

A Detailed Study on Effective CSR Activities and Sustainability of Business

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Abstract – The concept of Corporate Social Responsibility (CSR) is not at all new in India. Corporate social responsibility (CSR) is an upcoming buzzword worldwide. The concept 'Corporate Social Responsibility' (CSR) also refers to 'soft', voluntary self regulation which is adopted by firms to actually improve various aspects of the company, this can be related to labour, environmental and even human rights issues In today's globalized world, there it is one of the greatest challenges faced by firms and that is integration of CSR in business. Many stakeholders actually require a lot more from the other companies than merely actually pursuing the growth and its profitability. CSR has actually become a long way in India and its sustainability in other emerging markets. From these responsive activities to sustainable initiatives, even corporates have clearly exhibited itself with their ability to make a significant difference in the society and also to improve the overall quality of life. It focuses on the concept of CSR, its various dimensions along with sustainability and its relevance in emerging markets in India.

Key Words: CSR, Sustainability, Stakeholders, Emerging Market in India.

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INTRODUCTION

Corporate social responsibility (CSR) is also called as corporate responsibility, corporate citizenship, or even responsible business and also corporate social opportunity is a concept whereby many organizations also consider the interests of the society by actually taking responsibility for the actual impact of their activities on various customers, suppliers, employees, shareholders, communities and even the other stakeholders, as well as the environment. According to **The World Business Council For Sustainable Development**, "Corporate Social

Responsibility is the continuing commitment taken by business to actually behave ethically and also to contribute in economic development while improving the quality of life of the workforce and even their families as well as of the local community and society to be at large". CSR is an offspring of business ethics. However, this business ethics is also concerned particularly with the set of moral values, while CSR also focuses more on the social, environmental and even on the sustainability issues rather than on morality.

In the words of **A.P.J. Abdul Kalam**, Corporate decision making and its policy making is linked to the

ethical values, its compliance along with the legal requirements and in respect for the people, the communities and the environment around the world. Corporate social responsibility is necessarily an evolving term that does not have a standard definition or a fully recognized set of specific criteria. Corporate Social Responsibility is a growing and important part of an organization's overall strategy. The voluntary compliance of social and ecological responsibility of companies is called **Corporate Social Responsibility**. It is basically termed as a concept whereby the companies which decide voluntarily to actually contribute to a better society and a cleaner environment. It is a concept whereby the companies integrate social and environmental concerns into their business operations and their interaction made with their stakeholders on a voluntary basis. It is represented by contributions which are undertaken by the companies to the society through its business activities and social investment. CSR is also linked with the principal of sustainability, which actually argues that enterprises should make the decisions which are based not only on the financial factors such as profits or dividends, but it is also based on the immediate and long term and social and environmental consequences of their activities. Sustainable business practices made of any

enterprise have to be economically, socially and is Environmentally viable so that for any short term interest it is not hampered. A company which cannot run sustainable practices and CSR by simply concentrating into a closed department nor can it be done by charity. A firm that is actually thriving on the resources of a region which cannot recompense with the charity and be called as sustainable business houses or is called as sustainable business leaders.

CSR has also been defined as a clear set of programs, policies, practices of a business firm that are to be integrated in to a decision-making process. Similarly, the word Sustainable is also in practice recently. Researchers have also shown that there is a close association between CSR and Sustainability. The Brundtland Commission in 1987 has also defined Sustainability as “satisfying the actual present needs without compromising the abilities of the future”. The concept of CSR have not been originated from the external factors but, very much which is prevalent within the organizations processes. CSR and the Sustainability are synonymous terms which are closely tied to each other in terms of actually defining social, environmental and economic factors.

Benefits of CSR:

Some benefits of CSR are as follows:

Benefits to the Company:

1. Improved financial performance
2. Lower operating costs
3. Product safety and decreased liability
4. Workforce diversity
5. Access to capital
6. Reduced regulatory oversight.
7. More ability to attract and retain employees
8. Greater productivity and quality
9. Increased sales and customer loyalty
10. Enhanced brand image and reputation

REVIEW LITERATURE:

According to Reynard and Forstarter, 2002, “CSR and Sustainability management also calls for actually maintaining a harmonial balance between the short term and long term goals. Hence, it is been regarded as a firms pledge to its stakeholders to run their businesses in a Sustainable manner that is ethical and transparent.”

As per Sumona Ghosh (2015), The study actually aims to explore the establishment of a pattern of the participation of corporate social responsibility (CSR) activities amongst the private sector companies which are been reflected in the respective company documents in the public domain, which are taking the absolute profit as the parameter. The study has showed that the most preferred CSR activities which were education, health and environment. Drinking water and sanitation and the urban upliftment were the least preferred activities. Significant correlation was observed with respect to various CSR activities that the companies which were responsive to. Companies which are belonging to the manufacturing sector and the diversified sector have shown to the highest responsiveness towards such activities. Companies have been attached the highest importance to the following CSR activities: education, environment, health, rural upliftment and others.

