



CORPORATE SOCIAL RESPONSIBILITY AND ACCOUNTABILITY

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ABSTRACT

The Corporate Social Responsibilities of business are those responsibilities that arise in the perspective of corporate-stakeholder relationships. Stakeholders have expectations about the behaviour and responsibilities and duties of the business that go beyond the donation of jobs and products or services. Two companies do not have the exact same set of responsibilities, because they have different products, services and strategies and therefore, different groupings of stakeholders and stakeholder interests and issues.

Introduction

In India Corporate Social Responsibilities had been implemented as a charitable activity. And in keeping with the Indian tradition, it was an activity that was performed but not reflected in accounts. As a result, there is limited certification on specific activities related to this concept. However, what was clearly marked that much of a national character summarized within it, whether it was providing institutions to actively participating in India's freedom movement, and implanted in the idea of trusteeship. As some observers have pointed out, the practice of CSR in India still remains within the charitable space, but has moved from institutional building (educational, research and cultural) to community development through various projects. Also, with global influences and with communities becoming more active and demanding, there appears to be a discernible trend, that while CSR remains largely restricted to community development, it is getting more strategic in nature (that is, getting linked with business) than philanthropic, and a large number of companies are reporting the activities they are undertaking in this space in their official websites, annual reports, sustainability reports and even publishing CSR reports. The Companies Act, 2013 has introduced the idea of CSR to the forefront and through its disclose-or-explain mandate, is promoting greater transparency and disclosure. Schedule VII of the Act, which lists out the CSR activities, suggests communities to be the focal point. On the other hand, by discussing a company's relationship to its stakeholders and integrating CSR into its core operations, the draft rules suggest that CSR needs to go beyond communities and beyond the concept of

philanthropy. It will be interesting to observe the ways in which this will translate into action at the ground level, and how the understanding of CSR is set to undergo a change.

Definition:-

"Corporate Social Responsibility is the continuing assurance by business to subsidize to economic development while improving the quality of life of the people and their families as well as of the community and society at large."

Social responsibility means that individuals and companies have a duty to act in the best interests of their environments and of society as a whole. Social responsibility as it applies to businesses is known as corporate social responsibility, or CSR.

Corporate social responsibility (CSR) refers to business practices involving initiatives that benefit society. A business's CSR can encompass a wide variety of tactics, from giving away a portion of a company's proceeds to charity, to implementing "greener" business operations.

There are some core areas where the corporate social responsibility has to be made practicing:

1. **Environmental issue:** One primary focus of corporate social responsibility is the environment. Businesses irrespective of their size and productions discharging a large quantity of carbon in the form of their waste. Any steps they can take to reduce those carbonization are considered both good for the company and society as a whole.
2. **Charity issue:** Businesses also practice social responsibility by donating to national and local charities. Businesses have a lot of resources that can benefit charities and local community programs, i.e charities to local school, NGO'S, social welfare work, etc.
3. **Ethical labor practices:** To consider employee as human being and ethically, companies can also demonstrate their corporate social responsibility. This is especially true of businesses that operate in international locations with labor laws that differ from those in the United States and other part of the world.
4. **Undertaking:** Appearing volunteer events says a lot about a company's honesty. By doing good deeds without expecting anything in return, companies are able to express their concern for specific issues and support for certain organizations.

Objectives of the study:

1. To know the Corporate Social Responsibilities of the Business in India.

2. To know direct or indirect CSR benefits to the Communities.

Research methodology

Secondary data :Data is collected from the various secondary sources such as Journals, Periodicals , Reference Books, E-News Papers, Articles , Published Research Compendiums ,Government Reports , Authentic Websites etc.

Some of the positive outcomes that can arise when businesses adopt a policy of social responsibility include:

1. Company benefits:

- Improved financial performance;
- Lower operating costs;
- Enhanced brand image and reputation;
- Increased sales and customer loyalty;
- Greater productivity and quality;
- More ability to attract and retain employees;
- Reduced regulatory oversight;
- Access to capital;
- Workforce diversity;
- Product safety and decreased liability.

