



## CORPORATE SOCIAL RESPONSIBILITY: DEFINITIONS AND PERSPECTIVES

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### Abstract

CSR (Corporate Social Responsibility) brings together all the practices put in place by companies in order to respect the principles of sustainable development, that is to say be economically viable, have a positive impact on society but also better respect the environment.

**Keywords:** Corporate social Responsibility, Environment, sustainable development, well-being.



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### Definition of CSR by the European Union

The European Commission, in its 3rd Communication on CSR (2011) defines CSR as " the responsibility of companies vis-à-vis the effects they have on society ".The EU also, in order to provide a framework for companies wishing to invest in sustainable development, published in 2001 a Green Paper on Corporate Social Responsibility.It then defined the following CSR as: "the voluntary integration of the social and ecological concerns of companies into their commercial activities and their relations with their stakeholders.Being socially responsible means not only fully meeting the applicable legal obligations, but also going beyond and investing "more" in human capital, the environment and stakeholder relations.

### Definition of CSR according to ISO 26000

For its part, the International Organization for Standardization (ISO), the organization responsible for defining the international standards that govern business trade, also examined the definition of CSR in a document published by the working group on ISO 26000 standard on Corporate Social Responsibility .In these guidelines, the ISO defines the CSR as follows: "the responsibility of an organization for the impacts of its decisions and activities on society

and the environment, resulting in ethical and transparent behaviour which - contributes to sustainable development, including the health and well-being of society - takes into account stakeholder expectations - complies with applicable laws and is in line with international standards of behaviour ;and that is integrated throughout the organization and implemented in its relationships. "

### **CSR: history and origin of corporate social responsibility**

The idea that companies must practice CSR or must be socially responsible, has its roots in the work of some American managers in the 1950s. Their idea was that companies should not only focus on their profits but also on the impact they have on society. For example, if a company pays its employees better, it helps to give them purchasing power, with which they may buy the company's products. If a company better manages its impact on the environment, it will save money in the long run by avoiding having to deal with natural disasters.

In 1953, Howard Bowen published a book entitled "The Social Responsibility of the Businessman" in which he explains why companies have an interest in being more responsible and gives the first "recognized" definition of CSR.

With the development of environmental, but also social and economic concerns in the second half of the 20th century, corporate responsibility is becoming an increasingly important issue. More and more consumers are becoming critical of businesses and want them to be more law-abiding, environmentally friendly and more accountable in general.

### **The development and institutionalization of CSR**

As a result, starting in the 1990s and 2000s, governments around the world are putting in place regulations that will lay the foundations for modern CSR. In France, the NRE laws will be the first, to force companies to publicize their performance in terms of sustainable development. They will be followed by various regulations such as the Grenelle laws or the Laws of Vigilance.

From there, companies will be somehow forced to invest in CSR, so as not to fall behind their competitors. We begin to talk about "CSR" as a management, communication and development tool for companies. CSR has become essential to improve the image of businesses to consumers, but also to better manage the resources of the company and improve internal productivity. Difficult today to find a company that does not have a CSR report, a CSR team, or at least a communication strategy dedicated to CSR.

### **The tools of CSR today**

Today, CSR really begins to impose itself in the operating modes of the companies. In its communication on CSR 2011, the European Commission states that "to assume [their social responsibility], it is first necessary that companies comply with the legislation in force and collective agreements concluded between social partners. In order to fully fulfil their social responsibility, companies should engage, in close collaboration with their stakeholders, in a process to integrate social, environmental, ethical and human rights concerns in their commercial activities".

To pursue these objectives, many tools are being developed during this period to enable companies to better quantify their performance and actions in terms of sustainable development. For example, companies now use LCA (Life Cycle Analysis) to quantify their greenhouse gas emissions and their environmental impacts. Other tools are being developed to better take into account stakeholder expectations, to communicate better and more responsibly.

### **Definition of the CSR approach in companies today**

Today, CSR is truly institutionalized in the world of business. Concretely, CSR approaches and strategies refer to the different policies implemented in companies to contribute for example to the protection of the environment, the reduction of greenhouse gas emissions, but also to the improvement of product quality, social inclusion, or economic development. It is a mistake to usually associate CSR with the protection of the environment, as it is not the only field where it intervenes. In fact, CSR is present in all fields such as economic, social, cultural and even educational.

