

Redefining Management Practices
and Marketing in Modern Age



Redefining Management Practices and Marketing in Modern Age

Dr. Dilip B. Patil | Dr. Dinesh D. Bhakkad



Redefining Management Practices and Marketing In Modern Age

EDITORS

Dr. Dilip B. Patil

Dr. Dinesh D. Bhakkad



ATHARVA PUBLICATIONS



28.	Application Of Information Technology Towards CRM In Banking Sector	94
	- Dr.Ashok T. Aher, Shindkheda	
29.	Customer Relationship Management In Life Insurance : A Study Of Claim Settlement	96
	- Rekha K. Date, Pune	
30.	Self-Help Group : Bank Linkage & Financial Performance	99
	- Prof. Sohani Parasharam, Chandwad, Dr. Mahajan Fulsing Nawalsing, Yawal	
31.	A Conceptual Study On Development Of Self Help Group In India	102
	- Prof. Gopal G. Kolhe, Faizpur	
32.	Redefining Management Practices Of Human Approach Through Training And Development For Industry Management	104
	- R N Nayak, Kumta, Ganesh.S, Hebri	
33.	A Conceptual Study About Management And Managerial Skills	108
	- Prof. P. S. Mahale, Bodhwad	
34.	Impact Of Trade Liberalization On Retail Marketing Of Tea In India	110
	- Gholam Abbas, Mysore	
35.	Role Of Organized Retail Sector In India	113
	- Mrs. Shobhana R. Koli, Erandol	
36.	Impact of Consumer Behavior In Decision Making On Selection Of Product With Special Reference To Various Shopkeepers Of Raipur City	115
	- Dr. Archana Mahajan, Raipur (C.G.), Sunil Agrawal, Raipur (C.G.)	
37.	Changing Environment And Role Of Human Resource Management	117
	- Prof. N. E. Bhangale, Bhusawal	
38.	Assessment Of Human Capital : An Approach To Effective Organizational Development In India	119
	- Moon Moon Lahiri, Shirpur, Shubhangi Pingle, Shirpur	
39.	Conceptual Study On Human Resource Valuation And Accounting	121
	- Prof. Prashant Ingole, Parola, Prof. G. M. Morey, Taloda	
40.	Right To Reject (NOTA) : View Of Academicians (Teachers) With Special Reference To Orientation Course Programme Conducted By ASC Pt. R.S.U. Raipur (C.G.)	123
	- Sunil Agrawal, Raipur (C.G.)	
41.	An Empirical Study On Relationship Between Banker And Customer	126
	- Prof. Y. D. Bediskar, Shirpur, Prof. S. S. Vasave, Shirpur	
42.	The Determinants Of Banking Sector Governance : An Indian Experience	128
	- Dr. Niti Saxena, Kalkaji, New Delhi	
43.	A Conceptual Study On Bank Marketing In Modern Age	131
	- Rajesh S. Pawara, Shirpur	
44.	Challenges And Opportunities Of E-health In Rural Areas : A Case Study Of Shirpur Tehsil	133
	- Manoj B. Patil, Shirpur	
45.	Role of Business Communication in E-Commerce And E-Business	136
	- Prof. Ajit G. Kulkarni, Muktainagar, Dr. J. B. More, Muktainagar	
46.	An Empirical Study On Electronic Commerce : Evolution And Future	139
	- Dr. Jayram B. More, Muktainagar, Prof. Sanjay A. Saidane, Muktainagar	
47.	Empirical Study On E-Commerce : An Indian Perspective	142
	- Dr. N. B. Gosavi, Nandurbar, Prof. Ravi N. Kesur, Faizpur	
48.	E-Commerce : Adoption And Implementation In Micro, Small And Medium Sized Enterprises	145
	- Manisha Chaurey, Shirpur, Priyanka Bhandari, Shirpur	
49.	Equity Derivatives In Cash Market Segment In India Equity Derivatives In Cash Market Segment In India	148
	- Prof. Dr. Kale P. B., Manchar	
50.	A Study About Stock Exchange In India Operations And Management	150
	- Prof. Shyamsundar Chandak, Chhindwara (M.P.)	
51.	A Conceptual Study Of CSR Development In India	152
	- Prof. Miss. Rajkuvar S. Gajare, Bhusawal	
52.	Study On Impact Of Consumer Behavior On Apparel Choices With Functional Features	155
	- Prof. Smt. Anita Kisan More Shirpur	
53.	Integration Of Corporate Social Responsibility With Strategic Management	157
	- Shardha G. Thakur, Jalgaon	
54.	Importance Of Customer Relationship Management	160
	- Prof. Sujata Chandrakant Patil, Shendurni	
55.	Pricing Strategy In India Real Estate	163
	- M. G. Pandey, Darayapur	
56.	Stock Brokers And Other Intermediaries Working At Stock Exchange : An Overview	165
	- Dr. S. B. Golahit, Shirpur, Dr. A. G. Sonwane, Shirpur, Pravin S. Borase, Shirpur	

