



## ASPECT & EFFECT OF CORPORATE SOCIAL RESPONSIBILITY

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### ABSTRACT:-

The corporate culture has long been one of "Wealth Creation." However, the development of multinational firms has given this perspective of view a fresh, larger perspective. And that is what the corporate entities mean by "social responsibility." Instead than just "making money," organizations should prioritize "building values."

The conventional concept of "Corporate Financial Responsibility" has essentially given way to a more recent and expansive concept of "Corporate Social Responsibility." Numerous names have been given to it—Corporate Citizenship, Global Civic participation, Resilient Purchasing Accounting, Corporate Environmental Performance, Business Ethics, and Triple Bottom Line—but very few of us really understand it.

**KEYWORD:-** Corporate Social Responsibility

Businesses across a range of sectors have increased their involvement in initiatives that benefit society. They seem to conflict with shareholders' objectives in increasing firm value since the expenses connected with such promises might harm a company's short-term financial success. However, it is said in the corporate social responsibility (CSP) literature that a strong CSP is a useful tool for building a positive reputation in general, which may eventually improve a company's financial success. It is yet unclear, nevertheless, how CSP affects a company's image among its stakeholders and how various reputational factors in turn affect financial success. Addressing this gap is crucial since different CSP components may lead to varied views among customers and ultimately affect a company's financial results differentially. For example, if a corporation's social responsibility initiative is seen favorably by public stakeholders but unfavorably by capital providers, its effect on company value will be equivocal. By defining this gap, managers may choose which CSP components to stress in their communications based on the particular key stakeholders they are trying to reach. This article examines how CSP affects a firm's financial performance via the perspectives of these two stakeholders involved by using stakeholder approach to differentiate between public consumers and represent significant.

For the better part of three decades, people have been debating whether or not the financial rewards of corporate social obligations are worth it. Some academics believe that corporate social responsibility (CSR) undermines an organization's efforts to maximize shareholder value by diverting precious resources away from an organization's primary line of business. CSP may not be appreciated by financial stakeholders since they may see it as diverting focus away from a company's financial success and consider it to be a distraction. On the other hand, there are some academics who believe that the CSP of an organisation might result in supporting actions toward the organisation since it contributes to the formation of a favorable impression among foreign



bodies. We adopt the framework that describes the linkages between CSP and the trends and patterns by public and economic stakeholders in order to provide clarity to this area of inconclusiveness.

Despite the fact that the idea of Corporate Social Responsibility (also known as CSR) has received a lot of attention, there is still no consensus over its definition, nor is there a standard approach to assessing CSR on the level of a person. company. In addition, the academic literature provides a variety of views about the question of whether or not CSR increases company's profitability and/or whether or not advances in CSR values are required for survival and prosperity at certain productivity levels. Another of the most important ways to look at the advances in CSR that we seek here is that they are an integral part of the process of establishing a contemporary firm in an atmosphere that is successful. To "go with the flow" and increase its degree of corporate social responsibility (CSR), a company must do this if it wants to stay in business. If this is not done, it is considered "managerial slack," and it will eventually lead to the liquidation of the company.

Knowledge the link between company performance and corporation administration in competitive fields and non-competitive sectors, respectively, is vital for the development of suitable trade strategy. This understanding is significant from the standpoint of policy. If increasing competitive rivalry (through means such as privatisation and antitrust laws) instantly reduces the number of problems associated with managerial agencies, then policies aimed at improving company performance will be more effective if the focus is placed on industries that are not currently considered to be productive.

CSR is motivated by a diverse range of societal interests as well as inefficiencies in the market. The evidence on the impact of CSR on company performance and worker pay is, at best, ambiguous. This is despite the fact that CSR is becoming more widespread. To begin, it has been discovered that corporate social responsibility may boost a company's profitability and overall performance if it allows.

- (i) decreased expenses associated with manufacturing in terms of the environment;
- (ii) the distinction of products via differential pricing mechanisms that benefit the socially responsible company; or
- (ii) Innovations, both in terms of management procedures and in terms of the updating of technology capabilities.

