

Corporate Social Responsibility and Workplace Democracy: Emerging Issues and Perspectives

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Abstract

Corporate Social Responsibility (CSR) is business having responsibility to society, to its stakeholders. If one has to understand CSR from a historical perspective, it evolved from a philanthropic exercise into a strategic activity of the firm. In order to strategic CSR, the firm's core mission and vision should provide a socially beneficial foundation for enhanced economic growth. CSR represents the direct effort by a company to improve aspects of society by the firm as compared with the integral responsibilities that every firm has with respect to primary stakeholders such as employees, customers, investors and suppliers. Workplace practices are integral part of the firm, and hence it is inevitable aspect of CSR. Workplace practices too have evolved through different stages and became significant from the beginning of the Industrial Revolution. Later on, with the growth of research policy making, workplace practices became crucial for the growth in productivity and competitiveness of the firm. This paper will examine the emerging issues of CSR and workplace democracy and its impact. This work will examine the point of convergence between CSR and workplace democracy. It will also evaluate the essential dynamics that rule in a workplace democratic practice.

Keywords: Corporate Social Responsibility, Workplace democracy, Cooperatives, Industrial Democracy, Employee Participation, Decision Making

CSR: History and Theoretical Analysis

CSR is responsibility business bears towards society, environment and the community. It is a point of convergence of various initiatives aimed at ensuring socio-economic development of the community in an enduring manner. Like any social phenomena, the CSR too has a history. In spite of its recent growth, there are evidences of business concern for society from very early period of history. In the 1920s and 1930s, concern for CSR evolved. But it is believed that modern era of CSR started from Howard R. Bowen's (1953) work on social responsibilities of business. According to him, large business firms were vital centers of power and decision making, and the activities of these firms touch the lives of common man at many junctures. And

that is why Bowen refers CSR to the obligations of businessmen to pursue these policies, to make those decisions or to follow those lines of action which are desirable in terms of the objectives and values of the society (Bowen 1953: 6).

Before CSR began to take form in the 1950s, it would be more beneficial if we begin with the Industrial Revolution as the starting point. In the mid-to-late 1800s, business was especially concerned with employees and how to make them more productive workers. Daniel A. Wren, the management historian argued that, there were many issues in the emerging factory system in Great Britain regarding the employment of children and women, and similar issues occurred in America. Reformers in both the countries perceived the factory system to be the source of social problems like labor unrest.

With the concerns of employees growing, philanthropy was appearing, but it was difficult to ascertain whether it was individual philanthropy or business philanthropy. The early practice of business people is thinking about social causes with the business contexts is illustrated by Morrell Heald in his analysis of company's expenditures on community in the late 1880s and philanthropy assumed a central role in the development of CSR. Prior to 1990s, corporate contributions were perceived as giving away stockholders asset without their approval. Besides at that time, corporate contribution were legally restricted to the benefit of the company (Carroll 2008: 24).

Initially CSR was referred as social responsibility. In the 1960s, there was a growth in the new ideas of CSR. Keith Davies argued that CSR should be seen in a managerial context. Businessmen's decisions and actions should be seen partially beyond the firm's economic or technical interest (1960: 70). He pointed out that social responsibility and business power should be commensurate and avoidance of social responsibility would lead to erosion of social power on the part of business. That is why business must not avoid social responsibility and only concentrate on profit. Then, new dimensions entered the business-society relations i. e. the acceptance of societal responsibility at the managerial level. The intimacy of business society relations was accepted at the managerial level. A degree of voluntarism should be imbibed by the employees and business should also accept the fact that such exercises require financial cost and it may not be possible to measure the direct economic return.

A new thinking entered the domain of CSR with the notion of public responsibility. Preston and Post (1997) tried to direct attention away from the concept of CSR towards the notion of public responsibility. They prefer the term public responsibility because it can clearly define the functions of organizational management within the specific context of public life.

