THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY (CSR) IN COMMUNITY DEVELOPMENT: THE GAINS OF SOCIAL WORK PRACTICE

1ENWEREONYE Ephraim N.; 2UGORJI Kelvin O.; 3ALOZIE Sunny T. & 4AWURUMIBE N.U. Douglas

1Department of Business Administration and Management
Imo State Polytechnic, Umuagwo, Nigeria
Email: worldephydoctor@yahoo.co.uk

2General Studies Department
Imo State Polytechnic, Umuagwo, Nigeria

3Department of Banking and Finance
Imo State Polytechnic, Umuagwo, Nigeria

4Social Sciences Unit
School Of General Studies
Imo State Polytechnic, Umuagwo, Nigeria

ABSTRACT
Corporate Social Responsibility (CSR) changes in its meaning and practice. However in this work corporate social responsibility (CSR) refers to strategies used by corporations to conduct their activities in a way that is ethical, society friendly and beneficial to community in terms of development. This work therefore discusses the role of CSR in community development since the crux of CSR is towards seeing its impacts in the community. Finally, conclusion and the implication of the work for further studies are discussed.

Keywords: Corporate Social Responsibility, community development, multinational corporations, corporate-society relations.

INTRODUCTION
CSR simply refers to strategies corporations or firms use to conduct their business in a way that is ethical and society friendly. CSR can involve a range of activities such as working in partnership with local communities, socially sensitive investment, developing relationships with employee, customers and their families and involving in activities for environmental conservation and sustainability. Modern CSR was formalized by Bowen in 1953, who referred to the necessity of undertaking action by businessmen, which are desirable in terms of objectives and values of society (Falck and Hebhich, 2007). CSR is related to considering all organization’s stakeholders to treat them ethically or in a socially responsible manner. It balances between two aspects; achieving higher and higher standards of living and at the same time preserving the profitability of the organization (Hopkins, 2006). In other words, CSR calls for corporations undertaking their responsibilities as seriously as they seek their economic objectives (Tsai and Hsu, 2008). In addition, CSR is defined as a “concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis” (Growther and Aras, 2008).
Meaning of Community Development

Community development (CD) refers to initiatives undertaken by the community with partnership with external organizations or corporations to empower individuals and groups of people by providing these groups with the skills they need to effect change in their own communities. These skills are often concentrated around making use of local resources and building political power through the formation of large social groups working for a common agenda. Community developers must understand both how to work with individuals and how to affect communities’ positions within the context of larger social institutions.

CD is the process of developing active and sustainable communities based on social justice and mutual respect. It is about influencing power structures to remove the barriers that prevent people from participating in the issues that affect their lives. Community workers facilitate the participation of people in this process. They enable linkages to be made between communities and with the development of wider policies and programs. CD expresses values of fairness, equality, accountability, opportunity, choice, participation, mutuality, reciprocity and continuous learning. Educating, enabling and empowering are at the core of CD (Federation of Community Development Learning, 2009).

CD is the combined processes, programs, strategies, and activities that make a community sustainable as compared to economic development which is the marketing of its potential for growth followed by local efforts to act on opportunities. The entire set of approaches to community development practice may be considered a specialized form of addressing, coordinating and building the social infrastructure at a location. CD may be defined as a process of challenging the undesirable and unacceptable disparity of conditions and infrastructure that negatively affect the quality of life in a place where people live and work. It functions best as process in locations where all strata of society and citizenry are engaged with sense of community solidarity (Community Glossary, 2009).

The widely used meaning of CD is the one given by the United Nations (United Nations, 1971) in which CD is an organized effort of individuals in a community conducted in such a way to help solve community problems with a minimum help from external organizations. External organizations include government and non-government organizations, and corporations of various types and sizes such as small and medium enterprises (SMEs) and multinational corporations (MNCs). The implication of UN’s definition of CD is, therefore, emphasizing creativity and self-reliance in the community for short and long term goals, but not to defy the CSR roles of the various types of business firms. In relation to the people, the definition of CD is essentially both an educational and organizational process.

