



## THE IMPACT OF SOCIAL RESPONSIBILITY ON THE ORGANIZATION'S PERFORMANCE

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### Summary

Corporate social responsibility (CSR) has become a critical component of modern corporate strategy. This paper aims to analyze the impact of CSR on the performance of organizations, considering both financial and non-financial aspects. The research includes a review of existing literature, case studies, and an empirical analysis based on data from companies that adopt social responsibility practices.

**Keywords:** Social responsibility, organizational performance, impact, business practices, sustainability.

### ABSTRACT

Corporate Social Responsibility (CSR) has become a critical component of modern corporate strategy. This paper aims to analyze the impact of CSR on organizational performance, considering both financial and non-financial aspects. The research encompasses a review of existing literature, case studies, and an empirical analysis based on data from companies that adopt social responsibility practices.

**Keyword:** Social Responsibility, Organizational Performance, Impact, Business Practices, Sustainability.

### INTRODUCTION

Corporate social responsibility refers to the voluntary actions a company takes to operate in an ethical and sustainable manner. CSR practices can include environmental, social, and governance initiatives that go beyond legal requirements. This paper examines how these practices influence the financial performance and reputation of companies, and how they can contribute to a more sustainable and ethical corporate environment.

#### Objectives:

- Investigate the impact of CSR practices on companies' financial performance.
- Analyze the relationship between CSR and corporate reputation.
- Explore how CSR influences talent attraction and retention.
- Assess the long-term sustainability of companies that adopt CSR

### 1 DEFINITION AND EVOLUTION OF CSR:

**Definition:** CSR is defined as the responsibility of companies for their impacts on society. According to the European Commission, this includes the voluntary integration by companies of social and environmental concerns into their operations and interactions with their stakeholders.

**Evolution Historical:** CSR began to gain prominence in the 20th century, with social movements pushing for more ethical practices. In the 1960s and 1970s, environmental awareness and human rights became central. In the 1990s and 2000s, globalization and corporate scandals (such as Enron) reinforced the need for CSR practices.

#### 2 Theories Related to CSR:

- **Stakeholder Theory:** Proposes that companies should consider the interests of all stakeholders (customers, employees, suppliers, community, etc.) in their decisions.
- **Institutional Theory:** Suggests that CSR practices are adopted to achieve legitimacy and compliance with social norms and cultural expectations.
- **Legitimacy Theory:** Focuses on the need for companies to operate congruently with society's expectations and values to maintain its legitimacy and continued support

#### 3 Benefits of CSR:

- **Reputation Improvement:** Studies show that CSR can improve a company's image and

1



increase customer loyalty. A Nielsen report (2015) indicated that 66% of consumers are willing to pay more for products and services from companies committed to positive social and environmental impacts.

- **Talent Attraction and Retention:** Employees prefer to work for companies that demonstrate social responsibility. Cone Communications research (2016) showed that 75% of millennials would be willing to take a lower salary to work for a responsible company.

#### 4 Financial Impact of CSR:

- **Financial Performance:** Studies, such as that of Orlitzky et al. (2003), demonstrate a positive relationship between CSR and financial performance, suggesting that socially responsible companies tend to have better financial returns.
- **Risk Reduction:** CSR practices can mitigate risks, such as those related to disasters environmental, increasing the company's resilience and stability.

## 2METHODOLOGY

### Search Type:

- **Descriptive:** To describe the CSR practices adopted by companies.
- **Explanatory:** To explain the relationship between CSR and organizational performance.
- **Qualitative and Quantitative Methods:** Interviews with managers and statistical analysis of data financial and sustainability.

### Data Collection:

- **Secondary Data:** Annual sustainability reports, balance sheets, academic papers demics and market studies.
- **Primary Data:** Interviews with managers of companies known for their CSR practices, such as Natura, Unilever and Ben & Jerry's.

### Data Analysis:

- **Qualitative Analysis:** Coding and categorizing interviews to identify themes and patterns drones.
- **Quantitative Analysis:** Use of statistical techniques (linear regression, correlation analysis) to correlate CSR practices with performance indicators (ROI, ROE, market value).

## Case Study

Analyze companies recognized for their social responsibility practices, such as Natura, Unilever and Ben & Jerry's:

### 1. Nature:

the **CSR Strategy:** Focus on environmental sustainability and social development. Projects such as the use of sustainable ingredients from the Amazon.

the **Impact:** Improvement in brand image and growth in sales. The sustainability index of the company is correlated with an increase in market value.