Thereafter, a managerial approach grew. It recommended that companies forecast and plan for CSR, organize and assess social performance, and institutionalize corporate social policy and strategy. In the 1980s, it became established that firms have to move beyond CSR and became more competitive. Concepts like corporate governance, business ethics, and corporate social performance entered the domain of CSR. Edwin M. Epstein in his quest for CSR, linked social responsibility to business ethics, and combined both the themes into one single concept called

corporate social policy process. In the 80s, only a strategic development took place in the domain of CSR i.e. the stakeholder theory. During 1990s, CSR became a point of departure for other concepts like sustainability, corporate citizenship. Though sustainability was defined in terms of natural environment, but later it encompassed the larger social environment. Later on empirical research replaced the theoretical contribution to the concept of CSR. Empirical research was carried out to link CSR with other relevant concepts. In the last 20 years, CSR has become a global phenomenon.

A line of dissent also evolved in the development of CSR. Milton Friedman (1960) the American Economist and Nobel laureate was against the concept of social responsibility. He wrote that business officials should not involve themselves in social responsibility, than to make money for their stockholders. And only social responsibility permitted is that they should stay within the rules of the game. Theodor Levitt, a predecessor to Milton was against corporate social responsibility. He argued that 'Corporate welfare makes good sense if it makes good economic sense- and not infrequently it does. But if something does not make economic sense, sentiment or idealism ought not to let it in the door' (1958: 42). But CSR did not stop there.

CSR started with a philanthropic learning, but it moved towards a strategic exercise of the firm. Strategic CSR implies not just doing well to business but also to society. It incorporates the performances of the business organizations based on its core competences, harnessing the talents of the poor and making them capable buyers and choosing those social issues which the business organizations are competent at. Peter Drucker, one of the leading theorist of business emphasized on the performance perspective of the business enterprises, manager and also on the limits of social responsibility. According to him, "Any solution of a social impact or of a social problem except to make it into an opportunity for performance and results, create social overhead costs. The costs are paid for either out of current costs that is, by consumer or taxpayer or they are paid for out of capital that is, by fewer and poorer jobs tomorrow and impaired standards of living. The only way to cover costs and to accumulate capital is through economic performance. All other satisfactions of society are being paid for, one way or another, out of the surplus between current consumption that is out of the surplus of the economy (2005: 313).

In Drucker's opinion, socially responsible business implies, staying within certain limitations- firstly, limits of competence that refrains business from dealing with issues which are outside its value system. The most important issue here is the management needs to know its competence. Secondly, social responsibility's limitations lie in its authority. When business or any other institution of a society is asked to assume social responsibility for one of the problem, then management should think through 'whether the authority implied in the responsibility is legislative. Otherwise, it is usurpation and irresponsible (ibid: 31). Finally, any management of business must resist responsibility for a social problem that would compromise the performance capacity of its business. It must stop when responsibility becomes illegitimate authority.

The strategic CSR discourse also focusses on the principle of mutual dependence of corporations and society. Mutual dependence of corporations and society implies that both business and social policies must follow the principles of shared values. Whatever choices business makes must benefit both business and society. Porter and Kramer (2006) endorsed that social conditions influence the competitive advantage of business. It has greater strategic importance for both companies and societies. They argue that there should be a shift in the thinking of government, NGOs and Companies. Rather each company can identify the social problem that it is best equipped to solve and from which it can gain a competitive advantage. Hence CSR should be absorbed in the core business objectives and competencies of the firm are aimed to make a positive business value and social change.

Workplace Democracy: History and Theoretical Analysis

The terrain of workplace democracy is also dominated by whole lot of institutional and worker relations. Workplace democracy was associated with particular type of institutions such as workers owned economy, workers cooperatives or the employee stock ownership plans. Workplace democracy should be practiced in the workplace. There is a long history to the workplace practices. After the Industrial Revolution workplace practices were aligned to the factories. And in the US textile mills were the first factories that replaced home based production especially during the late 1700s and in the mid-1800s. The transformation from the home-based economy to the industrial manufacturing economy, many changes occurred inside the organizations. Many of the new factories were collections of artisans involved in turning out small amounts of specialized products. Then came the centralized factory system.

