

# **Corporate Social Responsibility: A Contemporary Approach Towards Sustainable Development**

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**Abstract:** *There is always a social consciousness for every individual as if how the society thinks or reacts to a situation. But it is a reverse scenario in the case of a Corporate where the society expects the Corporates to consider them in their functions. This is where the need for Corporates to focus on the Society they are engaged into. This study emphasizes the scope of corporate sustainability through social responsibility. It also gives an insight of the current scenario of CSR and its contributions towards sustainable development. This is better explained with the concept of triple bottom line and corporate social performance. It also tries to explain the modern corporate philanthropy and the social innovation process that helps the corporate to better fit themselves to the urge of the day.*

**Keywords:** *Corporate governance, corporate philanthropy, corporate social innovation, corporate social performance (CSP), Triple bottom line (3P's).*

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## **I. INTRODUCTION**

CSR is titled to aid an organization's mission as well as a guide to what the company stands for and will uphold to its consumers. Developing business ethics is one of the forms of applied ethics that examines ethical principles and moral or ethical problems that can arise in a business environment. ISO 26000 is the recognized international standard for CSR. Public sector organizations (the United Nations for example) adhere to the triple bottom line (TBL). It is widely accepted that CSR adheres to similar principles but with no formal act of legislation. The UN has developed the Principles for Responsible Investment as guidelines for investing entities. Key to sustainability, the concept of the triple bottom line means that business success is no longer defined only by monetary gain but also by the impact an organization's activities have on society as a whole.

**Definition:** The World Business Council for Sustainable Development in its publication Making Good Business Sense by Lord Holme and Richard Watts, used the following definition "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".

### **1.1 Objectives: The objectives of the study are as follows**

- To make a detailed study about the existing literature in the area of corporate social responsibility.
- To analyze Global Competitiveness Index (GCI) with specific focus to corporate social responsibility.
- To support that social sustainability will result in corporate sustainability globally.

### **1.2 Scope of Research:**

#### **The research attempts to fulfil the following scope**

- Corporates can define a new point of view on the 3P's of CSR.
- This study helps corporate focus on their social performance.

The latest literature tradition to have impacted our understanding of corporate social Responsibility is that of sustainable development. It was the Brundtland Commission (1987) that for the first time systematically emphasized the link between poverty, Environmental degradation and economic development. Its definition of sustainable development, as meeting the needs of the present, without compromising the ability of Future generations to meet theirs, extends the responsibility of firms both inter and intra-generationally. Thus firms are

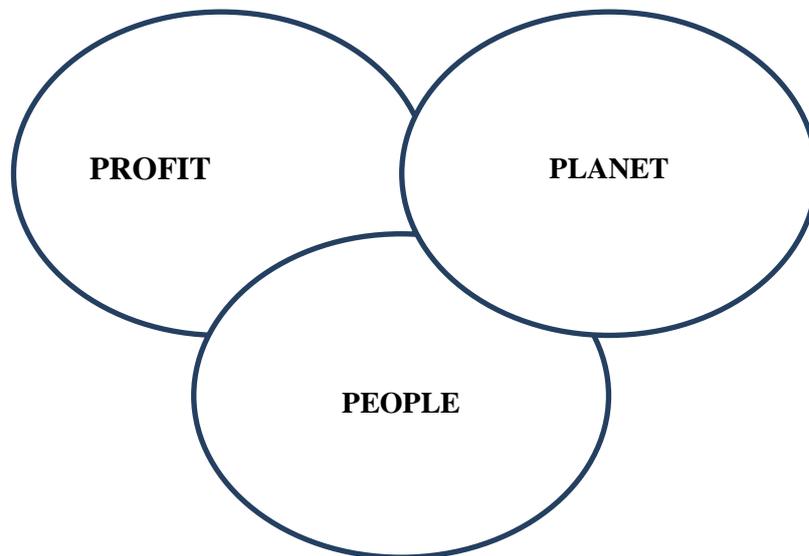
expected to also consider traditionally unrepresented stakeholders such as the environment and as well as future generations. Although many CSR authors have taken up the notion of a “Triple Bottom line” there remain important tensions between the CSR and the sustainable development.

True sustainability requires finding balance among four main objectives:

- Social progress that takes into account the needs of everyone
- Protection of the natural environment
- Careful and considered use of natural resources
- Steady and increasing levels of economic growth and employment

## **II. TRIPLE BOTTOM LINE**

Movement toward corporate concern for the "triple bottom line"—financial, social, and environmental performance—requires radical change throughout the corporation. It is not "either/or." The new paradigm is "and also." A sustainable business excels on the traditional scorecard of return on financial assets and shareholder and customer value creation. It also embraces community and stakeholder success. It holds its natural and cultural environments to be as precious as its technological portfolio and its employees' skills.



