

The Social Responsibility of Non-Profit Organisations

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Introduction:

Corporate social responsibility has taken on an increasingly prominent role in the business world in recent years. CSR has grown so popular that nearly every major company now integrates a significant commitment to social and/or environmental programs into its business model. CSR can be loosely defined as the adoption of socially beneficial and environmentally sustainable practices by corporate actors. Corporations derive wealth from the society and earn profit by dealing with the wealth for society. Thus in the large perspective, it is society that actually gives permission to business to operate in society and earn money. This obviously demands that the business world pays for this permission by a legitimate sharing of the wealth it is earning from the society by sharing it with the society.

The history of CSR can be traced to the description of the aim of the state found in Ancient Indian Literature. Observations in the Vedas suggest that peace, order, security and justice were regarded as the fundamental aim of the state. Literatures on politics describe the promotion of *Dharma* (Moral Law), *artha* (Wealth) and *Kama* (pleasure) as the aim of the state. Ancient policy makers were thus fully committed to the ideal perfect development of the individual, which culminated in the full development of the society.

‘Corporate Responsibility is an important topic, high up on the corporate agenda with companies recognising it as a major business driver. We believe that the accountancy profession has a central role to play in CR and cannot afford to ignore it.’

CSR is also called corporate responsibility, corporate citizenship, responsible business and corporate social opportunity is concept whereby organizations consider the interests of society by becoming responsible for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders as well as environment. This obligation is seen to extend beyond the statutory obligation to comply with legislation and sees organizations voluntarily taking further steps to improve the quality of life for employees and their families as well as for the local community and society at large.

Objectives of the study:

1. To examine CSR implementation being done by non-profit organisations with reference to CSR based on holistic value based societal perspectives
2. To examine the importance of beneficiaries/stakeholders in CSR implementation
3. To examine the obstacles in integrating CSR implementation in the NPO
4. To examine perception of employees about CSR practices adopted by NPOs

Methodology:

The study has been conducted purely based upon secondary data collected from various sources such as book, websites, journals, etc.

Limitations of the study:

The study is purely based on the secondary data. The research study has been done from a selective material on the internet. Selective journals, papers and articles have been put to use

because of the time factor. There is the possibility of further updating of this research paper because of limited sources.

Review Of Literature:

Maniates (2002) does not dispute that firms can benefit from being socially responsible, but observes the contradictions in the fact that sustainability is now a growth industry and objects to the attempt of consumers to buy their way out of issues that are more appropriately dealt with by the government and nonprofit groups. Since overconsumption is a major cause of environmental degradation, it is paradoxical to claim that buying more things will help the environment.

Kotchen (2006) considers an economy with a “green” market in which consumers may purchase impure environmental public goods – which provide both private utility and public goods – along with pure public goods and pure private goods. He finds that, if the economy is small, the introduction of a green market may actually reduce the total private provision of environmental public goods. In a large economy, direct donations are crowded out by consumption of impure public goods when these are available, but the total level of public good provision is higher.

Besley and Ghatak (2007) predict that firms using CSR will produce public goods at the same level as predicted by the standard voluntary contribution equilibrium for public goods describing private provision of public goods through donations.

The development of corporate social responsibility:

In recent years, there has been increased consensus that corporate social responsibility (CSR) is significant for the sustainable development of companies and society as a whole. CSR is increasingly incorporated into mission statements and prioritised in strategic configurations of modern organisations. There is a need to shift desired work experience from a career, to earn a living, to a vocation through which employees can express themselves and make positive difference in the world. This would result in enhanced productivity, goods quality and timely delivery—all of which makes business sense to any organization. The attitude that the corporate world should be responsible for adverse production effects has expanded into a broader conception of its responsibilities. It is now common to expect corporations not only to be accountable for their actions, but to contribute to solving the world’s problems. That is, corporations are now pressured to contribute to the creation of public goods like a healthy environment and poverty reduction as well as to absorb their own production externalities. Combined with the growing demand for “green” products, the private sector’s newfound conscience has caused many companies to build or redefine their goals to produce only socially responsible, environmentally friendly products that satisfy, or appear to satisfy, the goals of externality absorption and public good creation. This translates into the for-profit world’s engagement in issues that are traditionally left to nonprofits. This doesn’t just refer to the for-profit firms that compete with non-profits to provide semi-private benefits like nursing homes and hospitals (Salamon,54). More and more proprietary firms are building the provision of public goods into their business models.

For non-profit organisations, the main reason is that values are the core of these organisations, and they are present throughout the entity. The boom of corporate social responsibility has also favoured the creation of different models to promote its establishment in companies. Most of them are quite similar; the main difference is the focus: some organisations focus on the relationship with stakeholders while others are centred on the internal operation. In any case, corporate social responsibility is overcoming the fashionable stage, and helping many companies to know and to rationalize the impact of their interactions with the environment.

