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Impact Factor: 3.43

Cite this paper as : Shubha Shree Sharma (2017), CORPORATE SOCIAL ENGAGEMENT: ROLE OF ORGANIZATIONS IN PROMOTING AND IMPLEMENTING SOCIAL RESPONSIBILITY, International Journal of Marketing & Financial Management, ISSN: 2348 – 3954 (online) ISSN: 2349 –2546 (print),, Volume 5,(Issue 2, Feb-2017), pp 29–pp33 ,

## **CORPORATE SOCIAL ENGAGEMENT: ROLE OF ORGANIZATIONS IN PROMOTING AND IMPLEMENTING SOCIAL RESPONSIBILITY**

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### **ABSTRACT**

In an evolving global economy, it has become imperative for the private sector to act as a force for public betterment. Corporate Social Engagement expertise includes how a company engages with its employees, consumers, and communities to address vital social needs, business objectives and stakeholder expectations. Corporates are now learning how to operate in a more environmentally and socially sustainable manner. The outgrowth of this profound transformation is the corporate social responsibility movement. Social responsibility has now become the new baseline for corporate citizenship. But as times change, the role of corporate citizenship must change as well. With the moral imperious for taking action brought about by climate change, business must now raise its level of play and move beyond corporate social responsibility. To step into this new paradigm, business must become proficient in furthering transformative social change. The current study focuses on the role played by different organizations in promoting and implementing social responsibility.

**Keywords:** Corporate Social Engagement, Stakeholder and Social Responsibility

### **1.1 Introduction**

Business depends on society for existence, sustenance and encouragement. Dependence of business on society is so complete that as long as the latter wants the former, business has reason to exist. Once society ceases to have any use for business, it has no place and reason to live. Being so much dependent, business has definite responsibility towards society.

Social responsibility is concerned with treating the stakeholders of the firm ethically or in a societally responsible manner. Stakeholder exist both within a firm and outside. Consequently behaving socially responsible will increase the human development of the corporation. A process-and dialogue baesd approach to treat stakeholders with respect by consistently monitoring their interests and status and taking those into accounts in corporate decision making.

“The Manner in which a business carries out its own business activity. The Welfare activity that it takes upon itself as an additional function.

- ❖ Social Responsibility is about how companies manage the business to produce an overall positive impact on society.

### **1.2 Stakeholder Management**

Stakeholders are those parties impacted by the company and upon whom its ultimate success depends Major stakeholders in addition to investors are as follows:

Employees

Customers

Business partners  
Communities  
Environment  
Shareholders / Owners

### **1.3 Responsibility towards Employees**

The employees should be treated as human beings and their cooperation must be achieved for the realization of organizational goals. The management of a business should fulfill the following obligations towards its employees. There should be Fair wages-every business should pay reasonable wages and salaries to its employees so that they may satisfy their needs and lead a good life. Good working conditions-since workers spend about eight hours on every working day at the workplace, they must be provided with good working conditions. Workers should be provided service benefits such as housing and medical facilities, insurance cover and retirement benefits. It is the responsibility of the management to win the cooperation of the workers by creating the condition in which workers are willing to put forward their efforts towards the common goal of business. The management should recognize the workers right to fair wages , to participate in decision affecting their working life, to form trade unions to collective bargaining and to go on strike of their demands are not accepted. The workers should be helped by training and other means to improve their skills. Management should give the workers adequate to opportunities to develop their capabilities through training education and the enjoyment of freedom to the greatest possible extent.

### **1.4 Responsibilities towards Customers**

Customer satisfaction involves more the over of products at lowest possible price. Adulteration of goods, poor quality, failure to give fair measure, lack of service and courtesy to the customers, misleading of dishonest advertising are some of the examples of violation by business of it obligations towards the Customers of its products. Therefore, it is the duty of management to take care of following points. Need satisfaction-the company should produce those goods which meet needs of different classes, tastes and with different purchasing power. The business should make goods of right quality available to the right people at the right time and place at reasonable price. The business should provide a prompt adequate and courteous service to customers, and handle their grievances carefully. The management should not indulge into unethical practice such as black-marketing, hoarding, adulteration etc. Right information-The manager should assure that advertisements ad statements issued by the business are true and fair.

