

THE BENEFITS OF CSR TO THE COMPANY AND SOCIETY

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ABSTRACT

Corporate social responsibility is an integrated combination of policies, programmes, education, practices which extend throughout a corporation's operations into the communities in which they operate.

CSR is based on the idea that business has social obligations beyond earning profits. A corporation is responsible not only to its shareholders but to all stakeholders. As a corporate citizen business must fulfill its economic, legal, ethical and discretionary policies otherwise it will go down.

In today's scenario, corporate social responsibility helps in improving the quality of life of the workforce and their families as well as of the local community and society at large. Because society gives business the authority to exist and use its resources, business must also respond constructively as per needs of the society.

This paper talks about the benefits availed from CSR by the society and company itself.

The concept of CSR has its own pros and cons which would be discussed in the paper. The narrative of literature is applied in order to achieve the aforementioned aim.

Key Words: CSR, benefits of CSR, company, society.

INTRODUCTION

Corporate Social Responsibility is a gesture of showing the company's concern and commitment towards society's sustainable growth and development. CSR requires that companies should be publicly accountable not only for the financial performance but also for their social, ethical, legal and environmental record.

CSR is about how companies manage the business process to produce a better society and cleaner environment. CSR is that responsibility for which companies are not bound by law rather companies have to go beyond the requirement of law.

Because the business is existing and breathing inside the society, so it has some responsibility towards society. By performing its social obligations, company and the society both entails series of benefits.

OBJECTIVES OF THE PAPER

- To study the pros and cons of CSR
- To study the benefits of CSR to the company
- To study the benefits of CSR to the society

DATA COLLECTION

The paper is based on the secondary data and the information is retrieved from the internet via journals, newspapers, and research papers. The narrative review of literature is applied in this research paper.

DIMENSIONS OF CSR – It is a famous quote that “It takes 20 years to build a reputation and only 5 minutes to ruin it. This implies that CSR decisions should be definitely based on the given dimensions:

- Business Ethics and corporate governance
- Accountability and Transparency
- Environmental concerns
- Human Rights
- Market relations and Sustainability
- Commitment to socio-economic development

TYPES OF CORPORATE SOCIAL RESPONSIBILITIES – Business should not only be responsible morally to the stakeholders but also to the society, environment and towards a sustainable planet at large. Some of the points considering its responsibility towards different factors of society are described further.

Responsibility towards Society

- By carrying business with moral and ethical standards
- By preventing environmental pollution
- By maintaining ecological balances
- By contributing towards the development of social health, education etc.
- By making use of appropriate technology

Responsibility towards Government

- By obeying rules and regulations of government
- By paying regular taxes
- By cooperating with government to promote social values
- By cooperating with government for economic growth and development

Responsibility towards Employees

- By providing healthy working environment
- By providing welfare services
- By providing efficient mechanism to redress worker's grievances
- By proper recognition of efficiency and hard work

Responsibility towards Consumers

- By supplying socially harmless products
- By supplying the quality standards as promised
- By resisting black-marketing
- By maintaining consumer's grievance cell

Responsibility towards Environment

- By maintaining eco-efficiency
- By recycling and reusing of waste materials
- By green product initiatives in order to reduce use of toxic chemicals

BENEFITS OF CSR TO THE COMPANY

- **BUSINESS OPPORTUNITIES** – With their innovation, skills and resources big business firms can convert social problems into opportunities. For e.g. “project Shakti initiative helped rural people and increased company's revenue as well.
- **BETTER PUBLIC IMAGE** – Good public image is very required for business to serve more customers, better employees and higher profiles. By supporting interest and goal of society ,business can develop favorable public image.
- **LONG -TERM SELF INTEREST-** Business firm can survive and grow in the long run only in a healthy social environment. Business can develop such environment by discharging its social obligation. We can say that CSR is itself in the self-interest of business firms.
- **MORAL JUSTIFICATION** – Business firm have considerable social power. So in order to commensurate with this power they need to discharge their obligations.
- **FREEDOM OF ENTERPRISES** – If business fails to discharge its social obligation, then govt. start intervening and regulating business activities, which is very costly to business in terms of money and time.
- **CUSTOMER LOYALTY** – Customer loyalty is such an asset for the business firms which are very beneficial in the long run for a business.

- **PROPER USE OF RESOURCES-** Business firms are under an obligation to use the resources of society at its best for the benefit of the society. If the resources are wasted for their personal gain, society will counter attack forcefully.

BENEFITS OF CSR TO THE SOCIETY – Society gives business the authority to exist, business prefer all its economic and non-economic activities in the lap of the society. In return society also gets some benefits from the company mentioned as follows-

- **BETTER EMPLOYEE OPPORTUNITIES** – Engaging in CSR values may lead to better employee opportunities. CSR creates better ambiance in surroundings by providing healthy and free environment to employees.
- **TECHNOLOGY AND INFRASTRUCTURE** – CSR stimulate companies to develop new technologies, innovation and infrastructure that can be used by the society and contributes to the advancement of society.
- **SENSE OF SECURITY** – When the corporate shows their concern for society, then it generates a sense of security among the members of the society which helps in minimizing corruption.
- **IMPROVED QUALITY** – CSR does not allow the company to make profit on the cost of quality of the product. Improved quality of product results in increased customer satisfaction.
- **HIGHER STANDARD OF LIVING** – CSR spreads awareness among the every member of the society. It helps in educating people which would be affecting factor of a better society.
- **NATURAL ENVIROMENT PROTECTION** – Protection of natural environment is beneficial for all. By reducing CO₂ emission and waste, diminishing use of non -renewable resource are the few ways to protect the natural environment.

LIMITATIONS OF CSR

- The idea of CSR is vague and there are no clear guidelines as to the extent of these responsibilities.
- CSR involves additional cost the burden of which would be transferred on the head of the consumer.
- Assumption of social responsibilities causes erosion of the profit motive.
- Fundamental principles of business gets violated
- There are not any special areas of any business.
- Involvement of businessmen in social affairs would provide them arbitrary power which may be misused by the businessmen.

CASE STUDY: VODAFONE

VODAFONE is a British multinational telecommunications company, with headquarters in London. It owns and operates networks in 26 countries and has partner networks in over 50 additional countries. VODAFONE promised to cut down their CO₂ emissions in half by 2020 through improving the energy, efficiency of its global mobile-phone

networks .Additional point for Vodafone on CSR because they are constantly updating us with the result of the campaign; no matter whether it's going well or not.

Future promises includes pledging to recycle 95% of network equipment waste and plans to reduce work – related accidents that cause lost time by 10 %. On top of that, Vodafone is a leading business in socially responsible products such as the text-to –speech software for blind people and easy-to-use handsets for the elderly.

CONCLUSION

CSR is an applaudable conception which should be followed by every business firms.CSR is good for both the company as well as society by bringing enormous benefits to both the sides. The corporations are benefited in terms of better public image, customer loyalty, long term –self –interest etc. and society is benefited in terms of technology and infrastructure, increased quality of education, better health and security of people.

In short we can say that following the norms of CSR will result in higher standard of living of the people of society. Therefore the good of the business and welfare of the society can simultaneously move ahead because” business is from the society and better society is from better moves of business.”

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