Practices and Approaches of Corporate social responsibility

(with special reference to Dhar district)

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ABSTRACT

The definition of CSR used within an organization can vary from the strict "stakeholder impacts" definition used by many CSR advocates and will often include charitable efforts and volunteering. CSR may be based within the human resources, business development or public relations departments of an organisation or may be given a separate unit reporting to the CEO or in some cases directly to the board. Some companies may implement CSR-type values without a clearly defined team or programme. The business case for CSR within a company will likely rest on one or more of these arguments: The term "corporate social responsibility" came in to common use in the early 1970s, after many multinational corporations formed. The term stakeholder, meaning those on whom an organization's activities have an impact, was used to describe corporate owners beyond shareholders. Proponents argue that corporations make more long term profits by operating with a perspective, while critics argue that CSR distracts from the economic role of businesses. Others argue CSR is merely window-dressing, or an attempt to pre-empt the role of governments as a watchdog over powerful multinational corporations.

Introduction

"CSR" for short and also called corporate conscience, citizenship, social performance, or sustainable responsible businesses a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. Furthermore, CSR-focused businesses

would proactively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere, regardless of legality. CSR is the deliberate inclusion of public interest into corporate decision-making, and the honouring of a triple bottom line: people, planet, profit.

KEY –VARIABLES: corporate social responsibility. Stakeholder . Strategic management

The term "corporate social responsibility" came in to common use in the early 1970s, after many multinational corporations formed. The term "Stakeholder'' meaning those on whom an organization's activities have an impact, was used to describe corporate owners beyond shareholders as a result of an influential book by R. Edward Freeman, *Strategic management: a* management of long term plan, It is used to fulfill purposes of CSR and other activities.

OBJECTIVES OF THE STUDY

- To know about CSR programs and activities conducted by industries
- To assess attitude of people towards CSR programs and activities.
- To analyse problems in implementation of programs and activities of CSR
- To know utility of CSR activities

METHODOLOGY

Following tools has been used in collecting information from the beneficiaries of CSR.

- Focused group discussion,
- Interview schedule,
- observation

DATA COLLECTION AND INTERPRETATION

Table-1 Types programs and activities in CSR

S.no	Types of prograams	Frequency	Percentage
1	Education	20	33.33
2	Health	20	33.33
3	Vocational programs	20	33.34
	Total	60	100

In Dhar district many tribal villages are present. Researcher collected data from tribal village barmandal of Dhar district. Taken equal respondents from all kinds of programs.

Table-2
Cross table between types of programs and level of satisfaction in beneficiaries

Level of satisfaction in beneficiaries			
Types of programs	**High level**	**Mediam level**	**Low level**	**Total**
Education	05	07	08	20
Health	12	06	02	20
Vocational Training	03	07	10	20
Total	20	20	20	60

Among all beneficiaries who were in health sector were most satisfied in all category. This is old program in all the three program. Mobile van , health check up camp medicine distribution etc. were provided as part of services**.** So it was liked by all beneficiaries in more number.

APPROACH FOR CSR

An approach for CSR that is becoming more widely accepted is community-based development approach. In this approach, corporations work with local communities to better themselves. For example, the Shell Foundation's involvement in the Flower Valley, South Africa. In Flower Valley they set up an Early Learning Centre to help educate the community's children as well as develop new skills for the adults. Marks and Spencer is also active in this community through the building of a trade network with the community - guaranteeing regular fair trade purchases. Often activities companies participate in are establishing education facilities for adults and HIV/AIDS education programmes. A more common approach of CSR is philanthropy. This includes monetary donations and aid given to local organizations and impoverished communities in developing countries. Some organizations do not like this approach as it does not help build on the skills of the local people, whereas community-based development generally leads to more sustainable development Another approach to CSR is to incorporate the CSR strategy directly into the business strategy of an organization. Another approach is garnering increasing corporate responsibility interest. This is called Creating Shared Value, or CSV thrive, profitable and competitive businesses must be developed and supported to create income, wealth, tax revenues, and opportunities for philanthropy.

ETHICAL CONSUMERISM

The rise in popularity of ethical consumerism over the last two decades can be linked to the rise of CSR. As global population increases, so does the pressure on limited natural resources required to meet rising consumer demand (Grace and Cohen 2005, 147). Industrialization, in many developing countries, is booming as a result of both technology and globalization. Consumers are becoming more aware of the environmental and social implications of their day-to-day consumer decisions and are therefore beginning to make purchasing decisions related to their environmental and ethical concerns. However, this practice is far from consistent or universal.