The Social Responsibility of NGO:

Non-profit organisations have considerably changed in recent few years. They are now recognised as one of the most prominent social actors able to carry out political incidence and to provoke social changes. This new role has motivated several debates such as what is NGO pursuing and their legitimacy to participate in political debates, and while its recognition like a necessary and important social actor is maintained. As organisations, they have continuous interactions with the environment also. NPOs need to be managed just as any other corporate. Considering the socio-economic condition of the country or region where these NPOs and NGOs operate, the work can be extremely demanding.

These institutions can play a very important role in CSR. In fact, they can play a very proactive role if work to facilitate social responsibility by joining hands with the corporate and government. They can work as the conscience of the business world.

This fact provokes that the organizations think about the basic ambits of social responsibility they should take into account.

The fact that a company evolves towards a responsible organisation, may occur due to many reasons. In some cases, responsibilities are accepted because of some internal values, but some other times are not necessarily like that. Other reasons to develop social responsibility politics could be assigning some values to their trademark, motivating the employees so that they identify themselves with the company, generating bigger benefits or minimizing risks.

Non-profit organizations are adopting a firm stance and are raising their voices on the strong need to work with practices which are respectful with society, nature, human rights, etc. And this demand has also been essential to develop corporate social responsibility in the entrepreneurial sector.

The most important factor that lies on the third sector is coherence between the objectives and the daily work of these organizations. This coherence is extremely necessary to establish relationship based on trust with society. Only by being coherent and working with trust will gain acknowledgement as true social agents, and not simply as organisations “doing good”.

The goal should be to ensure there is coherence between the objectives of the organization and their daily functioning based on a reflection on several aspects such as its mission, values, staff management, stakeholders, transparency, environmental management, communications, participation in the social environment of the organizations, etc.

People within the organization:

People are the real assets in NGO. The main reason, apart from the fact that these organisations are service oriented, is that values constituting the mission are shared by them. Volunteers are the prime most important people within the organization. Volunteerism takes part of the philosophy and the reason of being of the organisations. Its good can be framed within the service to society and the needs of volunteerism itself. Volunteers should be managed in an intelligence and careful way, otherwise, the risk of ending up doing more operating tasks less connected to the purpose of the organization increases. It implies the creation of communication channels, incorporating their vision and needs to the strategic plans, and so on.

Employees also play are important role in the organisation. To deal with the different aspects of a person and the labour demands in a harmonious way, becomes a difficult task in an increasing

competitive society. In NPOs the income is not certain neither continuous. Therefore it is a challenge for the organizations to provide the working conditions they deserve. This may affect their motivation. Therefore their opinions should be taken into account when it comes to make decisions and to consider their personal and professional development within the organisation.

The governing bodies delegate or share responsibilities with the executive teams, sometimes in excess. There are several functions carried out by the board. One of the most important among these is to assure ethical integrity and the values of the organisation, because the ultimate responsibility lies with them. Also they have to define the organization strategy and keep it within the planned lines.

Stakeholders:

Even the NPOs do not exist in isolation. They are always connected with other organisations. For the majority of NGOs, the closest stakeholders are destinataries, partners or collaborators and those who support financially the organization. Also are mass media, suppliers, other networks and NGOs, universities, and so forth.

Destinataries are the most important collective. It is their needs that trigger all the activity carried out by the organisation. The activity's success or failure depends on the given service. For many NGOs, collaborators are a highly important collective. They enable the existence of many organisations, and also let organisations act in a more independent way with regard to other social agents. Gaining associates is important as it also gains followers to the organisation's cause. Also important aspects are values, mission and activities. Mission and values is the core of the organization. A socially responsible organisation will ensure that its values are present through its activities and way of working. Also an important aspect is transparency. Transparency generates an indispensable credibility, which is fundamental not only for the organizations' development but for their existence.

Conclusion:

In the recent years we have seen an expanding role for businesses in the provision of social and environmental benefits. Commitment to corporate social responsibility can enhance financial performance by increasing demand for the firm's products. Given the profit motive of CSR, the private provision of public goods is not trustworthy unless a firm is involved with a nonprofit organisation. Non-profits have no profit motive, so they can help mitigate the untrustworthiness and other limitations of CSR. Whether or not a firm's CSR programs involve partnership with a nonprofit can also help the public determine the quality of that firm's CSR.

There is still a long way to walk in order to achieve transversal and strategic management of the social responsibility of NGOs. Despite this fact, organisations are highly prepared and willing to start changing and incorporate social responsibility as one of the organisation's management principles. They also undergo the social pressure from stakeholders and society in general.

Social responsibility increases the legitimacy of the NGO. The legitimacy achieved by coherence is necessary for NGOs to fulfil their social role. The social support legitimizes the organisations for this action, and that social support will come from organizations that execute projects and carry out activities in a responsible way. The rapid growth of the sector, the increasing public participation and the social demand will make the social responsibility of NGOs a key factor of competitiveness and sustainability in the next years.

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