

Corporate Social Responsibility

***Business of business is to do
business***

Introduction to CSR

CSR stands for corporate social responsibility which is a broad term that covers concepts used by companies to maintain their socially good or responsible image in relationships with customers, shareholders, stakeholders.

“Corporate Social Responsibility (CSR) is a powerful way of making sustainable competitive profit and achieving lasting value for the shareholder as well as for stakeholders. CSR and the reporting thereof is a win-win opportunity, not just for companies and for financial investors but for society also.”



- India's oldest steel producer TISCO, has voluntarily undertaken many measures for employee welfare and social and community development.
- Employee welfare programs
- Community development programs
- Corporate philanthropy
- Corporate citizenship
- Trusteeship concept

Employee welfare programs

- A socially responsible company is responsive to the various needs of its employees
- Provide housing, health-care facilities
- Open up schools, parks and playgrounds
- Provide safe and hygienic work conditions
- Counseling sessions

Community development programs

- Increasing no. of companies are realizing that they need to be a good neighbor for the community.
- IFFCO fertilizer company helps rural communities to create their own irrigation system
- Conduct programs like adult literacy, primary education, health care etc.
- Cause related marketing: to support some social cause, natural disaster etc.

Corporate philanthropy

- Many of the activities mentioned above are also part of philanthropy. (donations)

Corporate citizenship

- It means **sense of belongingness**, with an obligation to work for the common good.
- Consciously promoting the economic growth of the country.
- **Paying taxes, obeying laws, preserving environment, non renewable resources**

Trusteeship concept

- The common attitude of owners of businesses is that it's their private property.
- According to this theory business should consider themselves as trustees of business and should take care of all the parties:

