

Broad Specification Of Corporate Social Responsibility: Optionality Perspective

Sameer Kumar Kolli¹, Dr. Akondi Srikanth²,

¹Research Scholar, KL Business School, Koneru Lakshmaiah Education Foundation,

²Associate Professor, KL Business School, Koneru Lakshmaiah Education Foundation,

Email: sameerkk9@gmail.com, drsrikanth.akondi@gmail.com

Abstract

Corporate social responsibility (CSR) has become the crucial concept in the context of gaining market competitive advantage. CSR primarily influences customer and is considered as the significant factor in attaining superiority in the market. CSR is studied widely by many authors because of its wide range of applicability among various industries. In the existing literature, studies have explored certain dimensions to know its effect and impact on other marketing prospects. This paper is framed to bring forth the seminal dimensions that are being taken for studying CSR in the process of building various conceptual models and linkages. Though there are many studies who have proposed various dimensions of CSR, we concentrated only on the seminal works of the well-known authors whose scales are repeatedly used for measuring CSR. Further study is planned to validate the dimensions in specific than in general. Specifically, the study extracted and studied articles from pioneer studies to the current year.

Keywords: Corporate social responsibility, dimensions, conceptual, models, measurement, scepticism, culture fit, economic, social, philanthropic

1. Introduction

India has the largest economies in the world and moving forward to emerge as leader in the global order. It is the sixth largest economy by way of nominal GDP and by purchasing power parity it is third largest. Industries are trying hard to spin the economy wheel much more speedier to catch hold the global wave. Since the pandemic has wiped off the targets and strategies of various companies, it is tough to reach the set mark. Gautam Adani says middle consumption can help the Indian economy to reach \$15 trillion., With reference to tourism industry, income for tourism to Malaysia has become important part in the growth of economy in the country says author in their study on hotels in Malaysia (Mohammed, Rashid, 2016).

Corporate social responsibility:

Corporate social responsibility is a buzz word that creates enthusiasm in the minds of stakeholders. It refers to plans that organizations take part of corporate governance to make sure the operations of company both ethical and beneficiary to society. Broad classification of CSR generally followed by most of the companies are economical, social and environmentally sustainable.

Corporate social responsibility initiatives are of the following categories: 1. Environmental responsibility, 2. Human rights responsibility, 3. Philanthropic responsibility, 4. Economic responsibility.

1. Environmental responsibility aims at reduction of pollution and greenhouse gases emission and natural resources sustainable usage.

2. Human rights responsibility initiatives involve in providing genuine labour practices and fair-trade practices, and eradicating child labour.

3. Philanthropic responsibility includes funding educational activities, health programmes, donations, society beautification programmes etc.,

4. Economic responsibility involves in firm's business operation improvisation to practice CSR practices like new processes to minimize sewerage and wastage.

2. Literature Review

Carroll's (1991) in their study outlined four CSR dimensions namely economic, legal, ethical, and philanthropic activities. Economic responsibility of the organization is predicted with respect to economic activities of firm. Because without economical CSR firms become mute in operation. Economic responsibilities include increase in earnings per share, being as profitable as possible, being in competitive position, stabilizing high level of operating efficiency, continuously profitable.

As part of legal responsibility, businesses operate not only in profit motive but to comply with rules, laws and regulations by central, state and local governing bodies. Legal responsibilities include meeting expectations of government and law body, comply with state and local policies, be a law following corporate entity, fulfilling its legal obligations, production of goods and services that meet legal requirements.

Ethical responsibility, refers to those activities that are restricted by members of society that are not framed by law. Societal members need to have self-responsibility to follow self-code of ethics to safe guard and retain future benefits as responsible citizens. Members of society do follow to practice ethical activities by their will not by force. Being ethically responsible, feeling to do what is right, fair and justice, avoid harming at every possible situation.

Philanthropic responsibility, includes of engagement in programs that promote human welfare and goodwill. Contribution to arts, library sources to community, education to backward classes of society, providing basic needs to the underprivileged, contribution of finance to sports persons who cannot afford sports equipment, diet and training. Sponsoring finance to aspiring students of rural and areas with no facility to higher education and other educational opportunities.

3. Seminal Approach of CSR dimensions:

Above mentioned dimensions are mostly used in examining relationship of studies by researchers earlier. The studies discussed below has mentioned the creamy layer of such models who have adopted CSR with the above dimension in building their models of study.

Mohammad, Rashid, (2018) examined the relationship of dimensions of CSR and customer satisfaction and brand image in various hotels in hotel sector of Malaysia. Their study conceptualized a model and explained that there exists a positively influenced relationship between CSR dimensions, brand image and customer satisfaction. In study CSR dimensions authors took CSR dimensions as economic, philanthropic, legal and ethical which are proposed by Carroll (1987) and Carroll (1991).

Forsman et al, (2013) studied with 7 important dimensions of CSR in food chain. They are environment, product safety, corporate nutritional responsibility, occupational welfare, animal health and welfare, local market presence and economic responsibility. On study, the result gives a better understanding of CSR in food agribusiness and its importance in complexity of its network. The study also indicated a shift towards broader understanding of corporate social responsibility.

Out of seven important dimensions of CSR authors Torgusa, Donohue, (2012) considered economic, social and environmental dimensions in studying the association between capability of dimensions and performance. The study revealed that economic, social and environmental dimensions are important for

sustainable long term financial success of the organization. Though there are seven caroll dimensions of CSR authors considered selectively economic, social and environmental dimensions in studying the linkage.

The idea of corporate social responsibility (CSR) is operationally multidimensional, most studies use composite scores to assess it Blancard, petit (2015). The study addressed the relevant composite scores in measuring CSR, weightage of CSR dimensions, weighting scheme across sectors. Study also proposed original weighting scheme for CSR related dimensions at level of sector which helps organizations and governments.

Corporate social responsibility (CSR) was examined from an internal and relational perspective Chen, Hong et, al., (2019). Author examined four dimensions of CSR discretionary, ethical, legal and economic in studying organization–employee relationship. This study also adopted the dimensions from caroll (1991) seven dimensions of CSR Hong et al., (2019). Study revealed positive influence of discretionary and ethical dimensions on the proposed linkage. For legal and economic dimensions of CSR, there needed a mediator named CSR-culture fit in high wave to attain positive relationship of the linkage.

SU, Liu et al., (2020) investigated effects of CSR dimensions on financial performance of organizations in various sectors in China. Authors study resulted in showing negative effect of the environment on Corporate financial performance in manufacturing sector. CSR investments shown a negative impact on mining industry. Firms gain more advantage in spending on stake holders internal and external.

4. Limitations and Scope for future study:

This study concentrated on the body of knowledge of CSR dimensions that authors adopted in testing their respective frameworks. However, the limitations regard to further empirical testing of the drawn dimensions seminally from the author's view. It can be expanded to analytical study by finding out the how many researchers have adopted these dimensions. And such study can support to build strong literature base for dimensions of corporate social responsibility. As of now more studies are on finding out survey responses on various dimension of studies on CSR. But extension of this study will be a seminal study saying that selected dimensions of CSR are to be followed and adopted which stands as a firm base for theory on CSR.

Conclusion:

Organizations are more towards working for the society, to gain name and fame. As such they adopt different initiative and programmes, organizations look for monopoly and profit maximization in way of serving the society. Above study highlighted the mostly used dimensions of CSR that are used by various authors and are recommended for further studies on CSR to test the respective linkages. In support of the earlier studies caroll dimensions of CSR are the most commonly used dimensions of CSR, that are revealed on careful analysis of the literature.

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