

CORPORATE SOCIAL RESPONSIBILITY AND ITS ROLE IN COMMUNITY DEVELOPMENT IN CONTEXT OF NGOS IN INDIA

Ms. Prakruti Sureshbhai Savani*

ABSTRACT

The issue of corporate social responsibility (CSR) has been discussed since the 1950s. Most recent investigations by Secchi (2007) and Lee (2008) announced that the meaning of CSR has been changing in significance and practice. The established perspective of CSR was barely restricted to generosity and after that moved to the accentuation on business-society relations especially alluding to the commitment that an enterprise or firm accommodated taking care of social issues. In the mid twentieth century, social execution was tied up with advertise execution. The pioneer of this view, Oliver Sheldon (1923, referred to in Bichta, 2003), in any case, urged administration to step up with regards to raising both moral gauges and equity in the public eye through the ethic of streamlining, i.e. manage the utilization of assets under the name of effective asset assembly and use. Thusly, business makes riches in the public eye and gives better ways of life.

Keywords: CSR, Speculations, Stakeholder, Corporate Citizenship, Ecological.

Introduction

The present-day CSR (likewise called corporate duty, corporate citizenship, dependable business and corporate social opportunity) is an idea whereby business associations think about the enthusiasm of society by assuming liability for the effect of their exercises on clients, providers, workers, investors, networks and different partners and also their condition. This commitment proposes that the associations must take after strategies and deliberately take obligations to improve the legitimately being of their representatives and their families notwithstanding for the nearby individuals and society on the loose. CSR in truth insinuates frameworks workplaces or associations direct their business relationship in a way that is great and society stunning. CSR can contain exquisite different recreations including working in relationship with neighbourhood workplaces, socially delicate wander, creating relationship with delegates, clients and their families, and in regards to in sports for ecological preservation and supportability.

Utilitarian Theories

In the utilitarian theory the organization fills in as a piece of the financial framework in which the capacity is mechanical i.e. generally known as in benefit boost. CSR thoughts developed after an acknowledgment that there is a requirement for a financial matters of obligation, installed in the business morals of a partnership. Thus, the old thought of free enterprise business offers approach to determinism, independence to open control, and moral duty to social obligation. Utilitarian could likewise be taken synonymously with instrumental hypotheses (Garriga and Mele, 2004; Jensen, 2002) in which the company is viewed as just an instrument for riches creation, and its social exercises are just a way to accomplish financial outcomes. Instrumental hypotheses were additionally in light of the essential thought regarding interest in a neighbourhood network in which Friedman (1970) firmly expressed prior that the speculation will be in long run give assets and comforts to the occupations of the general population in the network. The utilitarian hypotheses are identified with systems for upper hands. The advocates of these speculations are, for example, Porter and Cramer (2002) and Litz (1996) who saw the hypotheses as bases for planning techniques in the dynamic utilization of common assets of the enterprise for upper hands.

* Research Scholar, Department of Commerce, Maharaja Krishnakumarsinhji Bhavnagar University, Bhavnagar, Gujarat, India.

The techniques likewise incorporate benevolent exercises that are socially perceived as instruments for promoting. Secchi (2007) additionally isolates the utilitarian gathering of speculations into two, to be specific, the social expenses of the organization and the possibility of functionalism. The social cost hypothesis has an explanation behind CSR in which the budgetary structure in the system is said to be influenced by the corporate non- money related forces. It is likewise called instrumental hypothesis (Garriga and Mele, 2004) in light of the fact that it is comprehended that CSR as a simple intend to the end, which prompts the way that the social intensity of the organization is appeared particularly in its political association with society.

The utilitarian hypothesis, in this way, proposes the enterprise needs to acknowledge social obligations and rights to take an interest in social co-task. Inside it, the functionalist speculation, especially advocates that the association is seen as a bit of the money related system, which one of the destinations is advantage making. The firm is considered as a hypothesis, and financing must be advantageous to the theorists and accomplices. Putting it from the inside factor of point of view of the firm, CSR was organized as a security technique of the budgetary system towards external ambushes on account of the truth there needs a consistent quality between advantage making and social objectives for the cash related machine's adjust.

Relational Theory

Relational theory has a root from the complex firm-environment relationships. As the term implies, interrelations between the two are the focus of the analysis of CSR.

Relational theory is further divided into four sub-groups of theories:

- Business and society;
- Stakeholder approach;
- Corporate citizenship; and
- Social contract.

Business and society is proposed to mean 'business in society' in which CSR emerges as a matter of interaction between the two entities. One of the measures of CSR is the development of economic values in a society. Another is a person's obligation to consider the effects of his decision and action on the whole social system. Stated in the form of a general relationship, social responsibilities of businessmen need to reflect the amount of social power they have. Stakeholder technique has been evolved as one of the techniques in improving the control of the company. It's also said as a way to recognize truth as a way to manage the socially responsible behavior of a company. The stakeholder approach further considers a firm as an interconnected web of different interests where self creation and community creation happen interdependently; and individuals behave altruistically. Based on Garriga and Mele's (2004) analysis, stakeholder approach is both within the integrative and ethical theories, where the former emphasizes the integration of social demands and the latter focuses on the right thing to achieve a good society. These are supported by the work of Mitchel, Agle and Wood (1997) where balances among the interests of the stakeholders are the emphases; and the work of Freeman and Phillips (2002) that considers fiduciary duties towards stakeholders of the firms, respectively.

