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Linking Corporate Social Responsibility (CSR) And Corporate Reputation (CR)

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***Abstract:** The world has become a competitive place, firms have become stakeholder satisfaction conscious in order to maintain a better reputational status. CR plays major role because it is reputation that affects decisions made by the multiple stakeholders about the firm. Given the importance of reputation as an intangible asset CSR is a strategic move towards achievement of the same. This paper contributes to the existing literature by concluding that there exist a strong link between CR and CSR and companies should carefully manage and practice its CSR for a better reputational position.*

***Keywords:** Corporate Social Responsibility, Corporate Reputation, multiple stakeholders.*

I. INTRODUCTION

Against the backdrop of growing economic globalization, searching for key success factors, fostering core competency, maximum use of resources, controlling cost and improving efficiencies are high-priority tasks for companies. Corporate Social Responsibility (hereafter CSR) has gained prominence in business community and in academic literature in recent years; because businesses are becoming increasingly aware of the role they should perform in the society, in addition to pursuing profits. Although CSR is multifaceted, we consider definition from the stakeholders' perspective "as a discretionary allocation of corporate resources towards improving social welfare that serves as a means of enhancing relationships with key stakeholders" (Barnett, 2007). The concept of CSR is not new to India; historically speaking, social responsibility of companies is a well-established phenomenon in India, and the country has one of the world's richest traditions of CSR. In its oldest forms, CSR in India included the concept of corporate philanthropy and the Gandhian Trusteeship model. But the liberalization of the Indian economy in the 1990s led to a fundamental shift from the philanthropy-based model to a multi- stakeholder approach whereby companies are deemed responsible for all stakeholders. The liberalization of the economy also led to the increased presence of large global corporations on Indian soil, which thereby exposed India to a highly developed regime of CSR initiatives. Additionally, a strong desire to compete and succeed in the global economy drove Indian business enterprises to integrate CSR into a coherent and sustainable business strategy. These enterprises, both public and private, have realized that their long-term success depends on the satisfaction of their stakeholders, and that ignoring them could jeopardize the company's future prospects in the community (Sharma et al., 2009).

Many studies have manifested the benefits generated by fulfilling social responsibilities. CSR represents an integral part for adopting differentiation strategy (Gardberg NA, Fombrun CJ, 2006; McWilliams A, Siegel DS, Wright PM., 2006). Firms are encouraged to perform socially responsible activities to ward off negative attention from NGOs (Baron 2009), consumers are becoming increasingly aware of the wider social role of business in the society (Mishra and Suar 2010) and therefore companies have started focusing on CSR activities to build trust amongst their significant stakeholders (Mishra and Suar 2010; Carroll and Shabana 2010). Similar studies also advocated that positive brand image and reputation can be created through corporate social activities (Hsu K-T., 2012).

Reputation has been defined by Fombrun as 'a perceptual representation of a company's past actions and future prospects that describe the firm's overall appeal to all its key constituents when compared to other leading rivals' (Fombrun, 1996). As has been highlighted, definitions such as this emphasize the aggregate or summative nature of Corporate Reputations that reflect the perceptions of a host of individual stakeholders. Reputation is considered as a precious intangible asset (Fombrun and Riel, 1997; Branco and Rodrigues, 2006). Fierce global competition, more critical consumers and the information overload has made reputation an important intangible asset which contributes towards increase in tangible assets. Reputation is viewed as a solution for asymmetric information regarding firms when faced with lack of information on a product or on a firm's initiative; stakeholders rely on the firm's reputation to judge its products or its intentions (Schnietz and Epstein, 2005). Given the importance of Corporate Reputation (hereafter CR) as a valuable intangible asset that firms should carefully manage, understanding the potential factors that can enhance CR.

