Title of the Paper

Corporate Social Responsibility: A game changer today and tomorrow

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Corporate Social Responsibility: A game changer today and tomorrow

Abstract

Corporate Social responsibility(CSR) is often used as if it were a subject or an actor , in sentences such as " CSR benefits disadvantaged workers in developing countries" or CSR is a distraction for corporate managers , but the times are changing and CSR is looked upon as an opportunity for tomorrow and today's business opportunity . No more CSR is just a duty , but it part of your strategic business plan , getting new consumers and supply chain problems . In this paper based on secondary literature review we are providing examples of such CSR activities which take care of a niche segments and make the corporate houses sustain. Also we are discussing who matters in for a company to take up CSR and what may be the issues for continuing with such practices . and the challenges the companies may face tomorrow, who are to be involved(Stakeholders) when CSR will really matter.

Key words-: Social responsibility, Strategic decision, Stakeholders.

Key Words – Rural market, Collaboration, CSR, NGO, Business models, Sustainable

Conceptualizations of CSR:

Since the 1950s, CSR (e.g., Bowen 1953) along with the related notions of corporate social responsiveness, corporate social responses (e.g., Strand 1983), and corporate social performance (e.g., Carroll 1979; Wood 199t), have been the subject of many conceptualizations originating mainly from the management literature.

We live in a world in which richest 20 percent of the people possess 80 percent of gross national product, In which one country accounts for 23 percent of world wide energy consumption and in which USA and Europe account for 65 % of annual wealth creation. We live in a world where prosperity is measured in GDP. The concept of Social responsibility among business men, particularly in India is not new and can be easily seen in the form of Dharmshala, mosques, temples .Till the late 20th century , the mission of the business firms was exclusively economic. With the business environment being characterised by various developments including the shift of power from capital to knowledge , people becoming aware of their rights, which led to increased expectations from the side of the society .

"For many years, community development goals were philanthropic activities that were seen as separate from business objectives, not fundamental to them; doing well and doing good were seen as separate pursuits. But I think that is changing. What many of the organizations that are represented here today are learning is that cutting edge innovation and competitive advantage can result from weaving social and environmental considerations into business strategy from the beginning. And in that process, we can help develop the next generation of ideas and markets and employees".

Carly Florina, Hewlett Packard

At the Business for Social Responsibility Conference

November 12, 2003

Global Leaders in the marketplace are promoting collaboration between Industries and society for creating a sustainable strategy. Traditional business wisdom says to fix your eye on the bottom line and be wary of “do gooder” temptation that may reduce profits. The Conjoining of profits and social ideals is a disquieting proposition for some people. It forces an intermingling of objectives generally kept separate. There is “business” and there are “good works” and never the twain shall meet (Bollier 1997).but the twains are meeting with as illustrated by many examples that are presently growing in Indian business circle and the success they have acquired from it.

During the 1960s and 1970s the relationship between business and society was re-examined and with that re-examination emerged new theories regarding corporate responsibilities to society (Dierkes & Antal, 1986). Steiner (1972), Davis (1973) and others proposed that diffusion of corporate ownership made the traditional manager-owner model of the business entity mis specified. They argued that although business is, fundamentally, an economic institution, larger firms exert significant influence in society and have responsibilities to use some economic resources in an altruistic manner to aid in meeting social goals. Keim (1978) argued that social responsibility activities may be consistent with wealth maximization motives of the firm. He stated that as society changes societal constraints on business activity also change.

From a business perspective, researchers often argue that Corporate Social Responsibility (CSR) can improve the competitiveness of a company (see e.g., Burke & Logsdon 1996). In the long-term this implies a positive relationship between the CSR involvement of a company and its financial success suggesting that there is a business case for Corporate Social Responsibility. Although various researchers analyzed the relationship between CSR and financial performance (see e.g., Margolis & Walsh 2003 for an overview), the research produced mixed results and does not seem to support the further development of CSR in business practice. Knox and Maklan (2004) argued in this context that the development of CSR could well be inhibited by ‘‘the lack of a systematic framework linking investment in these responsibilities to social or business outcomes’’ (Knox & Maklan 2004, 514). A framework or approach that would allow companies to assess their business case for CSR on a company- and project- specific level could facilitate the further implementation of CSR and support rational decision-making in this area (see also Epstein & Roy 2001, 601f.).

