



## Community Development Through CSR Activities

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### ABSTRACT:

Corporate social responsibility (CSR) refers to strategies used by businesses or organizations to conduct operations in a way that is moral, tolerant of society, and beneficial to the development of the community. Our society has undergone a shift. Because people now have more independence within each societal basic right, government has also changed. This independence has infiltrated all sectors of business and industry. The definition of CSR is looked at in this essay using several concepts from the literature. According to the thesis, three CSR theories—utilitarian, management, and relational concepts—can be used to establish that CSR has evolved into a major challenge as a result of business's increasingly global focus, which is supported by the works of other academics in the field. Social, environmental, and economic impacts on communities.

**KEYWORDS:** - Corporate social responsibility, community development, multinational corporations, corporate-society relations

### I. INTRODUCTION:

What is CSR?

CSR is 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 the local community and society at large.

What is CSR in management?

The concept of corporate social responsibility (CSR) holds that businesses should give back to the community and take into account how their actions will affect the environment and the general public.

#### Corporate Social Responsibility and Its Effect on Community Development

- CSR helps in sharing the negative consequences as a result of industrialization. Corporations by indulging in CSR activities tend to adopt ethical business processes on CSR as the generation of economic wealth, environmental improvement, and social responsibility CSR becomes a social capital that is essential in community development.
- The embracing of CSR activities in multinational corporations brings about the relocate of technology. Therefore, through transfer of technology coupled with CSR process, the targeted community would gain in a range of aspects of product progress and marketing, such as better price and quality, as well as concern for people's well-being (Ismail.,2009)
- CSR promotes interdependency between a corporation and community. In other words, the closer link between a corporation and community is another aspect of CSR role in community development because in a long-run it creates sustainable development. In order to achieve this good corporate citizenship symbol, companies must adhere to the core principles of sustainable development in the process of conducting their businesses

#### These are the examples of Community development:

Community development challenges include a well-educated workforce and enough infrastructures:

1. Water,
2. Sewer and roads;
3. Housing;
4. Educational facilities;
5. Health care;

6. Child and elderly care;
7. Social services;

### Types of CSR Responsibility

#### 1. Environmental Responsibility

Environmental responsibility is the concept that organizations should act in the most ecologically friendly way possible. It is one of the most prevalent types of corporate social responsibility; such activities are sometimes referred to as "environmental stewardship" by some businesses.

#### 2. Ethical Responsibility

Ethical responsibility is concerned with ensuring that an organization operates fairly and ethically. Organizations that accept ethical responsibility strive for ethical conduct by treating all stakeholders fairly, including leaders, investors, workers, suppliers, and consumers.

Companies may embrace ethical responsibility in a variety of ways. For example, if the minimum wage prescribed by the state or federal government is not a "liveable wage," a firm may set its own, higher minimum pay. Similarly, a company may require that its goods, ingredients, materials, or components be sourced in accordance with free trade principles. In this regard, many businesses have procedures in place to verify that they are not acquiring items that have been produced via slavery or child labour.

#### 3. Philanthropic Responsibility

Philanthropic duty refers to a company's goal of actively making the world and society a better place. Organizations inspired by charitable duty sometimes contribute a percentage of their revenues in addition to performing as ethically and ecologically friendly as feasible. While many businesses give to charities and non-profits that correspond with their guiding goals, others donate to great causes that have nothing to do with their business. Others go so far as to establish their own charity trust or organization in order to give back and make a beneficial influence on society.

#### 4. Economic Responsibility

Economic responsibility is the practice of a company underpinning all of its financial decisions with a commitment to do well in the aforementioned areas. The ultimate objective is to ensure that corporate activities have a good influence on the environment, people, and society, rather than just maximize profits.

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## II. REVIEW OF LITERATURE

### 1. Sanjay Pradhan and Akhilesh Ranjan (2005) CSR Practices by Corporate in Rural Development.

They have studied CSR practices of 14 public and private sector Indian companies for rural development. The methodology used was secondary data. The purpose of their study was whether corporate considering rural people as a stakeholder? And if it is yes then what are the CSR initiatives taken by corporate for the rural development and do they take it as a part of their business strategy? The findings have concluded that CSR activities undertaken by organizations have a positive impact on rural development and their business also

### 2. Carroll A. B & Shabana, K. M. (2010) showed "The business case for corporate social responsibility".

The Author described that Growing help for the business case among academic and practitioners is apparent. The business case for corporate social obligation is being made by showing that CSR has a positive impact on company financial performance. The wide perspective of the business case brings attention to the relationship between CSR and company financial performance. Intervening factors and situational possibilities affect the impact of CSR on company financial performance. Therefore, the impact of CSR on company financial performance is not always favourable. Organizations should understand the circumstances of the different CSR exercises and pursue those activities that exhibit a convergence between the company's economic objectives and the social objectives. Only when organizations are able to pursue CSR exercises with the support of their partners can there are a business opportunity and a business case for corporate social obligation.