Integration Of Corporate Social Responsibility With Strategic Management

- Shardha G. Thakur

Research Scholar,

North Maharashtra University, Jalgaon

Abstract

This research paper presents a perspective which calls for an integration of Corporate Social Responsibility (CSR) with Strategic Management. The researcher has tried to configure on how a company can carry out integration of CSR with strategic management. Firms must engage CSR with strategic intent as it would lead them to develop competitive advantages, reputation and customer relations. CSR should be considered as a part of the strategic management. This paper explore understanding of the term Corporate Social Responsibility and explaining how and why it needs to be much more strategic in outlook, if it is to be assured of longevity and delivering real value to the organization.

Keywords: Integration, CSR, Strategic Management, Process.

Introduction

Strategic decisions of a company have both social and economic consequences. Social responsibility of a company is a main element of the strategy formulation process. Corporate social responsibility is a form of management that considers ethical issues in all aspects of the business. CSR requires a clearly articulated vision, mission and values. The company must initiate or support the development, or upgrade, of a vision, mission and values if does not exist or does not explicitly address CSR in strategy intent. The company needs to incorporate elements of corporate social responsibility in strategic outlook.

Corporate Social Responsibility (CSR)

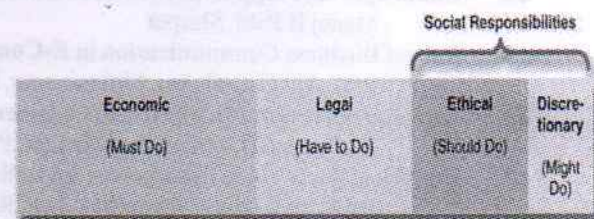
In recent years the concept of Corporate Social Responsibility is defined in terms of the responsiveness of businesses to stakeholder's legal, ethical, social and environmental expectations. There are variations of CSR definition, a commonly used definition is "firm actions designed to improve social or environmental conditions". A frequently used variation of the definition is "a commitment to improve societal well-being through discretionary business practices and contributions of corporate resources".

The World Business Council for Sustainable Development defines CSR as "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 of the local community and society at large"

McWilliams et al (2006) argue that CSR has several strategic implications for an organization. Firstly, evidence has shown that CSR can help to build and improve an organization's reputation. Furthermore, it can help an organization achieve a competitive advantage, as it is an organizational capability that is difficult to imitate and can thus offer the potential for sustained competitive advantage. Secondly, integrating CSR into the organizational strategy will help the organization meet the increasing external demands for CSR, thus contributing to a greater strategic fit between the business and its environment. As a result there is a growing recognition that CSR should become fundamental to the way an organization operates, as opposed to an 'add on'.

Carroll's 4 Social Responsibilities

- Economic
- Legal
- Ethical
- Discretionary



Integrating CSR with strategic management requires sound knowledge of the types of social responsibilities a company has to deal with,

- Economic responsibilities are the most basic type of social responsibilities. The company is expected to provide goods to the society at reasonable prices, create jobs and pay due taxes.
- Legal responsibilities reflect the obligation to comply with the laws that regulate business activities.
- Ethical responsibilities mirror the company's notion of the right business behavior. Some actions might not be illegal but can be unethical. Making and selling cigarettes is a case in point.
- Finally, discretionary responsibilities are those

that are voluntarily adopted by the business. For example, companies that adopt the good citizenship approach, actively support charities, public service advertising campaigns and other public interest issues.