As per Shubhashis Gangopadhyay (2014), “The theoretical literature and empirical studies on CSR have systematically shown that CSR plays a significant role as an important part of a company's competitive strategy. Companies can actually compete by the lowering prices without reducing the quality of the product, or by actually improving the quality without any significant increases in its price. Firms use their social activities as a signal to actually win over the consumers who stay loyal to them and which employees who prefer to work for them. However, such signaling which works as a competitive strategy only if participation in such activities is voluntary.”

According to Hurratul Maleka Taj, MBA, Narsee Monjee Institute of Management Studies, Mumbai (2011)- Corporate Social Responsibility, Sustainable Development: performance measures and indicators, An effort to actually understand the symbiotic relationship which is between economic and social performance. It also presents and the challenges which are associated with it and the benefits of the CSR which is along with the sustainable development measures being undertaken by the corporate sector.

OBJECTIVES:

1. To study the various theories and guidelines for CSR practices.
2. To study the CSR practices which are being taken by selected public sector and private sector companies.
3. To compare the key CSR practices which are being Sustainable in the market.

4. To analyse the effect of CSR practices on profitability of the selected companies.
5. To give suggestions for better CSR practices based on findings emanated from the study.

HYPOTHESIS:

H1: Implementation of CSR in business has a positive impact on the performances of a company in terms of sustainable development.

H2: CSR and Sustainable development is positively related to the goals of an organization.

RESEARCH METHODOLOGY:

The data was been collected through a structured questionnaire which is being distributed in hand to the respondents of various companies as well as through the email link. to understand and actually find out the relation between CSR initiatives and sustainable business solutions. It is been used as the content analysis in order to study the annual reports, CSR and Sustainability reports, etc. and also to have actually used the statistical tool that is, the correlation method in order to find out the relation between CSR initiatives which is being taken and the adoption of sustainable business solutions. Responses have actually been summed up and the results have been used for further analysis and further interpretation of data. The collected data were actually being analyzed by using the SPSS version 20. Secondary data were also used and was generated from the company's annual reports, CSR reports, books, journals, industrial sources, past research study, websites, etc.

Primary Data:

Primary data will be collected through questionnaires. Questionnaires will be framed to know attitude & perception of the stakeholders of selected organizations towards the CSR practices followed by their companies. For this purpose total 100 questionnaires will be filled by the stakeholders of selected companies.

Secondary Data:

Secondary data will be collected mainly from

- Annual reports of selected companies
- Sustainability reports of companies
- CSR Reports of companies
- Official websites of companies
- Reports of surveys by private institutions

- Karma Yoga Study report on CSR
- Blogs on CSR

DATA ANALYSIS AND INTERPRETATION:

Reliability testing was actually done and the value of Cronbach Alpha was 0.726. Thus, from the table we can analyze that there is a significantly high correlation between the implementation of the environment management system and the performances in actual terms of sustainable development. The value is 0.428. The degree of correlation between future sustainable development and its performance, monitoring of sustainable development is quite high at 0.766. CSR and Sustainability relation is positively influencing the CSR goals and the value is noted at 0.579. The correlation between environment impact reductions with motivation is quite high at 0.639. Performance and monitoring of sustainable development is positively correlated at 01% level of significance with future development and the value is 0.766 which is significantly a high value. For this, the actual responses are only restricted towards CSR and the Sustainable players thereby, are restricting our knowledge of CSR of non-participating companies. A more elaborative study can be done including the less known CSR players, small and medium scale enterprises which can actually add to our results and refine the research findings. The study also focuses on the roles and duties which are being performed by the top notch companies thereby, restricting CSR practices of lower and middle-level bodies. Future research should be expanded in its area of study and include all the various levels.

CONCLUSION:

CSR and Sustainability policies that take the company ahead and also leads to a better future for the betterment of society. The Sustainable Development term has also been re-named as Corporate Sustainability since 2002 by Dyllick and Hockerts. They have further added that human even the capital and the societal well-being also increases with sustainable development. In today's society even demand of a more sustainable approach is more. A business is not only judged through its economic indicators but also by its social factors. The ancient goal of business organizations have also been re-shaped itself and actually have taken an altogether new formation. Firms are being expected to play a more significant and important role. They are actually expected to show their ethical behavior in their corporate practices and also to follow various set of norms of actually doing the business which is without hampering the actual growth and development of the society. Even huge amount of dependency can

also be found between the business houses and the society in general. One actually cannot sustain without the other in the market. A business enterprise can only flourish if it actually satisfies certain basic societal requirements.

There also prevails a two-way process. If we are taking so much from the environment and the society it is our endeavor to actually return it back too. We are also responsible for everything we do, either by making it or by breaking it. Sustainability or CSR is also all about making the accountable decisions in order to actually lessen the businesses adverse and its impact on the environment. Waste reduction or effective energy usage is actually not the actual intention but also it is more of concerned with the building and the developing processes in which businesses can be more sustainable in the mere future.

As one of the important shloka (quote) from the Rigveda says **“A businessman should benefit from business like a honey-bee which suckles honey from the flower without affecting its charm and beauty”**.

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