Corporate Space for Social Sciences through

Corporate Social Responsibility Initiatives

Rising Trend of Corporate Social Responsibility Is a

Boom for Asia's Social Sciences from

Theory and Practice Perspective

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Abstract

The Corporate Social Responsibility (CSR) is one of the emerging areas of industry and corporate arena. The CSR movement is becoming not only a mere social responsible activity but also an attractive and challenging profession. There are two major dimensions in corporate social responsibility. They are; 1) theory, 2) practice. Many management institutions especially business schools made CSR as an optional subject in their curriculum. This paper provides information and emerging trends of Corporate Social Responsibility from Asia's social sciences theory and practice perspective. How management institutions (especially business schools) and multinational companies are promoting and mandating such initiatives also discussed in this paper. The CSR concept was started in 20th century in Europe and it was implemented based on purely charity and fashion. End of the 20 the century after entering of new millennium the concept totally changed in all over the world. Developing countries like India also becoming a good host for CSR initiatives. This paper also gives the information about how CSR is becoming profession by introducing curriculum in management institutions and business schools. The CSR in the context of International, Asia and Country level perspectives also presented. The whole paper discussed in different dimensions of CSR like profession, management education, Research etc…

Keywords: Corporate Social Responsibility, Key Dimensions, Social Responsibility, Millennium Development Goals, CSR, Corporatization, Emergence

1. The concept of CSR

The concept of Corporate Social Responsibility emerged in early years of 20th century in European countries. After few changes taken place in post industrial revolution and electronic era the CSR came in lime line[1]. Earlier responsibility purely based on charity concept and fashion only. There was no element of responsibility in their social initiatives. There was no mandatory in companies' financial plan. In a year various occasions only companies used to take up the social initiatives on nominal basis. After the change of face in countries financial situations all companies sensitized

about the corporate social responsibility. In the United States the CSR concept gradually developed as a mandatory in all industries. The US government also provided few encouragements like tax exemption, giving recognition to trusts and charities to promote the CSR concept. After 1950 the total world equations have changed and few countries divided based on US & USSR. The developing and third world countries were needed support from bipolar world. The CSR quickly developed into a more comprehensive list of actions and responsibilities and in the end to a complete management framework on how to manage the expectations of stakeholder, change and manage the way you do business more responsibly and take care of your environmental impacts[2].

1.1 What is CSR?

Corporate social responsibility is 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[3]. Corporate Social Responsibility (CSR) is a concept whereby organizations consider the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. This obligation is seen to extend beyond the statutory obligation to comply with legislation and sees organizations voluntarily taking further steps to improve the quality of life for employees and their families as well as for the local community and society at large. It is about how companies conduct their business in a way that is ethical[4]. This means taking account of their impact socially, environmentally, economically and in terms of humanity.

1.1.1 Need of CSR

Corporate Social Responsibility (CSR) is a relatively the 20th century phenomenon both in social development and much more so in corporate business culture. In many ways, CSR advances as counterculture to the long established idea of private and free enterprise. Free enterprise was supposed to be very private, to not have to answer to anyone about its business practices and to not be accountable to society except for fiscal matters. The only accountability was to private shareholders or institutional investors in the world's financial markets. Nevertheless, the increasingly negative and very pervasive impact of global corporations in all aspects of social life and in the environment has been the catalyst in the emergence of a diversity of stakeholders demanding accountability about the impact of corporate activity in the life of the planet as a whole[5].

In true democracy, companies cannot ignore societies in any of the social spheres where they interact. This is because they are formed and managed by individual members of society, because their accumulation of capital, is only possible due to the existence of these societies, which constitute their markets, and, especially, because their activities have a tridimensional impact on societies and their habitat. The most distinctive feature of the concept of CSR, that every private enterprise has a legitimate diversity of stakeholders, is in stark contrast with the traditional private sector position of considering shareholders their only stakeholders.

In CSR, the stakeholders represent the different interests groups of society where corporations operate, be they workers, consumers, social justice NGOs, environmentalists, and indigenous groups, all with a legitimate right to demand socially responsible corporate behavior. Therefore, the stakeholders are all the members belonging to the corporation's social environs, which contribute to, or are encroached by, the corporation's activity. In this way, Corporate Social Responsibility is the inherent obligation of each business entity to account for the way its activity impacts the economic, social and environmental dimensions of its environs and to ensure that this impact generates equitable and sustainable benefits -and no harm- to all involved Stakeholders.