Corporate Reputation moves along with CSR activities (Fombrun & Shanley, 1990). CSR is a necessity for the firms in today's highly competitive market environment and indeed is a strategic tool to respond to the many expectations of multiple stakeholders (Lai et al., 2010) for maintaining its Corporate Reputation status. Customers, suppliers and the community in general usually want to associate themselves with firms contributing to the social good. Organizational citizenship results from high levels of motivation and commitment to tasks and stakeholder concerns (McGuire, Sundren, & Schneeweis, 1988). Hence the aggregate effects could be based on corporate social performance which in turn results in good reputation. Responding to social pressure is also important for the firm as it may push away investors from the firm or indirectly hamper the firm's reputation.

Currently, researches are concentrating on studying link between CSR and CR as organizations of all types and sizes may strengthen their Corporate Reputation by engaging in CSR activities. As a result, CSR has become one of the most important business cases for top managers of organizations in respect of Corporate Reputation building. Studies are focusing in the areas of organizations engaging in CSR activities because of altruistic intentions, positive effect on employee motivation & retention, customer related motivation and its lead to better Corporate Reputation. CR is heterogeneous construct and when broken down into qualitative areas, each of its dimensions produces different meaning. Reaching a common ground with clearly defined lines for each dimension along with their linkage to CSR are the emerging new fields that can be explored.

The trend of research moves in the direction of studies focusing on the relationship between CSR and CR from the view point of stakeholders and their value priorities. Reputation was captured by taking into consideration the perception of the managers and market analysts whereby the measurement of such complex concepts was limited to the market signals (Siltaoja; 2006, Brammer & Pavelin; 2006, Hillenbrand and Money; 2007). Later CSR being considered the main driver of CR was viewed from a broader perspective and was not limited to only environmental and financial concerns but extended by capturing the consequences arising from the other important transactions viz. employee relation, product issues and community relations (Melo & Morgado, 2011). CR was considered an antecedent to CSR and its behavior on customer, employees and investors were studied (Maden et al., 2012). Activists' role in shaping CSR (King & McDonnell, 2012), advertising of CSR (Hsu, 2012), disclosure of CSR's (Bayoud et al., 2012) impact on reputation could find a place in further studies. Industry specific researches were done to reveal the impact of CSR on CR by examining various components; environmental oriented reputation, customer oriented reputation, community oriented reputation and legal reputation (Khan et al., 2013). Other theories like signaling theory and expectancy theory were explored while studying impact of CSR on CR (Wang, 2013). The study considered job seeker's perception of CSP affecting CR in job pursuit intentions, recommendation intentions, job advancement prospects (Wang, 2013), and ethical leadership(Zhu et al., 2013) indirectly. CSR reporting- reputation relationship (Pe´rez, 2014), charitable contribution and toxic emission as surrogate of CSR impacting shareholder's return as a proxy for CR (Mukasa et al., 2015), CSR role in CR building and management (Petkevičienė, 2015), CSR Disclosure's impact on CR from non-professional stakeholders (Axjonow et al., 2016), CSR intensity i.e. extent of spend of current year's profit's impact on CR (Pradhan, 2016) are some of the new variables used in the currently explored relationship between CSR and CR.

II. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The first academically accepted definition of CSR can be found in the book 'Social Responsibilities of the Businessman', written by Howard Bowen in 1953. Bowen defines CSR as "an obligation to pursue those policies, to make those decisions, or to follow those lines of action that are desirable in terms of the objectives and values of our society" (cited in Panwar et al., 2006). Many researchers have given meaning to CSR in diverse perspective which has resulted in debate about its exact meaning. Commonly, CSR can be termed as company's obligation to behave ethically while performing their business operations and interactions with their stakeholders, whilst contributing to the social good.

Corporate social responsibility is found all round the world as most businesses have adopted this concept. Carroll (1979) provided meaning to the debate of multi perspective definitions of CSR by his pyramid model including economic responsibility, legal responsibility, ethical responsibility and philanthropic responsibilities.

The CSR concept seems to be a loosely defined umbrella embracing a vast number of concepts traditionally framed as environmental concerns, sustainable development, public relations, corporate philanthropy, human resource management and community relations.

