization Algorithm." Energy Reports 5: 1365-1374.
- Tian, M., Ebadi, A., Jermstipparsert, K., Kadyrov, M., Ponomarev, A., Javanshir, N., & Nojavan, S. 2019. "Risk-Based Stochastic Scheduling of Energy Hub System in the Presence of Heating Network and Thermal Energy Management." Applied Thermal Engineering 159: 113825.
- Yu, D., Wnag, J., Li, D., Jermstipparsert, K., & Nojavan, S. 2019. "Risk-Averse Stochastic Operation of a Power System Integrated with Hydrogen Storage System and Wind Generation in the Presence of Demand Response Program." International Journal of Hydrogen Energy (In press), DOI: 10.1016/j.ijhydene.2019.09.222.
- Jabarullah, N., Jermstipparsert, K., Melnikov, P., Maseleno, A., Hosseinian, A., & Vessally, E. 2019. "Methods for the Direct Synthesis of Thioesters from Aldehydes: A Focus Review." Journal of Sulfur Chemistry (In press), DOI: 10.1080/17415993.2019.1658764.
- Jiao, Y., Jermstipparsert, K., Krasnopevtsev, A., Yousif, Q., & Salmani, M. 2019. "Interaction of Thermal Cycling and Electric Current on Reliability of Solder Joints in Different Solder Balls." Materials Research Express 6 (10): 106302.
- Yu, D., Ebadi, A., Jermstipparsert, K., Jabarullah, N., Vasiljeva, M., & Nojavan, S. 2019. "Risk-constrained Stochastic Optimization

- of a Concentrating Solar Power Plant." *IEEE Transactions on Sustainable Energy* (In press), DOI: 10.1109/TSST.2019.2927735.
13. Jermsittiparsert, K., Sriyakul, T., Sutduean, J., & Singa, A. 2019. "Determinants of Supply Chain Employees Safety Behaviours." *Journal of Computational and Theoretical Nanoscience* 16 (7): 2959-2966.
  14. Sriyakul, T., Singa, A., Sutduean, J., & Jermsittiparsert, K. 2019. "Effect of Cultural Traits, Leadership Styles and Commitment to Change on Supply Chain Operational Excellence." *Journal of Computational and Theoretical Nanoscience* 16 (7): 2967-2974.
  15. Sutduean, J., Singa, A., Sriyakul, T., & Jermsittiparsert, K. 2019. "Supply Chain Integration, Enterprise Resource Planning, and Organizational Performance: The Enterprise Resource Planning Implementation Approach." *Journal of Computational and Theoretical Nanoscience* 16 (7): 2975-2981.
  16. Singa, A., Sriyakul, T., Sutduean, J., & Jermsittiparsert, K. 2019. "Willingness of Supply Chain Employees to Support Disability Management at Workplace: A Case of Indonesian Supply Chain Companies." *Journal of Computational and Theoretical Nanoscience* 16 (7): 2982-2989.
  17. Jermsittiparsert, K. & Chankoson, T. 2019. "Behavior of Tourism Industry under the Situation of Environmental Threats and Carbon Emission: Time Series Analysis from Thailand." *International Journal of Energy Economics and Policy* 9 (6): 366-372.
  18. Romprasert, S. & Jermsittiparsert, K. 2019. "Energy Risk Management and Cost of Economic Production Biodiesel Project." *International Journal of Energy Economics and Policy* 9 (6): 349-357.
  19. Kasayanond, A., Umam, R., & Jermsittiparsert, K. 2019. "Environmental Sustainability and its Growth in Malaysia by Elaborating the Green Economy and Environmental Efficiency." *International Journal of Energy Economics and Policy* 9 (5): 465-473.
  20. Jermsittiparsert, K., Sriyakul, T., & Rodoonsong, S. 2013. "Power(lessness) of the State in the Globalization Era: Empirical Proposals on Determination of Domestic Paddy Price in Thailand." *Asian Social Science* 9 (17): 218-225.
  21. Jermsittiparsert, K., Sriyakul, T., & Pamornmast, C. 2014. "Minimum Wage and Country's Economic Competitiveness: An Empirical Discourse Analysis." *The Social Sciences* 9 (4): 244-250.
  22. Jermsittiparsert, K., Pamornmast, C., & Sriyakul, T. 2014. "An Empirical Discourse Analysis on Correlations between Exchange Rate and Industrial Product Export." *International Business Management* 8 (5): 295-300.
  23. Jermsittiparsert, K., Sriyakul, T., Pamornmast, C., Rodboonsong, S., Boonprong, W., Sangperm, N., Pakvichai, V., Vipaporn, T., & Maneechote, K. 2016. "A Comparative Study of the Administration of Primary Education between the Provincial Administration Organisation and the Office of the Basic Education Commission in Thailand." *The Social Sciences* 11 (21): 5104-5110.
  24. Jermsittiparsert, K., Trimek, J., & Vivatthanaporn, A. 2015. "Fear of Crime among People in Muang-Ake, Lak-Hok, Muang, Pathumthani." *The Social Sciences* 10 (1): 24-30.
  25. Maselena, A., Huda, M., Jasmi, K. A., Basiron, B., Mustari, I., Don, A. G., & bin Ahmad, R. (2019). Hau-Kashyap approach for student's level of expertise. *Egyptian Informatics Journal*, 20(1), 27-32.
  26. Huda, M., Maselena, A., Teh, K. S. M., Don, A. G., Basiron, B., Jasmi, K. A., ... & Ahmad, R. (2018). Understanding Modern Learning Environment (MLE) in Big Data Era. *International Journal of Emerging Technologies in Learning*, 13(5).
  27. Huda, M., Maselena, A., Atmotiyoso, P., Siregar, M., Ahmad, R., Jasmi, K., & Muhamad, N. (2018). Big data emerging technology: insights into innovative environment for online learning resources. *International Journal of Emerging Technologies in Learning (ijET)*, 13(1), 23-36.
  28. Alipour, E., Alimohammady, F., Yumashev, A., & Maselena, A. (2020). Fullerene C60 containing porphyrin-like metal center as drug delivery system for ibuprofen drug. *Journal of Molecular Modeling*, 26(1), 7.
  29. Namdarian, A., Tabrizi, A. G., Maselena, A., Mohammadi, A., & Moosavifard, S. E. (2018). One step synthesis of rGO-Ni3S2 nano-cubes composite for high-performance supercapacitor electrodes. *International Journal of Hydrogen Energy*, 43(37), 17780-17787.
  30. Jermsittiparsert, K. & Akahat, N. 2016. "Fear of Crime among Students of Kalasin Rajabhat University." *Research Journal of Applied Sciences* 11 (2): 54-61.
  31. Zhadan, V. N., Gataullin, Z. S., Muchamedgaliev, I. G., Ibatova, A. Z., & Rasskazov, F. D. (2017). General social and personal-microenvironmental determinants of crimes committed by minors in russian modern society. *Man in India*, 97(2), 1-9.
  32. Ziyadin, S., Ermekbaeva, B., Supugaliyeva, G., & Doszhan, R. (2018). Transformation of basic indicators of socio-economic processes in the digital economy. Paper presented at the Proceedings of the 31st International Business Information Management Association Conference, IBIMA 2018: Innovation Management and Education Excellence through Vision 2020, 2009-2017.
  33. Mullakhmetov, K. S., Sadriev, R. D., & Akhmetshin, E. M. (2018). Corporate culture in management systems. *European Research Studies Journal*, 21(1), 519-528.