India’s developmental challenges are rendered tougher by the large incidence of people living in poverty. World Bank estimates that more than 800 million people in the country survive on less than $2 a day. Such widespread economic backwardness makes societies unstable and, in turn, can make business growth unsustainable. Therefore, creation of sustainable livelihoods is a very important economic objective that business strategists can ill-afford to ignore. Many companies' growth strategy is powered by unique business models that have enabled it to contribute in a larger measure to create sustainable livelihoods, even as it has nourished natural capital and created shareholder wealth.(Sustainability report 2010, ITC).

Misalignment between CSR and Competitive Strategy

The World Business Council for Sustainable Development defines CSR as "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" (www.wbcsd.com, 2000). CSR centers on the relationship between business and society and how businesses behave towards their key stakeholders such as employees, customers, investors, suppliers, communities, and special interest groups (Hick, 2000).

CSR represents an interesting evolution and culmination of philanthropy and ethics. Specifically,
corporate philanthropy has evolved from the donation of cash and products to charitable organizations because "it's the right thing to do" to more strategic philanthropy where donations are focused on a theme that has some relationship to the company's core business (Weeden, 1998). Similarly, ethics has evolved from the company's obligations to society to abide by the law, pay taxes, and provide employment to a more proactive approach where the firm is expected to adhere to high international codes of conduct that exceed these traditional obligations (Nelson, 1996).

Well defined and strategic CSR activities will ensure an optimum balance between social, environmental, and economic factors for sustainable profits. Hence, CSR has to be embedded within the business strategy to provide a competitive edge in the areas of brand equity, corporate reputation, employee retention, and environmental conservation.

Some CSR initiatives

CSR is a multidimensional concept (Stanwick and Stanwick, 1998) and is comprised of a number of variables. These variables include: firm's profitability, charitable giving, environmental emissions, women and minority members on the board of directors, women and minority members within the firm, and annual salary and monetary bonus of the Chief Executive Officer.

Indian business structures or practices were developed more on base of what was done in other developed countries rather than its own initiatives. Although there were exceptions at time when we look at the aspect of Indian Companies taking responsibility. TATA Group of industries will remain the pioneer in it starting up from developing a grievance cell to creating their own township and strictly adhering to a motive for care of employees. The TATAs were the first employers to introduce the 8-hour working day (1912), free medical aid (1915), workers' provident fund scheme (1920) and many other welfare schemes even before they were introduced in the West. The "employee association with management" programme initiated in 1956 gave the workers a stronger voice in the affairs of the Company. Having started out the hard way, at a time when India had no industrial base, self-reliance has become a way of life with TATAs. (http://www.tatasteel.com/corporate/heritage/a-century-of-trust.asp).

What traditional economist believed that the three components for an industry were human capital, wealth and land but post development of industrial society Companies were oriented towards manufacturing and infrastructure development thus the orientation was more making profit out of the indulgence. Later on when companies faced competition and more capital was required they went for keeping interest of the stakeholders (read shareholders) intact but later on since the proper contribution by employee become very important companies kept showing keen interest towards development and keeping the employees happy but if we consider the scenario of India post Economic liberalization as new sectors like telecom, FMCG saw new players coming in, it also saw the concern for external stakeholder important and we saw various business groups taking care of it but to strive in competition it is not just about philanthropy but growth also. India is a challenging market to anybody reaching out in the market and having widespread growth is a tough task considering the demographics, literacy, per person disposable income all contribute in the various strata of market to be considered.

- FINO (Financial Information Network & Operations)
- Hindustan Unilver – Project Shakti, Vindhya valley
- ITC group _ E -choupal

- FabIndia

FINO:

The biggest problem faced by the people belonging to areas like Dharavi is how to go in posh banks with AC's working and people in ties and suits moving to deposit or take out mere amount as Rs. 100 or even less, thus came in picture FINO (Financial Information Network & Operations. FINO, the organisation bridged this divide. FINO is not a bank, and it does not lend money or accept deposits. It is a technology and operations services provider that serves as a conduit between banks, insurers, state governments, microfinance institutions (MFIs) and their customers. The army of 6,000-plus FINO agents, called bandhus (or friends), visit customers at their doorsteps, and facilitate financial transactions over those consoles. Alternatively, customers can do business at FINO's 5,750 transaction points (primarily shops) across the country. That was the driving service philosophy of FINO. An organisation that delivered cost-effective, tailored financial services to an underserved audience. FINO is a Multibank promoted, professional, financially strong with a Board comprising of Customer Banks and MFI. FINO has the largest acceptance among FI's and has received awards and recognition from reputed organizations. FINO works on National priority projects (NREGA, RSBY, SSP, etc). Therefore helping reach a critical mass to provide economy of scale to all customers. Product Innovation that is derived from deep insight into the requirements of the client segment gained from pioneering work done with MFI, Banks and Research organizations. Pure and complete focus on this segment enables us to sensitize our products and services to meet client needs.