One of the compelling arguments for why firms are motivated to invest in CSR programs comes from the domain of Stakeholder theory (Argandona, 1998; Harvey & Schaefer, 2001; Post, 2003). Stakeholders refer to any group or individual who can affect or are affected by the achievement of the firm's objectives (Freeman, 1984). Freeman (1984) and Donaldson & Preston (1995) provide a useful theoretical lens to shed light on the peculiarities of CSR approaches. The stakeholder theory suggests that only by meeting the needs of the company's various stakeholders, the organization survive and succeed (Freeman, 1984). Svendsen (1998) also suggests that by balancing the needs of all key stakeholders through creating positive long-term relationships, companies can identify "win-win-win" opportunities, which ultimately serve all three: the company, the stakeholders and the society. Many authors (Kurucz et al., 2008; Carroll & Shabana, 2010) argue that good stakeholder relationships can in fact have a positive effect on the bottom line by reducing risks, increasing reputation, legitimacy and competitive advantage, and by aligning the interests of companies, environment and society for mutual value creation.

Andriof and McIntosh (2001) believe that the driving force behind the concept of CSR is the consumers and employees. These two categories are holding the power in the market system nowadays. Consumers and employees are now well informed about the several challenges the world has to face and they do not really believe that the governments can change things. They accept that corporations are the most powerful social institutions of the present era and most importantly they are willing to reward those corporations who are responsive to their concerns. The research carried out by Murray and Vogel (1997) shows that consumers are more willing to purchase products from a firm after they learn about the firm's involvement in social activities and a job applicant and employee perception of an organization's corporate social responsibility decides their attractiveness for the business. According to Rupp, Ganapathi, Aguilera, and Williams (2006) corporate social responsibility plays a vital role in furthering positive relationships between businesses and communities. Businesses provide contribution to the local communities in the form of jobs, wages and other benefits. Simultaneously, business organizations depend on health and prosperity of the communities in which they operate. Also, Businesses can gain additional benefits by maintaining good relationships with employees including increasing employees' morale, improved public image and community support. Porter and Kramer (2002) examine corporate philanthropy and they are of the view that competitive context is integral to the success of a corporation, and the context can be improved through charitable causes carried out by the corporation, which can contribute to the integration of the corporation's economic goals and social goals. Shareholders and Investors are also becoming increasing conscious and have become socially responsible. CSR-oriented companies enjoy higher levels of investor confidence, which is reflected in higher stock prices, and leads to enhanced reputation and corporate goodwill (Kansal and Joshi, 2014).

III. CORPORATE REPUTATION (CR)

Corporate Reputation possesses multidisciplinary richness as CR has been defined in variety of ways across different disciplines. In economics, CR is considered as reflection of firms past actions which provide signals to stakeholders about its probable future actions (Davies et al., 2003) and strategic behavior in the marketplace (Fombrun and van Riel, 1997). In strategic management, CR is viewed as a unique, hard to imitate intangible asset (Smaiziene and Jucevicius, 2009) which represents a collective impression about a firm derived from its multiple stakeholders (Shamma and Hassan, 2009). In the discipline of sociology, CR is treated as a social phenomenon which comprises the "collective agreement about what the relevant public knows about an actor" (Shamma and Hassan, 2009; pp. 326). Finally, in marketing reputation illustrates the "corporate associations that individuals establish with the company name" (Fombrun et al., 2000; pp.243) and is often viewed as a force that can attract customers (Davies et al., 2003), encourages their loyalty (Bontis et al., 2007), and influence the selling-buying processes (Lin et al., 2003). As highlighted by the definitions, in simple way reputation is an intangible asset that is the aggregate nature of the corporate that reflects the perception of direct as well as indirect stakeholders.

Shedding light on CR from theoretical perspective, CR literature show that the most commonly referred theories include resource based view, signaling theory, role theory and institutional theory.