GLOBALIZATION AND MARKET FORCES

As corporations pursue growth through globalization, they have encountered new challenges that impose limits to their growth and potential profits. Government regulations, tariffs, environmental restrictions and varying standards of what constitutes "labor exploitation" are problems that can cost organizations millions of dollars. Some view ethical issues as simply a costly hindrance, while some companies use CSR methodologies as a strategic tactic to gain public support for their presence in global markets, helping them sustain a competitive advantage by using their social contributions to provide a subconscious level of advertising. (Fry, Keim, Meiners 1986, 105) Global competition places a particular pressure on multinational corporations to examine not only their own labor practices, but those of their entire supply chain, from a CSR perspective.

MOTIVES BEHIND CSR

Some critics believe that CSR programs are undertaken by companies such as British American Tobacco (BAT), the petroleum giant BP (well-known for its high-profile advertising campaigns on environmental aspects of its operations), and McDonald's (see below) to distract the public from ethical questions posed by their core operations. They argue that some corporations start CSR programs for the commercial benefit they enjoy through raising their reputation with the public or with government. They suggest that corporations which exist solely to maximize profits are unable to advance the interests of society as a whole.

Another concern is that sometimes companies claim to promote CSR and be committed to sustainable development but simultaneously engaging in harmful business practices. For example, since the 1970s, the McDonald's Corporation's association with Ronald McDonald House has been viewed as CSR and relationship marketing. More recently, as CSR has become mainstream, the company has beefed up its CSR programs related to its labor, environmental and other practices.

SOCIAL AWARENESS AND EDUCATION

The role among corporate stakeholders is to work collectively to pressure corporations that are changing. Shareholders and investors themselves, through socially responsible investing are exerting pressure on corporations to behave responsibly. Non-governmental organizations are also taking an increasing role, leveraging the power of the media and the Internet to increase their scrutiny and collective activism around corporate behavior. Through education and dialogue, the development of community in holding businesses responsible for their actions is growing.

LAWS AND REGULATION

Another driver of CSR is the role of independent mediators, particularly the government, in ensuring that corporations are prevented from harming the broader social good, including people and the environment. CSR critics such as Robert Reich argue that governments should set the agenda for social responsibility by the way of laws and regulation that will allow a business to conduct themselves responsibly. The issues surrounding government regulation pose several problems. Regulation in itself is unable to cover every aspect in detail of a corporation's operations. This leads to burdensome legal processes bogged down in interpretations of the law and debatable grey areas (Sacconi 2004). For example, General Electric failed to clean up the Hudson River after contaminating it with organic pollutants. The company continues to argue via the legal process on assignment of liability, while the cleanup remains stagnant. (Sullivan & Schiafo 2005).The second issue is the financial burden that regulation can place on a nation's economy.

The environment is safe only when people are able and willing to invest in its long-term protection. See diagram provided by Conoco-Phillips: The central overlap illustrates where the interests of each of the three bottom lines are aligned.

STAKEHOLDER PRIORITIES

Increasingly, corporations are motivated to become more socially responsible because their most important stakeholders expect them to understand and address the social and community issues that are relevant to them. Understanding what causes are important to employees is usually the first priority because of the many interrelated business benefits that can be derived from increased employee engagement (i.e. more loyalty, improved recruitment, increased retention, higher productivity, and so on). Key external stakeholders include customers, consumers, investors (particularly institutional investors), and communities in the areas where the corporation operates its facilities, regulators, academics, and the media. Society requires the products and services of business. The environment is safe only when people are able and willing to invest in its long-term protection. See diagram provided by Conoco-Phillips: The central overlap illustrates where the interests of each of the three bottom lines are aligned.

EFFORTS TO IMPLEMENT CSR

A very large number of social and voluntary organizations are contributing to the field of corporate social responsibility by making it an important agenda where they clearly harp for all the corporate bodies to adhere to the morns of CSR at all costs. In fact, these voluntary organizations always go on devising newer and more pragmatic/stringent norms of application of the requirements of corporate social responsibility. Exemplas (lead partner Equal) Community Action Decorum (lead partner IiC Hertfordshire) Council for Voluntary Service St Albans District BITC - Business In the Community CSR (India)- a subsidiary of IRDS, a Lucknow based Voluntary organization

CONCLUSION

Thus it can be concluded from the study on CSR project that companies are adapting it .Many are adapting it with full enthusiasm. Many companies are merely fulfilling for showing it on paper. On the contrary many other organizations are serving with full devotion and they are showing very good result as community development. Companies can play a vital role to develop surrounding communities.

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