

CSR Activities and its Impact on Socioeconomic Upliftment: An Integrated Review

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ABSTRACT

Earning more and more profits is a natural phenomenon of every business unit. The first and foremost goal of any business enterprise is to maximize the returns with minimal investment. Parallel to it the enterprises have social obligations to fulfill as they draw maximum resources from the society itself. CSR has become one of the catchphrases of new millennium across the world and the corporate as well as government must take care of it. Today, Government has also come as an initiative to control those business activities which makes a harmful effect on the society. The government suggested time to time to the business units that the corporate should enact a framework related to CSR i.e. its areas, investment, activities etc. and include them in the vision, mission and strategic planning. The present study is a critical analysis of various reviews based on the studies related to CSR activities and its various impacts on society. The nature of data used for this is purely secondary in nature and the library research type is being used. The study has shown that over the last years an increasing number of companies worldwide started promoting their business through CSR strategies because the customers, the public and the investors expect them to act sustainable and responsible. The government also suggests to the business units that the corporate should enact a framework related to CSR and include them in their vision, mission and strategic planning. CSR initiatives, if being implemented by all the corporations for rural development will have a positive impact in overall development of the society and their business.

Keywords: Corporate social responsibility, social upliftment, society, government initiative

Businesses are no longer viewed as only the economic entities but are perceived to be an inseparable part of the society. Corporate Social Responsibility (CSR) is basically a concept whereby companies

decide voluntarily to contribute to a better society and a cleaner environment. Over the last few years an increasing number of companies worldwide started promoting their business through CSR strategies because the customers, the public and the investors expect them to act sustainable and responsible. The government also suggests to the business units that the corporate should enact a framework related to CSR and include them in their vision, mission and strategic planning. CSR initiatives, if being implemented by all the corporations for rural development will have a positive impact in overall development of the society and their business.

In the present society the public education faces many challenges of standardized testing, strained budgets, teacher retention and basic quality. These demands have given way to new opportunities for businesses to support education in a win-win situation that benefits everyone. Corporate Social Responsibility is a concept to introduce a variety of policies and Practices aimed at reducing the negative impacts of the company operations and improving their contribution to the society. The concept of CSR is adopted by a number of companies in a variety of industries. CSR programme address a wide array of socioeconomic & Environmental issues from human rights to education and climate change. The present study focusing on Corporate Social Responsibility initiatives taken up by various companies over a period of time and its impact on development, for upliftment of children of common masses by providing better education and mainstreaming them into education.

Objective and Methodology

- The aim of this paper is to have a review over the work so far has been done towards the proposed field that is CSR (Corporate Social Responsibility) and its various impact on society and socioeconomic development.
- For this purpose secondary data has been gathered from authentic resources and database.

Literature Review

Over the past decades, the concept of CSR has become an important concept in the study of researchers, scholars and industrialists etc. So, the researchers have made an effort with this review paper for those researchers, analysts and industrialists who are connected with CSR (whether social responsibility, social accounting, social reporting or any other area related to CSR).

Windsor (2001) examined the future of Corporate Social Responsibility or the relationship between business and society in long run. The researcher tries to find out that whether the organization and society will come closer to each other in future or not and what will be the changing phase of CSR. With the help of history or past trend of CSR, Carroll's model analysis and in global context, the researcher found three emerging alternatives of CSR i.e. conception of responsibility, global corporate citizenship, stakeholder management practices.

Vaaland, Heide (2008), paper based on a case study methodology. The paper purpose was to handle the CSR critical incidents and utilize this experience in enforcing the CSR activities. The study concluded

that CSR should be managed by handling unexpected incidents, long term reduction of gap between stakeholders and their expectations and company performance and finally maintaining relationship with society through interplay between actor, resources and activities.

Gond, Crane (2008), made an analysis on the distortion of corporate social performance concept. The researcher analyzed the past researches and found some reason of emerging fall in the interest of corporate social performance research among the scholars. The paper also suggested models on the basis of which the researcher explained that why the CSP concept has lost its importance and development. Further, the researcher depicted some model which the researcher can use in their research related to corporate social performance. The paper argued that tensions and contradictions are the starting point to develop the CSP concept. CSP has an umbrella of activities which need to be measured differently in order to move the researches from a simple concept to development.

Truscott, Bartlett, Trwoniak (2009), paper “The reputation of Corporate Social Responsibility industry in Australia” in Australian marketing journal, based on case study methodology. On the basis of the interview of key persons of industries in Australia, the term CSR has been explained. The industrialist revealed that CSR increasingly has become significant. They shared their views of CSR in economic, legal and ethical roles of business in society. Besides this, the industrialist viewed CSR as a model of corporate reputation.

