A Study on Conceptual Frame Work of Corporate Social Responsibility Planning and Strategy

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ABSTRACT

In the present article has been made to attempt a study on conceptual frame work of corporate social responsibility planning and strategy. There is an impressive history associated with the evolution of the concept and definition of corporate social responsibility (CSR). Corporate social responsibility (CSR) is still a relatively new corporate function that continues to change and evolve. Both theory and recent research evidence suggest that a corporation’s socially responsible behavior can positively affect consumers’ attitudes toward the corporation. The effect occurs both directly and indirectly through the behavior’s effect on customer–corporation identification. Research has not yet fully explored how CSR-related decisions are made within large companies and what departments have the most impact on CSR strategies. Corporate Social Responsibility (CSR) are all used by business and organizations to describe a broad agenda of issues that government, law and society require organizations to consider as part of their core business, to influence strategic thinking, planning and corporate reporting. External stakeholders are an important audience in the measurement process. Results show that while the views and philosophies of the C-suite and board of directors are highly influential, other units and departments in the company are involved in the CSR process.


INTRODUCTION

In the last 15 years, an array of stakeholders have turned to firms, rather than
governments, to address enduring environmental problems including forest degradation, fisheries depletion, mining destruction, and even climate change, as well as social problems including workers’ and human rights. As a result, a wide range of tactics including boycott campaigns, social and eco-labeling, and environmental “certification”, have been used to appeal directly to firms to improve their environmental management procedures and performance as well as their treatment of workers and impacts of their activities in the communities in which they operate. These efforts to promote what is generally known as “corporate social responsibility” (CSR), have increasingly attracted the interest of a wide range of scholars within political science, economics, sociology, anthropology and geography.

The practice of CSR is not new to companies in India. However, what this Act does is bring more companies into the fold. Also, it is likely that the total CSR spends will increase. What is clear to many companies is that if this increased spending is to achieve results on the ground – which is the intent of the Act – then it needs to be done strategically, systematically and thoughtfully.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) is about ensuring that to make a positive impact on society by delivering our services. It encompasses the approach to aligning social and environmental responsibility to economic goals and value-for-money.

DEFINITION

Corporate Social Responsibility (CSR) is an organization’s obligation to consider the interests of their customers, employees, shareholders, communities, and the ecology
and to consider the social and environmental consequences of their business activities. By integrating CSR into core business processes and stakeholder management, organizations can achieve the ultimate goal of creating both social value and corporate value.

CORPORATE SOCIAL RESPONSIBILITY INCLUDES

- Business ethics
- Community investment
- Environment
- Governance
- Human rights

WHY SHOULD COMPANIES GET INVOLVED IN CSR

- To create a trust among the investors.
- For becoming preferred choice of the customers.
- For enhancing brand value and reputations.
- Long term sustainability for organization and society.

IMPORTANCE OF CORPORATE SOCIAL RESPONSIBILITY

The importance of CSR has increased with globalization as both investors & customers have become very sensitive to societal & environmental issues. With growing globalization, CSR had been increasing as it helps the business organizations to impulse their relationship with local communities; increase the branding of the organization & building a good corporate image for themselves.

Internally it is helpful to an organization through various ways: It creates a sense of loyalty & trust amongst the employees in the organizational ethics. It serves as a diversion from routine workplace practice & gives a feeling of satisfaction to the employees. It improves operational efficiency of the company by increasing the efficiency of employers resulting into increase in quality of product & productivity. Employers feel motivated & are more productive.

NEED FOR SOCIAL RESPONSIBILITIES

Need for Social Responsibilities some of them are

- To fulfill long run self interest.
- To establish a better public image.
- To avoid government regulation and control.
- To avoid misuse of natural resources.
- To minimize environmental damage.

SOCIAL RESPONSIBILITY INDIAN CONTEXT:
Corporate social responsibility is not a new concept in India. It is well-established tradition in the corporate sector, particularly in the family-owned organizations that have had a strong social orientation towards community through charity and philanthropic activities. There are four models of CSR operating in India as below:

i) Gandhian model: Voluntary commitment to public welfare based on ethical awareness of social needs.

ii) Nehruvian model: State-driven policies including state ownership and extensive regulation and administration.

iii) Milton-Friedman model: Corporate responsibility primarily focused on owner objectives.

iv) Freeman model: Stakeholder responsiveness which recognizes direct and indirect stakeholders’ interests.

**Benefits of a robust CSR programme**

As the business environment gets increasingly complex and stakeholders become vocal about their expectations, good CSR practices can only bring in greater benefits, some of which are as follows:

**Communities provide the licence to operate:** Apart from internal drivers such as values and ethos, some of the key stakeholders that influence corporate behaviour include governments (through laws and regulations), investors and customers. In India, a fourth and increasingly important stakeholder is the community, and many companies have started realising that the ‘licence to operate’ is no longer given by governments alone, but communities that are impacted by a company’s business operations. Thus, a robust CSR programme that meets the aspirations of these communities not only provides them with the licence to operate, but also to maintain the licence, thereby precluding the ‘trust deficit’.

