

# The Role of Corporate Social Responsibility in Corporate Image Management: A Quantitative Study

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## **Abstract**

Management can deal with the strategic problems that their company is facing. The authors propose a practical operational model to aid top executives in controlling the reputation and image of their company. Although numerous studies are frequently found in marketing literature, there are comparatively few theoretical and empirical studies that link marketing to social responsibility as a business (CSR). There is a clear gap between scholarship regarding the connection that is now present between corporate social responsibility (CSR) efforts, the public perception of goods or services generated by organizations, and their company's reputation. Even fewer empirical investigations have been carried out that link both of these significant structures to the corporate image of companies geared toward small and medium-sized businesses (SMEs). The importance of corporate social responsibility in business has grown. Because various companies have different perspectives on what this term means and how to handle it, there is no precise definition. Instead of using the concept to increase profits, businesses must engage in CSR efforts to benefit the environment and society.

**Keywords-** *Social Responsibility, Social Image, Corporate Management, Small And Medium, Sized Enterprises, Firm Reputation.*

## **Introduction**

Top management once considered the business's reputation and image to be, at most, of minor significance because they were somewhat fuzzy concepts. Typically, design

consultants and the Department of public relations were considered to be in charge of them. But today, a growing number of astute executives understand how important they are as corporate assets that are directly related to competitive success. However, the widespread blurring of restrictions between businesses and the people they serve in the modern business environment<sup>3</sup> has brought attention to the necessity of strategically managing a company's reputation and image.

Additionally, due to ongoing distinct trends like internationalization, merger mania, disruption, the process of privatization, and the accelerated pace of product life cycles, many businesses now experience a sense of urgency. Corporate responsibility (CSR) programs have exploded among both domestic and foreign enterprises. Many companies engage in CSR activities primarily intending to make money off the concept (He & Lai, 2012). However, some companies take part in CSR programs that safeguard the environment. Social awareness has also increased the value of a healthy environment. These programs not only benefit the natural environment, but CSR could also improve the image of an organization and give it an advantage over rivals. The total advantage might potentially improve the business's financial performance. As a result, companies constantly work to reconcile environmental protection with sustainability. However, due to the various viewpoints and perceptions about CSR, various businesses have made varying contributions to it (Carroll & Shabana, 2010). CSR difficulties might include issues with human rights, the environment, ethical business practices, management of

organizations, security in the workplace, and occupational health. CSR activities primarily take into account these variables to maintain a balance between their business activities and the welfare of the surrounding environment and employees.

CSR activities are intimately linked to a business's standing and its perception of itself in this category of theories because they can distinguish a company's brands from those of its rivals. The "win-win" approach, or getting ahead by doing well, is the initial angle on CSR. According to some CSR researchers, a business can boost its profitability by engaging in responsible corporate behavior. In other words, a business may use CSR to improve its image by contributing back to society. Additionally, CSR will eventually help the business turn a profit (Maden et al., 2012). According to the second CSR viewpoint, the business serves as an avenue for the public display of civic values. As a result, some corporations are prepared to set aside funds to contribute more significantly to societal goals. This second viewpoint upholds the long-term regularity of profit maximization and won't pose any specific issues with corporate governance. The majority of businesses, whether they are little or large, local or foreign, participate in social responsibility in general (Rahman et al., 2017). Some businesses, however, misuse their social duty by making astronomical profits from their activities. Corporate Social Responsibility programs are employed to benefit society and the environment, and it will be beneficial for everyone if they are more concerned with achieving these goals than with boosting profits. Businesses that want to retain a strong competitive position in the market can benefit from CSR activities by enhancing their brand and reputation.

### Literature Of Review

**Alrubaiee et al., (2017)** said that it has been observed that various academics have continued to examine the topic of CSR from various angles in recent years. After then,

scholars started delving deeper into the concept of CSR and diverted their attention from arguments about its legality issues toward other points of view for a greater comprehension of it. However, macroeconomic factors and the link between ethical behavior and the economy have received a lot of attention in a majority of research studies on CSR. The relationship connecting CSR and worker-level events has received less academic attention, and numerous scholars have discovered an unexpected vacuum in the body of literature.

**Du et al., (2010)** concluded that a new idea, the present societal marketing approach employed by firms has given rise to CSR. Many of the top businesses in the world now recognize the importance of aiding socially responsible groups to protect their image and reputation, fend off threats, and improve their capacity to compete globally. It derives from the need to succeed and feel good about oneself as well as the social responsibility of business. To extend its reach into rural areas, the Indian business community seeks to implement CSR in the small and medium-sized enterprises (SME) sector. Additionally, some businesses have already begun implementing CSR as an approach, to simultaneously advance both the business and the community.

**Alzghoul et al., (2016)** revealed that it is challenging to find a definition of corporate social responsibility, or CSR for short, that is broadly recognized by academics and researchers, although there is empirical and philosophical proof showing the benefit of CSR activities in organizations, particularly in the case of small and medium-sized businesses (SMEs). However, there is a consensus among researchers and academics that CSR must include a set of actions taken by businesses to benefit society as a whole, going beyond their interests and the fulfillment of legal obligations. These businesses must also conduct their operations ethically and responsibly, including through charitable

endeavors, environmental protection, and improving the standard of living for their staff.

**Virvilaite & Daubaraite, (2011)** found that to be recognized for their beneficial impacts on their marketplace, society, and the environment, businesses should aggressively promote CSR programs. To improve employee satisfaction at work, companies could place a greater emphasis on employee perks internally. In addition to their high production levels, the company's employees enjoy a competitive edge that increases sales. By providing support to the neighborhood and environment, the business can help build a solid brand reputation. The company's position in the market depends on its commitment to corporate social responsibility. The positioning of the company will have the biggest influence on its future. The advantages of CSR efforts outweigh any expenditures the business may incur with them by a wide margin.

