EFFECTS OF CORPORATE SOCIAL RESPONSIBILITY ON ORGANISATIONAL PERFORMANCE: A CASE OF INDUSTRIAL AND COMMERCIAL DEVELOPMENT CORPORATION (ICDC)

Gracemary Gathoni Muchiri
Catholic University of Eastern Africa, Kenya
Dr. Joseph Okumu
Senior Lecturer, Catholic University of Eastern Africa, Kenya
Dr. Abraham Kiflemariam
Senior Lecturer, Catholic University of Eastern Africa, Kenya

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ABSTRACT

Despite its worldwide approval by business enterprises and state corporations, CSR remains a topical issue for state corporations in Kenya. The Kenyan government has made CSR a requirement for state corporations as indicated on the Code of Governance for state corporations in Kenya. However, parastatals have not fully embraced this government's directive and remains a discussion on its effect on State Corporation's business strategy. The main objective in this survey is to examine the effects of CSRon organizational performance of state corporations in Kenya. This study used a survey research design to establish the dynamics that exist between CSR and performance of organizations with specific focus in ICDC. The targeted population in this study constituted of all the staffs that worked at ICDC as well as thirteen managers from the investee clients. The surveyor to obtain primary data from respondents utilized self-issued questionnaires. The gathered data was managed by sorting, coding and keyed into a SPSS from which descriptive statistics were deduced using tables, graphs and charts for easier understanding. In testing the significance between dependent and independent research variables, researcher used a multiple regression model. The study conclude that environmental conservation, philanthropic CSR andethical CSR have a positive andsignificanteffect on Organizational Performance. The study also concluded that minimization as well as utilization of packaging material that are friendly to the environment play a very useful role in promoting sustainability of the environment. In addition, the study concluded that treating of workers fairly as well as upholding the highest ethical degree for workers is an effective way for firms to demonstrate their ethical CSR. As a result of this, the survey recommended that firms should ensure that they embrace CSR in their bid to improve their overall financial performance. Also, it was recommended that a firm should make sure that their CSR are well aligned with their overall objectives, persona and culture.

Key Words: *corporate social responsibility, environmental conservation focused CSR, philanthropic CSR activities, ethical CSR*

INTRODUCTION

The principal role of organizations before the 1990s was shareholder wealth maximization (Freeman, 2010). Today, organizations have realized that also have a social responsibility. They have found it necessary to undertake activities that go beyond their purely economic mandates and resonate with the importance of various stakeholders in organizations' success. It is in agreement with the theory of stakeholders, which postulates that business executives are not just answerable to shareholders, but also to other related stakeholders especially those who are normally impacted by the organizational activities such as lenders, workers, general society, suppliers, as well as trade unions.

For this reason, engaging in CSR has nowadays become very essential for operation of any given organization. In addition, the concept of sustainable growth among business enterprises has become very essential and as such, many businesses have been engaging in CSR as a strategic way of achieving this objective (Okwemba et al, 2014). Further, the WBCSD provide that engaging in CSR activities is very significance for business enterprises to attain sustainable economic growth (Pranjali, 2011). The reason the council argue for the CSR is because, engaging in CSR provides a great opportunity to a firm given the fact that almost all of the firm's routine activities to some extent overlaps with social factors though majority of firm's are yet to realize this. Therefore, a good relationship between a business enterprise and the society in which it operates tend to contribute to a long-term business success (Porter, 2006)

Corporate Social Responsibility

Rahim (2013) has identified several interchangeable definitions ofCSR from different scholars such as 'corporate citizenship', 'the ethical corporation', 'corporate governance', 'corporate sustainability', 'social responsible investment', and 'corporate accountability'. He further observes that the varying definitions of CSR could be as a result of constant changes in the aspect to which various organizations engage in the activity as well as its recent wide recognition among business enterprises due to the need to improve the welfare of all those related to the business undertaking. However, irrespective of the varying perspective to which CSR is considered, all these perspectives normally converge to a common element of the organizations. In particular, CSR elements are usually related to social welfare, environmental protection, economic, as well as the business response to the needs of various related stakeholders such as equity holders, clients, staffs, suppliers, among others.