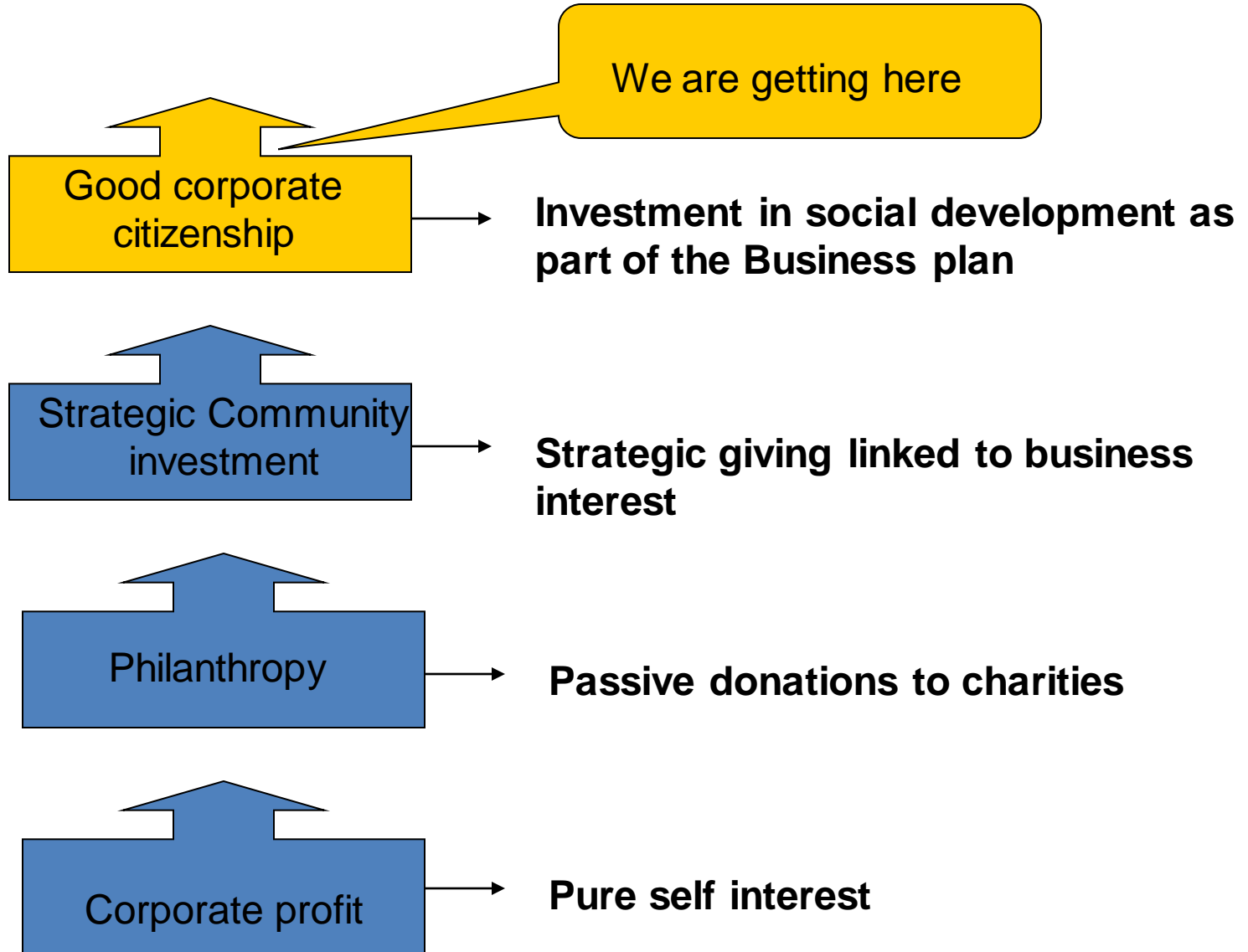
shareholders

employees

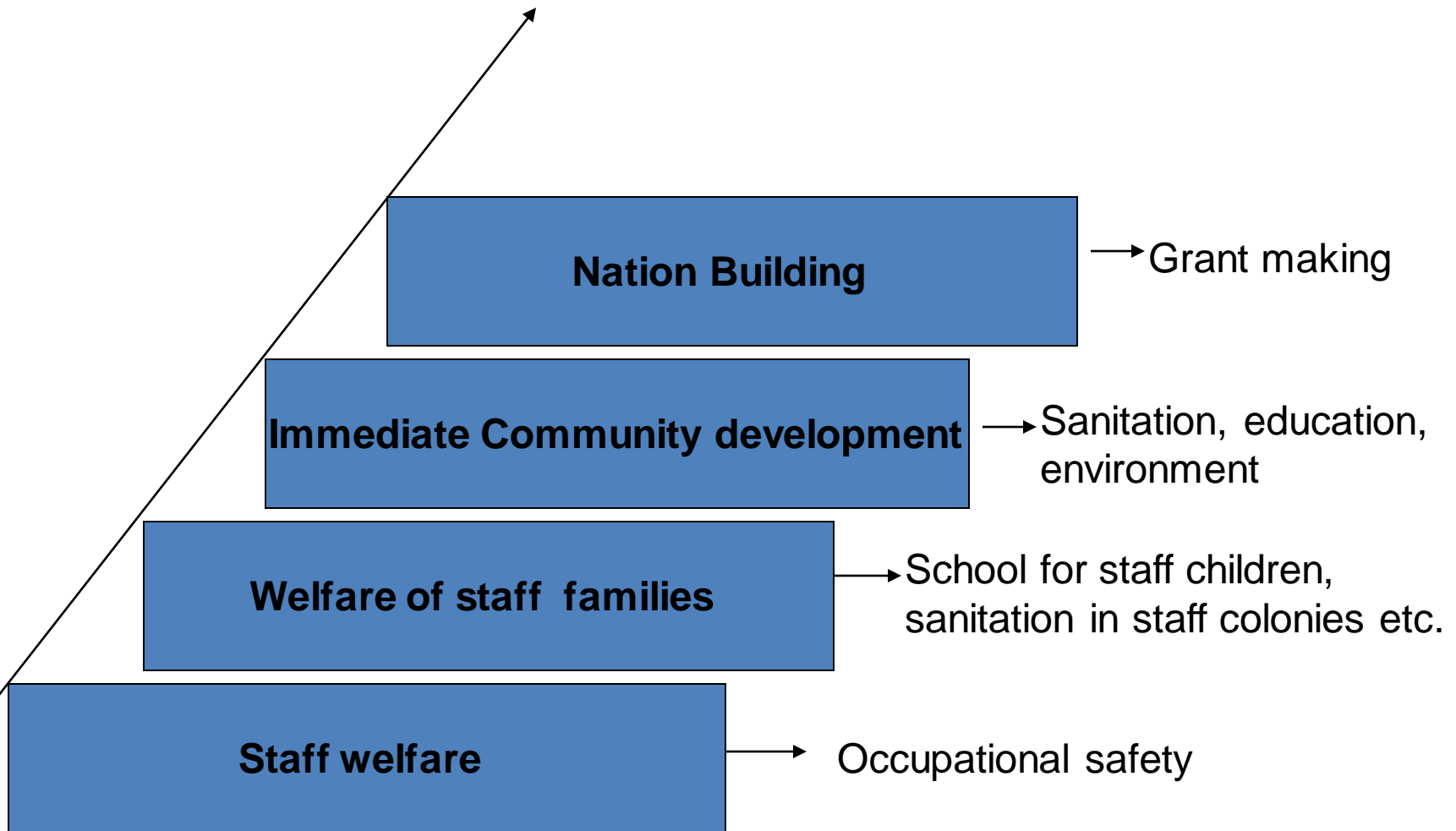
Suppliers


local community

The evolution of CSR



Levels of Social responsibility





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

Company benefits	Benefits to the community	Environmental benefits
<u>Product safety</u>	<u>Product safety</u> and quality	Greater material <u>recyclability</u>
Improved <u>financial</u> performance	<u>Corporate involvement</u> in community education and employment	Better product <u>durability and functionality</u>
<u>Greater productivity</u> and quality	<u>Employee</u> volunteer programmes	Greater use of <u>renewable resources</u>
<u>Enhanced brand image</u> and reputation	<u>Charitable contributions</u>	<u>Integration of environmental</u> management tools into business plans
<u>Increased sales</u> and customer loyalty	<u>Happy society</u>	<u>Healthy</u> pollution free <u>environment</u>