



A Review of the principles of Corporate Social Responsibility

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Abstract

There has been a lot of discussion about corporate social responsibility (CSR) going back to the 1950s. Both the concept and the practise of corporate social responsibility (CSR) have evolved throughout time. There has been a transition in the traditional definition of corporate social responsibility (CSR) from charity to a more inclusive focus on business-society ties, which emphasises how a company may help solve societal issues. Performing well in social settings was closely linked to doing well in the marketplace in the early twentieth century. This concept was pioneered by Oliver Sheldon, who pushed management to take the lead in establishing ethical standards and promoting justice in society via an ethic of economising, or saving money by more efficiently mobilising and using the company's resources. As a result, businesses contribute to a more prosperous society and higher living standards for everybody.

Key Words: Corporate, Social Responsibility, legislation etc.

Introduction

When it comes to corporate social responsibility (CSR), companies are accepting responsibility for how their actions affect their customers, suppliers, workers, shareholders and communities as well as the environment they operate in. Because of their responsibilities under the law, businesses are required to enhance the well-being of their workers, their families, the local community, and society at large.

Simply put, corporate social responsibility (CSR) refers to the ways in which enterprises and businesses operate in a manner that is both ethical and socially responsible. Some examples of CSR activities include collaborating with local communities, making socially responsible investments and cultivating close bonds with employees, customers and their families as well as taking part in environmental conservation and sustainability efforts. CSR can also include a variety of other activities.

Definitions of CSR



Corporate social responsibility, in its widest sense, is concerned with the nature of the interaction that exists or should exist between multinational firms, national governments, and individual individuals.

The term focuses on the interaction between a company and the local community in which it works or lives. The connection between a company and its stakeholders may also be defined in this way.

All of these definitions apply to the problem in some way, and each one is important to us. The ethical underpinning of citizenship has been lost, and has to be replaced before socially responsible action can occur, according to a parallel argument taking place in the ethical arena. Whichever side of this argument you side with, it seems to be about a possible social contract between companies and the general public.

The principles of CSR

It is difficult to define CSR and to be definite about any such activity because of the ambiguity surrounding the nature of CSR activity. There are three main ideas that we believe form the basis of all CSR activities. These are the ones I'm talking about:

1. Sustainability;
2. Accountability;
3. Transparency.

1. Sustainability

This focuses on the impact that current actions have on the future possibilities accessible. This is a serious problem if the available resources are limited in number and can no longer be used in the present.

In order to maintain a sustainable civilization, it is necessary to consume just the amount of resources that can be renewed. Using input-output models of resource use, this may be defined as the ecosystem's carrying capacity.

2. Accountability

Organizations must accept that their activities have an impact on the world around them and take responsibility for that impact. This idea, then, necessitates a measurement of both the internal and exterior impacts of activities conducted. Specifically, the notion suggests that all persons impacted by the activities be made aware of such quantifications.



This indicates that the organisation will report to external stakeholders on the impact of its activities and how those stakeholders are affected.

3. Transparency

It is a concept of transparency to ensure that the organization's activities have an influence on the outside world and that relevant information are not hidden in the reporting. As a result, all of the organization's activities, both internal and external, should be made clear to everyone utilising the information supplied by the reporting systems of the organisation. External users, who lack the background information and expertise accessible to internal users, place a premium on transparency when dealing with this kind of material. This means that transparency may be considered as an outgrowth of principles 1 and 2, as well as a necessary step in recognising the external consequences of an organization's activities and a necessary step in transferring power to external stakeholders.

Review of literature

(Barker 2004) studied "*Definitions of corporate social responsibility*" discovered that CSR (Corporate social responsibility) is how businesses manage their operations to generate an overall good influence on society. In order to execute it well, it should focus on the core business of a company - how it generates revenue - rather than charity or other add-ons. The definitions provided by the various organisations differed, although there was much ground to agree on. Corporate social responsibility, according to my own definition, refers to how firms conduct their commercial operations in order to have an overall beneficial effect on society.

(Tandon and Kaur 2017) studied "*The Role of Corporate Social Responsibility in India*" it is no longer adequate for companies only acquire and sell their goods or services without addressing the environment in which they operate Many multinational firms began using the phrase "social responsibility" in the late 1960s and early 1970s to describe the influence their actions had on their stakeholders, or people who were directly impacted by their activities.

