



ORIGINAL RESEARCH PAPER

Commerce

CORPORATE SOCIAL RESPONSIBILITY (CSR)

KEY WORDS: Triple bottom line, Commitment, Society, Responsibility, People, Profit.

Vishika

M.com, UGC-NET

ABSTRACT

A business has a very deep impact on the society economically as well as socially. A big question today arises is that BUSINESS ORGANISATION IS FOR SOCIETY OR SOCIETY IS FOR BUSINESS ORGANISATION? Society is the super system and business organisation is the sub-part of this system. Every organization has financial objectives. In spite of financial objectives in the modern era, it becomes the responsibility of the business to serve the society, not only to deliver the standard products but also to improve them. To maintain a firm position in the market, an organisation must comply with the expectations of the society and should even try to move ahead of the expectations and try to improve the standard of the society more and more. A business takes everything from the society whether it is labour or capital or resources. If a business takes so many things from the society, it become its prime responsibility to serve it. In this article the focus is on the proper meaning of CSR, various types of CSR with real life case studies. Top 16 companies which contributed towards the CSR are analysed.

REVIEW OF LITERATURE:

The pace of increase in knowledge moves towards rapid changes. It grows more and more than the passage of time. Therefore, a researcher has to be conscious about the changes and developments in the field of his/her study. For this purpose, the researcher has to survey the available literature like novels, reports, researches, books, articles, newspapers and journals in order to add knowledge in its study. Over the past decades, the concept of CSR has become an important concept in the study of researchers, scholars and industrialists etc.

Iadow (2007), with their study of twenty companies in U.K., propounded that the U.K. companies has now become ethical in the content of social responsibility as companies disclose its CSR with a view of public benefits, government request and issue information to stakeholders because the companies think that stakeholders of twenty first century are better educated them past.

Vaaland, Heide (2008), paper based on a case study methodology. The paper purpose was to handle the CSR critical incidents and utilize this experience in enforcing the CSR activities. The study concluded that CSR should be managed by handling unexpected incidents, long term reduction of gap between stakeholders and their expectations and company performance and finally maintaining relationship with society through interplay between actor, resources and activities.

Truscott, Bartlett, Trwoniak (2009), paper "The reputation of CSR industry in Australia" in Australian marketing journal, based on case study methodology. On the basis of the interview of key persons of industries in Australia, the term CSR has been explained. The industrialist revealed that CSR increasingly has become significant. They shared their views of CSR in economic, legal and ethical roles of business in society. Beside this, the industrialist viewed CSR as a model of corporate reputation.

Brammer, Jcakson & Matten (2012), study entitled as "CSR and institutional theory: new perspective on private governance" in Social economic review depicted that CSR is not only a voluntary action but beyond that. In this study, CSR had defined under institutional theory. The institutional theory stated that corporate social activities are not only voluntary activities but it is a part of interface between business and society. Regulation/ governance are necessary for enhancing the corporate performance of businesses through CSR. The theory also suggested that in what form companies should take its social responsibilities whether historical, political or legal form.

Objectives of the study:

- To study the types of CSR.
- To explore the difference between charity & CSR.
- To clear the confusion between profit motive & CSR.
- To study the trend of CSR in India.

Short forms:

- CSR**- Corporate Social Responsibility
- SR**- Social Responsibility
- TLB**- Triple Line Bottom

Social Responsibility:

Social responsibility means to think about the society and serve them. Everyone, whether it is an organization or an individual, has responsibility towards the society. The action of any individual should not affect the environment. SR is the subjective and the objective concern for the well-being of the society. Every individual and business is the part of the society, and it becomes the foremost responsibility of everyone to serve the society.

SR is to evaluate the effects of the actions on those that are directly or indirectly affecting the society and the environment.

Acc. to Prof. H.Koontz & O.Donnel, "It is the personal obligation of people as they act in their own interest to assure that the rights and legitimate interests of the other are not impinged."

Corporate Social Responsibility:

CSR is a very broader concept. It is a self-regulating model by which a company can be accountable to the society including its shareholders and customers. It is also known as CORPORATE CITIZENSHIP. An organization is the part of the society and the welfare of the society is the responsibility of the business.