Nevertheless, management laxity and falling earnings are also seen in situations in which the tasks allocated to corporate leaders result in results that benefit the interests of others besides shareholders. Secondly, there is a possibility that competition will have varying impacts on the adoption of CSR and the performance of firms. If businesses in competitive contexts fight for socially conscious customers, corporate social responsibility (CSR) efforts may be strengthened through market rivalry, which in turn may improve the whole industry's efficiency. On the contrary hand, businesses that are aware that corporate social responsibility can give them a competitive advantage can employ CSR as a strategic tool to bring up entry barriers and improve relative amounts of industry concentration. This can be accomplished, for instance, by having influence on the regulatory regime. This, in turn, may diminish the dynamism of individual firms as well as the



productivity of a whole industry. Third, workers are another group that might be impacted by CSR. Companies that are socially and ecologically responsible have an edge when it comes to employing people who are motivated and competent, which results in greater levels of productivity growth. When contrasted to individuals at other companies, employees in CSR enterprises are more inclined to accept pay that are below the industry average, despite the fact that they may demonstrate greater levels of devotion and performance at work.

We utilize four successive rounds of Vietnamese banking studies from 2011 to 2014 (with complete information on CSR activity at the company level) to cover 5,185 firms and collect 20,740 firm experiences in order to determine the following three research question:

- Does Corporate Social Responsibility (CSR) contribute to advancements in a company's performance?
- Does the amount of competition in a specific industry have an effect on whether or not CSR has a differential influence on the degree of efficiency at the company level (labor)?
- Does corporate social responsibility (CSR) play a strategic role for businesses in offering reduced employee compensation shares?

When it comes to investigating the possible effects that CSR might have on the overall success of a company, the example of Vietnam is particularly instructive. In the beginning, social activities that were undertaken at the business level were partially brought about by trade-related guidelines for conduct and partially brought about through increased participation by international companies in Vietnam. The Intergovernmental Network Vietnam was established in 2007 with the purpose of encouraging Vietnamese businesses to adopt and create corporate policies pertaining to employment and environmental requirements, civil rights, and the fight against corruption. This occurred around the same time that Vietnam became a member of the World Trade Organization (WTO), which improved the country's exposure to and awareness of international norms. This, in turn, enhanced the requirement for well-designed corporate social responsibility (CSR) policies at the company level to guarantee the sustainable incorporation of Vietnamese businesses into worldwide supply chains. The background of communist government in Vietnam is also another some other justification for the research of CSR in relation to Vietnam. To the finest of our knowledge, it is still unknown how the legacy of communism influences the behavior of CSR organizations throughout the process of transitioning to an economy that is more market-oriented. On the one hand, socialism diminishes people's inclination to engage in voluntarily beneficial actions; on the other, it encourages them to do so. On the other hand, communist officials may be in a better position to exert stress on private companies to engage in Csr initiatives. They may even be able to significantly affect the delivery of public services through State Owned Enterprises (SOEs) as well as other corporate entities with government ownership.

CSR, or corporate social responsibility, is an activity that is required to be carried out by businesses in a number of nations in order to ascertain the social presence of company houses. However, corporate social responsibility is still mostly a voluntary practice in most parts of the globe. In



India, many distinct institutions, including "the Reserve Bank of India, the Ministry of Heavy Industries and Public Enterprises, and the Ministry of Corporate Affairs", have collaborated to develop a variety of key principles.

An updated version of the "Corporate social responsibility Voluntary Guidelines" was given by the Ministry of Corporate Affairs in July 2011; this version is a refinement of the guidelines that were first released in 2009. These new recommendations are being referred to as the "National Voluntary Guidelines on Social, Environmental, and Economic Responsibilities of Business."

The rules underline that companies need to make an effort to become accountable contributors to society, ensuring that every action they do contributes to the growth and development of the economy in a sustainable manner. As a result, the phrase "Responsible Business" is used instead of "Corporate Social Responsibility" (CSR) in the Guidelines. This is due to the fact that the word "Responsible Business" incorporates the restricted range of application and interpretation of the term "CSR."

