Corporate Social Responsibility: A Study with Indian Perspective

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ABSTRACT

Any contribution towards welfare of society is called as Corporate Social Resposibility. Over the years Corporate Social Responsibility (CSR), a concept comparatively new to India, is rapidly picking up pace. CSR has become a fundamental business practice and has gained much attention from the management of large international companies. It facilitates the alignment of business operations with social values. CSR is deemed as a point of convergence of various initiatives aimed at ensuring socio-economic development of the community. Acknowledging the fact that mainstreaming CSR into businesses could be instrumental in delivering societal value, especially in a developing country like India. Corporate can no longer limit them in using resources of society and they have to be socially responsible corporate citizens and must also contribute to the social good of the society. This paper specifically aims at providing an understanding of concept of CSR with Indian perspective.

Key words: Corporate Social Responsibility, Welfare, Business Practice, Corporate, Citizens.

INTRODUCTION

The evolution of CSR in India refers to changes over time in India of the cultural norms of corporate engaged in CSR activities. Businesses are managed to bring about an overall positive impact on the communities, cultures, societies and environments in which they operate. The fundamentals of CSR rest on the fact that not only public policy but even corporate should be responsible enough to address social issues. Thus companies should deal with the challenges and issues looked after to a certain extent by the states. CSR is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives while at the same time addressing the expectations of shareholders and stakeholders. Anything that is beneficial for the society can be called CSR and such activity must be shown by company on their website and company should take approval from board.

CSR is an important element of development because companies need to look after their communities, particularly those that are operating in rural areas. But, CSR also has an environmental aspect that the business might influence based on their operation Many companies might have motivations for doing CSR such as the genuine care of their environment and society that would eventually become their source of human capital as well as raw materials that they need to sustain. Also, some companies will see it as an important element of gaining societal acceptance for their operations. It is really true for the companies that are operating in remote areas, like mining and oil and gas companies.

They are often encountered by many communities that indigenously live there, and the companies have to live with these communities. Another aspect on CSR is that companies should see it as a voluntary action rather than

something that is highly regulated. Because it is something that is good for the company to do, it's not something that the company has to do because of law or anything else. For Indian businesses CSR can be a source of opportunity, innovation, and competitive advantage while at the same time providing with the opportunity to actively contribute to the sustainable development. Organizations in India have been quite sensible in taking up CSR initiatives and integrating them in their business processes. It has become progressively projected in the Indian corporate setting because organizations have recognized that besides growing their businesses, it is also important to shape responsible and supportable relationships with the community at large.

Objectives of the Study:

1. To develop an understanding of concept of CSR.
4. To study the initiatives taken under CSR in India.
5. To provide suggestions for accelerating CSR initiatives.

RESEARCH METHODOLOGY

The data of this study is secondary in nature which is collected from different sources such as newspaper articles, research papers, magazine articles and media reports.

CSR In India

The concept of CSR has been imbibed in Indian society from the very beginning. Gandhi's philosophy of trusteeship is similar to CSR of the modern world; companies like TATA and BIRLA have been imbibing the case for social good in their operations for decades long before CSR become popular cause. The avid interest in community welfare among the Tata Group dates back to the 1860s when the company was founded by Jamshedji Tata. This explains why nearly two-thirds of the equity of Tata Sons, the Tata Group's promoter company, is held by philanthropic trusts, which have created a host of national institutions in science and technology, medical research, social studies and the performing arts. At Indian Oil, corporate social responsibility (CSR) has been the cornerstone of success right from inception in the year 1964. The Corporation's objectives in this key performance area are enshrined in its mission statement to help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience. Before Corporate Social Responsibility found a place in corporate houses, it was already textured into the Birla Group's value systems. As early as the 1940s, the founder G.D Birla espoused the trusteeship concept of management. Simply stated, that the wealth that one generates and holds is to be held as in a trust for their multiple stakeholders. With regard to CSR, this means investing part of their profits beyond business, for the larger good of society. Over the years CSR has gained importance in India as companies are realizing the importance of investing in CSR for achieving benefits of creating share holder value, increased revenue base, strategic branding, operational efficiency, better access to capital, human and intellectual capital and lower business risk.CSR has emerged as an effective tool that synergizes the efforts of Corporate and the social sector towards sustainable growth and development of societal objectives at large.

