

THE ROLE OF CORPORATE SOCIAL RESPONSIBILITY IN BUILDING A POSITIVE IMAGE OF THE COMPANY: A LITERATURE REVIEW

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Abstract

In the era of globalisation and increasing socio-environmental awareness, CSR has become an important component of corporate business strategy. This study uses the literature method. The results show that CSR has a significant impact in shaping the company's positive image, provided that the CSR programme is implemented authentically, strategically, and sustainably. The study also identified key factors in the success of CSR, including alignment with corporate values, transparency, stakeholder engagement, and effective communication. The findings provide valuable insights for business practitioners and researchers in understanding the strategic role of CSR in building and maintaining a positive corporate image in an increasingly complex and competitive business environment.

Keywords: Role, Corporate Social Responsibility, Positive Company Image.

Introduction

In the era of globalisation and increasingly fierce business competition, companies are not only required to focus on achieving profits, but also to pay attention to social and environmental aspects. This concept is known as Corporate Social Responsibility (CSR), which has become an integral part of modern business strategy. CSR is a company's commitment to contribute to sustainable economic development, working together with employees, their families, local communities, and society at large to improve their quality of life.

Corporate Social Responsibility (CSR) is the ongoing commitment of a company to behave ethically and contribute to economic development, while improving the quality of life of its workforce and their families, as well as local and global communities. This concept emphasises that companies are not only responsible to shareholders but also to wider stakeholders, including employees, customers, suppliers, communities and the environment. (Dillard, 2024). CSR involves the integration of social and environmental concerns into business operations and voluntary interactions with stakeholders, going beyond the company's legal and economic obligations, with the aim of creating shared value between the company and society. (Carvalho & Faria, 2023)..

The concept of Corporate Social Responsibility (CSR) has long historical roots, although the term only became popular in the mid-20th century. The beginnings of the idea

of corporate social responsibility can be traced back to the Industrial Revolution in the 19th century, when some employers began to pay attention to the welfare of their workers. However, modern CSR began to take shape in the 1950s and 1960s, as public awareness of the impact of companies on society and the environment grew. During this period, Howard Bowen published the book "Social Responsibilities of the Businessman" (1953), which is often considered the starting point of the modern era of CSR. (Graafland, 2021).

The development of CSR accelerated in the following decades. The 1970s were characterised by the emergence of various formal definitions of CSR and increased attention to stakeholder management. In the 1980s and 1990s, the focus shifted to the practical implementation of CSR and the development of more responsible business models. Entering the 21st century, CSR has become an integral part of the business strategy of many global companies, fuelled by increasing pressure from consumers, investors and regulators. Recent developments include the integration of CSR with sustainable development goals (SDGs), an emphasis on creating shared value, and the use of digital technologies to increase the transparency and impact of CSR initiatives. (Castello, 2021).

Along with the increasing public awareness of the importance of responsible business practices, CSR has become one of the key factors in shaping public perception of a company. A company's image, which is a mental picture or concept of something, becomes a very valuable intangible asset and can affect the long-term success of the company. (Bianco, 2020). However, the relationship between CSR and corporate image is still a debated topic in academic literature and business practice. Some studies show a positive correlation between CSR implementation and improved corporate image, while other studies find mixed or even insignificant results. (Elving, 2022).

Moreover, although many companies have adopted CSR practices, the effectiveness of such programmes in building a positive image still varies. Some companies manage to improve their reputation through CSR initiatives, while others face public scepticism or even accusations of "greenwashing" when their CSR programmes are perceived as insincere or as mere marketing tools. (Henry, 2021). This complexity raises important questions about how CSR can be implemented effectively to build a positive corporate image. What factors influence the success of CSR programmes in enhancing corporate image? How can companies overcome the challenges of communicating their CSR initiatives to stakeholders?

Therefore, a comprehensive review of the existing literature is needed to understand more about the role of CSR in building a positive corporate image. This literature review will analyse various theoretical perspectives, empirical findings, and best practices that have been developed in this field. The results of this review are expected to provide valuable insights for academics and business practitioners in designing and implementing effective CSR strategies to improve the company's image in the eyes of the public.

By understanding more about the relationship between CSR and corporate image, it is hoped that companies can optimise their CSR programmes, not only to fulfil social and

environmental responsibilities, but also as a strategic tool in building a strong and sustainable reputation in this increasingly competitive business era.

Research Methods

The study in this research uses the literature method. The literature research method, also known as a desk study or literature review, is a systematic approach to collecting, evaluating, and analysing previously published information on a particular topic or research problem. This process involves a comprehensive search of relevant sources such as books, journal articles, research reports, and other academic publications, followed by screening and organising the information found. (JUNAIDI, 2021); (Abdussamad, 2022). The researcher then conducts a critical analysis of the collected literature, identifying key themes, gaps in existing knowledge, and trends and developments in the field under study. The purpose of this method is to build a deep understanding of the state of the art in a field, identify areas that require further research, and provide a theoretical context for new research. (Wekke, 2020).