The Recommendations have been formulated into the format of basic Assumptions, and the Core Elements will be used to put each of the principles into practice.

The first guiding principle is that companies should regulate themselves and conduct their operations with ethics, openness, and accountability.

The second guiding principle is that companies should provide merchandise and services that are risk-free and have a positive impact on the environment over their entire life cycles.

The third tenet is that organizations are obligated to prioritize the health and happiness of their workforce.

Principle number four states that companies must pay attention to, and show consideration for, the needs and concerns of all of its customers, particularly those who are underprivileged, vulnerable, or disadvantaged.

Fifth guiding principle: Companies have a responsibility to uphold and advance human rights.

Principle No. 6: A company has an obligation to safeguard the environment, take measures to preserve it, and work toward restoring it.

When participating in efforts to influence public and governmental policy, companies should do so in a sensible manner, as outlined in Principle No. 7.

The eighth guiding principle is that companies should advocate for inclusive growth and fair development.

The ninth guiding principle states that in a responsible way, organizations should interact with and deliver value to the clients and consumers they serve.

## **CORPORATE SOCIAL RESPONSIBILITY MATTERS & HOW IT IMPACTS BUSINESS**

In the generations before, there was a widespread belief that businesses should only be concerned with how much money they make, but in the most recent decade, this way of thinking has begun to shift. Based on a poll conducted by Nielsen in 2015, nearly half of customers who shop online said that they are willing to pay a higher price for goods or services provided by businesses that



demonstrate social and environmental responsibility. According to the findings of the same poll, consumer-goods companies that demonstrate a commitment to environmental stewardship beat competitors that do not make such a promise.

In addition to the possibility of losing customers who are socially aware, corporate social responsibility has an effect on a company's capacity to recruit the best and brightest personnel, as well as on the levels of satisfaction with their jobs and retention levels. The next generations of employees, who are just now entering the workforce, look for firms that have a CSR plan that is both transparent and efficient. The best available talent in the year 2016 seeks employment with an organization that is open about its values and operates with the dual objectives of doing good and earning a profit. Organizations that do not place a priority on a plan for corporate citizenship run the danger of seeing its best employees leave for other companies that do.

In addition, workers at companies who engage in CSR report higher levels of happiness and contentment in their jobs. This is due to the fact that workers believe working for an employer that is socially aware provides them a feeling of purpose in their lives. Additionally, companies that engage in CSR initiatives have a greater propensity to spend more in their workforce and make greater efforts to provide a working environment that staff members look forward to going to each day. Employers that execute a comprehensive and efficient CSR plan may be able to keep their present workers for longer, which is important to consider given that the average length of employment in the United States is now 4.2 years.

The expansion of social media has also had an effect on the significance of companies taking full responsibility for their communities. In today's world, businesses that engage in unscrupulous business activities are more likely than ever to be called out publicly through social media, which may severely harm their reputation in just a few short hours. Alternately, social media may be used as a vehicle to spotlight businesses who are engaged in corporate social responsibility (CSR) or that conduct business in a responsible manner. This can result in greater sales, a bigger audience exposure, and free favorable press.

### **SIGNIFICANCE OF CORPORATE SOCIAL RESPONSIBILITY**

Every firm that places a premium on customer trust as an essential component of their operations should place a significant emphasis on corporate social responsibilities. A collector of both business choices and character, it has evolved into an essential component of the long-term business strategies of the most successful organizations operating in the market. This idea of a contemporary organization has received a lot of focus and consideration recently. In the context of a business, "taking responsibility for the acts of the firm" and "encouraging beneficial effect via its operations connected to the environment, society, economy, and stakeholders" are both aspects of the overarching mission of "corporate social responsibility."

