

## RELEVANCE OF CSR: IN TODAY'S WORLD

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### ABSTRACT

Corporate responsibility is an imperative issue in the contemporary debate. It drags its currency from the scale and influence of the modern corporation from both domestically and globally. Their actions can determine the prosperity of communities and the health of environments. In present time there has been traumatic pressure on many companies and managers to acknowledge their responsibility to society, and to come with flying colors to sustain in the competitive market in a way that benefits society overall. This paper focused on the various conceptual issues related to CSR and based on the analytic study it has been proved that “belongingness to the organization” is still a strong motivational factor among the employees work within the organization.

**KEY WORDS:** CSR, Its Component, Its Base & Services to Society.

### 1. INTRODUCTION

**CORPORATE SOCIAL RESPONSIBILITY:-** "Corporate Social Responsibility 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" says Richard Watts Corporate social responsibility is the voluntary assumption by companies

Corporate social responsibility is a concept which describes how a company should conduct itself within society, particularly in relation to different views on what a business is about and how it should act (Mullins, 2005). On the other hand, an ethical code of doing business is defined as “a written, distinct and formal document which consists of moral standards used to guide employee or corporate behaviour” (Pater and Van Gils, 2003) of responsibilities beyond purely economic and legal responsibilities.

Definitions of corporate social responsibility can be somewhat varied depending on the perception and perspective an individual or group has towards the situation, the definition has also varied through time. In general terms, Manakkalathil & Rudolf (1995) define corporate social responsibility (CSR) as “the duty of organizations to conduct their business in a manner that respects the rights of individuals and promotes human welfare.” In contrast to this, Christian Aid (2004, as cited in Pendleton 2004) defines CSR as “an entirely voluntary, corporate driven initiative to promote self regulation as a substitute for regulation at either a national

### 2. COMPONENTS OF CORPORATE RESPONSIBILITY:-

The main components that make up a corporations social responsibility are:-

- the basic values, ethics, policies, and practices of a company's business;
- the voluntary contributions made by a company to community development;
- The management of environmental and social issues within the value chain by the company and its business partners—from the acquisition and production of raw materials, through the welfare of staff, to product sale, use, and disposal.

**In a broader term**, the responsibility of a corporate can be classified under three heads, as follows:-

1. Economic:- Its economic responsibility to bring in revenue, make a profit and compensate for all of their liabilities.
2. Legal responsibility: - to obey the law,
3. Ethical responsibility:- to make sound business decisions that do not violate their code of conduct, and a philanthropic responsibility which is to take into consideration, and give back to, the community.

Apart from it, all corporations also have the responsibility to their employees, investors, customers, and the general public to provide fair working conditions, not to discriminate, to provide economic security, and to act in a fair and honest way.

### **3. THE BASES OF CORPORATE SOCIAL RESPONSIBILITY:-**

Corporate Social Responsibility (CSR) has come to the forefront of Corporate and economic concerns because of the increasingly globalize nature of business and the so-called New Economy, a knowledge-based, technology-driven environment. The premise of the corporate social responsibility movement is that 'corporations, because they are the dominant institution of the planet, must squarely face and address the social and environmental problems that afflict humankind'. As a mode of implementing human rights, labor, and environmental standards, CSR has long been discussed as a possible remedy to the inequalities created and exacerbated by globalization. It considers that a corporation is not just a self-centered profit-making entity, but that the company and its actions are also integral to the economy, society, and environment in which they occur. Directors and officers are becoming ever more aware that CSR may provide human rights, labor, and environmental protections to the communities in which they live and to the people they employ.

The business case for such social responsibility among corporations is becoming clearer as globalization progresses. It includes:

1. Managing risks.
2. Protecting and enhancing reputation and brand equity
3. Building trust and license to operate
4. Improving resource efficiency and access to capital
5. Responding to or pre-empting regulations.
6. Establishing good stakeholder relationships with current and future employees, customers, business partners, socially responsible investors, regulators, and host communities
7. Encouraging innovation and new ways of thinking
8. Building future market opportunities.

As such, a social responsibility policy can provide value as a strategic part of a firm's daily activities. Under a strategy that integrates socially responsible practices, a company's analysis of profit, return on investment (ROI), or return on equity (ROE) as the bottom-line should be replaced by a "**triple bottom-line**" approach, encompassing economic, social, and environmental factors. A company that ignores social and environmental concerns in its activities may have substantial profit or returns in its current state and, therefore, be content to continue its operations at the status quo, but its actions nonetheless have the potential to negatively affect society and the environment. Its potential future profit is thereby diminished when the company does not take a holistic approach to the global business environment.

Successful implementation of CSR in a company's strategy therefore requires a paradigm shift at the core of the business. Managers must learn to think in ways other than those they are accustomed to, and employees and other stakeholders have greater incentive to become personally involved in the business.

### **4. SERVICES TO SOCIETY:-**

In the present day context, that the business or the corporate sector provides numerous pertinent services to society-

1. It brings goods and services of all types within society's reach.
2. The corporate sector contributes substantially to the country's income and wealth and parts some portion to the government in the form of taxes.
3. It generates a major proportion of the nation's employment and provides an important impetus to the growth and expansion of the economy
4. It helps in drawing in foreign investments and the much needed foreign exchange.
5. It does play a significant role in determining the quality of life arising out of the impacts of the by-products of its legitimate activities on society and on the physical and social environment.

### **5. ANALYTICAL STUDY ON THE "BELONGINGNESS WITH THE ORGANISATION"**

The feeling of 'belonging' to an organization is often cited as an important motivational factor, and one way this is accomplished is by maintaining strong internal communication channels. A survey, of 500 people working in NTPC, Bilaspur, C.G., has been conducted, pertaining to this issue. The following results have arrived:-

While 64% of employees feel informed - to varying extents - of their company's activities, only 20% of employees stated they always believe what is formally communicated to them by their company regarding internal plans and developments. Surprisingly, 25% of respondents said they seldom believe their company, while 8% said they never believe what they are told.

## 6. CONCLUSION

Organizations are coming to realize the bottom-line benefits of incorporating sustainability into their DNA. It's beneficial for attraction and retention and it's the right thing to do. HR is a key organizational leader and can take the lead or partner with other executives to work cross-functionally to integrate CSR objectives into how business gets conducted. The firm of the future is expected to have undergone significant transformation such that CSR no longer becomes managed as a separate deliverable, but is part of the experience of being an employee in an organization that lives its values. For human resource professionals embarking on CSR or deepening their CSR experience, this roadmap can help them understand their role in sustainability and CSR and how they can foster an environment that embeds a CSR ethic in "the way we do business around here".

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