2. Benefits to the community and the general public:

- Charitable contributions;
- Employee volunteer programmes;
- Corporate involvement in community education, employment and homelessness programmes;
- Product safety and quality.

3. Environmental benefits:

- Greater material recyclability;
- Better product durability and functionality;
- Greater use of renewable resources;
- Integration of environmental management tools into business plans, including life-cycle assessment and costing, environmental management standards, and eco-labelling.

However, various companies continue to supervise CSR in the supply chain - for example by importing and retailing wooden that has been illegally cut the forest. While governments can impose restrictions and penalties on offending companies, the organizations themselves can make a commitment to sustainability by being more discerning in their choice of suppliers.

Different stakeholders have different CSR issues and expectations with different implications, which can be summarised as follows:

Employees CSR issues.

Employees are concerned with traditional human resources management issues such as personnel policies and practices, pay, benefits, recruitment, etc. However, new HR issues are driving increased social responsiveness by corporations. These issues include work-life balance, care of dependent relatives, diversity, sexuality in the workplace, religion/spirituality in the workplace, minority hiring practices, responsible redundancy, use of temporary workers and workplace culture. Corporations that effectively respond to these issues are generally considered to be “employers of choice”. The benefits of socially responsible behaviour on these issues include improved workplace morale, higher productivity, reduced employee turnover costs and greater identification with employers. This last is thought to be a particularly important benefit as high employee identification increases the likelihood that employees will act in employers’ best interests, thus reducing risks of fraud and unethical behaviour.

Suppliers CSR issues

Supply chain CSR issues include human rights of outsourced workers, ethical sourcing, prompt payment, use of migrant workers, doing business with oppressive regimes, treatment of animals and environmental impacts in the supply chain. Supply chain issues have been at the heart of CSR crises experienced by some prominent US-based companies such as Nike and Gap, which rely on outsourced labour in third world countries. Consumer boycotts and demonstrations posed a threat to business continuity. Nike has in response increased its monitoring of human rights and labour relations practices and substantially increased disclosure of its suppliers. As Australian firms become increasingly globalised, supply chain CSR issues have become more prominent.

Customers CSR issues

Many studies suggest that consumers are more likely to purchase from socially responsible firms or avoid purchases from socially irresponsible firms, and consumer preferences for products that are good for the environment (organic, or not tested on animals) are well documented. CSR issues for consumers include product manufacturing (e.g. human rights of workers, product safety), labelling and packaging (disclosure and completeness), marketing

and advertising practices, selling practices (redress) and pricing. Australia's tough regulatory environment does not necessarily protect corporations from rising CSR-related expectations of consumers.

Communities CSR issues

Communities can include local communities around a business or a company site, as well as civil society organisations. Corporations often pursue community relations strategies that include corporate community investment, partnerships between employees and communities or traditional philanthropy. Objectives can include commercial advantage (brand, cause related marketing), legitimacy (relationships, political positioning) and workforce development. Benefits of attending to CSR issues in communities include improved reputation and reduced conflict with activist groups which is often conducted through the media.

Investors CSR issues

CSR issues for investors can relate specifically to socially responsible investment strategies, or more broadly to understanding and identifying material sources of social risk. More recently, investors have become more active in engaging directly with companies about their social, environmental and governance risks, often through industry associations like the Australian Council of Superannuation Investors. Investors are also increasingly the object of activist campaigns on climate change or human rights issues. In some cases, investors have sold out of (divested) companies based on their assessments of climate change or human rights risks.

Conclusion:

Corporate social responsibility (CSR) promotes a vision of business accountability to a wide range of stakeholders, besides shareholders and investors. Key areas of concern are environmental protection and the welfare of employees, the community and civil society in general, both now and in the future. The concept of CSR is supported by the idea that corporations can no longer act as isolated economic entities operating in objectivity from broader society. Traditional views about competitiveness, survival and profitability are being swept away.



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