

Corporate Social Responsibility: - Views On The Future Development Of The Construct Of Csr

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Abstract: Corporate social responsibility (CSR) is a self-policing corporate strategy that enables an organisation to be socially accountable to its customers, employees, and stakeholders. Companies can be aware of their impact on the economic, social, and environmental aspects of society by engaging in corporate social responsibility, often known as corporate citizenship. When a firm practises corporate social responsibility (CSR), it means that it operates in a way that benefits society and the environment rather than detracting from it.

Key words - Corporate, responsibility, society, benefits, employees, environment.

INTRODUCTION

The concept of CSR, or corporate social responsibility, has developed from its beginnings as a phrase that some corporations adapted to the present day reality of the 21st century that is the idea of businesses having responsibilities to society in addition to obligations to their stockholders or investors.¹ Companies are assumed to have obligations to stakeholders like employees, consumers, communities, and the environment in addition to making profits. CSR involves businesses being socially and environmentally conscious, as well as raising labour standards, adopting fair trade, reducing environmental harm, supporting the community, and boosting employee satisfaction.

Corporate Social Responsibility: An Overview (CSR)

Depending on the business and industry, corporate social responsibility is a broad term that can take many different shapes. Businesses can enhance their brands while helping society through CSR initiatives, charity, and volunteer work. A firm must first be accountable to itself and its shareholders before it can be socially responsible. Companies that implement CSR initiatives frequently expand to the point where they can support the community. Therefore, CSR is often a technique that big businesses use. After all, a company has a greater need to provide an example of moral conduct for its associates, rivals, and industry the more visible and successful it becomes.

Corporate Social Responsibility: Types

There are four primary categories of corporate social responsibility. A corporation can choose to participate in any of these independently, and not doing so does not automatically disqualify it from being socially responsible.

Types of corporate social responsibility are as given below:-

1) Environmental Responsibility -

The cornerstone of corporate social responsibility, which is anchored in protecting Mother Nature, is environmental responsibility. Businesses have a responsibility to protect the environment by taking steps to mitigate any harm that their operations may do to it. Before making an investment, increasing number of institutional investors consider the company's environmental responsibility activities. Governments are also enforcing rigorous environmental responsibility laws and regulations at the same time.

2. Ethical Responsibility - The cornerstone of corporate social responsibility, ethical responsibility is based on doing things in a just and moral way. Although external factors or client demands may influence ethical goals, businesses frequently set their own standards.

A company's commitment to conducting business in an ethical manner that upholds human rights principles, such as the equitable treatment of all stakeholders, fair trade practises, and equal compensation, is referred to as having an ethical duty. Many companies will speak out against prevalent human rights violations such child labour, racial or gender discrimination, and the push for a higher minimum wage in order to promote ethical responsibility.

3. Philanthropic corporate responsibility

A corporation's intentions, ambitions, and objectives for actively bettering society as a whole are referred to as its philanthropic responsibility. One huge aspect of corporate philanthropy is donating money from company earnings to worthy causes within the local community, often in the form of a trust or foundation. The cornerstone of corporate social responsibility, philanthropic responsibility questions how a business behaves and how it contributes to society. Philanthropic duty, in its most basic definition, refers to how an organisation allocates its resources to improve the world. These philanthropic activities enhance your public image as a corporate leader, which is very important in today's society. Businesses can embrace CSR in the form of philanthropy while energising their workforce in a number of ways, such as giving programmes with the opportunity for donation matching.

4. Economic corporate responsibility

The act of making financial decisions based on a commitment to doing well is referred to as economic responsibility. Investing in renewable energy sources, increasing financing for educational initiatives, and supporting regional charities in order to further their missions are some typical examples of economic responsibility. Business executives are pushed to look beyond operational cost

¹ <https://managementstudyguide.com/corporate-social-responsibility.htm>

reductions and instead place their responsibilities to corporate citizenship at the centre of all financial choices in order to uphold economic responsibility.

IMPORTANCE OF CSR

The six key elements that emphasise the significance of corporate social responsibility in India.

