CSR Practices and Competitive Advantages: A Descriptive Study

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ABSTRACT

CSR is the managerial compulsion to defend and enhance both the welfare of society as a whole and the interests of the company. So, this study is an examination of the competitive advantages of CSR practice. This study is based on two theories; stakeholder's theory, which states that companies have essential groups that need to care of and the iron law of CSR, which states that companies that become failure to utilize their power responsibly will lose it in the long run. Reviewing prior studies it was found that a number of benefits proliferate to companies that practise CSR; numerous advantages were recognized. Among these others consist of: improved brand and reputation, decline in operation costs, attracting new customers, balances power with responsibility, discourages government regulation, improves a company's image, promote profits, superior relations with the investment groups and easier access to capital, improved employee relations, efficiency and innovation and stronger relations with society through stakeholder involvement. This paper concludes that there is a greater chance to be benefitted initiating CSR actions. Thus, it suggests that companies should try to provide due attention to CSR and this practice needs to consider as a continuous process.

Keywords: CSR, Competitive Advantages, Brand Image, Social Welfare

INTRODUCTION

In the 21st century CSR as a business philosophy is gaining popularity. CSR is designed to build self-regulating system that enables the companies to screen and ensure effective compliance with the spirit of the law, international norms and ethical standards. CSR is the managerial commitment to protect and improve the social welfare as a whole, as well as the interests of the company. Management is liable for achieving goals or objectives not only within the companies, but also those for the social benefits. There are various areas in which management can try hard to meet up a company's objective and social benefit at the same time. One of the most significant areas may be management trying to achieve the company's goal of producing high-quality products. Producing high-quality products not only assists to boost the marketability of company products, but at the same time benefits society by offering consistent products. Another example would be a developer company which is trying to meet the company's goal of construct new flats for the poor under a contract with the government authority. The marketer not only is assisting to achieve company's commitment to the contract, but is concurrently transforming the company's community into a more socially satisfying position.

CSR is the ongoing obligation for companies to act morally and contribute to socio-economic development side by side developing the excellence of life of the employees and their families, the stakeholders and society in general. The previous implies that CSR is about the coordination of social, environmental and economic considerations into the decision-making process of a company. It is about using innovativeness to explore resourceful and value-added solutions to societal and environmental challenges. It is about involving financial institutions and other stakeholders and communicating them to more successfully handle prospective uncertainty and develop reliability and conviction in society. Nolan, Norton and Co (2009), cited in Ali, Rehman, Yilmaz, Nazir and Ali (2010) note that corporate social responsibility is an approach whereby a company considers the interests of all stakeholders, both within the organisation and in society and applies those interests while developing its strategy and during execution. CSR offers companies various opportunities not only to differentiate themselves from competitors, but also, for reducing costs.

CSR is one of the management strategies where companies try to create a positive impact on society, while doing business (Asemah, Edegoh and Anatsui, 2013). Companies need to provide for the environment where they fulfil their operations so as to earn the goodwill of their stakeholders and this in turn increases the performance of the company financially and other fields. Robins (2008) claims that the main thought of CSR is that companies should believe that they participate in society more than just an economic role. It means an interest to take responsibility not only for actions and effect in a business, but also liability for their effect on society and environment. This obligation, as noted by Robins (2008) after that is perceived as an important competitive advantage generally in developed countries. Sources of the advantage lay with a wide range of socially responsible actions, which can be targeted on three fields, in language of CSR.

