

Corporate Social Responsibility- A Conceptual Framework On Strategies Adoption For Global Impact

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Abstract: *Corporate social responsibility (CSR) is all about the initiatives of a business which are beneficial to society and others stakeholders in the business. The pyramid under corporate social responsibility is categorized under three categories called as triple bottom line approach as Environmental, Social and Economic. The world is dynamic today, this thing is visible in front of your eyes and it depends on how actively one participates in the changing world activities or just following the flow of change, these changes affect all of us. This statement is true in the business world also as well where there is shortage of resources, power outcomes and problems with the labour which leads to a conclusion that companies nowadays have to take extra measures and precautions so that it can sustain for a longer period of time in present changing scenario. On the other hand, Social media is also an effective tool to highlight the company's performance in the area of corporate social responsibility and what it has done to achieve this with its successful strategies which in turn lead to increased sales and create a larger base of customers for the company and is a free publicity of positive nature. People nowadays want to do transaction with that business house only with which they can build a trust. This makes the business houses to build a creditability report through their effective sustainability and corporate social responsibility initiatives that the business house has taken. To sustain a longer and healthy competition in today's market place, which is growing like anything at a rapid speed a business house has to retain its top talent and keep on doing work in the area of corporate social responsibility for better relations with society. In 2018, the average money spent on corporate social responsibility activities was nearly Rs 81 Crore which 9% more than the average money spending in 2016. Maximum amount invested in a project in 2018 was Rs 703 crore in comparison to Rs 593 Crore invested in 2016. Transparency was a major constraint in implementing these strategies and projects out of 100 companies surveyed the transparency level is near to 99% in comparison to 55% in 2014-2015. The report has disclosed that companies are having their own standalone CSR committees.*

Keyword: *Corporate social responsibility (CSR), Triple Bottom Line (TBL).*

1. INTRODUCTION

Corporate social responsibility (CSR) is nothing but the steps of a business which will in turn will be beneficial for the society and other stakeholders associated. The initiatives under corporate social responsibility is categorized under three categories which are also called as triple bottom line approach as Social, Environmental and Economic. The triple bottom line

approach holds that if a business house focus on monetary aspects only and does not focus on how it is working for the society, then that business organization is unable to see the comprehensive picture and to utilize its maximum resources available in the long run [1-8].

Planet + People = Society + Environment Responsibility

The triple bottom line approach says that business houses should work side by side on these three bottom lines:

1. People: It showcases how an organisation is socially responsible while doing its activities
2. Profit: It is the traditional way of finding out through Profit and Loss Statement
3. Planet: It shows how environment friendly and responsible an organisation has been.

International Organisations and Corporate Social Responsibility: The world is facing an economic slowdown due to various factors like trade war, falling GDP, internal war and geo political disturbances which makes sustainability a key factor so as the economies around the world especially who are following the capitalist one which triggered the crisis will have to take adequate measures towards sustainability. In this regard World Trade Organisation (WTO), International Monetary Fund (IMF) and World Bank had taken the sustainability issue in their agenda and mandates and they are taking active steps to encourage and guide the business houses throughout the world to inculcate corporate social responsibility in their agenda [9-15].

In countries like India and China, the problem of power shortages and labour had made many organisations to talk about corporate social responsibility and to take effective measures to incorporate some strategies to implement this along with the concern for environment as major source of pollution is through industries and it invites huge penalties from the regulators like National Green Tribunal, New Delhi (NGT) which had imposed strict fines and penalties on dying industry and leather industry of northern India. Due to which these industries are now installing Sewerage Treatment Plants (STP) which is also mandatory for these factories to take care of the pollutants damaging the environment through air and water, but companies nowadays taking these things as their responsibility towards the society and are taking adequate measures regarding this [16-19].

Widespread acceptance for these factors is there as now companies are not taking corporate social responsibility as a burden or an additional business practice but now, they are adopting it as a necessity. The changing atmosphere in favour of corporate social responsibility the business organisations had realized the inevitable change and journey towards a new paradigm. The companies have to take steps to use minimum resources and cause less damage to the environment then only there is a way out that humanity will survive. The companies will realize this aspect and there is need to take some real and strong actions in this regard when international organisations like United Nations, International Monetary Fund and World Bank will send a crystal clear and loud enough message regarding this. Companies shall not resist in this process and be patient in the whole process of change as change involves time when it is going to happen.