Therefore, CSR refers to various organizational strategies that are usually put in place by a business enterprise in order to undertake their various business activities in an ethical manner, as well as also being beneficial to the large society in which the said organizations operates in terms of development (Ismail, 2009). Additionally, it CSR entails a firm responsibility to engage in protecting as well as in improving the current as well as the future sustainable welfare of its associated stakeholders (Lin et al., 2009).

Globally, CSR is well embraced by a number of private and large firms. Favotto, Kollman and Bernhagen (2016) having been researching on CSR and governance for almost two years established that the organizational ethical codes tend to influence the firm's attitude towards adoption of CSR. However, Bernhagen and Kollman, (2013) observes that the influence of organizational ethical codes towards adoption of CSR is usually limited and uneven among business enterprises. Though at least 9,000 organizations from across the globe have been joining the UN Global Compact initiatives, Forbes, (2018) has observed that such participation has largely been left to large European multinational corporations compared to other developed economies such as Japan and the United States. Many scholars such as (Bennie, Bernhagen and Mitchell, 2007; Prakash and Potoski, 2006) in their research work have established that large organizations tend to participate in CSR activities compared to smaller and medium organizations.

According to Favotto*et al.* (2016) organizational engagement in CSR initiatives is also greatly influenced by the nature of the industry in which they operate. This fact has seen many firms especially those in extractive sector engaging in frequent CSR initiatives to consolidate on its perceived advantages. Another key determining factor in firm's engagement in CSR initiatives is the extent to which an organizational residential status is integrated with global markets or NGO networks (Berliner and Prakash, 2012; Perkins and Neumayer, 2010).

Hamann, Kapelu, Sonnenberg, Mackenzie and Hollesen (2005) noted that engagement in CSR initiatives tend to differ significantly among African states in which case most of CSR initiatives are undertaken through modes of action such as partnership, sponsorship, and foundations. However, in Baskin's (2006) view, CSR is assumed to be largely a western concept and, thus, it is in most cases very effective among nations with large multinational corporations, political structure that is democratic as well as firms that are normally concerned with the civil society needs.

In Kenya, parastatals face unprecedented challenges arising from a rapidly changing market because of new technologies, economic uncertainty, fierce competition, and demanding customers (Sasaka, 2016). Consequently, there has been a shift from the traditional business model, which emphasized on shareholder wealth maximization, as indicated above, to a more holistic one that emphasizes the economic, social, and environmental responsibilities of corporations. Towards this, the government developed a Code of Governance for State Corporations in Kenya (Mwongozo, 2015) and directed all boards of state corporations to make and implement a policy on good corporate citizenship, with an appropriate budget of CSR.

Organizational Performance

Stephen and Mary (2002) define performance as the overall results that are normally attained at the end because of a firm engagement in a particular activity or work. Performance is also considered in terms of the efficiency of a firm to transform its inputs into outputs, which is usually considered in terms of actual outcomes compared with earlier projected results (Thursby, 2000). Further, organizational performance is considered by Liptons (2003) as the firm's ability to achieve its core objective, hence, being able to prevail against its competitors. On the other hand, Richard et al (2009) asserts that firm performance comprises of three key areas of intended results which are stakeholders return, performance financially as well as being the leader in product market performance.

The effectiveness of organizational performance measure has been studied extensively by various scholars and the related critical factors established. Conceptual model by Venkatraman & Ramanujam (2001) argue for an alternate depiction in which case performance will consist of two key proportions which are financial concept in terms of organizational profitability, market value and organizational growth and the operational domain concept which should be constituted by all aspects relating to non-financial competitive factors such as client's satisfaction, client's retention, staff satisfaction, quality products, as well as enhanced organizational reputation. Several studies have focused on the financial performance, but few studies are on the non-financial performance perspective.

Non- financial performance is indirectly linked to firm's financial performance as most of its measuring tools such as customer satisfaction, employee satisfaction, innovation, product quality and organizational reputation influence market share, growth and profitability. However, Thomson et al (2007) in his study asserts that utilization of financial measures alone tends to oversee the fact that the achievement of better financial results by an organization from its core operations is the ultimate attainment of the firm's core objective as this helps in improving its competitiveness as well as strengthening its market position.