1. Brand Value

A CSR programme that is effectively managed can help build brand equity, awareness, and resonate with core values. At \$19.5 billion, Tata Group is the most valuable brand in India. People value the business not simply for its high-quality goods but also for the work it does to improve the lot of people. The business has outstanding goodwill, and its name inspires confidence.

2. Increased Sales – Customer Matters

Customers have a favourable perception of businesses that lead with a purpose. A study found that 88% of those polled would purchase goods from a company that practises responsibility. 85% of respondents indicated that they would support the business in their neighbourhood. Increased revenues result from this participation in today's interconnected environment. The significance of CSR initiatives is further highlighted by this.

3. Employee Retention and Engagement

There was a time when people just considered the essential aspects of their professions. Nowadays, workers seek meaning beyond their monthly pay checks. Companies with a good reputation are appealing to employees. CSR efforts include volunteer programmes that promote virtues like loyalty and empathetic behaviour. Employee friendship and teamwork improve as a result. It is common knowledge that satisfied workers experience lower attrition rates.

4. Costs savings

Reduced resource use, waste, and pollution not only benefit the environment, but also your wallet. You might be able to reduce your utility costs and save money for your company by taking a few straightforward actions. To save money, look into ways to reduce waste in firm.

5. Poverty Alleviation

Nearly 1.4 billion people live in India, but just the richest 1% of them hold 73% of the country's wealth. Despite the abundance of welfare programmes, the disparity between the wealthy and the poor is among the widest in the world.

Project execution is the key capability of the business sector. They are talented and knowledgeable enough to guarantee maximum impact at little expense. CSR initiatives take advantage of this operational effectiveness to create change at the grassroots level.

6. Risk Management

Take into account unfavourable actions like prejudice towards certain employee groups, exploitation of the environment, or improper spending of corporate assets. This kind of action is more likely to result in lawsuits, litigation, or other legal proceedings, which could have a negative financial impact on the company and make headline news. Companies can reduce risk by following CSR guidelines by avoiding problematic circumstances and participating in beneficial initiatives.²

Benefits of corporate social responsibility

Regardless of a company's size or industry, corporate social responsibility (CSR) offers a number of benefits.

Benefits of corporate social investment for businesses

The potential benefits of CSR to companies include:

- greater brand awareness
- good commercial reputation
- higher revenue and client retention
- savings in operational expenses
- better financial results
- better capacity to recruit and keep talent
- organisational development
- greater accessibility to capital

PURPOSE OF CSR

CSR started off in the 1950s with little money. Companies started to realise that giving back to the communities—where their earnings came from—was a wise decision that started a positive feedback loop. That is how business charity began. The difficulty in the past was that this type of corporate philanthropy wasn't necessarily in line with the company's core operation. As a result, businesses launched their CSR programmes with little to no high-level strategy. They were tackling social problems, environmental risks, and even governance difficulties. Today, shared value is given more attention. Issues that are more directly related to an organization's business model are being addressed. For instance, coffee corporations are addressing the treatment of regional farmers.³ The task of combating climate change is being taken on by energy firms. CSR aims to guarantee that businesses run their operations in an order to act in an ethical manner, one must consider the social and economic and consideration of human rights as well as environmental impact. It might entail a variety of things, such collaborating with nearby communities. CSR has evolved into one of today's accepted corporate practises. The ultimate goal for businesses is to have a good effect on society as a whole while maximising the production of shared value for the company's owners, employees, shareholders,

² <https://thecsrjournal.in/what-is-the-importance-of-csr/>

³ <https://blog.submittable.com/corporate-social-responsibility-csr/>

and stakeholders. Corporate social responsibility is designed to help the community, support charitable endeavours, and add value to society. Businesses are increasingly relying on CSR to make a difference and enhance their company's reputation.

CONSLUTION

Even if it's not quite obvious, many businesses believe that CSR and ethical decision-making go hand in hand. Businesses with strong corporate responsibility and profitability are those that make ethical decisions. Corporate social responsibility goes beyond just a passing fad or trend in business. Businesses that embrace CSR will increase their income and efficiency while helping those in need throughout the world and staying relevant to younger generations.

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