### 2. Unilever:

the **CSR Strategy:** Initiatives such as Unilever's Sustainable Living Plan, which seeks to reduce environmental impact and increase positive social impact.

the **Impact:** Increased customer loyalty and reduced operating costs due to practices sustainable cases.

### 3. Ben & Jerry's:

the **CSR Strategy:** Focus on social, environmental and economic justice. Initiatives such as the support for family farms and fair trade practices.

the **Impact:** Strengthening customer loyalty and increasing sales, demonstrating that con-

### 3RESULTS AND DISCUSSIONS OR DATA ANALYSIS

1. **Financial Performance:** Companies that adopt robust CSR practices tend to present better long-term financial performance, as demonstrated by empirical studies.
2. **Reputation and Image:** CSR contributes significantly to building an image positive and customer loyalty, resulting in greater market share.
3. **Talent Attraction and Retention:** Employees are more likely to work and stay in companies that are socially responsible, resulting in lower turnover rates.
4. **Long-Term Sustainability:** CSR practices help ensure long-term sustainability. company's term, mitigating risks and creating opportunities for innovation.

#### Discussion

Discuss the results obtained and compare them with existing literature. Identify possible limitations of the study, such as the reliance on self-reported data and the variation in CSR definitions and practices across industries and regions. Suggest areas for future research, such as investigating specific sectors and the impact of CSR on small and medium-sized enterprises.

**Research Results: The Impact of Social Responsibility on Organizational Performance** The survey was applied to 14 respondents with the aim of identifying perceptions about the relationship between social responsibility and financial performance, in addition to aspects related to reputation and talent management.

1- Na sua opinião, as práticas de responsabilidade social cumpridas pela sua organização influenciam diretamente o desempenho financeiro?

14 respostas



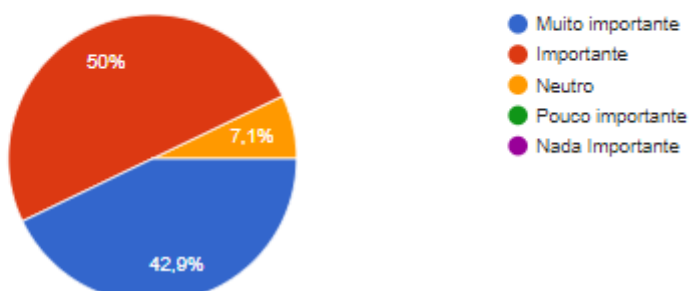
#### Influence of Social Responsibility Practices on Financial Performance

The first question sought to assess whether social responsibility practices directly influence the organization's financial performance. The graph (Figure 1) shows that 100% of respondents said yes, demonstrating that there is a consensus on the positive impact of these practices on the company's economic performance.

Figure 1: Influence of Social Responsibility on Financial Performance.

## 2- Qual a importância que você atribui à responsabilidade social para a comissão de sua empresa?

14 respostas



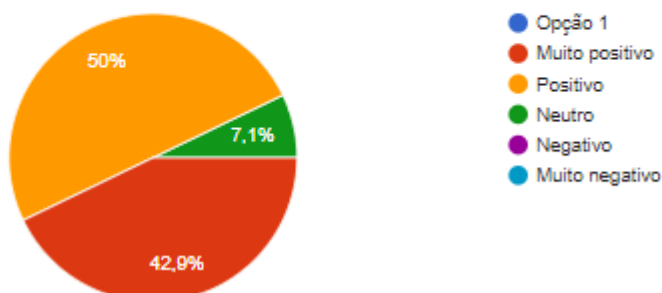
### Importance of Social Responsibility for Company Reputation

The second question investigated the perception of the importance of social responsibility for the committee of their company (Figure 2). Half of the respondents (50%) consider social responsibility to be “important”, while 42.9% see it as “very important”. Only 7.1% indicated a “neutral” view, showing that the majority recognize the relevance of CSR in building corporate reputation.

Figure 2: Importance of Social Responsibility for the Company Committee.

