

AN INDIAN PERSPECTIVE ON STRATEGIC CSR AS A DRIVING FORCE FOR BUSINESS SUSTAINABILITY

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ABSTRACT

CSR (also mentioned as corporate conscience, corporate citizenship, social performance, or sustainable responsible business/ Responsible Business) may be a sort of corporate self-regulation that's integrated into a business model. CSR policy is a built-in, self-regulatory process by which a corporation controls and maintains active compliance with the law's spirit, International norms and ethical principles The aim of CSR is to simply accept responsibility for the company's actions and to market a positive effect on the community, customers, staff, societies, stakeholders, and every one other members of the general public sphere who could also be considered stakeholders through the company's activities. Philanthropy may be a more common CSR approach. Money contributions and assistance to local groups and vulnerable people in developing countries are samples of this. Some groups reject this method because it doesn't help local people improve their skills, while community-based development usually results in more long-term development. Another solution to CSR is to integrate the CSR strategy directly into an organization's business strategy. CSR appears to be perceived by many because the social strand of sustainable development supported the evidence discovered thus far within the literature review and interviews. The strategic CSR is that the subject of this article.

Keywords: Business Ethics, Corporate Social Responsibility, and Long-Term Sustainability.

INTRODUCTION

When private and non-government companies invest in countries, corporate social responsibility (CSR) has become an increasingly important consideration to consider. It argues that better government-corporate relationships are needed to reduce low living standards, exploitation, hunger, and unemployment, all of which lead to overall sustainable growth. Since

companies are founded on confidence and foresight, CSR is crucial. It's not easy to build and maintain trust with consumers, societies, and regulators, and it can be easily harmed or lost. Companies must look about what is affecting them today to what will happen tomorrow in order to be competitive in the long run. This isn't just about adjusting to technological developments or consumer needs; it's also about taking into account changes in social, environmental, and governance concerns. In today's world, most people expect businesses to go above and beyond. Governments and non-governmental organisations (NGOs) are also expecting this, yet, in a surprising twist, many businesses are now demanding more from their manufacturers, afraid of the repercussions of buying goods and services from companies considered reckless. Walmart, for example, also needs all of its bidding suppliers to report on their CSR activities. It's also uncertain how this will play out in the long run. However, it does show how businesses can push meaningful CSR change on their own. This is a big move.

Corporations all over the world are grappling with a new role: meeting the needs of the current generation without jeopardising future generations' ability to fulfil their own. Organizations are being urged to take responsibility for the effects of their activities on society and the environment. They are also expected to integrate environmental concepts into their business practises. Sustainability refers to an organization's practises that show the incorporation of social and environmental issues into company processes and relationships with stakeholders. These activities are usually voluntary (van Marrewijk & Verre, 2003). For coping with this intersection of societal needs, the natural environment, and corresponding business imperatives, companies have developed a range of strategies. Organizations can also be placed on a development scale based on how profoundly and effectively they integrate social responsibility approaches into their policy and day-to-day operations around the world. Organizations that do not accept their obligation to society or the community are at one end of the spectrum. At the other end of the spectrum are organisations that see their activities as having a substantial economic, social, and ecological effect, as well as a dependence on society. As a result, there is a sense of obligation that extends beyond the organization's conventional borders. Most businesses can be found right in the centre.

The size and scope of CSR benefits for a company can vary depending on the nature of the enterprise, and they are difficult to quantify, even though there is a wide body of literature encouraging companies to implement non-financial measures (e.g., Deming's Fourteen Points,

balanced scorecards). Orlitzky, Schmidt, and Rynes discovered a connection between financial and social/environmental success. Businesses, on the other hand, might not be contemplating short-term financial returns while implementing their CSR strategy. Intel's CSR preparation period is five years long. The internal definition of CSR will differ from the strict "stakeholder effects" definition used by many CSR proponents, and will often include initiatives and volunteering. CSR may be housed within an organization's human resources, corporate growth, or public relations divisions, or it can be given its own unit reporting to the CEO or, in some cases, the board of directors. Without a clearly specified team or programme, some companies can adopt CSR-type values.

India's Corporate Social Responsibility (CSR)

Tata Group: The Tata Group has a number of CSR ventures in India, the majority of which are community development initiatives. It is a leading provider of maternal and child health care, family planning, and 98 percent immunisation in Jamshedpur, for example. A sport as a way of life is often promoted by the organisation. It has a football academy, an archery academy, and encourages staff to engage in sports. With programmes like rural health growth, it provides healthcare services all over the world. In the event of a natural disaster, the Tata Group has a well-organized recovery programme in place, which includes long-term care and reconstruction efforts. During the Gujarat earthquakes and the Orissa floods, it performed admirably. It is also a supporter of education, with over 500 schools, as well as the arts and culture. It has put in a lot of effort to better the atmosphere and the lives of the people who live in the area where it works.