Another term closely related to CD is community work, which is about the active involvement of people in the issues that affects their lives and focuses on the relation between individuals and groups and the institutions which shapes their everyday experience. It is a developmental process that is both a collective and individual experience. It is based on a commitment to equal partnership between all those involved to enable sharing of skills, awareness, knowledge and experience in order to bring about change. It takes place in both neighborhoods and communities of interest, whenever people come together to identify what is relevant to them and act on issues of common concern.

The key purpose is to work with communities experiencing disadvantage, to enable them to collectively identify needs and rights, clarify objectives and take action to meet these within a democratic framework which respects the needs and rights of others. Community work recognizes the need to celebrate diversity’ and appreciate differences among ethnic and social groups in the community.

Common Roles of CSR in Community Development

From the above meaning of CSR, it is undeniable that CSR has implications on community and in many ways. Based on the report of Towers Perrin (2009), CSR is the third most important driver of employee engagement overall. For Companies in the U.S. for instance, an organization’s stature in the community is the second most important driver of employee engagement and a company’s reputation for social responsibility is also among the top 10 drivers.
The role of CSR in CD as used in this paper is any direct and indirect benefits received by the community as result of social commitment of corporations to the overall community and social system. The common roles of CSR in CD are discussed as follows:

★ **Closer ties between corporations and community:** Through CSR the existence of corporations in the social system is felt beyond a perception that corporation is a place just to get employment and procedures of goods and service. By doing so, corporations and community would stay in peace and harmony. This becomes a social capital that is essential in community development.

★ **Helping to get talents:** Organizations with a reputation for CSR can take advantage of their status and strengthen their appeal as an attractive employer by making their commitment part of their value proposition for potential candidates. It is also found that when employees view their organization’s commitment to socially responsible behaviour more favorably, they also tend to have more positive attitudes in other areas that correlate with better performance. They believe their organizations recognize and reward great customer service, act quickly to address and resolve customers.

Confidence in senior management is higher in other areas too, when employees give their company high marks for being socially responsible. For example, if a large number of employees perceive that their organization’s senior management supports new ideas and new ways of doing things. This would result in better perception of employees to the organization, hence their trust and loyalty to the organization. There is a correlation between a company’s success in the marketplace and its capacity for innovation and the perception of the employees to the organization. It is also a factor in attracting talents. In relating to CD, good employees’ perceptions on a corporation would lead to the community that treats the corporation as an important economic asset in the community.

★ **Role in transfer of technology (TOT):** Closer ties help in TOT between MNCs that give concerns on CSR and communities in the host countries. Multinational Corporation (MNC) is a corporation that has its facilities and other assets in at least one country other than its home country. Such companies have offices and/or factories in different countries and usually have a centralized head office where they co-ordinate global management. Very large multinationals have budgets that exceed those of many small countries. Barton (2007) focuses on three mechanism of international technology transfer: the flow of human resources; the flow of public-sector technology support; and the flow of private technology from MNCs to developing countries. He argues for greater mobility within and globalization of the world’s scientific enterprise and reasserts an economic rationale for investing in public-sector research in the developing countries. Through TOT coupled with CSR processes, the targeted community would gain in the various aspects of product development and marketing, such as better price and quality, as well as concern for people’s wellbeing.

★ **CSR helps to protect environment:** Some of the world’s largest companies have made a highly visible commitment to CSR, for example, with initiatives aimed at reducing their environmental footprint. These companies take the view that financial and environmental performance can work together to drive company growth and social reputation. This attitude can only serve to enhance the employment value proposition such as interest in “going green” gains traction (Towers Perrin, 2009). “Green river projects” made by some MNCs in Nigeria who own large areas within the vicinity of residential areas is another way CSR initiative seems to protect environment. Many non-profit organizations have been involved in learning and advocacy of environmental protection of CSR such as those reported by the United Nations. They are for example a) “Friends of the Earth” who highlights the environmental impact of some MNCs and campaign for stronger laws on environmental responsibility; b) “Green Peace mission” is another example of CSR initiative that gives benefit to society and community in preserving the latter’s rights towards reaping healthy environment (Wikipedia, 2009).

