

Corporate Social Responsibility and Sustainable Development- A study of its evolution

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Abstract

CSR activities and Sustainable Development was first introduced back in the 1970's. To this day they go hand in hand. Focusing on the social and economic dimensions of the business environment, the following research paper discusses about how the presence of CSR activities create opportunities and benefit business organizations to portray their organization and create a better image of themselves to the society and stakeholders. Commitment towards CSR activities is no longer an option to the organizations. It is a win-win situation for both, organizations as well as the people of the society. As companies, they get to exhibit their core values and give benefits to buyers, and fulfill their responsibility towards the growth of the economic development of the country.

Keywords: CSR, Sustainable Development, Businesses, Principles

Introduction

Patrick Murphy (University of Michigan Business Review, 1978) defined four CSR periods that endorsed the phase before and after the 1950s. He said that the duration until the 1950's was termed as the 'Philanthropic era'. This period was mainly focused on different organizations donating to charity than any other thing. The duration 1953-67 was termed as the 'Awareness era', where the businesses became more aware of their duty towards the business and its association with the society. The duration 1968-73 was termed the 'Issue era' in which businesses began to involve in certain issues revolving around discrimination of color, pollution etc. The 'Responsive era', 1974-8 was the period when businesses started to take CSR activities seriously. Murphy's elucidation is useful and accordant with our deliberation to this point and in the future. Corporate Social Responsibility was referred to as social responsibility before the term was coined as CSR. To this point and in the future, the elucidation of Murphy is beneficial and compatible with our deliberation. Until CSR, Corporate Social Responsibility was called social responsibility. Carroll argued that the 'Father of Corporate Social Responsibility' should be Howard Bowen. In the 1950s, There were 3 ideas given in the 1950's: The idea of corporate managers as public trustees, the idea of balancing competing claims to corporate sources, and The appreciation of philanthropy as a manifestation of corporate interest for good causes.

Objective

The objective is to rediscover the roots of CSR activities and the start of the idea of sustainable development, how it has evolved over the years in an ever evolving environment.

Research methodology

The research methodology used is a Conceptual method characterized as a technique where research is carried out by observing and evaluating knowledge on a particular subject that is present.

Literature Review

One of the early founders of CSR was William C. Fredrick. Clarence C Walton was an influential individual and neighborhood thinker in the 1960s. As the most visible manifestation of CSR, philanthropy persisted even in the 1960s.

Another influential writer on corporate social responsibility was George Steiner in the 1970s. In the 1980's there were several different ways to describe CSR activities. Many new principles of sustainable growth were first adopted in 1987 and from then on in the 1990s.

More than a century before the term 'sustainable development' came into use, there were conflicts as to how it was dealt with, which we now call 'sustainable development'.

The 2001-2 period was not driven by CSR principles, but by observational research. Schwartz and Carroll have further presented a three-domain approach to corporate social responsibility on the intellectual front.

The three domain strategy took the four categories of CSR from Carroll and simplified them to three: economical, legal and ethical.

Philips Kotler and Nancy Lee authors of the book "Doing the Most Good for Your Company and Your Cause" talked about the 25 best practices that may guide company's CSR programs. The practices are categorized into six major kinds of social causes:

1) cause promotion increasing awareness and concern for social causes, 2) cause related marketing, 3) corporate social marketing, 4) corporate philanthropy, 5) community volunteering, 6) socially responsible business practices. For the previous 20 years but especially in the 2000's CSR became a global phenomenon.

The 20th century was a variability between positive and negative human development theories. It was during this period that technological and commercial changes occurred and the environmental crisis was far worse, causing people to change their growth and expansion assumptions. During this time, the use of emerging technology, fossil fuels and oil production had been the and environmental concerns were rising on a wide scale.

The World Commission on Environment and Development of the United Nations proposed that development is acceptable but it should be sustainable development to focus on.

Sustainability and corporate social responsibility are different, yet connected. CSR aims to build brand trust by looking good and addressing current issues. Sustainability is about action for long-term impact and ensures a healthy planet (growing lots of food), secure societies and robust economies for the generations to come.