State Corporations in Kenya

The Kenyan government with the sole goal of meeting both the financial and social objectives (Njiru, 2008) normally establishes state corporations in Kenya. These commercial goals include any revenue generating activities such as interest's fee from bank borrowings, sale of agriculture produce like tea and coffee among others. Social goals on the other hand include government projects intended to rectify failure in the market, to attain both political and social goals, as well as to provide basic needs especially health services, education, fair income distribution and also to ensure development of marginalized areas. During the attainment of independence in Kenya back in 1963, the Sessional Papers No. 10 of 1965 provided for the establishment of parastatals as a way of ensuring fast economic growth. For this reason, majority of Parastatals in Kenya today were established during these early days of independence especially between 1960's and 1970s.

According to a report by the Presidential Task Force on Parastatals Reforms (PTPRs) (2013), parastatals in Kenya are defined as Government Owned Entities (GOEs) incorporated and, hence, the government remains the single majority shareholders for commercial needs. In regards to this, the commercial needs relate to the fact that these states corporations despite being established to generate profit, they are also intended to contribute strategically towards social-economic needs of Kenyans as stipulated by the development needs of the president. Other forms of GOEs include state agencies which are established for public service delivery including regulations, county corporations incorporated by county governments for commercial purposes, and county agencies registered by county governments tasked with undertaking various public projects in order to achieve set county developmental service delivery. Therefore, a state corporation is considered to an entity that is legally established by the state and tasked with engaging in various commercial activities on behalf of the state. It is typically earmarked to participate in the commercial activities. From the report, there is a total of 187 GOEs in Kenya with 55 of these being state corporations and 132 are state agencies.

Hence, this survey attempted to show the effects ofCSR activities and initiatives on organizational performance of state corporations in Kenya with a special focus being Industrial and Commercial Development Corporation (ICDC) which is a parastatal established to perform the investment function of the government of Kenya as a financial institution. ICDC is a financial institution under the Ministry of Industrialization and Enterprises in Kenya that was established in 1954 by the Act (Cap.445 Laws of Kenya). The Corporation offers financial solutions that include equity and debt financing to businesses in Kenya seeking finance to develop their capacity. Its range of products include equity financing, joint ventures, asset financing, corporate loans and strategic partnerships.

Stakeholder Theory

According to this theory, an organization is not only required to be obliged in making more profits for its equity holders but it should also make sure that its stakeholders are more satisfied. It argues that organizations should balance a multiplicity of stakeholders' interests. As scholars such as (Harrison & Wicks, 2013; Sweeney, 2009). Asserts, this theory recognizes that organizations are obliged to a number of stakeholders especially all those related to the firm. The theory further provide that organizations should treat all stakeholders fairly to improve their performance and competitiveness in the marketplace (Tilakasiri, 2012; Yin et al., 2013). This is because, the major organizational stakeholders can easily impact or be impacted by a slight activity taken by their organization as they tend to contribute greatly in creation of organization wealth, hence, the reason they are considered to be both beneficiaries as well as potential losers (Sweeney, 2009). Organizations normally have both implicit (self-enforcing) as well as explicit (legal) contracts to fulfil with all its stakeholders. There are a number of stakeholders within the organizations structure with the major one's being equity holders, clients, state, general society, suppliers, workers, environmental specialists, and NGO's (Freeman et al., 2010). For this reason, this theory tend to play a very vital role when examining the whole concept of CSR (Chen, 2015; Tilakasiri, 2012). In this study CSR framework was based on selected stakeholders; employees, customers, communities and government.

However, despite the extensive significance of this theory in regards to the concept of CSR, a key demerit of stakeholder's theory is that its proponent assumes that all concerned stakeholders should be fairly treated which is in a direct conflict to the broad business objective of making profit. However, the key merit of this theory is that it provides that a firm must make it its ultimate responsibility of going beyond the statutory requirement which in turn allows a firm to gain long-term sustainability and subsequent success (Tilakasiri, 2012).

According to Bondy (2012), this theory argues that businesses should seek to give a balance between the interests of its diverse stakeholders to give each constituency some levels of satisfaction. A stakeholder is anyone or anything that affects or is affected by the activities of that business. For this reason, this theory is considered to be an ethic and business management perspective that is intended to expound on both morals and values particularly in management of business enterprises such as parastatals. In regards to the current survey, the theory expounds on the link between parastatals and macro-environment and the related behavior to the macro-environment in which it carries out its day to day activities. As already indicated, parastatals like business firms have a responsibility that goes beyond shareholder value to individuals or groups who either influence or are influenced by their business decisions (Tabitha, 2014; Laplume*etal*, 2008).