**Maldonado et al., (2017)** studied that the necessity for research in this area is evident, and it is getting more urgent as globalization combines cultures and sectors and as people's literacy and awareness of their rights increase. Given the diverse backdrop and slow growth of CSR in Malaysia, a compelling business case is required. To persuade businesses about the long-term potential benefits of CSR, both for the firm and society, it is necessary to demonstrate decisively whether CSR practices are linked to brand image. In other words, when customers are aware of the CSR initiatives made by a firm, it may result in a favorable brand image in their thoughts.

**Branco & Rodrigues (2006)** discussed that a substantial amount of heterogeneous academic research has amply supported the business case for CSR. Investment in social initiatives will enable a company to not only produce favorable views among stakeholders and actions (such as buying goods, searching for jobs, and investing towards the business), additionally, over time, establish stronger stakeholder-company associations, build sales and marketing/brand image, and improve stakeholders' advocacy behaviors for the

company's cause (such as recommendation, employee dedication, and shareholder activism). and Corporate social responsibility communication is a very complicated topic. Even though interested parties assert that they are curious to learn about the charitable endeavors of the businesses they do business with, they are predisposed to become suspicious of hidden agendas when businesses make their CSR initiatives public.

**Rupp et al., (2006)** highlighted that as expected, the level of advertising intensity had a favorable impact on the relationship between CSR initiatives and market share. In other words, the higher the correlation between CSR initiatives and marketing success, the more was spent on advertisements. By educating consumers about all of a company's endeavors, notably CSR, in conjunction with its products and services, advertising fills the awareness gap between companies and their clients. Numerous studies have looked at the connection between initiatives related to corporate social responsibility, or CSR, and business outcomes, but the findings have often been murky or even contradictory. The connection connecting CSR and marketing efficacy, one of the factors affecting business performance, hasn't received much research, though.

**Prema & Ashwani (2004)** said that a relatively recent and complementary perspective for top management to observe and handle issues is the business reputation and image of the firm's strategic problems. According to this viewpoint, the company's reputation and image are essential strategic resources. This model provides a framework to oversee the procedure through which these crucial assets are produced and maintained. Through a variety of interaction mechanisms and channels, the company's identity essentially becomes an image in the eyes of its numerous stakeholders. Reputational qualities develop over time. Senior management is in charge of overseeing the organization's branding and messaging to establish and

uphold a recognizable identity and a positive reputation.

### Objective

To measure the role of corporate social responsibility in corporate image management

### Methodology

This study is descriptive in nature in which the data were obtained from the 209 respondents. The study focusses on a particular industry,

such as technology, banking, or retail and on a particular stakeholder group, such as customers, investors, or employees. The sample population also then consist of companies that prioritize the targeted stakeholder group in their CSR initiatives. A checklist question was used to analyse and interpret the data. In a checklist question respondents choose “Yes” or “No” for all the questions.

## Data Analysis and Interpretations

**Table 1 Role of corporate social responsibility in corporate image management**

SL No.	Role of corporate social responsibility in corporate image management	Yes	% Yes	No	% No	Total
1	When a company engages in socially responsible activities, it sends a positive message to stakeholders that it is committed to making a positive impact in the world.	191	91.39	18	8.61	209
2	When a company is known for its social responsibility, it can help to create a unique selling point and give it a competitive edge.	157	75.12	52	24.88	209
3	Research has shown that companies that engage in CSR tend to have better financial performance.	198	94.74	11	5.26	209
4	CSR can help to engage stakeholders in the company's activities.	181	86.60	28	13.40	209
5	CSR can also be an effective tool for attracting and retaining talent.	170	81.34	39	18.66	209
6	CSR can help companies to mitigate risk by addressing social and environmental issues that could impact the company's operations or reputation.	174	83.25	35	16.75	209
7	When a company is seen as socially responsible, it can help to build trust and strengthen relationships with these groups.	162	77.51	47	22.49	209
8	By addressing social and environmental issues, companies can create new business opportunities and generate revenue.	195	93.30	14	6.70	209

Table 1 analyses the role of corporate social responsibility in corporate image management. It was found that around 94.7% respondents accept that research has shown that companies

that engage in CSR tend to have better financial performance, by addressing social and environmental issues, companies can create new business opportunities and generate revenue (93.3%), When a company engages in socially responsible activities, it sends a

positive message to stakeholders that it is committed to making a positive impact in the world (91.3%), CSR can help to engage stakeholders in the company's activities (86.6%), CSR can help companies to mitigate risk by addressing social and environmental issues that could impact the company's operations or reputation (83.2%), CSR can also be an effective tool for attracting and retaining talent (81.3%), When a company is seen as socially responsible, it can help to build trust and strengthen relationships with these groups (77.5%) and when a company is known for its social responsibility, it can help to create a unique selling point and give it a competitive edge (75.1%).

### Conclusion

CSR has an impact on CI, but there is currently no common strategy. Different authors focus on various facets of CSR, and some contend that it is not an act of altruism. Meeting economic and legal requirements is the most crucial need for socially responsible business since these set the stage for additional moral and charitable obligations. CI is a broad notion that includes individualism, corporate identity, and marketing communications. Both the company's intentional and unintentional actions have an impact on CI. CSR contributes to a company's uniqueness. Individuality determines CI, hence CSR has an impact on it. However, there are few insights into the relationship between CSR and CI's causality. According to the research, the responder is more likely to assume that society as a whole values CSR the more motivated he is to do so. Corporate personality and its components have the greatest influence on CI, followed by feedback, which has a lesser impact, and corporate identity and its components.

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