

CORPORATE SOCIAL RESPONSIBILITY AND ITS SUSTAINIBILITY

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Abstract:

Sustainability definitely has become a hot topic in recent years. Clearly, it is a subject that is not going away and whose importance in the corporate world is gaining currency. The notion of “doing well by doing good” is moving incrementally into mainstream business practice. In what might be considered a sea change, some very important customers now want know about their sustainability efforts, as do a growing number of consumers. This paper provides an overview on the concepts and definitions of Corporate social responsibility (CSR) and Corporate sustainability (CS). It is based on historical perspectives, impact of changing contexts and situations show that "one solution fits all"-definition for CS(R) should be abandoned, accepting various and more specific definitions matching the development, awareness and ambition levels of organizations And while it's hard to tell whether consumers are leading or following when it comes to the importance of sustainability, it's definitely on their radar. Business success increasingly is going to depend upon clear view to their impact on future generations. For this, and other valid reasons, need to arrive at a practical, workable model of sustainability

KEY WORDS- Sustanibility, incremental, corporate, Future generation Rader, Conducting Operation.

TOPIC

CRPORATE SOCIAL RESPONSABILITY AND ITS SUSTANABILATY

Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (“Triple-Bottom-Line- Approach”), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that.

Promoting the uptake of CSR amongst SMEs requires approaches that fit the respective needs and capacities of these businesses, and do not adversely affect their economic viability. UNIDO based its CSR programme on the Triple Bottom Line (TBL) Approach, which has proven to be a successful tool for SMEs in the developing countries to

assist them in meeting social and environmental standards without compromising their competitiveness. The TBL approach is used as a framework for measuring and reporting corporate performance against economic, social and environmental performance. It is an attempt to align private enterprises to the goal of sustainable global development by providing them with a more comprehensive set of working objectives than just profit alone. The perspective taken is that for an organization to be sustainable, it must be financially secure, minimize (or ideally eliminate) its negative environmental impacts and act in conformity with societal expectations.

Key CSR issues: environmental management, eco-efficiency, responsible sourcing, stakeholder engagement, labour standards and working conditions, employee and community relations, social equity, gender balance, human rights, good governance, and anti-corruption measures.

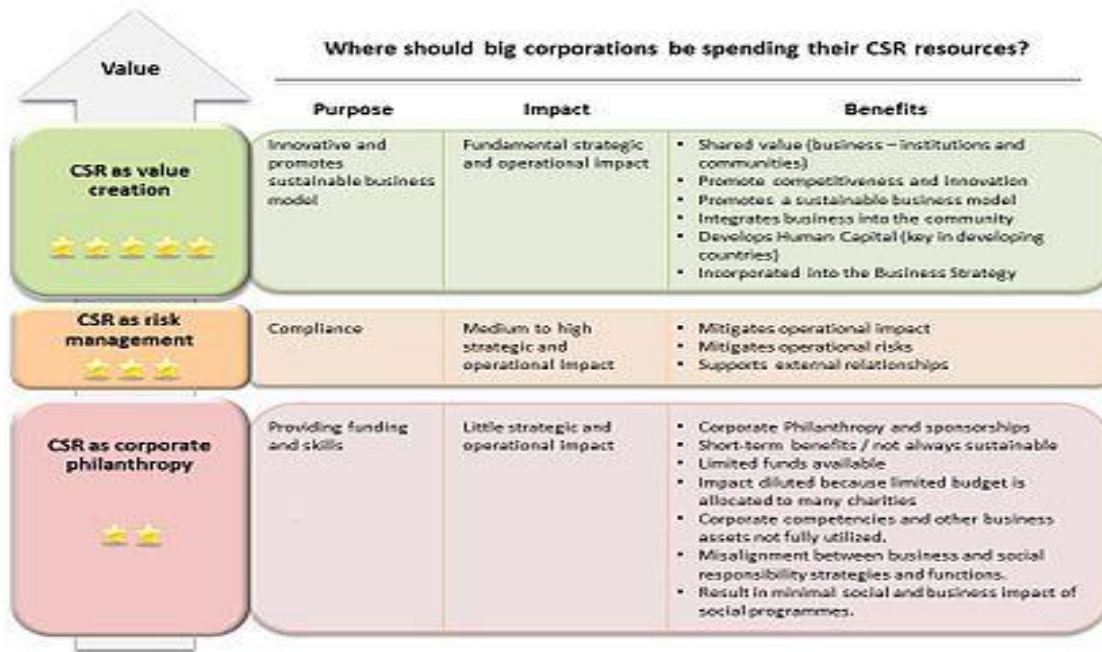
A properly implemented CSR concept can bring along a variety of competitive advantages, such as enhanced access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, efficient human resource base, improved brand image and reputation, enhanced customer loyalty, better decision making and risk management processes.

Six core characteristics of CSR



Source: based on Crane, A., Matten, D. and Spence, L.J. 2008, *Corporate Social Responsibility: Readings and Cases in a Global Context*, London: Routledge, Chapter 1, pp. 3-20

CSR APPROACH



Corporate social responsibility for market integration

In recent years, increasing attention has been given to the concept of Corporate Social Responsibility (CSR), defined in terms of the responsiveness of businesses to stakeholders’ legal, ethical, social and environmental expectations. CSR has generally been a pragmatic response to consumer and civil society pressures. These have mainly been focused on trans-national corporations (TNCs) serving markets in the North, but often operating in countries in the South. Accusations by governments and civil society of environmental pollution, human rights abuses and exploitation of labour in supply chains, have pressured companies to become more environmentally and socially responsible. However, the business community has also quickly recognized the strategic value of being more responsible and is beginning to align products and business relationships, in particular through their supply chains, accordingly.

Ensuring that CSR supports, and does not undermine, the development of small and medium-sized enterprises (SMEs) in developing countries is crucial to meeting the goal of improving the impact of business on society. SMEs make up more than 90% of all businesses worldwide and are essential to the ‘path out of poverty’ for many developing countries. If CSR demands are protectionist, culturally inappropriate or unreasonably bureaucratic the net effect will be to undermine livelihoods in the South. On the other hand, the SME sector must not be allowed to become a loophole in which polluting, exploitative industries flourish.

Support for SME development can be an important part of the CSR commitment of large companies in the context of responsible supply chain management, and improvements in social and environmental impacts can go hand-in-hand with better quality and management.

CSR and public policy:

The need to deliver sustainable and equitable development underscores the importance of gaining a better understanding of the role of public policy with regard to Corporate Social Responsibility and its potential to contribute to the development agenda.

The contemporary CSR agenda is relatively immature, and the term “CSR” has not yet taken hold within many public sector institutions, in both industrial and developing countries. The challenge is for government bodies to identify priorities and incentives that are meaningful in the local and national contexts and to build on existing initiatives and capacities. There is now an excellent opportunity for governments to harness current enthusiasm for CSR alongside key public policy goals and priorities to encourage delivery of promising results

CSR AND SUSTAINABILITY DIFFERENCE

Some say that CSR is an umbrella term under which sustainability is one aspect, and others argue that CSR is one of the three-pronged ‘p’s’ in people, planet and profit. But whether they are evolving to eventually become synonymous, there are differences between the two.

Traditionally, CSR refers to businesses’ responsibility to act ethically and consider their impacts on the community at large, and does not necessarily encompass sustainability. Sustainability on the other hand is concerned with preserving resources and operating in a way that is conducive to long term trading.

Some say that a clear difference therefore is in vision CSR looks backwards at performance, typically over the last 12 months, while sustainability – although increasingly featured in dedicated reports also – has a more prominent forward-facing focus, with targets to secure the future for trading.

To put it another way, both CSR and sustainability understand that the context, community and environment in which a business operates is integral to business success. Sustainability, then, goes on step further by taking into account the needs of the future generations.

In business practice, some say that CSR is embedded in the company's mission and vision. Who it is, what it wants to represent and achieve. Sustainability, meanwhile, is in the day-to-day operations of that company, for example in how it uses energy.

Then, there is a multi-dimensional view of CSR, known as 4CR. This incorporates three interlinked movements in the corporate world: CSR, sustainability and worldwide reforms on corporate governance.

CONCLUSION

Organizations are coming to realize the bottom-line benefits of incorporating sustainability into their DNA. It’s beneficial for attraction and retention and it’s the right thing to do. HR is a key organizational leader and can take the lead or partner with other executives to work cross-functionally to integrate CSR objectives into how business gets conducted. HR practitioners can act as translators of the organization’s CSR commitment vertically and horizontally across departments. Most will find upon reading this report that they have many good practices underway. Many will find they have a new structure for their thinking they can apply practically in the workplace. Some will believe the current economic downturn will put these ideas on the backburner until the economy rebounds, while others think that organizations which abandon their CSR integration in the downturn will lose ground and breed cynicism in brighter times. Regardless of the point of view, all agree that effective HR leadership on CSR integration requires Board, CEO and executive commitment to be successful. Indeed, the roadmap is predicated on the assumption of this top level commitment. However, more and more organizations are committing to sustainability and to embedding CSR into “all that we do”, so it is hoped the 11 steps provide some guidance as to how to go about doing this.

The firm of the future is expected to have undergone significant transformation such that CSR no longer becomes managed as a separate deliverable, but is part of the experience of being an employee in an organization that lives its values. For human resource professionals embarking on CSR or deepening their CSR experience, this roadmap can help them understand their role in sustainability and CSR and how they can foster an environment that embeds a CSR ethic in “the way we do business around here”.

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