



Influence of Globalization and Confines of Corporate Social Responsibility: An Analytical Study

KEYWORDS

CSR, principles of CSR, Globalization

Sushma Rani

(PhD Scholar), Department of Rural Management, School for Management studies, Babasaheb Bhimrao Ambedkar University [A Central University], Lucknow-226025

Dr. K. Mishra

(Head & Associate Professor), Department of Rural Management, School for Management studies, Babasaheb Bhimrao Ambedkar University [A Central University], Lucknow-226025

ABSTRACT *In recent years, scholars and managers have dedicated significant attention to the planned suggestions of corporate social responsibility (CSR). CSR can be defined as circumstances where the firm goes clear of adherence and perform to further some social good, ahead of the benefit of the firm and that which is required by regulation Globalization influences the economy, business life, society and environment in different ways, and approximately all organizations have been influenced by these changes. In this paper therefore we will think about characteristic of this in the context of the objectives of the organizations and its actions for governance. Governance also is an important part of this development. So business life requires more regulation and proper and socially responsible behavior than before. In this study we have discovered the relationship between CSR and globalization. We pointed out that the relationship between business breakdown and scandals increased after the globalization, and social responsible behavior. In this paper we have also discussed a "confines of corporate social responsibilities". This paper is a pure academic attempt to study the influence of globalization and confines of corporate social responsibility in Indian business scenario*

1. INTRODUCTION

Corporate Social Responsibility is a thinking which has develops into main in business dealing. All corporations have a strategy regarding CSR and create a statement yearly component its achievement and of way each of us declare to be able to identify corporate activity which is socially responsible and activity which is not socially responsible. Measurement and assessment of performance while kind elasticity for an organization to think its individual in public and environmentally important reasons and plan therefore without being evaluated helpful or unhelpful with organizations with different precedence. Globalization influences the economy, society, business life and environment in different process, and approximately all corporations have been inflated by these modify.

We can observe these modify mostly associated with growing challenges and the fast changing of the technology and information progress. These problems make corporations extra profit oriented than a long term and sustainable company. We must few social rules, policy and principles in society and business life for generally responsible activities. The increase and achievement of approach is of way important for every organization. However in the current CSR is being careful as a essential factor of that approach with subsequent compensation to the organization. In this research so we will think about characteristics of this in the background of the objectives of the firm and its procedures for authority.

Concept and Meaning of CSR (Corporate Social Responsibility)

The statement is an expansive and dialectic one, but may be basically contained as a concept whereby organizations choose readily to give to an improved society and a cleaner environment. The Corporate Social Responsibility frequently referred as the Business responsibility, is about organizations managing the business methods to produce an overall helpful impact on humanity. CSR can be give

explanation as. From the above, CSR could be defined as the procedure of business functions approved out while make sure fulfillment with authorized requirements, as also connected to decent values to an extent. CSR means open and transparent business practices that are based on ethical values and deference for employees, communities and the environment. The concept of CSR is supported on the thought that also public authorities, organizations also should take on responsibilities of social problems. The idea of individual a socially responsible organization means to go outside legal observance and to spend in human resources and the environment.

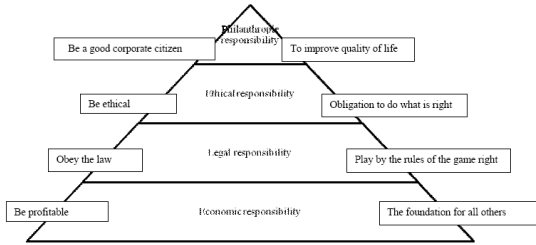
Definitions of Corporate Social Responsibility

There is however no agreed definition of CSR so this increases the question as to what accurately can be careful to be corporate social responsibility. According to the EU Commission (2002), "CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis."

Similarly Carroll (1979), one of near the beginning CSR theorists states that: "Business encompasses the economic, legal, ethical and discretionary expectations that society has of organization at a given point in time". **More recently this was repeated by Balabanis, Phillips and Lyall (1998), who confirmed that:** "In the modern commercial area, organizations and their managers are subjected to well publicized pressure to play an increasingly active role in [the welfare of] society". **While Robertson and Nicholson (1996) thinking that:** "A certain amount of rhetoric may be inevitable in the area of social responsibility. Managers may even believe that making statements about social responsibility insulates the firm from the necessity of taking socially responsible action". **Moir (2001) is more ambivalent:** "Whether or not business should undertake CSR, and the forms that responsibility should take, depends upon the economic perspective of the firm that

is adopted". So we can see that CSR is a contested topic and it is by no means certain that everybody thinks that it is important or relevant to modern business.

Figure 1: The Pyramid of Corporate Social Responsibility.



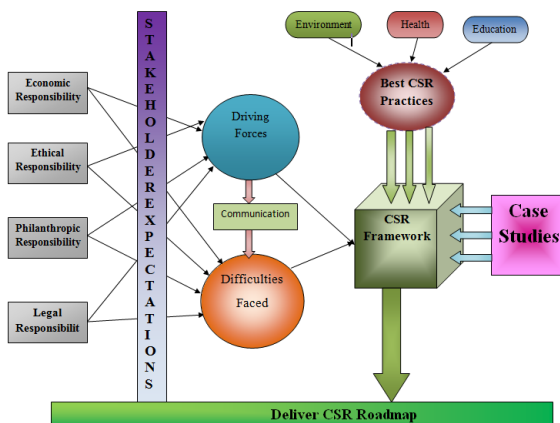
Source: Pankaj Dodh et al, 2013

How Globalization Affects CSR:

The question might be how globalization affects CSR. But the answer to this question is not only connected to the last quarter of the 20th century but also linked to previous centuries. John Maynard Keynes intended that the standard of living had amplified 100 percent over four thousand years. Adam Smith had an significant (seminal) idea about the wealth of communities and in 1776 he described circumstances which would lead to increasing income and wealth. Similarly there is much substantiation from economic history to exhibit the benefit of moral behavior; for example, Robert Owen in New Lanark, and Jedediah Strutt in Derbyshire both in the UK showed the economic benefits of caring for stakeholders. More newly Friedman has paid attention to the moral impact of the economic growth and development of society.