Corporate social responsibility (CSR) can be termed as the "economic, legal, ethical and discretionary expectations that society has of organisations at a given point in time" (Carroll and Buchholtz 2003, p. 36, cited in Asemah, Okpanachi and Olumuji, 2013a). The concept of CSR is denoted as companies have moral, ethical and philanthropic responsibilities besides to their liabilities to ensure a reasonable return for investors and fulfill the law. Carroll and Buchholtz's four-part definition of CSR clarify the multi-faceted nature of social responsibility (Asemah, Okpanachi and Olumuji, 2013b). The economic responsibilities cited in the definition refer to society's anticipation that companies will manufacture goods and services that are needed and preferred by customers and sell those goods and services at a fair price (Asemah, et al, 2013b). Companies are likely to be competent, profitable and to maintain shareholder interests in mind. The legal responsibilities relate to the belief that companies will abide by the laws set aside by society to manage the rivalry in the marketplace (Asemah, et al, 2013a). Companies have hundreds of legal responsibilities leading almost every aspect of their actions, including consumer and product laws, environmental laws and employment laws. The ethical responsibilities concern societal anticipation that go beyond the law, such as the expectation that the companies will conduct their dealings in a fair and right way. Companies are expected to do more than just comply with the law, but also make proactive efforts to expect and fulfil the norms of society even if those norms are not formally enacted in law. Lastly, the discretionary responsibilities of companies refer to society's hope that companies be excellent citizens. This may include such things as philanthropic support of programmes benefiting a society or the nation. It may also include donating employee proficiency and time to worthy causes (Asemah, et al, 2013b).

CSR that is considered as a significant aspect of business, started as an important aspect of rivalry became pertinent, predominantly during the period of economic recession, when business environment was debasing. There was the force to lower already agreed prices and delay of payments that deteriorated business and affected the assortment of receivables. In the identification of financial and non-financial effects of the crisis, the economy began to show detrimental situation such as the major loss of reliance. Companies around the world are under pressure with a new task, which is to fulfil the requirements of the present generation without compromising the capability of the next generations to fulfil their own needs. Companies are being forced to take liability for the ways their actions affect societies and the ecology. They are also being asked to apply sustainability philosophy to the ways in which they operate their business. Sustainability refers to a company's activities, typically considered voluntary, that show the inclusion of social and ecological concerns in business operations and in interactions with stakeholders (Van Marrewijk and Verre, 2003, cited in Alessia, Henderson and Sue, 2009).

A company ought to now emphasize its concentration on both escalating its outcome and becoming a better corporate citizen. Alongside each other of global trends and outstanding enthusiasm to financial commitment for providing both private and public benefits have forced companies to restructure their frameworks, systems and business models. To comprehend and improve existing efforts, the very socially accountable companies maintain to modify their short- and long-term agendas, to stay at the forefront of dynamic challenges. So, corporate responsibility is a famous trait of the business and society literature, covering topics of business ethics, global corporate citizenship, corporate social performance, and stakeholder supervision.

FIELDS OF CSR

There are numerous types of CSR programs; they are:

- **Employee Health and Welfare:** Companies must be socially responsible to their employees. A company's employees are the supreme assets. As the endurance of employees is influenced by the lifestyle that they choose, companies should offer tools and inducements that persuade employees to espouse or maintain fit lifestyles. Companies also need to provide different benefits intended for protecting employees' physical and emotional health (Asemah, e t al, 2013b).
- **Ecological Integrity:** CSR covers obligation to preserving and improving the ecology for the benefit of present and future generations. Ecological protection and preservation create smooth business sense. This not only enriches the lives of employees, customers and their loved ones, it can also minimize peoples'expenses and progress the outcome. By using energy-efficient equipments, reducing reliance on paper and investing in alternative renewable energy and clean air technology companies can improve the ecology. Environmental responsibility covers precautionary approaches to prevent or minimise adverse impacts support for initiatives, promoting greater environmental responsibility, developing and diffusing environmentally friendly technologies and similar areas (Asemah, et al, 2013b).
- **Ethical Responsibilities:** Ethical responsibilities are responsibilities that a company follows itself as its owners consider it is the right thing to do; not

because they have an obligation to do so. Ethical responsibilities might involve being environmentally friendly, paying fair wages or refusing to do business with oppressive countries, for example (Smith, n.d). Ethical CSR entails incorporating responsible practices that minimise the societal harms of business operations (Lantos, 2001), cited in Asemah, e t al, 2013b). There are several ways for companies to execute ethical business practices; these involve reducing environmental pollution from production unit and offering healthcare facilities to employees.

