

Corporate Social Responsibility

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ABSTRACT

The voluntary efforts and responsibility of the companies towards society and ecology is called **corporate social responsibility**. It is basically that effort of companies which are decided by themselves to contribute for the betterment of society and a healthy ecological environment. It is a process whereby companies merge the social and environmental concern in their business operation and their dealing with their stakeholder on this concern. This is somewhat the social contribution of the company through their social investment and business activities. Corporate social responsibility also raises the issue related to the principal of sustainability, which states that organization should make decision based not on financial aspects such as profit Rather on social and environmental output of their activities.

Corporate social responsibility is the responsibility of the concerns which measures the output of the company's activities and decisions on society and environment. It is also known as the TRIPLE BOTTOM LINE as it is related with the people, profit and planet.

1. Literature review

It is often been said the change is the rule of world to survive. During the last decade there is only one thing that has placed much demand on organization to do one step ahead to the making profit. That one thing is CSR. This demand put a great responsibility on the organizations. This literature review will discuss the past of CSR and its evolution and every term associated with CSR. Theories of CSR, provide us the information about the scholarly work and discuss the objectives behind CSR initiatives and at last the gap in management literature will be raised.

Basic objective of this study is to provide contribution in both theoretical and practical field. It also emphasise in exploring the social outcome associated with CSR activities.

Definitions of CSR

Bowen has suggested that the "social responsibility of businessman refers to the obligations of businessmen to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objectives and values of our society."

According to Forbes (2010), corporate social responsibility works in two ways. The company gives back to the society, in turn, people get to know about the company who helped them most and cater to their products and services.

2. Benefits of CSR

Now a days organisations has really realised that CSR is a very crucial way by which organisation can be well known among the companies of the same fields. Following are the benefits of CSR to the different parties.

Benefits towards the company

- Labour force diversification
- Less operational cost
- Enhanced financial position and performance

- Easy accessibility to capital
- Less regulatory restrictions
- Better quality productivity
- Enhanced sales and customer loyalty
- Increased brand reputation
- Easily attraction and retention of employees

Benefits towards the society and public

- Charitable contribution
- Employee benefits programmes
- Safety and quality product
- Involvement in social education, awareness programmes and employment.

Benefits to the environment

- Recirculation of waste material
- Full utilisation of renewable resources
- Enhancement of product durability and functionality
- Collaboration of management tools into operations related to the environmental management

3. Corporate social responsibility in INDIA

CSR is not a new thing in India. Evolution of CSR is divided among various phases which are as follows.

First phase:- first phase of CSR is based on various factors like culture, religion, tradition and industrialisation. Working of the business and CSR management was depending on corporate self regulation. In the era before 1850's businessman engaged themselves for the purpose of religious utility i.e. Maintaining and making temples. Business also provided relief by joining hands in opening go downs of food and treasure chest at the time of famine and epidemics crises. Responsibility of CSR were in the few hands during the 19th century. These parties are tata, birla, sarabhai, godrej, shri ram, singhania, modi, Mahindra bajaj and lalbhai.

The second phase:- This period starts from 1914 and lasted till 1960. This period was busy in Indian's struggle for independence and mostly affected by Mahatma Gandhi's theory of trusteeship, which results to collaborate the development of society. Companies in this phase not only indulge themselves in protesting against colonial rule rather in development of the society by making them aware regarding independency.

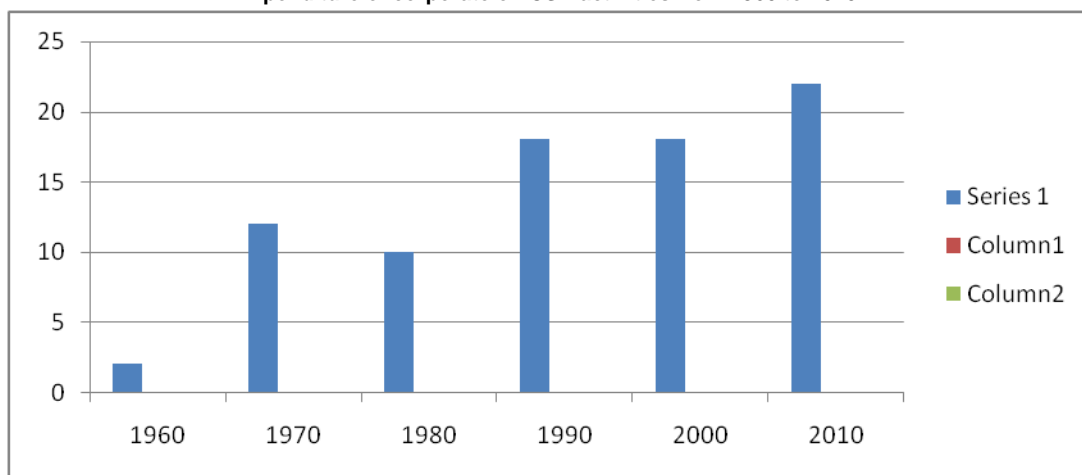
Third phase:- Duration of this phase is from 1960-1980. This was the period when mixed economy came into existence as the PSU's and regulatory bodies emerged to control the economy. From this onwards corporate sectors are strictly regulated by legal and public regulations. Public sector was considered as the main sector for the further development.

