CORPORATE SOCIAL RESPONSIBILITY WITH SOCIO-ECONOMIC DEVELOPMENT

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Abstract :

Corporate Social Responsibility (CSR) is an important issue in contemporary business, management and politics, especially since the launch of the United Nations Global Compact in 2000 as an initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on them. CSR is essentially a concept whereby firms integrate social and environmental concerns in their business operations and in their interaction with their voluntary and mandatory activities.

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Introduction

CSR is a means of analyzing the inter-dependent relationships that exist between businesses and economic systems, and the communities within which they are based. The notion of firms looking beyond profits to their role in society is generally termed Corporate Social Responsibility (CSR). The World Business Council for Sustainable Development (WBCSD) defines, CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large

The intensive debate among academics, consultants and business executives has resulted in many definitions of CSR. There exist nearly as many definitions of CSR as there are articles written about the topic, and the concepts are sometimes supported, sometimes criticized (Marrewijk, 2003). In this section some different viewpoints of CSR related concepts to illustrate the abundance of existing definitions are presented. The wide range of CSR topics means that there are many different actors. This publication the examples of CSR theory and implementation from some of the key figures around the world, across the sectors, from government, industry and civil society are presented. The numerous ranges of voices are significant: whether it is industry practice, consultancy, research or marketing; national, international or local government; or whether it is large corporations or small firms.

The term of Corporate Social Responsibility (CSR) has long history. The first notion emerged in writing dating back to the 1950s mainly emanating from USA (Carroll, 1999). During the decades that have followed there has been significant growth in the attempt to formalize and conceptualize the idea. The Corporate Social Responsibility (CSR) movement has gathered great momentum over the past number of years (Crawford and Scaletta, 2005) and is now regarded to be at its most prevalent (Williams, 2005). It has been described as an ambiguous (Fischer, 2004), subjective (Frederick, 1986), unclear (McWilliams, 2001), amorphous (Margolis and Walsh, 2001), highly intangible (Cramer et al., 2004), fuzzy (McGuire, 1963) concept with unclear boundaries and debatable legitimacy (Lantos, 2001). Early definition emphasizes that importance of the relating business responsibility to power. CSR is a broad concept and it is still looking for a common definition (see, for example, Votaw, 1973; Carroll, 1991; Jones, 1995, 1999;

McWilliams and Siegel, 2001; Whitehouse, 2003; Garriga and Mele, 2004; Kakabadse, et al., 2007). In order to comprehend the various points of views of academics about CSR, Kakabadse, et al., (2007) have produced a list of definitions of CSR that covers the CSR debate over the last 50 years.

The World Business Council for Sustainable Development (WBCSD) defines, CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. There are number of other definitions that emphasize the importance of creating a balance in the interests of all the stakeholders of a business entity (Johnson, 1971). Hopkins (2003) also defines CSR as concern with treating the stakeholders of the firm ethically or in a responsible manner. Friedman et al. (2006) acknowledge the contribution of Carroll (1979) to the field of CSR. For him, the social responsibility of business encompasses the economic, legal, ethical and discretionary expectation that a society has towards business organizations at a particular time. Nearly all the definitions of CSR give a very general idea about the responsibility of business towards its stakeholders. According to Sutcliff (2003) and Lobbezzo et al., (2004), the non-existence of a clearcut definition causes ambiguity about the elements to be included in CSR and this ambiguity causes anger among business people. Firms often define the term that fits their own interests (Welford, 2003). Some researchers such as Moon (2002) have attempted to earmark the constituents of CSR. According to Moon (2002), CSR comprises of three waves of activities namely 'community involvement', 'socially responsible production processes' and 'socially responsible employee relations'.

Review of Literature :

Welford (2004) has attempted to identify the social constituents of CSR. He identified twenty essential elements that demarcate the social responsibility of the business sector. These twenty elements have been inferred from international declarations of principles, conventions and codes of conduct with respect to human rights and social responsibility as well as from observation of industry best practices. Consideration of Human Rights, established by the United Nation's Universal, Declaration of Human Rights and ILO Conventions are the focal point of this approach to CSR. Local community protection and engagement, clear codes of conduct on

bribery and corruption, transparency, accountability, and citizenship are among the other important elements of CSR.

Jonung, Malhotra, (2007), made a theoretical and empirical study attitude toward sustainable development and corporate social responsibility among future, Business leaders in Bangalore, India. The main purpose of this study is to investigate the attitudes toward CSR among India's future business, leader and implicit of the results are discussed from a multinational corporation (MNC's) perspective.

To analyze the problem several models have been applied. A common model for understanding CSR behavior among firms, is Triple Bottom Line, and a Lobust Theoretical Model for survey methodology, Theory of Reasoned Action, together with empirical material are used to develop a survey, which target stop student in Bangalore. Main hypotheses of this study are as follows.

➢ There is a general belief that sustainability is a problem.

➢ There is a belief that firm can improve sustainability issue.

➢ There is a positive attitude toward CSR.

➢ International firm hold a wider responsibility than local firm.

➢ Firm should be forced by law to pay special attention to the impact of it is business on sustainability.

Objectives of the Study

The research objectives and questions have been designed to understand the CSR and business sector's sensitivity to CSR in terms of having written policies on various CSR aspects. The objectives of the study are:

➢ To review and develop model for evaluating CSR initiatives

➢ To analyse the CSR initiatives in India

➢ Mapping the CSR initiatives of industries in India

➢ Mapping the CSR initiatives of industries in Mysore District

➢ To analyse the differences between large, medium and small firms in CSR activities

➢ To analyse the difference between public, private and partnership firms in CSR activities

Hypotheses of the Study

The following research hypotheses have been constructed in order to satisfy the research objectives.

➢ There is no significant differences among different dimensions of CSR in Mysore District

➢ Economic and ethical dimensions of CSR are not dependent on each other

➢ There is no significant difference among the different size group of firms in CSR initiatives

➢ There is no significant difference among public, private and partnership firms in CSR initiatives.

Conclusion

This study tried to understand the contribution of CSR to different dimensions of Sustainable Development (SD). The present study makes an attempt to understand the relationship between the CSR and SD in environment and social dimensions, while understanding this, the study also looks in to differences in the behavior of the small and large firm in their contribution to SD through to CSR. The model identified the relationship, between CSR practices and SD which confirm the important of CSR activities (environment and social activities in our study), in order to improve sustainable development. Our result shows a successful environmental and social activities implementation can improve the level of CSR in different sized firm. Most of firms have plan to saving environment with preserve water and electricity and reduction water and use renewable resources and recycle material, changing the technology used to create the goal and services that constitute the world wealth and the levels of water and air pollution. Which itself yield greater sustainable development higher environment and social activities is also attribute to better sustainable development resulting from the achieving of better CSR level over the firm's performance.

Suggestions/Recommendations :

The following strategic steps are suggested for Jaypee Rewa Cement Plant to be carried out to fulfill its Social Responsibility more effectively:

➢ The existing CSR activities are looked after by the HR department by their regular employees. Since personnel of HR department mostly remain busy with their routine jobs of IR

and other in house welfare activities, there should be a separate team to implement the CSR functions. By this the CSR activities can be implemented more effectively.

➢ More qualified professionals should be involved for CSR programme. The experience of HR personnel and the expertise of professionals can make the programme more successful.

➢ The scope of participation and involvement of more community leaders, religious heads and local persons having in-depth knowledge about the customs and rituals of various communities will make the programme more successful.

➢ The frequency and duration of Eye Camps, Naturopathy Camps, Heart checkup Camps and general health checkup Camps must be increased for more coverage.

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