A Study on Factors, Trend and Impact on Corporate Social Responsibility

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ARTICLE DETAILS

ABSTRACT

Corporate Social Responsibility involves the efforts business organizations undertake to meet their responsibilities both as economic and social agents. Businesses become aware of their social responsibilities through pressure exerted by their stakeholders. Customers, for example, expect businesses to supply reliable and safe products at a fair price. Stockholders demand that corporate operations be managed efficiently and that dividends or improved market value reward their investments. Some insights from the Indian arena have been put forward to envisage the basic essence of Corporate Social responsibility being manifested at the corporate level through their initiatives in this direction. The paper concludes that social responsibility is regarded as an overview corporate social responsibility, objectives of the study, social responsibility trend and impacting CSR plans, major factors influence to the CSR and suggestions of the study.

1. Introduction

In most recent writings about the Companies Bill 2012 and related issues there is always a reference, even if in passing, about Corporate Social Responsibility (CSR) to the extent that it is now almost fashionable to discuss CSR. A series of articles will analyze various aspects of CSR from different significant perspectives. In order to understand CSR and make appropriate use of it, there is a need to grasp its history, its etymology, the detailed guidelines and its ramifications for different stakeholders. The Companies Act, no doubt, acts as the Bible for CSR of Indian companies. However, various leading agencies have provided guidelines for CSR in country specific and or global contexts. The articles will try to examine these as well. Then there are the actual practices on ground and initiatives taken by various companies which would also be discussed. We strongly believe that a careful study of the various dimensions of CSR would contribute to the process of strengthening and fine-tuning the CSR initiatives that are still in a fledgling state in our country.

The rationale for the series emerges from the strong belief that CSR is the need of the hour in the crossroads to development that India now finds itself in. Why crossroads? Firstly, initiatives towards socio-economic development in India are going on for many decades now. While we have achieved some significant milestones and are constantly striving harder, a number of goals remain elusive. If anything, these seem more difficult to attain now than they were a few decades back. Surely, it is time for self-reflection. Secondly, across the globe realities on the ground and failed interventions point to one and only one startling fact, that is, the need for more participation from all quarters. Organizations and individuals who have extensive experience in development planning and implementation reaffirm the need for greater participation of all stakeholders. The business community and companies - as the institutions with capital, as employers, as manufacturers or as service providers - are no doubt one of the key stake holders and need to participate.

It was in a similar moment in history that development ceased to be the responsibility of the government and the citizens alone and a third player, now popularly known as the non-governmental sector took on a key role. A similar moment of reckoning has come again. While it may be argued that business and industry has always contributed to development and welfare, it is time to make these contributions more systematic and committed.

Definition of Corporate Social Responsibility (CSR) Corporate social responsibility (CSR) is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. CSR is a concept with many definitions and practices.

Corporate Social Responsibility (CSR) is a broad term used to describe a company's efforts to improve society in some way. These efforts can range from donating money to nonprofits to implementing environmentally-friendly policies in the workplace. CSR is important for companies, nonprofits, and employees alike.

The Financial Times defines Corporate Social Responsibility as "a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders." The key point is "sustainable development." The purpose of an organization is different than CSR.

2. An overview of corporate social responsibility

Social responsibility is the liability of an organization for the impacts of its decisions and activities on society and the environment through transparent and ethical behavior that is consistent with sustainable development and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behavior; and is integrated throughout the organization."

Corporate Social Responsibility (CSR) is also known by a number of other names. These include corporate responsibility, corporate accountability, corporate ethics, corporate citizenship or stewardship, responsible entrepreneurship, and "triple bottom line," to name just a few. As CSR issues become increasingly integrated into modern business practices, there is a trend towards referring to it as "responsible competitiveness" or "corporate sustainability.

A key point to note is that CSR is an evolving concept that currently does not have a universally accepted definition. Generally, CSR is understood to be the way firms integrate social, environmental and economic concerns into their values, culture, decision making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the firm, create wealth and improve society. As issues of sustainable development become more important, the question of how the business sector addresses them is also becoming an element of CSR.

2.1 Objectives of the study

- To identify the corporate social responsibility recent trend in current scenario.
- To analyze the impact of corporate social responsibility.
- To study on the major factors influence to the corporate social responsibility
- To offer suggestions based of the study.