Thus, they have responsibilities to business clients particularly on affordable and fair pricing; quality service, and product safety among others. Their responsibilities to investors include risk mitigation and high return on investments. They also have responsibilities to suppliers in terms of ensuring fairness and truthfulness in all dealings with suppliers especially pricing and licensing. Communities as well want high charitable contributions and social expenditures by parastatals to benefit them. Hence, any decision by parastatals has to take cognizance of these conflicting and inconsistent demands (Johnson, Scholes &Whiting, 2008).This view is corroborated by Friedman and Miles (2006), who refer to it as a win-win in the medium and long-term.

RESEARCH METHODOLOGY

This study used a survey research design so as to establish the dynamics that exist between CSR and performance of organizations with specific focus in ICDC. The targeted population in this study constituted of all the staffs that worked at ICDC as well as thirteen managers from the investee clients.Self-issued questionnaires were utilized by the surveyor to obtain primary data from respondents. The researcher further employed data editing, data coding, as well as data tabulation to detect any animosities in the responses and assigned precise numerical values to the responses for further analysis.

To indicate the existence of the relationship between independent and dependent variables, the surveyor conducted a regression analysis, hence, was able to establish the existence of any significant relationship as shown below.

$$Y=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\varepsilon$$

Where: $Y=$ Organizational Performance; $X_1=$ Environmental CSR; $X_2=$ Philanthropic CSR; $X_3=$ Ethical CSR; $\varepsilon=$ Error term; $\beta_i=$ Coefficients of the independent variables (Where i=1, 2 and 3)

RESEARCH FINDINGS

The correlation coefficient is a measure of the strength of linear relationship between two continuous variables. Correlation analysis findings are depicted in the table below.

Table 1: Correlation Matrix

	Organizational Performance	Environmental Conservation CSR	Philanthropic CSR	Ethical CSR
Organizational Performance	1.000			
Environmental Conservation CSR	.737**	1.000		
	0.000			
Philanthropic CSR	.706**	0.651**	1.000	
	0.000	0.000		
Ethical CSR	.745**	0.646**	0.646**	1.000
	0.000	0.000	0.002	

** Correlation is significant at the 0.01 level (2-tailed)

The results revealed that Environmental Conservation CSR and Organizational Performance are positively and significantly associated (r=0.737, p=0.000). The Table further indicated that Philanthropic CSR and Organizational Performanceare positively and significantly associated (r=0.706, p=0.000). Similarly, results showed that Ethical CSR and Organizational Performance were positively and significantly associated (r=0.745, p=0.000). This implies that the variables strongly increase at the same time since a correlation coefficient close to+1.00 indicates a strong positive correlation. An improvement in environmental conservation leads to better organizational performance.

The results presented in the table below present the fitness of model used of the regression model in explaining the study phenomena

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.753194	0.567301	0.554385	1.187416

a. Predictors: (Constant), Ethical CSR, Philanthropic CSR, Environmental Conservation CSR

From the results on Table 2, Environmental Conservation CSR, Philanthropic CSR and Ethical CSR were found to be satisfactory variables in explainingOrganizational Performance. This is supported by coefficient of determination also known as the R square of 0.567. This means that Environmental ConservationCSR, Philanthropic CSR and Ethical CSR explain 56.7% of the variations in the dependent variable, which is Organizational Performance.

The significance of the P-value being tested is aimed to establish the extent to which the study dependent and independent variables relates. In the event where the significance value established was less than the corresponding critical value which is also known commonly as probability value (p) normally set at 5% in statistics, then it would have been concluded that the obtained model is of great significance in trying to expound on the existing relationship between dependent and independent variables in the study, thus, regarding the model not significant. Analysis of variance for this survey is depicted below.

Table 3: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	125.702	2	62.851	43.92103	.000
	Residual	95.877	67	1.431		
	Total	221.579	69			

a. Predictors: (Constant), Ethical CSR, Philanthropic CSR, Environmental Conservation CSR

b. Dependent Variable: Organizational Performance

From the above Table 3, it is clear that the ANOVA test present the output of the F-test. However, it is clear that the F-test above as demonstrated by the linear regression has a null hypothesis which explains that there is zero variance for the dependent variable which in this case is the organizational performance. Nevertheless, given that the level of significance which stands at 0.000 is less than the standard cut-off value of 0.05, the ANOVA model can be said to be significant. This therefore illustrates that the F-test model is highly significant, thus, it can be assumed that it provides a significant amount of variance of the dependent variable in the study.