- **Legal Responsibilities:** Company's legal responsibilities are the considering factors that are positioned on it by the law. Ensuring that the company is profitable, it obeys all rules and regulations are the most important responsibilities, according to the theory of CSR. Legal responsibilities can range from securities regulations to labour law, environmental law and even criminal law (Smith, n.d, cited in Asemah, e t al, 2013b).
- **Philanthropic or Humanitarian Responsibilities:** Humanitarian responsibilities are responsibilities that go beyond what is merely mandatory or what the company believes is right. They involve making an effort to benefit society; for example, by donating services to host society's people, involving in projects to help the environment or donating money to charitable causes (Smith, n.d). Philanthropic CSR includes providingfunds, goods or services, sometimes serving as advertising. For instance, the local branch of a bank may donate money to finance uniforms for a school sports team or a health care company might donate to the cultural program. Philanthropic CSR describes a company's support for a cause or activity that occurs outside of their business operations, but provides benefit to society (Kerlin and Gagnaire, 2009, cited in Asemah, e t al, 2013b). Companies will usually choose a cause or organisation on which to focus their contributions, which can include the donation of equipment or technology, employee time (volunteerism), or money (Kerlin and Gagnaire, 2009). Under the umbrella of philanthropic CSR, there are distinguishing elements that drive motivation for a company's involvement and actions; these differences are represented by altruistic (intrinsic) and strategic (extrinsic) motivations (Lantos, 2001; Matten and Moon, 2008; Du, Bhattacharya and Sen, 2010). Altruistic motives are woven into the corporation's character as part of its intrinsic institutional values and environment (Matten and Moon, 2008). An example of intrinsic motives that is frequently cited in the literature is Ben and Jerry's Homemade Ice Cream, which donates a portion of its profits to causes that the founders believe in, like education and gay rights (Lantos, 2001; Hopkins, 2007; Kerlin and Gagnaire, 2009; Du, Bhattacharya and Sen, 2010). Strategic motives, however, are considered more of a business investment, where company contributions are expected to yield a profitable return (Lantos, 2001). Whatever the motives, it is certain that CSR has become an important tool for measuring a company's reputation and public image (Ellen, Webb, and Mohr, 2006).
- **Financial Responsibilities:** A company's primary responsibility is its financial responsibility; that means, a company needs to be mainly concerned with revolving a profit. It is for the straightforward reason that if a company can not generate money, it would not last, employees would lose jobs and the company would not even be able to think about taking care of its social responsibilities. Prior to thinking about being a good corporate citizen, a company primarily needs to ensure that it can be profitable (Smith, n.d). This implies that economic responsibility covers areas like integrity, corporate governance, economic development of the community, transparency, prevention of bribery and corruption, payments to national and local authorities, use of local suppliers, hiring local labour and similar areas (Asemah, e t al, 2013b).

Theoretical Framework

This study is based on two theories; explicitly stakeholder's theory and an iron law of social responsibility theory. Stakeholder's theory is a theory of company's management and business ethics that emphasizes morals and values in managing a company. The stakeholder theory of CSR is based on the supposition that companies, whether private or public, have the responsibility for a number of groups that frame the society. These components are referred to as stakeholders, individuals and groups that are vital to the survival of the companies; they influence what the company does or they are being influenced by company actions (Asemah, e t al, 2013a). As an essential part of the normative CSR theories, the stakeholder theory stipulates that management has a moral duty to protect not only the company, but also the legal interest of all stakeholders. So, all stakeholders' interests must be maximized at all times. In this way, when a company invests in the society, it is expected to reap this in form of improved reputation and comprehension when things go wrong; and to equally maximize even the profit motive of the owners in the process (Asemah, e t al, 2013b). The theory is relevant to the study as it explains the constituent groups that a company should be responsible to; thus, companies that are socially responsible to the constituent groups will win their goodwill and this will in turn impact on the operations of the company positively. The iron law of responsibility narrates that in the long run, those companies that do not use power in ways that society considers responsible will tend to lose it. Companies are attached to the environment based on the iron law of responsibility. Thus, companies must be socially responsible to the people where they operate. This theory is also relevant to the study as it lays emphasize on companies being socially responsible in their operations so that they will be able to win the goodwill of stakeholders.