Resource-based view considers reputation as a valuable and rare resource that give rise to sustained competitive advantage. Melo and Garrido (2012) consider that "the benefits driven by accrued positive reputation represent a potential path to sustained competitive advantage" It is believed that it is CR as an intangible attribute of companies is more durable and resistant to competitive pressure than other product or service attributes (Illia and Balmer,2012) and hence serves as a better competitive advantage (De la Fuente and De Quevedo,2003). Reputation is that asset of the company that is hard to duplicate or imitate by the competitors (Surroca et al.; 2010). Castelo and Lima(2006) have stated how reputation as an asset, although directly legally protected by property rights are considered to be a path dependent asset having high levels of specificity and social complexity, thus creating a strong resource position barrier.

Signaling theory is used in reputation studies to explain how the strategic choices and actions of firms provide signals, which are then used by different stakeholders to build impressions of the firms (Basdeo et al., 2006). A firm's current reputation is dependent upon the signals it sends to the public about its behaviour, be it directly from the firm or via other information channels. Stakeholders have diverse preferences of firm actions, processes and outcomes. The reputation assessment of any company is congruent upon the apparent behaviour of the firm and the stakeholder's preferences. Signals concerning financial performance, product quality, social responsibility, ownership composition, size, media visibility and type of industry will influence perception of the firm.

A role is a set of rights, duties, expectations, norms and behaviors that an actor has to perform. It is also defined as an enactment of the set of expectations towards a person, occupying specific position in the social system. Role theory is associated with reputation on the ground of multidimensional reputation as it fulfills expectations of different stakeholders. A firm has to perform different roles towards different stakeholders. Thus, a firm can possess multiple reputations. Second argument to define reputation on the basis of role theory is that reputation is created only through observations of past behavioral patterns and reputation is also argued as a potential mechanism for status mobility (Jensen *et al.*, 2012).

Another closely associated theory to CR is *institutional theory* which highlights how firms gain legitimacy and cultural support in their institutional environments to develop their reputations (Deephouse and Carter, 2005). Company is seen as a nexus of contracts between heterogeneous and specific resources holder. Management must act as an arbitrator in such a way that each resource holder obtains a share that satisfies his/her legitimate claims (Clarkson, 1995; De la Fuente and De Quevedo, 2003). At the same time, the private information that managers enjoy together with the great discretion they have in the exercise of their intermediary role allows them to take advantage of the situation and establish imbalances in the distribution of value (De la Fuente and De Quevedo, 2003). This possibility of managerial opportunism keeps the remaining stakeholders on guard, and each of them will assess the degree of the satisfaction of their claims in the distribution of the value created. Among all these claims, requests for information are primary, as information allows each stakeholder to supervise the distribution established by managers and thus reduce managers' opportunistic use of their discretion and induce them to offer a legitimate allotment of value (De la Fuente and De Quevedo, 2003). Hence, corporate legitimacy is closely linked to Corporate Reputation, which refers to the joint perception of the different stakeholders of the legitimate behavior of the company (Fombrun et al., 2000; Caruana and Chircop, 2001).

Thus, Corporate Reputation has both a behavioral and an informative component and can be best described by three words as a resource, transparency, role it plays and legitimacy.

Creating, refining and even repairing CR is crucial to success of a firm (Ellen et al., 2006). Reputation can buffer variety of ways in insulating businesses in the tough economic times. First, reputation can protect revenues (Fombrun, 1996) from economic downturns. Second, good reputation can help create cost advantages (Podolny, 1993) and is associated with firm efficiencies (Stuebs and Sun, 2009). Good reputation can build and improve trust and relationships with a number of stakeholders, which can lead to reduced transaction costs and improved efficiencies. Customers value relationships with high-reputation firms and may pay a premium for offerings of high reputation firm especially in uncertain markets and economies (Shapiro, 1983). Good reputation attracts customers leading to reduction in advertising costs for attracting business. A strong Corporate Reputation helps win the war for talents and fosters employee retention (Caminiti, 1992; Dowling, 1986; Eidson - Master, 2000; Preece et al., 1995; Nakra, 2000). Companies showing strong reputation have better access to capital markets, which decreases capital costs (Beatty - Ritter, 1986). Therefore, as reputation can create cost advantages and is associated with cost efficiencies (Stuebs and Sun, 2009), can a firm's reputation be used as an intangible and intrinsic approach of the business.