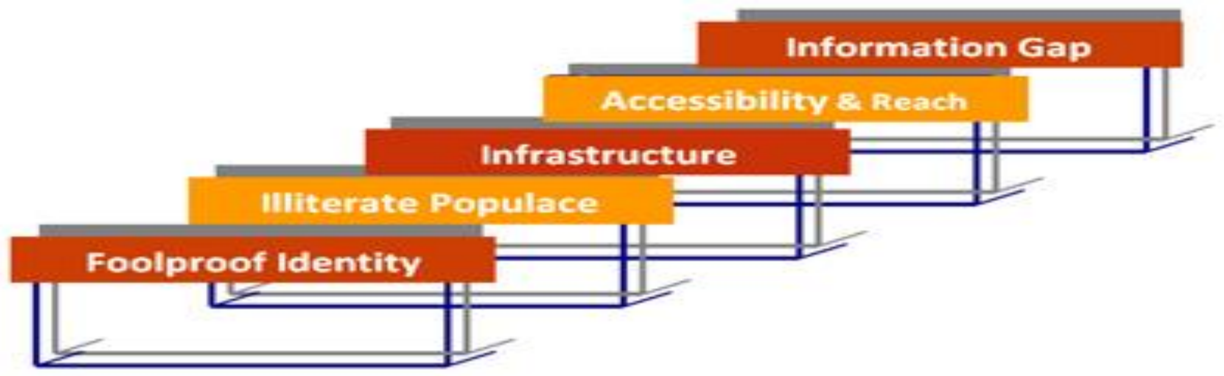

Fig 1: A picture depicting the gaps identified by FINO (Financial Information Network & Operations) for providing the services to various customers of people belonging to lower income group retrieved from http://www.fino.co.in/aboutus.aspx.

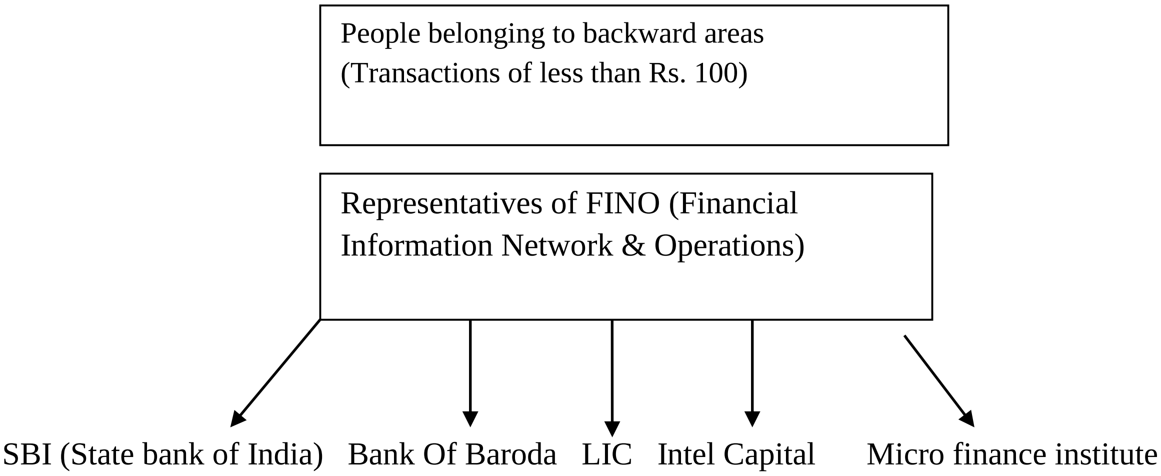

Fig 1- A schematic representation of Channels of money flow created by FINO (Financial Information Network & Operations) overcoming various limitations by targeting low income group and creating a Business model having collection of Rs. 2000 crore in capital.

