CORPORATE SOCIAL RESPONSIBILITY A KEY TO SUCESSFUL BUSINESS

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Introduction

Corporate Social Responsibility (CSR, also called corporate conscience, corporate citizenship, social performance, or sustainable responsible business/ Responsible Business) is a form of corporateself-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. CSR is a process with the aim 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 who may also be considered as stakeholders.

Definition of CSR

'Corporate Social Responsibility' is not a new phenomenon in India but a realistic approach for a better welfare society. In a more eloquent Way, this is the accountability of the corporate sectors toward the stake holders, internal members, society and the environment at large. In the 21st century, the corporate sectors are like the engine for the economic growth. With the liberalization oftrade and commerce, the corporate sector is getting hold of the very significant position to lead the economy of the country in a very forward way, but at the same time the corporate sectors are failing to address various key issues of the society. The corporate sector should cope with the society, in addressing the issues and challenges relevant for the betterment of the society. Most ideal definition of Corporate Social Responsibility (CSR) has been given by World Business Council for Sustained Development which says, " Corporate

Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large".

Origin of The term CSR –The Term "corporate social responsibility" came into common use in the late 1960s and early 1970s after many multinational corporations formed the term stakeholder, meaning those on whom an organization's activities have an impact. It was used to describe corporate owners beyond shareholders as a result of an influential book by R. Edward Freeman, Strategic management: a stakeholder approach in 1984. 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.

Impact of corporate social responsibility on contemporary business

In the global economy, consumers are becoming more and more educatedand informed, and, in the last ten or so years, are even becoming media owners,as the computer connected to the Internet has become a super-medium. Partnersin the chain of production are also becoming ever more demanding in terms ofsecuring development goals — the achievement of growth on the basis of buildingfair and partnership relations. For almost three decades, the state administrationsof the world's most developed countries have been developing legal frameworksdesigned to stop the degradation of the human environment and naturalresources, as well as improve and protect the natural environment. In the global context, sustainable development guidelines are being defined in order to establish balance between the goals of economic development on one side and socialdevelopment on the other, while taking consideration of the need to improveand protect the natural environment. All this influences businesses to devotethemselves more seriously to satisfying an ever-increasing number of interestgroups in their own surroundings.

Corporate Social Responsibility Voluntary Guidelines

The ministry of corporate affairs also released the Corporate Social Responsibility Voluntary guidelines in 2009. The fundamental principle of the guidelines directs all the business entities to formulate the CSR policy to guide its strategic planning and to provide the modus operendi for various CSR initiatives. The core elements of the guidelines are to be responsive towards all the stake holders including the shareholders, employees, customers, suppliers and the society at large. The company's governance should be very transparent and

free from the corruptions. The corporate sectors should have high value and respects towards the human rights concerns. The corporate sectors should be eco- friendly and be the nodal agency to protect the environment. Last but not the least the corporate sectors should take the lead for the economic and social developments.

The Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises have issued in April 2010, comprehensive "Guidelines on Corporate Social Responsibility for Central Public Sector Enterprises". The new guidelines lay stress on the link of Corporate Social Responsibility with sustainable development and define Corporate Social Responsibility (CSR) as a philosophy wherein organizations serve the interest of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. Under these guidelines, the long-term CSR Plan should match with the long-term Business Plan of the organization.xii

CSR as a Technique of Business -There are several definitions of corporate social responsibility. According tothe World Business Council for Sustainable Development, it represents a company'sdevotion to contributing to the

sustainability of economic development,in cooperation with the unemployed, their families, the local community andsociety in general, toward the goal of improving the quality of their lives. In its"Green Book," the European Union has stated that being socially responsibledoes not solely mean the fulfillment of legal obligations but going beyond merelaw abidance and making additional investments into human capital, the environmentand relations with stakeholders.

Social responsibility in business is related to the obligation of companies andother business organizations to increase their positive influence and reduce theirnegative activity toward society. In that sense, while ethics is a matter for eachindividual in the business field, social responsibility is related to the influenceof an organization's business decisions on society. One of the most significantprinciples on which modern business is based is that of an organization basedon responsibility. Organizations must take responsibility for their role in society.An organization based on responsibility means that all the members of the organization must comprehensively review and consider all their tasked achievementsand contributions, and take responsibility for both.

It used to be enough for companies to satisfy their basic economic goals profit, as the basis for achieving growth and development goals. Since the

1970s,satisfying consumer demands has become an increasingly important businessgoal — informed consumers have become the first and the last links in the economicchain. A company must first identify consumer demands and then defineways of satisfying them. The 1990s brought the necessity of satisfying general

social interests — hence, in addition to consumers and the owners of capital,in modern business a company must also satisfy a broader spectrum of rulinginterests in its social environment. There is more and more talk today about corporate social responsibility.it represents a commitment to advancing the wellbeing of society by way ofdiscretionary business practices and contributions at the expense of companyresources. The key word in this definition is

etionary. This is a voluntarycommitment on the part of an organization and its decision to choose and applycontribution-making business practices. Some of the reasons for applying and developing social responsibility are: increase in market share, strengtheningbrand position, strengthening the corporate image, improving capacities for attracting and motivating employees, reducing business costs, increasing attractivenessfor investors.

Importance of CSR for Indian life – Indian life is mainly full of Varities and hence is going to face the new variations of Industrialization and CSR is the need of our society. As per the record of India corporate Week, Indian President ShrimatiPratibhaDevisinghPatil recognized that India is "one of the largest agrarian economies of the world," in which " agriculture provides employment tio around 60% of the country's workforce and is contributing about 18% to the Gross Domestic Product." The President said, " Throught a sense of socialresposibility, the corporate sector can contribute to ruaral development." She then out lined a number of ways in which corporations can do so. "I call on corporate leaders to voluntarily come forward to partner with Government in mission mode programs, for the provision of basic infrastructure facilities in rural areas," she said. Corporations could also " Consider setting up a dedicated fund for entrepreneurship development and capacity building among farmers.

Conclusion

In this way, Corporate Social Responsibility is also part of making Business Successfully at the levels of Society welfare as well as the same Success in business at the peak.

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