

Chapter 9

Corporate Social Responsibility: Theory and Applications

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ABSTRACT

This chapter emphasizes the overview of corporate social responsibility (CSR); the practices and disclosure of CSR; CSR and human values; CSR in mining operations; CSR in sports tourism industry; CSR in emerging economies; and the perspectives of CSR in the digital age. A strategic approach to CSR is crucial to a company's success. CSR can bring various benefits in terms of risk management, cost savings, access to capital, customer relationships, human resource management, and innovation capacity. CSR encourages more social and environmental responsibility from the corporate sector at a time when the crisis has damaged consumer confidence and the levels of trust in business. Socially responsible companies can improve their brand reputation, attract more customers, and increase stakeholder engagement. The chapter argues that promoting CSR has the potential to enhance organizational performance and reach strategic goals in the digital age.

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INTRODUCTION

Corporate social responsibility (CSR) has gained an increasing attention across the globe (Zhu & Zhang, 2015). CSR is a business strategy that enables organizations to act in a socially responsible manner based on their premises (Asif, Searcy, Zutshi, & Fisscher, 2013), and is recognized as an important instrument for driving sustainable development (Mutti, Yakovleva, Vazquez-Brust, & di Marco, 2012) and for maximizing long-term benefits for organizations (Mohr, Webb, & Harris, 2001). CSR is the volitional contribution by organizations to improve the environment, society, and economy based on either altruism value or competitive advantage enhancement (Huang, Ye, & Kao, 2015). CSR is the right thing to do because firms have responsibility to any person or entity that is affected by their CSR activities (Freeman, Wicks, & Parmar, 2004).

CSR positively relates to stakeholders' perceptions (Gonzalez-Rodriguez, Diaz-Fernandez, & Simonetti, 2015). The assessment of stakeholders' perceptions toward CSR considerably affect top management's decision to respond in an encouraging manner to CSR initiatives (Okpara & Wynn, 2012). The CSR perspectives (e.g., social activism, globalization, and transparency) have increased the requirements of companies beyond aspects of business, giving importance to economic, social, and environmental issues (Jamali, Safieddine, & Rabbath, 2008). Firms have adopted CSR practices to help increase both shareholder and social values by integrating stakeholder and shareholder interests into company's decision making (Detomasi, 2008).

Many business firms have started to assume social and political responsibilities that go beyond legal requirements and fill the regulatory vacuum in global governance (Scherer & Palazzo, 2011). Developed countries have initiated the national projects to promote CSR practices among companies (Cramer, 2005). CSR efforts in developed countries are demonstrated to bring performance improvement, such as productivity (Sun & Stuebs, 2013) and competitive success (Gallardo-Vazquez & Sanchez-Hernandez, 2014). CSR practices are usually voluntary for most companies in developed countries, such as Sweden, Denmark, and Germany (Oxfam Hong Kong, 2010). However, even in Organization for Economic Cooperation and Development (OECD) countries, governmental intervention is used to promote CSR practices (Gonzalez & Martinez, 2004).

This chapter aims to bridge the gap in the literature on the thorough literature consolidation of CSR. The extensive literature of CSR provides a contribution to practitioners and researchers by describing the theory and applications of CSR in order to maximize the business impact of CSR in the digital age.

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