CSR means in daily routine business, a company should operate in that way in which the society is benefitted positively. Benefit to the society can be in the any form i.e. economic, social, environmental, political etc. It should not harm the rights of any person or individual in the society.

Charity and corporate social responsibility:

CSR and the charity is not the same thing. CSR should not be mixed with the charity. **Charity** is giving some help to the poor or needy person or show sympathy towards someone.

CSR is a broader concept. It doesn't include charity. It includes performing the business in that way that the society is positively benefitted. It is a way by which any organization

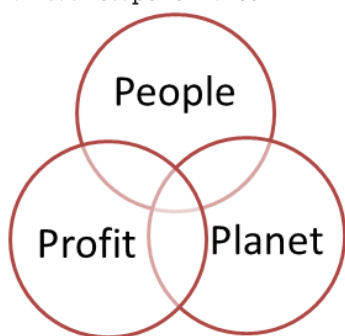
maintains a balance between economic, social and its environmental objectives. It doesn't mean to help the society due to sympathy. Charity is one of the part the CSR.

Profit Maximization and CSR:

The main objective of any business is earning profit and sustainability. Some business house think that if they focus on society, it will ultimately reduce their profits. But it is not true. If any company focuses towards the society, this will increase the goodwill of the firm which ultimately increases the profits also in the long run.

It include to follow the 'Triple Bottom Line' approach i.e. to focus on each and every area of the society. This approach was coined by JOHN ELKINGTON in 1994. The main agenda behind this approach is that a business should be managed in a way that it should not only consider its financial profits but also improve the standard of living of the people and the planet.

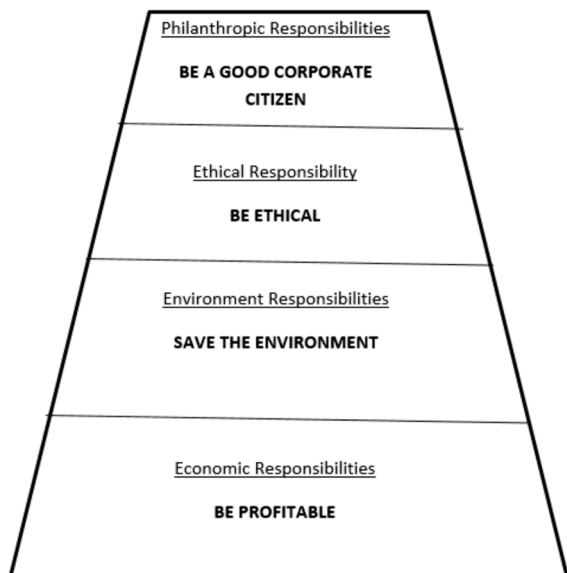
In Triple Bottom Line approach three areas are considered for the assessment in business performance.



The TLB approach focuses on the benefit of each and every aspect of the society so that our society can be positively affected by the business activities. It means considering the financial profits as well as about the people, planet and the society equally. The focus of CSR is to:

- Boost shareholders trust.
- Increase long term profits in an ethical way.
- Take ownership of corporate decision.
- Improve the society.
- Improve the standard of living of people.
- Build long term customers.
- Save the environment.
- Reduce labour turnover.

Types of Corporate Social Responsibility:



1.) Philanthropic Responsibilities:

It involves donation of time, money or resources to charities or organisations. It may be at local level, national level or international level. The donation can be given for variety of worthy causes like:

- Human Rights
- National Disaster Relief
- Clean Water
- Educational Programs
- Nutrition etc.

It basically means to SERVE THE HUMANITY. It includes paying attention to the well-being of needy people who require support for the existence.

CASE STUDY: BILL GATES

Bill Gates, the owner of Microsoft, donates approx. 50 billion every year to various organisations, in which The Bill and Melinda Gates Foundation is the one which gets maximum donation from him.

The Bill and Melinda Gates Foundation supports various causes like education, eradication of malaria, agriculture etc.