To understand how different variables affected the porganizational performance at Industrial and Commercial Development Corporation (ICDC), the table below was generated.

Table 3 findings for the ANOVA between CSR on organizational performance portrays a numerator for whose degrees of freedom (df) =2, denominator df =67 and critical F value is 9.48. Moreover, the findings show computed F value is 43.921. From these findings, the regression model is significant since the computed F-value exceeds the critical value that is 43.921 > 9.48. This is supported by the P value = 0.000 which is less than 5%. This implies that all the CSR variables considered together provide a significant level of explanation of the relationship between CSR factors and organizational performance. This implies that 95% chance that the relationship among the variables is not due to chance.

Table 4: Regression of Coefficients

Model		**Unstandardized Coefficients**		**Standardized Coefficients**		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	61.36	5.484		11.1891	.000
	Environmental conservation focused CSR	1.138	0.242	1.566	4.70248	.000
	Philanthropic CSR	0.905	0.199	1.031	4.54774	.000
	Ethical CSR	1.040	0.261	1.07	3.98467	.000

a. Dependent Variable: Organizational Performance

According to the findings, Environmental conservation focused CSR would lead to an increase in organizational performance by factor of 1.566 with P value of 0.000. Philanthropic CSR would lead to an increase in organizational performance by a factor of 1.031 with P value of 0.000. The study also found that Ethical CSR would lead to an increase in organizational performance by a factor of 1.07 with P value of 0.000. This infers that environmental conservation focused CSR contributes the most to organizational performance of c Industrial and Commercial Development Corporation (ICDC) followed closely by Ethical CSR and then Philanthropic CSR. At 5% level of significance and 95% level of confidence they were statistically significant with a P-Value lower than 0.05. Additionally, in terms of equation form, the model can be written as follows;

($\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon}$) becomes:

$$Y = 61.36 + 1.566\ X_1 + 1.031\ X_2 + 1.070\ X_3 + e$$

Where: Y= Organizational performance; X_1= Environmental conservation focused CSR; X_2= Philanthropic CSR; X_3= Ethical CSR; e = Error

DISCUSSION

On the first objective regarding effects of Environmental conservation focused CSR on the performance of the firm, it was found out that average mean of the questionnaire responses on environmental conservation was 4.2, which means that most of the study participants were in the agreement with almost of the studied statements though the level of these agreement were somehow varying as depicted by the standard deviation of 1.5.

Regression outcomes revealed that environmental conservation and organizational performance are positively and significant related (β=0.144, p=0.000). This was supported by a calculated t-statistic of 3.696 that is larger than the critical t-statistic of 1.96. This means that a unitary improvement in environmental conservation leads to an improvement of organizational performance by 0.144 units holding other factors constant.

This finding is consistent with that of Manrique and Martí-Ballester (2017) who did a research survey on the impact of corporate environmental performance on the overall business financial performance in both developing and developed statesand established that adopting environmental practices normally impacts firm’s financial performance positively irrespective of whether it is in developed or even developing economies. However, the study concluded that the extent of this impact varies depending on the economy in which case firms in developing economies tend to be strongly impacted compared to those in developing economies.

The other study objective aimed at examining the effects of Philanthropic CSR on organizational performance of state corporations.The average mean of the questionnaire responses on Philanthropic CSR was 4.3. This illustrates that majority of those who participated in this study were in agreement with most of the statements relating to this objective though the level of agreement somehow varied as depicted by the standard deviation of 1.25. Regression results revealed that Philanthropic CSR and organizational performance are positively and significant related (β=0.113, p=0.000). This was supported by a calculated t-statistic of 2.7385 a value that is larger than the critical t-statistic of 1.96. This means that a unitary improvement in Philanthropic CSR leads to an improvement of per organizational performance by 0.113 units holding other factors constant.