The top management of the corporations which include CEO's, CFO's and board of directors should show their visionary leadership qualities and their wisdom to showcase the path for achieving this goal of corporate social responsibility and sustainability [18-21]. Without the support of top management and their made mandate for this it is very much difficult to realize this change and create an environment for which our future generations will be proud of rather than feeling pessimistic of the situations which arises because of our generation decisions. The present leadership has to take care of the global compact and sustainability principles which were setup by the United Nations and this is the core challenge for our generation and needs a quick response [12-14].

2. REVIEW OF LITERATURE

Tyler *et al* (2003) emphasized on a group value model of proceeding with the fair and rational model of authority which implied that employees working in concerns nowadays measure their self-worth with the status and social achievements of their organisation. So, it is clearly identified that employees want to work with those organisations with whom they feel like it is prestigious for them and the identity of that corporate house will improve their self-worth. The research focused on developing different models for engagement of employees, defining the trends in fair in terms of the psychology of people and brief discussion about the future assessment of the findings for procedural fair research

Robins (2005) explored that the main issue in CSR practices is that the corporate sector will play a vital role for the society apart from its core function like maintaining sales figure and profit motive. The business houses shall take action for societal and environmental upgradation and to reach beyond their profit figures approach for the upliftment of the society to increase the standard of living of the needy [8-13].

Santos *et al* (2008) conducted a research for small and medium sized enterprises within the territory of Europe to understand the strategies to be built for CSR for each level of the economy, factors motivation including the reassumed benefits and to briefly led down strategies to overcome the obstacles in conducting CSR activities. The research was conducted through a structured questionnaire with table based analysis to the small and medium sized enterprises as large sample which are based in Portugal. The major finding indicated that CSR takes place as non-structured and informal place in the small and medium sized enterprises implemented it to daily management. The outcome emphasis on the adoption of reasonable, efficient and simple ways which are having specific outcomes while location CSR as a link between the entrepreneurship and management of the business.

Farooq *et al* (2014) explored from a sample of 378 employees that the employee's knowledge sharing behaviour and organisational identification is directly related with the activities done for the employees under the corporate social responsibility of the company. It was also found in the study that the corporate social responsibility activities for the community being done by the company is having a high influence on the employees of that company.

Strategies to strength the CSR in organizations –

Corporate Social Responsibility (CSR) and Triple Bottom Line Approach

Earlier lot of business houses did not take seriously the aspect of corporate social responsibility or are least concerned about the environment which is commonly known as green washing. Consumers nowadays are more aware and educated about the upcoming and vital social issues like green-marketing, global warming, unethical labour practices. They are now seeking policies from the business houses that will benefit the society rather than the bottom-line part (Profit) of the business. If a business house will not practice the corporate social responsibility the aware consumers will take their money and invest in a business product that does this practice. To understand the importance of corporate social responsibility we have to dive deeper into the aspects that why corporate social responsibility is so important and matter a lot, what is its significance in business matters today and then few examples will be shared how a business houses are implementing the corporate social responsibility effectively [3-7].

The world is dynamic today, this thing is visible in front of your eyes and it depends on how actively one participates in the changing world activities or just following the flow of change, these changes affect all of us. This statement is true in the business world also as well where there is shortage of resources, power outcomes and problems with the labour which leads to a conclusion that companies nowadays have to take extra measures and precautions so that it can sustain for a longer period of time in present changing scenario [11, 14-19].

Today when someone is looking onto the worldwide picture, it is having maximum economic gloom and forecasting techniques are getting fail as world is changing at a higher pace and situation is becoming worse day by day. In this case, it is no longer called a truth that corporate social responsibility and sustainability are just slogans or the gears that company use in their leisure time. Despite these two things became the paradigms in their own field that must be followed by the companies so as business can sustain for a longer period of time and it will meet the environmental goals also related to sustainability, so they have to shift to a new paradigm.

We have to focus on a very key aspect that today there is utmost need that the corporate attitude will change as per the changing times and hence we have to cut throat the excessive usage of environmental resources which result in unbalancing the environment and this type of approach of a company should be checked upon by strict environmental laws. In this regard nowadays various strategies were being adopted by the corporate houses regarding the corporate social responsibility of their business towards the society and other stakeholders.

United Nations has done a commendable effort regarding this and has established certain set of principles through several corporations made by it around the whole world and it is also represented as a global compact. This global compact governs some set principles that make the companies follow their social responsibility and make them participate in business practices which leads to sustainability. Global compact and the development goals which are set by the united nations the business houses around the world had lucrative incentives to keep them engage in creating a new world rather a better world.