The centralized factory system began to dominate and craftsmen traded independence for capital needed to compete with manufacturing units. Instead of controlling its own efforts, labor had to comply with work rules and structures that others determined (Parks 1995: 20). Then the attitude towards the labor changed. On one side it was the view that labor was lazy, and workers had to be forced to work through coercion. The relation between labor and firms would be based on conflicts. But this was not the case always. The development of working environments since the Industrial Revolution is not a straight forward journey. Rather it is a journey of command and control and there were diverse patterns of employment.

Many of the practices are not new. Even practices associated with high performance i.e. flexibility in job assignment, performance incentives, external contracting, concern for company culture, were parts of the early years of industrialization. Sometimes some theorists use philosophical approach to understand the relationship between workers and their employers. Utopian thinkers like Robert Owen, launched the dialogue of social experimentation by building communities where work was seen as a cooperative venture. That is why to keep the labor and also provide social control in especially geographically isolated locations; factories were built around the communities that were designed for their workers. After this, many of the larger firms also created special departments for social welfare activities. There they employed trained personnel's in Sociology and Psychology, so that they can build the employee morale and also resolve the employee disputes.

Debates continued regarding the extent of workplace practices and its impact on productivity. Employers and employees were more into collaborative type of workplace structure that will take the advantage of the current trend in technology and worker characteristics. The main argument here is to help companies surpass the rivals and survive in the competitive and changing economy.

Labor costs, technology, labor market are important forces in the workplace. For instance, great competition in international markets with less costly non-union labor and low domestic productivity growth of the 1970s and 1980s has increased the pressure on manufacturer to reduce costs (Susan 1995: 21). Technology also altered the workplace landscape. Innovation in the technologies have cut the cost advantage of mass production and increased the capacities for customization and diversity. And that is why the mass production market in the past became unstable and fragmented. The new technologies that were introduced often require different types of work structure. The technology was used primarily to increase the productivity and work more automatic. This sometimes deteriorated the worker and management system.

However, organizations that respond to the new technology by creating a learning environment through management-labor cooperation, integration, and involvement are more successful in using technology to its fullest potential (ibid: 22). But in some instances mass production is being replaced by flexible production, manufacturing is being replaced by services, and production of goods is being replaced by production of information. The service sector is projected to provide more new jobs, while employment in professional occupations requires a high level training and it is also projected to be the fastest growing sector. Even the labor market is changing. There is a decline in union membership and bargaining agreements. Urbanization has been falling since the mid-1950s. There is mixed evidence to the role of a shift into services. It is also found that manufacturing firms has surpassed the service firms in the use of employee involvement techniques but there is a high degree of variability in both sectors especially in the use employee involvement technique.

Classical economists like Adam Smith, Ricardo, Malthus and John Stuart Mill focused economic, or natural laws that determined the relationships between capital and labor. According to this view, labor is same like land and capital. Even the traditional economists have observed the changing relationship between labor and management especially in the contexts of factors like competition and market situation. There is another line of thought that traces the evolution of the workplace as a continual search by employee to reduce labor costs and control the workers (Braverman 1974). Another argument which evolved was that technical control in a workplace is replaced by bureaucratic control. And this compels the workers to offer their loyalty and commitment in exchange for promotion, fringe benefits, compensation policies tied to firm performance.. David Bell argues that salaried professional elite with specialized technical knowledge is replacing the authority of traditional management (1973).

The environmental view of 1900 challenged the classical view. The early institutional economists like Richard T. Ely, Thorstein Veblen and John R. Commons recognized the conflict

between employees and employers. But they also recognized that to maintain a democratic society in a free enterprise economy, compromise, negotiation and accommodation are the primary keys. According to them, labor cannot be bought and controlled like other resources, but it is required to give consideration to equity, justice, and stability. Veblen placed a great deal of emphasis on the relationship between instincts, habits and conscious reasoning. (O'Hara 1996).