The findings agree with Wang and Qian (2011) who conducted a study on corporate philanthropy and corporate financial performance and established that Corporate philanthropy had a positively effect on the financial performance of the examined companies since it assisted them to gain positive responses from all concerned stakeholders, thus, allowing them to attain political access. Specifically, the study found out that the positive philanthropy performance link was higher for organizations that maintained impressive public visibility as well as those which had been performing better in the previous periods since the positive philanthropy allowed these organizations to attain significant positive stakeholder's responses. However, the results from the survey revealed that organizations that were neither state-owned or had any political backing were more likely to benefit from philanthropy given that being able to obtain political resources was very essential for such organizations. These empirical results are supported by a similar analysis conducted using data obtained from listed Chinese firms for the period between 2001-2006.

The third objective of this study aimed to examine the impact of Ethical CSR on organizational performance of state corporations. The average mean of the questionnaire responses on Ethical CSR was 4.4. This indicated that majority of those who participated in the survey were in agreement with most of the statements relating to the objective though the level of their agreement somehow varied as depicted by the standard deviation of 1.13. Regression results revealed that Ethical CSR and organizational performance are positively and significant related (β =0.149, p=0.000). This was supported by a calculated t-statistic of 4.016 that is larger than the critical t-statistic of 1.96. This means that a unitary improvement in Ethical CSR leads to an improvement of per organizational performance by 0.149 units holding other factors constant.

The study results are in agreement with Okwemba et al (2014) who argue that the whole concept of sustainable growth has of late become more significant and as a result of this, CSR has become an essential concept in achieving it. In addition, Pranjali (2011), provides that WBCSD tends to establish CSR as a major contributing factor for the achievement of sustainable growth for organizations. This is because, WBCSD has identified that there are various opportunities that lies behind CSR for firms since in most cases the operations of a firm somehow overlap with the social factor of the society in which they operate, though very few firms have come to recognize this aspect. Further, Porter (2006) is of the opinion that top-organizational management who have the desire to be successful in the long-term must ensure that their organizations continuously maintains a good relationship with the large society in which they operate.

CONCLUSION

The study concluded that Environmental Conservation, Philanthropic CSR and Ethical CSR have a positive andsignificanteffect on Organizational Performance. As the awareness of environmental issues grows, businesses that take steps to minimize pollution such as air, land and water can easily enhance their organizational positioning as being good corporate citizens while at the same time allowing the large society to benefit from the firm's undertaking. Major ingredients of environmental CSR are waste reduction, minimizing atmospheric emissions, using energy saving mechanisms, as well as avoiding overexploitation of the available natural resources as they required by the future generations. In addition, environmental CSR may entail utilization of environmentally friendly packaging materials in order to promote environmental sustainability.

According to the findings of the study, it can be concluded that, reducing pollution, using efficiency energy, utilizing eco-friendly packaging materials as well as proper maintenance of industrial wastes are the key environmental priorities that organizations in all sectors are embracing. Utilization of clean energy especially for household use is also becoming an attractive proposition for organizations to minimize the amount of carbon emission thus allowing for projection of green image firms. From the findings, it can also be concluded that, a company giving its time or money to charities and nonprofits not only help those the donations serve but also the company through improved employee engagement.

It can further be concluded that, by treating employees fairly and ethically, companies can also demonstrate their corporate social responsibility. Once a company is profitable and meets its legal responsibilities, it can move up the ladder to ethical responsibilities, which might include paying higher wages, offering employees better benefits, avoiding trade with unscrupulous companies or providing jobs to those who would otherwise have difficulty finding work

RECOMMENDATIONS

From the findings and conclusions, the study makes a number of recommendations. As realized from the study, awareness of environmental issues grows businesses that take steps to reduce air, land and water pollution can increase their standing as good corporate citizens while also benefiting society as a whole. Organizations should try to create awareness among their employees and the society as a whole on the importance of conserving the environment. This can be done by informing the employees and the public as large the benefits of conserving the environment.

Secondly, the best corporate philanthropy programs align perfectly with the company's business goals, culture, and persona. Those programs that do so are far more likely to remain viable for years, allowing time and momentum to do the most good for the community and the company. A company giving its time or money to charities and nonprofits not only help those the donations serve but also the company through improved employee engagement. The organizations should always strive to dedicate some time to donations and to charity, by doing so the company or organization improves the engagement of its employees.

Finally, ethical responsibilities embody the range of norms, standards, and expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, to protection moral rights. Changes in ethics or values precede the establishment of laws because they become the driving forces behind the very creation of laws and regulations. Therefore, organizations should always try to observe high level of ethics and pass the same to their employees since the ethical standards observed by an organization becomes an identity of the organization.

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