

---

***A Descriptive study on Corporate Community involvement activities and its impact on Organization and Society***

**Dr. Priti Nigam<sup>1</sup>,**

Assistant Professor

Department of Commerce & Business Management  
THE MAHARAJA SAYAJIRAO UNIVERSITY OF BARODA  
VADODARA [GUJARAT] 390 002

**Ms. Purvi A. Chavla<sup>2</sup>**

Research Scholar

Department of Commerce & Business Management  
THE MAHARAJA SAYAJIRAO UNIVERSITY OF BARODA  
VADODARA [GUJARAT] 390 002

Key terms: **Corporate Social Responsibility, Corporate Community involvement, community**

**(1.0)Introduction:**

**Corporate Social Responsibility:**

Corporate Social Responsibility refers that a company takes steps to ensure there are positive social and environmental effects associated with the way the business operates. Businesses that engage in active CSR efforts take stock of the way they operate in the world to incorporate addressing cultural and social issues, with the aim of benefiting both in the process. CSR increase business and revenue It also promote change and progress throughout the world, which often involves helping people with few or no resources.CSR should become natural in the mission and message of an organization, and also hold a strong place in marketing and advertising. Companies should be aware that promoting their CSR model only benefits the company if they are already acting on their plan. Businesses that ignore corporate social responsibility run a risk to their bottom line and their brand. Having a terrible reputation socially and environmentally can create serious negative effects on the overall profitability and success of a company.

**History of Corporate Community involvement:**

In North America in the 19th century – the discussion around a separate role for “communities” would not have resonated at the time. After all, these companies had their “communities” at the core of their purpose: to provide safe, efficient and affordable transportation in a continent that was as of then underserved by this service. Of course these corporations had shareholders – after all capital was an important resource for their pursuit – and to reward them adequately was an important condition of their operation. But serving the cities, towns and states – in short the communities of these corporations - were at the core of their purpose. In Europe, entrepreneurs during the industrial

revolution discovered fairly early on those employees in fact were their first and foremost community that warranted specific engagement. Over the course of the 20th century the focus of community engagement shifted increasingly towards the direct neighborhood of a company, its town or city, or even country. Community engagement of large American and European firms then appeared prominently in the form of philanthropy and voluntary donations in the area of healthcare, education, the arts or other social services. Certainly in North America, many companies, when using the more contemporary language of 'corporate social responsibility' (CSR), still refer to the way they engage in philanthropic activities (Porter and Kramer, 2011). At last in the second half of the 20th century it was particularly the environmental movement that highlighted the physical, ecological environment (and the people that depended on it) as common aspect of what a corporation's community constitutes. (Ratan N. Tata with Dirk Matten, 2016)

### **Corporate Community involvement:**

Corporate Community involvement (CCI) is a important factor to gain customer trust. Corporate Community involvement is a term which is derived from corporate social responsibility. Corporate Community involvement directly refers to company's involvement in those projects that are for community's wellbeing and development. It boosts up creativity and employee motivation and attracts target market to be a part of novel and considerate company. Corporate Community involvement is defined as organizations' involvement in community development projects and causes. The concept of Corporate Community involvement is based upon sharing company's profits to society in order to improve it, develop it and retain it for business. It improves business processes and enhance company image in the industry. CCI is a part of social engagement which is aimed to return customer's contribution to the business. Corporate Community involvement is an excellent tactic to portray company's image as a considerate and empathetic organization that has concern over societal development ( Janne Peltoniemi, 2016)

### **Benefits of Corporate Community involvement:**

Corporate Community involvement is beneficial for businesses as well as society. It is a outcrop to company's concern about society in which the business is running and to the customers who are end users of company's products or service. It beneficial to business and organization in long term It gives more return in less investment. It enhanced the reputation of company , Improved stakeholder relations, Building credibility and trust, Demonstrating core competencies and innovation potential Exercising leadership, Enhanced brand image and preference, strengthened brand value, Increased customer purchase intentions, retention, and loyalty, Improved employee attraction/retention, Expansion to new growth markets Creating a distinct niche for your company, Contributing to long-term value creation for the company. [http://www.Corporate\\_Community\\_involvementguide.com](http://www.Corporate_Community_involvementguide.com))

### **Core approaches to Corporate Community involvement:**

Five major ways that companies can do Corporate Community involvement

---

(i) charitable giving, (ii) employee volunteering, (iii) cross sector partnerships with civil society groups/NGOs, (iv) developing products and services for disadvantaged communities, and (v) engaging in public policy.

