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The Social aspects of corporate social responsibility

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Abstract

Corporate social responsibility is the continuing commitment by business to behave according to business ethics and contribute to economic development while improving the quality of the life of the workforce and their families as well as the local community and society at large. And also corporate social responsibility has generated a great deal of debate in business as well as in corporate circles in recent times. This debate centered around two major issues. There is an implicit contract between big business and society or indeed between whole economic sectors and society. India is a fledgling democracy needing much advancement in its application and intellectual domains CSR is not a product but service that affects the society at large. Ineffective operations of CSR has created an unbalanced society, ultimately contributing to a top heavy and non-sustainable business model. The gap between rich and poor has risen due to hegemonic control of the profit making institution called corporations; the corporations of India are purely under the guidance of the rich whose motive are self-gratification and advancement. This equation stays valid to a point and then naturally loses coherence and justification because any relationship to sustain some element of parent-child attributes must be present. A rapacious corporation will ultimately tumble as it will become disenfranchised from the public its shareholders and will cease to find profit; their market size will shrink as the purchasing power of public will be depleted due to excessive profiteering and not giving back to the community. In the short run, this predicament is not tenable but given for the profit driven psychology, a disaster can be awaiting in the medium to long run. Sustainable and responsible organizations can only avert such fiascos and CSR is the guiding principle ensuring corporate success in India and elsewhere. Bringing CSR practices in India sets a definitive milestone in the total development of corporate India. The goal is to maximize true value and benefit for an organization, while protecting the huge investment corporations make today in their brands. CSR asks to companies to ensure their business operations are clean and equitable, and contribute positively to the society in which they are based.

Keywords: Social corporate social responsibility business

Introduction

Why do business exist? Primarily the answer may be to earn profit. But if we go deeper and try to get real reasons, we certainly come to the conclusion that in a company a group of people get together so that they are able to accomplish something collectively that they could not get separately and they contribute to the society. Corporate social responsibility is the continuing commitment by business to behave according to business ethics and contribute to economic development while improving the quality of the life of the workforce and their families as well as the local community and society at large. And also corporate social responsibility has generated a great deal of debate in business as well as in corporate circles in recent times. This debate centered around two major issues.

The primary issue is concerned with the extent to which corporations should be involved in social responsibility. The secondary issue is whether corporate social responsibility is a developed country trend and if corporations operating in developing countries have any or different types of obligations to CSR. Many experts differ in their views of the nature and extent of corporate social responsibility. Some perceive corporate social responsibility in a narrow sense and thereby view CSR in terms of supply of goods and services to society at a profit within a regulatory framework (Friedman, 1970). Therefore corporate social responsibility is not a threat to achievement of economic goals of a corporation; rather CSR is an opportunity and can be the basis of economic development of firms in terms of competitive advantage in global market.

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Businesses cannot exist unless customers exist. Businesses run as long as the customers are satisfied. Gaining satisfaction of the customers in the long run does not end in ensuring quality products and services itself. Today's society expects more from a business. Since businesses can earn profit only if society consumes its products, society expects that a part of the profit should be spent for the betterment of the society at large. A business of today must run its activities in a socially acceptable way if it desires to sustain in the long run. Businesses should operate without jeopardizing the fate of the future generation. And for that, business needs to think for the society, environment, and stakeholders of it. Long run relationship with the stakeholders can ensure long run sustainability of a business. This is the reason why corporate social responsibility currently has gained so much importance.

The meaning of CSR is analyzing the interdependent relationships that exist between corporations and economic systems and the societies and also discussing the level of any obligations of a business has to its immediate society; a way of proposing policy ideas on how those obligations can be met as well as a tool by which the benefits to a business for meeting those obligations can be identified.

The main objectives of this study are having an idea about corporate social responsibility under the competitive world. Focusing on the diverse dimensions of CSR is also our motto. What is the position of Indian companies regarding corporate social responsibility is our Another objective. The entirety of CSR can be discerned from the three words contained within its title phrase; 'corporate', 'social', and 'responsibility.' Therefore, in broad terms, CSR covers the responsibilities corporations (or other for-profit organizations) have to the societies within which they are based and operate.

More specially, CSR involves a business identifying its stakeholder groups and incorporating their needs and values within the strategic and day-to-day decision-making process. Therefore, a business' 'Society' within which it operates, which defines the number of stakeholders to which the organization has a 'responsibility', may be broad or narrow depending on the industry in which the firm operates and its perspective.

CSR is defined in many ways and no universally accepted definition is in place, however, the scope of CSR in corporate board rooms to be management ranks have pervaded and continue to gain momentum.