Limitation of CSR Policy

- No motivating force if organization pays over 2% of net benefit.
- Carry forward of such a contribution not being mentioned under the provision of CSR. It means if any of the company not able to spend 2% of average profit in any financial year so that expenditure not being carry forward for next year.
- Organization does not have satisfactory benefits or isn't in a situation to spend recommended sum on CSR exercises, the chiefs would be required to give appropriate revelation/reasons in their answer to the individuals.
- It is not clear whether the Section 25 companies or charitable organisations set up by them would be included towards CSR.
- According to the proposed rules, activities relating to eradicating extreme hunger and poverty; promotion of education, gender equality and empowerment of women; reducing child mortality and improving maternal health; combating HIV-AIDS, malaria and other diseases; ensuring environmental sustainability, employment enhancing vocational skills; and contribution to the Prime Minister's National Relief Fund or any other Central or state fund would be considered as CSR activity under the Act.

Conclusion and Research Implications

It is concluded that CSR is about an enterprise, government and civil society collaboration with the lowest line and it is the achievement of win-win situation of some of the 3 entities. From the social point of view, CSR ought to gain network because the latter has a very complex shape and it consists of people with diverse ranges of control of sources physically and intangibly. The evaluation of the theories in the know-how of CSR that is going beyond its conventional meanings; therefore, CSR necessitates a multidisciplinary technique in its angle and practice. since the modern theory which means of CSR is complex, knowing the theories permits students have to look after a better knowledge approximately corporation- society members of the family. Wherein theories and practices of CSR are encouraged by means of several monetary and non-financial as well as inner and external forces, roles of CSR in corporate discuss with the ways the responsible behavior is perceived by means of community of stakeholders and how impacts are felt by using them. The analysis shows that CSR proved to have many roles and the added impacts to the community as follows: closer ties and interdependencies among agencies and network, sharing the charges the society has to pay because of environmental degradation, switch of era from global businesses to developing international locations, environmental safety measures that executed together by way of company and the groups, poverty relief inside the groups, human right advocacy, and allows in records amassing through ICT corporations to facilitate public agency features. For plenty business enterprise leaders, it is tough to recognize in which their obligations start and lead to relation to building infrastructure, creating monetary possibilities, and get admission to core offerings which includes health, education and poverty comfort and revel in reciprocation that has made one thing certain that sustainable CSR solutions at network, provincial and country wide degrees are based on partnerships among government, civil society and enterprise.

References

- Albareda, L. et al. The changing role of governments in corporate social responsibility: drivers and responses. *Business Ethics: A European Review*, v. 17, n. 4, p. 347-363, Oct. 2008.
- Armstrong, P. India to be world's biggest economy in 2050. March 2012. Available at: <<http://business.blogs.cnn.com/2012/03/29/report-india-to-be-worlds-biggest-economy-in-2050/>>.
- Barton, J. H. (2007). *New Trends in Technology Transfer: Implications for National and International Policy*, Issue Paper No. 18.
- Geneva: International centre for Trade and Sustainable Development (ICTSD).
- Bichta, C. (2003). Corporate socially responsible industry (CSR) practices in the context of Greek. *Social Responsibility and Environmental Management*, 10, 12-24.
- CAROLL, A. B. Corporate social responsibility: evolution of a definitional construct. *Society*, v. 38, n. 3, p. 268-295, 1999.
- CLEMENTS, M.; BOWREY, G. Corporate social responsibility in public sector supply chains: an insight. *Journal of New Business Ideas & Trends*, v. 8, n. 2, 2010.
- Davis, K. (1960). Can business afford to ignore corporate social responsibility? *California Management Review*, 2, 70-76.
- Detomasi, D. A. (2008). The political roots of corporate social responsibility. *Journal of Business Ethics*, 82, 807-819.
- Federation of Community Development Learning (2009). Available at: <http://www.fccl.org.uk/about/definition.htm>
- Garriga, E. and Mele, D. (2004) Corporate social responsibility theories: Mapping and territory. *Journal of Business Ethics*, 53, 51-74.
- Jensen, M. C. (2002) Value maximization, stakeholder theory, and the corporate objective function. *Business Ethics Quarterly*, 12, 2, 235-256.
- Korhonen, J. (2003). should we measure corporate social responsibility? *Corporate Social Responsibility and Environmental Management*, 10, 25-39.
- Lee, M. P. (2008). Review of the theories of corporate social responsibility: Its evolutionary path and the road ahead. *International Journal of Management Reviews*, 10,1, 53-73. Mitchell, R. K., Agle, B. R. and Wood, D. J. (1997). Towards a theory of stakeholder identification and salience: Defining the principle of who and what really counts, *Academy of Management Review*, 22(4), 853-886.

