

Understanding CSR in the Global Ara : Outcomes of Corporate World

Abstract

We live in an age in which companies, businesses and society are more connected and interactive than ever before in the past. Globalization and the technological revolution, such as the Internet, have created new economic expansion opportunities for corporations. Instead of just doing business in their own domestic market, corporations are now entering world markets in hopes of increasing sales and profits. However a business has social obligations above and beyond making profit. CSR is a crucial bridge between organizations and society and also a means to create awareness amongst corporate, NGOs, civic bodies and government of the value and importance of social responsibility to bridge the gap between the privileged and the disadvantaged of society. It facilitates and creates the environment for true good partnership between civil society and business.

Keywords: Businesses and Society, Globalization and Technological Revolution, Corporate Social Responsibility

Introduction

Today Corporate social responsibility is a term that has recently gained worldwide attention and has achieved a new resonance in the global economy. Debates are still going on as to what constitutes the social responsibility of business, what is the ambit of social responsibility and when a corporation can be termed as truly socially responsible. The present work is an effort by the researcher to explore the unexplored dimensions of CSR and bring something valuable to answer these questions and add something to the existing literature on CSR.

Business is a part of larger external environment. It is a sub-system of the society. It has to justify its role in the society as society gives business the license to operate. Simply giving economic benefits to the shareholders is not sufficient as the societal expectations are continuously increasing. These expectations are the main reason behind the evolution of corporate social responsibility. With the passes of time business has become more powerful and now it has far reaching impact on every aspect of the society. These impacts make it a moral duty of the business to be accountable and responsible towards society.

World Business Council for Sustainable Development has defined CSR as the Continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. This definition says that CSR is an ethical concept and intends to improve the quality of life of the society along with bringing economic development. Quality of life, as per Wikipedia is the perceived quality of an individual's life that is an assessment of their well-being or lack thereof. This includes all emotional, social and physical aspects of the individual's life. Thus, it is a moral duty of the business to improve the emotional, social and physical aspects of individual's life.

Companies have taken CSR initiatives to improve the physical condition of the society but only limited measures have been taken to improve the emotional, social and behavioral aspect of human life. CSR is a much broader term than it is generally understood. Beyond philanthropic, ethical, legal and discretionary aspect, CSR has one more aspect that has not yet been properly explored. It is behavioral aspect of CSR. Behavioral aspect of CSR seeks to improve the emotional and social aspect of life that directly affects the behavior of the people.

When we are talking about this new dimension of CSR, It is important to understand the phenomena in right context. World business council for sustainable development has given a complete definition of



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corporate social responsibility. It says about quality of life, which encompasses physical, emotional and social aspect of life. Those CSR initiatives that aim to improve these three aspects of human life come under behavioral aspect of CSR. Human behavior is directly affected by their emotional and social status. Studies have found that corporate sector has significant impact on people's socio-psychological status, which in turn affect their behavior. It has also been found that societal expectations have changed dramatically. Society has become more conscious about the intrinsic impacts that businesses have on the social and emotional lives of the people. Ethical and moral issues have become more important for the society, as it is facing rapid downfall of these values. Behavior aspect of CSR is the study of intrinsic impact of business on social behavior and resultant expectations of the society from business community. Based on above discussion attempts have made to identify the intrinsic impacts of business and the reason thereof. Through review of literature and a qualitative pilot survey (following in-depth interview and group discussion technique) following corporate practices have been identified that affects emotional and social aspects of human life;

Aim of the Study

Business is a part of larger external environment. It is a sub-system of the society. It has to justify its role in the society as society gives business the license to operate. Simply giving economic benefits to the shareholders is not sufficient as the societal expectations are continuously increasing.

Corporate Advertisements

Primary purpose of Corporate Advertisements is to promote the name, image, personnel or the reputation of the company. It is an effective way through which companies can inject positivity, values and ethical standards in the society. Awareness for social issues is also being created by the companies through their advertisements. But at the same time there are instances where companies are creating inferiority complex (e.g. it is often shown in advertisements of fairness products that fair persons are more attractive, they receive more opportunities and so on, such messages create inferiority specially among teenage group, who do not have a fair complexion) and early maturity (e.g. Tempting advertisement by companies to sell the products like deodorants, chocolates creates curiosity among teenaged group that ultimately leads maturity and loss of innocence). These psychological changes are damaging for the society and needs immediate corrective actions. These advertisements are completely unethical. Companies are also involved in fake and false advertisement that causes distrust in the society.

Corporate Scams

Increasing incidents of corporate frauds, involvement of corporate leaders in some national scams, cheating with shareholders, tax evasions are the examples that create distrust and dissatisfaction in the society. These practices also create insecurity among people. Generally corporate leaders become

the role model for the society, when these social role models are caught in any scam or fraud, it badly affects the people. Either they start hating that person or they start following the way of their role model.

Deceptive Practices

Companies often hide material facts from their employees, customers and shareholders. Intentions of management are sometimes not very clearly communicated to the employees, drawback of products or risk associated with products is sometimes not disclosed, ingredients of products are sometimes not fairly mentioned. These facts when revealed, hurts social sentiments and creates distrust in the society.

Internal Rivalry

In-depth interviews with the employees of private companies revealed that management often tries to create rivalry among their employees. Such rivalry helps them to get better operational results. Employees try to work more than their colleague, just to get appreciation or promotion. Such rivalry also leads to unethical actions against each other. These practices discourage sound ethical standards and make the society materialistic.

Greed Creation

Often companies create greed among their employees by offering them more money for more work. This extra work is done by the employees at the cost of their time that they were supposed to spend with their family. Money has become the main motivator for employees as they achieve a social status and fulfill all their needs with the money they have. This fact is often considered as weakness of the employees by the companies.

Need Creation

Companies use their innovative brains to make new products that are generally not required. They make proper strategy to create a market for their product. They advertise the product in such a way that people feel it as highly required and useful. Traditional substitutes are replaced by modern readymade products. It not only creates financial burden but also discourage creativity and damages family tradition. There are so many other practices either expressed or implied that are imposing psychological pressure on society or causing a negative change in behavior/personality. Job insecurity, work load, disrespect within organization are few of them. People are losing charm in their person lives and are becoming more materialistic. This affects their emotional health. Social interaction has also been hampered by too busy schedule and continuous involvement in work/job.

Conclusion

CSR is not a narrow term that includes measurable phenomena only. CSR is a broader term that seeks to bring not only development but happiness in the society by improving economical, emotional and social health of the country. The modern corporate culture has converted a human being into a materialistic employee. Initiatives are being taken for natural environment, infrastructural development and other visible effects. But it is high time when companies should start taking initiatives

not only for natural environment and physical aspects of the society but also for behavioral and psychological up gradation of the nation. There is need to understand social responsibility in a broader sense. Companies can redefine their role in the society by redefining CSR.

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