



A STUDY ON THE ROLES OF CSR INITIATIVES IN BUSINESS DEVELOPMENT CYCLE

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ABSTRACT

Corporate social responsibility has emerged as a dynamic field in the management research. It encompasses both profits and long term survival strategy. It is applicable for both large scale companies, small scale and non-profit companies. We have firms that have taken the initiatives of CSR practices which have met with different needs of the society as a whole. This research paper highlights the advantages of CSR to stakeholders, individual practitioner, to the society and to the economy.

KEYWORDS : Marginalized community, Philanthropy, fracking, mandatory practices and resources mobilization

INTRODUCTION

Social responsibilities in business was not a new concept, it was there from the time, the concept of business emerged centuries ago. The different religious practices of donations to the have nots were a kind of Social responsibilities practiced by them. When individual started business houses, they set aside a fixed percentage of their profit to help the poor and the marginalized communities. The emergence of multiple businesses in the same field increased competition and the focus of this group was on profit. The shift towards greedy profit in business has diluted the social responsibility factor and slowly started fading away from the scene. They resort to unholy business practices for profit maximization even by damaging the existing business environment. But there are business groups that still concentrate on social responsibilities along with their business motives. The role of the policy makers was to bring a balanced growth to encourage Business groups to practice Corporate Social responsibility as part of the mandatory system. This study makes an effort to identify the best business practices as part of CSR initiatives for sustained growth.

OBJECTIVES

1. Advantages of CSR to the company and its stakeholders in Business Development Cycle
2. Advantages of CSR to the individual practitioner in Business Development Cycle
3. Advantages of CSR to the society in Business Development Cycle
4. Advantages of CSR to the Economy in Business Development Cycle

1. Advantages of CSR to the company and its stakeholders in Business Development Cycle

Various studies and literature reviews points the positive side of CSR to the stake holders and the company. By adequate governance of the concept of corporate social responsibility, the management can achieve better financial results and at the same time improve the community in which it operates by increasing the standard of living of the company's internal and external stakeholders (Du et al., 2011). In the late 1970s, Carroll (1979), one of the pioneers and leading global theorists of corporate social responsibility, presented the concept of corporate social responsibility that is based on: (i) economic responsibility; (ii) legal responsibility; (iii) ethical responsibility and (iiii) philanthropic responsibility. By implementing the concept of corporate social responsibility, management can ensure that business operations adhere to legal regulations and economic standards, all with the goal of building higher quality relationships with stakeholders (Piacentini et al., 2000). In the context of the connection between the concept of corporate social responsibility and the company stakeholders, it can be concluded that the concept of corporate social responsibility developed from stakeholder theory (Pirsch et al., 2007). Even though Freeman developed the foundations of the theory, Ansoff was the first to use the term stakeholder theory in 1965 (Roberts, 1992). Stakeholder theory rests on the idea that sustainability and success of a business depend on the success of the organization's

management in achieving economic and societal goals through fulfilling the needs of key groups of internal and external company stakeholders (Pirsch et al., 2007).

Positioning of the company on the market, as a socially responsible organization, demands detailed knowledge of the concept of corporate social responsibility and adequate models of digital communication by the management, but also by the rest of the internal stakeholders, who are a key, reliable and transparent communication channel towards external stakeholders (Polonsky, Jevons, 2006).

The number of stakeholders who are influenced by the level of corporate social responsibility of the company when they take decisions about using their services is constantly increasing. Due to this many companies use differentiation based on corporate social responsibility to obtain a sustainable competitive advantage and generate benefits. In order to speed up the process of differentiation, the management must identify the needs and interests of key stakeholders and adapt the choice based priorities and communicate corporate social responsibility activities to the stakeholders.

2. Advantages of CSR to the individual practitioner in Business Development Cycle

There are multiple roles for CSR practicing Professionals and they come from range of systematically groomed disciplines. Their areas can be broadly classified into general business skills like insight building, communication skills, decision making, commercial awareness, IT, innovation, strategic awareness, leadership, handling complexity and problem solving. Individual people skills includes adaptability and empathy, developing others, influencing without power, open minded, integrity, political awareness, self-development and learning, building partnerships and team work. Technical skills include technical expertise, understanding impacts, stakeholder dialogue, internal consultancy, selling the business case, understanding human rights and understanding sustainability.

