

## Chapter 9

# Corporate Citizenship: Moving Beyond Philanthropy

**Reena Agrawal**

*Jaipuria Institute of Management, Lucknow, India*

### **ABSTRACT**

*The last few decades have witnessed serious sustainability challenges such as economic uncertainty, depletion ozone layer, increase in pollution, urban decay, overpopulation, degradation, and shortage of natural resources, etc. The increasing pace of change and rising competition has posed unknown challenges and unparalleled pressure on the corporates not only to prosper, but also to sustain in future. With customers, investors, and other stakeholders becoming increasingly aware and critical about sustainable practices, the companies are forced to think past short term monetary gains. As there exists an interdependence, integration, and co-creation among the three basic tenets of sustainability-people, planet, and profits. There is a global call on companies to pursue socially responsible conduct and adopt innovative practices which create value for people, planet, as well as economy.*

### **INTRODUCTION**

Last few decades have witnessed serious sustainability challenges such as economic uncertainty, depletion ozone layer, increase in pollution, urban decay, overpopulation, degradation and shortage of natural resources etc. Ever increasing pace of change and rising competition has posed unknown challenges and unparalleled pressure on the corporates not only to prosper, but also to sustain in future. With customers, investors and other stakeholders becoming increasingly aware and critical about sustainable practices, the companies are forced to think past short term monetary

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gains. As there exists an interdependence, integration and co-creation among the three basic tenets of sustainability-people, planet and profits. There is a global call on companies to pursue socially responsible conduct and adopt innovative practices which create value for people, planet as well as economy.

Companies cannot exist short of support from society, hence they are indebted to repay to the society. It is their social obligation to engage in socially and legally responsible behavior while they pursue profits. The companies should be anticipatory and preventative in their approach, rather being reactive and curative. The companies should have progressive and sustainable outlook and adopt strategies that are inclusive in nature. As companies have ownership on productive resources without their support, society will never attain sustainable development. Thus it is essential that companies should become responsible corporate citizens.

## **Changing Role of Corporate**

Though governance still reposes with governments over the period of time role of state governance has deteriorated at regional level, national level, and international levels. Today corporate engagement in society is unavoidable due to numerous reasons. In the modern world, no single government can have resources to do all. The increased pace of globalization, technological advancements, quick flow of information, have negated the significance of political boundaries. Increasing issues and challenges at regional, national and international level require localized as well as global solutions and the deployment of resources needed may be beyond the capacity of any single government.

Political power has its own limitations and as power of the state tapered, the influence of business seems to be widening. Companies engage in delivery of health, education, employment of employees and their children. Corporations have all pervasive impact right from air quality to the availability of life-saving drugs. They are integral to the existence of governments and can create political stability at regional and national level.

Business enterprises are growing at a fast pace, many companies from emerging nations have become global entities. Thus, the impact of companies on societies, on the lives of peoples, and on the environment has suddenly enlarged. This major shift in the power game means that just as societies and citizens look up to state for leadership and solutions, now they will appeals for help from corporates. Thus, there is a need for a more holistic conceptualization of corporate engagement that integrates at various levels.

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