CSR Impacts Business

It was highly held in the past years that business organisations should focus only on the bottom line, but few years ago there was a change in the thinking. Most of the people who are doing online shopping are of the view that they are ready to pay in addition for those products or services sold by companies who are regarded as socially and environment friendly, According to a 2015 survey of Nielson. That survey also identifies this thing that consumer goods brand who are having commitment towards sustainability are regarded as better than those who are not doing efforts for this.

CSR and Employees Retention

The perception of the internal stakeholder is stated as crucial role for the organizational growth and success. Lee *et al* (2018) examines the behaviour of employees in the context of CSR activities performed by the organization. The result showed organization inputs in terms of CSR activities enhance the increased ERG need of the employees as its lead to positive impact on the job satisfaction of employees and enhance in retaining the best employees through the ERG needs.

The business in case if not paying attention to corporate social responsibility strategies, it will loose the socially conscious employees, it also shows an impact on business capability to invite top talent and affects its personnel job satisfaction level. The workers who are coming with the new strategies from next generation are very much clear about the importance of corporate social responsibility which also affects the retention rates. Workers with quality talent nowadays want to work with that company who is transparent in its actions with a

mission of doing good, while also working for generating profits. The businesses who are not making a priority for corporate social responsibility are now losing their top talented workforce to those companies which are doing these things.

On the other hand, business houses that are governing good corporate social responsibility exercises and plans they are having satisfied and happy workforce. As employees are having this thing in their mind that they are working under the leadership of a socially conscious employer which in turn gave them a sense of purposeful employment.

Corporate Social Responsibility and Social Media

Golob *et al* (2013) studied about the relationship among the organization and its internal environment to estimate the success of the organization by social media in promotion of CSR and effectiveness of the adopted sources in terms of CSR agenda and expectation of the stakeholder to ultimately develop and enhance corporate legitimacy. The finding reveals that the communication done by social media is effective and can be considered as marketing tool to share the details of CSR to outside environment.

The social media nowadays is having a high impact in selling the product and services and also builds the brand image of the company. It also lays emphasis on importance of corporate social responsibility. Companies which are of a view that they will do unethical business practices and cannot be caught they are now having a fear of social media as everything is now exposed through it as majority of the people associated with that project are technology driven and it just need only one whistle blower to blow up the cover of such companies who are doing unethical business practices. Its impact can be judged only from this thing that the reputation of a big corporate joint can also be damaged in few hours only as it is spreading like fire in the forest. On the other hand, Social media is also an effective tool to highlight the company's performance in the area of corporate social responsibility and what it has done to achieve this with its successful strategies which in turn lead to increased sales and create a larger base of customers for the company and is a free publicity of positive nature.

Corporate Social Responsibility Strategies Adopted by Companies for Better Performance

Here is list of companies who are implementing successful corporate social responsibility strategies and fetching a good profit figure and reputation among the consumers.

1. Ben & Jerry's: It is a Vermont-based brand and is well-known for their effective strategies in relation to corporate social responsibility. This company adopts its corporate social responsibility way back from 1980s. It uses only ingredients which are of extreme good quality and also took effective measures for a development of dairy farms under sustainable in Vermont. This way it shows its priorities towards the environment and by donating charities to various NGO's and movements it showcases its concern for the society.

2. Ford Motor Private Limited: Ford is a car manufacturing company and is having its plant in Chennai, Tamilnadu and Sanand, Gujarat it has invested more than 2Bn US Dollars and is having its commitment for sustainable and profitable business in India. It is showcasing its CSR activities in the following areas:

- a) Relief Fund (2015-16)
- b) Clean and Healthy Environment (2015-16)
- c) Women Empowerment (2015-16)
- d) Promoting Education (2015-2016)

3. Britannia Industries Limited: Britannia is into edible oil sector and making various products like biscuits and others of this category. They had setup a Britannia Nutrition Foundation which is focusing its concern on the major chunk of population of India those are children only and making efforts that problem of malnutrition can be curbed upon. They are

of the belief that this disease which is malnutrition can be eradicated with partnership with diverse people and organisations and in turn help in their mission to safeguard every child's right for development and growth.