1.1.2 Approaches to CSR

An approach for CSR that is becoming more widely accepted is community-based development projects, such as the international organizations' involvement. These organizations have set up many livelihood centers to help educate the community's children, as well as develop new skills for the adults. And other international funding organizations which are supported by Multi National Companies (MNC) and other industries are providing support to establishment of education facilities, as well as HIV/AIDS education programs. The majority of these CSR projects are established in Asia and Africa. A more common approach of CSR is through the giving of aid to local organizations and poor communities in developing countries. Some organizations do not like this approach as it does not help build on the skills of the local people, whereas community-based development generally leads to more sustainable development.

1.1.3 Various definitions of CSR

The Corporate Social Responsibility (CSR) is an upcoming trend in corporate arena. There is as yet, no widely agreed definition of CSR. In normal context CSR is a company's commitment to operating in an economically, socially and environmentally sustainable manner whilst balancing the interests of stakeholders and targeted people. Even though there is no universally accepted definition of CSR but few companies given appropriate definitions they are; corporate social responsibility is undertaking the role of "corporate citizenship" and ensuring the business values and behavior is

aligned to balance between improving and developing the wealth of the business, with the intention to improve society, people and the planet.[6]

Corporate social responsibility is the commitment of businesses to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve their lives in ways that are good for business and for development.[7]

There is one and only one social responsibility of business-to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud. Corporate Responsibility is about ensuring that organizations manage their businesses to make a positive impact on society and the environment whilst maximizing value for their shareholders[8].

2. Difference between Social Responsibility and Corporate Social Responsibility

There is no much difference in social responsibility and corporate social responsibility. The primary objective of these two is same i.e. helping the society in different modes. The term social responsibility will applicable to individuals (citizens). As a citizen they have to perform few responsibilities be as an ideal citizen. That is also comes under responsibility. The same thing comes into the company context its become corporate social responsibility. The way of serving the community helping the poor is different from each other. CSR since then has grown continuously into a-must-have for organizations around the globe. No matter whether they have a complete management framework for CSR in place or a policy of some kind, CSR is different from one company to the other and needs to be a tailored approach to managing the responsibility within our society of this particular organization. There are obviously good and bad examples in the world but overall one can say that CSR been promoting responsible social practice in the world. And this is a good thing.

2.1 CSR: International Context

In the post globalization scenario the CSR concept has been changed and emerged rapidly in all over the world. The bilateral and multilateral financial institutions like World Bank, Asian Development Bank, International Monitory Fund, DFID and UNICEF etc… are entered into developing countries to initiate the social development activities. These institutions are providing the financial support through grants and loans basis. Simultaneously foreign Multi National Companies (MNC) are also coming forward to set up their industries and CSR units. The term CSR was in common use in the early 1970s (although seldom abbreviated), and the term "stakeholders" was used to describe corporate owners beyond shareholders at least as long ago as 1989[9]. More generally, the social/environmental report is a second-phase report and the third phase of CSR reports is by far the most interesting for reasons that we shall suggest. The first phase of CSR reporting was composed of advertisements and annual-report sections in the 1970s and 1980s that paid homage to the environment the way a person might throw a coin into a fountain along with a wish. The reports were not linked to corporate performance[10].

2.1.1 Asian Context

Asia is one of the big pockets to do potential social developmental activities through Corporate Social Responsibility activities. According to CSR Asia as the leading provider of information, training, research and consultancy services on sustainable business practices in Asia, few key things have to address still. They are; Potential promotion of CSR in the Asia Pacific Region on development issue specific. Lack of guidance and support services CSR activities are not taking place satisfactorily. The major drawback in Asia's CSR is there is no network kind of initiative in the region. Due to this deficiency there is much duplication in many CSR initiatives in Asia region. CSR in Asian perspective is not professional due to lack coordination between the companies. The business competition of two companies is showing impact on their CSR units. In the Asia-Pacific context, it would be wrong to assume that all CSR practices are developed than in the West. Nevertheless at CSR Asia we have identified a significant need for knowledge and skills development and broader capacity building. However, we can believe the emphasis at present has to be on the need for more knowledge, education and training in the region. Starting with an awareness of the issues, moving on to developing strategies for stakeholder dialogue and then implementing and evaluating CSR initiatives are all areas in need of much more attention. Clarity regarding the costs and benefits of CSR is clearly needed.

