Future of CSR

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Abstract:

Corporate Social Responsibility is a growing and important part of an organisation’s overall strategy. The voluntary compliance of social and ecological responsibility of companies is called Corporate Social Responsibility. In which the companies on a voluntary basis decides to contribute voluntarily for better society, a cleaner environment, social and environmental concerns into their business operations and their interaction with stakeholders. CSR is also integration of sustainability, which argues that Organizations should make decisions based on not only financial factors (profits or dividends), but also based on the immediate and long term social and environmental consequences of their activities. This paper specifically aims at current CSR activities & Challenges. Along with this, we are finding the Opportunities of Improvement for Future.

Keywords: Corporate social responsibility, CSR initiatives, CSR Challenges.

Introduction

What is corporate social responsibility (CSR)? What are the key features of the various different private initiatives? Why are companies engaging in CSR initiatives and what are the internal and external driving forces behind them?

Background (Past Scenario)

Corporate Social Responsibility [term referred to as “CSR”] came into existence of use in the late 1950s and early 1980s, if we sincerely turn the pages of history & geography, we might find an interesting facts of social and environmental issues of ancient trade and business, there are other ancient literatures such as Arthashastra, written by Chanakya (also known as Kautilya) which elucidate the importance of the welfare of the society, through a business. India is being a very rich country in terms of culture, history, scriptures, and Vedas etc, which has indicated the responsibility of everyone towards their nation.

There is always a thin line between these two beautiful words “Dhaan” and “Dharma”, which has been indicated in Bhagavad Gita, there are four stages of Ashrama such as Brahmacharya (student); Grihastha (householder); Vanaprastha (elder advisor) and Sanyasa (religious solitaire). It is paramount for an individual to follow the guidelines in all four stages of life. Hence, Dharma can be directly linked with ISR (Individual Social Responsibility) since it holds asocietal intervention has in his/her entire life. Lastly, secondly we have Dhaan, which refers to arming an individual or society. This is the essential factor of social responsibility since it is termed as Individual Social Responsibility.

Current / Existing Scenario:

In recent developments of various developed and developing nations, CSR intervention has played a minimal role towards the society, due to the countries business scenario.

- Government have relied on rules and regulation to understand social and environmental needs in the business sector.

Various stages of CSR:
Risk Mitigation:
Steps need to be taken, in order to overcome certain issues / challenges of CSR, it is found that:

- To make CSR initiatives more effective it is necessary to create awareness about CSR amongst the general public. This awareness generation can be taken up by various stakeholders including the media to highlight the good work done by corporate houses in this area. CSR initiatives undertaken by corporate houses will be more effective among people. This effort will also motivate other corporate houses to join the league and play an effective role in addressing issues such as access to education, health care and livelihood. Thus, the social justice agenda of the day would be fulfilled more meaningfully.

- It is noted that partnerships between all stakeholders including the private sector, employees, local communities, the Government and society in general are either not effective or not effectively operational at the grassroots level in the CSR domain. This scenario creates barriers often in implementing CSR initiatives. For the successful implementation of CSR, address the issues before initiatives and appropriate steps should be undertaken building effective bridges amongst all important stakeholders. As a result, all stakeholders involved in CSR initiatives with a long term and sustainable perspective on CSR activities should be built into the existing and future strategies.

- Companies to mention a few Initiative involved in CSR implement projects in the areas of health, education, environment, livelihood, disaster management and women empowerment. In many such contexts, it’s noticed that companies end up duplicating each other’s efforts on similar projects in the same geographical locations. This creates problems and induces a competitive spirit amongst companies. In the domain of CSR considering the issues in different contexts that exist in current scenario, companies involved in CSR activities is consider to pool their efforts in building a national alliance for CSR.

- Corporate houses and non-governmental organizations should actively consider pooling their resources and building synergies to implement best CSR practices to scale up projects and innovate to reach out to more beneficiaries. This will increase the impact of their initiatives on the lives of the common people. After all, both corporate houses and non-governmental organizations stand to
serve the people through their respective projects and initiatives. CSR projects need to be safeguarded for scaling up and sustainability of at all costs for their efficiency and potency.

