

A Multi-dimensional Approach to CSR with Special Reference to Business Ethics

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Abstract—Corporate social responsibility is a prominent feature of the business and social literature, addressing the topics of business ethics, corporate social performance, etc. The research paper defines corporate social responsibility and reformulates the model to build a coherent, integrative framework for business and society. The Corporate social responsibility movement (CSR) has developed the notion of corporate governance as a vehicle for pushing the functioning of the company. The research paper also deals with the idea of corporate governance as the “set of processes, customs, policies, laws and institution affecting the way in which a corporation is directed, administered and controlled”. The paper answers the question as to how corporate governance gained attention as a public policy topic after major corporate scandals in the early 2000s

As the situation in developed countries has a significant impact on the views and corporate behavior in developing countries, we discuss the case of developed countries in order to frame the discussion that follows for developing countries. Many times, particularly in developing countries, there will continue to be a gap between law and market, a gap that stakeholders must try to fill by expanding the scope of either law or market or both.

Keywords— Corporate Social Responsibility, Corporate Behavior, Corporate Governance.

I. INTRODUCTION

CORPORATE Social Responsibility (or CSR as we will call it throughout the research paper) is a concept which has become dominant in business reporting. Every corporation has a policy concerning CSR and the main reason for seeking social responsibility is to find ways to attain it to find ways to attain sustainable development. The way to reach sustainable development is started by social responsibility of the companies of any kind. In this way, sustainability is the pre-condition. The broadest definition of CSR is concerned with what is – or should be the relationship between global corporations, government of countries and individual citizens. There is however no agreed definition of CSR so this raises the question as to what exactly can be considered to be corporate social responsibility. According to the EU Commission ¹[(2002) 347: final: 5], “CSR is a concept

whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.” The WBCSD’S (World Business Council for Sustainable Development) definition of CSR is “Corporate Social Responsibility is the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as the community and society at large.² It is very much clear that the CSR approach is holistic and integrated with the core business strategy and for addressing social and environmental impact of businesses and they provide support in many forms. The support from the corporations may take many forms, including cash contributions, grants, paid advertising, publicity, promotional sponsorships, technical expertise, in-kind contributions (i.e. donation of products such as computer equipment and services). The prudent question arises in the mind is why the companies need to work for the society as a social responsibility? The answer to the Why to do good, is participation in the corporate social initiatives has similar potential benefits. It appears that such participation looks good to potential consumers, investors, financial analyst, business colleagues, in annual reports and in the news. There is growing evidence that it does good for the brand and the bottom line as well as the community. There are some who claim that corporations with a strong reputation for corporate social responsibility actually last longer.

II. CORPORATE GOVERNANCE AND CSR

Corporate governance has traditionally specified the rules of business decision making that apply to internal mechanism of companies. This set of norms and laws has, first and foremost, served to shape the relations among shareholders and stake holders.³ Simultaneously, the corporate social

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² CSR: Meeting Changing expectations para 3 available at <http://www.wbcsd.org/work-program/business-role/previous-work/corporate-social-responsibility.aspx>

³ See, e.g., FRANK H. EASTERBROOK & DANIEL R. FISCHEL, THE ECONOMIC STRUCTURE OF CORPORATE LAW (1991); Harold Demsetz & Kenneth Lehn, The Structure of Corporate Ownership: Causes and Consequences, 93 J. POL. ECON. 1155 (1985); Ronald J. Gilson, A Structural Approach to Corporations: The Case Against Defensive Tactics in Tender Offers, 33 STAN. L. REV. 819 (1981). 2.

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¹ Available at Patricia Almeida Ashley Territories of Social Responsibility: Opening the Research and Policy Agenda. <https://books.google.co.in/books?id=->

responsibility (CSR) movement has developed the notion of corporate governance as a vehicle for pushing management to consider broader ethical considerations.⁴ CSR had drawn on the dramatic progress made by companies in recent decades in balancing shareholder goals with the need to reduce externalities that impact other shareholders. Thus CSR has joined the political endeavor to make corporations more attuned to public, environmental, and social needs by pursuing corporate governance as a framework for boards and managers to treat employees consumers and communities similarly to, if not the same as, stockholders.⁵ In view of these processes, large public companies have recently created mechanisms of corporate governance that seek to engender investor accountability and stakeholder engagement. Such mechanisms include CSR board committees, company units dealing with business ethics, corporate codes of conduct, non-financial reporting practices, and stakeholder complaint and dialogue channels, among others. All of these governance devices have normally been created on a voluntary basis to constitute what is referred to as "corporate self-regulation."⁶ At the intersection of corporate self-regulation and meta-regulation, researchers have as of late indicated an advancing interchange between corporate administrations what's more, CSR.⁷ This request can and ought to be perused as showing a union between corporate administration and social obligation. From one viewpoint, corporate administration is steadily turning into a structure for guaranteeing the general population interest in business and also organizing the methods by which an organization exhibits its great citizenship and duty to different electorates. On the other hand, CSR-driven social coalitions are progressively concentrating on corporate administration as reflecting the organization's still, small voice and long haul responsibility to partner responsibility