Top spenders and gainers

Now, it's the time to get into some picture of those companies which are spending high in the corporate social responsibility activities and among these on the top are those who are in energy and power sector. They are the overall leaders in spending money on corporate social responsibility activities in India which is followed back by financial and banking services industry. The media and entertainment industry are still a laggard as per the KPMG reports shown. The graphic presentation (Table 1.1) on performance of companies in CSR initiatives undertaken

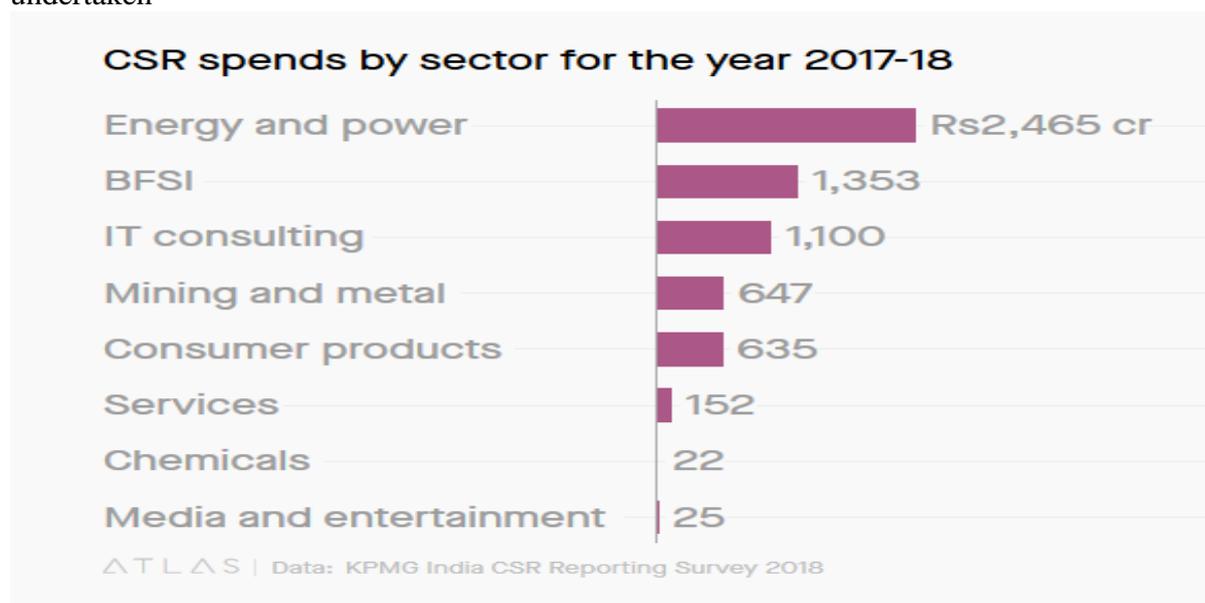


Table 1.1

Majority of the corporate social responsibility initiatives spending is skewed towards the healthcare and education sector. These two sectors jointly received Rs 3893 Crore under the CSR spending by companies which is 50% of the total CSR spending by these companies. In addition 60% of the projects undertaken by large enterprises are also belonging to these two sectors only. After these two sectors rural and environment related projects are the attraction for the corporate social responsibility initiatives spending by these big companies.

The next graphical presentation (Table 1.2) will reveal the sector wise presentation of the CSR Spending by Indian Companies on various sectors:

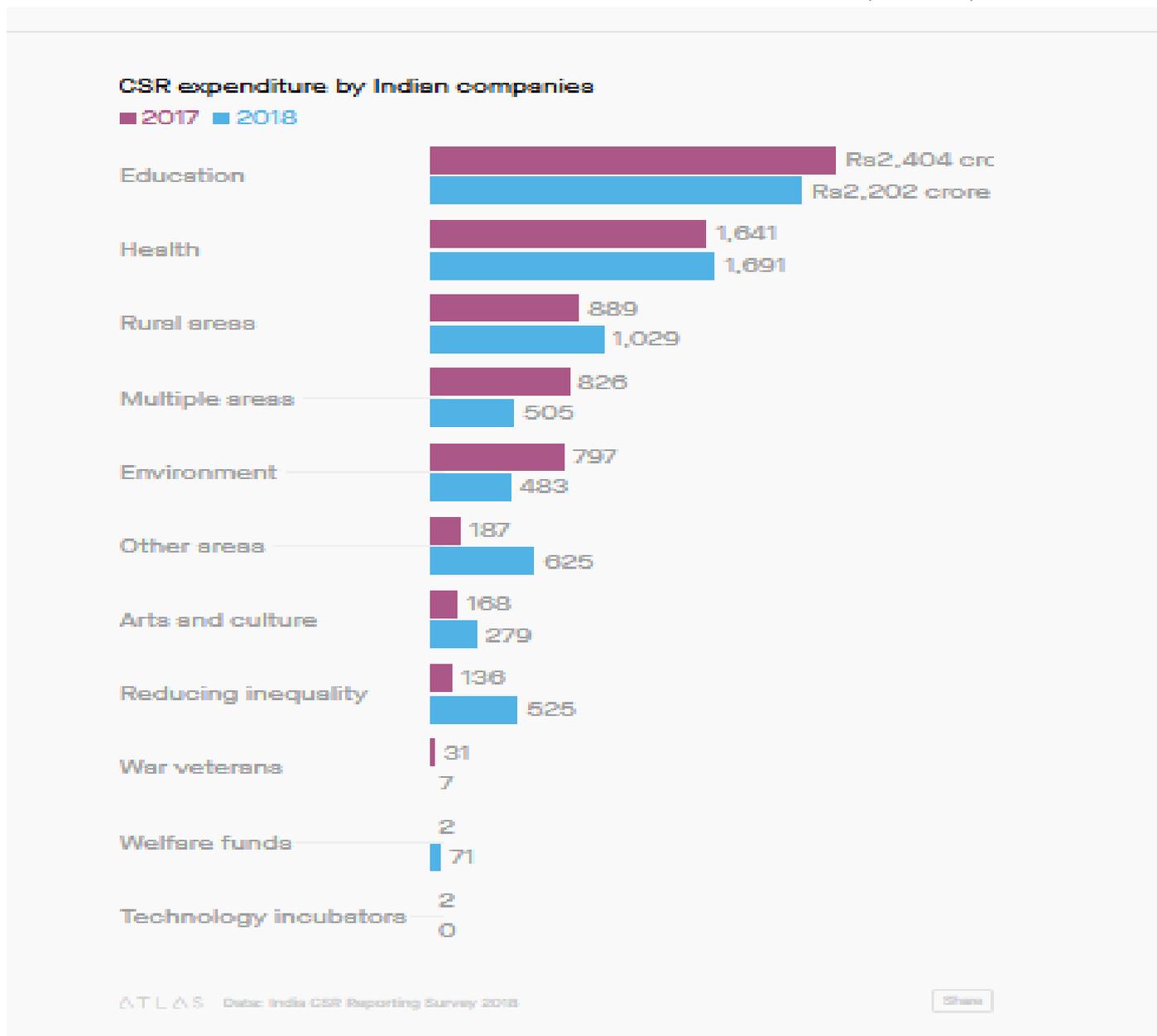


Table 1.2

The money spend on these CSR initiatives was increasing year by year but by March Ending 2018 there was a decline in the implementations of these projects.

1517 projects were undertaken and commissioned in 2018 which is less than 2017 project which are projecting a figure of 1897 worked upon in that year.

Highlights of KPMG Report

Spending: In 2018, the average money spent on corporate social responsibility activities was nearly Rs 81 Crore which 9% more than the average money spending in 2016. Maximum amount invested in a project in 2018 was Rs 703 crore in comparison to Rs 593 Crore invested in 2016.

Companies Listed: The companies who have to spending 2% on corporate social responsibility and are not spending it had also been reduced to 33 in comparison to 52 in 2014.

Innovative Ideas: Companies are now using innovative ideas to invest in corporate social responsibility projects and the companies which were surveyed out of that 84 implemented

their corporate social responsibility projects through direct implementation by their own foundations and partners.

Transparency: Transparency was a major constraint in implementing these strategies and projects out of 100 companies surveyed the transparency level is near to 99% in comparison to 55% in 2014-2015. The report has disclosed that companies are having their own stand-alone CSR committees.

3. CONCLUSION:

People nowadays want to do transaction with that business house only with which they can build a trust. This makes the business houses to build a creditability report through their effective sustainability and corporate social responsibility initiatives that the business house has taken. To sustain a longer and healthy competition in today's market place, which is growing like anything at a rapid speed a business house has to retain its top talent and keep on doing work in the area of corporate social responsibility for better relations with society. Companies need to understand the need of CSR as for betterment and growth of the society and enhancing the goodwill as well. A high amount of trust and unity will be built by creation a brand image in the society beginning from the internal employees to the external stakeholders to run the business for longer period of time.

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