Findings and Discussions

How were CSR activities and the idea of Sustainable Development first start out The CSR activities and initiatives today have their origins in corporate philanthropy. Altruistic or benevolent CSR is what is considered an ambition in doing good for humanity regardless of its effect on the bottom line while Philanthropic CSR used as a publicity tactic to boost the reputation of the organization is what is known as strategic CSR, which is valid because it aims to meet the financial commitments of the company. Rich investor and philanthropist Andrew Carnegie, following his belief in the Gospel of causes. John D. Rockefeller, influenced by Carnegie, followed suit in the late 1800s by contributing vast sums of money to social causes. The Cleveland Foundation, a trustee of the Cleveland Trust Corporation, was founded in 1914 by Frederick Goff, a well known banker in Cleveland. Its goal was to offer control to the community by taking donations rather than one fortune from several contributors, who could jointly assess needs and respond to the community. This was the first pillar in societies. However, it wasn't until the 1940s that corporations could help causes, and not their owners or shareholders could support charities. More than 200 years ago, the first questions emerged about the effect our civilization's evolution could have on our planet's climate and wealth. An Essay on the Theory of Population was published in 1798 by Thomas Robert Malthus (1766-1834), a demographer, political theorist and country pastor in England. He projected that the people of the planet would ultimately starve to death, or at least survive at a minimum standard of subsistence, because food production could not keep pace with population growth. "He believed that "misery, vice and spiritual restraint" kept the society in place. The principle of "sustainable development" was born in 1713 when Carlowitz published the first book on forest sciences. Malthus wrote that "population, when unchecked, increased in a geometrical ratio and subsistence for man in an arithmetical ratio." he argued that depleting resources provided as an indication of us needing to maintain our resources, implying would be as important as our daily bread"

(Positive Factors) Efficacious Factors

A CSR strategy increases sustainability and value for firms and further enhances the responsibility of corporations, their openness for the public, shareholders, etc.

Consumers are attracted to certain firms that have a reputation as good corporate citizens. The Increase in sales inspire big and small companies to spread and incorporate the concept of CSR in their everyday activities.

(Negative Factors) Derogatory Factors

The expense of CSR can be obscene, even for big corporations. A boss who forsakes profitability in pursuit of such social benefits can expect to lose his job and be replaced by someone who is a target for profits.

Green washing is a term used to describe corporate activities that tend to be environmentally friendly without necessarily reflecting a difference in the manner a business performs its business.

A crucial Aspect of Business

Recognition is contextual and the cumulative credibility is closely associated with the reputation for corporate responsibility, as Griffin and Mahon (1997) figured out. CSR is a crucial determinant in an econometric or theoretical framework that helps increase credibility. CSR can only play its part in forming significant position in this context. There are also two key approaches to CSR as a marketing technique (Mohr et al., 2001). Although the first approach deals with CSR in collaboration with the institution's different stakeholders, the second is focused on the concept of social marketing (Kotler, 2008). Even though the two groups have distinct CSR views from each other, they have the same perspective on the interests of a socially responsible organization beyond short-term profitability. The effect of CSR as a partnership marketing method with respect to its ethical and environmental components. Three major regions are discussed by the arguments of Friedman (1970) versus CSR: Political power, management knowledge, and industrial understanding. Regarding jurisdiction, he argued that the sole responsibilities of governments to enforce taxation and invest tax revenues is governmental duties. The issue of Politics appears to be more tied to investors' decision to participate or not to participate. Engage in CSR rather than a larger intellectual argument of a corporate social system conflict or the unseen hand that contributes to the quest for personal needs in the social structure. CSR is not a homogenous model, so each of the measurements would have a different effect on credibility as it is broken down into qualitative fields. (The conduct of the CSR is not homogeneous across the qualitative fields in which it was broken down. In any specification, the aspects of group relations and staff diversity were not relevant, whereas product challenges and employee relationships.) The relationship between the company's field and the type of social success greatly affects the relationship between credibility and CSR. Implying that the businesses should not predispose the organization to a bad reputation. Among local corporate leaders, there are various meanings and meanings of what constitutes CSR. Some see CSR as corporate responsibility, corporate citizenship, corporate philanthropy, growth of the society and some refer it to the triple bottom line; economic, environmental and social results. In short, CSR is viewed by scholars as the manner in which firms perform their social responsibility to all staff and the broader society, such as donations, gifts to charitable activities or compliance with regulations and social criteria.

Conclusion

The emerging position of CSR, covering fields such as employee health, environmental issues and corporate sustainability, has been found to be multifaceted. Corporate social responsibility (CSR) requires corporations to be responsible to a wide variety of customers, clients, and investors. It provides a range of initiatives, such as donating to charities, supplying consumers with goods and services, eliminating toxic waste, and handling their workers with positive ethics.

And while the concept of sustainability growth emerged more than 200 years ago, the worldwide perception of the necessity of addressing the problems of the Industrial Age from homes to boardrooms remains the largest challenge in sustainable development: limitless human and environmental abuse.

As a key corporate practice, the implementation of CSR policies has a big influence on sustainable growth. Corporations can contribute by fostering social responsibility from an economic perspective that incorporates market desires.

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