### **1.5 Responsibility towards suppliers**

Provide accurate information regarding the financial health of the organization. Ensure a reasonable price for the articles supplied, and make prompt payments there should be fairness in transactions .Promote a healthy atmosphere where creditors, suppliers and other interest groups are treated as partners in a cooperative endeavour.

### **1.6 Responsibility towards shareholders or owners**

There is a separation of ownership and management in the case of joint stock companies. The shareholders are empowered to appoint directors and seek regularly accurate and full financial information about the company are responsible for safeguarding the interests of shareholders. But in case of sole readership and partnership concerns, the owners can look after their interests themselves. Shareholders are a source of fund for a company. They expect a high rate of dividend on the money invested by them and also the maximization of the value of their investment in the company. Soundness- it is duty of management to see that financial position of the company is sound and the company always look for growth.

- **Information-** It is the responsibility of the management to keep the shareholders well informed about the progress and financial position of the company.

- **Protection of the assets-** The assets of the company are purchased with the funds provided by the shareholders. The management is able to safeguard these assets.

### **1.7 Community Involvement**

Peter Drucker suggested that business should be so managed that to make the public good the private good of the enterprise. Thus every business owes an obligation to the society at large.

Management should not indulge in any practice which is not fair from social point of view. Society expects that the business uses the factor of production effectively and efficiently to the satisfaction of needs of the society. If the business fulfills these expectations its goodwill and reputation will increase. Improvement of local environment- good management can develop surrounding area for the wellbeing of the workers and the general public.

Management has certainly great responsibility to keep the healthy environment conditions where production is being carried on. It should take preventive measures against air and water pollution and should contribute should contribute to the development activities.

Employment opportunities- it is the responsibility of the management to help increase direct and indirect employment in the area where it is functioning. Efficient uses of resources- the resources at the command of the business belong to the society. Therefore the management should make best efforts of use of capital, raw material and other resources for the well-being of the society.

### **1.8 ROLE OF ORGANIZATIONS IN PROMOTING SOCIAL RESPONSIBILITY**

#### ➤ **TATA'S CORPORATE CITIZENSHIP**

Public library in Dewas supervised by workers as a volunteer activity. Marketing consultancy and computer classes for NGOs as a volunteer activity. Tata Public School in Dewas. Provides training to women in the manufacture of leather articles at a Vocational Training Centre, the Leather & Jute Training Centre at Indore, in collaboration with the Madhya Pradesh Handicraft Development Board (Hasta Shilp Vikas Nigam). Tata International is also a member of the Tata Council for Community Initiatives and participates in regional programs.

#### ➤ **ROLE OF HUL IN CORPORATE SOCIAL RESPONSIBILITY**

Water Conservation and harvesting project aims at reducing water consumption in its own operations and regenerate sub-soil water at its own sites through the principles of 5R namely Reduce, Reuse, Recycle, Recover and Renew. Water scarcity is one of the biggest crises facing India in terms of spread and severity. Water conservation and harvesting in HUL's own operations will help conserve and regenerate this scarce resource. An attendant benefit will be reduction in the consumption of energy that would have been spent in converting and using that water.

Water management is a focus area for all HUL factories. Water conservation has been made one of the key performance indicators of an HUL factory. Through a series of technology innovations and novel processing routes HUL has reduced its ground water consumption by over 50%. HUL has also applied technologies that recycle effluent water after treatment – 70% of HUL sites are now zero discharge sites. There are many other measures - Reverse Osmosis Plants and Solar Evaporation Ponds to name a few. A simultaneous benefit is saving in energy that otherwise would have been consumed in drawing, pumping or converting Water into steam - HUL's energy consumption per unit of production has come down by 61% since 1996. Since 2003, all HUL sites have begun to harvest rain water. Rain water falling on factory premises is accumulated in ponds, thereby renewing sub-soil water tables.

➤ **PROJECT SHAKTI - Changing Lives in Rural India**

The project Shakti is HUL's rural initiative, which targets small villages with population of less than 2000 people or less.

In general, rural women in India are underprivileged and need a sustainable source of income. This provides an additional income to these women and their families, by equipping and training them to become an extended arm of the company's operation.

