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Corporate Social Relationship as Responsibility

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Abstract:

This study aims at combining relationship of the corporations with their responsibilities tied with the society. Corporate Social Responsibility is an important element in Customer Relationship Management. Both related to corporations and both dedicated towards society and giving benefits to society and maximizing profit for the corporation. This paper will help to relate Corporate Social Responsibility with Customer Relationship Management and how both of them affect the environment of the society.

Keywords: Relationship, Responsibility, Profit, Society

1. Relationship Tied with Responsibility

Relationship and Responsibility are interdependent. With every relationship, there is an equal responsibility and with every responsibility we owe, we directly or indirectly form relationship. Man is a social element and needs to interact with the surroundings. The interaction leads to relationship which in turn comes with responsibility. 2R's always involve two or more parties.

Coming to corporate world, corporations over the world take and utilize resources from the society and in turn, makes hospitals, NGOs, etc. basically for society welfare. Corporations take this as their responsibility towards the society. They go among the people of the society, provide them with goods and services, takes feedback, thus forming a relationship with them. This relationship owns the benefits of profit maximization and customer loyalty. Also it encourages people of the society to provide the resources. So basically it is an ever-going recursive process.

Relationship is tied with responsibility. Relationship is the base on which responsibility is owned. Though today it is also applicable in vice-versa situation, that is, responsibility providing base for relationship. Philosophically saying, 2R's are essential for human living. But in today's practical era, if one is opting for taking responsibility, it will accept it seeing benefits. Usually these benefits are in monetary terms. Here, also it is obvious, somewhere between these benefits, a relationship is being formed.

2. Role of Corporate Responsibility in Society

Corporate Social Responsibility (CSR) is the responsibility each corporation owes towards the society. According to WBCSD, "Corporate Social Responsibility is the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large." It is a guiding vision that can help companies maintain their license to operate in an increasingly globalized world. Business dictionary defines CSR as, "A company's sense of responsibility towards the community and environment (both ecological and social) in which it operates. Companies express this citizen (1) through their waste and pollution reduction process (2) by contributing educational and social programs, and (3) by earning adequate returns on the employed resources".

CSR can be basically concerned to as such a management concept where companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. It is a "Triple-Bottom-Line-Approach" towards the society. It is based on the platform of taking and utilizing resources of the society and in turn providing welfare to the society.

CSR as a part of society issues environmental management, eco-efficiency, responsible sourcing, stakeholder engagement, labour standards and working conditions, employee and community relations, social equity, gender balance, human rights, good governance and anti-corruption measures. If properly implemented, it can bring laurels for the company as well by competitive advantages such as access to capital and markets, profit maximization, operational cost savings, improved quality, efficient human resources, improved brand image and reputation, customer loyalty, better decision making and equivalent risk management.

In India, corporates like the Tata Group, the Aditya Birla Group, and Indian Oil Corporation, to name a few, have been involved in serving the community. Through donations and charity events, many other organizations have been doing their part for the society. Also, corporates increasingly join hands with non-governmental organizations (NGOs) and use their expertise in devising programs which address wider social problems.

3. Customer Relationship Embedded in the Society

Customer Relationship Management or CRM is a boon to 21st century for both society as well as corporations. According to techtarget.com, "Customer Relationship Management is a term that refers to practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving business relationships with customers".

CRM has allowed society as well as corporations to come together and take marketing to a next level. It is the emerging concept in India to maximize brand and efforts of profit maximization. Theme of CRM is inspired by the need of the society. It is, thus, a relationship between society and corporations developed for social welfare.

CRM is such management concept that deals in making relationship between the corporates and the society to create a win-win situation for both. The society gets a better sense of hospitality while the corporates earn greater profit. Its dimensions rely on corporates' transparency, quick response and providing state of delightfulness to the customers of the society. The relationship, as philosophically said, is at its best if it is from both sides. So, the concept of CRM suggests that society is equally responsible in the sense of calculating the right quality of the right product. Being connected, customers realized that they could ask more from companies and share opinions about products and services.

4. Merging CSR and CRM

As stated, relationship and responsibility are interdependent. In the same manner, Corporate Social Responsibility (CSR) and Customer Relationship Management (CRM) are independent. Both terms dedicated to both parties, society as well as corporations. If society wants a well-equipped surroundings, then it has to contribute its resources to the corporates and on the corporations' part, they can't exploit resources of the society instead they have to fulfil responsibility towards society by constructing hospitals, parks, NGOs, and various other social welfare programs, in order to maximize their own profit.

Relating CSR with CRM will take ahead corporations as well as society to a much higher level. In fact, CRM is the base of CSR. Till the relationship is formed, responsibility comes over. At initial stage of a corporation, it needs to build strong relationships with the society so as to promote their products or services which could help earn them handsome profit. This relationship could be associated with the concept of CRM. And it's quite obvious that for a successful corporation to run, it takes resources from the society. When it takes resources, it owes responsibility towards the society. This concept of responsibility can associated with CSR.

In today's era, it has become essential to merge CRM with CSR. In growing tendency of paying responsibility, corporations conceal their bitter truth of saving tax and just pretend to work towards society welfare. The people, as consumers, are being fooled by the attractive advertisements and marketing techniques. To prohibit this kind of relationship, CRM has to reach at its highest level, not just to pretend, but actually work for the society. CSR would come automatically if people understand the area where there is an expectation-perception gap.

CSR and CRM merged give rise to high standard of living for the society. With the development of corporations, the society has urbanized. Responsibility and Relationship towards the society plays a vital role in giving a new, better shape to the society as well as corporations. It will probably reduce the effect of the gap arising between the society and corporations.

5. References

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