

CORPORATE SOCIAL RESPONSIBILITY AND ITS RELATED PROBLEMS

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Abstract: Corporate social responsibility is a way through which corporate address the world, which supported by the world organisation and in many countries by enacting the laws on corporate social responsibility. Now a days corporate social responsibility became the fundamental concept in the corporate world through which they achieve their social, moral or ethical responsibility. But sometimes it become only mouth word of corporate entities or the tool to veil their evil in the name of corporate social responsibility. In this paper specifically aims to providing an understanding of corporate social responsibility and the analysis of problem related to corporate social responsibility.

Keywords: Corporate social responsibility, Community,, Sustainable , Globalisation.

1. INTRODUCTION.

Hundred year ago, social commitment evolve from the gathering to the state, as the head of state supplanted religious establishment as overall community's pervasive power. At the spread of twentieth century, Business has everyone of the reserve of being the accompanying likely contender to pass on the mantle we all agree that business is profit oriented development, which is end all an opportunity to get advantage. With a surprise now a days businessmen spending money on different field which would not give them any advantage.

For example; we see businessmen bear the sponsorship of the students, contributing government public welfare funds, and also contribute in restoration of historical monuments.

This change in the attitude of the corporate reflects towards "Utilitarian philosophy of Jeremy Bentham." Which is as long as the outcome is bigger than the input, the action is reasonable. Corporate social responsibility is work in the same way gaining business advantage by making reputation in outer world. Corporate social responsibility previously imposes ethical or moral responsibility on the corporate world to contribute or fulfil his share of responsibility towards society and the government now it become mandatory.

2. MEANING AND DEFINITION.

"A good company delivers excellent product and service, and a great company does all that and strives to make the world a better place." - William Ford Jr. chairman, Ford Motor Co.

The World Bank Committee for Sustainable Development (WBCSD) - 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".

Rule 2 (C) of the (Corporate Social Responsibility policy) Rules 2014 define CSR to mean and include but not limited to: Projects or program relating to activities specified in schedule VII of Companies Act 2013

From the above mentioned definition it is clear that corporate social responsibility is a concept in which the corporate world come voluntarily to contribute in the society welfare in the various form. In India the corporate social responsibility is not a new approach various big or small corporate entities contribute in the society or government welfare work.

For example; TATA, BIRLA.

3. HISTORICAL BACKGROUND.

India has the world's richest custom of Corporate Social Responsibility. The term CSR may be by and large new to India, anyway the thought back-pedal to Mauryan history, where rationalist like Kautilya emphasis on moral practice and gauge while coordinating business. Corporate social responsibility has been coolly practised in old condition in sort of altruism to needy individual and loaded. CSR has progressed in stages like gathering duty and socially competent agent relation. The authentic setting of CSR commitment in India broadly categorised into four phases:-

First time of corporate social responsibility was driven by respectable deeds of gives and generosity it was influenced by family, regards, culture, and religion close by industrialisation.

The second stage was the season of opportunity fight when industrialist were pressurised to exhibit their dedication towards overall population. Mahatma Gandhi urged to competent industrialists to share their wealth for the benefit of underprivileged territory.

In 1965, the academicians, officials and delegates set up a national workshop on corporate social responsibility, where exceptional weight was laid on social obligation and also recognise that society needs the hands of Corporate world for the development.

In fourth stage from 1980 onwards India association fused corporate social responsibility into a sensible business method with globalisation money related movement in 1990s, this movement leave their impact on society and the corporate world spread in the each and every strata of the society due to this India legislate on corporate social responsibility by making amendment in the companies act and become the first country in the world who made corporate social responsibility mandatory.