Literature Review

CSR offers organizations various opportunities not only to differentiate themselves from competitors but also for reducing costs (Nolan, Norton and Co 2009, cited in Ali, et al, 2010). This perhaps explains why Klara (n.d) avers that:In the commercial sector, CSR is considered a part of strategic planning for those companies that strive to be successful, that want to improve their reputation and especially those who want to be competitive. CSR is a competitive advantage for companies, having as a source the intangible and human resources, and being executed by competences such as communication, management and corporate culture.

The previous implies that companies that perform CSR programs have certain advantages to benefit from such performances; So, it is essential for companies to always engage itself in one form of CSR or the other, especially with the major purpose of winning the goodwill of the stakeholders. Nurn and Tang (2010) in their research titled "obtaining intangible and tangible benefits from corporate social responsibility" found out that CSR leads to greater corporate financial performance; the authors further explained that CSR leads to the tangible benefits of attracting better employees, reduced turnover rate, greater efficiency and reduced operating costs. Companies stand to have two type benefits from performing CSR; these consist of internal and external benefits. Similarly, CSR benefits can also be classified into tangible and intangible groups. Tangible benefits are those that are easily quantifiable in financial and physical terms whereas intangible benefits are harder to quantify and are non-physical in nature (Nurn and Tang (2010). External benefits that have been empirically tested include corporate reputation and reducing business risk. Other external benefits that have been explored conceptually include boosting sales revenue, customer goodwill and increasing rivals costs (Nurn and Tang 2010).Thus, the external benefits of corporate social responsibility that have been empirically tested as noted by Nurm and Tang (2010) are: corporate reputation (Logsdon and Wood, 2002; Orlitzky, Schmidt and Rynes, 2003) and reducing business risk (Orlitzky and Benjamin, 2001); boosting sales revenue (Auger et al., 2003), customer goodwill (Solomon and Hansen, 1985) and increasing rivals' costs (McWilliams, Van Fleet and Kenneth, 2002.; Heyes, 2005). Nurm and Tang (2010) also averred that a few internal benefits have been studied empirically, like learning (Logsdon and Wood, 2002; Orlitzky et al., 2003), attracting better employees (Backhaus, Stone and Heiner, 2002; Greening and Turban, 2000; Turban and Cable, 2003; Turban and Greening, 1996) and workplace attitude (Fulmer, Gerhart and Scott, 2003; Ballou, Godwin and Shortridge, 2003). Other internal benefits include that of employee motivation (Branco and Rodrigues, 2006; Orlitzky, 2008), employee morale (Branco and Rodrigues, 2006; Maxfield, 2008); commitment (Branco and Rodrigues, 2006; Orlitzky, 2008; Frank, 1996), trust (Chahal and Sharma, 2006), employee loyalty/retention (Branco and Rodrigues, 2006; Srinivas, 2002), and organisational citizenship behaviors (Davis, 1973; Hodson, 2001; McGuire, Sundgren and Schneeweis, 1988). For this reason, this implies that CSR is advantageous to every business organisation; and these advantages cover the ones the organisation can see and the ones that cannot be seen. Similarly, a study conducted by Dodd and Supa (2011) to find out the relationship between corporate social responsibility performance and consumer's purchase decision shows that there is a relationship between consumers' purchase intentions and organisations' involvement in socially responsible programmes. Fonceca and Jebaseelan (2012, p. 47) avers that: Nurturing a strong corporate culture which emphasises CSR values and competencies is required to achieve the synergistic benefits. CSR as a powerful tool enhances the brand image and reputation of the business which leads to improvement in sales and customer loyalty. By adopting the right programmes, it increases the ability to attract and retain employees. Used as a right tool, it offers manifold benefits, both internally and externally. Internally, it cultivates a sense of loyalty and trust amongst the employees. It improves operational efficiency and is often accompanied by increase in quality and productivity. It serves as a soothing diversion from the routine workplace practices and gives a feeling of satisfaction and a meaning to the lives of the employees. Externally, it aims at establishing positive public relations and earns a special respect amongst its peers. It also provides short term employment opportunities by taking various projects like construction of parks, schools, welfare facilities, etc.

