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Corporate social responsibility and their types

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INTRODUCTION

CSR is a management concept in which firms integrate social and environmental issues into their operations and interactions with stakeholders. CSR is often characterised as the process through which a company achieves a balance of economic, environmental, and social imperatives while also serving the needs of shareholders and stakeholders ("Triple-Bottom-Line-Attainment"). In this context, it's critical to differentiate between CSR, which can be a strategic business management concept, and charity, sponsorships, or philanthropy. Even if the latter can contribute significantly to poverty reduction and directly boost a company's reputation and brand, CSR definitely goes beyond that.

Promoting CSR adoption among SMEs requires strategies that are adapted to their needs and capabilities while also assuring their financial viability. The Triple Bottom Line (TBL) Approach, which has proven to be an effective tool for SMEs in developing countries in meeting social and environmental criteria while preserving competitiveness, is the foundation of UNIDO's CSR programme. The TBL framework is used to assess and report on a company's economic, social, and environmental performance. It's an attempt to align private enterprises with the goal of long-term global development by offering them more than simply profit as a purpose to strive for. According to this viewpoint, in order for a firm to succeed, it must:

Profitability, growth rate, and brand recognition aren't the only factors that determine a company's success. Customers, employees, and other stakeholders in today's world evaluate a firm based on how its operations affect the community, economy, environment, and society as a whole, In other way it can be stated as whether it is concerned with the larger good rather than just the bottom line. Corporate social responsibility practises are a way for your company to show its position on the issue.

TYPES OF CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility is divided into four categories: environmental, charitable, ethical, and economic.

Environmental Responsibility

Environmental responsibility is the concept that businesses should act in a manner that is as ecologically beneficial as feasible. One of the most popular types of corporate social responsibility is this. Environmental stewardship is a term used by some businesses to describe such programmes.

Companies that aim to be more environmentally sensitive can do so in a number of ways, including: Pollution, greenhouse gas emissions, single-use plastics, water consumption, and garbage generation are all on the decline. It is becoming more usual to use renewable energy, sustainable resources, and recycled or partially recycled materials. Planting trees, funding research, and donating to environmental groups are all examples of methods to help the environment.

Ethical Responsibility

The goal of ethical responsibility is to ensure that an organisation operates in a fair and ethical manner. All stakeholders, including leadership, investors, employees, suppliers, and customers, should be treated fairly by organisations that embrace ethical responsibility.

Companies can take on ethical responsibilities in a number of different ways. If the state or federal government's minimum wage isn't a "liveable wage," for example, a company can set its own, higher wage. A corporation may also demand that products, ingredients, materials, or components be supplied using free trade principles. Many businesses have protocols in place to ensure that products are not created by slaves or children.

Philanthropic Responsibility

Philanthropic duty refers to a company's goal of actively improving the world and society. In addition to being as ethically and environmentally beneficial as feasible, organisations motivated by philanthropic obligation frequently donate a percentage of their earnings. Many corporations donate to charities and non-profits that align with their guiding missions, while others donate to worthy causes unrelated to their industry. Others go so far as to form their own charitable trust or organisation to aid others.

Economic Responsibility

Economic responsibility is the practise of a firm basing all of its financial decisions on its commitment to do well in the areas stated above. The ultimate goal, rather than maximising profits, is to make a positive impact on the environment, people, and society.

CONCLUSION

CSR's Importance is that there are numerous motivations for a business to adopt CSR initiatives. It boosts your brand's impression among customers, recruits and maintains staff, and makes you more appealing to investors. CSR has an impact on businesses, organisations, and employees. In the United States, corporate social responsibility is not a required activity; rather, it is something that corporations do on their own to enhance their local and worldwide communities. This indicates that when the broader public benefits from a company's good deeds, CSR can have an impact on them as well. Individual contributions account for around three-quarters of an organization's overall financial contributions. Following individual donors, CSR initiatives can assist NGOs in filling the remaining 25% gap. Corporate volunteerism in the areas where employees live and work is also encouraged through CSR.