CORPORATE SOCIAL RESPONSIBILITY IN INDIA: A BRIEF STUDY.

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ABSTRACT

Corporate Social Responsibility involves the efforts business organizations undertake to meet their responsibilities both as economic and social agents. Businesses become aware of their social responsibilities through pressure exerted by their stakeholders. Customers, for example, expect businesses to supply reliable and safe products at a fair price. Stockholders demand that corporate operations be managed efficiently and that dividends or improved market value reward their investments. Some insights from the Indian arena have been put forward to envisage the basic essence of Corporate Social responsibility being manifested at the corporate level through their initiatives in this direction. The present paper makes an attempt to study the concept of CSR, to examine the extent and type of corporate social responsibility initiatives undertaken by companies in India, to study the issues and challenges for CSR in India and to make recommendations for accelerating CSR initiatives**.**

KEYWORDS : CSR= Corporate Social Responsibility.

INTRODUCTION

Corporate social responsibility (CSR) is a form of corporate self-regulation integrated into a business model. It is also called as corporate conscience, citizenship, social performance, or sustainable responsible business. CSR policy functions as a built-in, self-regulating mechanism whereby business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. Furthermore, CSR-focused businesses would proactively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere, regardless of legality. CSR is the deliberate inclusion of public interest into corporate decision-making that is the core business of the company or firm, and the honouring of a triple bottom line: people, planet, profit.

CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY (CSR):

The concept of Corporate Social Responsibility (CSR) has been developing since the early 1970s. There is no single universally accepted definition of CSR, though there are some definitions given by certain authorities.. CSR is a term describing a company's obligation to be accountable to all of its stakeholders in all its operations and activities. Socially responsible companies consider the full scope of their impact on communities and the environment when making decisions, balancing the needs of stakeholders with their

need to make profit. CSR is a concept whereby organizations serve the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. In simple terms CSR may be described as the responsibility of a corporation towards the society in consideration of the support given and the sacrifices made by the society.

MEANING OF CSR:

Corporate social responsibility is a much misunderstood concept. It contradicts the corporate objectives of profit motive. But it is difficult to overlook the prime objective of the business for the purpose of **'do good activity'**. Today consumer not only ready to accept the role of a corporate house only to satisfy their demand to produce the goods according to their requirement. According to **Kotler and Lee**-it is**" a commitment to improve community well being through discretionary business practices and contributions of corporate resources."**

"**commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life." It is the backbone of today's business sustainability.** Kotler cites several benefits of corporate social initiatives on the part of corporate. It includes-
1) Increase in sales
2) Increase in market share
3) Strengthened brand positioning
4) Improve corporate image
5) Increased appeal for customers, employees and investors
6) Reduced operating cost

As **"initiative"** is necessary to fulfill the unfulfilled business operation and long term profitability as well as sustainability by meeting the ethical, legal, commercial and public expectation that society has from business.

OBJECTIVES:
1. To study the concept of CSR
2. To examine the extent and type of CSR initiatives undertaken by companies in India.
3. To study the issues and challenges for CSR in India.
4. To make recommendations for accelerating CSR initiatives.

INDIAN SCENARIO:

India is a country of great Gurus and Saints and their spiritual discourse teaches us the theory of karma and paves the way for other to perform the same for the benefits of all. Concept of corporate social responsibility is not new for India. India was aware of corporate social responsibility due to the efforts of organizations such as the Tata Group, Birla and Reliance Industries etc. With the passages of time organization have started showing their concern toward this noble cause with different magnitude. Following detail shows the list of innovative programmes which Indian firms are now carrying out as gesture for the welfare of society.

Table-1

Sl. No.	Organization	Nature	CSR Initiative
1.	BHEL	Electronic	Disaster Management
2.	Lupin India Ltd.	Pharmaceuticals	Agriculture Based Project.
3.	SAIL	Steel	Medical, Environment Conversation and Education etc.
4.	Ranbaxy	Pharmaceuticals	Mobile Healthcare vans and Urban welfare centres that reach over a lakh people in country.
5.	Tata Consultancy Services	IT	Fully-equipped computer training laboratory and Research Centre for imparting basic computer knowledge.
6.	Bharat Electronic Ltd.	IT	Cyclone proof houses for the victims of the super cyclone.
7.	Mahindra & Mahindra	Automobile.	Employee Social option scheme for better social life.
8.	Glaxo Smithe	Pharmaceuticals	Medical check-up health camps and health awareness programmes.
9.	Bajaj	Electronic	Education, Rural Development & Environment
10	Aptech Limited.	Computer Education.	Fostering education through the country since inception.