Companies, normally involve in CSR activities to influence and improve stakeholders' perception of their image. Company or brand image is significant because it ultimately provides the company a competitive advantage for their business (Barone, Norman and Miyazaki, 2007, p. 444). CSR is being monitored more closely now than ever before because consumers are very concerned with responsible business practices (Morsing and Schultz, 2006). Stakeholder groups can have tremendous influence on profitability; so, it is in the best interest of the company's bottom line to meet the expectations of these groups. This explains why Okedare (2007) avers that corporate social responsibility provides the basis for organisations to consider the interests of society by taking responsibility for the impact of the company's activities on customers, employees, shareholders, people and the environment in all aspects of its operations. CSR, as noted by Ogbemi and Akpoveta (2012, p. 89) " is all that public relations is, because having been involved in the community where a company is operating is a natural part of a successful business practice"

Cone (2010) claims that when an industry is viewed as good corporate citizens, it can foster long term, loyal relationships with consumers, who see themselves as investors in the company or brand with their purchasing power (Du et al., 2010). Consumers may also be willing to pay a premium price for products offered by a company engaged in CSR (Austin, Leonard, Reficco and Wei Skillern, 2006; Du et al., 2010). CSR programs can also help to establish a positive corporate reputation that makes consumers resilient to negative company news (Du, et al., 2010). Consumers can become promotional mechanisms for a company or brand through positive word of mouth communication. The internet has offered a magnified platform for this, as consumers are using social networking sites to communicate their enthusiasm for a company or brand because of its socially responsible practices or projects (Du, et al., 2010). However, this powerful voice can have an adverse effect for a company that is not meeting consumer expectations (Austin, et al, 2006).

Consumers have been known to "punish" companies they believe that they are behaving socially irresponsibly through product boycotts and encouraging others to do the same (Austin et al., 2006). Companies can also realise benefits of socially responsible business practices internally, among its employees. When employees are aware of the responsible practices and philanthropic activities of their employer, it can generate feelings of pride in the company and lead to increased employee dedication to the company employees (Austin, et al., 2006). CSR can also lead to employees' increased willingness to offer more time and energy to their companies (Maignan and Ferrell, 2004). When employees feel this sense of pride for their company, this follows them outside of the office, and they can become a promotional asset to the company, serving as ambassadors for the brand. Shareholders are mainly concerned with the company's financial bottom line. Their interest in CSR relates to how it can differentiate the company in the market to increase company profits. A company's CSR activities can improve its reputation because it establishes a social value of the company, which can be a distinguishable quality that helps set it apart from competitors (Austin et al., 2006). Thus, shareholders benefit from corporate social responsibility programmes because of their influence on consumer purchasing behaviour and potential to increase employee productivity.

CSR is an application of several classical economics theories. The stakeholder theory states that effective management of stakeholder relationships, the fundamental blocks of corporate social responsibility, may also result in better financial performance (Ioannou and Serafeim, 2010). A number of studies within the resource-based view of the companies argue for the mechanisms through which socially responsible behaviour may lead to competitive advantage (deBakker and Nijhof, 2002; Hockerts, 2003; Branco and Rodrigues, 2006). Corporate social responsibility may function in similar ways as advertising does, by increasing overall demand for products and services and/or by reducing consumer price sensitivity (Sen and Bhattacharya, 2004). CSR branding can draw consumers away from competitors and thereby improving profitability. CSR can also attract socially conscious consumers (Hillman and Keim, 2001). In addition, corporate social responsibility strategies may also lead to better company's performance by protecting and enhancing company reputation (Fombrun, 2005; Freeman, Harrison and Wicks, 2007). Tuppen (2004) says that corporate social responsibility related issues are important drivers of corporate image and reputation, which are major determinants of consumer satisfaction.

