



The Mantra of Corporate Social Responsibility

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Abstract

The hymn of CSR is not just the maximisation of shareholder value, but sustainable CSR practices which boost shareholder value. Terms such as corporate sustainability, corporate sustainability, triple bottom line, socially responsibility and corporate governance are typically terms used for CSR. Corporate social responsibility in simpler form- business decision making concurrent to moral values, legal compliance, and admiration for people and society. Corporate social responsibility is essentially a concept where companies choose willingly to contribute to the betterment of the society and overall environment through its business actions and its social investment. An increasing number of companies globally have started their Corporate Social Responsibility strategies because they feel that customers, investors and stakeholders expect them to act in a sustainable and responsible way. 'The commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life'----- (World Business Council on Sustainable Development). The objective of the study is to understand the concept of Corporate Social responsibility. To study factors and to highlight the challenges for CSR.

Keywords: CSR (Corporate Social Responsibility), sustainability, global

I. Introduction

Corporate Social Responsibility is no option but a means to prove a company's worth. Terms such as corporate sustainability, corporate sustainability, triple bottom line, socially responsibility and corporate governance are typically terms used for CSR. Corporate social responsibility simply means business decision making concurrent to moral values, legal compliance, and admiration for people and society. Corporate social responsibility is essentially a concept where companies choose willingly to contribute to the betterment of the society and overall environment through its business actions and its social investment. The collapse of Enron in 2001 shook the stakeholders" worldwide and pressurized the corporations to become more transparent and ethical and accountable. CSR is getting



mandatory in many countries and organizations are flashing their CSR reports give information to the public so that stakeholders can learn what corporations are doing for the society.

II. Concept of Corporate Social Responsibility

The hymn of CSR is not just the maximisation of shareholder value, but sustainable CSR practices which boost shareholder value. Terms such as corporate sustainability, corporate sustainability, triple bottom line, socially responsibility and corporate governance are typically terms used for CSR. Corporate social responsibility simply means business decision making concurrent to moral values, legal compliance, and admiration for people and society. Corporate social responsibility is essentially a concept where companies choose willingly to contribute to the betterment of the society and overall environment through its business actions and its social investment. An increasing number of companies globally have started their Corporate Social Responsibility strategies because they feel that customers, investors and stakeholders expect them to act in a sustainable and responsible way. The essential features of CSR are: - CSR is a psychological and programmatic way of shaping company actions and strategy- CSR is not just about product or company but much more to do with the management of issues as a whole- CSR takes into consideration both shareholders and stakeholder management. However, various individuals and organisations have developed formal definitions of CSR but there is no single definition of CSR.

- 'The commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life'----- (World Business Council on Sustainable Development).

III. Objectives of the Study

The objectives of the study are:

- To understand the concept of Corporate Social responsibility.
- To study the factors affecting CSR.
- To highlight the challenges for CSR.

IV. Research Methodology

For the fulfilment of the above objectives, data is collected basically on secondary basis. The secondary data for the study was collected from different sources such as trade journals, articles, internet, and books. The study is basically descriptive in nature. The period and data of the study is selected on convenience basis in order to fulfil the objectives of the study.



V. Factors Affecting CSR

Globalisation and the proliferation: The world is shrinking to a global village and saw the political, economic and national barriers and trade carried by companies resulting in an increasing attentiveness of CSR practice. Globally companies are expected to do more than merely provide jobs and contribute to the economy through taxes and employment. As corporations pursue growth through globalization, they have encountered new challenges that impose limits to their growth and potential profits.

Guidelines and Principles: Organisations, such as the UN, the Organisation for Economic Co-operation and Development (OECD) and the International Labour Organisation (ILO), have developed guidelines and principles that lay down norms for acceptable corporate conduct by companies

Social Awareness and education and access to information through technology: The revolution in communications technology has resulted in informed and aware customers and to easily monitor corporate activities and this has strengthened the case for CSR.

Ethical Practises: consumers, investors, employees etc. are showing increased interest in responsible business practices and are seeking more information as to how companies tackle risks and opportunities relating to social and environmental issues. Consumers are becoming more aware of the environmental and social implications and are beginning to make decisions related to the business environmental and ethical concerns.

Transparency and belief: the giant corporate collapses have led to the public mistrust and the demand for improved corporate governance, accountability and transparency has increased. There is an ever-increasing hope that companies will be more open and accountable and report freely on their performance in social and environmental concern.

Government Rules and regulations: the increasing awareness of the inadequacy of current regulations and legislation with regard to CSR matters and the regulation of the companies has enhanced. A corporate has to put up with strict regulations; be it pollution control, protections against health hazards etc.

Critical situations and their aftermath: CSR initiatives taken by a corporate presume significance in a critical situation. The stakeholder perception of the corporate being a responsible body help the corporate to deluge the crisis and reclaim some of the damage they have suffered. Also, their key stakeholders expect them to understand and tackle the social and community issues that are important to them.



VI. Key Challenges

•Strategic

- Assimilation of CSR within the business strategy.
- Building CSR strategies within the background and the requirements of the society.
- Formulating CSR special strategies that are realistic and pragmatic and maintain sustainable development

•Execution

- investigation of stakeholder's needs and wants
- Creativity and innovation

•Leadership

- awareness and dedication along with the fervour to give back to the society
- Incentives schemes and enthusiasm of employees is tool to implement change
- Top management orientation towards CSR.

•Governance

- Taking full responsibility of the end result of the organization activities

•Transparency so as to build confidence, faith and goodwill.

Corporate Social Responsibility is not a fashion statement that is hyped. It is a business necessity that many companies are beginning to think about and are involved with in one way or another. A successfully implemented CSR strategy includes the initiatives which integrate corporate responsibility transversely into the business functions and enhancing business image. The challenge for us is to apply the basic business principles to make CSR sharper. This can be done by:

• Focusing and stressing on priorities

• Allocating finance for treating CSR as an investment

• Optimising available resources to avoid duplication of efforts

• Monitoring activities and its implementation to ensure the desired outcomes

• Reporting performance in an ethical and transparent way



VII. Good CSR Practices

There is no perfect system or approach to carry out CSR practices. It will depend on a number of detriments and situations. But a few practises which can be thought for implementation are:-

- (1) Company should have a clear cut, well defined CSR policy so that initiatives are taken.
- (2) Minimum investment or expenditure in CSR activities should be done every year, irrespective of the profits earned.
- (3) Evaluation of the various projects or activities should be done from time to time.
- (4) CSR activities should be long-term and sustainable.
- (5) Assistance can be taken from government and other agencies.
- (6) CSR should be both consumer and citizen determined.
- (7) Strategic CSR can give a competitive edge to the company.

VIII. Conclusion

The collapse of Enron in 2001 shook the stakeholders" worldwide and pressurized the corporations to become more transparent and ethical and accountable. CSR is getting mandatory in many countries and organizations are flashing their CSR reports give information to the public so that stakeholders can learn what corporations are doing for the society. The 21st Century is the period of budding CSR industry. Large corporations are having separate CSR departments and recruiting CSR Managers nowadays. The stakeholders are vigilant more than ever before on what firms are doing in practice. Corporate Social Responsibility is no option but a means to prove a company's worth. Companies have their own facts and notions about corporate social responsibility and how much of a promise they are committed to.

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