- Reducing governmental funds, along with a distrust of rules, has led to the exploring the voluntary and non-regulatory initiatives.
- There is a lack of involvement among the local bodies regarding CSR activities. This is due to low consensus most of the time resulted in duplication of projects by corporate companies in their locational intervention.
- This has resulted in a competitive motive between local implementing bodies rather than to build collaborative cultural approach, which is an issue.
- These factors have to lead organizations abilities to undertake the impacts of evaluation on their initiatives from time to time.
- There is a lack of interest regarding local community in participating and contributing to CSR activities of companies.

The situation is further aggravated by a lack of communication between the company and the community.

Challenges:
We can see the above scenario into two challenges as External and Internal.

External Challenges:
- Inefficiency of the Government
- Majority of focus only on civilised sectors
- Increased Societal Demand
- Poor support from Investors.
- NGO Running with poor accreditation mechanism.
- Increased pressure from the Business
- Change in employee behaviour
- Late Implementation and lethargic operational process

Internal Challenges:
- Damaging the morale issues among Employer attitude due to their biased individuality.
- Risk of corporates not considering it as important, just as statutory policy.
- Lack of societal awareness, since the companies are not addressing the real issue, rather fancying the term CSR.
- Considering their own projects depending on a number of parameters.
- Cultural Bonding towards the society and Company.
- Unsupported guidelines not followed by new companies.

Opportunities & Way Forward:
- Experts has reported that there more upcoming developmental opportunities in their process that can evolve CSR as sacred and fool proof process.
- By Empowering the NGO thru Authorised Body of Governance.
- Accessibility of Rural and Urban (Demographic Mapping)
- Environmental Scanning (Scalability)
• Pooling all the Need / Demands of society (People)
• Forecasting of Needs and its impact
• Conversion Metrics of Demand to requirement of Corporates/Organization
• Improving the efficiency of Government Interference
• Upgradation of Policies & Procedures towards current and futuristic scenario
• Channelizing the Biased Employer Behaviour of Focus Areas
• Accessibility to Experts Advice / Forums.
• Role of media in highlighting good cases of successful CSR initiatives
• Influence of gaining visibility and branding exercise thru Event Management companies
• Influence on the purchasing decisions of customers directly
• Outsourcing / partnering the CSR to Expert Agents – thru MOU.
• To root the concept of CSR firmly on the global business agenda.
• Transparency and dialogue can help to make a business appear more trustworthy, and push up the standards of other organizations at the same time.
• CSR as a subject or discipline should be made compulsory at business schools and in colleges and universities to sensitize students about social and development issues and the role of CSR in helping corporate houses strike a judicious balance between their business and societal concerns. Such an approach will encourage and motivate young minds, prepare them face future development challenges and help them work towards finding more innovative solutions to the concerns of the needy and the poor.
• Ensuring youth participation in civic issues.

Introduction stage
- Start
- HR identifies activities
- Execute CSR Project
- Report

Growth
- Start
- Company Forms Committee
- Execute CSR Project
- Stop

Evolution
- Start
- Statutory Involvement
- Company Forms Committee
- HR identifies activities
- Execute CSR Project
- Sustenance of CSR Projects
- Stop

Maturity Stage 1
- Start
- Statutory Involvement
- Company Forms Committee
- HR identifies activities
- Execute CSR Project
- Sustenance of CSR Projects
- Stop

Evolution
- Start
- Statutory Involvement
- Company Forms Committee
- HR identifies activities
- Need survey from Society
- Execute CSR Project
- Sustenance of CSR Projects
- Satisfaction Survey of Society
- Adoption of Best Practices
- Stop
Conclusion:

- More concern and involvement in the planning process of CSR practices and their integration in the business strategy.
- Identifying business opportunities and competitive advantages that can be obtained by CSR implementation.
- Appropriate organization of CSR activities and nominating the department / service / people responsible for CSR activities.
- Developing a CSR strategy to be integrated into the business strategy.
- Implementation of CSR commitments that flow from the CSR assessment and strategy.
- Creating communications plans and make commitment public.
- Partnerships between the higher educational system and business environment. It is very important to encourage the dialogue on this subject between the business and education in order to understand and promote CSR principles and practices.

References:

1. Kautilya’s Arthashastra written by Chanakya or Vishnugupta