Satisfied consumer tends to have intensive purchase behavior and also continue in the future in the shape of consumer retention (Ali et al., 2010). This is the important key for gaining sustainable sales revenues and business profits. Uadiale and Fagbemi (2011) examine the impact of corporate social responsibility activities on financial performance measured with Return on Equity (ROE) and Return on Assets (ROA) in Nigerian companies. The results show that corporate social responsibility has a positive and significant relationship with the financial performance. CSR is a driving force in strengthening the process skills of individuals in the community, enabling people to work together toward common goals and objectives (Rausch and Patton 2004). Crowther and Aras (2008) insist that the central tenet of social responsibility is the social contract between all the stakeholders to society, which is an essential requirement of civil society. According to Crowther and Aras (2008, p. 13) "social responsibility is not limited to the present members of the society, but should also be expanded to its future members, as well as environment, since it will have implications for members of society, both now and in the future". Organisations are not operating in vacuum and apparently, their operations will affect their external environment. Stakeholders provide organizations with a range of resources such as capital, customers, employees, materials and legitimacy (Deegan, 2002). They also provide the "licence to operate" to the companies in return for the provision of socially acceptable or legitimate, actions. To strengthen this social contract which allows organisation to continue operations, they need to be socially responsible. This can be an underlying reason why we would expect food industries to be involved in corporate social responsibility and reporting it to society. Branco and Rodrigues (2006, p. 112) also discussed briefly how the intangible benefits of CSR result in sustained competitive advantage for firms when they averred that "the contribution that CSR may have to financial performance is nowadays primarily related to qualitative factors, such as employee morale or corporate reputation".

COMPETITIVE ADVANTAGES OF CSR PRACTICES

From the literature, it is apparent that companies that value CSR might be benefitted by following advantages:

- Increased Brand Image: Tsoutsoura (2004) notes that many benefits can be identified; firstly, socially responsible companies have enhanced brand image and reputation. Consumers are repeatedly drawn to brands and companies with a good reputation in CSR-related matters. A company considered as socially responsible can also benefit from its reputation within the business society by having improved ability to attract capital and channel partners. Reputation is hard to quantify and measure; it is even more difficult to measure how much it increases a company's value, but as companies have developed methods to measure the benefits of their promotional campaigns, similar methods can and should be able to be applied in the case of corporate reputation. Socially responsible companies also have less risk of negative rare events. Apostles of corporate social responsibility argue that it enhances the image of the company. When a company performs social activities, it is claiming to the people that it is a friend of the society. This enhances the image people have of the corporate existence of the company. To compensate unfavourable image, many corporate leaders work hard to persuade the public that business creates much good for society (Frederick, 1998, p .37, cited in (Asemah, e t al, 2013).