Aptech: Aptech is a global education leader that has played a significant and on-going role in promoting and nurturing education in the country since its inception. Aptech has a long history of engaging in group events as a multinational participant with full solutions-providing capabilities. It has delivered computers to schools in cooperation with leading NGOs, deprived-group school, as well as training and awareness-camps.

Infosys: Infosys is actively involved in a range of community development projects. The Infosys Foundation was founded in 1996 as a not-for-profit trust to which the business contributes up to 1% of its annual income after taxes. Furthermore, the Infosys Education and Research Department collaborates on community development projects with employee

volunteers. Infosys' management team continues to lead by example in terms of corporate citizenship, actively participating in key national bodies. They have taken steps to support the Infosys Foundation in the areas of research and education, community service, rural outreach projects, jobs, healthcare for the vulnerable, education, arts and culture, and welfare.

Mahindra & Mahindra: The K. C. Mahindra Education Trust was founded in 1953 at Mahindra & Mahindra with the aim of promoting education. Its mission is to improve people's lives in India by providing education and financial assistance to people of all ages and income levels. The K. C. Mahindra Education Trust is involved in a variety of educational initiatives that make a difference in people's lives. The Trust has distributed over Rs. 7.5 crore in grants, scholarships, and loans. It primarily promotes education through scholarships. Over 3,300 children are enrolled in the Nanhi Kali (children) project, and the company hopes to increase that number to 10,000 in the next two years by reaching out to underprivileged children, especially in rural areas.

Methodology of Corporate Social Responsibility

CSR is the method of measuring and reviewing an organization's social effects and obligations. It starts with a review of the following aspects of each company: (a) Customers, (b) Supplier, (c) Environment, (d) Communities and (e) employees are all significant. Effective CSR strategies put organisations ahead of the curve in terms of legal enforcement, guiding them to uphold moral principles and respect for individuals, societies, and the environment. Corporate social responsibility is long-term – it requires practises that a company may manage without jeopardising its business objectives. CSR isn't all about being environmentally conscious or adhering to a recycling scheme. It's about taking into account the entire representation of the organisation, from internal processes to your customers, and taking into account every move a company takes during day-to-day operations. Companies in emerging economies, such as India, have been enthusiastically engaged in CSR operations.

In India, businesses have been very wise in embracing CSR initiatives and incorporating them into their operations. It has been increasingly projected in the Indian corporate setting as corporations have realised that, in addition to growing their businesses, it is also vital to develop responsible and supportive relationships with the general public. Companies now have dedicated divisions and teams responsible for developing CSR policies, plans, and priorities,

as well as allocating different budgets to support them. The majority of the time, these services are focused on well-defined social values or are closely associated with the business sphere of the company.

OBJECTIVES OF THE STUDY

1. To have a better understanding of the organisations' CSR initiatives
2. To investigate the relationship between strategic CSR initiatives and long-term market viability.
3. To investigate the effect of strategic CSR on the long-term viability of a business.

RESEARCH METHODOLOGY

The research design used for the study is of the descriptive kind, which meets the requirements of the study's objectives. This research design was chosen to achieve greater precision and in-depth analysis of the research study in light of the defined objectives. The thesis made extensive use of secondary data that was readily available. The required data is collected via a secondary survey method by the investigator. Various newspapers, books, and the internet were used, and they were counted and registered.

Drivers of Corporate Social Responsibility

Government's Function Is Shrinking: Governments have traditionally relied on legislation and regulation to achieve social and environmental goals in the private sector. Due to a lack of government funding and a mistrust of laws, voluntary and non-regulatory programmes have been explored instead.

Demands for More Accountability: Stakeholders such as consumers, vendors, staff, societies, investors, and advocacy groups are increasingly demanding corporate transparency.

Customer Interest Has Grown: There is evidence that a company's ethical behaviour is having a rising effect on consumers' buying decisions. According to a recent Environics International survey, more than one-fifth of customers have rewarded or punished businesses based on their perceived social results.

Investor pressure is rising: Investors are rethinking how they evaluate companies' results, and they're making decisions based on ethical considerations. According to the Social Investment Forum, more than \$2 trillion in assets were invested in funds that used environmental and social responsibility screens in the United States in 1999.