Whatever area companies might choose for developments purpose but basically all are confined toward a defined level of social responsibility.
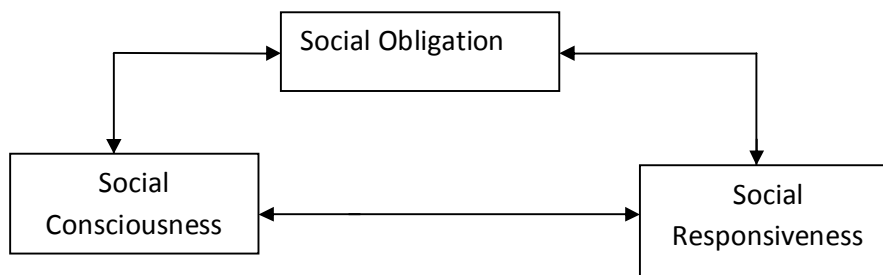

Figure1: Levels of Social Responsibility

Moreover, a positive gesture shown toward the society either by entrepreneur or by NGO's which has been noticed recently, are really praise worthy.

- Liquor icon Vijay Malya brought 'Belonging of Gandhiji' by paying worth crores of rupees as mark of respect for the 'Nation' as well as for this 'Mahan Atma'.
- Aircel's initiative to "Save Tiger" is also thing which is praise worthy.
- NDTV initiative to 'Go Green', 'Save Costal' and 'Education drive' is equally creditable act for the betterment of society.
- Cellular icon Idea's slogan to 'Save Paper' is good initiative and good step to perform social obligation.
- JCB India adopted a Government school, in the vicinity of the company premises as its social responsibility.

CSR: Current Issues:

Numerous organizations imagine that corporate social obligation is a fringe issue for their business and consumer loyalty increasingly significant for them. They envision that consumer loyalty is presently just about cost and administration, yet they neglect to call attention to on significant changes that are occurring

worldwide that could destroy the business. The change is named as social duty which is an open door for the business.

A portion of the drivers pushing business towards CSR include:

1. The Shrinking Role of Government

Before, governments have depended on enactment and guideline to convey social and natural destinations in the business part. Contracting government assets, combined with a doubt of guidelines, has prompted the investigation of intentional and non-administrative activities

2. Demands for Greater Disclosure

There is a developing interest for corporate revelation from partners, including clients, providers, workers, networks, financial specialists, and extremist associations

3. Increased Customer Interest

There is proof that the moral lead of organizations applies a developing effect on the buying choices of clients. In an ongoing review by Environics International, more than one of every five customers announced having either compensated or rebuffed organizations dependent on their apparent social exhibition.

4. Growing Investor Pressure

Financial specialists are changing the manner in which they evaluate organizations' presentation, and are settling on choices dependent on models that incorporate moral concerns. The Social Investment Forum reports that in the US in 1999, there was more than $2 trillion worth of benefits put resources into portfolios that pre-owned screens connected to the earth and social obligation. A different review by Environics International uncovered that in excess of a fourth of offer claiming Americans considered moral contemplations when purchasing and selling stocks. (More on socially capable speculation can be found in the 'Banking and venture' segment of the site.)

5. Competitive Labour Markets

Representatives are progressively looking past checks and advantages, and searching out bosses whose ways of thinking and working practices coordinate their own standards. So as to recruit and hold talented representatives, organizations are being compelled to improve working conditions.

6. Supplier Relations

As partners are getting progressively inspired by business undertakings, numerous organizations are finding a way to guarantee that their accomplices behave in a socially mindful way. Some are presenting sets of accepted rules for their providers, to guarantee that other organizations' arrangements or practices don't discolor their notoriety.

Challenges of CSR:

There are number of challenges to the implementation of CSR. They are enumerated below:

1) Lack of Awareness of General Public in CSR Activities There is an absence of enthusiasm of the overall population in taking an interest and adding to CSR exercises of organizations. This is a result of the way that there exists next to zero information about CSR. The circumstance is additionally exasperated by an absence of correspondence between the organizations associated with CSR and the overall population at the grassroots.

2) Need to Build Local Capacities There is a requirement for limit working of the neighborhood non-legislative associations as there is not kidding lack of prepared and proficient associations that can viably add to the continuous CSR exercises started by organizations. This genuinely bargains scaling up of CSR activities and along these lines confines the extent of such exercises.