Slowly the emphasis was shifted to cooperation between workers and management beyond the traditional pay and working conditions to strategic corporate decision making. David Levine and Laura D' Andrea Tyson (1990) focuses on the factors that bridges the gap between the economic and environmental factor and focuses on the low incidences of high performance in workplace. They define four conditions that are essential to sustain these practices in a workplace: group incentive pay; measures to increase group cohesiveness, such as employee participation and narrow wage differentials; guaranteed individual rights and security and trust that emerge with long range employment relations. The cost of using these practices in a competitive economy explains why firms will be at a disadvantage in product, labor and capital markets (Parks 1995: 25).

Sometimes the capital markets also create a disadvantage for firms that invests in training or activities designed to build trust with employees or consumers. These activities have long term pay offs and high monitoring costs. Short term account procedures cannot deliver an adequate short term benefit to compete with other investments (ibid: 25). If high performances work practices are applied poorly, then there can be direct loss of productivity, but opportunities to improve the productivity for the firm will also be sacrificed. Another very significant line of theoretical perspective grew with workplace practices i.e. workplace democracy. It was associated with workers own economy, workers cooperatives or employee stock ownership plan. If seen in a more general manner, even ideally it is required to display democratic institutions and norms at different types of locations, be it private or public. Hence, the just formulation of workplace democracy was that democracy should be practiced at the workplace.

If seen historically, the idea of workplace democracy peaked in the heydays of post-war recovery period, the consolidation of the welfare state and the stability associated with the Fordist labor market. But later on, the phenomena of workplace democracy dwindled and there are few reasons behind it. Probably, there was a growing disenchantment with the institutional form of workplace democracy, especially the cooperative form. The cooperative movement provided a sustainable alternative to the capitalist system, but its scope was narrowed down. Then lesser institutional forms of democracy such as trade unions and collective bargaining, also encountered a challenge in many developed countries. Workplace democracy relied on stable spaces in developed spaces. The stable spaces are the stable enterprises that served as communities in which democracy was practiced. For example corporatist state-wide bargaining, coupled with universal and sector based social security system, sought to advance relatively egalitarian distribution of wages and opportunities. States were considered to be the source of regulatory provisions that advance democratic alternatives within economic enterprises overstepping the public-private divide (Mundlak 2013: 2). The system of accumulation that was

relevant to the Fordist system was replaced by the post-Fordist system that is characterized by transitions in to and from employment, a growing disparity between primary and secondary labor markets, disintegration of organizational hierarchies and a diversified workplace (Boyer 1990).

Democracy in the workplace is a broad perspective and Robert Dahl's contribution to this sphere is noteworthy. He always expressed his desire for establishing symmetry between polity and economy through the democratic transformation of work. He was very much concerned to identify the most desirable system of authority in different kinds of association according to the ability of a structure to optimize the values of personal choice, competence and economy. He asserted that labor should be entitled to democratic voice in the firm as a matter of right, as a kind of compensation for subjection to the rules. In his version of democracy in the workplace, Dahl listed two principles, first, that there is a need for collective decisions that are binding on the members of the association and secondly, members are roughly equally qualified. He has put forward few assumptions about the nature of a democratic association and the people in it. And these assumptions are that the association rules are binding on all members of the collectivity, a deliberative process take place before rules are adopted, only those people can make collective decisions, who are subject to decision making, each person is entitled for equal consideration, each adult person in the organization is entitled to be final judge of his or her own conduct then all the adult members of the organization are equally qualified to decide which matters do or do not require binding collective decision.

Dahl also notes that some may question that a firm's rules are not binding in the same way as the laws of a polity (Mayer 2001: 227). The state also claims over the monopoly over the legitimate means of violence within a territory and uses the coercive power to enforce its laws, where the firm does not. But Dahl counters such arguments; decisions of associations are binding even if not coercively enforced as long as 'severe sanctions' are imposed for non-compliance. (ibid: 228).