Inititatvies by HUL

Project Shakti

The objective of Project Shakti is to create income-generating capabilities for underprivileged rural women by providing a sustainable micro enterprise opportunity, and to improve rural living standards through health and hygiene awareness. It has already been extended to over 5000 villages in 52 districts in Andhra Pradesh, Karnataka, Gujarat and Madhya Pradesh. HLL's vision is to scale it up across the country by 2010, creating about 11000 Shakti entrepreneurs, covering 100,000 villages. A typical Shakti entrepreneur conducts business of around Rs.15,000 per month, which gives her an income in excess of Rs.1000 per month on a sustainable basis. As most of these women are from below the poverty line, and live in extremely small villages (less than 2000 population), this earning is very significant, and is almost double of their past household income. For most of these families, Project Shakti is creating opportunities to live in conditions of dignity, with real freedom from want. HLL is now in the process of piloting 'i-Shakti' an IT-based rural information service that will provide solutions to key rural needs in the areas of agriculture, education, vocational training, health/hygiene, etc in Nalgonda district of Andhra Pradesh.

Vindhya Valley

In 2002, the company also took a project in Madhya Pradesh, which will impact the entire state's rural population. The mainstay of Madhya Pradesh's economy is agriculture. Prosperity thus means increasing the income of farmers and small town and village entrepreneurs engaged in agro processing and cottage industries. This is where HLL is contributing its expertise. It has helped the government create 'Vindhya Valley', an umbrella brand for food products, and support software for its marketing, manufacturing and distribution. The upgradation will generate higher sales and higher returns for rural artisan communities, many of whom are women. To impact even larger groups, HLL is helping the government set up permanent handicraft fairs across top cities and towns of the state. The government already operates about 15,000 fair price shops. But there are villages still, which do not have access to such shops. Those villages have been identified, and fair price shops will be put up, each with a cluster of villages as a catchment area. They will be run by Self Help Groups (SHGs) and cooperatives.

Initiative by ITC

When tobacco giant ITC flagged off its agri-business in 1988, it was operating in a protected economy, procuring agri-products from mandis and exporting them. However, the '90s saw the opening up of the Indian economy, bringing opportunity for many—along with more than a few challenges.

Innovation

An Internet-based two-way platform to procure from and sell to farmers, which has evolved into a mobile-based channel that offers services too.

The problems were

- Fragmented farmers
- Less penetration
- Restriction by government to export
- Farmers can sell to central mandis only (under APMC act)
- Marketing cost in rural area can run very high
- ITC had to bear extra Supply Chain Management cost
- ITC was planning to stop the project in 2006
- Only 4 companies were associated initially
- Cost of establishing Kiosks was high

This was the birth of e-Choupal—a shift in the business model of procuring from mandis to directly procuring from farmers. It led to substantial reduction in procurement costs, and also brought consistency and predictability in the supply chain.

Today, there are some 6,500 e-Choupal centres and all of 4 million farmers who use the e-Choupal platform across 40,000 villages in 10 states. However, fewer people are aware of the extent to which the agri business division of ITC has continued to innovate around the original model, evolving it to its current form as a true platform for engaging rural consumers and producers. Because platforms typically host an array of commercial partners and serve a wide range of customers, they cross many types of innovation; this is certainly true of e-Choupal.

Between 2005 and 2007, e-Choupal began offering third-party access to rural India. Currently, there are 160 partners from domains as diverse as seeds, consumer products, finance, insurance and employment who sell their products to rural consumers through e-Choupal's channel. ITC leverages brand "e-Choupal" to promote these partners.

Charging for access to the platform helps ITC recover substantial costs of infrastructure and operations. Second, coupling its core offering of "terrain expertise" (which was initially built through the commodity procurement chain) with "domain expertise" of its network partners, e-Choupal is able to offer new products/services to its village customers, which broadens their access to useful goods and opportunities.

For the network partners, e-Choupal is a cost-effective way to access the rural consumers without building their own distribution channel. This was e-Choupal v2.0.

The procurement network that was transformed into a product platform is now getting amplified into a service platform. e-Choupal is actively looking at employment, training and agriculture services business (productivity enhancement options that could double yields, respond to climate change, etc.) as new anchor businesses.