The succeeding broad definition of corporate citizenship was proposed by the European Union Commission (2002) in the book written by the author Dalsrud. It reads as follows: "Corporate social responsibility concerns the responsibilities of the company and taking measures within the company that go beyond the company's legal obligations and the economic / business goals." These



larger obligations include a wide variety of concerns, although they are often grouped together under the headings of social and those pertaining to the preservation of the environment. The term "social" refers to society in its whole and not only to specific social problems. One may refer to this strategy as "the method with three primary lines, namely economic, social, and environmental."

The notion of corporate social responsibility first emerged within the framework of academic study in the 1950s. However, there does not seem to be any consensus on how this phrase should be defined, which is shown by the fact that a variety of meanings were found. Since the middle of the 20th century, this topic has been the subject of much discussion. In 1953, when Bowen published the book "Social Responsibilities of the Businessman," a shift occurred in the vocabulary that was being used. Before that time, people talking about social responsibility in business was common; ever since then, however, social responsibility has been more common. After then, the word gained a substantial amount of popularity, and an increasing number of businesses tended to modify their operations so that they conformed to this contemporary notion. As a consequence of this, there are a variety of distinct terminology and techniques to defining this notion. Some of these include businesses and consumers, social problems management, stakeholders' managerial staff, and corporate citizenship. Those are only a few of the phrases that are used to characterize phenomena linked to CSR in the context in which it is used most often in business these days. The lack of unanimity among diverse organizations, sectors, and parties involved in the process of making generalisations multiple interpretations is the primary reason for this, as well as the ongoing development of this notion that happens as a result of the merging of different methods. Because the idea of social obligation is not well characterized, it is difficult for businesses to determine the program that will be the most effective in putting it into practice. Additionally, it is difficult for the public to determine what they actually anticipate from an institution that engages in responsible business practices.

### **Significance of CSR**

Let us have a glimpse at the six significant aspects that have contributed to the importance of social responsibility for businesses in India.

#### **1. Brand Value**

A cursory examination of the ten most important brands in the world reveals that accountability is deeply embedded in each of their business practices. A corporate social responsibility program that is well-managed has the potential to assist boost brand image and awareness while also resonating with high morals.

At an estimated 19.5 billion dollars, the Tata Group is the most expensive brand in India. People respect the firm not just for the high-quality items it sells but also because of the work it does to further the common good. This has earned the company a positive reputation in the community. The firm has an amazing amount of goodwill, and people trust the brand name.

#### **2. Increased Sales – Customer Matters**

Customers have a favorable impression of businesses that are guided by a higher purpose in their leadership. A research found that 88 percent of consumers polled would purchase items from a



firm that demonstrated social responsibility. 85 percent of the respondents indicated that they would be willing to support the firm in their local neighborhood.

Connecting with businesses that are making a contribution to their communities is important to members of Generations Y and Z. In today's hyperconnected environment, more customer involvement directly translates into increased revenue. This further emphasizes how important it is for businesses to participate in Corporate Social Responsibility initiatives.

### **3. Employee Retention and Engagement**

There was a period when individuals just considered their professions from the standpoint of providing for themselves financially. Employees of today are looking for a greater purpose in their work than just receiving a paycheck every month.

Businesses that have a good reputation in the community attract and retain talented workers. Volunteering opportunities are an integral part of many CSR projects, which aim to cultivate values like as sympathy and loyalty. Because of this, there is an increase in the level of friendship and teamwork among the staff. It is a well-established fact that satisfied workers result in lower rates of employee turnover.

A volunteerism program that assists non-governmental organizations in the development of sustainable models is one of the CSR initiatives undertaken by Godrej Group. They are also well-known for operating a number of projects that contribute to the preservation of the natural environment. This has resulted in increased levels of satisfaction among employees as well as a great image for the organization. It should come as no surprise that this company is consistently ranked among the most desirable employers in India.

### **4. Cost Savings**

In the past, the firm incurred significant financial losses whenever it attempted to operate in a sustainable manner. A few decades previously, the inclusion of cost reductions as one of the criteria in the relevance of CSR would have been unexpected. Devices have been developed by responsible businesses, which have resulted in cost savings in operational expenses.