But applicability of democratic principles in a workplace is a complex issue. Mundlak believed that in spite of the fact that the workplace can sustain democratic practices associated with the territorial communities, but it is the indistinct boundaries of the workplace that has accentuated the gradual disappearance of the democratic workplace. It is important to rethink about the institutions associated with democracy, regardless of the community in which it takes place. Within the community, a democratic constitutional order prescribes the rules of the game and is therefore process oriented (Mundlak 2013: 12). Mundlak asserted that workplace democracy may require considering the fundamental values of democracy. This includes forms of participation, empowerment, and equality of status within and outside the boundaries of the workplaces. Democracy should be ingrained in every level-from the design of production, the division of labor and work processes, organizational structure and political representation. (ibid: 14).

The democratic processes should be reflexive and outcome should be assessed regularly. There should be an elaborate mechanism for the enforcement of rights, and unless a mechanism for

that exists outside the workplace, these rights need to be protected by internal mechanism. The community, the deliberative process and rights are important aspects of workplace democracy. They aid in highlighting democratic qualities and deficiencies in existing institutions. According to Mundlak the feasibility of workplace democracy with the interplay of these three aspects cannot be carried too far, due to the emergence of marketization and globalization. Participation in workplace decision making is another thesis within the workplace democracy. Carole Pateman developed the 'spillover thesis' which claims that participation in workplace decision making increases the probability of participation as wider politics outside the workplace (Carter 2003: 2).

Mason also argued that the similarity between the workplace and government experience in terms of the mode, intensity and quality of participation suggests that the most efficient and effective way of increasing participation in government is to increase participation in the workplace (1982: 78). Many claim that workplace democracy has the capacity to bring about significant change in the workplace and the wider economy. The most important claim come from the leftist; where the cooperatives, establish workers control are regarded as a precursor to socialist organization. Even Marx offered some support for this position, supporting the cooperatives for action and also showing that production on a larger scale may be carried on without the existence of a class of masters. While Marx acknowledged that cooperatives reproduce 'all the shortcoming of the prevailing system' nonetheless they represent within the old form the first sprouts of the new' (1967: 440).

The proponents of cooperative thesis have very less radical motives. In the 70s and 80s, especially during the recessions and wide scale industrial restructuring, the cooperatives found widespread support from the labor movement as a price of job creation or by rescuing jobs in ailing businesses via a worker takeover (Coates 1976). The attraction of the cooperative option was enhanced by the egalitarian appeal of extending the control of people over all the circumstances of their working lives (Benn 1980: 158). Some believe that cooperatives would encourage the demise of trade unions and is also the major cause of inflation in the market. This turns the worker into risk bearing entrepreneurs by forcing them to raise money in the capital market.

In a way cooperatives are regarded as independent small businesses, representing values of self-help and enterprise, and which, if successful, represent an extension of property-owning democracy. This particular perspective, anticipated the impact of cooperatives is to reinforce capitalist institution and values. The success of cooperatives will be judged by their ability to create jobs, improve industrial relations or raise efficiency through higher job satisfaction, motivation and commitment (Carter 2003: 3). But many contemporary Marxist writers are cynical about the possibility of 'islands of socialism' flourishing in a 'sea of capitalism.' They observe that cooperatives cannot avoid determinism of the market, which imposes capitalist principles of organization, such as hierarchy, wage differentials and low wages (Nicholas 1980: 3). There are a range of normative arguments in support of workplace democracy. One argues that workers have right to democracy in their workplace and there is another that emphasis the beneficial effects of workplace participation on individuals and the wider polity. First is

associated with later Dahl. He felt that the ever increasing concentration of economic wealth with giant corporations which by giving them disproportionate political power and generating extreme economic inequalities, represent a pernicious threat to the principles of democracy and liberty. Dahl challenged the legitimacy of corporate capital by building a case of economic democracy, or self-governing enterprises, based on the inalienable rights of people to govern themselves (Carter: 4). Dahl drew a parallel between the relationships between state and citizens and between a business and its employers. He was quite clear that the case for economic democracy is based on the right of workers to self-government, but he anticipated that the widespread transition to self-government would weaken the might of corporate capitalism. Yet he was cautious about the wider consequences of worker self-government for the health of the polity, but rather transforms workers into much more virtuous citizens (1985: 111).