### **CSR and the environment**

Environmental issues are now central to CSR. More and more companies are introducing environmental concerns into their internal management systems, in order to reduce their waste, their resource consumption or their impact on the environment. The ISO 14001 standard has been specifically created to help companies set up an environmental management system in the context of CSR, through the following:

1. Implementing a waste reduction program in the company
2. Setting up recycling
3. Developing a business travel plan to promote non-polluting transport
4. Establishing a plan to reduce energy consumption or reduce greenhouse gases
5. Eco-designing products (design products that better respect the environment)
6. Establishing a supplier charter that puts ecology at the centre of the supply chain

### **CSR towards social issues**

1. Helping associations with social purpose through sponsorship
2. Doing sponsorship skills or pro bono (make available its employees to help associations)
3. Participating in humanitarian programs (financially or logistically)
4. Establishing an ethical charter against corruption
5. Developing an ethical supply chain (fight against child labour for example)
6. Participating in local social inclusion programs
7. Increasing the remuneration of its employees through restaurant vouchers, EC, benefits in kind or other bonuses
8. Implementing well-being programs at work in the company
9. Taking care of the ergonomics of employees at work
10. Integrating CSR into HR management

### **Sponsorship and culture**

1. Providing cultural sponsorship, supporting museums or exhibitions
2. Supporting artistic or sports associations
3. Supporting educational programs related to cultural activities
4. Increasing consumer awareness

### **Corporate Social Responsibility in INDIA**

With 1.2 billion inhabitants, 270 million of whom live with \$ 1.25 a day, 60% of the population employed in the agricultural sector and 600 million without access to a water purification system. India is without a doubt a country with many development challenges. India is also a country particularly vulnerable to climate change and related environmental issues. As a result, India is a country that has every reason to develop an effective CSR within its companies.

### **India and CSR: history of rapid development**

India has long been a country where companies engage in philanthropic activities. Indian philosophers have long emphasized the responsibility of business in the social sphere, and this tradition has remained present in the current economy, where it has been adopted by emerging Indian industries. With the independence of the country in 1947 and the creation of a system of managed capitalism, companies were already at the forefront of socially responsible activities, including through state regulation. In the 1990s, India slowly opened up

and moved to a liberalized system, with spectacular growth, close to 7% each year for 30 years .

### **The four forms of CSR in India**

The studies that have been conducted on CSR in India have made it possible to establish a sort of typology of the CSR action of companies in the country. There are 4 different ways to approach corporate responsibility in India.

First, philanthropy, i.e. the voluntary investment of companies in causes that seem important to them (a trend that is often found in CSR in the United States). It is called the "ethical" approach. Secondly, regulatory compliance, which consists of companies following the regulations and guidelines launched by the Indian state (state approach). The third approach is to understand businesses as investors, who contribute to the social good by creating activity, employment, wealth, and thus social and economic development. It's a neo-liberal approach to CSR. Finally, the last approach, that of the stakeholders, conceiving the CSR as the strategy which makes it possible to take into account the needs and the situations of all the communities affected by the activities of the company.

Many companies have approached CSR in India from an ethical perspective. Following the concept of Gandhi of "trusteeship", they engaged in a form of economic paternalism, investing in ethical business or philanthropy, image of the giant Tata group. With its 96 subsidiaries, Tata generally dedicates 66% of its net profits to philanthropic activities and development funds .

However, this did not prevent the State from putting in place regulations. The largest democracy in the world passed a law in 2010, establishing the National Green Tribunal , an institution that provides a legal framework against damage to the environment and nature conservation, including compensation for damages (polluter principle payer). In 2014, the Indian Parliament also passed a regulation that requires large companies to spend at least 2% of their profits in CSR activities , either by giving to NGOs or by helping their communities and their stakeholders financially. That's nearly \$ 1.8 trillion. Some critics consider that this law imposes on companies a hidden form of tax and bureaucracy, others believe that they help to steer the business in the right direction.

### **CONCLUSION**

India is already invested in a serious approach to CSR. The philosophical and economic roots of responsible models are rooted in Indian culture, and government, institutions, businesses  
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and consumers, as well as Indian lobbyists seem to be in a positive dynamic around CSR. However, many problems remain in India and Indian companies are still far from having invested themselves deeply enough to be able to solve them.

Considering the size of this market and the stakes that exist in this country, CSR in India carries extremely strong expectations, both economically and socially. Like China, India is therefore probably a country of the future for CSR, a country to watch closely.