Globalisation and Corporate Social Responsibility: An Analysis

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Abstract – Corporate social responsibility" (CSR) is the term used to describe a corporate endeavor to assess and take accountability for the company's impacts on the environment and social welfare. The business environment has been greatly impacted by globalisation, the process of connecting and integrating economies, societies, and cultures on a worldwide scale. Corporate Social Responsibility (CSR) is a topic that is becoming more important as businesses grow internationally to take advantage of opportunities presented by globalisation. This study examines how globalisation and CSR are related, highlighting the difficulties and chances that organisations face in this interconnected world with a focus on India. The study begins by looking at the reasons that have fueled globalisation, emphasising how developments in technology, trade agreements, and economic liberalisation have made it easier for businesses to expand internationally. Businesses that cross geographic boundaries come into contact with a variety of social, environmental, and ethical circumstances that force them to reevaluate their obligations to different stakeholders. The significance of a thorough CSR framework aligned with the changing difficulties of globalisation is emphasised in the paper's conclusion. To formulate and put into effect strong policies and guidelines that support ethical business conduct and advance sustainable development on a global scale, policymakers, corporations, and civil society must work together.

Keywords: Globalisation, Organization, Corporate Social Responsibility, Evolution, Legal, Environment, Philanthropy, Deterritorialization.

1. INTRODUCTION

The term "globalisation" refers to a dynamic set of social processes that are transforming our current social condition of "nationality" into one of "globality," which is characterised by strong global economic, political, cultural, and environmental interconnections that render the majority of the world's borders and boundaries irrelevant. This Globalisation enables individuals to create a variety of organisations for a range of goods and services. Organisations are formed with the ultimate goal of supplying goods and services to people. These organisations can act both locally and globally. Multinational corporations are those that conduct business in nations other than their home country. There are organisations that are purely concerned with producing a profit, whereas others are not. Whether the organisations are profit-driven or not, they must function in a way that does not compromise the quality expectations of their customers. This is especially true considering that organisations function in a changing environment. The organisations' operating environments include the political, social, and economic environments. In such situations, organisations must adhere to ethics and corporate social responsibility as a survival strategy. This is because corporations rely on the goodwill of the communities in which they operate and are governed by local laws. As a result, the focus of this essay will be on how ethics and corporate social responsibility (CSR) should be included into a company's strategy. This will be examined in relation to theories, with examples from actual life used to bolster the essay's claims. Business organisations cannot be justified by economic

factors alone. Business decisions' social, moral, and ethical implications are just as crucial to determining a company's success as their economic implications. The existence of business is owed to the society, which is a component of it.

It should naturally operate under the general supervision and discipline of the community. Every company must comply with some social obligations. Such commitments must be fulfilled in order for society to thrive and for the business to continue operating and to be successful. Thus, a company's overall goals are determined by its commitments to the various societal groups. Due to the fact that their actions have an impact on society on three different levels economically, socially, and environmentally modern corporations cannot avoid their obligations. In addition to addressing these societal requirements, a socially conscious business builds its reputation and develops a long-term, sustainable market for its goods. For a very long time, the only goal of business was to maximise profits. Companies must give up a portion of their income in order to benefit parties other than their owners if they are to continue to expand and thrive in the market and if they are to become market leaders. This perspective acknowledges the idea of social responsibility. Managers are starting to understand that they have the same obligation to society as they do to their companies. A Socially Responsible Organization's (SRO) main goal is to influence the development and promotion of socially conscious business practices that benefit not only the SRO and its staff but also the society at large, the economy, and the environment. SROs aim to change how business is conducted in both the for-profit and non-profit sectors.

