BUSINESS SUSTAINABILITY AND CHALLENGES OF CSR: A MANAGERIAL APPROACH

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Abstract: (Today global economy has the demand for the sustainability of the business organization, has the requirement of the adaptation of CSR (corporate social responsibility) as a strategy, where organization has to rethink the business goals, objectives & vision of the organization from the profit making motto to corporate social responsibility which is the long term profit making and sustainability tool with its impact upon each and every segment of the society for the facilities of health, education services and environmental protection. CSR is a Business friendly tool for the provision of the obligation towards their stakeholders to meet the sustainability & long journey of the Business. The importance of this tool is over winged all over the globe and its positive impact & with its number of issues. Here the authors have taken the secondary data and make the analysis how to make a solution for the issues in the field of CSR with the help of managerial approach, is a valid instrument for organization goal achievement.

Keywords: Corporate social responsibility, Profit maximization, sustainability of the business, globalized economy, LPG

Introduction

Globalized economy & Competitive market is facing the challenges & issues by meeting the good relationship with the stakeholders with the various value addition, has the developed & changed structure organization in globalized world which is expected to contribute towards various societal development tasks & helps to the organization to develop the brand image by themselves to obligations of business towards the society, is otherwise called as Corporate social responsibility. According to the Business Council for sustainable development,” CSR is a commitment and contribution for a quality work life with family, community, society, to meet the overall economic development of employee, corporate social responsibility and importance helps to make the society to the meet of the organization need / goal. CSR as a problem solving tool to the society grows the business scopes with diversity. It becomes a key way to achieve organization success which provides safety to the employees and communities with sound working practices, safe and affordable products to the consumers and becomes itself ethical and responsible, influences the organizational target achievement due to the positive perceptual growth among the people with CSR with interpretation that brand image of any organization is developed through the people and it’s absence may make the organizational strategies failure. CSR with its objective should be responsible and made for all the levels of management to solve the issues, need certain managerial approach for its solution leads the authors to collect the secondary data and make it interpreted.

Literature Review

A number of scholars have done their research in this field of corporate social responsibility which here is taken for the discussion and enrichment of the result there with.

Davis, K. (1975)4 in their study report emphasized upon the external factors for the growth of corporate social responsibility and its influence upon the Business responsibility ducts and services of that organization

Ackerman, R. W. (1976)4 had made a study with interpretation that corporate responsibility society is guided by the direction of expectations of society and to find out the level of CSR issues.

Milton Friedman (1980)6 had the views that CSR is a brand developing and helping aid to enhances the profitability of the organization and utilization of the profit as a source for charity or good doing to the society to develop a self-image promotion with less loyalty towards the consumption of pro the Business house.

A. Shleifer, RVishny(2000)7,” CSR is the path of engagement of shareholders, employees, customers government, non-government, MNC to meet the socio-economic development of the people with the society

Mcwilliams & Siegel (2001)8,” Companies are developed as the market leader with the help of corporate social responsibility because companies performance is measured with the help of CSR towards society.
According to Barua K, S(2002)9,” CSR is the integration and jurisdiction proportional relationship economy and environmental imperatives is often understood as involving the private sector commitments and activities that extend beyond the foundation of compliance with.”

Porter and Kramer (2006)10 with the research on CSR has emphasized upon the importance of CSR and said that, CSR is Obligation driven strategy to meet the growth and development of both the society and organization.

Chennaman, T. J. and P. Fulghieri (2006)11,”CSR is a balanced and integrative tool of economy, trade and society for welfare with environmental and social imperatives.

Bhattacharya, C. B. (2006)12 in their views, “It is the contribution to sustainable development that meets the needs of the present without compromising the abilities of future generations to meet their own needs and is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce. The issue of corporate social responsibility is very dominant theme in the national as well as global corporate practices. Troubled and costly experiences have convinced the giants of industrial world like Nike , union carbid , Cocacola , Pepsi co. to invest heavily in improving their own ethical profile and reputation. Many other organizations have been doing their part for the society through donations and charity events.”

Chua, C. T., C. S. Eun,&S. Lai (2007)13,” Corporate Social responsibility (CSR) is the obliged responsibility of the manager for the protective action for the benefits of social welfare and organization interest.

Social responsibilities have its valid application towards the effective management was found by Jones (2007)14 in his research has with its views about the high return of the social responsibility with the honesty and trustworthy transactions towards the stakeholders

According to Levin’s Michel A (2008)15, CSR in India is developed as fashion with its practical applicability in restricted zone like education environment and health care with the formation of special CSR teams for the growth and development strategies politics for and development strategies policies for and development strategies better CSR.


Ali (2010)17 has emphasized upon the CSR and written,” CSR is an intangible asset has an important role for the growth and development of the organization and with the advantage of competitive edge achievement. World business council for sustainable development (WBCSD) &Earnest and young,18 has emphasized upon the responsibility of CSR and with the report. “ CSR strategy as an approach to create long term organization value through effective management of risk and opportunity associated with ethical environmental and societal fact.”