4. CORPORATE SOCIAL RESPONSIBILITY AND ITS RELATED PROBLEMS.

A. LACK OF LOCAL COMMUNITY PARTICIPATION IN CSR ACTIVITIES. – CSR, the term is a blend of corporate and social commitment in together. However, there is non attendance of eagerness of the local community in taking intrigue and adding to CSR activities of association. This is, all the thing considered, as the path of achieving goals that is corporate social responsibility, there are various people we found who have no idea about corporate social responsibility they thing only the corporate world do business. “The condition is also disturb by a non appearance of correspondence among the company and the society”¹

B. NEED TO BUILD A LOCAL AGENCIES – NGO’ scan wind up being a haven performing on various CSR activities. The NGO’s by their ground level check on the corporate social responsibility activities can make the corporate practically responsible towards the society, because in real corporate social responsibility are not working in the each and every dimension of the society.

C. TRANSPARENCY: - Lack of transparency is one of the key issue as conveyed by the survey. There is verbalisation by the association that there exist non appearance of straightforwardness regarding the utilisation of Corporate social responsibility fund which is mentioned in the companies act 2013. Some corporates due to lack of transparency mechanisms not show their real balance sheet and hide their annual profit which is the measure of contribution in the corporate social responsibility fund.

D. VISIBILITY FACTOR: Communication in the right sense, of the right exhibition, to the social occasion of advantageous people prompts accomplishment and motivation to perform unendingly. The piece of media in highlighting incredible examples of productive CSR exercises is welcomed as it spreads extraordinary stories and hones the area masses about various ceaseless CSR exercise of associations. This unmistakable effect of getting detectable quality and stamping exercise routinely leads many nongovernmental relationship to incorporate themselves in event based undertakings, in the process, they as often as possible leave behind a noteworthy open door for essential grassroots interventions².

E. LACK OF PERCEPTION TOWARDS CSR INITIATIVES:- Non-administrative affiliations and government agencies commonly have a constrained perspective towards the CSR exercise of associations, frequently defining CSR exercise more benefactor driven than close by in approach. In this way, they believe that its hard to decide whether they should partake in such activities at all in medium and long run. There is a non appearance of accord among local agencies regarding CSR wanders. This result in an engaged soul between local implementing workplaces as opposed to building group situated philosophies on issues. This factor limits company’s abilities to grasp influence assessment of their drives occasionally³.

5. CORPORATE SOCIAL RESPONSIBILITY : CRITICISM

While CSR has accomplished both limitless thought and affirmation of late, its measures and assumptions have not surrendered criticism, these responses have tended to fall thoroughly into three classes, conflict that corporate commitment facilitated only to financial specialist is socially beneficial, observation that in particular conditions CSR may make new issues isolated from having tendency to existing ones, in conclusion the suggestion that some CSR exercise may signify insignificant more than corporate progression attempts, while redirecting open thought from more fruitful techniques for watching out for social issues ⁴.

As prominently put by Adam Smith in “The wealth of Nation”: It isn’t from liberality of the butcher, the brewer, or the baked good authority that we expect our dinner, yet from their regard to their own specific interest. We address ourselves, not to their mankind but instead to their confidence, and never talk with them of our own necessity yet of their central focuses.

6. CONCLUSION.

From the above research it is clear that the concept of corporate social responsibility became the social as well as legal phenomenon one hand some countries doing efforts to imposes social responsibility as a legal obligation, India became the world’s first country who make corporate social responsibility as legal mandate by enacting under company law. The outcome of enactment of law on corporate social responsibility is very positive several companies contribute in social welfare work.

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² Ibid.

³ Industry Canada, “Corporate Social Responsibility “, Overview, in-line :

⁴ Khan, A.F., & Alkinson, A (1987). Marginal Attitude to Social Responsibility. A comparative study in India and Britain Journal of Business Ethics, 6.

For example Mahindra & Mahindra constructs a almost 30 toilet in the south Delhi under the well known program launched by Prime Minister Narendra Modi Swachh Bharat Abhiyan, .

Every coin has two side one is positive other is negative in the same way Corporate social responsibility also has negative aspect some time CSR became the only mouth word of the corporates and also they used its as a tool to hide their corporate evils.

