Role of CSR in Social Development

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ABSTRACT

The idea of corporate social responsibility has come to be accepted as one of the major components of business growth and sustainability. The success in the new economy comes with various challenges. Those challenges require business and their managers to think beyond traditional way of looking for short-term goals. It requires business and the people inside these behemoths to embrace a much broader perspective that is also inclusive of stakeholders. The nature of society we are living in has changed. The nature of governance has equally changed since people are now enjoying more freedom within each societal democratic tenet. This freedom has found its way in the business and into the factories. The performance of the new economy is therefore pegged on the three pillars namely; economic, environment, and social. Additionally, issues concerning human rights at the workplace, child labor are also considered.  

Key Words: CSR, Stakeholders, Profits, New Economy, Sustainability Growth, Environment, Human Rights

INTRODUCTION

In 2013 many companies are starting the New Year by examining exactly how effective their branding is and how they are perceived by their customers and the general public. With all else being equal, companies that take an active role in promoting their corporate social responsibility programs are generally viewed more favorably than those that do not have highly visible programs. Having goals and a vision for your company that go beyond products and profits definitely provides a warmer image of your business that consumers will be more eager to engage with.

CONCEPT OF CSR

Corporate social responsibility is an issue that has dominated many executive discussions in recent times. Indeed, there are differing perspectives on CSR. At one extreme it is argued that CSR is achieved as long as an organisation does not obey the law. At the other extreme it is argued that an organisation has a duty to ensure a "good society".

The concept of CSR is not new, as some would want us to believe. The debate about business as a moral institution goes back to the days of philosophers like Plato, Aristotle, Kant, Marx, and many others that prophesied about society and other activities within it. The same argument holds true in the Finnish business environment where companies claim that all the rhetoric about corporate social responsibility is not new. For Finnish companies, the issues being raised today started happening a hundred years ago. The only new thing that companies still is not aware of how to handle are the new reporting initiatives and the 'social dimension' of business.

UNDERSTANDING THE TYPES OF CSR

There are actually two different types of corporate social responsibility to consider. The first one consists of corporations providing funding and resources for worthwhile social causes, such as donating money or employee time to charities. For many people, this is the definition used when thinking about corporate responsibility. However, another type of CSR involves putting together a real plan to produce products or provide services that are in the best interests of society. These include
things like using safe materials in design and manufacture, corporate environmental initiatives, and other factors such as job creation and economic development.

SHOWING A TRUE COMMITMENT

The most successful corporate social responsibility programs integrate these two types of CSR together to show a true commitment to a cause. For example, a company that uses sustainable materials in their products, donates financial resources to environmental causes, and allows employees to take paid time off for volunteering at environmental charities would be showing a true commitment to the environment that goes beyond any single CSR initiative.

SOCIAL MEDIA VISIBILITY

One of the reasons that corporations should have visible CSR campaigns is due to the importance and prevalence of social media. Corporations that want to protect their brand understand that social media is an integral part of public perception. When a corporation exercises social responsibility in the form of fundraising or setting up employee giving programs, using social media to promote these actions helps to create a positive branding environment and it is a great way to engage with your audience on a deeper level that goes beyond your products or services.

PUBLIC RELATIONS BENEFITS

Public relations are a potent tool for shaping consumer perception and building a company’s image. Corporations that actively promote their social responsibility activities often take steps to publicize these efforts through the media. Getting the word out about corporate donations, employee volunteer programs, or other CSR initiatives is a powerful branding tool that can build publicity for you in both online and print media.

GOVERNMENT RELATIONS

Corporations that place an emphasis on corporate social responsibility typically have an easier experience when dealing with politicians and government regulators. In contrast, businesses that present a reckless disregard for social responsibility tend to find themselves fending off various inquiries and probes, often brought on at the insistence of public service organizations. The more positive the public perception is that a corporation takes social responsibility seriously, the less likely it is that activist groups will launch public campaigns and demand government inquiries against it.

BUILDING A POSITIVE WORKPLACE ENVIRONMENT

Finally, one of the greatest benefits of promoting social responsibility in the workplace is the positive environment you build for your employees. When employees and management feel they are working for a company that has a true conscience, they will likely be more enthusiastic and engaged in their jobs. This can build a sense of community and teamwork which brings everyone together and leads to happier, more productive employees.

The concern of human goodness is not just with the right action; it is at least with the foundation in human character and personality from which such life will flow. It is for similar reasons that some managers have a tendency of holding prayers before they embark on their daily work in the office. They seek guidance from the almighty so that the Holy Spirit would guide every decision they make. This assertion lends yet more credence to the current belief that spirituality is becoming important in management thinking.

Inner conflicts have been reported where alternative interests are pulling in different directions - a situation that organizational managers often find themselves. A lot of discussions have taken place in this area. Cases of corporate misconduct, human rights abuses with the concomitant degradation of
the environment, have refocused attention on the activities of corporations and the people inside them. Plato argued that where there is any kind of internal conflict, there must be two different elements in the person with contradictory tendencies or desires.

BUSINESS FOR SOCIAL RESPONSIBILITY WEBSITE

Concepts of the business-society relationship have evolved and expanded over the past five decades - from social obligation and stewardship, to social responsibility and social responsiveness and finally, as Frederick (1994, 1998) suggests, to social consciousness. The literature is replete with theories and models which seek to describe, to explain, and to institutionalize the relationship (Preston and Post, 1975; Frederick, 1984; Steiner, 1997). Brennan suggest that this scholarship has resulted in less business defensiveness, more emphasis on managerial techniques for responding to social issues, and more empirical research on corporate social roles, responsibilities and constraints (see also, Frederick, 1994; Clarkson, 1995). As pointed out earlier, the efforts to adequately define and circumscribe corporate social responsibility have been characterized, at times, by acrimonious and frustrating debate and disagreement (Friedman, 1970; Chamberlain, 1973; Perrow, 1972; Preston & Post, 1975; Frederick, 1994, 1998).

In Goodpaster (1983) noted that analyzing the concept of social responsibility is a central part of the larger area of inquiry known as business ethics. The debate in business ethics spans topics as wide as the ethical legitimacy of capitalism and as narrow as the personal moral dilemmas of business executives in their day-to-day decision-making. Nevertheless, the conundrum that remain unanswered is: What is this animal called 'corporate social responsibility that business must address?

In recent times, the European Commission has come forward to support CSR initiatives and seems to be actively involved in debates about its usefulness for businesses. The commission believes it is in the companies' long-term interests to exceed their social and environmental obligations and deliver a superior ethical performance.

CONCLUSION

In concluding it should be acknowledged that CSR would remain in the public domain for a long time. Several companies and executives are acknowledging the importance of corporate social responsibility. The issue has become such a top issue that every stakeholder demands information concerning its treatment in the companies. The media has kept the debate in the public domain and
ethical investors and financiers are seeking more information all the time. My position is that companies should not see it as a burden, an extra baggage that would eat into their profits, however, companies should see a big opportunity it's presenting and capitalize on it.

REFERENCES