CSR FOR SUSTAINABILITY AND COMPETITIVENESS

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Abstract

Companies that are at the forefront of their fields often place a significant emphasis on Corporate Social Responsibility (CSR), Inclusive Growth, and Sustainable Company Practices as fundamental components of their overall business strategies and operations. Recent efforts have been made in India to increase businesses' corporate responsibility toward Indian society. As a result, the idea of corporate social responsibility (CSR) and sustainable development as agenda items has quickly matured. As a consequence of the many different viewpoints about corporate responsibility, there has been a rise in the pressure placed on firms to demonstrate their social accountability. The purpose of this paper is to develop a conceptual framework for inclusive and sustainable growth, and it also aims to elaborate on the areas of corporate social responsibility that Oil and Gas Central Public Sector Enterprises (CPSEs) in India should focus on in order to facilitate inclusive and sustainable growth. Both of these goals will be accomplished through the course of this research project. The study utilizes secondary data as its foundation. It focuses on highlighting the steps that CPSEs in India have done toward CSR both before and after the implementation of CSR standards. These steps were taken both before and after the rules were established. In addition to this, the study investigates particular cases of innovative business practices that have been used by Indian companies to attain sustainable and equitable development.

Keywords: *CSR, Corporate Social Responsibility, Non-governmental organizations,Air Quality Assurance*

Introduction

Corporate Social Responsibility (also known as CSR) has been brought up as a possible solution for some time now given the discrepancies that have been brought about and made worse by economic liberalization and globalization. A company is considered to be more

than just a money-making machine because its actions might have repercussions not just for itself but also for the local economy, the community, and the environment. In today's interconnected economy, "corporate social responsibility," sometimes known as "CSR," has emerged as an essential component of company culture. Developing countries have a more significant need for corporate social responsibility because their economic disparities are more significant, and their ecosystems and cultures are more vulnerable to the environmental risks that humans cause. Incredible in both its variety and complexity is the country of India. A confusing economic divide exists throughout the nation's urban, semi-urban, and rural sections. Due to the adoption of market-based economic policies, the nation's existing socioeconomic disparities have grown even more prominent. In today's increasingly profit- and competition-driven business culture, health care, education, and social security for the less fortunate are being consigned to the periphery of society's priorities. As a consequence, India's government, together with the active participation of the country's civil society, has been working to instill a sense of corporate ethics and responsibility via a mix of legal and intellectual means. Through their corporate social responsibility (CSR) programs, businesses have contributed to the nation's overall improvement in various domains, including education, health care, the environment, and economic stability. Private companies like TATA, Birla, and Reliance have been engaged in corporate social responsibility (CSR) for decades, long before it became trendy among the most prominent enterprises in the nation.

Objectives of the paper:

i) To present the fundamental problems surrounding the concept of Corporate Social Responsibility.

ii) To present the difficulties inherent in the practice of corporate social responsibility

Research Methodology:

This study is an attempt to do exploratory research by making use of secondary data collected from previously published sources such as academic journals, popular periodicals, and news stories. The research project used a descriptive research approach since it was most suited to achieving the study's aims. The study's authors opted for this methodology to increase its accuracy and level of analysis. Secondary resources were heavily relied upon for this study. The data is compiled and cataloged from a wide range of printed and digital publications and news articles.(Herrman, 2004)

Meaning and Definition of Corporate Social Responsibility

Corporate social responsibility and business ethics aim to promote environmentally friendly and energy efficient technology and a more equitable and sustainable economic development. Other goals include the development of underdeveloped regions and the uplift of marginalised and underprivileged groups (REC,2013). Second, businesses must consider the interests of the communities in which they operate alongside their own by the principles of corporate social responsibility (CSR). This is in contrast to the conventional business model, which prioritises financial gain for the firm (Melikyan,2010). Third, according to the World Business Council for Sustainable Development, Corporate Social Responsibility (CSR) is "the commitment of business to contribute to sustainable economic development, working with employees, their families, and the local communities." Corporate social responsibility entails engaging with employees, their families, and the surrounding community.(Barth, 2014)

Protective CSR Strategies That Forego Seeking Competitive Advantage

Staying out of problems with the law and maintaining approval to operate normally does not provide you a competitive advantage in the here and now or fuel creativity for future revenue generation. Essential skills include ethical behaviour, social responsibility, and stakeholder involvement, all of which contribute to rule, risk, and legitimacy management (license to operate). To realize the advantages of its CSR/sustainability strategy, an organization needs the advanced capabilities of organizational learning and sustainable innovation. Both of these abilities are essential to the success of sustainable business plans in the future.