2.3 Source of the Data

This research paper is an attempt of exploratory research, based on the secondary data sourced from journals, magazines, articles, books and websites and so on.

3. Social responsibility trend in 2018

One word comes to mind when I think of 2017: unprecedented. The events of the past year have tested companies in a number of ways and changed mainstream discourse about the role corporations should play in advancing and addressing social and global challenges. There's no turning back. In 2018, the expectation is that companies will continue to expand their activism on, and investment in, the issues that matter to their employees, customers and communities. Here are some key trends to look for.

3.1 Expanding the diversity conversation

The past year has been a landmark one for women in the workplace, but it's important to remember that diversity initiatives need to address so much more. "The diversity conversation has to become broader -- it seems to be more and more focused on gender. It's got to be about more than

women," said Cecily Joseph, vice president of Symantec. Symantec defines inclusion as "creating a workforce that embraces every culture, language, age, sexual orientation, disability, background and experience – and giving a voice to those differences." As the population and workforce continue to grow more diverse, companies will need to focus on creating company cultures, experiences and products that speak to a wide range of identities and perspectives.

3.2 Focused and forward-thinking brand activism

Much of the CEO and corporate activism we witnessed this year came in response to presidential announcements. Leading CEOs issued reactive statements on everything from the immigration ban to public lands legislation to the transgender military ban to white supremacy to the decision to withdraw from the Paris agreement. We'll continue to see this, and it's important. But we can also expect more focused action, with companies designating social or policy areas where they can make the most impact and devoting more resources toward proactive initiatives.

"Business leaders have been heard in important new ways this year in opposition to withdrawal from Paris; the hate seen on the streets of Charlottesville, and the immigration ban," said Aron cramer, CEO of BSR. "It will be crucial in 2018 for business leaders to add to this by stating what they are for: namely an effort to ensure that an economy in flux takes into account the disruption of employment; the need to invest in new technologies that will usher in a clean energy revolution, and also support for collaborative, multilateral solutions to global challenges."

3.3 A shift from disaster recovery to climate resilience

Along these lines, with the influx of natural disasters we saw in 2017, companies will invest more resources into prevention, mitigation and climate resilience   rather than just recovery. According to BSR's report, the future of sustainable business,   no company will be immune from the consequences of climate change. To protect their businesses, supply chains and communities, companies must invest in innovative technology, redefine business models, and support policies that can address critical climate-related challenges.

3.4 More CSR in the C-Suite

With the heightened expectations on corporations as influencers in the social and environmental sphere, more companies are bringing CSR into the C-Suite. "We definitely see an increase in the elevation of corporate citizenship roles to executive status," said karthetine smith, executive director of the Boston College Center for Corporate Citizenship (BCCCC). According to research from BCCCC, the number of companies directing corporate citizenship from the C-Suite has increased nearly 75 percent compared to five years ago.

3.5 Higher standards for suppliers

We talk a lot about how consumer expectations and demand have contributed to companies becoming more purpose-driven and sustainable. This year, we'll see more companies drive that same demand as they evaluate potential suppliers. "I believe we'll continue to see large companies use

their power as customers to drive improvements in responsible business practices through their global supply chains, by setting increased expectations around transparency, holding suppliers accountable for environmental performance and human rights issues, and collaborating on industry-wide initiatives to address system-level challenges from human trafficking to water conservation," said Suzanne fallender, director of corporate responsibility at Intel.

3.6 Prioritizing privacy and data protection

With all the headlines in 2017, data breaches flew comparatively under the mainstream media radar. But according to Symantec's Joseph: "Privacy and data protection should be (at the) top of the agenda for CR issues in 2018. That has been on the radar for many years by top executives. With these ongoing breaches, it is clear that all companies need to protect personal information more diligently." According to the state of corporate citizenship report, consumer data protection and privacy is the number one area where executives expect to increase resources over the next two years.

3.7 Another unprecedented year ahead

As 2018 unfolds, it's likely that companies will continue taking unprecedented action to accelerate social and environmental progress. I expect we'll see companies step up on two issues in particular: women's reproductive freedom at the BSR Conference and sensible gun laws. Research shows that the majority of Americans support these issues, and many companies will likely face increasing pressure from their employees and customers to take a stand.

