



Mains Practice Question

Q. Corporate social responsibility envisages ethical corporate governance. Discuss.

19 May, 2021 GS Paper 4 Theoretical Questions

Approach

- Start the answer by briefly defining the concept of Corporate social responsibility.
- Discuss Corporate social responsibility & Corporate Governance linkage.
- Conclude Suitably.

Introduction

The term corporate social responsibility (CSR) refers to practices and policies undertaken by corporations that are intended to have a positive influence on the world. The key idea behind CSR is for corporations to pursue other pro-social objectives, in addition to maximizing profits.

Examples of common CSR objectives include minimizing environmental externalities, promoting volunteerism among company employees, and donating to charity.

Body

Corporate social responsibility & Corporate Governance linkage

- **Self-Regulating Model:** Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable—to itself, its stakeholders, and the public.
- **Corporate Citizenship:** By practicing corporate social responsibility, also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society, including economic, social, and environmental.
- **Improved Work Culture:** CSR activities can help forge a stronger bond between employees and corporations, boost morale and help both employees and employers feel more connected with the world around them.
- **Win-Win Condition:** Many companies view CSR as an integral part of their brand image, believing that customers will be more likely to do business with brands that they perceive to be more ethical.

Conclusion

In India the Corporate social responsibility is defined under the Companies Act 2013, that can take many forms depending on the company and industry. Through CSR programs, philanthropy, and volunteer efforts, businesses can benefit society while boosting their brands. Thus, as important as CSR is for the community, it is equally valuable for a company.