*Fig. 1 Triple Bottom Line*

Triple bottom line demands that a company's responsibility be to stakeholders rather than shareholders. Stakeholders include anyone who might be affected by a company's or industry's practices, from workers to surrounding communities and beyond. It involves consideration of:

### **2.1 Vibrant communities (People):**

An organization has a responsibility to its employees and to the wider communities in which it works. A triple bottom line company understands how its practices affect the corporation, its workers, and wider stakeholders, and it works to promote all of their best interests.

### **2.2 A healthy environment (Planet):**

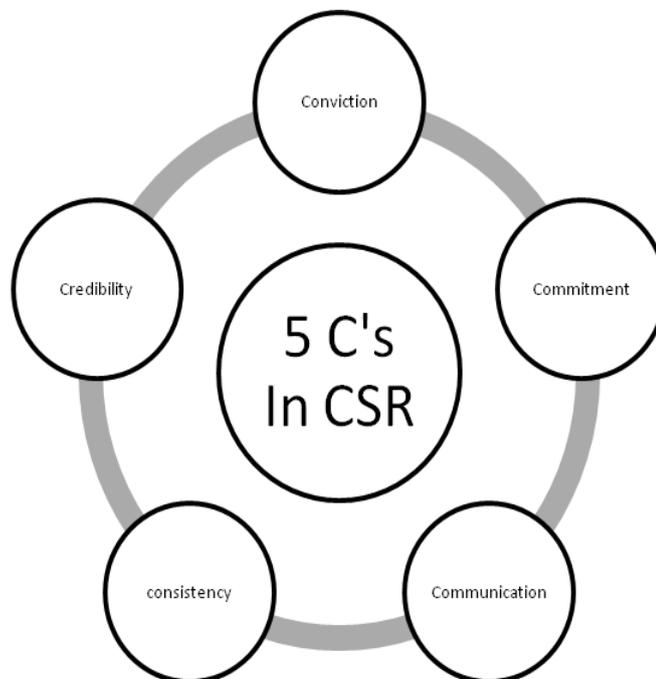
Without question, committing to sustainable environmental practices is good business. Corporations can save money and reduce their environmental footprints by reducing waste, conserving energy, and maintaining environmentally safe manufacturing processes.

### **2.3 Strong profitability (Profit):**

Clearly, making money is essential to business success. A triple bottom line company, however, recognizes that its own sustainability rests on its ability to work harmoniously in its social and environmental

settings. For this reason, the costs of pollution, worker displacement, and other factors are included in profit calculations.

### III. FIVE C'S IN CORPORATE SOCIAL RESPONSIBILITY



**Fig. 2** Five C's in Corporate Social Responsibility

Kotler and Lee (2005) assert that there are five C's in CSR/CSI that corporations must fulfil. The first C stands for "conviction" this is about real improvement in business performance, not PR. The second C means Commitment, which means "when we commit, we deliver", Communication means "we have committed to open, honest, and direct communication with all the stakeholders. This integrates new tools of communication that are used by corporations that reinforce reciprocity in communication. The communication discussed by Kotler and Lee is a two way process of communication and all stakeholders are respected and addressed. Consistency is a process of continuous improvement. For instance CSR programs at Eco net and NRZ should be continuously implemented. The fifth "C" stands for credibility; it should be known that the corporation ability to trust their performance depends on the credibility of their effort. Corporation should regularly review and consider new or modified business practices to will improve the quality of life and, at the same time, provide some net benefit to the corporation, ideally financial, operational relationship-building, or marketing in nature. This captures the open system concept, that asserts that corporations should interact with the environment in order for it to survive. Eco net and NRZ survives under economically constraints because there have been taking care of their public who even things were tough could sympathize with them. However, in the study application of five C's by Eco net and NRZ in their approach to CSR by PR department is one salient issue that the study assesses.

### IV. CONCLUSION

Corporate social innovation should be focused from the top as Global level, Organizational level and Individual level that helps to gain better corporate social responsibility. This study stresses the importance that corporate social performance results only by corporate social innovation and modern corporate philanthropy. With the aim of building a promising society the Corporates should be more responsible in the nano sense in building a better tomorrow. This study helps to learn a macro perspective of CSR and its performance.

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