The impact of this model is widespread. Other than its wide reach, the e-Choupal model has led to 4-7 per cent reduction in the true cost of contract for different buyers in the commodities business. For ITC, there has been a 40 per cent reduction in transaction costs of procurement. This channel throughputs more than Rs. 2,000 crore in sales for ITC and its partner companies. Through e-Choupal v3.0, which will personalize crop management advisory for farmers, crop yields could potentially double.

Impact of E chopaul’s version 2.0 and 3.0

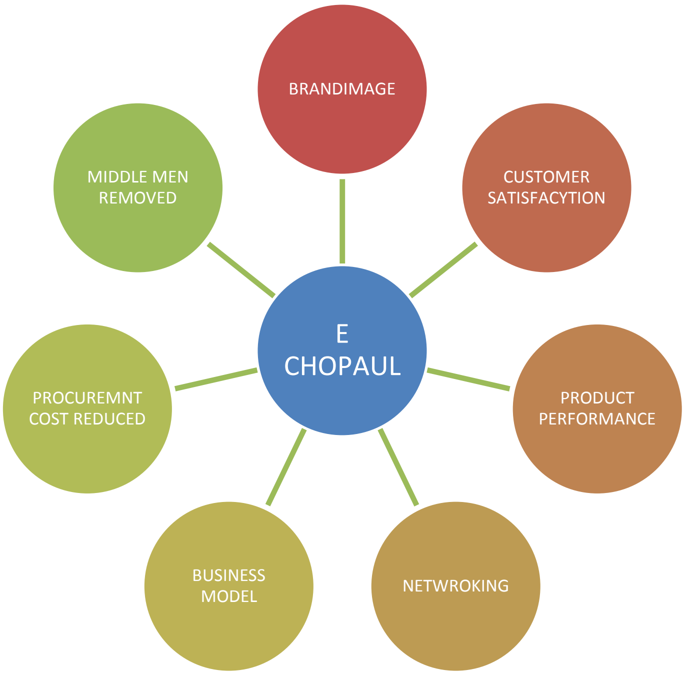

Fig 2: A diagram representing the impact of E chopaul program as understood by authors after reading about the program

FABINDIA

Commercialise handmade products and market them globally, while maintaining high quality. Fabindia has mastered theseconflicts, creating a retail platform of 111 stores, including two abroad, while reporting a turnover of Rs. 350 crore for 2009-10. Fabindia's secret: A pioneering, community-led supply chain that has helped it create and dominate its niche—textiles in the form of readymade garments, bed linen, curtains, and even non-textile products in personal care, furniture, lighting and organic foods—while benefiting the artisans who work for it.

Handicrafts are by definition things made by hand with rudimentary tools and have been exceptions to the laws of mass production. But, Fabindia has introduced the element of scale and quality to its process.

Innovation

Got clusters of artisans to become shareholders in companies that in turn supply Fabindia.

About five years ago, Fabindia realised that it needed to take some tough calls on how to scale up profitably and while retaining its brand equity in handicrafts. "We realised that we had a very well-recognised brand, but we needed to establish a supply chain that could sustain large supplies.

Today, almost 95 per cent of its turnover comes from domestic sales. The product base has diversified from textiles to include nontextile items and even organic foods. This required the presence of a robust supply chain that could deliver goods at affordable prices, with very low variance in quality and just-in-time supplies—making its supply chain innovation an imperative.

Fabindia was convinced that making the artisans a part of its wealth creation process would help its own profitable growth. So, it has worked out a rather simple— yet a very modern and transparent—system of organisation that not only seeks to make disparate artisans more closely-knit, but also more organised in their functioning.

It mapped all entire artisan/supplier groups and created 17 community-owned companies (COCs), which were financed through the creation of shares and capital investment by Artisans Microfinance (a fully-owned subsidiary established in 2007).

In other words, the artisans working on any supply related to Fabindia become shareholders of the company that exists in their region—which is in addition to the money they get by selling their produce. "These artisans can trade the shares between various stakeholders, and all the companies except one are profitable entities and they all pay dividends," says Chainani.

Artisans hold a substantial part of the shareholding of each COC: At least 26 per cent in all cases (this gives them a say in all key decisions). For the artisans, their own supplies to Fabindia improved their companies' bottom line. This provided an investment opportunity: They could realise capital gains by share trading at pre-decided intervals.

