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Corporate Social Responsibility (CSR), Problem and Strategies

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Abstract:
The problem of company displacement due to lack of knowledge and implementation of Corporate Social Responsibility (CSR) is a major problem not only in India but worldwide. The appropriate implementation of Corporate Social Responsibility (CSR) in the cultural and religious diversity country like India is a great concern especially for the Multi-National Companies (MNC). Purposely some companies whether national or international are not interested to implement their CSR policy probably due to the purpose of high profit using cheap manpower. As a result they face regular disturbances inside and outside the company premises. In some cases at last the company displacement becomes the ultimate option. Another important problem of misuse of proper CSr policies may be due to the interference of some local and regional politicians, which creates problems both for companies and the people working for the company. Therefore, authors of this article discussed the common problem of CSR and some important CSR strategies like CSR and Modeling, Respect the God of Locality, Respect the neighbor, Respect Creation, Net working system of governance on CSR, Share of accident Information and free fare accident report, Respect to the Environment etc for both the National and Multinational Companies to run their business smoothly, with good profit and also for long period of time.

Key words: CSR, MNC, Modeling, Net working, Governance

1. Introduction

Business globalization and Corporate Social Responsibility (CSR) are two integrated processes. It is seen that companies working without the interest of the state or region face a lot of social and cultural tragedy. Now days, the process of business are less people oriented and more profit orientated compare to earlier. Most of the company in the developing countries, especially Multinational companies are interested for cheap manpower. In this context, Lantos, (2001) stated that "today's businesses are less rooted than they were before and they are willing to move in order to get cheap manpower and reduce tax liabilities". Due to the less rooted business in the developing countries most of the companies are moving here to there after a short period of time. Displacement of business and the development of the township are also two integrated systems. The history of business development can be illustrated from the British East India Company. The British East India company established a number of cities in all over the world. But due to the use of cheap man power and breaking the ethical issues, it faced a number of social and regional revolutions and at last it collapsed. In this context, a question may arise that 'What is necessary to establish a long lasting and effective business? For its solution Brytting, (1998) stated that, there is a need for ethical behavior and social responsibility of the corporation working in the host country. In other words it can be said that it is important for the corporations, especially for MNC that, they should respect the countries law, culture and developmental needs of the certain society where they have been working. Similarly Twose & Rao, (2003) stated that, businesses are part of the society and that they have the potential to make a positive contribution to societal goals and aspirations, especially in developing countries.

2. Concept of CSR

The administration of the Companies, implanted in diverse economic, cultural, religion and political systems around the world, stated that there is different operating and governance standards they usually followed. After then it is seen that they faced a lot of problems to establish a standard CSR to run them successfully. Proper implementations of standard CSR provide better profit and a successful sustainability of the companies. In this context Lantos, (2001) affirmed that, the essence of a business organization's social responsibility, taught people to work hard and be successful. To be a good corporate citizen Carroll (1979, 2000) proposed a four-part definition of CSR. He suggested that the firms should follow the economic, legal, ethical and philanthropic responsibilities to make them successful. Freeman (1984) stated that, it is important to the firms especially for the multinational companies to act in accordance with moral, legal and social concerns represented by stakeholders. Ness, (1992) suggested that the companies should have obligation social and environmental issues. But it is very difficult to implement the CSR properly especially for the multinational companies. Therefore it can be suggested that a standard CSR should be constructed by the company authorities according to the respective society and the guidance of the local leaders not from a specific political party.

The CSR should be followed the employment status, educational status of the local people, daily wages, religion, social and environmental issues etc.

3. Company Establishment and Township Development

Establishment of new firms and township development are two integrated processes. The development of Calcutta city (Now Kolkatta), Bombay (Now Mumabai) Madras (Chennai) is the result of Establishment of British East India Company. Similarly in the world a number of cities developed due to the establishment of new firms or Companies. The main intention of establishment of new firms is the business development. The process of business directly or indirectly creates a corporate society which influences the township development. In this context the example of Bokaro Steel Plant by Tata Company Pvt. Ltd. India (in Jharkhand) and development of Bokaro city; Rourkela Steel Plant (Rourkela, Orissa) and Rourkela City may be taken as the example of Company establishment and Township development. The establishment of big firm directly or indirectly invites some small or moderate industries; educational institute; healthcare business etc. The establishment of new firms is an influencing factor for the population hike and it also help to increase the people's expectation. Therefore a number of people come from the nearby areas to manage their daily lives and to improve their socioeconomic status. In this context it can be said that the establishment of new firms and township development is the main influencing factor for the improvement of socioeconomic status, daily living style, educational status and so on.

4. Local Politics and Violation of CSR

In some cases it is seen that the authority of the firms wants to satisfy the political leaders of the states or the locality. As a result a little number of people get satisfaction and CSR usually become neglected. The satisfaction of political leaders may create unemployment of local people in the region, favoritism, social violation and anti-attitude towards the company and so on. It is impossible to satisfy the political leaders of the region where the company established because opposition raised the injustice and violation of CSR against the ruling party ruling party and the company. As a result the company faced a number of problems and lost a lot. In some cases the displacement of the company may be the last option. In this context the recent example may be taken that in India Tata Motor Nano car Plant displaced from Singur, (West Bengal) to Ahmadabad (Gujrat). Due to this displacement the company lost thousands of crores and the people of Singur lost their hope and expectation. Today this type of example is common in the world especially for the Multinational Companies (MNS).