The Cochin Airports in India is a fantastic illustration of how environmentally responsible operations may result in cost reductions. Solar energy is used for all of the airport's operations, making it the first airfield in the planet to do so. It has established itself as a leader in the industry and is encouraging other airports to switch to solar power in order to improve the quality of life for people everywhere.

### **5. Poverty Alleviation**

There are approximately 1.4 billion people living in India, yet just the top one percent of the population controls 73% of the country's wealth. In despite of the many assistance programs that are available, the wealth gap in the United States is one of the largest that can be found anywhere in the globe.

The management and completion of tasks is the business sector's primary area of expertise. They have the skills and the knowledge to provide the most possible effect with the fewest possible expenses. By capitalizing on this aspect of operational excellence, CSR initiatives produce change at the grass-roots levels.



When it relates to corporate social responsibility (CSR) programs in India, Mahendra& Mahindra's Nanhi Kali is one of the innovators. According to a research published by the World Bank in 2018, nations lose between \$15 and \$30 trillion in lifetime income and productivity as a result of restricted educational options for females and impediments to completing 12 years of school. Girls who participate in Project Nanhi Kali get an education, that not only enables them to become more independent but also assists their families in climbing out of hardship.

## **6. Risk Management**

There is no longer any room for argument on the magnitude to which social and ecological risk may have an impact on enterprises. These elements influence the growth plans over the long term, but they are outside the company's ability to regulate them.

According to a research that was carried out by "the United States Trade and Development Agency (USTDA)" and a major accounting business called KPMG, the city of Mumbai suffered a loss of Rs 14,000 crore owing to floods between the years of 2005 and 2015. Both socioeconomic and environmental variables might contribute to the deterioration of the infrastructures or the loss of working hours that result from absenteeism.

One of the most significant contributors to floods in Mumbai is the city's diminishing mangrove coverage. The corporate social responsibility (CSR) branch of Bajaj Electricals partnered with the non-governmental organization United Way Mumbai (UWM) to plant 10,000 native vegetation and raise young public's understanding about the significance of mangroves.

## **THREE DIMENSIONAL ASPECT**

Based on an examination of the content of currently accepted methods and Concepts, the three aspects of corporate social responsibility that have been accepted by the majority of writers are the following: the environmental, the social, and the economic components. In terms of the environmental impact, it is imperative that businesses work toward expanding their operations in a way that is both ecologically responsible and profitable. The term "social dimension" refers to the relationship that exists between the organization and society, in which the company is required to take into account social issues in its day-to-day operations as well as the repercussions that its actions have on the whole of the population. The purpose of the economic component is to increase the overall profitability of the business. Considering these aspects, a great number of debates have arisen over their pertinent objectives and the manner in which they are connected to one another in terms of implementation, interaction, and harmony between the objectives that have been accomplished<sup>14</sup>. The formation and execution of a company's social responsibility program is now a strategic need for fulfilling a company's obligation to the common benefit. The actions that are initiated and carried out by the programmes of corporate social responsibility are ones that are advantageous to society and are in conformity with the values and objectives of society. Generating and retaining a positive attitude towards the company; reinforcing the connection with relevant parties; generating a better, secure, and more encouraging workplace environment; enhancing the effectiveness of business administration; and enabling access to funding are just a few of the advantages that can be managed to accomplish as a result of this. During the process of developing this notion further, in addition to these three fundamental aspects, two other, significant





dimensions emerged: the dimension of stakeholders, and the component of volunteers (volunteering dimension). When considering the stakeholders perspective, businesses need to work on ways to better communicate with their workforce, as well as the communities in which they do business, their customers, and their vendors. Furthermore when it pertains to volunteering, this aspect refers to the actions of firms that are not legally envisaged but which are founded on the ethical ideals of the organizations and their voluntary acts. Specifically, this aspect relates to corporate social responsibility.