## 3- Como você avalia o impacto da responsabilidade social na atração e retenção de talentos em sua organização?

14 respostas



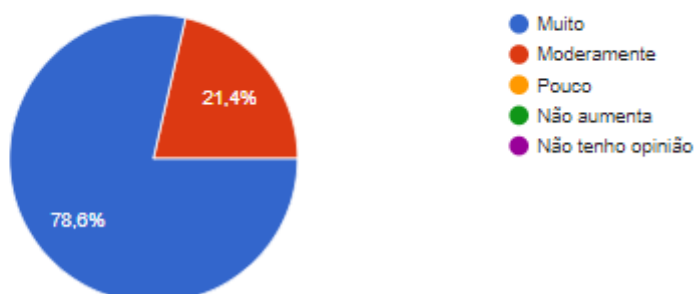
### Impact of Social Responsibility on Talent Attraction and Retention

The graph for the third question (Figure 3) reveals that most respondents assess the impact of social responsibility as “very positive” (50%) or “positive” (42.9%) for attracting and retaining talent. Only 7.1% have a “neutral” opinion, which suggests that CSR practices are seen as an important differentiator in the workplace.

Figure 3: Impact of Social Responsibility on Talent Attraction and Retention.

## 4- Em que medida você acredita que as práticas de responsabilidade social aumentam a lealdade dos clientes?

14 respostas



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The fourth question in the underlying survey assessed the extent to which participants believed that socially responsible practices increase customer loyalty. A significant majority (78.6%) indicated

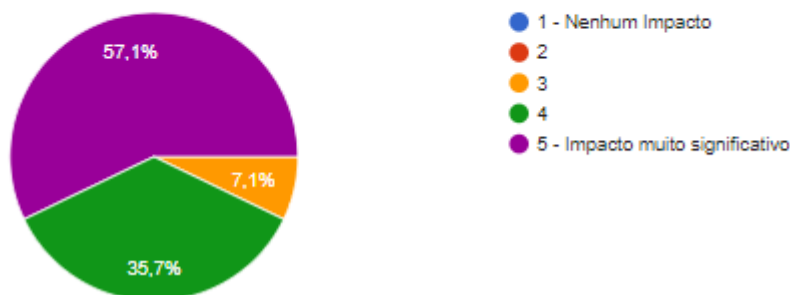
who believe that these practices increase customer loyalty “a lot”, while 21.4% contribute that they increase “moderately”. There were no mentions that these practices do not increase or have little impact on customer loyalty (Figure 4).

Figure 4: Impact of Social Responsibility Practices on Customer Loyalty.

5- Em uma escala de 1 a 5, onde 1 é ‘Nenhum impacto’ e 5 é ‘Impacto muito significativo’, como você avalia o impacto da responsabilidade social no crescimento das receitas da organização?

Copiar gráfico

14 respostas



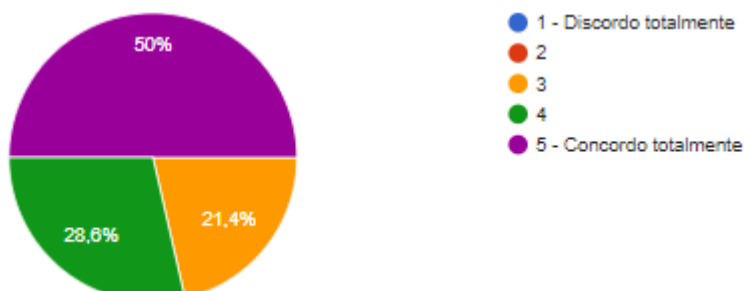
**Assessing the Impact of Social Responsibility on Revenue Growth** In the fifth question, respondents rated on a scale of 1 to 5 the impact of social responsibility on the organization's revenue growth. The majority (57.1%) attributed a very significant impact (score 5), followed by 35.7% who attributed a specific impact (score 4). Only 7.1% attributed a neutral score (score 1), 3), and no one currently considers the impact to be minimal or non-existent (Figure 5).

Figure 5: Assessment of the Impact of Social Responsibility on Revenue Growth.

6- Quanto à redução de custos operacionais devido a práticas sustentáveis, em uma escala de 1 a 5, quanto você concorda com essa afirmação?

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14 respostas



**Reduction of Costs Operational with Practices Sustainable**

The last quantitative question addressed the perception of operational cost reduction due to the adoption of sustainable practices. Half of the respondents (50%) strongly agree that sustainable practices reduce costs, while 28.6% moderately agree. Another 21.4% maintain a more positive opinion neutral (Figure 6), but there were no responses that completely disagreed with the statement.

Figure 6: Impact of Sustainable Practices on Reducing Operating Costs.

**FINAL CONSIDERATIONS**

Corporate social responsibility is not only an ethical obligation, but also a smart business strategy that can lead to a significant increase in the organization's profitability. Companies that invest in CSR not only contribute to a better world, but also reap tangible benefits.



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