Essential Components for formulation of CSR strategy

According to Ramya Sathish's article "Corporate Social Responsibility in India: Putting Social-Economic Development on a Fast Track," many CSR initiatives are implemented by corporations in partnership with Non-governmental organizations (NGOs) that are experienced in working with local communities and are experts in tackling specific social problems. Together with a national organization named the Hope Foundation, SAP India has been providing aid to Tsunami victims in India, both immediately after the tragedy and in the years since. The SAP Labs Center of HOPE is a school and haven for children from disadvantaged backgrounds in Bangalore, India.CSR has flourished in India. Corporations have shown they can improve people's lives and contribute to society through their timely responses and sustained efforts. Due to the scale of the issue, it is difficult for a single organization to significantly improve India's current socioeconomic situation. Corporations have the financial, human, and strategic capital to effect profound social changes. India's social development may be hastened via collaboration between corporations, organizations, and the government.An article entitled "Trust and Corporate Social Responsibility: Lessons from India" delves into the spiritual underpinnings of CSR in India.

Long before the term "corporate social responsibility" was invented, the relationship between "karma" as proclaimed in sacred Indian literature and the behaviors that establish firms as responsible citizens were obvious in India.According to this theory, public relations professionals protect consumers' trust in commercial enterprises. While the topic of business trust is garnering attention throughout the globe, India is well ahead of the curve. But before we go into India's case study, let's briefly go over some recent occurrences, particularly in the United States, that have led to a worldwide loss of trust in Corporate Inc. Eighty-five percent of Indian businesses surveyed participate in CSR, with the vast majority concentrating on educational initiatives. This is next, followed by health (67.5%), then rural development and livelihoods (65%), and finally education (60%). (57.5 percent).(REC, 2013)

Challenges to CSR Initiatives in India

In India, even well-intentioned CSR programmes can only succeed due to several obstacles. We've outlined the primary ones here.

Lack of Community Participation in CSR Activities: Residentsneed more interest in and support for corporate social responsibility (CSR) efforts. Only some people in the local

communities understand CSR since no serious efforts have been made to educate them about it and earn their trust via various initiatives. The situation is exacerbated by a need for more dialogue between the company and its field employees.

Need to Build Local Capacities: Since there is a severe scarcity of well-trained and efficient organizations that can contribute substantially to the ongoing CSR initiatives performed by corporations, local non-profits must develop their skills. This drastically limits the reach of CSR programs and lessens their overall effect.

Issues of Transparency: One of the issues highlighted by the survey is a general need for more transparency. Businesses have claimed that local implementing agencies need to be more transparent in their operations and offer more details about their programs, audit issues, effect assessment, or cash use. Building trust between businesses and their surrounding communities is crucial to the success of any CSR initiative on a local scale. **(Elkington, 2009)**

Non-availability of Well Organized Non-governmental Organizations: It has also been observed that non-governmental organizations (NGOs) with the organizational capacity to assess the actual needs of communities and work in partnership with enterprises to effect good change are particularly scarce in rural and outlying areas. Since this is the case, there is more of a justification for funding community development projects on a local level.

Visibility Factor: It is encouraging to see positive examples of corporate social responsibility (CSR) highlighted in the media. At the cost of making an impact at the grassroots level, many NGOs place too much emphasis on event-based programming to raise their profile and brand awareness.

Narrow Perception towards CSR Initiatives:NGOs and government agencies frequently have a myopic view of corporate social responsibility (CSR) efforts, seeing them as more donor-driven than locally focused. This makes it difficult for them to determine in the short, medium, and long term whether they should engage in such pursuits at all. **(Hsiao, 2007)**

Non-availability of Clear CSR Guidelines: There needs to be clear laws or policies that CSR initiatives must follow. Corporate social responsibility (CSR) activities should reflect the company's size and status in the community, it has been decided. To restate the point: CSR efforts at bigger firms tend to be more comprehensive.