Shah, Bhaskar (2010), has taken a case study of public sector undertaking i.e. Bharat Petroleum Corporation Ltd. in their research work. The research has discussed that there is a broad relationship between the organization and society. Organization has its existence only with the society. Organization uses the resources/inputs of the society like material and human etc. In reverse, the organization provides services to the society. From the case study of the BPCL, it was found that the company has taken a lot of initiatives in order to serve the society.

An article published in The Economic Times named as “CSR: A cloak for crooks” on 21 Oct. 2012 explored that there are so many companies which have engaged in Corporate Social Responsibility yet they are suffering from financial crisis, fraud and other unsocial causes. In this article, an example has been taken about the company Satyam Computer Services. The company has won several awards in the area of CSR which includes rural communities’ commitment and services like healthcare, education and water.

Bhattacharyya & Chaturvedi (2012), article entitled “CSR looks set to emerge as an independent stream with measurable output on India CSR site, stated about the proposed bill of CSR that how the bill will affect the company’s policies. The researchers presented their views and said that due to this bill, company’s activities will change a lot the companies who have not engaged in CSR activities till now will start investing on society. Further, who has already engaged in these areas will get a strong foundation or bond with the society.

Bibhu Parshad (2012), article presented that CSR is the face of industry doing trade. Bibhu said that today, corporate houses took CSR as a medium fulfillment of profit greed of corporate houses. Further

the article explored that companies today invests in a lot of areas like child labour, ground water, food, education, employment etc. but nobody is aware about the essential need of world's poor. The article suggested that profit earning is a natural fact of companies but CSR is beyond the natural and statutory obligation of the companies. At last it was concluded in the article that sustainable development is the development of society as well as the company in a balanced way.

Bansal, Parida, Kumar (2012), paper entitled "Emerging trends of Corporate Social Responsibility in India" in KAIM Journal of Management and Research analyzed 30 companies of 11 sectors listed in the Bombay Stock Exchange with the help of their annual reports. Some of these sectors were Transport Equipment sector, Finance and Metal Mining sector, IT & Power, Capital goods, Telecom, Housing, FMCG, Oil & Gas and Cipla. The paper considered the nature and areas of society in which the companies are investing. By considering all those areas it was concluded in the paper that today companies are not working only to earn profit but also have realized the importance of being social friendly. So, on the basis of the paper it can be said that social responsibility has now started taking a turn in the new direction.

Sharma and Kiran (2013) have shown various driving forces and challenges of CSR activity through number of articles and research base review. The trend study has been done from 1975 to 2011 time series.

Dr. M. Ramana Kumar (2013) in his study on CSR (Analysis of select Indian Private and Public sector companies) tries to analyze the CSR activities carried out by Indian Private (Reliance Industries Ltd.) and public sector companies (ONGC) and also study the Indian government policies and programmes of CSR. The study revealed that though the Indian public and private firms are making efforts in the CSR areas, still there is a requirement of more emphasis on CSR. The study found that there is a significant difference in the CSR practices of RIL and ONGC as the CSR budget of ONGC is more than RIL during the year 2009-10, 2010-11, and 2011-12 and average CSR score of ONGC is more than that of RIL during 2009 to 2013.

Bahman saeidi pour et al, (2014) has studied through the literature review of Corporate Social Responsibility that, CSR was independent variable; whereas financial performance was dependent variable. Through the analysis they found that 53% showed the positive relationship, and 5% showed negative between them and 24% showed no relationship also. They dig out some of forms like CSP corporate social performance CFP corporate financial performance as they were related to the CSR that is corporate social responsibility or not. They concluded their study with that CSP has no direct effect on CFP under various theories like slack resources theory and good management theory.

Yemokhya fakay *et al.* (2015) also studied the through the various literature review of CSR that across the globe, business enterprises have accepted the concept of CSR as an element of success and survival of business along with fulfilling social objectives. However, the challenge for the companies is to determine a strong and innovative CSR strategy which should deliver high performance in ethical, environmental and social areas and meet all the stakeholders' objectives.

Epilogue

After reviewing the literature, it can be summarized that the corporate social responsibility concept has taken the prominence over a period of time and has supported the upliftment of the backward parts of the society upto an extent. Moreover the involvement of the corporates towards the CSR is still scanty. Referring to Indian corporate; the companies are still focusing on philanthropic approach and has to work on innovative strategy.

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