4. Trends impacting CSR plans

4.1 Workplace giving increases employee engagement

Employee engagement is a phrase that has been tossed around and often inappropriately used in the human capital space. At the core, employee engagement is a holistic approach taking into account various elements of the employee's relationship to the company including; achievement, well-being, connection, and appreciation. In order for the employee to feel positively connected to their employer, they must feel their employer is taking actions to engage them in each of these areas. By incorporating workplace giving, especially personalizing the giving experience for the employee, the link between connection and appreciation from the employee will likely increase.

4.2 The current social and political climate is leading to louder voices

In the wake of recent events and polarizing conversations, many corporations feel the pressure to take a stand on certain social issues. Corporations need to carefully choose the organizations that they support or oppose. Speaking out has the capacity to alienate those who do not relate or feel similarly. Rather than listening to the majority and alienating those who do not have as loud of a voice in an organization, personalized cause marketing and giving solutions allow corporations to support their employees who all wish to stand for something different.

4.3 Generation Z is joining the workforce

We have heard everything there is to know about millennials. In fact, given all the research collected about this group, it is hard to believe that there is even life after them. Well, there is. Generation Z, those born after the year 2000, is even larger than the millennial generation. In a National Study done by Gen Z Guru, "93 percent of Gen Z participants said that a company's impact on society affects their decision to work there." They also choose to purchase products and services that align with their beliefs. Social impact agencies such as For Momentum help brands create positive change in their communities even more so than their older millennial counterparts, Gen Z workers are making it a mandate that corporations put their money where their social good mouth is.

4.4 Give the people what they ask for: personalization

Whether it is a targeted Ad, a Marriott hotel room, or your daily Starbucks drink, every industry has moved toward greater personalization. We like to be treated as individuals who have our own wants and needs. Why would we feel any differently about our charitable giving preferences? In the past, many corporations did not provide choice in yearly giving campaigns. Employees were expected to give to one or two organizations only. Today, giving technologies like DoTopia (shameless plug) allow employees to support any cause or organization. The employer is the hero and personalization is brought to an entirely new level in the workplace. If the company's goal is to increase giving, personalization is the way to go. The more a person feels connected to the charity, the more likely they are to give.

4.5 Sustainable development goals are leading the way

As part of the 2030 Agenda for Sustainable Development, more than 150 world leaders came together to adopt a set of 17 goals to end poverty, protect the planet, and ensure prosperity for all. Though these goals were communicated back in September 2015, corporations are just starting to incorporate these goals into their overall business plans. In fact, 38% of Fortune 50 Companies now publicly support the Sustainable Development Goals with over a third of companies looking at SDGs not as philanthropy, but as business strategy.

4.6 Corporate social responsibility leaders are not alone

For so long, CSR was a part of the organization that employees heard about, but didn't really understand what it all meant. This is all changing. And fast. CSR is now becoming one of the most vital and well-known entities in the organization as purpose and profits continue to blur into one line-item. Marketing wants in too. Because marketing programs are extremely popular among marketers with the ability to not only create a positive buzz about your product, but bring awareness to a nonprofit organization or a social good initiative. For example, check out Zappos " Friend on Us Fridays. Every Friday Zappos is sponsoring free pet adoptions around the U.S. Consumers love the ability to shop with a brand that is not just selling them something they want, but making the world a better place. We foresee more dotted org. chart lines among CSR, Marketing, and Human Resource functions in 2018 and beyond.

5. Major factors influence to the CSR

- Sustainable development
- Globalization
- Governance
- Corporate sector impact
- Communications
- Finance
- Ethics
- Consistency and Community
- Leadership
- Business Tool

6. Suggestions

- A create awareness among the **corporate social responsibility in present** scenario.
- CSR as a subject or discipline should be made compulsory in colleges and universities to sensitize students about social and corporate issues.

- Innovative models are to be popularizing among corporate in these areas.
- CSR conducted initiatives programmers to all kinds of corporate house.

7. Conclusion

The conclusion of this study is that social responsibility is regarded as an important business issue of Indian companies irrespective of size, sector, business goal, location of the company. Because Indian companies are realizing that without socio-economic development of the local communities, there can be no stability and sustainability for doing business so as to compete with the global market. The society is getting more concerned about the working policies of the companies. Society expectations are increasing towards the social development by the companies. So, it has become necessary for the companies to practice social responsibilities to enhance their image in the society.

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