

## Corporate Social Responsibility And Sustainable Development

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**ABSTRACT:** Present technological innovations and social organizations continue to impose risks and limitations on the efficient performance of the biosphere. Human activities have increasingly short-lived sustainable natural endowments, to the extent that, the multiplier effects have ripples beyond the traditional benefits of economic production and consumption. The main aim of this paper is to analyze and provide an analysis of the current trends in CSR in India and the role of corporate social responsibility in the overall scenario of sustainable development and inclusive growth

**KEY WORDS:** Corporate Social Responsibility, Community development, Ecology, NGO and Stakeholders.

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### I. INTRODUCTION

Corporate Social Responsibility is essentially a concept whereby companies integrate social and environmental concerns in their business operations and in the interaction with their shareholders on a voluntary basis. Through voluntary commitment to CSR, companies send a positive signal of their behaviour to their various stakeholders. In doing so, they make an investment towards future and increase their profitability. If a corporate house is expected to provide good governance to its stakeholders and society at large, it is because it enjoys so much facilities from the society in terms of developed infrastructure, trained workers, peaceful environment, law and order etc., that it is only appropriate that the company gives back to the society at least something in return in the form of good governance. Therefore, it is a well conceived fact that good corporate governance itself is part and parcel of corporate responsibility towards society.

Business can no longer limit them to using resources by indulging in activities that increase their profit only. The Companies have to be socially responsible corporate citizens and also contribute to greater common social good. Ultimately, the aim of social responsibility is all about integrating the three objectives: economic, environmental and social within the framework of company operations and growth. Though the philanthropy is a fore runner to the concept of CSR, it's much more than the philanthropy. An organization can accomplish sustainable development, if the CSR becomes an integral part of its business process. CSR impacts almost every operational area of a company. The Companies Act 2013, intends to inculcate the philosophy of CSR among Indian companies

#### Objectives of the study:

- To make a critical analysis of the concept of corporate social responsibility
- To study the trends of CSR in an Indian scenario. and its rationale
- To understand the areas of CSR in which the companies are involved.
- To study the role of CSR in attaining sustainable development

### II. METHODOLOGY:

The study is descriptive in nature based on secondary data

#### • CSR: Definition:

The totality of CSR can be best understood by three words: 'corporate,' 'social,' and 'responsibility.' In broad terms, CSR relates to responsibilities corporations have towards society within which they are based and operate, not denying the fact that the purview of CSR goes much beyond this. CSR is comprehended differently by different people. Some perceive it to be a commitment of a company to manage its various roles in society, as producer, employer, customer and citizen in a responsible manner while for others it is synonymous to Corporate Responsibility (CR) or Corporate Citizenship or Social Action Programme (SAP). Of late, the term has also been started to link up with Triple Bottom Line Reporting (TBL) which essentially measures an enterprise's performance against economic, social and environmental indicators. Discourses on CSR suggest that many definitions of CSR exist within the business community, and CSR continues to be an evolving concept, with no single definition that is universally accepted. Given below are three key definitions that have garnered wide acceptance and favour amongst business circles

In other words, CSR refers to ensuring the success of the business by inclusion of social and environmental considerations into a company's operations. It means satisfying your shareholders' and customers' demands while also managing the expectation of other stakeholders such as employees, suppliers and the community at large. It also means contributing positively to society and managing organization's environmental impact. Hence, CSR is a contribution to sustainable development, implying the way a company balances its economic, environmental and social objectives while addressing stakeholder expectations and enhancing shareholder value, the relevance of CSR within an organization

Definition # 1: Philip Kotler and Nancy Lee (2005) define CSR as "a commitment to improve community well being through discretionary business practices and contributions of corporate resources" whereas Mallen Baker refers to CSR as "a way companies manage the business processes to produce an overall positive impact on society."

- **CSR: Rationale**

The rationale for CSR has been articulated in a number of ways. In essence, it is about building sustainable businesses, which need healthy economies, markets and communities. The major reasons for CSR can be outlined as: Globalisation As a consequence of cross-border trade, multinational enterprises and global supply chains, there is an increased awareness on CSR concerns related to human resource management practices, environmental protection, and health and safety, among other things. Reporting on the CSR activities by corporates is therefore increasingly becoming mandatory. In an increasingly fast-paced global economy, CSR initiatives enable corporates to engage in more meaningful and regular stakeholder dialogue and thus be in a better position to anticipate and respond to regulatory, economic, social and environmental changes that may occur. There is a drive to create a sustainable global economy where markets, labour and communities are able to function well together and companies have better access to capital and new markets. Financial investors are increasingly incorporating social and environmental criteria when making decisions about where to place their money, and are looking to maximise the social impact of the investment at local or regional levels.