This phase is popularly known as command and control. Because high taxation, quota and tight restriction imposed on PSU's possess triggered malpractices.

Fourth phase;- Starting from 1980, this period continuous to today. This period starts with multi stakeholder approach and introduced the CSR approach into the business strategy. Government initiated by introducing reforms regarding liberalization in order to deregulate the economy to empower the mixed economy. It also enhanced the linkage of the economy to the globalised economy. This phase pronounced the boom for the economy.

At present, india is among the top ten Asian countries which paying maximum contribution towards CSR. Not only the public sector rather private sector as well contributing the most.

Expenditure of corporate on CSR activities from 1960 to 2010



Pillars of CSR:- There are various reasons which possess the organizations and put pressure on the companies to go for CSR. The reasons are also known as the KEY DRIVERS FOR CSR. Following are the points which possess them to go for CSR.

- Brand goodwill and economic value:-** Although the main aim of the company is to create wealth but on the other side companies can't ignore that they can't make their product brand reputed and give value to their product unless they go for the CSR.
- Corporate laws and corporate regulations:-** this is the another way through which corporate are restricted by various rules and by law so that their activities will never harm the society and government has also set the agenda for various organization towards the social responsibility.
- Labour market enforcement:-** now days, working conditions became major thing to be considered while working in a particular company and retaining and hiring the skilled person in a organization is a very challenging task. There are various labour laws currently working in india which bound the corporate to assume health working conditions .
- Philanthropy:-** This words indicates the sense of ethics and or welfare. Through the globalised

economy various kinds of international law like international labour law were framed which emphasized the active social policy for the organizations having branches at various countries i.e. transnational companies.

- Consumerism approach:-** as the population increases, there is a continuous pressure on the natural resources which put pressure on the corporate. As a result we can say that it bends the activity of the corporate from economic to the consumerism. Now consumers are the king of the entire corporate activities.
- Market forces at globalised level:-** there are various forces which forces the organizations to bend their activities towards social contribution. This somehow provides relaxation to the corporate from unnecessary control.
- Relationship among the supplier:-** supplier are also the part of the society that should be protected from the competitive rivalry. Every company wants to make long term relationship with them. So they make that kind of policies to please them which will be different from another company of the same field.

4. Codes and barometer standards for CSR

1. GRI. Gri stands for global reporting initiative. It emphasizes on performance indicator, having human rights as titles with 9 performance indicator. It works on international level. Its main mission is to enhance the level of comparison and credibility of reporting over globalised level.
2. UN global compact initiative:- it launched by the UNS i.e. united nations secretary. It considers various factors like scale of the business, trade unions, human right groups and environmental facts etc.
3. Social accountability 8000:- It was created on 2000 by Council on Economic Priorities Accreditation Agency (CEPAA). It considers the nine areas to measure the corporate social responsibility like - collective bargaining and discrimination, freedom of association, health and safety, forced labour, disciplinary practices, compensation, working hours, management system, child labour, areas.
4. International organization for standardisation 26000:- This body established the standard at international level for CSR and it considers the 7 factors to respond on that.
 - Social development
 - Consumer issues
 - Fair operating practice
 - Organizational governance
 - Human rights
 - Labour practices
 - Environment
5. **OHSAS**:- It stands for occupational health and safety and health advisory services. This is applicable to all on whom factory act applies.
6. **OECD**:- OECD stand for organizations for economic corporation and development. Basically it provides the guidelines for the multinational companies. These guidelines acknowledge and encourage the

contribution that MNEs can make to local capacity building as a result of their activities in local communities.

5. Recent examples of corporate social responsibility

1. Bollywood actor and singer diljit dosanjh has donated 3,00,000 towards the charity against the pulwama attack.
2. Biggest corporate reliance owner Mukesh ambani took the responsibility for providing education to the deceased persons of pulwama attack which costs him Rs. 5crore Rs.
3. Golmaal once again team jointly provided 50 lac Rs toward charity to the same parties discussed above
4. Salman khan through his NGO named being human also donated some of its earning.
5. Main corporate of India, RATAN TATA contributes 90 percent of his earning towards the social welfare.
6. Bollowood tycoon Amitbh bachan also contributed Rs. 5 crore towards pullwama attack

6. Conclusion

The main aim of this study was to raise the work based on facts on CSR. Over the last 60 years, our satisfaction, praise as well as understanding has grown to the surprising level. It also results in the equality of the social imbalance through CSR. Various studies proved that it has a direct link with the corporations and the social interactions. This new study reveal about the importance and understanding of corporate activities and its social interaction and the implications of such activities across companies, social and individual. Through this study we can estimate that the corporat social responsibility having the potential to inform academic discourse and management related practices on the transformative role of business in society.

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