2.1.2 Indian Context

CSR is a globally applicable concept but its interpretation will vary from country to country, industry to industry and company to company because of differing local situations and differing demands of stakeholders in different locations and industries. It is clear that for many people CSR is very much part of a Western agenda item. In the post liberalization scenario India is emerging as an economic super power in the third world. After the ending of 10th five year plan the growth rate is 8.5 to 9 percent[11]. This is a significant change in country's economic scenario. Many companies have started their operations from India. All top 100[12] companies have set up their units. Simultaneously their CSR initiatives also have been taken up. In the recent trend top 10 public sector undertakings also started their CSR activities in the country. This is an indication of strengthening of PSUs in post globalization. To learn the full

impact of the standards in the CSR Frame of Reference for India based companies in general, it was necessary to look at companies of different sizes, business sectors and with different type of activities. These companies either had direct CSR activities in India, by means of a subsidiary, joint venture or partner, or had an indirect link with India by means of a supply chain or investments. The group of 40 companies operated in different business sectors, among others agriculture, energy, ICT, automobile industry, tourism, financial services, leather and chemicals. These companies were asked about their CSR performance with respect to the social, environmental, economic and operational principles incorporated in the CSR Frame of Reference. [13]

3. CSR in Management Education Institutions

After entering into the new millennium drastic changes have taken place in corporate sector. That impact resulted in their CSR initiatives towards targeted goals. The United Nations (UN) formulated Millennium Development Goals[14] (MDGs). These goals have provided new dimension to development sector. The community priority areas have given new indication to focus the issues. After MDGs formulation all MNCs and other industries are started their CSR activities on large basis. Many trusts and foundation came into force on behalf of institutions. Then the charity became the responsibility and the fashion changed to profession.

Whenever the CSR started on big basis there is a lot of requirement of qualified professionals. These professionals need to mould from management institutions particularly from Business Schools. Now these days many institutions or business schools have started CSR focused curriculum. The curriculum designing and teaching again become a new task. In these situations CSR curriculum needed much focused. Moreover many management education institutions started their own CSR units or foundations.

3.1 Curriculum

The CSR curriculum is designed in different ways in each institution. The programme may consist of classroom work, which includes lectures, discussions, student presentations, seminar discussions with subject matter specialists, observation study of social and related organizations, etc., Concurrent and block field work under supervision provides opportunities to develop practical skills in corporate social responsibility. Thus, at the end of the two years, the MBA in Management with CSR specialization will be armed with a range of competencies to work in the fields of social work, social welfare and social development processes in corporate companies initiatives The nature of work covers a continuum of interventions from service delivery to organizing people for change to program development and influencing policy.

3.1.1 CSR Practices

In a developing country like India the government and Non government (including CSR) activists are implementing in all over the country. However the government is the major service provider in carrying out development activities. Less than 10%[15] activities of social development activities are performing by the NGOs/CSRs in government development work[16]. The implementation part becomes a practice in CSR units. If say broadly we can define the development activities like Community issues cover a broad range of activities, including community assistance programs; supporting educational needs; fostering a shared vision of a corporation's role in the community; ensuring community health and safety; sponsorship; enabling employees to do voluntary work in the community; philanthropic giving etc…. There is a growing belief that MBAs are well placed to manage effectively and to lead corporations today. They are discerned to bring not only expertise in traditional management and financial skills to their employers, but also a sensitivity to all forms of CSR and the ways in which corporations need to interact with governments. European business schools are actively taking a lead in fostering good CSR management practices.