- Reduction of Operation Overheads: Some CSR activities can considerably reduce operating overheads. For instance, reducing packaging material or planning the optimum route for delivery trucks not only reduces the environmental impact of a company's operation, but it also reduces the expenses. The process of accepting the CSR principles encourages management to rethink their business practices and to search for more efficient systems of operating.
- Retention of Loyal Employees: Companies apparent to have a strong CSR obligation often have an increased ability to attract and to retain employees (Turban and Greening 1997, cited in Tsoutsoura, 2004), which directs to minimum turnover, recruitment and training expenses. Employees, too, often evaluate their companies' CSR initiatives to determine if their personal values conflict with those of the businesses at which they work. In many known cases, employees were asked, under pressure of their supervisors, to overlook written or ethical laws so as to achieve higher profits. These practices may build a culture of panic in the workplace and destroy the employees' belief, loyalty and commitment to the company.
- Balancing Power and Responsibility: Companies'power should be escorted with specific social responsibility. Those who have the power should apply it sensibly. As noted by Fredrick (1998), modern business corporation possesses power and influence and this should be accompanied by responsibility. The prior studies therefore imply that companies have power; they have immense power and they need to balance it with responsibility. When they practice this, they achieve the goodwill of the society members, but if they fail to practice this, they attract the wrath of the society members. So, Frederick (1998) claims that the relationship between power and responsibility has formed that is known as ''iron law of responsibility''. The iron law of responsibility as noted by Frederick (1998, p.36) says that in the long run, those who do not use power in ways that society considers responsible will tend to lose it.
- Discouraging Government Intervention and Regulation: When the government is fully aware that a company or all companies are active to their responsibilities (social responsibilities), government becomes discouraged to regulate business. Government intervention may affect the business negatively, but when companies know that they have a social responsibility to the society where they operate, there may be no need for intervention or regulation. Frederick (1998, p. 39), cited in Asemah, et al (2013) states that company by its own socially possible behaviour can discourage new government restrictions; it is accomplishing a public good, as well as, its own private good.
- Promoting Long-Run Financial Returns. When a company performs CSR activities, it makes more profit. Rao (2012), cited (Asemah, et al (2013) states that socially responsible companies tend to have more and secure long run profits. This is the normal result of the better social relationship and improved companiesimage that responsible. Asada (2012), cited in Asemah, et al (2013) claims that supporter of social responsibility as social obligation imagine that a company involves in socially responsible behaviour when it thinks of profits only within the constraints of law. They believe that as the society supports company by ensuring its continuous survival, the only way company can repay society is to continue to ensure that it is generating profits. So, Freedman (1990), cited in Asada (2008) states that there is one and only one social responsibility of business - to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engage in open and free competition without deception or fraud.
- Identifies Moral Obligations of Companies: Companies are obliged to provide facilities to environment where they conduct their business. So, those who argue in favor of corporate CSR remind that it is the company's moral obligation to assist the people of the society. Frederick (1998, p .38), cited in Asemah, et al (2013) notes that this viewpoint considers a society's moral and ethical rules to have higher priority for corporate managers than other considerations, including company profits and other financial objectives.
- Developing Relationship with the Investors and Financial Markets: The investors have been discovering the relations between CSR and financial performance of company. There arehuge evidence that company that maintains the necessary traits of CSR normally does better than their competitors that do not use attributes of CSR. This information is being translated into action by the investors. A growing number of mutual funds are now combining CSR principles into their assortment processes to screen in sounder companies and/or find out companies that do not fulfil specific environmental or social standards. So, a CSR practices by a company can enhance the size of the company in the perspective of the investors, a company's share market valuation and its capacity to access capital from that community.
- Value Laden Relations with Society through Stakeholder invovement: The main aspect of CSR includes the way that a company involves and works together with its stakeholders, including shareholders, creditors, employees, , suppliers, customers, society, non-governmental organisations and governments. The degree at which stakeholder involvement and collaboration comprise of continuing an open dialogue, being ready to build fruitful partnerships and representing transparency, through measuring, accounting and reporting practices, the relationship between the company and the society in which it operates is expected to be more convincing and reliable. This is a potentially vital advantage for companies as it enhances their "license to operate". Companies can apply stakeholder involvement to know society's needs, expectations, situation into their corporate views and decision-making. While there are several queries about how far a company's responsibilities extend into society relative to the function of governments and individual citizens, there is a strong argument that CSR can successfully idevelop a company's relations with society and thereby generate some major characteristics that will improve company prospects for its future.

CONCLUSION

Companies that identify the fact that they have to be socially responsible to their stakeholders and go forward to practice CSR enjoy a lot of benefits; companies that are merely profit driven exhibit no sense of responsibility for the improvement of society, and hence lose out on their brand image, customers and well wishers. No employee or shareholder would like to be involved with a company that does not confirm legal, legitimate and honest ways of generating revenue. That is where CSR comes in. Companies with an active CSR also play a major role in the development of the land by donating to charities and inspiring the lesser fortunate general public. Socially responsible companies make profit in a way that does not destroy the social and environmental foundation of the country where they operate. Human beings are also first on their list of considerations. Generally, socially responsible companies have higher level employee satisfaction and motivation levels; CSR lessens the cost to companies in the long run. Companies that display CSR have a better reputation, which denotes that there is a positive image of the company in the public's eyes that converts into customer loyalty. Despite these, companies that have CSR will attract huge investors, thereby increasing the company access to capital. So, the paper concludes that companies that practice CSR activities have a greater chance to be benefitted by achieving competitive advantage. Thus, the paper suggests that companies have to try to pay more attention to CSR and this practice ought to be a continuous one.

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