Reputation is nothing but the stakeholders' perception of the firm that can be influenced by effective communication. There should be proper corporate communication directly or via effective channel, ensuring that company's good behavior is reflected in it. Firms with non satisfactory reputation can consequently endeavor to monitor and enhance reputation, while those with satisfactory reputation must strive towards sustaining and enhancing it to a higher level. Therefore reputation management of a firm can be proactive as well as defensive (Shimp, 1997). Proactive reputation management refers to organizational actions that enhance perceptions of a firm's stakeholders towards its performance. Defensive reputation management on the other hand deals with minimizing prior negative image/ reputation of a firm through effective corporate communication (Bromley 2000).

IV. LINKING CORPORATE SOCIAL RESPONSIBILITY (CSR) AND CORPORATE REPUTATION (CR)

The survival and failure of firm is now being judged by its near and far stakeholders. Therefore, firms need to do better in non-fiscal domains such as human rights, Quality of Work life, environment, corporate contributions, community development and workplace issues. It is CSR which draws the attention towards good code of conduct and ethical behavior for Corporate Reputation (Tang Weiwei1, 2007) in the environment. Corporate Reputation has multiple folds. Firms should carefully manage and understand the potential aspects that can enhance CR, which is of strategic importance. As we already know that a firms' current reputation is built based on the signals it sends to the stakeholders. Literature also supports the argument that it is social responsiveness by the corporate that plays a major role in promoting good reputation (Fombrun and Shanley, 1990; Lai et al., 2010; Stanaland, Lwin and Murphy, 2011). Fombrum has conducted researches and investigated the benefits of CSR upon companies that engage in it and concluded that reputation gain is a relevant outcome of CSR (Garberg and Fombrun, 2006).

Corporate Reputation is a result of a company's management actions and behavior, and CSR engagement can be the most effective action to gain a competitive advantage (Melo and Garrido-Morgado 2012). Therefore, many companies justify CSR actions because they would improve a company's image and establish a good reputation (Jones 2005; Porter and Kramer 2006). McWilliams et al. (2006) have indicated that CSR could build and maintain reputation as a form of strategic investment.

Corporate Reputation is the perception of the stakeholders. CSR activities act as marketing efforts of a firm which adds value and aids the corporate communication (Sen et al. 2006), reputation building (Fombrun and Shanley, 1990; Lai et al., 2010; Stanaland, Lwin and Murphy, 2011) and branding (Hur et al., 2014; Bramer & Pavelin, 2006; Rowley & Berman, 2000).

Stakeholder groups demand the corporate to behave in accordance to their expectation and they will be willing to continue participating in the activities of the firm. In order to satisfy this need social responsiveness helps the company to encourage the stakeholders towards constructive contributions which will result in augmentation of the firm's reputation as both parties demands are fulfilled (Donaldson and Preston, 1995).

Therefore, the most important linking pin between CSR and CR is the stakeholders. As CSR practices are aimed for the benefit of the stakeholders and CR is perception of the stakeholders. Thus, from the literature we can say that it is CSR practices that contribute to CR.

However some there are some alternative view stating that CSR represents wasteful discretionary act of management, born of altruistic impulse or the desire of self aggrandizement (Bartkus et al., 2002, Navario, 1998). Even though CSR may enhance reputation of a firm, this may lead to diverting of resources away from other activities that might do more to enhance Corporate Reputation.