Charitable giving and sponsorship (often referred to as philanthropy) are one of the oldest approaches to CORPORATE COMMUNITY INVOLVEMENT but still enjoy large popularity for many companies. Increasingly, in tune with a strategic approach to CORPORATE COMMUNITY INVOLVEMENT, those are linked to marketing strategies through cause-related marketing. Donations are increasingly expected to provide tangible benefits to the firm in terms of increased sales, brand recognition, or brand identification among consumers. Employee volunteering has gained increasing momentum, especially when linked to human resource development strategies. Increasingly employees are extolled to go beyond simply donating their time and effort to local community projects, and are encouraged to select projects that will enhance their transferable skills and competences in ways that are of benefit to themselves and their employers. Partnerships can help companies deliver on community projects with groups that share the same concerns for certain needs of the community. This may also help build reputation and legitimacy with the public, as well as specific competence in managing social issues. Working with non-government organizations (NGOs) is widely touted to be a win-win strategy for businesses facing a trust deficit in the community and charities facing a skills or resource deficit. The label of “base of the pyramid” strategies, companies have started to think about serving disadvantaged communities through their core operations. The core insight that informs this approach is that many constituencies in the developing world are excluded from the consumption of goods and services because of lower disposable incomes and different product delivery conditions in those contexts. A fairly recent debate has come up about the role of companies in community initiatives and their relations to governmental institutions. This is a debate that is by no means uncontroversial and initially been one of the main criticisms of CSR and CORPORATE COMMUNITY INVOLVEMENT. This might ultimately create. It all has to do with the purpose of the firm to make a difference in the communities it serves. (Ratan N. Tata with Dirk Matten, 2016)

#### **Motives and drivers of Corporate Community involvement:**

According to different author many companies CCI is just a pragmatic way of *securing their wider license to operate* in a certain town or country (Smith, 2003). CCI, in particular philanthropic activities, as something the firm can use *strategically to enhance its competitiveness* (Porter and Kramer, 2002) *Normative arguments* start from the assumption that companies have some moral duty to engage with their communities – regardless of the fact that it might just make their operations possible, let alone open more strategic opportunities for them (Carroll, 1991).

#### **(2.0) Review of literature:**

Kiran 2011 opines that Majority of Manager felt that Corporate Community involvement is similar to corporate social responsibility. Corporate social responsibility is a big area than Corporate Community involvement. In Corporate social responsibility, It includes Environment, Economic, Social and stakeholder theory. Community development is a project only. The concept of Corporate Community involvement is direct involvement in those projects that are aimed for community development only (Kiran 2011).

---

Hansen 2011 explained that an organization can achieve monetary success through Corporate Community involvement. The concept of CORPORATE COMMUNITY INVOLVEMENT can be regarded as spend less, get more. This concept invests one time does partnership with different agency, signs an agreement for financial improvement and environment protection, builds hospitals, Schools etc. but It always give long term benefits from it. Community remember this effort every time they see the result of that effort such as seeing more trees, reduction in diseases, more doctors available, nearby hospital for emergency treatment, Schools, Colleges etc. It become beset by company's gesture and become loyal to company's product or service. Thus, financial success is achieved and company enjoys fruit of customer retention too.( Hansen 2011)

According to Mirvis, Organizations extend only when Employee engagement is in it. Superior production levels can achieve in organization from employees when they are committed to their jobs. Organizational grow can only be gain through efficient performance of employees. Sometimes employees cannot produce desired result. To avoid it organization must create suitable policies to maintain talented Employees and achieve targets through Employees Efficient performance. Corporate Community involvement is one of the factor that leads to high productivity from employees. Employee engagement is Compulsory for consecutively successful Corporate Community involvement projects. It is certainly told that organizations plan to practice Corporate Community involvement in order to contribute to society and make a difference in Community's thinking about business. It is also used as a mean to enhance performance of marketing and management activities. Big companies used to plan major events, Shows and also programs and campaigns to which celebrities are invited for supporting a societal cause. These types of events are raise charity amount and achieve goal. (Mirvis 2012).