Labour Markets that are Competitive: Employees are constantly searching for employers whose philosophies and working procedures align with their own beliefs, rather than simply looking at compensation and benefits. Companies are being forced to change working conditions in order to recruit and maintain professional workers.

Relations with Suppliers: Many businesses are taking steps to ensure that their partners treat themselves in a socially conscious manner as stakeholders become more involved in corporate relations. Some organisations are instituting supplier codes of ethics to ensure that their image is not tarnished by the policies or practises of other businesses.

ISSUE & CHALLENGES OF CORPORATE SOCIAL RESPONSIBILITY

Lack of Community Participation in CSR Activities: There is a lack of community interest in engaging in and contributing to company CSR activities. This is partially due to the fact that local people have little or no knowledge of CSR and that no significant attempts have been made to raise awareness of CSR, and instil faith in such initiatives among local communities a lack of contact between the business and the group at the grassroots exacerbates the problem.

Need to Strengthen Local Capabilities: There is a critical need to strengthen local non-governmental organisations' capacity because there is a severe shortage of skilled and productive organisations that can efficiently contribute to corporations' ongoing CSR initiatives. This jeopardises the extension of CSR programmes and, as a result, restricts the scope of such activities.

Transparency Issues: One of the main issues raised by the survey is a lack of transparency. Companies claim that there is a lack of accountability on the part of local implementation authorities, who do not make sufficient efforts to report information on their projects, audit problems, impact assessments, and fund use. This documented lack of accountability has a negative effect on the process of building trust between businesses and local communities, which is critical to the success of any local CSR initiative.

Non-availability of Well-Organized Non-Governmental Organizations: It is also stated that in remote and rural areas, there is a shortage of well-organized non-governmental organisations that can evaluate and recognise specific community needs and partner with businesses to ensure effective CSR implementation. This also strengthens the case for engaging in local communities by enhancing their capacity to carry out local development projects.

Reflectivity Factor: The role of the media in highlighting successful CSR initiatives is encouraged because it spreads positive news and educates the local public about various corporations' on going CSR initiatives. This obvious power of gaining recognition and branding leads many nongovernmental organisations to participate in event-based activities, missing out on substantive grassroots initiatives in the process.

Narrow View of CSR Initiatives: Non-governmental organisations and government agencies often have a narrow view of corporate social responsibility initiatives, defining CSR initiatives as more donor-driven than local in nature. As a result, they are unsure whether or not they can engage in such practises in the short and long term.

Lack of consistent CSR guidance: There are no clear regulatory guidelines or policy orders that provide a clear path for companies' CSR initiatives. It has been discovered that the scale and reach of a company's CSR initiatives can be determined by its size and profile. To put it another way, the larger the organisation, the larger the CSR programme.

Lack of Local Agency Consensus on CSR Issues: There is a lack of local agency consensus on CSR projects. This lack of agreement also leads to corporate houses duplicating operations in places where they intervene. Instead of developing collective approaches to problems, this results in a competitive spirit among local implementing agencies. This constrains the company's ability to conduct periodic impact assessments of its initiatives.

CONCLUSION

Strategic philanthropy's positive financial effect is mostly indirect, so these activities aren't necessarily maintained. However, they must be sustained and leveraged in order to have a long-term effect on society and industry. As a result, the closer philanthropy is associated with the business's core strategy, the simpler it is to consistently support the initiatives. Many CSR programme, such as those that minimise energy consumption or support the environment, are

assisting businesses in lowering overall cost structures or rising productivity. When all operations on the CSR Value Curve are combined into a single company plan, the full profit from the CSR opportunity is realised, with top-down leadership and full participation from staff, corporate partners, and consumers.

Corporate social responsibility has been deeply embedded in the global business agenda. However, many challenges must be resolved in order to shift from theory to reality. The need for more accurate measures of success in the field of CSR, as well as the dissemination of CSR strategies, is a major challenge for businesses. Transparency and dialogue will help a company appear more trustworthy while also raising the expectations of other organisations. The following are some of the positive results that can occur when companies implement a social responsibility policy:

Benefits to the Company

- Improved revenue and consumer loyalty;
- Increased efficiency and quality;
- Increased capacity to recruit and retain employees;
- Reduced regulatory oversight;
- Access to capital;
- Workforce diversity;
- Product protection and liability.

Benefits to the General Public and the Society

- Product protection and quality;
- Voluntary contributions;
- Employee volunteer programmes;
- Corporate engagement in community education, housing, and homelessness programmes.

Environmental Benefits

- Increased use of renewable resources;
- Integration of environmental management techniques into business strategies, such as life-cycle evaluation and costing, environmental management guidelines, and eco-labelling.

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