(Carroll 2017) studied "*Corporate social responsibility: center piece of competing and complementary frameworks*". and noted what I found Corporate social responsibility (CSR) as we know it today is a product of the post-World War II era. Since the 1960s,



when the civil rights, women's, consumer, and environmental movements rose to prominence, corporate social responsibility (CSR) has increased in importance and significance. CSR was now a widely accepted idea across the world as a result of the interaction between theory and practise.

(Khan et al. 2012) studied "*Corporate Social Responsibility (CSR) – Definition, Concepts and Scope (A Review)*" He noted that the phrase "corporate social responsibility" (CSR), which refers to the process through which a business expresses and develops its "corporate culture" and social conscience, has become a widespread word in modern society.

(Asemah and Okpanachi 2013) studied "*Business Advantages of Corporate Social Responsibility Practice: a Critical Review*" and discovered that the concept of corporate social responsibility (CSR) is becoming more popular in the modern day. CSR policies were designed to help businesses monitor and ensure that they are complying with the spirit of legislation, international norms, and ethical standards.

(Ankitasingla 2018) studied "*Corporate Social Responsibility (CSR) as Per Companies Act, 2013*" and discovered that it may be characterised as a company's feeling of duty to the community and environment (both ecological and social) in which it works.. Waste and pollution reduction techniques, educational and social initiatives, environmental stewardship, and other related activities may all help companies live up to this obligation. CSR was not a contribution to a charity.

(Chandiok 2013) studied "*Implications of Companies Act, 2013 Corporate Social Responsibility*" 2013 Act gives a chance to catch up and make our business legislation more current, as well as a possible model for other economies with comparable features.

(Rangan and Chase 2012) studied "*Why Every Company Needs a CSR Strategy and How to Build It*" as well as a slew of other titles for corporate social responsibility, such as corporate citizenship, social responsibility, and so on. Each has a unique take on the place of business in society, as implied by their titles. As of today, the prevailing paradigm behind corporate social responsibility or CSR was based on the notion of producing shared benefit. Regardless of label.

(Kristianstad and Responsibility 2008) studied "*The CSR Implementation process*" In recent years, more attention has been paid to companies' responsibilities beyond just



producing money. We became interested in the concept of corporate social responsibility (CSR) after a discussion over whether it was a choice or a duty for multinational firms. Companies nowadays place a high value on the integration of CSR into their operations. To develop an alternative CSR implementation model that firms may use as a guide when adopting CSR, our dissertation sought to identify and investigate several aspects in the implementation process.

(Valeriya 2012) studied "*Development of CSR Implementation Strategy Proposal*" that the role of business in society had evolved to the notion recognised today as Corporate Social Responsibility (further abbreviated as CSR). Assumptions, divergent opinions, and fervent advocates and detractors fought it out in the open. While CSR was formerly seen as the "good thing to do," it has now become a "competitive" thing to do as well. Our economy, society, and environment were all intertwined in a way that was becoming more clear to the corporate world.

The Success Indicators of CSR

Both the firm and the community may look for signs of success. Public perception of the company should be improving from the business perspective. In the meanwhile, the quality of living should improve in society. Because of this, it is critical for organisations to Evaluate their CSR initiatives both statistically and qualitatively in order to determine their performance. The ability of those who received assistance to stand on their own two feet and not be reliant on others is a key indicator of a CSR's effectiveness.

As a matter of fact, there are still many corporations in the environmental sector that have not fulfilled their responsibilities due to ineffectiveness non the use of CSR. In addition, Because the company's application had issues. This is a concern because, in addition to failing to completely comply with the requirements outlined in Reviews, the CD programmes have failed to address the underlying issues facing the community. In general, the initiative hasn't given individuals the tools they need to face the post-mining population. Due to the community empowerment at the heart of the community development programme, this firm has not been able to effectively implement it.

Conclusion



If the corporation and the community work together, then corporate social responsibility will be a success. It is our goal to create a more egalitarian and sustainable world with no negative impact on the environment. There must be a paradigm shift, i.e., a transformation of management's conventional corporate responsibilities to corporate social responsibilities. In Indonesia, the use of CSR in environmental law enforcement is still in its infancy. In order to safeguard those who are harmed by environmental deterioration, it is essential to optimise the use of CSR.

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