

**CREATIVE COLLABORATION: NON-TRADITIONAL
INTERVENTIONS IN IMPACTFUL CORPORATE SOCIAL
RESPONSIBILITY**

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ABSTRACT

The large challenges facing the world require an increase in resources and collaboration between a variety of entities to tackle. These include governments, civil society organisations, and corporations. One way in which corporations have historically given back is through the CSR Regime. While this differs between countries, the concept as a whole has developed from traditional philanthropic interventions to a more integrated approach which involves stakeholders at all levels of the value chain. There is also a fundamental need to reform CSR to address the disparities between what a corporation may say and what they may do, as well as to ensure that resources are reaching the most marginalised, and interventions are availed at the grassroots level. This paper examines the theoretical foundations of CSR and traces its development as an evolving concept with changing definitions. This paper argues that reformation will involve institutional and broad re-evaluations of the purpose of a corporation, community engagement, and a complete transformation of how society views production and consumption. The paper then poses policy recommendations for a more sustainable CSR regime and ways forward to implement non traditional interventions.

Keywords: CSR, organization, Civil Society, corporations, consumers.

Introduction

With the increase in environmental damage and the threat of climate change, it is crucial that corporations recognise the importance of sustainable corporate social responsibility and tailor their CSR in different cultural contexts. Over the years, CSR has evolved from something that was considered a tax on corporations, to a concept that is now at the foremost goal of various corporations, given the changing business practices, paradigms, and priorities in the 21st century and the monetary value of goodwill that consumers attach with companies that undertake sustainable CSR. Therefore, the modern manifestation of CSR is more about presenting an

opportunity to create not only a value but shared value, for both society and organization (Mahajan, 2019). Experts have commented that modern CSR is about ‘corporate social responsibility’ and more about ‘corporate social integration’. This helps the organization to take a complete look at the expectations of the capital market, consumer, labor, and the whole community (Mahajan, 2019). The ILO declaration on multinational enterprises and social policy, the OECD Guidelines for Multinational enterprises, the UN Guiding Principles on Business and Human Rights, the UN Global Compact and ISO 26000 emphasise the need for sustainable and fair business practices, including economical use of natural resources, protection of the climate and environment, and protection of local communities as well as sustainability throughout the supply chain (FMLS, n.d).

Given the benefit to both communities and society at large, there is a need to consider non-traditional interventions in effective CSR endeavors to address the increased awareness of the public, and the newer challenges that society is facing. This involves new conceptions of a corporation's purpose beyond profit motive, re-evaluate the concept of sustainable consumption and changing models of consumption (Hoffman, 2018). This involves moving towards transformations in mainstream lifestyles and consumption patterns. This also involves re-evaluating existing business models and metrics from a neoclassical model to a model which recognises consumers as agents of change, and people who are now interested in socially driven products and processes (Hoffman, 2018).

This paper will trace the origins and development of CSR to examine how it has developed conceptually and in practice to incorporate principles of sustainability. The paper will then examine theories underlying non traditional CSR interventions and methods of implementing the same in a sustainable and culturally sensitive manner. The paper will conclude with policy recommendations for implementation of non traditional interventions, suggestions for reform, and consequences of such an approach.

Background

In different parts of the world, CSR emerged as a response to the consequences of increased globalisation and pressing ecological issues. The concept of some responsibility being assigned to corporates is in itself not new. In all countries, there have been some forms of charitable foundations, donations, setting up community healthcare centers, educational institutions, trusts, and other such initiatives (KPMG and Assocham, n.d). However, the donations either monetary or otherwise were sporadic activities of charity or philanthropy that were taken out of personal savings which neither belonged to the shareholders nor did it constitute an integral part of business. CSR itself was used as a term colloquially in the 1990s, and recognised by corporations and government institutions (KPMG and Assocham, n.d). By the end of 1990 approximately 90

percent of Fortune 500 firms embraced CSR as an essential element in their organisational goals, and actively promoted their CSR activities in annual reports (Boli and Hartsuiker, 2001). In 2014, India became the first country to introduce mandatory CSR into its corporate governance legislation, with several countries implementing some form of either mandatory or voluntary codification of CSR concepts.

The discourse around CSR in recent scholarship has demonstrated that its definition is continually evolving. There is emerging consensus in the scholarship that CSR is a business imperative, and a crucial link to sustainable development (KPMG and Assocham, n.d). The stakeholder theory developed in the last two decades, where corporations came under increasing pressure to include the viewpoints of all stakeholders and not just shareholders. Recent scholarship has taken the stakeholder theory further to move beyond transparency, ethical behaviour and stakeholder engagement (Camilleri, 2017). Today, responsible behaviours are increasingly being embedded into new sustainable business models that are designed to meet environmental, societal and governance deficits (Camilleri, 2017).

In order to effectively implement sustainable CSR, organisations must develop CSR strategies which fundamentally integrate an awareness that the organization functions within a broader framework, amid complex interrelations with many stakeholder groups, allows it to get ready and make use of the opportunities linked with sustainability (Deloitte, n.d). Building and cultivating good relations with stakeholders based on engagement and dialogue is crucial, as well as creation of its long-term value based on innovation as well as intellectual and relation capital (Deloitte, n.d). To do so, corporations must include policies relating to non financial and integrated reporting, preparation and implementation of sustainability strategies, measurement, management & reporting the organization's impact on the economic, social and environmental setting, energy efficiency, dialogue and engagement, responsible sale, regulatory impact assessment and diversity management (Deloitte, n.d).

However, recent scholarship is increasingly considering a more systemic and structural transformation to change the manner in which the purpose of a corporation and consumption itself are being perceived and implementing these transformations into a reformed CSR framework. The following section of this paper will discuss these critiques and potential for non traditional interventions and a reformed CSR.