- **Trends in CSR:**

An insight into the history of CSR reveals that till 1990s it was solely dominated by the idea of philanthropy. Considering CSR as an act of philanthropy, businesses often restricted themselves to one time financial grant and did not commit their resources for such projects. Moreover, businesses never kept the stakeholder in mind while planning for such initiatives, thereby reducing the efficacy and efficiency of CSR initiatives. However, over the last few years, the concept of CSR has been changing. There has been an apparent transition from giving as an obligation or charity to giving as a strategy or responsibility. Review of the case studies and work done on CSR by companies in India suggests that the CSR is slowly moving away from charity and dependence and starting to build on empowerment and partnership. Conceptualisation: Nowadays corporate are treating CSR as a separate entity and devote attention to it. Most of the corporate have a vision and mission statements often at the corporate level or sometimes at the CSR level that drive their CSR initiative. Deliberations are made to choose specific issues and initiatives. It has been observed that the areas they choose somewhere relate to their core values. Companies today are increasingly sensitive about their social role. The companies not only concentrate on how they will position their product or how they will sell it but also they have a social strategy because they have started feeling that brands are built not only around good quality of the product; but also around emotions and values that people ascribe to those products.

Today, CSR has been understood in terms of accountability where corporate are feeling that they are responsible for the impact their actions have on several stakeholders. They feel that the basic motive of CSR today is to increase the company's overall impact on the society and stakeholders.

- **Key focus areas:**

The following are key focus areas being incorporated into business practices:

**Partnership with NGOs and Government:** There has been an increase in the number of corporates partnering with NGOs and the Government to ensure successful execution of initiatives.

**Community development:** Most large companies either have their own foundations or contribute to other initiatives that directly support the community upliftment, notably in health, education, and agriculture

**Environmental management:** Environmental policies and programmes are now standard, and many companies have implemented the ISO 14 001 system throughout their businesses.

### **Workplace**

Growing out of a long-standing commitment to training and safety is a more recent emphasis on knowledge and employee well-being.

- **Role of CSR in attaining sustainable development:**

The role that the CSR plays in achieving sustainable development can be explained as under.

**Protecting and promoting interests of various stakeholders:**

The employees and shareholders, the consumers, suppliers, creditors, competitors, government and general public are the stakeholders of the company. Therefore, corporate have to consider themselves as the guardians of stakeholders' welfare and render service to various sections of the society.

**Addressing social concerns and promoting public welfare programmes:**

CSR is a way to address social concerns and promote welfare programmes for the benefit of common public. In this regard, companies have sponsored advertisements for the promotion of social causes or issues of public concern.

**Engaging in Philanthropic activities:**

Social Responsibility can be discharged by engaging in philanthropic activities. During the time of tsunami in 2004, the corporate houses donated several hundreds of crores of rupees to the Prime Minister's and Chief Minister's relief funds to help government rehabilitate the displaced fishermen of South India.

**Ensuring good corporate governance in the companies:**

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**Rendering Social Service:**

Some corporate like ITC, Tata Steel, Sail etc., have made contributions in diverse areas such as community development, agriculture, healthcare, sports, pollution control etc.,

**Social and charitable causes and social welfare activities:**

Besides building industrial empires, Some industrialists also contributed individually to certain social and charitable causes

**Supplementing the Government efforts effectively:**

Corporate can supplement several areas of welfare activities to relieve the government that does not have adequate resources to discharge activities like family planning clinics, providing quality primary education, campaign against AIDS, maintaining public health system etc.,

**Ensuring Ecological Balance:**

Corporate maintain ecological balance in the areas of their operation.

**Focusing on human elements:**

Corporate can discharge their social responsibility by focusing on human elements.

**Abiding by rules and regulations as good corporate citizen:**

Corporate abide by the rules and regulations framed by the respective governments, authorities to be good corporate citizens.

### **III. CONCLUSION:**

CSR is the continuing commitment by business firms to behave ethically and contribute to economic development while improving the quality of life of the employees and their families as well as of the local community and society at large.

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