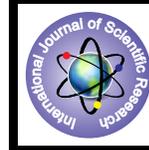


## Corporate Social Responsibility



## Management

KEYWORDS :

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### Introduction

Corporate Social Responsibility (CSR) is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (“Triple-Bottom-Line- Approach”), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that.

Corporate initiative to assess and take responsibility for the company’s effects on the environment and impact on social welfare. The term generally applies to company efforts that go beyond what may be required by regulators or environmental protection groups.

Corporate social responsibility may also be referred to as “corporate citizenship” and can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promote positive social and environmental change.

Companies have a lot of power in the community and in the national economy. They control a lot of assets, and may have billions in cash at their disposal for socially conscious investments and programs. Some companies may engage in “green-washing”, or feigning interest in corporate responsibility, but many large corporations are devoting real time and money to environmental sustainability programs, alternative energy/ clean-tech, and various social welfare initiatives to benefit employees, customers, and the community at large.

A properly implemented CSR concept can bring along a variety of competitive advantages, such as enhanced access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, efficient human resource base, improved brand image and reputation, enhanced customer loyalty, better decision making and risk management processes.

### CSR Approaches

Some commentators have identified a difference between the Canadian (Montreal school of CSR), the Continental European and the Anglo-Saxon approaches to CSR. It is said that for Chinese consumers, a socially responsible company makes safe, high-quality products; for Germans it provides secure employment; in South Africa it makes a positive contribution to social needs such as health care and education. And even within Europe the discussion about CSR is very heterogeneous.

### Cost-benefit analysis with a resource-based view

In competitive markets the cost-benefit analysis regarding positive financial outcomes upon implementing a CSR-based strategy, can be examined with a lens of the resource-based-

view (RBV) of sustainable competitive advantage. According to Barney’s (1990) «formulation of the RBV, sustainable competitive advantage requires that resources be valuable (V), rare (R), inimitable (I) and non-substitutable (S).» A firm can conduct a cost benefit analysis through a RBV-based lens to determine the optimal and appropriate level of investment in CSR, as it would with any other investments. A firm introducing a CSR-based strategy might only sustain high returns on their investment if their CSR-based strategy were inimitable (I) by their competitors. In competitive markets, a firm introducing a CSR-based strategy might only sustain high returns on their investment and there may only be a short-lived strategic competitive advantage to implementing CSR as their competitors may adopt similar strategies. There is however, a long-term advantage in that competitors may also imitate CSR-based strategies in a socially responsible way.

Even if a firm chooses CSR for strategic financial gain, the firm is also acting responsibly. Attention to CSR as an element in corporate strategy led to examining CSR activities through the lens of the resource-based-view (RBV) of the firm. The RBV, as introduced by Wernerfelt (1984) and refined by Barney (1991), presumes that firms are bundles of heterogeneous resources and capabilities that are imperfectly mobile across firms. Accordingly, the imperfect mobility of heterogeneous resources can result in competitive advantages for firms that have superior resources or capabilities. McWilliams and Siegel (2001) used a model based on RBV to address optimal investment in CSR. In their model, CSR activities and attributes may be used in a differentiation strategy. They conclude that managers can determine the appropriate level of investment in CSR by conducting cost benefit analysis in the same way that they analyze other investments. Applying the RBV to CSR naturally leads to the question of whether firms can use CSR to achieve a sustainable competitive advantage. Reinhardt (1998) addressed this issue and found that a firm engaging in a CSR-based strategy could only sustain an abnormal return if it could prevent competitors from imitating its strategy.

### SAP North America Corporate Social Responsibility

SAP recognizes and embraces its commitment to the communities in which we operate in the United States. We believe the private sector plays a vital role in creating a level playing field, driving innovation and building an environment that enhances education and entrepreneurship to foster economic growth.

1. Our social investment strategy is based on our vision to help the world run better and improving people’s lives.
2. Our approach is driven by four core principles:
3. Create social impact. Make strategic social investments that have a lasting benefit on society.
4. Leverage our core expertise. Utilize our technology and talent to help find solutions to social issues.
5. Generate lasting impact on SAP. Align approach to support our market and people strategy.
6. Engage multiple stakeholders. Drive innovation through a multi-faceted dialogue with internal and external stakeholders.

## SAP's global initiatives

### Volunteerism

In addition to specific national and local programs, SAP encourages and supports employee volunteerism year-round. In this regard, we partner with several different Non-Governmental Organizations (NGOs) and come together to create positive social change in our communities through volunteering in the United States. Our signature volunteering initiative is our Month of Service held in October of every year, where more than 150 projects are executed across the country aligned to our areas of focus. Thousands of SAP employees in the US participate in our Month of Service, along with several partners and customers in some cities.

SAP also recognizes that our senior executives are excellent ambassadors for SAP, and we encourage them to lend their management expertise to nonprofit organizations as board members. The Executive Community Leadership Program facilitates and supports the service of SAP executives on nonprofit boards.

### Synergy for Positive Social Change

SAP's social investment in the United States supports a wide range of initiatives grant making to higher learning. The program demonstrates how incorporating community stakeholders into our business network not only supports corporate goals and responsibility, but also encourages nonprofit organizations to promote social change in a positive and sustainable way.

### Corporate Social Responsibility Policy in India

#### Bhubaneswar:

The state government is planning to formulate a corporate social responsibility (CSR) policy, industries minister Debi Prasad Mishra told the assembly on Thursday.

The minister, in a written reply to a question, said Odisha Mining Corporation Limited spent the highest Rs 346.79 crore from 2010-11 to 2012-13 towards CSR. The OMC had nil expenditure in 2013-14.

#### Odisha

Odisha Industrial Infrastructure Development Corporation, in those four years, incurred expenditure of Rs 9.14 crore followed by Odisha Power Generation Corporation Limited (Rs 8.32 crore), Infrastructure Development Corporation Of Odisha ( Rs 2.58 crore) and Odisha Hydro Power Corporation Limited (Rs 1.69 crore). Odisha Power Transmission Corporation Limited spent the lowest Rs 29,000, he said.

### Conclusion:

The article entitled "Corporate Social Responsibility", in which the. It presents the Corporate Social Responsibility (CSR) is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. Further, it narrated the CSR Approaches, Cost-benefit analysis with a resource-based view, SAP North America Corporate Social Responsibility, SAP's global initiatives, Synergy for Positive Social Change, Corporate Social Responsibility Policy in India; Bhubaneswar, Odisha.

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