Discussion

Scholars of corporate culture and management have commonly critiqued CSR policy and regulations based on a lack of effective enforcement. Companies often donate a token amount to meet the legislative requirement and create elaborate CSR reports with extensive language,

without actually modifying their manufacturing processes and modifying the flawed premises of the company itself. For example, Coca-Cola has been named consistently as one of the highest polluting countries in the world. However, their CSR initiatives include 'building a sustainable food system' and initiatives to promote safe drinking water. This disparity between what companies profess and actually implement underscores the requirement for a reformed CSR regime (Singh, 2020). It is important for a reformed CSR regime to include integrated thinking, and have companies take a more holistic approach to managing their performance by looking at the impact on environmental, social, and governance (ESG) parameters as well (Singh, 2020).

Non-traditional interventions must take into account moving beyond building physical structures and monetary contributions, but also to target beneficiaries by markers of social exclusion: gender, ethnicity, caste or disability (Singh, 2020). This is especially important in South Asian contexts, wherein prejudices along these lines remain apparent and therefore, CSR initiatives may not benefit the most marginalised sections of society and only benefit the upper castes and classes, even among the socio-economically backward sections of society. Major choices on which project to fund are made often around short-term projects which are sub-optimal to solve the social issue (Singh, 2020). Some examples of non traditional interventions that corporations could start with even in Western contexts are unlocking livelihoods for marginalised communities especially LGBTQ populations, supporting social entrepreneurship by women and targeting education for at risk youth in the inner cities (Sattva, 2020). Studies have found that non traditional interventions in Bangladesh that are designed to reduce social exclusion among marginalized populations have had great success in reducing such exclusion while at the same time creating goodwill for companies (Werner, 2009). Such interventions include increasing job-skills and employment opportunities for women, disabled women, and rehabilitated drug-users and providing healthcare services to female workers and their communities (Werner, 2009). Using strategic partnerships with civil society organisations who already work with these communities has enhanced the effect of these CSR activities greatly (Werner, 2009).

A new terminology has emerged in the scholarship of CSR reform, which is corporate citizenship. Corporate citizenship is defined by the Boston College Centre for Corporate Citizenship, as the business strategy that shapes the values underpinning a company's mission and the choices made each day by its executives, managers and employees as they engage with society (KPMG, n.d). This approach provides a more foundational role of the corporation's responsibility to society in general, rather than an externally imposed CSR mandate by law or only due to bad publicity and profit driven publicity. A corporate citizenship approach could include a shared value when the organizations' social value propositions are integrated into their corporate strategies (Camilleri, 2017). Therefore, companies could benefit from insights, skills, and resources that cut across profit/non-profit and private/public boundaries (Camilleri, 2017).

Market transformations require a fundamental shift in the conceptions of success, in the larger economy. For example, a simple monetary donation by a company in pursuance of a traditional CSR intervention may register as GDP growth. However, these would not reflect the actual well being brought to the communities themselves (Hoffman, 2018). To this end, structures such as benefit corporations and worker cooperatives are new types of companies that seek to integrate a broader array of objectives than simply profits into its forms of organizing, governance, and legal statement of purpose (Hoffman, 2018). Another distinction that has been made in the recent scholarship is the approach of Corporate Social Innovation. As opposed to traditional CSR, this approach is far more targeted to achieve a certain objective or initiative, and includes a clear strategic intent, more investment in R&D and corporate assets, employee development, partnerships with NGOs and government partners, social and Eco-Innovations, and a clear mandate of sustainable social change (Violo, 2018). This approach also involves corporations investing their time and resources to shift their business practice from top-down to bottom-up, involving their key stakeholders along the way as much as possible (Violo, 2018).

Conclusion

It is apparent that given a marked shift in public opinion and requirement for measures to combat climate change and other consequences of unsustainable actions, it is critical to approach CSR through a lens of reformation and transformation. It is crucial for the CSR regime to hold corporations to account beyond token gestures and in addition, adopt approaches such as corporate social innovation, and corporate citizenship. Overall it is important to adopt non traditional interventions which target social exclusion, rather than traditional philanthropic initiatives which tend not to reach the most marginalised sections of society. This is especially important from a cultural perspective and in the Global South, where it has become especially important for MNCs to take the cultures of the foreign markets into consideration when deciding on what strategy approach to adopt towards CSR as different cultures have different expectations on corporations (Nilsson and Tsai, 2016). Therefore, a reformed CSR should include an approach of adaptation rather than standardization when it comes to local markets and varying cultural contexts (Nilsson and Tsai, 2016).

In conclusion, these essential market transformations will involve the fundamental element of trust. Implementing robust reporting mechanisms and ensuring complete transparency to the public is important to show that the company is attempting to implement the most sustainable practices. The gathering and dissemination of such information can open up new awareness of supply-chain risks and opportunities (Hoffman, 2018). It is further crucial to change the way in which society thinks about production and consumption, and as much as possible, reduce resources at the source. This ensures that CSR is integrated as a way of working and living in itself, rather than a gesture done for the goodwill of the company and business interests. It is

critical for future research and scholarship to identify ways to address the disparities that arise between the values that a corporation professes and their actions. CSR holds immense potential to provide the funding as well as structured planning capacity that grassroots or non-profit activities might lack, however their impact will be superficial and not an effective solution until the activity itself is viewed from the lens of social justice, community empowerment and stakeholder engagement at all levels (Singh, 2020). Governments must look into incorporating holistic laws and guidance frameworks, rather than a monetary or penalty based legislation on CSR. On the whole, issues such as healthcare, access to water or education and climate change would be much better addressed with a deeper collaboration between businesses, NGOs and governments (Violo, 2018).

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