CORPORATE SOCIAL RESPONSIBILITY

INTRODUCTION

The term Corporate Social Responsibility, commonly known as CSR, came to use in early 1970, after many multinational companies corporations were formed. It is also known as corporate citizenship, corporate responsibility, sustainable responsible business and corporate social performance.

What is CSR?

CSR means “doing well by doing good” and “to be accountable to the stakeholders beyond financial obligations”. Thus, taking social responsibility for looking after relations with all interested parties and working towards long term sustainable development.

CSR is a form of corporate self regulation integrated into a business model. CSR policy would function as a built-in, self regulating mechanism whereby business would monitor and ensure its support to law, ethical standards and international norms.

CSR is a continuing commitment to business to behave ethically and contributing to economic development while improving the quality of life of the work force and their family as well as the community and society at large.

IMPORTANCE OF CSR

- Organisation with high CSR becomes the employers of choice, a neighbour of choice and vendor of choice.
- CSR has become an important part of both large and small businesses and is an increasingly large concern for corporations.
- Strategic CSR is one of the ways companies ensure their business interests are met through socio – environmental improvement along their production line.
- Companies need to start investing more in CSR activities to bridge the gap between functional cost and true cost.
- The scale and nature of the benefits of CSR for an organisation can vary depending on the nature of the enterprise.

- The scale and nature are difficult to quantify, though there is a large body of literature exhorting business to adopt measures beyond financial ones.
- Businesses may not be looking at short – run financial returns when developing their CSR strategy.

WHETHER CSR A NECESSITY OR CHOICE?

If business community treats CSR “voluntary” and thus “optional” then that could be rightly seen as a misleading diversion.

CSR of course begins with mandatory legal compliances which includes global human rights and environmental laws but beyond that CSR requires compliance with the highest global ethical standards, CSR should be promoted as a voluntary concept with as emphasis on dialogue between stakeholders.

Thus, CSR must result into corporate deployment of the company’s core competencies, strategic thinking, marketing, logistics, inventory control etc.

Thus, CSR has become a business imperative and thus it is a necessity not a choice.