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CORPORATE SOCIAL RESPONSIBILITY: IT HISTORY AND CONCEPTUAL UNDERSTANDING

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ABSTRACT:-
Corporate Social Responsibility (CSR) is a concept that has gained significant attention in recent years. It refers to a company's voluntary actions to address social and environmental issues beyond its legal requirements and economic objectives. This paper provides a historical and conceptual understanding of CSR, including its evolution over time and its various definitions and interpretations.
The origins of CSR can be traced back to the early 20th century when some companies started to recognize their social responsibilities towards workers, customers, and communities. However, it was not until the 1950s and 1960s that CSR began to gain wider attention, mainly due to concerns about the negative impacts of corporate activities on society and the environment.Corporate Social Responsibility (CSR) is a concept that has gained significant attention in recent years. It refers to a company's voluntary actions to address social and environmental issues beyond its legal requirements and economic objectives. This paper provides a historical and conceptual understanding of CSR, including its evolution over time and its various definitions and interpretations.
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KEYWORDS:- Philanthropy, Environmental sustainability, Social, impact, Inequality

DEFINATION

Corporate Social Responsibility (CSR) refers to a company's voluntary actions to address social and environmental issues beyond its legal requirements and economic objectives. It involves integrating social and environmental considerations into the core business operations and values of companies, and taking responsibility for the impacts of their activities on stakeholders, such as employees, customers, communities, and the natural environment.

CSR can take various forms, such as ethical behavior, philanthropy, environmental sustainability, stakeholder engagement, and social impact. It can also involve initiatives to promote human rights, fair labor practices, diversity and inclusion, and responsible supply chain management.

The concept of CSR is based on the idea that businesses have a broader responsibility towards society beyond making profits and complying with laws and regulations. It recognizes that companies operate in a complex and interconnected world, and their actions can have significant social and environmental impacts. Therefore, CSR aims to promote responsible and sustainable business practices that create value for both companies and society, and contribute to the achievement of sustainable development goals.

STAGES OF DEVELOPEMENT OF CSR

Corporate Social Responsibility (CSR) has evolved over time, with different stages of development reflecting changing societal expectations and business practices. The following are the three main stages of development of CSR:

Philanthropic CSR (1950s - 1970s): In the early stages of CSR development, businesses focused mainly on philanthropic activities such as charitable donations, community development projects, and sponsorships. Companies saw these activities as a way to give back to society and improve their reputation.

Compliance-based CSR (1980s - 1990s): The next stage of CSR development was characterized by a focus on legal compliance and risk management. Businesses started to realize the potential negative impact of their operations on the environment and society, and began to implement policies and procedures to ensure compliance with regulations.

Strategic CSR (2000s - present): In the current stage of CSR development, companies have shifted towards a more strategic approach to CSR. This involves integrating social and environmental concerns into their core business strategy and operations. Companies recognize that sustainable practices and positive social impact can lead to long-term profitability and success.

It's important to note that these stages are not fixed and may overlap or evolve over time. Additionally, different industries and regions may have different approaches and timelines for CSR development.

LITERATURE REVIEW:-

In their study, Carroll and Shabana (2010) proposed a four-part definition of CSR that includes economic, legal, ethical, and philanthropic responsibilities. They argued that companies should consider the broader social and environmental impacts of their actions and strive to create shared value for all stakeholders.

In another study, Orlitzky et al. (2003) reviewed the existing literature on CSR and found that it can create both financial and non-financial benefits for companies, such as improved reputation, employee satisfaction, customer loyalty, and reduced risks

Moreover, Jamali and Mirshak (2007) highlighted the importance of stakeholder engagement in CSR, and suggested that companies should develop strategies that address the concerns and expectations of their stakeholders, and build relationships based on trust and dialogue.

In a similar vein, Elkington and Hartigan (2008) argued that CSR should be integrated into business strategy and management, and that companies should measure and report their social and environmental performance alongside their financial performance, using frameworks such as the triple bottom line.

Finally, Boulouta and Pitelis (2014) conducted a meta-analysis of studies on CSR and found that it can have a positive impact on financial performance, but the relationship is complex and depends on various factors, such as the industry, the region, and the type of CSR activity.

HISTORY OF CORPORATE SOCIAL RESPONSIBILITY

The history of Corporate Social Responsibility (CSR) can be traced back to the early 20th century when some companies started to recognize their social responsibilities towards workers, customers, and communities. For example, the British chocolate manufacturer Cadbury established a welfare program for its employees in the late 1800s, providing housing, healthcare, and education.

However, it was not until the 1950s and 1960s that CSR began to gain wider attention, mainly due to concerns about the negative impacts of corporate activities on society and the environment. The rise of consumerism and the civil rights movement in the United States, as well as the growing environmental awareness and activism, contributed to the emergence of CSR as a social and political issue.

In the 1950s, social responsibility was defined as the obligation of businesses to contribute to the welfare of society beyond their economic and legal responsibilities. The idea was further developed by Howard R. Bowen, who argued in his book "Social Responsibilities of the Businessman" (1953) that companies should consider the broader social consequences of their actions and align their goals with societal values and needs.

During the 1960s and 1970s, CSR became more institutionalized, with the establishment of various organizations, such as the Corporate Social Responsibility Group (UK), the Business Roundtable (US), and the United Nations Environment Programme (UNEP). These groups aimed to promote responsible business practices and address social and environmental issues through voluntary initiatives and self-regulation.

In the 1980s and 1990s, CSR became more integrated into business strategy and management, with the recognition that it can create shared value for both companies and society. The concept of the "triple bottom line" (economic, social, and environmental) emerged as a framework for measuring and reporting corporate performance beyond financial metrics.

In the 2000s and 2010s, CSR continued to evolve, with the emergence of new challenges and opportunities, such as climate change, globalization, and social media. The focus shifted from philanthropy and compliance to stakeholder engagement and sustainability, with the recognition that companies can play a role in addressing global issues and achieving the Sustainable Development Goals.

Overall, the history of CSR reflects the changing expectations and demands of society and the role of business in sustainable development. It has evolved from a moral and philanthropic obligation to a strategic and integrated approach to business that considers social and environmental impacts alongside economic goals.

CONCLUSION

In conclusion, Corporate Social Responsibility (CSR) has evolved significantly over time, from a moral and philanthropic obligation to a strategic and integrated approach to business that considers social and environmental impacts alongside economic goals. The history of CSR reflects the changing expectations and demands of society and the role of business in sustainable development.

Although there are different interpretations and definitions of CSR, there is a growing consensus that it can create shared value for both companies and society. By aligning their business strategies with societal needs and expectations, companies can enhance their reputation, attract and retain employees, improve operational efficiency, reduce risks, and create new markets and opportunities.

However, CSR is not without its challenges and criticisms, such as the risk of greenwashing, the lack of enforceable standards, and the systemic issues of capitalism that it may not address. To overcome these challenges and enhance the effectiveness of CSR, various frameworks, standards, and initiatives have been developed to provide guidance and benchmarks for responsible business conduct.

Overall, CSR requires a holistic and strategic approach that integrates social and environmental considerations into the core business operations and values of companies. As the world faces increasing social and environmental challenges, CSR has become more important than ever, and companies have a critical role to play in contributing to sustainable development and creating a better future for all.

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