**Attracting and retaining employees:**

Several human resource studies have linked a company’s ability to attract, retain and motivate employees with their CSR commitments. Interventions that encourage and enable employees to participate are shown to increase employee morale and a sense of belonging to the company.

**Communities as suppliers:** There are certain innovative CSR initiatives emerging, wherein companies have invested in enhancing community livelihood by incorporating them into their supply chain. This has benefitted communities and increased their income levels, while providing these companies with an additional and secure supply chain.

**Enhancing corporate reputation:** The traditional benefit of generating goodwill, creating a positive image and branding benefits continue to exist for companies that operate effective CSR programmes. This
allows companies to position themselves as responsible corporate citizens necessary” stance. Others may wish to make strategic forays into particular areas.

**CSR STRATEGY**

A CSR strategy is a road map for moving ahead on CSR issues. It sets the firm’s direction and scope over the long term with regard to CSR, allowing the firm to be successful by using its resources within its unique environment to meet market needs and fulfill stakeholder expectations.

A good CSR strategy identifies the following

- Overall direction for where the firm wants to take its CSR work.
- The stakeholders and their perspectives and interests.
- A basic approach for moving ahead.
- Specific priority areas.
- A time line for action, responsible staff, and immediate next steps; and
- A process for reviewing and assuring outcomes.

Different firms may be at different stages of awareness about CSR, which will dictate the contents of the strategy. Some may decide to adopt a “minimum necessary” stance. Others may wish to make strategic forays into particular areas.

**IMPORTANCE OF CSR STRATEGIES**

A CSR strategy helps to ensure that a firm builds, maintains and continually strengthens its identity, its market, and its relationships. Importantly, it provides the framework for a coherent business strategy based on the issues that it and its stakeholders consider material.

**HOW TO DEVELOP A CSR STRATEGY**

The following six steps comprise a suggested way to develop a CSR strategy

- Build support with the CEO, senior management and employees.
- Research what others (including competitors) are doing and assess the value of recognized CSR instruments.
- Prepare a matrix of proposed CSR actions.
- Develop options for proceeding and the business case for them; and
- Decide on direction, approach, boundaries and focus areas.
It is clear that a CSR strategy is unlikely to succeed when it is not based on a clear understanding of the firm’s values, when it fails to take advantage of the ideas of those who might provide assistance, and when it does not approach issues systematically, building on strengths and addressing weaknesses.

**STRATEGIC PLAN FOR CSR**

The principal goal of the Strategic Plan for CSR is to establish some management directives to guarantee certain ethical principles, respect for people and for the environment.

The specific objectives that have been established in the Strategic Plan for CSR coincide with the strategic lines defined

- Minimize the environmental impact.
- Guarantee transparency with the investment community.
- Ensure that employees are motivated and involved in the continuous improvement of the company.
- Maintain a close relationship with the client to guarantee client satisfaction.
- Extend the commitment to Social Responsibility to suppliers and sub-contracted companies.
- Involvement with the community and the society as a whole.
- Encourage and systematize communication channels.
- Guarantee that the implementation of the Strategic Plan for CSR is controlled and monitored.

Each strategic line is developed through various actions, some being applied across all the companies in the group and others specific to different sectors of activity.

Any activity has an impact, to a greater or lesser degree, on the environment. To minimize this impact, a first step is to identify it and evaluate it, so then establish the necessary improvements.

The identification and evaluation, as well as the subsequent implementation of improvements, are actions that this strategic line covers. Maintaining a register of environmental legislation that affects the activity, and ensuring that it is kept up to date and complied with is part of the process of implementing a system of environmental management for all companies in the Corporation.
STRATEGIC CSR PROVIDES COMPANIES WITH SOLUTIONS FOR

- Balancing the creating of economic value with that of societal value.
- How to manage their stakeholder relationships (especially those with competing values).
- Identifying and responding to threats and opportunities facing their stakeholders.
- Developing sustainable business practices.
- Deciding the organization’s capacity for philanthropic activities.

CONCLUSION

It involves a real commitment of resources, management time and energy. Organizations continue to approach CSR in different ways and with different aims and despite being able to articulate the values of strategic CSR this has as yet not been achieved. There is weighty evidence that many approach CSR on an ad-hoc basis. Indeed, even those who have a specific CSR strategy, and in some cases, CSR departments, in place struggle with the value and impact of engaging in such activities. CSR has yet to be embedded throughout organizations in ways that allow it to become part of the way they do business. This will provide greater clarity and understanding of CSR in practice, the strategic implications it can have, and how CSR has the potential to become something of strategic importance to organizations.

References