Results and Discussion

Impact of CSR on Company Image

Corporate image is the impression, perception, and belief that the public has of an organisation or company. It is a mental representation formed in the minds of various stakeholders, including customers, employees, investors, business partners, and the general public, based on their direct and indirect experiences with the company. (Magnan, 2024). Corporate image includes various aspects such as reputation, product or service quality, social responsibility, innovation, organisational culture, and financial performance. This image can be influenced by a variety of factors, including corporate communications, organisational actions and policies, and media coverage. Building and maintaining a positive image is critical to a company's long-term success, as it can affect customer loyalty, attractiveness to potential employees, investor confidence, and competitive position in the marketplace. (Carroll & Brown, 2021).

Corporate Social Responsibility (CSR) has a significant impact on a company's image. When companies actively engage in CSR activities, they demonstrate a commitment to ethical values, social concerns, and environmental sustainability. This can directly increase the public's positive perception of the company, which in turn strengthens the company's image in the eyes of the public. A well-executed CSR programme can help a company build a reputation as a responsible business entity that cares about the welfare of society and environmental sustainability. (Kreipl, 2020).

The positive impact of CSR on corporate image can also be seen in increased customer loyalty. Consumers today are increasingly aware of social and environmental issues, and they tend to prefer products or services from companies that demonstrate social responsibility. When companies engage in CSR activities that are meaningful and relevant to consumers' values, this can increase the emotional bond between consumers

and brands, which in turn has a positive impact on corporate image and long-term customer loyalty. (Matthews & Ingram, 2024)..

In addition, CSR can help companies attract and retain quality employees. Employees, especially the younger generation, are increasingly looking for companies that not only offer good compensation but also have values that align with their personal beliefs. Companies with strong CSR programmes and a positive image tend to be seen as more attractive workplaces, which can increase employee retention and attract top talent. This indirectly strengthens the company's image as an organisation that cares about the well-being of its employees and the surrounding community. (Voss, 2022).

However, it is important to note that the impact of CSR on corporate image is highly dependent on the authenticity and effectiveness of the programme. CSR programmes that are perceived as "greenwashing" or superficial efforts to improve image without real commitment can have a negative impact on a company's reputation. Therefore, companies need to design and implement CSR programmes that are meaningful, measurable, and aligned with the company's core values and community needs. With the right approach, CSR can be a highly effective tool in building and maintaining a positive corporate image, which ultimately contributes to long-term business success.

CSR Implementation Strategy to Build Positive Image

When it comes to building a positive image through Corporate Social Responsibility (CSR), companies need to adopt an effective and sustainable implementation strategy. The first step is to conduct an in-depth analysis of the company's values, business objectives, and stakeholder needs. (Maak & Pless, 2021). This helps in identifying CSR focus areas that are aligned with the corporate identity and have a significant impact on society. Next, the company should design CSR programmes that are specific, measurable, and relevant to its core business. For example, technology companies may focus on digital literacy programmes, while food companies may more appropriately focus on food safety and nutrition. (Tamvada, 2020).

Transparency and effective communication are key elements in a CSR implementation strategy. Companies should openly share the objectives, processes, and outcomes of their CSR initiatives with the public. The use of various communication channels, including social media, sustainability reports, and direct engagement with communities, can help disseminate information about a company's CSR efforts. It is also important to involve employees in CSR programmes, as they can be effective brand ambassadors and help reinforce the company's positive image from within. (Borger & Costa, 2022).

Collaboration with external stakeholders is also an important strategy in CSR implementation. Partnering with non-governmental organisations (NGOs), educational institutions, or local governments can increase the credibility and impact of CSR programmes. Such collaborations not only expand the reach of the programme, but also demonstrate the company's commitment to working together for the common good. In

addition, companies need to ensure that their CSR programmes are sustainable and have a long-term impact, not just short-term publicity initiatives. (Almeida, 2021).

Finally, consistent evaluation and reporting is a critical component of a CSR implementation strategy. Companies should establish clear metrics to measure the impact of their CSR programmes, both on society and on the business. The results of these evaluations should be used to continuously improve and develop CSR programmes. Transparent and comprehensive reporting on CSR initiatives, including challenges and lessons learnt, can increase stakeholder trust and strengthen the Company's positive image. (Wang, 2020). By implementing a holistic and responsible CSR implementation strategy, companies can effectively build and maintain a positive image while making real contributions to society and the environment.

Challenges and Opportunities in CSR Implementation

The implementation of Corporate Social Responsibility (CSR) brings a number of significant challenges for companies. One of the key challenges is balancing business interests with social and environmental responsibilities. Companies often face a dilemma in allocating resources between CSR initiatives and core business activities. (Kadyan, 2020). In addition, measuring the real impact of CSR programmes can be difficult, especially in terms of long-term benefits to society and the environment. Other challenges include ensuring consistency in CSR implementation across a company's global operations, overcoming public scepticism of the motives behind CSR initiatives, and aligning CSR programmes with the expectations of diverse stakeholders. (Guha & Roychowdhury, 2022)..

