

**Module 4 Session 1**

Corporate Social  
Responsibility

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## TOPICS TO BE COVERED:

- Why Social responsibility of business?
- Meaning of Corporate social responsibility.
- Constituents of Corporate social responsibility
- Definitions of Corporate social responsibility

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## Why Social Responsibility of Business?

- **Accountability to Society**

In a democratic society any kind of enterprise exists for the sake of society. Industries are allowed to exist because they are perceived by the public to be useful in the attainment of personal, social and material goals of people. E.g. TISCO employees and general public protested in 1977 when it was attempted to be nationalized.

- **Corporations' Debt to Society**

A corporation has to behave as a **good citizen**. The corporation has to donate generously towards causes of public welfare and must get itself directly involved in social welfare programmes.



- Person going from one side of the canyon to the other... a lot of clouds like fog. The point is going from one way of doing business to another is very tough. There's a lot uncertainty. It takes a lot of skill, but we have to lift ourselves beyond that, above the fog, and that's not going to be a simple exercise. CSR is about seeing the forest, the fog, and seeing how we can get on the other side, and how we can be well-equipped for doing that. So probably we need to develop additional skills, knowledge, and understanding.”

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**The message is that whatever we do today will have an impact on future generations. We should not hope that the walls we build to protect ourselves will be tall enough to protect our children. Only with very conscious effort we can make the world for them a better place to live...even if we address our most selfish needs we have to address the needs of the next generation. That's what CSR is about.”**

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## Meaning:

- Corporate social responsibility is a gesture of showing the company's concern & commitment towards society's sustainability & development.
- CSR is the ethical behaviour of a company towards society.

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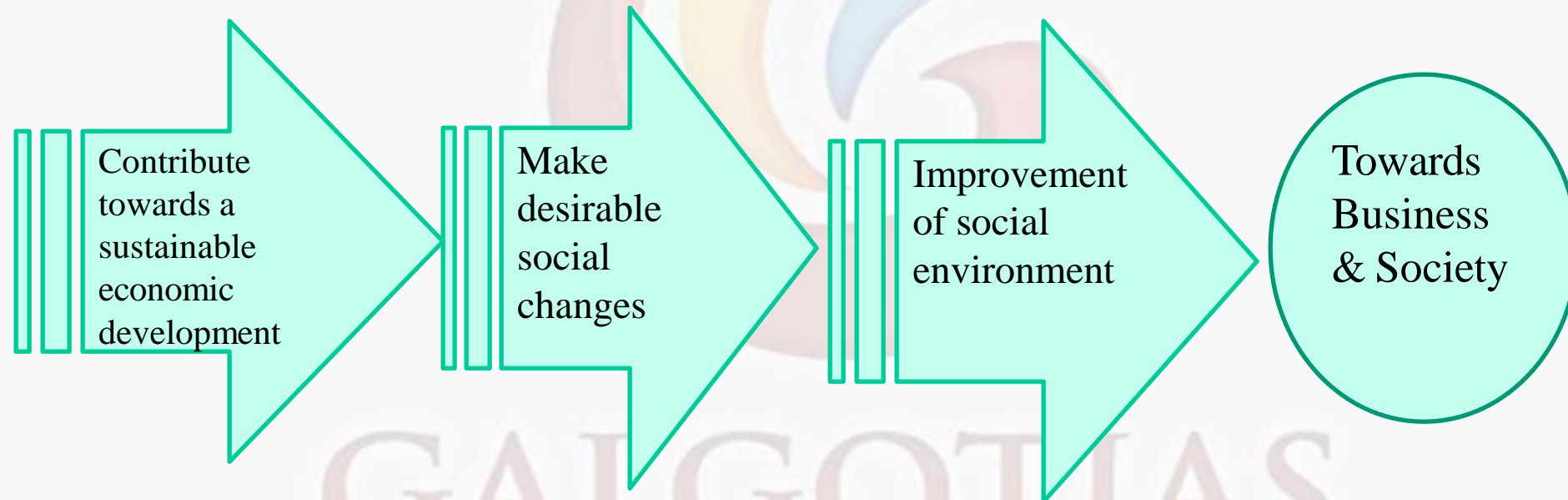
## WBCSD (World Business Council for Sustainable Development)

*“The continuing commitment by business to behave ethically and contribute to sustainable economic development while improving the quality of life of the workforce and their families as well as of the local community and society.”*

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## Basic Constituents of CSR



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## Definitions of CSR

- It is a set of obligations to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society.
- It is the overall relationship of the corporate with all of its stakeholders.
- Elements of social responsibility include investment in community outreach, employee relations, creation and maintenance of employment, environmental stewardship and financial performance.

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# Definitions of CSR

- The social responsibility of business will cover the economic , legal, ethical and environmental expectations society has placed on organizations at a given time. This could be explained by the following equation:

***Total Corporate Social Responsibility = Economic Responsibilities + Legal Responsibilities + Ethical Responsibilities + Philanthropic Responsibilities***

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Thank You