III. CSR AND BUSINESS ETHICS

As in the domain of corporate administration, there has been continuous level headed discussion with respect to the definitions and elucidations of the expression "corporate

⁴ For example, prominent NGOs in the CSR field such as Business for Social Responsibility (BSR) have increasingly provided consulting services and offered their expertise on stakeholder engagement strategy for companies to structure their boards and managerial units in accordance with CSR principles. See CSR Strategy and Structure, <http://ibsr.org/consulting/strategy.cfm> (last visited 01 April 2016)

⁵ See generally THE NEW CORPORATE ACCOUNTABILITY: CORPORATE SOCIAL RESPONSIBILITY AND THE LAW 9-237 (Doreen McBarnet, Aurora Voiculescu & Tom Campbell eds., 2007) [hereinafter NEW CORPORATE ACCOUNTABILITY]; DAVID VOGEL, THE MARKET FOR VIRTUE: THE POTENTIAL AND LIMITS OF CORPORATE SOCIAL RESPONSIBILITY 16-46 (2005).

⁶ See generally CHRISTINE PARKER, THE OPEN CORPORATION: EFFECTIVE SELFREGULATION AND DEMOCRACY (2002); Neil Gunningham & Joseph Rees, Industry Self-Regulation: An Industrial Perspective, 19 LAW & POL'Y 363 (1997).

⁷ See, e.g., Lawrence E. Mitchell, The Board as a Path Toward Corporate Social Responsibility, in NEW CORPORATE ACCOUNTABILITY, supra note 4, at 279. See also Ruth V. Aguilera, Cynthia A. Williams, John M. Conley, & Deborah E. Rupp, Corporate Governance and Social Responsibility: A Comparative Analysis of the UK and the US, 14 CORP. GOVERNANCE: AN INT'L REV. 147 (2006).

social obligation." After rising in the political and scholarly scene a very long while back, CSR related most importantly to the calculated difficulties raised by researchers and backers who condemn corporate America's shareholder supremacy ethos.⁸ CSR offered hypothetical bits of knowledge with reference to why organizations ought not be regarded exclusively as their shareholders' private property yet rather as semi-open ventures in light of advanced exchanges and social contracts among financial specialists, administrators, and workers. For instance, researchers recommended that applying the contractarian way to deal with corporate law (which depicts the enterprise as a deliberate "nexus of agreements") and in addition the practical methodology (which paints the company as a different legitimate identity much the same as a human being)⁹ should not bring about giving better property rights than shareholders over workers. Or maybe, they placed, specialists who put their work as information in the undertaking ought to appreciate legitimate acknowledgment of their lingering enthusiasm for the organization's assets.⁹ Also, the CSR writing drew on evaluates of the law and financial matters school of thought to challenge the monetary methods of reasoning behind shareholder centralism. Social welfare-driven ways to deal with corporate law and strategy proposed that business proficiency ought to go for higher stock costs, as well as at disguising ecological and social externalities and recognizing the regularly unequal distributive results of making corporate surpluses. These basic hypotheses, principally in the sociologies, depended on good contentions related with equity, decency, and communitarianism. They likewise supported doctrinal approaches that reject the selectiveness of money saving advantage examination and the avoidance of distributive viewpoints from effectiveness models concentrated on amplifying every exchange's dollar-esteem. Instead, CSR advanced the partner hypothesis, joining partner hobbies and making different voting public members in how organizations are run and worked every day.

IV. CONCLUSION

Corporate administration and corporate social obligation have turned out to be hard to recognize in the worldwide financial scene. Their meeting in the face of administrative, business, and social changes in transnational markets has evoked civil argument and debate over both the potential and confinements of corporate responsibility instruments. As of late, researchers and specialists in numerous fields have looked past their customary recognitions to investigate how integrating administration and obligation may influence

⁸ For an overview of the normative arguments set forth in this context, see Reuven S. AviYonah, The Cyclical Transformations of the Corporate Form: A Historical Perspective on Corporate Social Responsibility, 30 DEL. J. CORP. L. 767, 813-18 (2005)

⁹ See, e.g., Kent Greenfield, The Place of Workers in Corporate Law, 39 B.C. L. REV. 283 (1998). For a discussion on the property rights justification for shareholder primacy, see Oliver Hart & John Moore, Property Rights and the Nature of the Firm, 98 J. POL. ECON. 1119 (1990); William T. Allen, Our Schizophrenic Conception of the Business Corporation, 14 CARDOZO L. REV. 261 (1992).

existing practices in business and social promotion. This Article offers a system to approach this advancing study, proposing that while the amalgamation between corporate administration and CSR postures genuine difficulties to how we at present apply business law and approach, it may likewise produce creative ideas and philosophies.

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