Social responsibility calls for companies to strike a balance between,

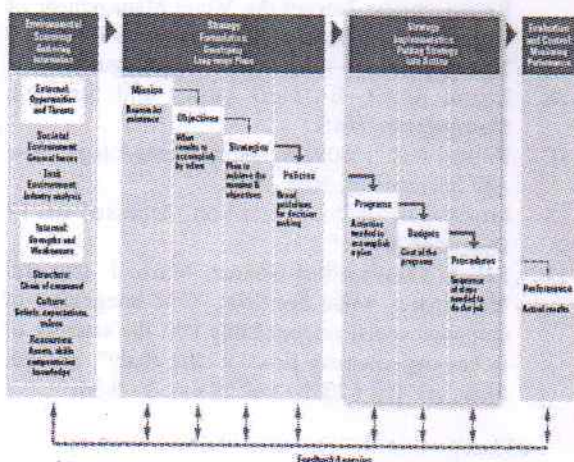
- (1) Its economic responsibility to shareholders
- (2) The legal responsibility to comply with the laws of the countries where it operates
- (3) The ethical responsibility to abide by society's norms, and
- (4) The discretionary philanthropic responsibility to meet the unmet needs of society.

Strategic Management

Strategy is a well defined roadmap of an organization. It defines the overall mission, vision and direction of an organization. The objective of a strategy is to maximize an organization's strengths and to minimize the strengths of the competitors. Strategy, in short, bridges the gap between "where we are" and "where we want to be".

Strategic management is a continuous process that evaluates and controls the business and the industries in which an organization is involved; evaluates its competitors and sets goals and strategies to meet all existing and potential competitors; and then reevaluates strategies on a regular basis to determine how it has been implemented and whether it was successful or does it needs replacement.

It gives a broader perspective to the employees of an organization and they can better understand how their job fits into the entire organizational plan and how it is co-related to other organizational members. It is nothing but the art of managing employees in a manner which maximizes the ability of achieving business objectives. Strategic management is essential as it helps firms to rationalize change, actualize change and communicate the need to change better to its employees. Finally, strategic management helps in bringing order and discipline to the activities of the firm in its both internal processes and external activities.



Strategic Management Process

Strategic Intent- Strategic intent is the hierarchy of objectives that an organization sets for itself. Within this their are the Vision, Mission, business definition and objectives.

Strategy Formulation- Strategy formulation is the process of deciding best course of action for accomplishing organizational objectives and hence achieving organizational purpose. After conducting environment scanning, managers formulate corporate, business and functional strategies.

Strategy Implementation- Strategy implementation implies making the strategy work as intended or putting the organization's chosen strategy into action. Strategy implementation includes designing the organization's structure, distributing resources, developing decision making process, and managing human resources. "Putting into action phase."

Strategy Evaluation- Strategy evaluation is the final step of strategy management process. The key strategy evaluation activities are: appraising internal and external factors that are the root of present strategies, measuring performance, and taking corrective actions. Evaluation makes sure that the organizational strategy as well as its implementation meets the organizational objectives.

Objectives

1. To understand the CSR and strategic management process.
2. To integrate CSR with strategic management process.

Research Methodology

The research paper is primarily based on secondary data and it is collected from related books & websites mentioned in the references. The nature of the study is Exploratory. Its main advantage is the depth of observation instead of width of generalization possibilities.

CSR and Strategic Management

The company must recognize the need and opportunity for integrating CSR with strategic management, how it can add value to the organization and why this could be a good business strategy. These can be the first step to building CSR into the company's DNA and into the organization's operating and strategic framework.

It is reported that many firms that engage in CSR have a strategic intent, for example to reinforce their corporate strategy. Thus firms now engage in CSR to benefit, as it is considered to be a long term investment that can lead to competitive advantages.

Overall, CSR is empirically supported to provide a direct and indirect impact on firm performance. Direct impact can appear in the form of financial performance, while indirect impact can be enhanced brand image or market reputation. Hence, CSR is considered to be a

part of the strategic management field. Since the strategic management concept entail a systematic analysis of internal and external factors associated with customers and the organization itself, it supports the design of optimal management practices. In turn this supports the alignment of firm level policies, strategic priorities and thus is interrelated to CSR.

Company should integrate CSR with overall firm level objectives and process of strategic management in following manner,

- First stage of strategic management process is Strategic intent, while making vision, mission, and objectives, Company should also determine what type of social responsibility is more attuned to its core activities and outside community so that it can include in its strategic intent. Companies must recognize issues of social importance and address them responsibly so that all stakeholders must come to know about the CSR area of company and thus it would also help company to achieve the set objectives.