Pateman drew her 'spillover thesis' from the tradition of classical democratic theorists especially Rousseau, John Stuart Mill and G. D. H. Cole to attack elite theorists like Schumpeter, Sartori and early Dahl for their narrow definition of democracy as competition for office between elites rather than involving active participation of citizens. For Pateman, an active participation by all its citizens is an urgent necessity. And it also plays a crucial educative role. Like Rousseau and Mill, she argued that the attitude and behaviour of individuals are shaped by the institutions within which they act. So, where individuals actively engage in democratic institutions-debating and deliberating-they are more likely to develop the necessary attitudes, skills and psychological qualities that contribute to individual political efficiency and which in turn will increase political participation (1970: 42-3).

Based on the observation of Mill and Cole, Pateman emphasized the linkage between the workplace and politics. She observed that most people spent a large part of their lives in the workplace, usually in organizations where the hierarchical, bureaucratic typical of capitalist liberal democracies give people little opportunities to hone their democratic skills. Yet the workplace in many respects a political system very similar to government notably because 'the business of the workplace provides an education in the management of collective affairs that is difficult to parallel elsewhere' (ibid: 43). Pateman argued that by democratizing the workplace-transferring ownership and control to the workers-individuals will be able to participate in routine decision making affecting their immediate work environment an arena in which they have firsthand knowledge (Carter: 5). Pateman also argued that because people learn to participate by participating and as much feelings of political efficacy are more likely to be developed in a participatory environment. Thus the effect of democratizing the workplace will move beyond the four walls of the factory. And as individuals learn to participate at work they will gain the confidence, skills and necessity to participate in wider civic society, and larger politics.

Emerging Issues and Perspectives of CSR and Workplace Democracy

CSR is not a new phenomenon. It was not given much importance and considered as not a significant issue from Adam Smith's time till Great Depression. But from the 1930s, and from the 1950s, social responsibility became an important issue. The concern for the social

responsibility of business has accelerated since the fall of Berlin Wall, which symbolized the collapse of Communism and then the onset of globalization. The collapse of Enron and WorldCom and their Auditor Arthur Andersen, due to doubtful accounting practices, has raised the level of security of large companies as well as their auditors (Hopkins 2004: 27). As companies struggle with voluntary principles and standards, there is a gradual movement towards regulation. There is a struggle in the European Union, regarding the regulatory movement. Its Green Paper in July 2001 argued 'Corporate Social Responsibility should nevertheless not be seen as a substitute to regulation or legislation concerning social rights or environmental standards, including the development of new appropriate legislation. In countries where such regulations do not exist, efforts should focus on putting the proper regulatory or legislative framework in order to define a level playing field on the basis of which socially responsible practices can be developed. However, the above paragraph was dropped in the Communication Published in July 2002 (Commission of the European Communities-COM 2002, 347 Final).

Why legislation is required is a pertinent question? It would help to avoid the exploitation of labor, bribery and corruption. Companies would know what is expected of them. Corrupt companies would find it difficult to compete. But such measures might create some disadvantages also. Additional costs on the bureaucratic structure of the company. Some critics argue that the CSR of companies is simply to make profit and legislation will increase its vocalization of these concerns. Reporting system varies from company to company, sector and country and they are in constant evolution. Then the next important question as who will be the regulator-Government or United Nation or the corporate sector? Corporate sustainability is a parallel concept to CSR. This concept arose out of concerns for the environment, but has been explained in recent years encompass both social and economic aspects of corporations. What are the benchmarks used by companies for social initiatives? There is no absolute benchmark for CSR. Regarding the code of conduct there is a huge variation. The OECD Report categorizes five main areas of conduct: a) fair business practices; b) observance of the rule of law; c) fair employment and labor rights; d) environmental stewardship; and e) corporate citizenship (OECD 2001).