5. Company Displacement and its Impact on Local SES

Due to the inappropriate implementation or failure to implement the CSR in some cases it is seen that the company shifted. The after effect of company displacement is very pathetic. Both the company and the local people suffer a lot after this company displacement. Along with the displacement of big firms the small and moderate business firms gradually shifted from that place. As a result the firms shifted from that place loss a lot of money which they have invested in their infrastructure of their firms for future purpose. The local people also lose their work, expectation, their small business and so on. Due to which the financial frustration, social harmony, daily lively hood stress come as the common result for the local people. Therefore it can be said that improper implementation of CSR makes loss for both the companies and local people where it planned to establish or established.

6. CSR implementation and Government

In some cases it is seen that, some company authorities intentionally want to violate the CSR to get more profit using cheap man power. From general observation it is seen that some of the company authority use money power by using some local antisocial people and any political leader to spread fear among the common people and to violate the CSR. As a result social instability and social violation take place. In this context both the company and the local people pay a lot. To solve this problem the both the central Government and the State Government should work coordinately for the help of common people and for the benefit and long lasting of the companies CSR activities. In this context a standard CSR should be designed by the Government and to take care of its proper implementation by constructing a committee. The committee should be included the local religion, culture, and social leaders of that region, political leaders from the ruling and opposition party, the company authority, and the CSR Expert from the reputed bodies.

7. CSR and Ethics

Accidents in the firms are common especially in the mines and industries. In major cases it is seen that the company authority pays little attention for the safety of the workers. After accidents, they may pay a little amount of compensation or in some cases they want to suppress the accident case to save the compensation money. Therefore it is important for the company to maintain the corporate ethics to take care of the well being of their employees. In this context Bond, (2009) stated that in order to avoid the future risk it is important for the companies to share the accident information which is considered the good corporate governance. The professional engineering ethics and is important in every industry should be shared with the employee and the employer both. He also suggested that in a fair-minded society suitable compensation for injuries sustained at work or resulting from an accident must be payable. In various companies it is seen the engineering work is very weak and then there is no accident board. The cause may be the use of cheap engineering and the aim of investing less and getting high. In some cases the company authority does not want to share the accident information, after the accident report due to their own safety. In this context Dekker, 2007) stated that professionals under accident circumstances seem to face two bad alternatives: (10 either they report a mistake and get into some kind of trouble for it (they get stigmatized, they get a reprimand, or they get fired or even prosecuted.) and (2) or they do not report the mistake and keep their fingers crossed that nobody else will do so either. Such cases create violation and strike in the

company and the production and profit of the company may be affected. Therefore it is important to at first the company should take care of the safety of the people and the accident information should be shared among the employees from lower to higher level. After an accident report should be fair and the compensation should be satisfactory.

8. Strategies for CSR

Very few people think about the concept of global socialization. It is a big weakness of the governance of the multinational companies to have the knowledge of the social responsibility of the people of the existing society where they want to establish their firms. Companies especially MNC face problems of CSR where national and other political structures are weak and local social structures unable to cope with large western corporations. In this context some following strategies for CSR are important for the companies to sustain success.

- CSR and Modeling: Some companies are more successful compared to others. In this context the success of companies might be due to the proper implementation of CSR. Before the establishment of a new firm, it is important to follow the CSR implementation of the other successful companies in that locality or nearby locality.
- Respect the God of Locality: Belief and faith in God is a common tendency of the people. The companies should be respectful towards the local God. In this respect the companies should understand and be respectful to various religious festivals of the locality irrespective of the religion. As a result the employees and the local people will be respectful for the companies.
- Respect the neighbor: The companies should be respectful towards the neighbor companies either it is big or small to avoid the anti-attitude. The companies should be working together by taking care of the benefit of local people and the profit of their own.
- Respect Creation: The companies should be respectful towards the Bible, (Religion book of Christian), Gita, (Religion Book of Hindus), the Koran (religion book of Muslim) and so on. As a result the local people will be respectful towards the companies and will be working with high motivation.
- Respect the Commission: Most of the human being thinks that, the attributes of God's Lordship refer to His sovereignty over the world. He has made and of the affairs of human beings. Every believer in Him is a member of His Kingdom and bows to His authority as King. Such beliefs should be taken into consideration by the company authority.
- Respect Everlasting Principles: The everlasting principles of the locality should be respected by the companies especially for MNC to motivate the employees for better production. The companies from other religion should not force the employees to obey their religion and their beliefs. As a result a pro attitude of the employees towards the companies will be developed and the production and profit of the companies will be entertained.
- Networking system of governance on CSR: In this context the knowledge of the implementation of CSR should be followed from the lowest level of the authority to the top level.
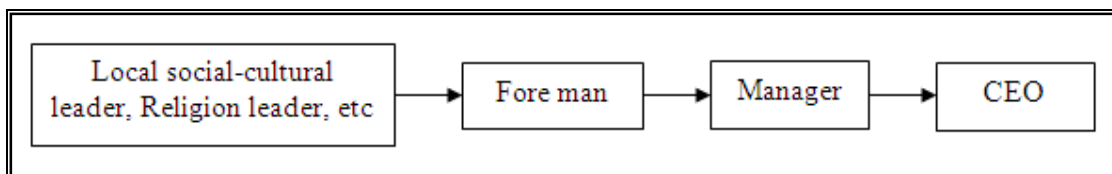

Figure 1: Net Working Model of CSR

- Sharing of accident Information and free fare accident report: In this context it can be said that the companies should share the accident information by teaching the employees, by distributing posters, banners, and other educational awareness among the employees to minimize the accident in the firms. It is also important for the companies to report freely and fairly after an accident occurred. The compensation of the accident should be satisfactory and it should be decided by the authority and the labor leader. By which a corporate ethics will be well maintained and the company will be free from the employee violation.
- Respect to the Environment: The company authority should be aware of the water pollution, soil conservation, water preservation, proper waste management facilities. After all they should be aware not to do any harm directly or indirectly to the local people,

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