Changing Trends In Csr: From Charity To Responsibility

An insight into the history of CSR reveals that till 1990s it was solely dominated by the idea of philanthropy. Considering CSR as an act of philanthropy, businesses often restricted themselves to one time financial grant and did not commit their resources for such projects. Moreover, businesses never kept the stakeholder in mind while planning for such initiatives, thereby reducing the efficacy and efficiency of CSR initiatives. However, over the last few years, the concept of CSR has been changing. There has been an apparent transition from giving as an obligation or charity to giving as a strategy or responsibility[5] Review of the case studies and work done on CSR by companies in India suggests that the CSR is slowly moving away from charity and dependence and starting to build on empowerment and partnership. Today, the corporate world has just started seeing the opportunity to help solve the problems CSR addresses. Private Sector has come out in favor of social responsibility and demonstrated their support for the Government's commitment to provide greater economic opportunities to the disadvantaged.

CSR Initiatives By Corporates

Tata Group

The Tata Group conglomerate in India carries out various CSR projects, most of which are community improvement and poverty alleviation programs. Through self-help groups, it has engaged in women empowerment activities, income generation, rural community development, and other social welfare programs. In the field of education, the Tata Group provides scholarships and endowments for numerous institutions.

The group also engages in healthcare projects, such as the facilitation of child education, immunization, and creation of awareness of AIDS. Other areas include economic empowerment through agriculture programs, environment protection, providing sports scholarships, and infrastructure development, such as hospitals, research centers, educational institutions, sports academy, and cultural centers.

Ultra tech Cement

Ultra tech Cement, India's biggest cement company is involved in social work across 407 villages in the country aiming to create sustainability and self-reliance. Its CSR activities focus on healthcare and family welfare programs, education, infrastructure, environment, social welfare, and sustainable livelihood.

The company has organized medical camps, immunization programs, sanitization programs, school enrollment, plantation drives, water conservation programs, industrial training, and organic farming programs.

Mahindra & Mahindra

Indian automobile manufacturer Mahindra & Mahindra (M&M) established the K. C. Mahindra Education Trust in 1954, followed by Mahindra Foundation in 1969 with the purpose of promoting education. The company primarily focuses on education programs to assist economically and socially disadvantaged communities.

Its CSR programs invest in scholarships and grants, livelihood training, healthcare for remote areas, water conservation, and disaster relief programs. M&M runs programs such as Nanhi Kali focusing on education for girls, Mahindra Pride Schools for industrial training, and Lifeline Express for healthcare services in remote areas.

ITC Group

ITC Group, a conglomerate with business interests across hotels, FMCG, agriculture, IT, and packaging sectors has been focusing on creating sustainable livelihood and environment protection programs. The company has been able to generate sustainable livelihood opportunities for six million people through its CSR activities.

Their e-Choupal program, which aims to connect rural farmers through the internet for procuring agriculture products, covers 40,000 villages and over four million farmers. It's social and farm forestry program assists farmers in converting wasteland to pulpwood plantations. Social empowerment programs through micro-enterprises or loans have created sustainable livelihoods for over 40,000 rural women.

Trinity Care Foundation

It is a network of highly accomplished and networked Public Health Professionals in Karnataka State, India. They aim to solve the challenges of Healthcare in India by working in synergy with the Government system. At Trinity Care Foundation, they create a more efficient and effective social impact ecosystem using preventative healthcare system.. It is registered with Government of India. Following are the corporate social responsibility partnership programs:

1. School Health Program
2. Outreach Health Program
3. Facial Deformities Surgeries
4. Computer Education
5. Empowering Government Schools Project

Axis Bank Ltd

The bank performs its CSR activities through "Axis Bank Foundation" (ABF). The CSR initiatives taken by foundation are- support in education for the children of backward section in India, arrange special education program for physically and mentally challenged children. Besides, arrange vocational training for the youths to enhance their employability. Foundation is working to provide medical facilities to the accidental injured patients from the accident spot to the hospital, arranges blood donation camps. For green banking initiatives, it collects the dry wastage from the bank's office and recycles it to produce envelopes; notebooks etc. and some other notable projects have been undertaken for society's development.