These suppliers are not contractually limited to supplying only Fabindia—they can realise additional gains if they choose to sell to other exporters. Overall, Fabindia aimed at building reliable partnerships with artisan groups. By providing management training, skills training, and working capital to its network members, Fabindia now stands to reduce the true cost of procurement over time.

Conclusion

Organizations are increasingly realizing that CSR is no longer a collection of discreet practices or occasional gestures motivated by marketing or public relations. It is rather a comprehensive set of practices and policies that should be integrated into the organizations operations and activities.

Who matters?

The institutions influencing CSR are, in order here.

Notable is the move of government and politicians into the number one position, with the expert stakeholders seeing a number of encouraging moves being made by governments and associated agencies. This may also be consistent with the economic turmoil we are witnessing with governments taking a new and stronger role in many economies. Civil society organisations and businesses themselves remain key in influencing CSR.

1. Stakeholder engagement

Relationships with stakeholders need to become more strategic. Open and honest communications will be central to building trusting relationships. Companies need to identify and engage with their stakeholders and build meaningful and ongoing partnerships. Good stakeholder engagement will become a source of market research and risk reduction and will help to build a company's reputation and brand. Stakeholders' views need to be incorporated into company decision-making so that stakeholders are built into governance structures. CSR programmes need to be shaped by stakeholders' priorities. Well structured, well managed stakeholder engagement will become a source of competitive advantage.

2. A new look at business models and assumptions

The recent economic crisis has taught us that many of the business models and business strategies that were being followed are fundamentally flawed. The coming years present businesses with a new opportunity to look at the way they do business in a way that is more consistent with the sustainable development of the world economy. Companies should start with a thorough review of existing policies, values frameworks and develop meaningful visions for the future. Companies can look harder at their broader contributions to environmental protection and their impacts on local communities. CSR strategies have to become central to business strategy and part of the long-term planning process. Everyone in the organisation needs to recognise their own role in promoting CSR.

3. Management mindsets

A new emotional intelligence needs to replace a culture of greed and arrogance that has existed in Boardrooms for too long. The social and environmental contributions that businesses can make will be increasingly valued and this needs to influence new corporate decision-making models. Better listening to stakeholders and taking an increased responsibility for global challenges will be part of the new management process in the future.

An emphasis on long-term competitiveness rather than short-term profit-making should emerge from responsible businesses.

4. Capacity building

Increased training and the development of staff who better understand the business case for CSR is central to developing organisations that are able to operate in a way that is consistent with the sustainable development of the Asia Pacific region. Education needs to be extended into traditional education institutions as well as down supply chains. Companies should support wider professional development initiatives. CSR managers need to be better valued and their professionalism recognised. In part, a company's commitment to CSR will be measured by the resources they allocate to the function.

5. Human resource management

Staff buy-in to CSR is essential and job descriptions and on-going evaluation of staff needs to include a role for them in contribution to the social and environmental activities and profile of the organisation. Workers need to be seen as partners in the organisation and encouraged to more fully participate in new consultative decisions-making structures. Companies need to consider the rights of their workers, ensure a workplace free of discrimination and harassment and encourage diversity.

6. Action on climate change

Examining both the business risks and opportunities associated with climate change is going to be increasingly important. Companies should measure and report on their own greenhouse gas emissions and demonstrate what measures they are putting in place to mitigate their climate change impacts. Moreover, companies should contribute to climate change adaptation in the communities in which they operate. There needs to be a renewed emphasis on energy efficiency, the use of renewable energy and integrate greenhouse gas targets into strategic environmental plans.

7. Corporate governance

Greater transparency and accountability is increasingly going to be expected of business. Trust will become an important factor in governing relationships between businesses and with governments and other important stakeholders. Strong policies and practices to combat bribery and corruption need to be put in place. New invigorated Boards with proper representation and truly independent non-executive directors will be needed to improve the quality of decision making and the protection of minority shareholders. Internationally recognised conventions, standards and guidelines should be adopted where appropriate.

8. Supply chain management

Insufficient companies are engaging with their supply chain risks even though this is an area where product safety is often compromised and human rights abused. Companies need to develop comprehensive codes of conduct that demonstrate their commitment to ensuring responsible supply chains and demonstrate effective risk management. Supply chain codes of conduct ought also to make requirements with regard to environmental aspects of business operations. Companies involved in auditing need to recognise the limitations of that approach and build capacity down supply chains to build the business case for CSR.

