

CORPORATE SOCIAL RESPONSIBILITY

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Commit a little time to

Spread our goodness and

Reach out to those in need

MEANING:-

- ▶ It refers to the obligation of business towards various parties of the society.
- ▶ Before fifty years ago, only that business organization was considered good which was earning profit to its owner but now the situation is changed.
- ▶ Business has to look towards the interests of many other parties of the society, along with the interest of the owner.

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- ▶ The employees, consumers, suppliers, competitors, government, community and even the world happen to be the other parties.
- ▶ This responsibility of the business, which includes the satisfaction of the parties along with the owner, is called corporate social responsibility of the business.
- ▶ It is based on the assumption that if business is fulfilling its responsibility towards society, then society also gives benefits to business in the form of increased sales, increased profits, better public image etc.

Importance:-

- ▶ The importance of CSR increases with globalization as both investors and customers have become very sensitive to societal and environmental issues.
- ▶ CSR helps business organizations to:
- ▶ Impulse the relationship with the local communities.
- ▶ Increase the branding and organization.
- ▶ Building a good corporate images for themselves.
- ▶ CSR minimizes the negative impact of business activities and create wealth and value for shareholders and community as a whole.

Principles of CSR:-

- ▶ **Accountability:** A company is responsible for its impact on society and the environment.
- ▶ **Transparency:** A company should be transparent with its investors and stakeholders.
- ▶ **Ethical behavior:** A company should act fairly and ethically towards its customers, employees, and communities.
- ▶ **Respect:** A company should respect the rule of law, international norms, and human rights.

CSR Activities:-

- ▶ **CSR activities**
- ▶ Environmental responsibility: Reducing pollution, recycling, and replenishing natural resources
- ▶ Ethical responsibility: Treating customers and employees fairly, and promoting diversity, equity, and inclusion
- ▶ Philanthropic responsibility: Donating to charities, supporting employee philanthropy, and sponsoring fundraising events
- ▶ Economic responsibility: Supporting job creation and economic growth in the community

Social Responsibility of Business Towards Various Interested Groups:-

► TOWARDS SHAREHOLDERS:-

- ❑ Regular and accurate information
- ❑ To treat shareholders of same class equally
- ❑ Timely payment of dividend
- ❑ Ensure proper utilization of invested capital
- ❑ Ensure fair and reasonable return on their capital etc.

TOWARDS EMPLOYEES:-

- ❑ Giving them appropriate remuneration
- ❑ Clean atmosphere
- ❑ Respect individual dignity
- ❑ Giving security of job
- ❑ Solving labor problems in time
- ❑ Providing training to the employees etc.

TOWARDS CONSUMERS:-

- ❑ Make available good quality of goods at fair rate
- ❑ Avoid misleading advertisements
- ❑ To make goods according to the liking of the consumers
- ❑ Ensure regular supply of goods and services
- ❑ Handle customers complaints quickly and carefully etc.

TOWARDS SUPPLIERS:-

- ❑ Healthy relations with suppliers
- ❑ Dealing with suppliers should be based on fair terms and conditions
- ❑ Payment should be made well in time etc.

TOWARDS GOVERNMENT:-

- ❑ Pay tax honestly
- ❑ Perform business activities in lawful manner
- ❑ Not to bribe government employees
- ❑ Observes rules laid down by the government
- ❑ Not to indulge in tax evasion

TOWARDS COMMUNITY:-

- ❑ To make available opportunities for employment
- ❑ To avoid polluting the environment
- ❑ To contribute to raising the standard of living
- ❑ Contribute towards international peace
- ❑ Observe rules of international market
- ❑ To do business honestly
- ❑ Safeguards of human rights

CSR Activities undertaken by INDIAN CORPORATE HOUSES:-

► TATAS:-

- ❖ Indian Institute of Science
- ❖ Tata Institute of Social Science
- ❖ Tata Memorial Rural Cancer Project
- ❖ Tata Energy Research Institutes
- ❖ Advanced Studies
- ❖ Management Centre for Human Values etc.

► BIRLAS:-

- ❖ BM Birla Heart Research Centre
- ❖ Birla Institute of Technology Pilani and Ranchi
- ❖ Birla Economic Research Foundation
- ❖ Sanskrit Kala Mandir Varanasi
- ❖ Birla Academy of Arts and Culture etc.

► SHRI RAM:-

- ❖ Shri Ram College of Commerce
- ❖ Lady Shri Ram College for Women
- ❖ Shri Ram Bhartiya Kala Kendra
- ❖ Shri Ram Centre for Performing Arts
- ❖ Shri Ram Institute of Industrial Research etc.

BENEFITS:-

- ▶ **Improved reputation and brand image:** By engaging in CSR, companies can enhance their reputation and build a strong brand associated with positive values like reliability, integrity and sustainability. This attracts clients and investors.
- ▶ **Increased worker motivation and loyalty:** CSR initiatives demonstrate that a firm cares about broader social and environmental issues. This can improve workers' pride in and commitment to the organization.
- ▶ **Access to capital and investors:** Socially responsible practices help companies attract investment from ethical investors and financial institutions that consider non-financial factors like CSR performance.

BENEFITS:-

- ▶ **Risk management:** CSR helps firms identify and mitigate potentially harmful impacts of their operations and products. This reduces operational and regulatory risks.
- ▶ **Resource efficiency:** CSR initiatives focused on environmental sustainability and saving can help firms use help more efficiently and cut costs.
- ▶ **Innovation:** CSR programs give firms insights into social and environmental challenges that can spark new product and service innovations to address these issues.

BENEFITS:-

- ▶ **Competitive advantage:** CSR can help firms gain a competitive edge by strengthening their corporate image and relationships with stakeholders. It signals a firm is well-managed.
- ▶ **Stronger relationships:** CSR activities support a firm's relationships with stakeholders like governments, residents, suppliers, clients and firm partners.
- ▶ **Ability to recruit and retain talent:** Younger workers especially prefer to work for socially responsible firms. CSR helps attract and retain the best talent.

CONCLUSION:-

Corporate social responsibility, also called CSR, refers to a firm's efforts to operate in a manner that is ethical, sustainable and beneficial to society at large. When a firm engages in CSR, it considers the impact of its business operations on all stakeholders - including customers, workers, investors, communities and the climate. CSR involves self-regulation by businesses to ensure they consider their social, environmental and economic impacts. The basic idea behind CSR is that firms should make decisions and operate their businesses in a way that balances the interests of all stakeholders.