Now relating improved labor conditions to trade is not new. International Labor Organization (ILO) has been active in producing labor standards through its Conventions and Recommendations. The emphasis is not so much on economic as legislative aspects. But a weakness of ILO policy advice is that it normally raises the cost of labor and hardly ever considers the economic benefits to the institutions that have to pay the increased charges. But the question here is to implement few, if not all of the ILO's social policy standards. The core labor standards has been picked up in the Global Compact as a step in the direction of priority, but on political rather than on economic grounds (Hopkins: 18). However ILO together with the OECD has moved towards adopting a core set of labor standards. These are-freedom of association, the right to organize and bargain collectively, the prohibition of forced or compulsory labor, and a minimum age for the employment of children. These are applied in much of the US trade legislations. The other crucial phenomenon is what measurement

companies use to assess their social impact. Ironically there is no single methodological tool in existence which has achieved widespread agreement.

CSR and its relation to development issues is an emerging perspective. Here the question is whether CSR can in fact play a significant role in poverty reduction especially in developing countries. George Frynas (2005) argued that current CSR strategies fail to address the crucial issues of governance and the negative macro-level effects that multi-national companies cause in host countries (Broomhill 2007: 27). The role of NGOs and the Civil Society Organizations (CSO) are crucial to the spread of CSR. Some are comfortable in supporting the development of voluntary CSR programmes and many collaborate with corporations to develop and promote these programmes. But there were NGOs and CSOs who remained critical of voluntary CSR and rejected collaborations with corporations preferring to maintain a very critical and activist agenda. There are other themes and issues related to CSR like-gender and CSR, the role of international organizations and standards, CSR and environment, human right approach to CSR, an evaluation of existing processes for measuring and reporting CSR. And these issues should be analyzed re-examined by the state, corporate firms and public sector as well.

Workplace democracy is very much related to industrial democracy and economic democracy. Industrial democracy implies participation with the enterprise that involves a change in the power relationship. The workers participation is important to the quality of workplace. But the workers participation and the quality of working life is closely identified with the issues of the transformations of the power relations between employees and the employer. These have been seen as attempts to improve workers satisfaction on the job without diluting the basic structure of the authority. Collective bargaining is another form of workers participation in management. But sometimes widening of the range of issues subject to collective bargaining may be contested by management as an invasion of managerial functions. Workers representation on Boards is regarded as the more decentralized form of bargaining bodies of enterprises at the level of the firm rather than the more industry-wide or economy –wide negotiations of traditional collective bargaining (Windmuller 1977).

Harmonization of workplace is also important for improvement of working conditions at the shop floor. Even though the movement to reform the workplace at the shop floor began in the 1960s, there was increasing concern expressed by governments about it. It was found that the problems at the workplace have high turnover rates, increased absenteeism and lower than expected productivity. Some attributed the problem to the fact that the workplaces have not changed overtime but that workers have changed. They were coming into the workplace with higher educational attainment, and a corresponding set of attitudes about work and authority (Albrecht: 50). Diverse issues have evolved i.e. that some saw the problem in structure of the work itself. The division of labor was so detailed that a worker felt alienated from the entire labor process, physiological and psychological problems in the workplace. Joint consultative bodies such as work councils were also revived in many countries. And they are sometimes seen as best channels for greater industrial democracy. But the emphasis for workplace democracy is not just making the free market distribution debates outdated. Rather it should be viewed as added aspect of self-fulfillment, participation, positive outcome of deliberations

and economic inclusion. The added value of workplace democracy to current debates on regulation and governance of the labor market and the organization of human resources should not be measured as a baggage. Besides forces like marketization and globalization needs to be revamped so that workplace democracy can flourish.

Concluding Remarks

Hence CSR is not just philanthropy. It is being responsible to its own stakeholders i.e. the employees, customers, suppliers, investors, shareholders and of course the larger society. Employees of a firm are not just the white collar workers rather it encompasses the unskilled to the most skilled personnel's of the firm. That's why CSR and workplace practices are very much linked. In order to make the workforce more participatory, the firm has to uphold the principles of democracy in workplace practices and this will be a sheer move towards democratic social responsibility.

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