CSR sector recruitment workforce is generally from among the professionals who are into Social work, rural development and other developmental fields to undertake and manage the CSR activities of company. There is an increasing number of academic qualifications inevitability available at Masters Level and as part of Management programs. The professional courses like Master of Social Works (MSW) and MBA in rural development and Post Graduate Diploma in Rural development offered by different universities and professional companies are the choices for career in CSR. As a result of academic achievement can help the individual to continue and retain their position in the organization with many laurels and growth opportunities.

When people work closely together in a project, individuals will automatically take on the core values of the general group. Individuals within a group often compromise their own values in

favor of those held by the group. Because of this, groups will verify the rules of management to assess whether their organizational decisions are ethical or not. Since group dynamics are an increasingly vital measure of organizational success, and standards of behavior are viewed within the context of profit and integrity, it is imperative that the group conceptualize the impact of their decisions. Here the contribution of the individual integrity can rule and impact the majority decision making that shapes the initial step for positive CSR.

It is to be understood that values are acquired during childhood and manifest themselves on our environment as permanent perceptions that shape and influence the nature of behaviors. Values involve emotion, knowledge, thought, and ultimately choice of response. Values vary between individuals and, because values govern behavior, they color the way individuals view and respond to their world. It is important to understand the impact values have no choice. While values can, and do, change over time, they represent a significant component of personality. It is through individual values that culture is defined, and provides broad social guidelines for desirable standards. Generally described as normal societal standards, or norms, values influence how people make choices.

3. Advantages of CSR to the society in Business Development Cycle

Running of a business entity should be viewed in the long term perspective. Family businesses are run based on this principle and they hand over the business mantle to the coming generation children, where they bank on the good will created by their predecessors. This can be made applicable to joint shareholding business too. The short cut to have more profit can dent the image created over a period of time. Entrepreneurs will be forced to identify new business opportunities because of the premature demise of the existing business that lead to exploitation of the environment. Businesses are finding that being socially responsible can be great effect for the bottom line, as well as good for employee morale. Even then a company still needs to make a profit to survive, but supporting a worthy cause can be the most profitable brand building.

Contribution to the society and sustainability of the business are features that appeal to a whole new class of customers for any solution. These features are extremely important in penetrating customer mind sets in different cultures globally. This can lower the risk, improve profitability, and justify a premium price. Advocacy of the existing customer is a key pointer of new customers. Apart from that, according to recent statistics, the cost of bringing a new customer to the same level of profitability as old ones is up to 16 times more. Customers of all ages expect that businesses must be socially responsible, and make that top criteria for selecting a solution source. It is a message that can be used both indirectly and directly in brand positioning and marketing.

4. Advantages of CSR to the Economy in Business Development Cycle

We are not the end users of the resources of this beautiful planet. After industrialization, production has speeded up and created new opportunities and competition to lure customers. Over a period of time competition has complicated the resources and began tapping it without any environment consideration. Obviously there is an end for the existing resources to drain it faster. There are chances that if one source of resource ends, people will explore other sources to do business. If the first resource is optimally used, it can give a better lease of life and can delay in second resources mobilization. It is imperative for the existing humanity to optimally use the available natural resources to keep it for the next generation to come. As a result the economy will get a longer life in the entire business cycle.

According to an American new report from Rystad Energy, it is estimated that U.S. is sitting on an incredible 264 billion barrels of oil reserves. It includes oil in existing fields, new projects, recent

discoveries as well as projections in undiscovered fields. More than half of America's untapped oil is unconventional shale oil, according to Rystad. Shale oil is the previously-unreachable crude. New technology has reshaped the global energy landscape and vaulted the U.S. into the upper echelon of global oil producers. This buffer resource has not yet touched. Even if they start tapping the same, strict condition will be followed in fracking to keep the resources for a longer period. This source is going to be the back bone of US economy in the coming years.

CONCLUSION

The above study brings out a code for doing good business track for the emerging businessmen to optimally use the available resources for the next generation. There are multiple choices before the customers. So misleading them for further profit will break the cycle and bring premature end for the business. It is our responsibility to save and keep the planet for the living species. Government interference along has limitations to impose code of business rule for governance. Individual attitudes and behavior will go a long way to bring about a dream livelihood along with sustained business.

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