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## III. RESEARCH METHODOLOGY:

### Objectives of the study:

1. Examine the history, background, and global scenario of corporate social responsibility.
2. Evaluation of criteria of corporate social responsibility in Vadodara
3. Identify Link which makes corporate social responsibility activity as sustainable development.
4. to study and understanding the CSR initiatives being taken by the companies for rural development.
5. Identify the importance of corporate social responsibility for community development.

**Research Design:** A research's overall blueprint would be its research design. The research design gives the researcher a framework. It is a pattern that the researcher must adhere to throughout the study process. The entire specifics of a research project are included in the study design. It gives the researchers direction as to what field they should focus on, the study method to use, the population size, and the sample size needed.

**Sources of the data:**

**Primary Source :** Primary data will be collected through a questionnaire containing both close ended as well as open ended from various villagers and organization .

**Secondary data:**

Internet, books, previous dissertation, journals

**Universe of the research:** Here the universe considered for this study is Organization which performs CSR activities & Beneficiaries from community of Vadodara, Gujarat.

**Research design:** Exploratory and Descriptive Research Design

**Sampling method:** The sampling method adopted is simple random sampling method in order to collect the data for the above mentioned universe for research

**Size of sample:**

SR.NO.	Institution	Location	Number of members in community
1	6	Vadodara	43
Total	6	-	43

**Limitations:**

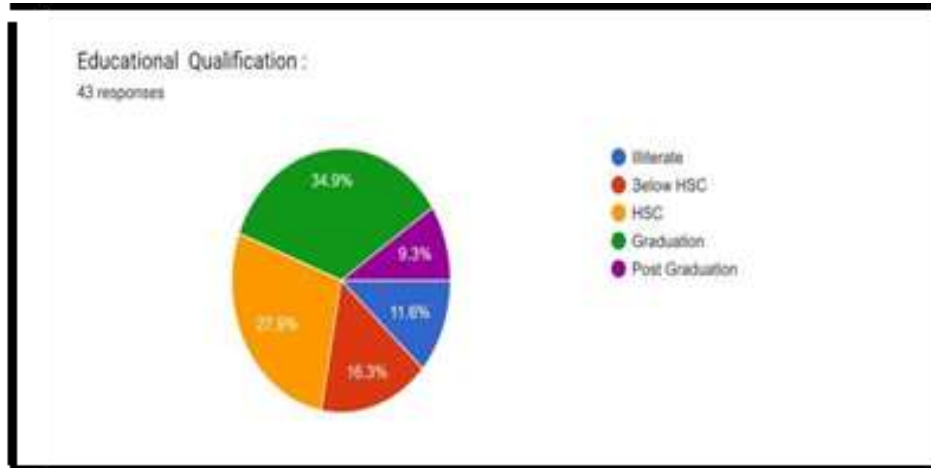
- Limited time
- Limited access to information
- The Study is Limited only to Vadodara District

#### IV. DATA ANALYSIS AND INTERPRITATIONS:

**Educational Qualification:**

The level of awareness about CSR, to great extent, depends on the level of education. Educational qualification is an important variable affecting the level of awareness about CSR. It is generally accepted that respondents with higher educational qualification should be more aware about CSR as compared to those with less education. The comparative picture of level of awareness among respondents with different level of education is presented in table and graph below.

OPTIONS	FREQUENCY	PERCENTAGE
Illiterate	5	11.6%
Below HSE	7	16.3%
HSE	12	27.9%
Graduation	15	34.9%
Post-graduation	4	9.3%
Total	43	100



The detail analysis of awareness about CSR among respondent with different level of education is presented in table and graph above shows that level of education has direct impact on the level of awareness are connect with Education Qualification, around 11.6% were illiterates, 16.3% were below HSC, 27.9% were HSC qualified, 34.9% respondents were graduates and 9.3% has done their post-graduation.