2. EVOLUTION AND THE CONCEPT OF CSR

The Western nations, especially the United States of America, are where the notion of CSR evolved most. The concept of corporate social responsibility (CSR) has a lengthy history, which shows that businesspeople have been more concerned about societal issues. Businesses began to express worries about the welfare of their employees and their effects on society at large in the latter part of the nineteenth century. Businesses began to provide social assistance on a limited scale when the industrial revolution led to the rise of the labour movement and the growth of slums, including the building of clinics and bathhouses and the distribution of food vouchers. During the same time frame, private business philanthropists started to operate in the US. These advantages provided by such donors were acknowledged by local communities and a variety of social groups, despite the fact that the legitimacy of charity was not yet thoroughly established. With the establishment of public trusteeship management (in addition to conventional profit- maximizing management) during the Great Depression in 1929, this trend was further enhanced. Carroll (2008) cites this time period as the driving force behind the birth of the CSR idea. CSR is mostly a post-World War II phenomenon, even though it didn't fully take off until the 1960s and afterward. As a result, CSR at first took the shape of corporate philanthropy, but from the 1950s, the idea underwent a radical transformation.

Howard R. Bowen is credited as the father of corporate social responsibility by Archie B. Carroll, who is renowned for providing the most thorough overview of the definitions of CSR from the 1950s to the mid-1990s. Howard R. Bowen's book Social Responsibilities of the Businessman (1953) dealt specifically with the idea of social responsibility. With the release of Howard R. Bowen's book Social Responsibilities of the Businessman in 1953, the idea of CSR therefore formally developed in the 1950s.

3. LEGAL PROVISIONS OF CORPORATE SOCIAL RESPONSIBILITY IN INDIA

The Companies Act of 2013's clause 135 governs the notion of CSR in India. India is the first nation in the world to require CSR spending and provide a system for identifying prospective CSR initiatives. Companies with yearly revenue of Rs. 1,000 crore or more, a net worth of Rs. 500 crore or more, or a net profit of Rs. 5 crore or more are subject to the CSR provisions of the Act. According to the Act, businesses must establish a CSR committee that will advise the board of directors on a corporate social responsibility policy and periodically review it. According to the Act, businesses should devote 2% of their average net earnings over the previous three years to CSR initiatives. Schedule VII of the Act lists the illustrative actions that a corporation may carry out in accordance with CSR. The activities include: Eradicating extreme hunger and poverty. Promotion of education, gender equality and empowering women, Combating Human Immunodeficiency Virus, Acquired Immune Deficiency Syndrome and other diseases, Ensuring environmental sustainability, Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women etc.

4. IMPACT OF GLOBALISATION ON CSR ISSUES

Globalisation is the process of strengthening cross-regional and cross-border social connections between people from distinct locations and of growing the mutual dependence on social and economic activities beyond national borders. By extending and intensifying economic relationships globally, the economic aspect of globalisation has a substantial impact on how modern societies and organisation are shaped. The liberalisation of interest rates, the abolition of credit restrictions, and the privatisation of state-owned banks and financial institutions are some of its main tenets. With fewer constraints and more options for investment, more mobility between various financial industry divisions is made possible by the globalisation of financial trading. Globalisation has a significant impact on corporate social responsibility (CSR) of economic activities, particularly through the shift and waning of national political authority. Economic, legal, ethical, and charitable social responsibilities are the four categories of CSR. These four CSR components can be visualised as a pyramid, with economic obligations at the base and the profit motive serving as the main motivator. Laws and regulations serve as the fundamental guidelines for how business entities must conduct themselves. These legal obligations serve as the foundation for ethical business practices and are represented as the top layer of the pyramid. In this way, organisations are required to function in accordance with the requirements of the government and the law.