Lack of Consensus on Implementing CSR Issues: Local businesses have no consensus on handling CSR projects. Companies often undertake comparable activities across industries despite the need for more consensus over such actions. As a result, instead of

collaborating to find solutions, local implementation agencies become competitive. Companies may thus only undertake impact evaluations on their initiatives as needed.**(Douglas, Alex, Doris, & Johnson, 2004)**

CSR Dimension of Profit

"It is a prevalent misconception that the firm's primary goal is to maximise profits for the benefit of investors. Having a lot of money is only a means to a goal. Businesses exist to serve the public good by meeting unmet needs in a way that doesn't harm the environment or people. This is what the author of "The Evolution and Revolution of CSR" by Wayne Visser says (2010).
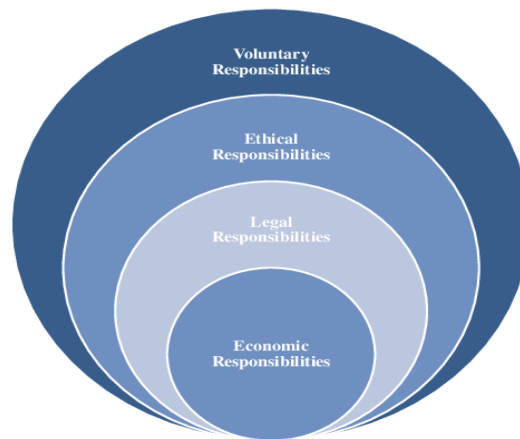
Corporate Social Responsibility

The task of generating revenue cannot be assigned to a single company. It's the final product of pooling together many elements in order to provide a comprehensive set of options for users. The world is happier, more peaceful, and more prosperous because of this invention.Mediating between short-term gains in production and profit and the long-term well-being of communities and ecosystems is what corporate social responsibility (CSR) is all about. Connecting material success in company (Technological Investment) with personal fulfilment (Values/Spiritual Capital) is what it does best. Growth and prosperity can only happen if there is a stable economy and enough of natural resources to work with. Therefore, maintaining a healthy ecosystem (social sustainability) is crucial to a thriving economy (environmental sustainability).There is a growing emphasis on CSR among companies of all sizes nowadays (corporate social responsibility). Businesses think

consider the wider economic and social effects of their choices, not simply the short-term financial ones."We need adaptation if we are to avert a climate-related catastrophe on a global scale, foster economic growth that is inclusive of all, and successfully navigate a world that has been profoundly transformed. Within our sphere of influence, we can "reorient business, reverse climate change, provide economic opportunity for everyone, and develop connected communities in which all people may live with dignity and respect" .(**G & Hilman,, 2012**)

CSR: India's Long-Term Sustainability Model

The country of India is considered to be in the middle-income range of emerging nations. It is now one of the economies expanding at the greatest pace anywhere in the world. The expansion of the business sector in India has resulted in a rise in corporate social responsibility activities carried out throughout the nation. Consequently, minimising the effect of India's most severe ecological, environmental, and social issues needs to be the primary focus when developing a model for the sustainability of CSR. This is because India is home to some of the world's most severe ecological, environmental, and social problems.

The development of modern society has resulted in the gradual and steady deterioration of the inherent attractiveness of the natural environment. India has a number of formidable challenges, but environmental issues on a global scale are among the most pressing. Since the environment supplies a supply of raw materials, protecting it should be the primary objective of every CSR effort. Every industry has environmental challenges such as deforestation, desertification, acid rain, hazardous waste, climate change, global warming, and ozone depletion. The second essential element for every expanding business is

establishing a harmonious community. Businesses that plant their roots in the safety and tranquilly that come from living in accord with one another and the world will ultimately blossom into thriving enterprises. The fruits of one's labour in the commercial world. Hunger, poverty, illness, illiteracy, terrorism, and acts of violence are just as significant as natural catastrophes when it comes to shutting down business as usual. These are only some of the numerous reasons that have combined to cause the present delay.Inequalities in socioeconomic status and the state of the environment will always have a natural reflection inside a company's internal environment. This is unavoidable. As a consequence of this, CSR has evolved into a beneficial tool that can tackle these difficulties and ensure a safe environment for enterprises.**(Gorski, Fuciu, & Croitor, 2014)**

CSR as a Needs-Based Model for Long-Term Sustainability

According to this theory, public service projects should focus primarily on ensuring the upkeep of critical facilities. Since both commerce and Earth's ecological system are necessary for life to exist, this model may be applied to both. These systems are crucial to human survival. Businesses and the stresses they inflict on society via competition need this approach to ensuring adequate supplies of key resources.