The CSR as a legal entity Governments have responded by spearheading the implementation of binding legal requirements relating to CSR in local laws. U.S. Congress recently enacted legislation mandating CSR systems within public corporations, with increased disclosure requirements and penalties for malpractice by corporate officers. The European Commission has been slower to respond. The EC has issued a Green Paper on CSR and has created a European Multi-Stakeholder Forum on the topic, though legislation has yet to result. It is apparent that in today's business practice, CSR is entwined in many multinational organizations strategic planning process. The reasons or drive behind social responsibility towards human and environmental responsibility is still questionable whether based on genuine interest or have underlining ulterior motives. Corporations are fundamentally entities that are responsible for generating a product and or service to gain profits to satisfy shareholders. However a business still comprises people those posses both the humanistic and naturalistic view points. The humanistic view is that a deteriorating environment and planet is of no relevance in sustaining human life let alone a business. There is highly visible change in behavior among corporate stakeholders as a result of high publicity on environmental and human right movements in present times. With global warming, and corporate behavior so publicly available to broadcast, there appears to be a trend in social behavior slowly changing from an individualistic mindset to a more holistic and collective reasoning. The Kyoto Protocol is an example of societies coming together and seeing the need for change on a global level.

3.1.2 Need of CSR curriculum and research in Business Schools

Introducing corporate social responsibility activity we can broadly divided into two dimensions in business school, they are; i) theory and ii) practice. In first type at business school level conducting classes, offering electives as compulsory and optional subjects. Initially the CSR focus will be started with understanding society social work, social welfare. Community Development, Planning etc…In the second type few activities can be taken up like involvement of students in various kinds of development activities, organizing events like blood donation camps and other related activities[17].

In the end of the semester –III students can be taken up the block placement in any rural or urban locality. It will give an exposure about how to work and mingle with community in development process. Few students can be engaged any NGO as short term intern to learn NGO working style and dynamics. The Corporate Social Responsibility activity may lead to pioneer in helping marginalized and under privileged sections of people. Till now the social work education and practice and has over the years responded to the needs of the poor. The social work curriculum has been dynamic and changing with the emerging concerns in the era of globalization.

3.1.3 Importance of CSR Focused Curriculum

The MBA curriculum in business schools need to be redesigned to equip the management students with sound theoretical knowledge about social work, social welfare and development concerns of the poor, and help the students to develop skills and insights into working with people at the individual, group and community levels, and their representatives, and network with other groups and professionals working on similar issues. The electives include: Business Law, Corporate Financial Management, Corporate Reputation and Competitiveness, Corporate Social Responsibility and Business Ethics may be taught in business schools.

The scale and nature of the benefits of CSR for an organization can vary depending on the nature of the enterprise, and are difficult to quantify, though there is a large body of literature exhorting business to adopt measures beyond financial things. There is a correlation between social/environmental performance and financial performance. However, businesses may not be looking at short-run financial returns when developing their CSR strategy.

The definition of CSR used within an organization can vary from the strict "stakeholder impacts" definition used by many CSR advocates and will often include charitable efforts and volunteering. CSR may be based within the human resources, business development or public relations departments of an organization, or may be given a separate unit reporting to the CEO or in some cases directly to the board. Some companies may implement CSR-type values without a clearly defined team or programme. The business case for CSR within a company will likely rest on one or more of these arguments:

There is a lot scope in business schools to initiate innovative teaching methods and research works. Many international organizations and few government welfare departments are offering research projects on development of community. Based on research findings only the Government and international organizations are providing funding or support to implement various programs at grass root level.

3.1.4 CSR and Developing Issues

Protection of Environment and prevention of HIV/AIDS are present burring issues. Majority of the funding agencies are focusing on these two issues only. There is a big scope to do research in HIV epidemic. Frequent surveys, social dynamics and latest findings are changing the dynamics in implementation strategy. In the context of globalization the Corporate Social Responsibility turned as fashion to profession. Whenever it is treating as profession automatically it will come under management course. So there is a need of involvement of management institutes especially business schools to make good corporate social responsibility managers in future.

4. CSR as mandate for MBAs

The CSR curriculum as mandate in MBA course will lead to a positive impact in corporate sector in a long run. Due lack of efficiency many companies lost their image and moreover targeted community was neglected. There have been a great many instances of poor corporate social responsibility (CSR) in recent years in businesses around the world. The most widely reported cases have been the World Com and Enron collapses[18]. Directors of public companies were actively hiding losses in offshore accounts to boost their reported profitability[19]. The Geneva International Organizations MBA programme specializes in CSR, providing an opportunity for students to integrate their MBA studies with internships in international governmental and non-governmental organizations in Geneva. To address this public demand for greater accountability, many corporations, particularly those with famous brands, have adopted voluntary codes of conduct.