### **Economic Aspect**

From the perspective of the company owner as well as the customer, it is a critical component of the evaluation of how organizations operate within their respective business environments. The development of this aspect inside the firm makes it possible to improve the company's financial performance by providing support for the business plan, which also contributes to a rise in the industry's advantage over its competitors. According to the research that was carried out in 2015 by Gonzalez-Rodriguez et al., the economic aspect incorporates the following aspects: maximizing profits, living up to the requirements of shareholding, remaining at the forefront of the industry, ensuring the happiness and commitment of customers, and marketing their merchandise and services through pricey television commercials.

### **Social Aspect**

"By examining the influence of social dimension on corporate social responsibility, Gonzalez-Rodriguez et al., 2015 included the following main aspects of this dimension in their research: new job openings, respect for human rights, helping developing countries, training employees, improving the quality of life in all regions where the company is operating, non-discrimination of gender, religion, race, cooperation with schools, universities, and other institutions, sponsorship, and promotional activities". Szczuka (2015) provided many case studies of successful business strategies that firms have used in order to achieve sustainable growth. The idea of social responsibility was dissected over the course of a decade, beginning in 2003 and continuing through 2012, by way of an examination of the workforce, employee behavior, and the rights of both employees and administration

### **Social Impact Defined**

Similar to CSR, the term "social impact" does not have a single, agreed-upon meaning. Since this is such a novel idea, there is almost no academic literature that offers a description of social effect in relation to CSR. This is due to the fact that this notion is so fresh. On the other hand, the International Organisation of Impact Assessment (IAIA), which is an association devoted to the development of monitoring and evaluation, has offered a practical description of a number of different types of social effects. IAIA's idea of social effect is presented in the next section: Alterations to any or all of the following might be seen as having social repercussions:

The manner in which people conduct their lives on a day-to-day level, including how they spend their moments at work and play, as well as with each other;

Their culture, which includes their commonly held ideas, practices, and principles, as well as their speech or dialect;



Their community, including its cohesiveness, consistency, personalities, services, and infrastructure;

Their political systems, namely the degree to which individuals are allowed to engage in the making of choices that have an impact on their daily lives, the degree to which democracy is going to take place, and the means that are made available to support this endeavor;

Their environment, which includes the condition of the air and moisture that people breathe and drink, the accessibility and high-quality of the food that they consume, the level of danger or risk, dust, and noise to which they are revealed, the sufficiency of sanitation, their protection from harm, as well as their access to and management of over resources;

Their physically, intellectual, emotional, and religious well-being — health is more than just the absence of sickness or infirmity; rather, it is a condition of total well-being that includes all of these aspects of one's life.

Their rights to their own individual and property, especially in situations when country's economic well-being is negatively impacted or if they face a personal disadvantages, which may involve an infringement on their civil freedoms;

Their worries and hopes, including their thoughts on the level of danger in the neighborhood, their anxieties about the tomorrow, and their hopes for a better future for themselves and for their kids (IAIA, 2008).

As can be seen from the preceding conception, social repercussions might include a wide range of different types of social problems. As a consequence of this, trying to establish a definition that covers everything is a fairly challenging endeavor. The Institute for Effective Philanthropy, which was established by Professors Mark Kramer with Michael Porter of Harvard University, has produced a number of published papers that make reference to this significant obstacle. It was mentioned in a study that was produced by the Centre in 2002 and was centered on the necessity and requirement for a common vocabulary in philanthropy and the administration of philanthropy that "...social consequences are notoriously challenging to assess. The issue of establishing the idea of social effect is just as tough as it is difficult to measure the social impact that a certain action has. On the other hand, the exact description is supplied in accordance with the idea of social effect provided by the IAIA (2008): The concepts of social effects and social influences refer to the different environmental, historical, geopolitical, financial, spiritual, physiological, and physical factors that have an effect on the attitudes, values, and actions of individuals and groups. A description of this scope will include what is normally understood to be social effect as it relates to CSR, and this will be pretty indicative of the sort of CSR program being discussed.