1. **Air Quality Assurance**

   Life on Earth relies on air for its own survival. The air quality has greatly decreased since the Industrial Revolution. The 2016 global average for atmospheric carbon dioxide concentration was 403.3 ppm. For the last 8,000 years, it has stayed below 280 ppm, only to increase after the Industrial Revolution steadily. Carbon dioxide, methane, and nitrous oxide levels have grown by over 100% since the pre-industrial era (before 1750). There is a duty on the part of all businesses to maintain breathing air. When the international score for air quality is only 5.75 out of 100, as it is in India, the company's external sustainability may be ensured by corporate social responsibility programmes that aid in the non-pollution and purification of air.**(Matten & Drik, 2004)**

2. Water Quality assurance

Water conservation should be the CSR focus after food and energy. According to the NITI AYOG - 2018 Report, India is experiencing its greatest water crisis ever. There are high to acute water shortages affecting 600 million people. Only 4% of the water in the planet is used by our 16% population. Twenty percent of all ailments in India may be traced back to

water pollution, which affects seventy-five percent of the country's population.Worldwide, water shortage affects about 2.8 billion people every year. Therefore, water-related concerns in India should be prioritised while implementing CSR initiatives**. (Chopra, Abha, & Shruti, 2013)**

3. Soil Quality assurance

However, the anticipated rate of soil contamination is quite high owing to solid and liquid waste from industries and large-scale agricultural businesses across the globe. Water and air erosion, salinization or alkalinization, acidity, organic carbon losses, nutritional imbalances, hazardous material pollution, etc. are the major threats to India's soil.Food security in India can be guaranteed if corporations invest enough in CSR programmes that preserve farmland. Sustainable development can only occur with first ensuring food security.

4. **Food Quality Assurance**

Maintaining a healthy population requires attention to both food security and food quality. According to a research from the Food Safety and Standards Authority of India (2014–15), 20% of food products in India contain adulterants. This will have a negative effect on the economy by lowering people's productivity and raising medical costs. Small-scale enterprises that aid in the manufacture of unadulterated food products might benefit from CSR investment.

5. **Minimum Shelter and Decent Dress assurance**

The current administration has set a target date of 2022 to fulfil its promise to build homes for all Indian citizens. Millions of people in India's slums go without adequate or warm clothing, particularly during the winter. People died in India's winters because they didn't have enough to wear. The sick are disproportionately represented among the poor. India's progress toward sustainable development might be hastened if a fraction of CSR funding were redirected to address the country's housing need. Efforts to ensure that the impoverished have access to appropriate clothing will also contribute to advancing sustainable development. **(Baltagi, Badi, & Badi, 2008)**

6. **Health Protection and Promotion of Education**

According to a survey by KPMG India, companies in India spent a total of Rs. 1691 crore on CSR initiatives relating to health in 2018.The India Health and Wellbeing Study 2018

by Willis Towers Watson found that 66% of Indian businesses either have or are establishing some stress or mental health strategy for their employees. Another 17 percent are planning to do so in 2021. A "coherent and complete health and Wellbeing strategy embracing all four aspects" (physical, emotional, financial, and family) is something that most companies work on these days.The purpose of corporate social responsibility sustainability policy is to ensure the safety of all stakeholders, both within and outside of the business. Improvements in employee and community wellness are an encouraging indicator of long-term success.The entire amount spent on educational CSR programmes by Indian companies in 2018 was Rs.2202 crore. From elementary school through college, it's everywhere. Since illiteracy is a modern plague in India, all funds allocated toward education are well spent. R&D spending is directly correlated with a country's education quality (R&D). Innovation, patents, and economic expansion all benefit from R&D efforts**. (Arora, Bimal, & Puranik, 2004)**

Conclusion

The concept that it is the responsibility of a corporation to make a positive contribution to the society in which it operates has firmly established itself as a priority for firms that operate on a global basis. However, to get from theoretical speculation to practical application, a significant amount of opposition has to be conquered first. One of the most important issues that companies are now facing is the need for more precise measurements of performance in corporate social responsibility (CSR), in addition to disseminating CSR strategies. It is feasible for a firm to provide the impression of having a greater degree of trustworthiness by using communication and openness, which may also aid in raising the standard for other organisations. There is the possibility for a variety of positive outcomes to occur as a result of businesses adopting and implementing a social responsibility plan, including the following:

Company Benefits

➢ More Revenue And Consumer Loyalty;

➢ Higher Productivity And Quality;

➢ Enhanced Brand Image And Reputation; Less Operational Expenses

➢ Increased Capacity To Find And Retain Qualified Staff;

➢ Lessened Government Interference; Easy Access To Funding;

- ➢ Workforce Diversity;

- ➢ Product Safety And Decreased Liability.

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