Hill (2006) ^[3] Explained that CSR is a set of practices that form a part of good management or business practices much of it is about transparency and disclosure. Many organizations find that in actuality they already too much of what is considered "CSR" but often do not have formalized systems to report on those activities. Further CSR should not be viewed as an add-on activity as it is a concept of good practice that cuts across an organization (e.g. in HR, Purchasing, Customer Services etc.)

Chowdhury (2004) ^[2] believes that, as a part of corporate governance. Corporate governance and monitoring is an important control device. The independent roles of non-executive directors in a society are dependent on economic, socio-political and cultural factors of that society. Asia particularly China, Japan, India, Bangladesh, Malaysia and Indonesia is characterized by collectivism and paternalism where there is high loyalty to senior people and juniors and subordinates obey seniors' wishes and desires.

Social Aspects of CSR

Social responsibility is the newest of three dimensions of corporate social responsibility and it is getting more attention than it has previously had. Many organizations are becoming increasingly active in addressing social concerns social responsibility means being accountable for the social effects the company has on people-even indirectly. This includes the people within the company, in the supply chain of the company which means the whole lot of stakeholder. It refers to the management's obligation to make choices and take actions that will contribute to the well fare and interests of society as well as those of the organization. The following aspects have been found to be key the social aspects of CSR for an organization.

Responsibility towards Customers

The idea of treating customers with respect and attention is not new to business: often being responsible to customers has a direct positive effect on the company's profits. There are, however, broader social responsibilities including providing good value for money. These responsibilities may include such issues as the safety and durability of products or services; standard or after sales service; prompt and courteous attention to queries and complaints; adequate supply of products or services; fair standards of advertising and trading; and full and unambiguous information to potential customers.

Responsibility towards Employees

Businesses are major contributors to the employment generation of the community. However, social responsibility to employees extends beyond terms and conditions of the formal contract of employment. Companies need to come up with wider expectations that today's employees have for the quality of their working life. Such expectations include taking care of the personnel's welfare and safety at work and upholding their skills and motivation for the work. Beyond these expectations, a socially responsible company secures a just treatment and equal opportunities for all its employees, regardless of gender, age, race, or religion.

Responsibility towards the Community

Companies depend on the health, stability, and prosperity of the communities in which they operate. Often majority of the company's employees and customers come from the surroundings area- especially so for SME's. The reputation of a company as its location, its image as an employer and producer, but also as an actor in the local scene, certainly influences its competitiveness. Many companies become involved in community cause, for example by providing additional vocational training places, recruiting socially excluded people, sponsoring local sports and cultural events, and through partnerships with communities or donations to charitable activities.

Conclusion and Recommendations

CSR's an important business strategy because, wherever possible, consumers want to buy products from companies they trust; suppliers want to form business partnerships with companies they can rely on; employees want to work for companies they respect; and NGOs, increasingly want to work together with companies seeking feasible solutions and innovations in areas of common concern. Satisfying each of these stakeholders groups allows companies to maximize

their commitment to another important stakeholders group—their investors, who benefits most when the needs of these other stakeholder groups are being met. The winning companies of this century will be those who prove with their actions that they can be profitable and increase social value. Companies that done well on those issues, increasingly shareowners, customers, partners and employees are going to vote with their feet to that company. Corporations should consider three dimensions of CSR for running successfully in this competitive world. CSR as a strategy is becoming increasingly important for businesses today because of three identifiable trends:

- Changing social expectations
- Increasing affluence
- Globalization

There is an implicit contract between big business and society or indeed between whole economic sectors and society. India is a fledgling democracy needing much advancement in its application and intellectual domains CSR is not a product but service that affects the society at large. Ineffective operations of CSR has created an unbalanced society, ultimately contributing to a top heavy and non-sustainable business model. The gap between rich and poor has risen due to hegemonic control of the profit making institution called corporations; the corporations of India are purely under the guidance of the rich whose motive are self-gratification and advancement. This equation stays valid to a point and then naturally loses coherence and justification because any relationship to sustain some element of parent-child attributes must be present. A rapacious corporation will ultimately tumble as it will become disenfranchised from the public its shareholders and will cease to find profit; their market size will shrink as the purchasing power of public will be depleted due to excessive profiteering and not giving back to the community. In the short run, this predicament is not tenable but given for the profit driven psychology, a disaster can be awaiting in the medium to long run. Sustainable and responsible organizations can only avert such fiascos and CSR is the guiding principle ensuring corporate success in India and elsewhere. Bringing CSR practices in India sets a definitive milestone in the total development of corporate India. The goal is to maximize true value and benefit for an organization, while protecting the huge investment corporations make today in their brands. CSR asks to companies to ensure their business operations are clean and equitable, and contribute positively to the society in which they are based.

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