Despite the challenges, CSR implementation also offers a range of valuable opportunities for companies. CSR can be a catalyst for innovation and the development of new, more sustainable products, opening up new markets and consumer segments that are environmentally and socially conscious. Effective CSR programmes can also enhance a company's reputation and brand image, which in turn can attract and retain customers and talented employees. Furthermore, through CSR, companies have the opportunity to contribute significantly to addressing global challenges such as climate change, social inequality, and environmental degradation. (Takalandze, 2024).

Another opportunity arising from CSR implementation is the improvement of operational efficiency. Many CSR initiatives, especially those focused on environmental sustainability, can generate long-term cost savings through reduced energy consumption, waste minimisation, and optimised resource use. CSR also opens the door for strategic collaboration with various stakeholders, including the government, NGOs, and local communities. Such collaborations can expand the reach and impact of CSR programmes, as well as provide valuable insights into social and environmental trends that may affect businesses in the future. (Font & Lynes, 2020).

To effectively capitalise on these opportunities while addressing challenges, companies need to adopt a strategic and integrated approach to CSR. This involves aligning CSR initiatives with core business strategies, setting clear objectives and metrics, engaging

employees at all levels, and communicating transparently with stakeholders. Companies must also be flexible and responsive to changing social and environmental expectations. With the right approach, challenges in CSR implementation can be turned into opportunities to create shared value for business and society, drive sustainable growth, and contribute to better global development.

CSR Best Practices in Building Positive Company Image

Effective implementation of Corporate Social Responsibility (CSR) can be a very powerful tool in building a positive corporate image. One key best practice is to align CSR initiatives with the company's core values and business strategy. When CSR programmes are organically linked to a company's mission and vision, it creates a sense of authenticity and genuine commitment. (Mayorova, 2021). For example, technology companies that focus on digital education programmes for underserved communities not only provide social benefits but also reinforce their position as leaders in technological innovation. Consistency between CSR actions and brand identity is critical in building stakeholder trust and loyalty (Magnan, 2024). (Magnan, 2024).

Transparency and effective communication are other key elements of CSR best practice. Companies should openly and honestly report on their CSR activities, including the challenges faced and the resulting impacts. The use of various communication channels, including sustainability reports, social media, and direct engagement with communities, can help spread a company's CSR message. It is important to present quantitative and qualitative data that demonstrates the real impact of CSR initiatives. Success stories and testimonials from beneficiaries of CSR programmes can also be a powerful tool in building a positive narrative about a company's contribution to society. (Carroll & Brown, 2021).

Collaboration with external stakeholders is also an increasingly important best practice in CSR. Partnering with non-profit organisations, government agencies, or even competitors on social and environmental initiatives can expand the reach and impact of CSR programmes. Such collaborations not only increase programme effectiveness but also demonstrate the company's commitment to working together for the greater good. This can enhance the company's perception as a responsible and proactive member of the community, which in turn strengthens its positive image in the eyes of the public. (Carrera, 2022).

Finally, engaging employees in CSR initiatives is an often overlooked but critical best practice. Employee volunteer programmes, participatory decision-making in CSR project selection, and training on the importance of corporate social responsibility can increase employee engagement and create strong internal brand ambassadors. (Jiang, 2020). Employees who are engaged and proud of their company's social impact tend to be more effective advocates, reinforcing the company's positive image through their interactions with customers, partners, and the general public. In addition, employee engagement in CSR can improve morale, productivity, and retention, all of which contribute to the long-term success and positive reputation of the company.

By implementing these practices consistently, companies can build a strong reputation as a socially responsible business entity. This not only enhances a positive image in the eyes of the public, but also creates added value for all stakeholders. Effective CSR can be a catalyst for building trust, customer loyalty, and stronger relationships with communities. Ultimately, a strategic and genuine CSR approach not only benefits society and the environment, but also contributes to the long-term sustainability and success of the company itself.

Conclusion

Corporate Social Responsibility (CSR) plays a very important role in building a positive image of the company. CSR not only serves as a tool to fulfil social and environmental responsibilities, but also as an effective strategy to improve the reputation and public perception of the company. Through the implementation of appropriate and sustainable CSR programmes, companies can demonstrate their commitment to society and the environment, which in turn can increase stakeholder trust, customer loyalty, and the attractiveness of the company in the eyes of investors and potential employees.

However, the effectiveness of CSR in building a positive image depends largely on how the programme is designed, implemented and communicated. Companies need to ensure that their CSR initiatives are authentic, aligned with the company's values, and deliver real impact to society. In addition, transparency in reporting CSR activities and active engagement with stakeholders are also key factors in maximising the benefits of CSR on corporate image. With a strategic and genuine approach to CSR, companies can create shared value that not only benefits their business but also makes a positive contribution to society and the environment at large.

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