5. Emergence and Future of CSR

Now a day many of the national and multinational corporate companies are imitating some social development activities in different ways. Almost all corporate companies have started their separate wings to perform their 'Corporate Social Responsibility (CSR)' activities. They are engaging separate professionals from development sector and NGOs to do some sort of social activity on behalf of respective company. Few companies have started in the name

of the foundation to identify their company's name also. Many CSR activities are performing in collaboration with local level action groups, Non – Governmental Organizations (NGOs) and few government departments. Few CSR units limited to advocacy type of activities in an identified localities only. Many CSR units are doing their activity through designed projects. Especially Multi National Software Companies are involving activities like supplying free software and providing computers to schools and colleges. According to observations majority of CSR activities are implementing in urban pockets. Only few companies CSR units are doing interventions in rural areas only. This is treating it as Social and Human Face of the company. Few corporate banks started micro finance and entrepreneurship development as part of their regular operations and claming it as social responsibility.

5.1 Emerging Trends in Developing Countries

Corporate Social Responsibility concept is gradually emerging in developing countries. This process has been rapidly occupying key position in corporate sectors in India. Many industries and corporate companies are opening their CSR units and positioned few staff. Now a day every company is doing some interventions either directly or indirectly. Many CSR units are collaborating with similar agencies to do activities for marginalized. The debate about CSR has been said to have begun in the early 20th century, amid growing concerns about large corporations and their power. The ideas of charity helped to shape the early thinking about CSR in the developed nations. The term CSR itself came in to common use in the early 1970s although it was seldom abbreviated. The term stakeholder, meaning those impacted by an organization's activities, was used to describe corporate owners beyond shareholders from around 1989. Many large companies and institutions now issue a corporate social responsibility report along with their annual report. The CSR report concentrates on their non-financial societal activities (usually positive contributions in nature).

The increased awareness of CSR has also come about as a result of the United Nations Millennium Development Goals, in which a major goal is the increased contribution of assistance from large organizations, especially Multi-National Corporations, to help alleviate poverty and hunger, and for businesses to be more aware of their impact on society. There is a lot of potential for CSR to help with development in poor countries, especially community-based initiatives.

5.2 Future of CSR

The Corporate Social Responsibility has increased in importance around the world. The world becomes a global village in the information technology era. Sharing and accessing of information become very easy. All big companies are expanding their business opportunities all over the world. Simultaneously the CSR activities also expanding speedily where company initiatives started. Now these days every company feels CSR is unavoidable and responsible thing. Moreover companies allocating separate budget and deploying professionals for CSR initiatives. It shows that it is emerging as a powerful thing in social development sector.

The Corporate Social Responsibility (CSR) is high on every corporate agenda. Social commitment is an essential part of every company. Corporate social responsibility involves the aspiration to make a positive contribution to the progress of the company and society. If a company initiates CSR wing the company concerned need to work hard consequently on a formal, coherent and transparent policy in this field. Then only the CSR will become a potential area for development of the society.

6. Conclusion

The rapid information technology innovations are changing the face of Corporate Social Responsibility. The concept of CSR is still debatable in democratic countries. There is a major criticism in all over the world is corporate companies are utilizing this concept to build their business expansion. Through this concept corporate companies are liaison and lobbying with higher bureaucracy in the government to get permissions/licenses to their companies easily. Many companies age getting tax exemptions by carrying out these social development activities.

After the new millennium there was a huge cry over globalization impacts all over the world. Civil Society activists, philanthropists, humanists were conducted World Social Forum and Asian Social Forum Meetings to fight against the globalization and corporatization. These forum meetings organized all over the world focusing globalization impacts. There was big criticism conducting these forums in large level with the financial support of Multinational and Corporate companies. To organize and sponsor such anti globalization campaigns the CSS units of the companies are using as their cushions. However there is a need of participation of all in the developing process to mainstream the marginalized community. These CSR initiatives certainly help to develop them socially and economically.

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