



Corporate Social Responsibility and Sustainable Development: A Descriptive Study

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ABSTRACT

Today, every business is becoming more environmentally friendly and responsible towards society. Each person demands it, whether it is a customer, employee, partner or any other third party. Businesses, as a part of society, have some responsibility towards society. An organization can grow and develop only when they fulfill their responsibilities towards society. Society here means a group of stakeholders. Sustainable development can be achieved only when organizations fulfill their responsibilities. Sustainable development is a principle of growth of the present generation without harming the stake of future generation. This target can be achieved only when the organization puts it as one of its prime duties. CSR is a corporate practice where the impact of a business is considered on society, employees and stakeholders of the business. CSR refers to the social aspects of sustainability, and corporate social responsibility brings new opportunities for a business. It creates a positive brand image, helpful in boosting the sales as well as the revenue of the firm. One key benefit of CSR is that it manages as well as minimizes business risk. CSR is a short-term project, whereas sustainability focuses on the future growth and survival of the business. This study is theoretical in nature and makes an attempt to find out the linkage among CSR and sustainable development.

Keywords: Corporate Social Responsibility (CSR), Sustainable Development, Society, Generation, Organisations

INTRODUCTION

Commercial organisations is a part of society. Man, money and technology are some of the inputs that business relies on in society. Business is somehow responsible to society (owners, workers, customers, government, suppliers, etc.). CSR is a phenomenon through which organizations pay attention to the welfare of the community by acting responsibly for the effects of their operations on patrons, investors, society, employees and the habitat in every facet of their functions. This is perceived to be more than the mandatory requirement to adhere to the laws and regulations, and voluntarily organizations go the extra mile in enhancing the living standards of employees and their families, and the local community and society in general. It is a procedure for having sustainable growth in communities. It is based on the assumptions 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.

CSR is the obligation of a firm to conduct its operation in a sustainable, cost-effective, and eco-friendly manner and at the same time accommodate the interests of various strategic partners. It is a procedure that is nervous about being ethical or responsible with the strategic partners of a firm or an institution. In this case, the ethical or responsible refers to handling the strategic partners in a way that is permissible in the international standards.

CSR is concerned with how companies address the processes to create a net beneficial society. It is the obligation of businesses to play a part in the long-term economic sustainability through their efforts to work with the personnel, their family, the immediate society and the rest of society to enhance their lives in a manner that is helpful for commercial activity and growth. Social entails environmental, economic, as well as financial obligations. There are external stakeholders and internal stakeholders. The broader purpose of social responsibility is to establish more and more principles and norms for growth and development.

REVIEW OF LITERATURE

The notion of “sustainable development” was popularised by the “Brundtland Report” in the year 1987, which defined that development has been met present

needs of our Generation without compromising the future Generation's skills and abilities to meet their needs.

Some businesses serve as a key contributor in achieving sustainability with the help of economic, social and environmental integration. They linked CSR to sustainable development. Porter and Kramer (2011) suggested how corporations will produce financial outcomes while addressing the social challenges of an economy.

Margolis and Walsh (2003) as well as Orlitzky et al. (2003), observed that corporate entities are going to involve in CSR, which tends to be performed better financially because of an increase in the reputation of the firm, an increase in the satisfaction level of employees and the customer loyalty towards the firm.

Chandier and Werther (2013) depict that CSR is vital to the corporate strategy formulation in day-to-day functions. Some of the firms may create products and services based on the market in a socially responsible manner.

OBJECTIVES OF THE STUDY

- To understand the notion of CSR.
- To identify the drivers as well as the contributions of CSR in the sustainable development of the organization.

RESEARCH METHODOLOGY

This paper is conceptual in nature. Researchers try to understand the significance of CSR in sustainable development in a conceptual manner.

PRINCIPLES OF CSR

Due to the ambiguity of the phenomenon of the Corporate Social Responsibility practice, it is hard to define CSR and be sure about any practice. It is thus essential to be in a position to recognize such practice, and we assume the three fundamental principles that form the entire CSR practice. There are:

- Sustainability
- Accountability
- Transparency

CORPORATE SOCIAL RESPONSIBILITY FROM THE BUSINESS POINT OF VIEW

It is intuitive that in contemporary business operations, Corporate Social Responsibility has become entangled in the strategic planning of numerous international organisations. The motives or motivation of social responsibility to the issue of people and ecological systems remain not clear either they are grounded in genuine interest or are driven by some hidden agenda. Corporate entities are, in effect, organizations that have the responsibility of producing a product as well as a service in order to make profits to appease the shareholders. The social responsibility integrated into corporate strategy does not have a place, as Freeman (2001) thinks. Nevertheless, a business still contains people who have the humanistic and naturalistic perspectives. The Humanistic perspective is that a degrading environment and a planet are not applicable in maintaining human life, not to mention a business. Naturalistic perspective is where we make the line between utilising our natural resources and the extinction of fauna and flora to the end of profit-maximisation and sustainable growth (Grace & Cohen, 2004). The incentive to establish a perfect situation that is “Pareto efficient” could be the primary cause of such mediators to facilitate resolution. The potential factors that can create instability in an organization are the pressure from the public, competitive forces, as well as from the government. There has been debate on CSR. Other people argue that the CSR only picks the good things that a company is engaged in and disregards the others, thereby green washing their reputation as a socially or environmentally friendly company. Some other individuals claim that it suppresses unrestricted markets.