Society does, however, also require corporations to engage in other behaviors and procedures that are not governed by legislation. The next level of the CSR pyramid is referred to as ethical duties, which include those standards that indicate a care for what customers, employees, shareholders, and the community consider as right, just, and fair (i.e., moral rights). As a result, corporate behavior extends beyond simply abiding by the law. Business ethics are particularly being impacted by globalisation, which is characterised as the deterritorialization of economic operations, in three key areas: culture, legislation, and accountability. When it comes to cultural difficulties, it is clear that as businesses expand into foreign markets, they are suddenly met with a wide range of new and complex ethical requirements. As soon as businesses enter overseas markets, moral norms that were taken for granted in the domestic market could be called into question. Law and ethics have a tight relationship with the legal issues. A company's legal environment drastically changes the moment it departs from its native area. As a result, managers may no longer just rely on the legal system to determine if a particular company practise is legitimate or wrong.

Last but not least, as a result of globalisation, there is an increasing need for corporate accountability, where business ethics may address the needs of the numerous stakeholders. Writing CSR strategy is a crucial first step, but carrying them out can be challenging because even the best-laid plans can go awry.

5. ETHICS AS AN INTEGRAL PART OF STRATEGY OF CSR

The strategy of integrating ethics into an organisation can be tackled from a number of theoretical angles. As a result, an ethical organisation should be based on the three main pillars of: employees who uphold ethics in the course of their job; leadership who is focused on ethics as it relates to the employees and clients; and morally sound organisational structures and methods. Without these ethical pillars the organization will encounter challenges in the environment it operates. The organization cannot operate in a vacuum. This is because the management leaders of the organization must make decisions that are legal and customer friendly. To do this, several ethical perspectives or ideas must be taken into account. They consist of the utilitarian approach, the individualism theory, the justice method, and the moral rights approach. First off, the moral rights approach claims that human beings have fundamental rights and freedoms that cannot be violated by individual decisions as part of an organization's overall ethical policy. In order for a decision to be deemed ethical, it must guarantee that individuals' rights and liberties are not violated.

The following rights should be considered while making decisions by the organization's leadership about its employees: "right to safety, moral right to free consent, moral right to due process, moral right to life, and moral right to freedom of speech." Last but not least, the employees of the organisation and all stakeholders in it are entitled to freedom of speech and information. The businesses should make an effort to educate their customers on the things they offer. The companies should provide truthful information to the customers and should be truthful in their dealings. For Example, in 2003 the U.S food and drug administration (FDA) destroyed up to 90,000 units of Royal Tongan Limu Dietary supplements that were being false claimed to treat several diseases.

6. CONCLUSION

Eventually, we came to the general conclusion that the concept of CSR is an observable truth that has its roots in the common human attributes of empathy for one's fellow human but has been modified by government into what it is today. Globalisation lowers the cost of doing business in foreign markets. As a result, more marketplaces are now available to commerce. Currently, the nature of globalisation is one of interplanetary communication. However, at the height of the globalisation era, CSR's relevance and applicability increased as it addressed societal issues. Businesses are increasingly required to embrace outcome-based CSR management and rigorous CSR Performance evaluation as a result of escalating difficulties such fast globalisation, rising environmental concerns, and mounting pro-poor requirements. According to these trends, companies should incorporate CSR into their fundamental business practises throughout all value chains, both domestically and internationally. But the real "social responsibility" of business is to tame the dragon, that is, to transform a social problem into an economic opportunity and benefit, into productive capacity, into human competency, into well- paying jobs, and into riches, as Peter Drucker (1984) emphasised. A tool for achieving sustainable development is CSR. The idea is similar to ideas in business ethics, corporate sustainability, corporate citizenship, and corporate philanthropy, among others.

Profit maximisation was once the exclusive goal of business, however this viewpoint is no longer valid. Companies must give up a portion of their income in order to benefit parties other than their owners if they are to continue to expand and thrive in the market and if they are to become market leaders. India's government has implemented new CSR regulations requiring businesses to contribute 2% of their net profits to social development in order to build a brighter future. The first nation to require corporate social responsibility is India. Spending 2% on CSR is a lot, particularly for businesses striving to expand during these challenging times. It cannot be enforced. In the years to come, we'll see how it comes out. Despite this, it has been a positive move.

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