Dabur India Ltd

Company has taken many projects to fulfill its social commitments, such projects are- help in education for the backward section of society, give financial assistance for improvement of schools, arrange vocational training and skill development programs. Set up health checkup camps to provide different kinds of health care facilities, create awareness on rural people about malaria, HIV-AIDS, cancer etc. For women empowerment, different initiatives have been taken. Company also works to protect scare plants and herbs and arrange tree plantation program time to time for environmental sustainability.

Exide Industries Ltd.

Company has taken different programs to perform its social responsibility. Such are- provide basic education and health checkup facilities to deprived children of the age between 2-6 years in Kolkata and thus a project has been undertaken with an NGO namely, "Lighting Young Lives-Improving Child Health Outcomes Through Community Participation". Beside, company has taken foot step in rural infrastructure developments and heath treatment of underprivileged sections in India. Since 2009, the company is working with 'UNICEF' under the program "WASH" (Water, Sanitation and Health) for improvement of children health in rural India. Besides, for environmental safety the company has taken the initiatives of tree plantation program and also contributes for flood relief and other social welfare

Challenges of CSR

Although CSR has gained emphasis in India, there are several issues challenging its effectiveness and reach. A lack of proper understanding of the concept of CSR, non-availability of authentic data and specific information on the kinds of CSR activities, coverage, policy etc. are some of the various challenges facing CSR initiatives. Absence of training and undeveloped staff is additional problems for reduced CSR initiatives. Following are some challenges of CSR:

1) There is a need for capacity building of the local non- governmental organizations as there is serious dearth of trained and efficient organizations that can effectively contribute to the ongoing CSR activities initiated by companies. This seriously compromises scaling up of CSR initiatives and subsequently limits the scope of such activities.

2) Lack of transparency is one of the key issues. There is an expression by the companies that there exists lack of transparency on the part of the local implementing agencies as they do not make adequate efforts to disclose information on their programes, audit issues, impact assessment and utilization of funds.

3) It is also reported that there is non-availability of well-organized nongovernmental organizations in remote and rural areas that can assess and identify real needs of the community and work along with companies to ensure successful implementation of CSR activities.

4) The role of media in highlighting good cases of successful CSR initiatives is welcomed as it spreads good stories and sensitizes the local population about various ongoing CSR initiatives of companies.

SUGGESTIONS AND RECOMMENDATIONS

In order to ensure that CSR is progressively contributing and benefiting, the following suggestions are given to

make CSR initiatives more effective:

1) It is found that there is a need for creation of awareness about CSR amongst the general public to make CSR initiatives more effective
2) It is noted that partnerships between all stakeholders including the private sector, employees, local communities, the Government and society in general are either not effective or not effectively operational at the grassroots level in the CSR domain.
3) It is recommended that appropriate steps be undertaken to address the issue of building effective bridges amongst all important stakeholders for the successful implementation ofCSR initiatives. As a result, a long term and sustainable perspective on CSR activities should be built into the existing and future strategies of all stakeholders involved in CSR initiatives.
4) Monitoring of mechanism of CSR activities and liaising closely with implementation partners such as NGOs are to be developed to ensure that initiatives really deliver the desired outcomes.
5) Effective partnerships between corporate, NGOs and the government will place India's social development on a faster track.
6) In addition, companies should not only invest on CSR but also disclose its spending on CSR to all stakeholders that how, where and what amount they have invested in CSR. Companies invest a lot of money on advertisement to create a good image in the mind of customers but if they also invest a little portion of this amount on CSR can also help in building good image

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