The strength and direction of the relationship between Corporate Reputation and social performance may be contingent upon the activity a company is engaged in since industry environments are related with significant pressure from institutional, and other, stakeholders (Pfeffer and Salancik, 1978; Scott, 1987, 1995). This point out that industry may play a moderating role in the relationship between reputation and CSR because of the pressure of industry specific stakeholder pressure. Such types of pressure generally arise in companies belonging to industry having close association with economic activities as well as severe social and environmental elements. Therefore, satisfying the demands of these constituencies for improved social responsiveness is in the interests of companies because firms are typically dependent upon them for resources that are necessary to their continuing survival and success (Clarkson, 1995; Hillman and Keim, 2001; Mitchell et al., 1997).

The GRI (2016) claims that CSR reporting can lead to brand and reputation enhancement. Toms (2002) provides evidence for a sample of UK firms that environmental disclosure quality in annual reports contributes significantly to the creation of environmental reputation. Cho et al., (2012) find that environmental performance is negatively related to environmental reputation, whereas environmental disclosure extent is positively related to environmental reputation. Perez et al., (2015) provide evidence that for the financial industry CSR reporting is more closely linked to their CSR reputation than the CSR reporting of basic, consumer goods, and services industries. Toms (2002) using a resource based view of the firm supplemented by quality signaling theory found that “quality of disclosure, institutional shareholder power and low risk are consistently associated with high corporate environmental reputation”. These results led Toms to conclude that there is “strong support for the relationship between disclosure strategy and environmental reputation”. Also, some evidence that transparent CSR disclosure on corporate websites can influence Corporate Reputation among non-professional stakeholders was provided (Axjonow et al.; 2016). Libyan study also reveals that level of CSR disclosure in the annual reports has a positive relationship with organizational performance in terms of Corporate Reputation (Bayoud et al., 2012).

Another alternative explanation of CSR disclosure having no effects on Corporate Reputation is the existing uncertainty about the credibility of such disclosure. Since CSR reporting is voluntary, the reports are not required to be verified by auditors (Simnett et al. 2009). Hence, managers are able to give the information they provide a more positive slant (Moser and Martin 2012). Thus, stakeholders could have doubts concerning the reliability of CSR disclosure with the result that they would not be easily influenced by the issuance of a CSR report and the information provided there. This again leads to the result that the issuance of CSR reports would have no impact on reputation. Also, Socio-political theory suggests that social and political pressure lead managers of poorly performing firms to disclose more to legitimize their organization’s actions (Patten 2002; Cho and Patten 2007). If stakeholders get the impression that CSR disclosure is issued to lessen public pressure by fulfilling their expectations rather than to provide information about an actually good CSR performance, one might expect that the issuance of a CSR report would have no impact on reputation. In another interesting study conducted in China revealed similar results that stand-alone CSR reports do not influence Corporate Reputation among non-professional stakeholders. However, stand-alone CSR reports were found to influence Corporate Reputation among professional stakeholders (Axjonow et al., 2016).

Communication about company related attributes impacts the company’s reputation. CSR communication has a positive effect on stakeholder attitudes and behaviors (Sen et al. 2006). The CSR communication credibility is greatly affected by the source through which CSR is communicated (company controlled vs. third party controlled) and therefore influences the behavior and effectiveness upon the stakeholders. Another Superior way of effective CSR communication is via interactive media that improves the credibility and appeal of CSR, thereby improving Corporate Reputation (Eberle et al., 2013).

CSR describes the legitimacy of the firm’s behavior towards its stakeholders by the standards of its institutional context at a particular moment in time. A firm is understood to behave legitimately when its actions are congruent with society’s expectations (Suchman, 1995). Those expectations are determined by institutional context: norms, values, and beliefs and social definitions. Therefore, institutional context is a criterion for evaluating the legitimacy of the firm’s attitudes towards stakeholders and thus its social performance. CSR describes the legitimacy of the firm’s behavior by the standards of its institutional context.

