

# UNIT V CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE

- Definition
- Evolution
- Need
- Strategies
- Challenges and implementation
- Corporate citizenship
- Evolution of corporate governance;
- Governance practices and regulation;
- Structure and development of boards;
- Role of capital market and government;
- Future of governance
- innovative practices

“Case studies” with lessons learnt

# SOCIAL RESPONSIBILITIES OF

made with sparklee.com



# BUSINESS AND BUSINESS ETHICS

made with sparklee.com

# INTRODUCTION

made with sparklee.com

A business enterprise should do business and **earn money in ways that fulfill the expectations of the society.** Every individual living in society has certain obligations towards society. He has **to respect social values and norms** of behavior.

# INTRODUCTION

made with sparklee.com

- Manufacture and sale of adulterated goods, making deceptive advertisements, not paying taxes which are due, polluting the environment and exploiting workers are some examples of socially undesirable practices which may increase the profit of enterprises but which have adverse effect on society at large.

# INTRODUCTION

made with sparklee.com

- On the other hand, **supplying good quality goods**, creating **healthy working conditions**, **honestly paying taxes**, **prevention/installing pollution control devices in the factory**, and **sincerely attending to customer complaints** are examples of socially desirable practices which improve the image of enterprises and also make them profitable.

# The Business in Society

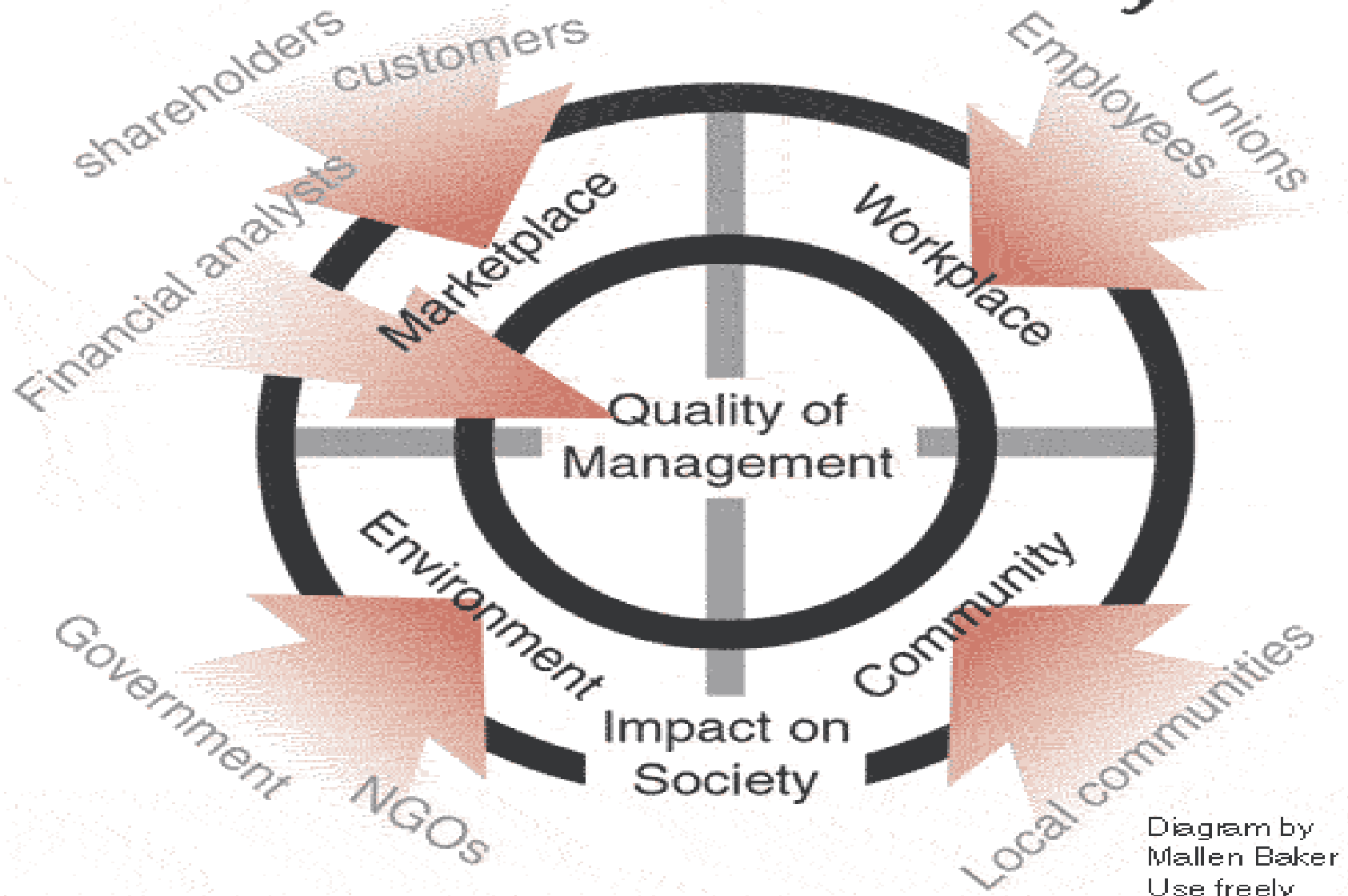


Diagram by  
Mallen Baker  
Use freely

# Concept

- 1. Responsibility of corporate towards the benefit of society.**
- 2. Relationship of business and society.**
- 3. Profitability should not be primary purpose.**
- 4. Corporate as integral part of society.:**

# **CLASSICAL VIEW OF CSR**

**“Business responsibility i.e use resources & energy to earn max profit.”**



# KEY DIMENSIONS OF CSR

- RESPONSIBILITY TOWARDS SHAREHOLDERS  
RESPONSIBILITY TOWARDS EMPLOYEES  
RESPONSIBILITY TOWARDS CONSUMERS  
RESPONSIBILITY TOWARDS COMMUNITY  
RESPONSIBILITY TOWARDS GOVERNMENT

# Responsibility towards share holders

- Protection of interest of shareholders.
- Earn sufficient profit to provide dividend even during lean period.
- Shareholders interest not only in wealth collection but also in CSR and image of company.

# Responsibility towards employees

- Payment of fair wages.
- Best working conditions.
- Arrangement of proper training and education for workers.
- Proper recognition, appreciation and encouragement of special skills.
- Installation of effective grievances handling.

# Responsibility towards consumers

- Increase efficiency of functioning of business so as to increase production.
- Improve quality.
- Smoothen the distribution system.
- Supply goods at reasonable prices.

# Responsibility towards community

- Steps to prevent environment pollution.
- Rehabilitation of displaced population.
- Overall development of locality.
- Steps to conserve scarce resources and develop alternatives.

# Responsibility towards government

- Obeying the law of land.
- Paying corporate tax to govt on time.
- Disclosure of financial statements from time to time.