## V. Findings (Beneficiaries)

- Classification of Villages: Majority of the responses were received from the Gavasad village which was 32.6% with frequency of 14 numbers of people.
- Age: Majority of responses were received from the age group of 20-30 years which is 44.18% with frequency of 19 numbers of people.
- Gender: Majority respondents were male 53.5% who responded in the survey.
- Types of houses they live: Majority respondents are belonging to pucca house with 65.1%.
- Residential Status: majority respondents are belonging to born in the village with 65.1%
- Occupation: Majority of the responses were received from the people working in private sectors and also women who responded were majorly homemakers with highest of 18.6% with frequency of 8 people each.
- How did the villagers save money? The majority of them saved money in the form of cash; among the respondents, 38% were saving cash.
- Education: The majority of respondents (34.9%) were graduates.
- Do you face any challenges in higher education? Majority respondents are belonging to No interest in education with 32.6% who had responded in the survey.
- Are you a beneficiary of any government program? Majority respondents belong to yes, with 76.7% of those who responded to the survey.

## V. Findings (company)

- Year of Establishment: The classification of companies included in the survey by the year of their establishment, as presented in the table and graph above, shows that two companies were established in 1996, while two other companies were established during the periods of 1961, 1962, etc. At the same time, two companies are relatively new and established after the year 2000.
- Nature of Business: The classification of companies by their nature of business, as presented in the table and graph above, shows It can be seen from the data that 3 out of a total of 6 companies are included in the production businesses. Thus, nearly 50 % of companies are in production. The companies in Vadodara district are in the production business. They either manufacture their own product or do the work for other companies. Majority of responded is from the Production and other with Frequency of 3 or 3
- Numbers of Employees: The majority of the number of employees is from Schaeffler India Limited, at 16.7%, with a high frequency of 2000.
- Indicate in what way your company has promoted social activities: The frequency of 1 company sported sponsorship; the frequency of 1 company sported the social activity of financial or kind gifts; the frequency of 3 companies sported the social activity of corporates with NGO; and the frequency of 4 companies sported the social activity of employees' involvement in social or community development.

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## VI. Suggestion

This study provided a proposed methodological framework that businesses can use to create effective CSR programmes across all facets of their operations. The process is divided into three different stages: analysis, execution, and performance evaluation. The suggested framework enables the creation of corporate CSR programmes adapted to the distinct characteristics of each industry and business, putting different steps forward in accordance with organisational activities, missions, and available resources.

A company's influence on many areas of activity, including the environment, the community, human capital, shareholders, and the marketplace (customers and suppliers), is measured using weighted performance indicators included in the framework.

The social activities that the firm has chosen to carry out are included in the second stage. To achieve the goals established in the first stage of the suggested methodology, this stage puts particular CSR plans into action. We can develop such types of fundamentals. CSR initiatives have been developed based on a thorough assessment of the literature as well as on company practises discovered globally: environment, society, human capital, shareholders, customers, and suppliers are just a few.

Specific CSR plans and practises are developed and put into practise for each of the following categories: From an organisational perspective, a CSR committee should be established, tasked with coordinating the CSR efforts of the various corporate organisational units within the predetermined categories. The objectives of this evaluation are to determine whether the goals have been met and to evaluate the suitability of the implemented policies.

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## VII. Conclusion

It is determined that CSR is about the collaboration of business, government, and civil society with the development of a win-win situation for the three groups. The community should benefit from CSR from a social perspective because it has a very complicated structure and is made up of people who have varying degrees of power over resources, both tangible and intangible. Since the theories' analysis enables an understanding of CSR that goes well beyond conventional connotations, CSR requires a multidisciplinary approach in both its perspective and its implementation.

"Community Development through CSR Activities" refers to how the community of stakeholders views responsible behaviour and how its effects are felt by them. The analysis proves that CSR has shown to play a variety of functions and has had the following effects on the community: stronger relations and interdependencies between corporations and communities; sharing the costs of environmental degradation on society; technology transfer from developed to developing countries; cooperative environmental protection measures by corporations and communities; removing poverty in communities; and promoting human rights. Many corporate leaders struggle to understand where their duties lie as it relates to developing infrastructure, encouraging economic opportunity, and providing access to basic services like health

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