1.) Ethical Responsibility: Ethics means to do what is right. Business should be done in the ethical manner, which means profit should be earned in the fair manner and not by harming the employees, suppliers and society.

Fair business practices for employees include equal pay for equal work and living wage compensation.

Fair business practices for suppliers include the use of products that have been certified as meeting fair standards.

Fair business practices for society includes make that products which raises the standard of living of the society.

CASE STUDY: GOOGLE

Google is very well-known for its corporate environment culture in the organization. Google employees have high level of job satisfaction because of well compensation given to employees and they are all well paid. The main features they provide to employees are:

- Their work is environment supportive.
- Company looks after the well-being of employees.
- They offer free meals at work.
- They give free access to company cafes.
- They give free access to micro kitchens to workers.
- Lot of options are provided to employees for breakfast, lunch and dinner.

These facilities saves a lot of money of employees from their wages.

2.) Environment Responsibilities: Our environment is degrading day by day and the main reasons behind this are the various big organisations. Today two main areas of environment need immediate action:

- Reduce Pollution.
- Reduce green-house gases.

Today condition of environment can be upgraded with the help of organisations because they have huge impact on it. Companies that are concerned about reducing air, water and land pollution have increased their standing as good corporate citizens while benefitting the society.

CASE STUDY: TESLA MOTORS

Tesla Motors design cars that are:

- Stylish
- Full of advance features
- Economical
- Environment friendly

Most important and unique feature is that it is environment

friendly and it helps in reducing the pollution. These cars don't need gasoline refueling and are chargeable at home.

3.) Economic responsibilities: It is an inter-connected field which means to make profit by making a balance between philanthropic, ethical and environmental responsibilities. The ultimate aim of any organization is to earn profits, but it should be earned in such a way that it follows all the moral, ethical and legal regulations. A company should earn profits by benefitting the community and our society.

CASE STUDY:IBM

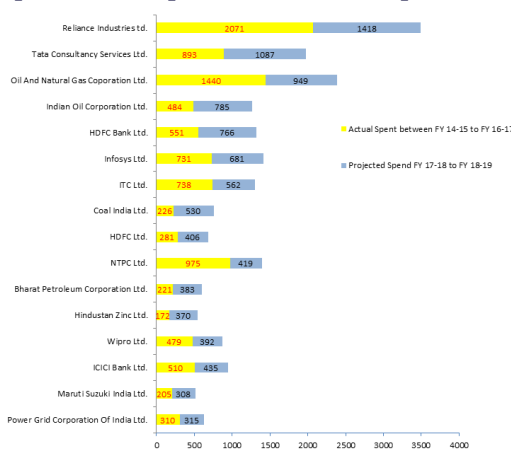
The technology giant IBM is highly profitable company but it earns profits by benefitting the society by:

- It focuses on developing more efficient supply chains.
- Creating technologies that help other companies.
- IBM promotes employees well-being & diversification.
- It works on issues such as education, health, literature and culture.

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Companies that Shape India's CSR landscape



Source: CSR report by NGOBOX & CSRBOX

CSR spend by big 16 Companies (INR Cr.)
 These top500 companies are selected based on the following parameters:

- The actual CSR spend in FY2015-16
- Listed Companies either on BSE or NSE or both of the exchanges
- Minimum Prescribed CSR of INR 1 Cr. in FY2017-18

Here Are The Main Insights OfThe Chart:

- Large 500 Companies to spend INR 11600 Cr. on CSR projects
- Top 10 companies account for 1/3rd of India's CSR spend
- Top 20 companies account for almost 45% of India's total CSR spend
- Reliance Industries Ltd. Is the top leading company in terms of CSR.

CONCLUSION:

India is a developing nation and developing can be at a very fast pace if companies contribute to it. Companies have huge impact on society and its development and it can contribute a lot through good CSR programs. A COMPANY WILL EXIST ONLY IF THERE WILL BE SOCIETY.

The top leading companies are in great success due to CSR. Consumers have more faith in that companies and the companies earn higher profits. It is clear from the report that many successful companies like Reliance, Wipro etc. spend a lot on CSR and it proved to be a boom for them.