Temiz 2008 opines that Corporate Community involvement guard organization from Risk and failure in long term. Strategic planning of Corporate Community involvement persuade organizations' image and influence customer to stay to his choice of business. Sustainable development is one of the important factors that determine customer loyalty and constant consumer buying decision. Voluntarism and stakeholder's interest in Corporate Community involvement makes sustainable development possible for companies. Organizations begin plans to help communal development. Individual and non-profit organizations volunteer the cause and help organization to achieve goal of Corporate Community involvement project. Occasionally due to extreme community response and successful outcomes of Corporate Community involvement projects, organizations extend the plan of Corporate Community involvement cause. They enlarge workforce performance and devote more resources to gain sustainable development and Societal development and sustainability is then achieved by the help of employees (Temiz 2008).

According to Muhammad 2015, Corporate Community involvements improve business's resource treatment and create well apply of existing ones. Resources are invested to contribute in societal causes and make successful decisions. The use of resources in Corporate Community involvements projects reaps long time achievement for organisation by achieving customer loyalty. Resource management and economic arrangements may materialize grave on budget with initial cost but with long term objectives in hand; companies gain a lot more than what they invest in. resource management in Corporate Community involvement is kept on contingency basis. Every company

cannot be sure of providing resources as and when needed by Corporate Community involvement projects. Employees involved in Corporate Community involvement projects can feel depressed due to lack of resources. It is recommended to organizations that resource management should be designed intelligently so that consecutively projects do not stop. It is a precedence of organizations to make decisions regarding customers and products first. It is reserved on third point for allocate resource in emergency. (Muhammad 2015)

### **(3.0) Basic terms of the Research study:**

**Community:** A group of people living in the same place or having a particular characteristic in common, The people of a district or country considered collectively, especially in the context of social values and responsibilities; society. (<https://en.oxforddictionaries.com>)

**Corporate social responsibility (CSR):** activities of company to take part in social projects for welfare of whole society and its well-being, Corporate social responsibility, often abbreviated "CSR," is a [corporation's](#) initiatives to assess and take responsibility for the company's effects on environmental and social wellbeing. (<https://www.investopedia.com>)

**CORPORATE COMMUNITY INVOLVEMENT:** a company's involvement in projects and causes that are specifically aimed to develop the community. (Janne Peltoniemi ,2016)

### **(4.0) Implications:**

Corporate Community involvement is a valuable strategy of organizations. It brings professional as well as social benefits to the company. Frequently companies practice Corporate Community involvement in order to contribute into societal development. Corporate Community involvement is an combination of corporate social responsibility. Every company is compelled to spoil in community development activities in order to share earned profit with society. Corporate Community involvement is a basic and simple technique to gain or strengthen competitive edge. The dogma behind Corporate Community involvement is to hold customers and maintain a good corporate image in the industry. In Organisation's internal environment employees also increase benefits from community involvement plans. As a Part of an organization, employees also get affected by good or bad image of organization. Involvement in community projects and causes minimizes probability of company's bad image. The cost of Corporate Community involvement is customary back through more sales. It affects employee's efficiency and presentation levels. Employees like to work in that companies that is well reputed and liked by society. Corporate Community involvement is one such effort that can insert to employee's morale about his organization. It sets a good image of organization in his brains for which he can adopt offensive as well as defensive approach for gaining good creative image in the society. An organization used to achieve monetary success through Corporate Community involvement.