Empirical researches conducted in different countries also tell the same story. Brammer and Millington (2005) analyzed the determinants across industries of Corporate Reputation of large UK companies. They found that companies with higher levels of philanthropic expenditures are perceived as more socially responsible and enjoy stronger reputations than those with lower expenditure. In a study conducted in India by Sudeepta Pradhan (2016) revealed a significant relationship between CSR Intensity and Corporate Reputation; significant role of social initiative and corporate strategy fit in enhancing the Corporate Reputation of a firm; and a significant role of advertising and promotion of social activities in enhancing Corporate Reputation. In Taiwan Ker-Tah Hsu (2012) study found policyholders' perceptions concerning the CSR initiatives of life insurance companies have positive effects on Corporate Reputation. He also investigated the persuasive advertising and informative advertising effects of CSR initiatives on Corporate Reputation and found the advertising effects of the CSR initiatives on Corporate Reputation are only informative. Similar to this study another study implies that using interactive channels to communicate about CSR can improve Corporate Reputation (Eberle et al., 2013). Maden et al., (2012) study in Turkey confirms not only that as an antecedent, CSR has a strong positive effect on CR but also that CR has a strong positive effect on the behaviors of customers, employees, and investors. Khan et al.,(2013) also found a strong relationship between CSR and Corporate Reputation in cement industry of Pakistan. Melo and Morgado (2012) took a sample to 320 American listed companies to estimate a model for Corporate Reputation. The model embodies the multidimensional concept of CSR, presenting a five dimensional construct (employee relation, diversity issue, product issue, community relation, environmental issue) and industrial effect. Results indicate that five dimension of CSR have a significant impact on Corporate Reputation and this effect is moderated by the industry of the firm. Indian study also indicated that socially responsible firm maintains ethics and thus earns reputation (Yadav, 2014). Evidence from Korean companies suggested that firms may develop current reputational competences by leveraging on past CSR activities (Mukasa et al., 2015). Retabb et al., (2009) study conducted in Dubai showed that CSR has a positive relationship with all three measures of organisational performance: financial performance, employee commitment, and Corporate Reputation.

From the literature it can be concluded that a strong link between CR and CSR is seen; also positive impact of CSR upon CR is evident from the various studies. Although CSR activities may have numerous positive consequences for the firm, it may sometimes create liabilities. Engaging in reputation building activity like CSR may expose a firm to increased attention making it targets of various activists. Past research suggest that highly reputed firms when boycotted are initially protected from negative investor reaction (King, 2011). Authors who have asserted that CSR activities have insurance like properties that protect a firm from future criticism maybe wrong. Rather than serving as a form of insurance it may in fact make firms more attractive targets. Firms' with a high reputation receiving negative media attention can experience greater damage to the market value as compared to firms' with lower reputation. The implication of this can coerce firms' to concede to the activists demands. Falling to which may damage their reputation and lead to decline in their value. Fearing the reputational threat they tend to engage in more CSR activities, hoping that the audiences will give more weight to these positive actions than they will to the negative claims made by the activists. These increase in amount of pro social activities leave them more exposed to the threats of future activists targeting. This loop occurrence makes reputation as a liability rather than an asset. From the point of view of the company, however, having a good reputation can be a "double edged sword" or at least a potential liability when facing activists who seek the public limelight (Rhee and Haunschild 2006). One may also argue that CSR and CR are positively related (Brammer & Millington, 2004; Balmer & Greyser, 2003; Husted & Allen, 2007) as CSR activities can offset business shocks that could result from irresponsible actions. However, the other perspective contends that CSR activities are not related with Corporate Reputation (Bartley, 2007; Klein, 2000; Seidman, 2007). This is premised on the argument that corporate credibility may not be enhanced if the CSR initiatives are primarily drafted with a profit generating motive.

V. CONCLUSION

This study was an attempt made to understand the impact of CSR practices on the Corporate Reputation of the firm. This linkage can be used by companies in general as a competitive advantage which will foster in aiding to their growth. This study is also beneficial for policy making by the companies regarding their social performance which can help elevate their corporate status. Further, it is expected to be useful for future researches.

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