9. Community investment

A move from philanthropy towards much more strategic community is an important development. The emphasis on investment rather than giving will result in companies better targeting resources that benefit both communities and the business itself. New partnerships with NGOs and local community groups should target both local and global challenges and be an important part of a company's commitment to sustainable development. Help with developing social and enterprises and stimulating social enterprise will be more effective than providing money for short-term alleviation of problems. Community impacts need to be appropriately measured.

10. Reporting and disclosure

The demand for increased transparency and accountability will increase the need for improved reporting and disclosure of information. But reporting is likely to move away from annual glossy reports toward much more dynamic forms of reporting using a range of new online techniques including interactive blogs linked to stakeholder engagement and the involvement of businesses in online forums on 'hot topics'. There will be a new emphasis on issues-based reporting, emphasising those areas where a company has the biggest impact but, at the same time, can make the biggest contribution.

What's next?

There is little doubt that recent economic turmoil has had a significant impact on CSR. Compared with last year's research there is a new emphasis on corporate governance and many stakeholders want to see a reevaluation of the way that businesses is conducted, a change in emphasis regarding what is seen as business success and a new management mindset. Transparency, accountability and disclosure have perhaps never been so important in building trust in a brand.

However, despite the crisis, stakeholders remain hugely concerned about the many challenges facing businesses. These includes the impacts of climate change, other environmental risk such as water security, risks associated with outsourced supply chains, community impacts, human rights and product responsibility.

Stakeholders expect companies to respond by building new partnerships, finding innovative solutions to many of the global problems facing us and being an active player in promoting equity and justice. They expect the private sector to be part of a process of rebuilding a secure global economy that can contribute to sustainable development.

The issues that may lie ahead will be

Climate change

Climate change remains the key concern of expert stakeholders in future and they will see this as dominating CSR agendas for the next ten years. Companies are seen as allocating more resources to this issue and the emergence of China as a key player in the discourse over appropriate policy will create a new impetus for businesses. The climate change agenda is now rapidly shifting from strategies for mitigation to a new emphasis on adaptation. Companies are going to have to demonstrate that they are reducing their own carbon impacts as well as working in partnerships with others on adapting to climate change. There will be a new emphasis on energy efficiency.[1]

- Corporate governance

The economic turmoil experienced in recent months seems to have led to increased concerns over the way that companies are governed and the way that decisions are made. The future is seen as one where companies will have to be increasingly transparent and accountable. New corporate governance structures are seen as being at the heart of new models of economic sustainability. Those governance structures will be more inclusive and will better represent the views of a wide range of stakeholders. Pressure from a new breed of socially responsible investors will increase the pressure on businesses to behave in an ethical way.

- Labour and human resources

The treatment of workers within organisations and down supply chains is likely to remain for the coming decade. Concerns over appropriate wages levels, discrimination, workplace conditions and child labour are still important. A new emphasis on decent work in a context of protecting human rights is emerging. Supply chain rationalisation and new CSR strategies by first-tier suppliers will reduce the need for traditional auditing. Within organisations work-life balance will be increasingly important and companies will increasingly recognise the benefits associated with diversity and inclusion strategies.

- Environmental issues

The way that businesses impact on the environment is likely to come under much closer scrutiny. Environmental performance will increasingly be part of company reputation and brand. A particularly worrying aspect of environmental change concerns the availability of clean and safe water. Loss of biodiversity and changing land-use are also increasingly going to be hot topics. Sourcing activities will integrate environmental concerns. New infrastructure

[1] http://www.salesforcefoundation.org/files/RedefiningCSR.pdf

developments are likely to have to take into account a broader set of environmental concerns than we have seen to date.

- Partnerships with stakeholders

Stakeholder engagement will increasingly develop into meaningful partnerships between the private sector and those able to tackle local and global challenges. This will see increased collaboration at both government and local community levels. Businesses will have to demonstrate how they are working with others to tackle the sustainable development agenda through innovative community investment strategies. New innovative models of partnership based on social enterprise and social entrepreneurship will emerge.

- Regulation and leadership from governments

Voluntary approaches tackling social and environmental challenges have had limited success in the Asia Pacific region and the future will see increased pressure from governments via regulations. These are likely to embrace environmental issues and labour issues and provide new requirements for CSR reporting. Regulations in place in Europe covering mandatory reporting and disclosure are likely to be replicated in Asia. Other regulatory pressure is likely to come from stock exchanges, securities regulators and institutions tasked with tackling health and safety.