- Second stage is Strategy Formulation, after conducting environment scanning managers formulates strategies for corporate, business and functional level at this time of strategy formulation, CSR policies should be taken into consideration and also be integrated with the overall corporate values and policies. CSR should be aligned with the overall business strategy and then strategies can be transformed into an action plan to accomplish the organizational objectives.

- Third Stage is Strategy implementation which implies putting the organization's chosen strategy into action. Company at this stage should consider Carroll's four social Responsibilities while designing the organization's structure, distributing resources, developing decision making process, and managing human resources. Company can take into account social Responsibilities as,

1. Economic- To perform in a manner consistent with maximizing earnings per share.
2. Legal- To perform in a manner consistent with expectations of government and law.
3. Ethical- To prevent ethical norms from being compromised in order to achieve corporate goals.
4. Discretionary- To assist voluntarily those projects that enhance a community's "quality of life."

— Fourth Stage is Strategy Evaluation, In this stage performance are measured and evaluated on the basis of strategy being implemented and if needed corrective actions are taken, to make sure that the organizational strategy as well as its implementation meets the organizational objectives. Thus CSR need to be strategic in order to create and capture value.

Conclusion

Company in which CSR remains a peripheral concern, mainly confined to public relations. So the company, through the integration of CSR into its strategic activities can achieve high performance levels both in financial and non-financial terms.

The above study concludes that company to perform its CSR must integrate with strategic management. However, the way it is configure above may be change as per the companies structure, environment in which company operates and also in the way of implementing strategic management in their organization.

For implementing CSR in organization it needs to be part of core business strategy which will lead to both company's competitive advantage and accomplishment of CSR activities. Although it is intricate to directly link CSR actions to financial results, it seems that it would be best practice to integrate CSR with company's strategic objectives for better attainment of set targets and alongside carrying out CSR activities.

References

1. <http://yourbusiness.azcentral.com/corporate-social-responsibility-strategic-management-15473.html> accessed on 11 December, 2013
2. <https://new.edu/resources/business-ethics-and-social-responsibility—2> retrieved on 11 December 2013
3. <http://www.csrquest.net/default.aspx?articleID=13229&heading> accessed on 11 December 2013
4. <http://www.ic.gc.ca/eic/site/csr-rse.nsf/eng/rs00557.html> retrieved on 11 December 2013
5. www.worldbusinesscapabilitycongress.com/.../World-quality-congress-Example-of-a-Paper.doc accessed on 11 December 2013
6. <http://epublications.bond.edu.au/cgi/viewcontent.cgi?article=1117&context=theses> retrieved on 12 December 2013
7. http://drustg01.azri.de:9112/sites/default/files/Integrating_CSR_into_business_strategy.pdf accessed on 12 December 2013
8. Thomas L. Wheelen, J. David Hunger, Strategic management & Business Policy 10th edition, Prentice Hall Inc. © 2006
9. Archie B. Carroll, The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders, Business Horizons, Volume 34, Issue 4, Pg. 39-48 (July-August 1991)
10. Kazmi Azhar, Business policy and Strategic Management, TMH
11. Kothari C.R. (2008) Research Methodology, New Age International, New Delhi.
12. <http://www.unido.org/csr.html> accessed on 12 December 2013
13. Fátima Guadamillas-Gómez, Mario J. Donate-Manzanares, Miha Škerlavaj, "The integration of corporate social responsibility into the strategy of technology-intensive firms: a case study", Zb. rad. Ekon. fak. Rij. • 2010 • vol. 28 • sv. 1 • 9-34.

...



NAAC ACCREDITED

P. G. & Research Department
of Commerce Organized
National Conference



On the 61st Memorable
Birth Anniversary
of Late Principal

Dr. Vijayrao V. Randhe

KISAN VIDYA PRASARAK SANSTHA'S

**S.P.D.M. ARTS, S.B.B. & S.H.D. COMMERCE AND S.M.A.
SCIENCE COLLEGE, SHIRPUR DIST. DHULE (M.S.)**
(Affiliated to North Maharashtra University, Jalgaon)

National Conference

on

**“Redefining Management Practices
and Marketing in Modern Age”**

Certificate

This is to certify that Shardha G. Thakur

of Research Scholar, North Maharashtra University Jalgaon
has participated / presented the paper entitled Integration of Corporate
Social Responsibility with Strategic Management.

at this National Conference held on 5th January, 2014.

Dr. Dilip B. Patil
Convener

Dr. D. D. Bhakkad
Organising Secretary

Dr. S. N. Patel
Principal