### **(5.0) Conclusion:**

Corporate Community involvement works both for organization and for the community. As a part of society in developmental projects, Corporate Community involvement builds a clear attempt to develop society in which customers are living and thus, spent their attention towards organization's product/ service. It used as act shot for employees; its benefits become richer for organization

---

Employees who work with company having competitive edge are positive, retained and pleased with their jobs. Corporate Community involvements improve spirits of employees regarding organization. Employees attain advantage from Corporate Community involvements to at hand their performance as an competent and keen effort to gain employer's good opinion. It is accomplished that Corporate Community involvement's impact on employees' outcome. Employees feel motivated because of being part of an organization that is taking realistic actions to raise society. It brings basic satisfaction to employees that their employer is serious about societal development and shows interest in related efforts. Corporate Community involvement also improves employees' job morale and job satisfaction levels. Employees feel secure about their jobs and become positive to defend it for gaining Community's importance. Corporate Community involvement is an intelligent technique that can positively improve company's productivity. It increases business performance, productivity, image and consequently income and competitive edge. Human Resource management is positively influenced by Corporate Community involvement. Employees are satisfied and retained for long time when Corporate Community involvement. It improves customer responsiveness. If Corporate Community involvement is designed and implemented cleverly, it can bring more benefits for Individual, Community and also organization. Corporate Community involvement is not an "other cost": it is suggested for organizations to understand that Corporate Community involvement is not an Extra expense. Corporate Community involvement is best handled by companies and their employees when it is considered as a social responsibility not an activity to achieve selfish targets. When integrity gets involved in Corporate Community involvement, better results are expected. An organization can achieve monetary success through Corporate Community involvement. The concept of CCI can be regarded as invest less, receive more. Corporate Community involvement can achieve in customer satisfaction. Customer satisfaction is a basic concept to determine success of organization. When a company practices Corporate Community involvement, customers feel pleasure to be a part of that organization through purchasing.

Corporate Community involvement represent Positive image of company. Society recognizes that business as a good and supportive organization that has understanding of societal problems. Efforts made to help society fighting with issues, make difference in people's minds about that organization. Humanity and understanding are the important factors that are perceived by society about that business. Brand loyalty is also an advantage of Corporate Community involvement. The term Corporate Community involvement creates difference in consumer buying decision too. Customers like to purchase that item that is carry benefit to someone within the same cost.. So, Overall Corporate Community involvement helps in all aspect of organization and also beneficial to society-community.

#### **Selected References:**

- 1) Carroll, A. B. 1991. The pyramid of corporate social responsibility: toward the moral management of organizational stakeholders. *Business Horizons*(Jul-Aug): 39-48
- 2) Hansen, E. G. 2011. Measuring the Impacts of NGO Partnerships: The Corporate and Societal Benefits of Community Involvement. *Corporate Governance: International Journal of Business in Society*, 11, 415-426.
- 3) Kiran, R. 2011. Corporate social responsibility: A corporate strategy for new business opportunity. *Journal of International Business Ethics*, 4(1).

- 4) Mirvis, P. 2012. Employee Engagement and CSR. (nestle.com : <https://www.google.com.pk>)
- 5) Muhammad, A. S. N. U. 2015. Impact of job engagement and team processes on organizational learning: examining moderating role of leadership style. *International Journal of Management & Organizational studies*, 4, 1-15.
- 6) Temiz, S. 2008. Adaptation of International Business Marketing Strategy between Emerging Markets. *Baltic Business School*.
- 7) Porter, M. E., and Kramer, M. R. 2002. The competitive advantage of corporate philanthropy. *Harvard Business Review*, 80(12): 56-69.
- 8) Smith, N. C. 2003. Corporate Social Responsibility: Whether or How? *California Management Review*, 45(4): 52-76.
- 9) Tata Ratan N. & Dirk Matten, 2016 Corporate Community involvement- Effect on employee outcomes *Journal Re-imagining Capitalism: Towards a responsible*, Oxford (Oxford University Press)
- 10) <http://www.CorporateCommunityinvolvementguide.com>, Accessed on 1/9/2017)
- 11) <https://www.investopedia.com>, accessed on 1/9/2017)
- 12) <https://en.oxforddictionaries.com>, Accessed on 1/9/2017))
- 13) nestle.com : <https://www.google.com.pk> Accessed on 1/9/2017