### **Environmental & Ecological Aspect**

This aspect places an emphasis on actions related to the environment policy and protection. The examination of the impact that human activities have on the natural world is a topic that has been covered in a great deal of published work. This type of research focuses primarily on two different directions: first, it investigates which aspects of company operations have an impact on the surrounding environment, and second, it investigates how that impact on the surroundings can



result in improved business results for businesses. In accordance with the global standard on environmental regulation ISO 14001, a large number of studies are focusing on the impact that organisation performances have on the surroundings. This can be done by preventing the pollution of water, earth, and air, as well as by reducing the amount of energy and resources that are consumed. Many businesses are up against a green barrier as a result of the intensification of market competitiveness and globalization. As a result, many businesses have achieved ISO 14001 certification, which satisfies client needs in terms of protecting the environment. According to Gonzalez-Rodriguez et al(2015) .'s findings, this aspect of corporate social responsibility allows for the examination of a number of different influences, including but not limited to: lowering the waste of time and resources; complying with the ethical codes; publishing the yearly accounts on the effect on the environment; the safeguards of restricted resources and species diversity; the careful utilization of highly renewable resources; the reduction of the the emission of harmful and polluted products; and the promotion of recycling.

The phrase "Corporate Social Responsibility" (often abbreviated as "CSR") has been in general usage since the early 1970s. It refers to a sort of self-regulation that is practiced by corporations. Although the notion of CSR is brought up rather often, there is not an universal definition of it that is universally recognized.

Corporate social responsibility (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, according to the Green Paper Promoting a European Framework for Corporate Social Responsibility that was presented by the European Commission in July of 2001". The objective is to manage CSR operations in a strategic way, as well as to establish the instruments and metrics that will be used for this purpose.

"Operating a corporation in a way that meets or surpasses the ethical, legal, commercial, and public expectations that society has of business is how the Business for Social Responsibility (BSR) defines corporate social responsibility (CSR)".

All aspects of corporate social responsibility may be collated and discussed using the following five elements of CSR:

1. The environmental aspect, which focuses on the natural surroundings and the long-term viability of commercial operations.
2. The Social Levels: This aspect relates to the link that exists between businesses and society as a whole.
3. The Economic Levels: This relates to socio-economic or financial factors, including characterizing the CSR in terms of its influence on the organization's daily operations.
4. The Stakeholder aspect refers to the practice of taking into account all of the different stakeholders or interested parties.
5. The dimension of voluntary action is the fifth dimension, and it relates to behaviors that are not mandated by the law. In point of fact, it is possible to characterize it as going above and beyond what the law mandates.



IOSC stands for the International Organization for Standards. ISO 26000:2010 is a set of principles that outlines how organizations and enterprises should conduct their operations in a responsible manner for society. This entails conducting oneself in a manner that is not only morally sound but also open and honest, and which makes a positive contribution to the wellness and well-being of society. The following are the seven fundamental aspects that are being taken into consideration by ISO 26000:2010:

1. Corporate governance and management
2. Human rights
3. Labor conditions
4. Environment
5. Fair enterprise
6. Consumer care
7. Involvement and development of local community.

Large corporations are often held accountable for a negative effect and irresponsible behavior by a firm, while the responsibilities of small and medium-sized enterprises (SMEs) are often overlooked. Because they make up almost 99% of all businesses and are responsible for the employment of a rising number of people, small and medium-sized businesses (or SMEs) are undeniably an essential component of the economy. In this context, it is impossible to ignore the fact that small and medium-sized businesses (SMEs) have the potential to have a significant negative influence on the environment, particularly if the characteristics of the industrial activities carried out by SMEs are taken into consideration. In most instances, legislation and regulations requiring obligatory reporting on the effect on the environment did not apply to small and medium-sized enterprises (SMEs). Without having a clear understanding of the notion, a significant number of businesses in Europe, especially small and medium-sized enterprises (SMEs), have already implemented beneficial social and environmental practices. Because the advantages of CSR are difficult to assess, small and medium-sized enterprises (SMEs) do not employ them in a systematic manner and do not extract value from their participation. This might be a significant obstacle to the widespread awareness of the value of CSR. Large corporations are more likely to engage in formal CSR initiatives, while small and medium-sized businesses are more likely to create environmental control systems, although the solutions are less often put into practice.

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