Moreover, they are accountable to the shareholders for making more profit to keep their interest long term in the company. Therefore they are taking risk for their benefit/profit. This risk is not opposed to the social or moral/ethical principles which they have to apply in the company. There are many reasons for ethical and socially accountable behavior of the company.

Fig 2: Extended model of CSR



Source: Secondary Data

However, there are many cases of misconduct and some illegal operations of some companies. Increasing competition makes business more hard than before in the globalised world. The good news and our potential are that

competition will not have any longer bad influence on company behavior. According to international norms (practice) and expectations, companies have to take into account social, ethical and environmental issues more than during the last two decades. One of the reasons is more competition not always more profit; another reason is consumer anticipation is not only related to the cost of products but also associated to quality, proper production process and environmental sensitivity. Moreover shareholders are more involved in long term benefit and profit from the company. The key word of this concept is long term which represents also a sustainable company. Shareholders want to get long term benefit with a sustainable company instead of only short term profit. This is not only connected to the company profit but also related to the social and environmental performance of the company. Thus, managers have to make strategic plans for the company concerning all stakeholder expectations which are sustainable and provide long term benefit for the companies with their investments. Globalization has had a very pointed effect on company behavior and motionless we can see many problems particularly in developing countries. This is one of the realities of the globalization process. However we are hoping to see some dissimilar approaches and improvements to this process with some of them naturally related to some international principles, rules and norms. But most of them are related to the end of this flawed system and the problems of capitalization.

The conclusion is that it is not always possible to control behavior and corporate activity with regulations, rules and norms. So another question arises in this situation, that if people do not know their responsibility and socially responsible things to do and if they do not behave socially responsibly then, who will control this problem in business life and in the market. The concern is that the social responsibility implication of the company cannot be controlled through legal means. This is the only social contract between managers and society and stakeholder behavior.

Is Globalization an opportunity or threat for CSR?

We have no definite answer for this question which is depends on from where are you are looking. It is clear that the globalization has diverse effects on the social responsibility of the company and the behavior of managers. Some of these are supporting companies/managers for motivating towards socially responsible behavior, while others of them are destroying fair business and all principles, norms and regulations which are the result of increasing competition. Globalization has been created bigger companies in terms of turnover, market capitalization, and amount of assets. This causes inadequate competition with other small and medium size companies which is a major hazard for them. But it might also provide to companies great opportunities for reaching people and customers, and for collaboration with other companies from all over the world. In fact we have to accept that globalization is an predictable phenomenon for which we have no substitute yet. Well regulated and controlled markets are not a big problem and threat, but lack of guideline and norms is the main problem in a developing country which globalization has a big influence in these economies. Moreover CSR execution is the one of the most significant issues for globalised economies and markets. CSR requires some rules for the determination of the relationship between the corporation and society, which is still a complicated process. The implication is that CSR is not simply a simple process but also needs a long term tactical approach by companies which

need to learn socially liable behavior and their decision makers must impose these principles in the company. The duty of corporations is serving their shareholder through providing proper products and services. The purchasing assessment of the customer is not only related with price and quality but also based on a consideration of the social behavior of the company. Socially responsible investment and behavior gives some opportunities to the company which is more visible than others and show more concern for stakeholders also. In particular, the development of information technology is helpful for the company for trading in any place in the world to any customer. Customers want the corporation to behave correctly to its suppliers, and their suppliers to delicacy their laborers fairly even in far distant countries. When the company behaves unprofessionally then people will know this problem all over the word and its result on company sales and stakeholder interests for the company. As a In summary, a firm has an investment in reputation, including its reputation for being socially accountable. An increase in perceived social responsibility may recover the image of the firm's management and authorize it to exchange costly open claims for less costly implicit charges. In contrast, a refuse in the level of stakeholders' view of a firm's social responsibility may reduce its reputation and result in an increase in costly explicit claims (Mcguire & Sundgren & Schneeweis, 1988), we can also confidently say about CSR's impact at the present time is that it benefits some people and some companies in some situations. Consequently thought is being given to the implications of CSR for the developing world (Blowfield M, J. G. Frynas, 2005).

CONCLUSION

CSR is a big subject which leads to a diversity of opinions and can be considered in a number of different

ways. CSR has gained in eminence in recent years. It has also changed in nature as different issues have become more outstanding. We have considered these changes and looked in meticulous at environmental issues and the way in which the effects and associated costs can be externalized away from the company itself. CSR is now generally measured to be an integral part of strategy for any organization and built into the strategic planning process. There are many perceived reimbursement to an organization from this. Governance also is an integral part of this process. Globalization has an huge effect on society and business life which can be evident in a number of different ways. So business life needs more directive and proper and socially accountable behavior than before. In this paper we have shown the relationship between CSR and globalization. We pointed out that the relationship between business failure/ scandals increased after the globalization, and social responsible behavior. Corporate social responsibility (CSR) can be defined as a company's compulsion to follow goals and policies that are in society's best benefit. A socially accountable company conducts business in an principled manner. In many companies, a official statement or code of ethics summarizes corporate values, and expectations. The practical need for CSR comes from changing social expectations, affluence, and globalization. Many companies have earned benefits from engaging in CSR activities. These include stronger brand positioning, corporate image, market share and sales. It also increased their ability to attract and retain employees.

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