3)   Issues of Transparency Lack of straightforwardness is one of the key test for the corporate as there exists absence of straightforwardness with respect to the little organizations as they don't put forth sufficient attempts to unveil data on their projects, review issues, sway appraisal and usage of assets. This contrarily impacts the procedure of trust working among the organizations which is vital to the achievement of any CSR activity. There is non-accessibility of efficient non-administrative associations in remote and provincial zones that can survey and distinguish genuine necessities of the network and work alongside organizations to guarantee fruitful execution of CSR exercises.

4)   Visibility Factor The job of media in featuring great instances of effective CSR activities is invited as it spreads great stories and sharpens the populace about different continuous CSR activities of organizations. This clear impact of picking up perceivability and marking exercise frequently leads numerous non-administrative associations to include themselves in occasion based projects; all the while, they regularly pass up important grassroots intercessions.

5)   Narrow Perception Towards CSR Initiatives Non-administrative associations and Government organizations for the most part have a thin standpoint towards the CSR activities of organizations, regularly characterizing CSR activities more as giver driven. Therefore, corporate think that its difficult to choose whether they ought to take part in such exercises at all in medium and since quite a while ago run.

6) **Non-Availability of Clear CSR Guidelines** There are no clear cut statutory guidelines or policy directives to give a definitive direction to CSR initiatives of companies. The scale of CSR initiatives of companies should depend upon their business size and profile. In other words, the bigger the company, the larger its CSR programme.

7) **Lack of Consensus on Implementing CSR Issues** There is a lack of consensus amongst implementing agencies regarding CSR projects. This lack of consensus often results in duplication of activities by corporate houses in areas of their intervention. This results in a competitive spirit between implementing agencies rather than building collaborative approaches on issues. This factor limits company's abilities to undertake impact assessment of their initiatives from time to time.

RECOMMENDATIONS:

1. **CSR in SME:** SME implement CSR practices better than the large companies due to shorter decision making process, closely linked to the stakeholders and can contribute to the GDP better than before. CSR can make competitive advantage and better market position for SME.

2. **Internalizing CSR as Initiative of HRM:** It is evident that many companies are involved in CSR but benefit can not be passed till the time CSR initiatives are not aligned to value chain, value network and benchmarking. To do that social responsibility needs to be embedded in an organization's culture to bring change in actions and attitudes in which Human Resource can play a significant role.

3. **CSR in Rural Sector:** Companies can not achieve sustainability even though companies are taking serious efforts for the sustained development without passing the benefit of CSR initiatives to rural India. Moreover, people in rural are deprived of minimum needs. Hence CSR major focus should be on providing quality of life to the people in the rural sector and one such example can be by developing agri- SEZs in India.

4. **CSR focus on the Bottom of pyramid:** There is huge consumer potential in rural India and addressing this segment is a win-win partnership for both companies and the people. The companies benefit by widening their consumer base and selling more products; the rural people benefit by getting quality goods and services, which motivate them and raise their self-esteem. So, there is a need for companies to design and develop innovative products and services, and help the poor prosper.

5. **A step ahead from triple bottom line:** A triple bottom line includes people, planet and profit. In the private sector, a commitment to corporate social responsibility implies a commitment to some form of TBL reporting but in today's scenario corporate need to move ahead from people, planet and profit to partnership, progress and prosperity for taking a shift towards strategic CSR . In a nutshell, companies should take people together with them to reach to the ground level, seek ways for progress on the planet and most importantly not only work for profit but should also work for prosperity of the community. Effective partnerships between corporate, NGOs and the government will place India's social development on a faster track.

6. **Strategic focus and Learning Organization:** CSR practices involve some obstacle such as lack of Time and financial resources so Organizations strategic focus needs to be on such sectors which are under tapped that means focus should be on that sector which can deliver value to masses using new mind set of value proposition, rarity, uniqueness, and building dynamic capabilities of Corporate to have learning organization in India. That means corporate should focus on such areas in which CSR initiative has not been taken instead of following the same initiatives which has already been taken by the other companies.

CONCLUSION:

The idea of corporate social obligation is presently immovably established on the worldwide business plan. Be that as it may, so as to move from hypothesis to solid activity, numerous hindrances should be survived. A key test confronting business is the requirement for progressively dependable pointers of progress in the field of CSR, alongside the scattering of CSR methodologies. Straightforwardness and discourse can assist with causing a business to show up increasingly reliable, and push up the norms of different associations simultaneously.

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