CORPORATE SOCIAL RESPONSIBILITY AND INNOVATION

Activation of drivers can occur due to CSR and bring about innovative approaches of functioning, cutting-edge products, service offerings, procedures and untapped market potential. Different works emphasized that the most immediate and strong competitive impact based on CSR practices and innovation is innovation performance. Indeed, environmental devices, including inspections, performance monitoring tools or capacity building, are likely to result in the build-up of know-how and augmenting the technical capacity in the company, therefore causing an escalation in the rate of innovation. The greater the investment that an

organization makes in terms of environmental solutions in this sphere, the more successful manner in which it is in managing them, in turn, enhancing its competitive aspect in terms of innovation.

MOTIVES BEHIND CSR

One cannot easily conclude whether CSR can be motivational in its absolute sense, as inspired by the motive of corporate members to practice ethical behavior, or if it is a disruption and/or preoccupation to overpower or divert society and consumer perception, depending on the moral status of an organization. An analysis of some of the subsequent drivers could offer some response to the principles.

- **Ethical Consumerism**

There is a definite connection that ethical consumerism can play in the development of approaches to corporate processes and responsibility. It has experienced a high population growth over the past two decades that has put a lot of strain on the resources needed to serve the demands (Grace & Cohen, 2004). The technology has offered numerous new facilities and instruments that satisfy human beings. Technology has led to the boom of industrialization in most of the third-world nations, which in turn facilitates globalization. Consumers are highly aware of the danger of planetary warming and climate variability, but the relationship between their purchase and their daily needs does not matter. The vast body of society is conscious of CSR, yet on a daily basis level are not able to act on faith and associate with something conceptual and imperceptible.

- **Globalization and Market Forces**

The contemporary business world is fraught with significant issues that put restrictions on the expansion and possible revenues of an enterprise. Regulatory policies, trade duties, world-wide integrations, vulnerable zones and depletion of the environment are issues that are budgeting organizations millions of dollars. It is possibly a no-brainer that ethical implications in certain instances are merely an expensive inhibition, which possibly compels businesses to seek other avenues to change the mindset. It indeed can be a possible strategic plan to achieve popular goodwill in order to maintain a competitive edge.

- **Social Awareness and Education**

A shift in behaviour among corporate stakeholders is very visible due to extensive coverage on sustainability and human right initiatives in current times. As the world continues to be warmed, and the conduct of corporations makes it so accessible to the television, one can even feel the wave in the direction of societal behavior, slowly being altered as an individualistic thought system to a more collective and holistic thought system. Education and discussions are leading to the building up of community in ensuring that the business takes responsibility of what it does (Roux, 2007). It has been a major change in how people hold business accountable to their actions as opposed to the old times. This on the other hand triggers businesses to meet the needs of their customers. Bansal and Roth (2000) also share this opinion. Consumers do not tolerate a moral attitudes and behaviour that can affect the long-term viability of the organisation (Fields, 2002).

- **Corporate Behavior and Culture**

Ethics training is credited with another force of altering the behavior and culture of workforce. Such activities are aimed at assisting the employees in making ethical decisions in case the responses are vague. The organizations feel the rewards are evidenced in the level of loyalty and dignity the employees have towards the corporate entities. This also means the minimization of the chances of having dirty hands (Grace & Cohen, 2005), the imposition of fines and ruined reputations as a result of violating the law or moral ethics. Organizations that have done so include Caterpillar and Best Buys (Thilmany, 2007). Tullberg feels that human beings are constructed with the ability to cheat and maneuver, an observation made by Trivers 1971, 1985), and therefore, learning in values and rules of human conduct is necessary (Tullberg and Tullberg, 1996).

- **Regulation and Government Laws**

The other viable motivation of CSR is by independent mediators so that the corporate intentions do not hurt or adversely impact anyone or the ecological systems. This observation, supported by Freeman (2001), shows that even governments ought to lead the social responsibility agenda

through legislation and regulation, which will enable a business to operate without disadvantage or degradation. In most cases, independent institutions are set up to supervise the operations of fair trading both locally and internationally. The problems with government regulations are a bit of an issue; the first one, regulation as such, cannot encompass all the details of the process within a corporation.

CONCLUSION

Corporate Social Responsibility influences the ability of a business to attract the best talent and has an effect on the level of workplace satisfaction and staff turnover rates. The current workers are the next generation of individuals entering the employment and are seeking employers that have a well-defined and impactful CSR approach. Companies that fail to emphasize a CSR strategy are likely to lose the best workers to firms that are adopting it. Moreover, workplaces characterized by CSR have contented and joyful employees. This is due to the fact that employees get a sense of purpose by working under a socially-conscious employer.

Furthermore, employees of corporations that engage in corporate social responsibility are more likely to invest in their employees and strive to establish a workplace where employees are likely to look forward to going to work every day. The emergence of social media has also influenced the significance of the social responsibility of corporations. In the current world, unethical business practices by companies are brought out very brutally on social media, and their reputation can be tarnished in just a few hours. Otherwise, social media is also an effective means of advertising companies that apply CSR or have ethical business activities, which may result in more sales, reaching a broader viewership, and gratis favourable promotion. Government and customers also remain happy with the companies that follow their corporate social responsibility strategies properly, and companies gain competitive advantages. Hence, it is concluded that business people must consider it their duty to fulfil social responsibility, like using part of their profit for pollution control, tree plantation, improving social conditions and looking after the interests of various groups of society. It will improve the public image of a business, and it will create a favourable environment for the long-term growth of the business.

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