Green Peace is an independent global campaigning organization that acts to change attitudes and behaviour to protect and conserve the environment and to promote peace by many ways, one of which is campaigning for sustainable agriculture and environment by encouraging socially and ecologically responsible farming practices. Green Peace utilizes direct action, lobbying and
research to achieve its goals. This influential non-governmental organization has its presence in 42 countries with national and regional offices, are largely autonomous in carrying out jointly agreed global campaign strategies within the local community context.

★ **Interdependency Between a corporation and community:** The close link between a corporation and community is another aspect of CSR role in CD because in the long run it creates sustainable development. This could be seen e.g. Shell Foundation involvement in the Flower Valley in South Africa, Agip Green River Project in Nigeria and Marks and Spencer in Africa. The CSR projects give aids to local organization and impoverished communities. This certainly leads to sustainable community development (Wikipedia, 2009).

★ **A CSR program helps in data gathering for other public organization function:** For instance in the United States, Intel and IBM (examples of mega ICT firms) assisted under-staffed police departments with information gathering and processing by installing cameras with video processing abilities in areas where there are high rates of crimes. Intel has also conducted initiatives to educate local communities on how they can use technology to prevent crime or at least to use it to detect who committed the crime (CSR@Intel, 2009). This is an example of technology companies implement CSR initiatives that both benefit community and support business objectives.

★ **For corporate sustainability goals:** The world over, companies have been taking their social role seriously for years, often under the banner of corporate sustainability. The EU has developed a corporate sustainability framework, which identifies a progressive set of economic, social and environmental objectives that companies are encouraged to achieve. At Towers Perrin (2009), for instance, they have developed a methodology to assess the employee perspective on sustainable business practices (SBP). These practices represent a continuing commitment by a company to behave ethically and contribute to economic development while improving the quality of life of its workforce and family members, as well as the local community and society at large. Towers Perrin’s SBP index specifically covers five areas: awareness and perceived importance among employees, employee sustainable behaviors, social and community performance, environmental performance, and ethical and legal performance.

**Skill Needed by CSR Managers in Community Development**

The success of CSR is determined by both internal and external factors. Internal factors are economic considerations, culture of the firm including the CEO and employees, and ethical influences; while external factors are compliance with legal requirements and technological influences as well as national culture (Bichta, 2003). Skills possessed by CSR managers are among the internal factors determining the success of CSR practices especially in helping community. Because CSR profession is so new, transferable skills and knowledge from other related specialization such as environmental management, business ethics, community development, and human resource development are valuable.

Specific skills for CSR managers are very hard to clarify due to the diverse roles and range of disciplines involved. However, based on the UK’s experience in CSR (Career Service, 2009), three main areas of skills are relevant. They are business skills, people skills and technical skills. Business skills include building insight, communication skills, decision making, commercial awareness, information technology, innovation, strategic awareness, leadership and problem solving. People skills cover adaptability and empathy, developing others in the adult learning. Finally, technical skills include technical expertise, understanding evaluation and impacts, stakeholder dialogue, human rights and understanding sustainability.

Based on the above skills grouping, CSR managers should have six core competencies. They are understanding community and community development, building capacity, questioning business beyond profit making, stakeholder relations, strategic business and community partnership, and harnessing diversity. Hence, CSR managers have a wide range of career options such as in marketing, human resources, health and safety, environmental management, ethical investment, public relations, ethical science, community resource development and social research.
CONCLUSION AND RECOMMENDATIONS

It is concluded that CSR is about business, government and civil society collaboration and the bottom line is the achievement of win-win situation among the three entities. From the social point of view, CSR should benefit community because the latter has a very complex structure as it consists of individual with various levels of control of resources physically and intangibly.

CSR organizations in many developing countries consist of local and international firms. As such, we suggest that comparative studies should be conducted on the differences between strategies adopted by firms in terms of emphases and orientations in CSR, the specific roles of CSR programs to community and society at large, and specific business, people as well as technical skills that the CSR managers should possess. It is also suggested that studies on how CSR firms strive during the present economic crisis are worthwhile to embark on; however, they should be aware of the fact that moving towards achieving firms’ economic goals should be without jeopardizing the social goals.

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