Aslan, Ş. & Şendoğdu, A. (2012)19 Investigation society , people with their environment by taking trust ,quality maintain ,transparent credibility relationships leading of the achievement of systematic arrangement.

**Objective of the study:** To find out CSR with its issues and its solution through the managerial approach.

**Methodology of the study:** Here the authors have taken the secondary sources of information to identify the various issues in the field of CSR for their discussions, interpretation and result there with.

**Discussions:**

After going through number of literature review here the authors have with certain findings that now –a –days, organization demand he capital generation need & the relationship which its investors , bond agencies can be maintained through the help of CSR implementation , reduces the less red tape security tool and help to do their aspiration with the perspective to accept corporate social responsibility as the vital tool for their growth, is facing with number of issues which has the requirement of managerial approach in the following ways-

**Growth of the corporate reputation and enhancement of brand image:**

Smooth management function of an organization and long term goal achievement has the requirement of organization with its brand image, where each manager has to play their various functions and strategy. Before go for any planning the manager has to find out the equity of the company which is cheated by the company’s reputation brand is perishable in nature is built through intangible may be achieved by the systematic arrangement and implication of CSR in the organization by providing he policies benefits like value addition towards the products and service rules , and regulation driven production and process.

Empirical research report is emphasizing upon the research report upon he customer loyalty towards the product purchase is synchronized and enhanced due to the Corporates social responsibility . CSR & Ethics for the organization enhances the quality and safety based product and development of brand image and popularity for the company. The research on America’s most admired companies is emphasizing the functions of management like – planning, organizing, staffing, directing, controlling.

**Factor for Employee Motivation:** Managers of the organization has with challenge to get the right person at right place and effective staffing function can get the result after application of CSR, which creates reputation of the company & helps organization to find out the effective and efficient employees from the tight labor market and to motivate attract and retain top quality employees.
Intellectual Capital and Learning: CSR strategy needs for innovation, creativity, intellectual capital and learning.

Reduction of managerial and business risk:

It is a mechanism which clears the paths to excuse from jurisdiction and government rules which adds the benefit to doing business. CSR is such a helping hand through which trust for the company is built and helps managers to resolve the disputes and issues among the stakeholders. Risk management has the need of analysis of the external factors like upcoming technology, laws, rules of the society, market demand. Establishment of CSR helps to establish good relationship with stakeholders and analyze the market condition easily for the management of business risk.

Assessment towards market/customers:

Management is now facing the problem of marketing can easily be solved through CSR, develops the strategy to find out the need of the present and potential customers, their demand with the assessment of the total market of the demand forecast nation, target group identification. It helps forecast nation of the profit loss estimation in simulation way and go for the either positive negative decision for the business.

According to Smith, “benefits CSR helps to draw higher customer satisfaction committed employees, reduced regulatory and legal intervention, productivity and profit growth.” Sen & Bhattacharya had the research in the field of corporate social Responsibility with the findings that CSR for accompany grows the consumers willingness to pay for the product. Machold, D. S & A. K Vasudevan, consumers buy/ expression inclination to buy products and services from companies that are philanthropic. This tool encompass the good relationship with organization with customers, government, shareholders, working people of the organization & also improves the quality of the regional market which can meet the competition with more production and transparency maintenance.

Cost saving/bottom line improvement:

Competitive market has the demand of less cost to the product is a challenge towards the managerial people can be solved through this CSR. According to Morey, M., A. Gottesman, E. Baker and B. Godridge, CSR as ethics & etiquette of the business house can decrease the cost, develops the propensity of trust among the shareholders with the accomplishment of team work and collection of social capital for the business. The imperial analysis states that there is a positive correlation between the CSR and bottom line performance of the organization. This is significant due to cost saving by retaining employees and lowering the turnover because employee retention minimizes the recruitment, selection and training cost of the organization.

Stimulation and innovation of general ideas and profitability:

The CSR is a life-long learning process through which the organization can build more qualified, motivated and adoptable workforce. Socially perceived responsible organization is like encounter less resistance in case of introduction of new product and technology which helps to acquire market share easily and make more profits also.

After the above discussion, it is clear that the business success and sustainability depend upon the external environment like political, economic, social, technical analysis and interpretation. Reliable and valid data analysis is required which may be achieved through the CSR approach adaptation and direct linkage with the environment. Here the managerial level has to identify three elements for successful implementation of CSR like as-

Business environment scanning:

Business environment scanning indicated the business environment has to be scanned both formally and informally to get the valid data need the CSR for informal gathering of data.

Stakeholder management:

Better management of the Stakeholders is held with the help of the CSR implementation is collected according to the various research scholars.

Balanced expectations: Shareholders & their expectation with legitimacy shows the standard to meet the prerequisite and measurement concerns shows be balanced and met as prerequisite for any measurement process.

Conclusion

Corporate social responsibility understood to be that the company achieves a balance or integration of economic, environmental and social imperatives are the essential tool to overcome competition, promote the product, retain the employees, formation of trustworthiness among stakeholders, attract the financial agency and create a brand image for the company is meeting number of issues has the requirement of effective managerial approach for its proper implementation and function with long term sustainability of the business organization with parallel economic society.
References: