

Corporate Social Responsibility

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Abstract- Corporate social responsibility is a word that has been known by many people recently. Corporate social responsibility represents the duty and commitment of an individual or a person to benefit to the society. Present society demands from the companies to take care of their employees and the environment in which they are going to operate.

Corporate social responsibility is a way of doing business by combining economic benefit with sustainability environment. Companies may provide something to the environment in different ways those are protecting the environment, investment in social, educational etc. The general social belief is that companies are the one who create environmental and social problems by their residency of people. This is the reason corporates itself is responsible for their issues in the society.

I. INTRODUCTION

Corporate social responsibility is a part of business ethics. Ethics represents the process of doing work or a things morally correct and legally right. With the help of corporate social responsibility companies are trying to maximize their profit with positive impact on society and to reduce bad impact on them.

Corporate social responsibility focusses mainly on two aspects they are first one is quality of management and second one is impact of their operation on the society. If Companies running their business with ethics and legal rules and regulations then it becomes a tool to attract and retain the customers. Being socially responsible also gives trust to investors and more of them are willing to invest in corporations with ethical principles.

II. CORPORATE SOCIAL RESPONSIBILITY:

Corporate social responsibility is also known as socially responsible business, responsible business conduct, corporate citizenship, corporate sustainability. Corporate social responsibility is how companies conduct their business processes to produce an overall positive impact on society. It explains economic benefit with sustainability environment, good social impact and ethics.

CSR is the responsibility of corporations to contribute a better society and cleaner environment. The role of corporations is to protect them and their environment while they doing business and to reduce harm for the environment.

III. TRIPLE BOTTOM-LINE OF CSR:

- Economic responsibility(profit)
- Social responsibility(people)
- Environmental responsibility(planet)

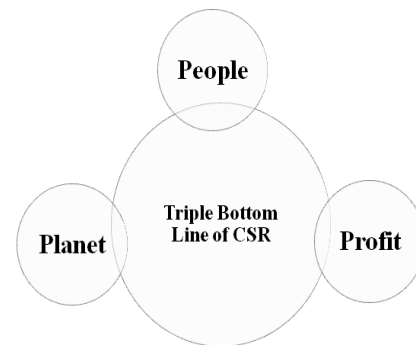


FIGURE: TRIPLE BOTTOM LINE OF CSR

ECONOMIC RESPONSIBILITIES OF CSR:

Economic responsibility is one of the three pillars of Corporate Social Responsibility and it is sustainable development in corporations. Understanding consumer needs and demand to earn profit is the economic responsibility of a company.

SOCIAL RESPONSIBILITY OF CSR:

Social responsibility bottom line is also called people bottom line. People bottom line worried about company's stakeholders other than the shareholders. This bottom line is interest

ENVIRONMENTAL RESPONSIBILITY OF CSR:

Environmental bottom line is also called planet bottom line. Planet bottom line is about controlling energy consumption, reducing waste especially the toxic kind materials. Companies should recycle the materials. Protection of forest resource and global warming is the environmental responsibility of CSR.

IV. MODELS OF CORPORATE SOCIAL RESPONSIBILITY

There are different models of CSR

- Friedman model (1962-1973):**The responsibility of businessman is to perform socially as well as a moral duty. A businessman as social responsibility to serve his shareholders and stakeholders.
- Ackerman model (1976):**The main focus is on internal policy goals and their responsibilities.

Four stages involved in CSR:

- Managers of the company get to know the most common social problems and take a particular project to solve a problem.
 - Manager duty is to hire experts and getting there suggestions to make it success.
 - Managers should take up the project actively and work hard.
 - Managers should evaluate the project by addressing issues.
- Environmental Integrity and Community Health Model:** This model is developed by Redman’s model. It is familiar in US corporations. The main focus is on environmental integrity and human health. There is a greater expansion opportunities. They believe healthy people can work more and earn more profits to the company.

4. CARROLL MODEL (1991):

ECONOMIC RESPONSIBILITIES: Economic responsibility is the responsibility to provide investors with satisfactory and fair returns on their investments. Be profitable. Maximize sales, minimize costs.

LEGAL RESPONSIBILITIES: This is the responsibility to obey all laws and regulations. This includes consumer laws, laws protecting employees, fulfilling all contractual obligations.

ETHICAL RESPONSIBILITIES: This is the obligation to do right and fair and to avoid or minimize harm to stakeholders.

PHILANTHROPIC RESPONSIBILITIES: Philanthropic responsibility is important that managers and employees participate in voluntary and charitable activities within their local communities.

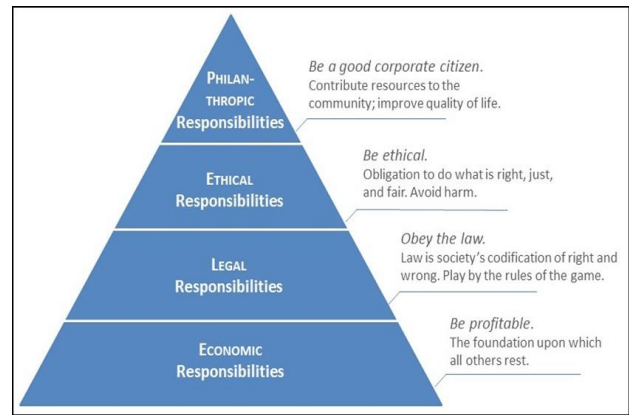
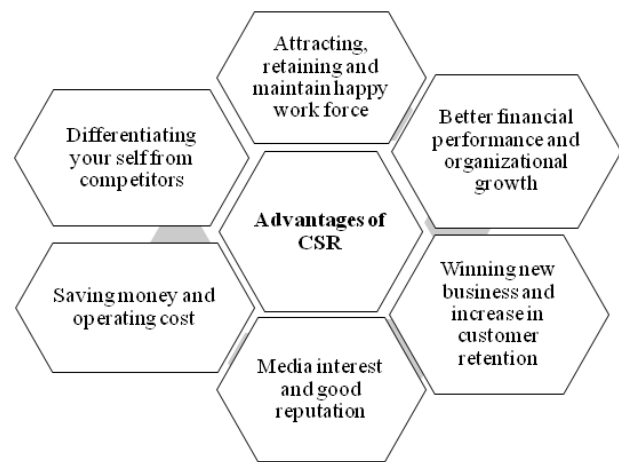


FIGURE: PYRAMID OF CARROLL MODEL

Advantages of Corporate social Responsibility:



Disadvantages of corporate social responsibility:

- Deviation from the profit-making objectives
- Increases in cost of production
- Customer conviction

Examples of corporate social responsibility:

- Dr Reddy’s:** Dr Reddy’s foundation takes care of live hood programs and education. They also take up large number of activities to protect environment. In education space they adopted 129 schools across Andhra Pradesh and Telangana under there school improvement programs.

CSR Financial Details (INR Cr)

| Year | 2017-2018 | 2016-2017 | 2015-2016 |
|----------------|-----------|-----------|-----------|
| Actual CSR | 32.81 Cr | 42.66Cr | 41.20Cr |
| Prescribed CSR | 32.79Cr | 40.5Cr | 41.88Cr |

- Tata Chemical:** There focus is highlighted in their initiative programs, BEACON. Is further classified as:

Blossom: Promotion and development of native handicrafts.

Enhance: Overall enhancing the quality of life.

Aspire: Education and vocational skills.

Conserve: Investment in bio-diversity, natural resource to increase in environment sustainability.

Nurture: Health care, sanitary solutions and safe drinking water.

TOP 10 Companies expenditure spending on CSR activity

| Companies | CSR expenditure (Rs crore) |
|-------------------------------|----------------------------|
| RALIANCE INDUSTRIES LTD | 745.0 |
| OIL AND NATURAL GAS CORP.LTD | 503.4 |
| TATA CONSULTANCY SERVICES LTD | 400.0 |
| HDFC BANK LTD | 374.5 |
| INDIAN OIL CORPORATION LTD | 331.0 |
| INFOSYS LTD | 312.6 |
| ITC LTD | 291.0 |
| NTPC LTD | 241.5 |
| TAAT STEEL LTD | 231.6 |
| WIPRO LTD | 186.6 |

V. CONCLUSION

Corporate social responsibility encourages business accountability to a wide range of stakeholders, shareholders and investors. It concerns for the environment protection, wellbeing of people in the society. CSR has a variety of policies such as providing products and services to consumers, reducing harmful waste, treating their employees with moral ethics.