➤ **FAIR AND LOVELY FOUNDATION**

The Fair & Lovely Foundation aims to achieve this through providing information, resources, inputs and support in the areas of education, career and enterprise. This foundation has renowned Indian women, from various walks of life, as its advisors. Some of them are educationists, NGO activists and physicians.

➤ **HYUNDAI MOTORS** – Hyundai motors the Korean automaker, set up a training center in South Central Los Angeles to train high school graduate to become auto mechanics. The training program run for eighteen weeks, after that the graduates were eligible for jobs at any of the seven Hyundai dealership in Los Angeles area. One reason why Hyundai started this program was in an effort to improve relations between the black and Korean communities.

➤ **TOYOTA-** Toyota Japan leading manufacturer, is helping make dreams come true in run down American neighborhoods through a program called “Christmas in April” which offers financial and volunteer support. The program is a non-profit organization dedicated to renovating and repairing homes for poor, elderly and handicapped. It now operate in 150communities. Toyota support is more than just financial. The company gets many volunteers to participate in these neighborhood projects. For example in Santa Ana, California, 87 Toyota volunteers renovated the Mercy House Transitional Living Center, a shelter for homeless men. They painted the entire house and installed new windows and floor coverings.

➤ **MATTEL-**Mattel, the second largest toy company, has shown its commitment to urban renewal through an effort to share some of its prosperity with its customers and the community. This commitment has grown even stronger since the riots Los Angeles. One such project, ” Mattel Learning Centers” focuses on preschool and elementary school children, but provides service to everyone. The center offers preschool classes for everyone and programs for their parents. Programs at the centers are available to members of the community free of charge.

**ENVIROMENTALY CONCERNED ORGANIZATIONS**

Many companies whose activities effect the environment are forming what are called eco efficient corporate initiatives. As concern for the environment grows among the public, business must expand its efforts to recognize their environmental responsibilities. Some of them are as follows :

1. McDonalds- in 1991, launched a waste reduction plan which is a comprehensive environmental policy that concentrates the company’s efforts on reducing the waste generated at its 8500 restaurants and its distribution centers. McDonalds studied ways to reduce, reuse, recycle and composite materials .The Company now uses recycled carryout bags and small paper napkins, has eliminated the use of Styrofoam containers, recycles all corrugated cardboard and contains to work on other ways to reduce waste.

2. S.C.Johnson implemented an incentive program to encourage suppliers to reduce their packaging and manufacturing waste. The company promotes recycling and reducing waste.” ignorance in the workplace costs. It reduces productivity and can lead to expensive errors that cost a loss in sales, customer locality, and the ability to attract new customers.

3. Polaroid stopped using mercury in its batteries, which were not recyclable. by doing so the company eliminated environmentally dangerous chemical and created batteries that are recyclable.

4. Northern Telecom provided the technology to help Mexican industries cut their use of ozone depleting solvent.

5 AT&T redesigned its circuit board cleaning process to eliminate the use of ozone-depleting chemicals. In addition to preventing environmentally destructive emissions, the company also achieved annual savings of \$3 million.

## **CONCLUSION**

As the public demands greater corporate social responsiveness social issues such as equal employment, business ethics, environment protection and consumer relations are becoming an important part of corporate decision making .Economic concerns as a primary emphasis of a business is a thing of past. Business must address both social and economic concerns and work to improve the overall quality of life. By being more socially responsible business also avoid further government regulation, such regulation limits the freedom of business and in turn limits everybody's freedom. Business must work to avoid blanket government regulations bought on by social pressure. The future of business depends on its ability and willingness to respond to the changing expectations of the society. Companies may not wait until they are attacked by the public before becoming socially responsible. They must continuously present themselves as being committed to social causes. Those companies do not get involved in the social issues will not survive. As multinational organizations becoming more global in their operations a growing trend towards global sensitivity is developing. Although management behaviors are starting to base on cultural assumptions there is need to develop management theories that are effective and functional when applied in multiple settings. One is that management must be able to see opportunities where others see threats and problems. Another is what she calls the input output view which means that a company must take on what is need to meet its objectives but must also take on something on value to person or group external to itself. This helps a firm center its sight on how its actions affect its environment.

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