- Community investment and pro-poor development

Companies will have to demonstrate that they have positive impacts on the communities where they operate. In the least developed parts of the region businesses will be increasingly involved with pro-poor community investment projects, micro-finance initiatives and programmes to encourage entrepreneurship. Community investment strategies will increasingly involve climate change adaptation and responses to environmental challenges. There will be a new emphasis on community education initiatives. Contributing to poverty alleviation and community health initiatives will be seen as an important part of the wider agenda for business who will increasingly have to measure their community impacts.

- Product responsibility

Concerns over product quality, product safety and health concerns over product use are increasing. Companies are likely to have to take more measure to ensure a range of safety and security processes are in place. Better labeling, including more information on country or origin, ingredients and carbon impact will emerge. Boycotts of products and of brands are set to increase with increased sophistication of consumers and a lack of trust in the power of regulators to protect them.

- The professionalisation of CSR

The role of CSR managers within organisations will be better recognised. An increase in professional courses and better quality education on CSR will help to increase the understanding of what CSR is and the value of having a CSR function within the organisation. A growth in certification and qualifications around CSR will help to enhance both the professionalism and the credibility of CSR managers.

CSR-Business alignment

The entire Corporate Social Responsibility package can be broadly divided into two parts; fist one is doing Philanthropy for the society and other part is following standing local government acts, rules and regulations. Let us discuss what the business is going gain from this activities? All successful corporates need productive workforce in order to sustain in long run and only a healthy society can fulfil this requirement. At the same time efficient utilisation of available natural resources helps in profit maximisation by lowering the investment and wastage cost. Following local labour laws and government regulations not only smoothens business process, but also protects interest of business stake holder, consumers and small firms from getting exploited by big bodies. In reverse way societies also need successful corporate to come up in order to create employment opportunities, good health and education facilities for the people. There are enormous examples of the organisations those tried to run their business at the cost of society and made success an illusion. So both Society and business are dependent on each other and corporate social responsibility is the connecting string between them.CSR initiatives planned and implemented in a focused manner can produce a win-win situation for both i.e. company and society.

Here we can take example of "Nestle success story at Moga". Moga a district in the state of Punjab. Before Nestle came to Moga the farmers were in a very measurable condition. Their calves were dying of diseases, failed crops, no refrigeration facility for milk made the standard of living of that area was very poor. Nestle required milk in very large scale and took permission for milk production this place. Nestle in order to get quality milk from the farmers, it send veterinary doctors, nutritionists, quality assurance experts to teach farmers better way of milk production. Proper care and treatment of calves reduced the death and improved the production to almost 50 fold. With time when the standard became better it provided credit facilities to them to make them more productive. It provided electricity and telephone facilities for the homes. Nestle established schools to create educated manpower. Here it was a win-win condition for both. Farmers got a significant improvement in their standard of living and nestle also got stable supply of milk.

One more example would be the story of a well known mining company Anglo American. It took initiatives to make that place of Africa AIDS free and in return it got very productive workforce in that locality. The business needs could be addressed by proper planned CSR initiative. [2]

Conclusion

India's experience with corporate responsibility is not new. In its oldest form, corporate responsibility in India has included the concept of corporate philanthropy and the Gandhian

[2] http://www.salesforcefoundation.org/files/RedefiningCSR.pdf

trusteeship model. This is characterised by corporate donations in cash or kind, community investment in trusts, and provision of essential services such as schools, infirmaries, etc. Many firms, particularly 'family-run businesses' continue to promote philanthropy. However, with privatization and globalization, these models are gradually being taken over by what identify as people oriented business model, which demands a more structured approach for including people whereby companies need to address the concerns of other stakeholder groups (workers and the community) together with those of their financial shareholders. For this to be successful, corporate responsibility must become an integral part of business strategy. The key to being more 'sustainable' is for a business to adopt, demonstrate, and practice more holistic approaches to business, where financial drivers together with sustainable development performance (i.e. social equity, environmental protection, and economic growth) are incorporated into mainstream business strategy and embedded in organizational values.

By engaging with these issues in a proactive way a company will gain trust and respect from stakeholders who are influential in the field of CSR. By responding to these issues a company can reduce risks to brand and reputation. In addition the information will help build effective business strategies.

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