

CORPORATE SOCIAL RESPONSIBILITY AND ITS ROLE IN COMMUNITY DEVELOPMENT: AN INTERNATIONAL PERSPECTIVE

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Abstract

Corporate social responsibility (CSR) refers to strategies corporations or firms conduct their business in a way that is ethical, society friendly and beneficial to community in terms of development. CSR is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders. This article analyses the meaning of CSR based on some theories available in literature. It is argued that three theories namely utilitarian, managerial and relational theories of CSR supported by works of other scholars in the area could be used to suggest that CSR becomes an international concern due to globalized nature of business that knows no border. These groups of theories are chosen because they are interdisciplinary in nature covering aspects of economic system, the managerial aspects of the corporation and the beneficiaries. The paper then highlights the role of CSR in community development based on an international perspective due to the heterogeneity of CSR in its understanding and practices in various countries of the world. The organization of the article is as follows: First, theories of CSR are analyzed in order to look at their emphases of meaning, perspective, and approaches. Second, the roles of CSR are highlighted specifically in community development because the very logic of CSR is towards seeing its impact in community socially, environmentally and economically. Third, competencies required by CSR managers are discussed in order to have a better understanding of the practical aspects of CSR. Finally conclusions and implications for future research are discussed.

Keywords: *Corporate Social Responsibility (CSR), Community Development, Competencies of CSR Managers, Multinational Corporations, Corporate-Society Relations.*

Introduction

The issue of Corporate Social Responsibility (CSR) has been debated since the 1950s. Latest analyses by Secchi (2007) and Lee (2008) reported that the definition of CSR has been changing in meaning and practice. The classical view of CSR was narrowly limited to philanthropy and then shifted to the emphasis on business-society relations particularly referring to the contribution that a corporation or firm provided for solving social problems. In the early twentieth century, social performance was tied up with market performance. The pioneer of this view, Oliver Sheldon (1923, cited in Bichta, 2003), however, encouraged management to take the initiative in raising both ethical standards and justice in society through the ethic of economizing, i.e. economize the use of resources under the name of efficient resource mobilization and usage. By doing so, business creates wealth in society and provides better standards of living.

The present-day CSR (also called corporate responsibility, corporate citizenship, responsible business and corporate social opportunity) is a form of corporate self-regulation integrated into a business model. CSR is a concept whereby business organizations consider the interest of society by

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