



A STUDY ON CORPORATE SOCIAL RESPONSIBILITY, THE STAKEHOLDERS AND THE WAY FORWARD !

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ABSTRACT:

Corporate social responsibility (CSR) is a corporate dictum that specifies the need of every corporate to be a responsible citizen. This CSR as a familiar concept has been here for some time as an essential deed of companies. It is being socially accountable. Every country gives attention to CSR initiatives as it assists the corporates to be socially responsible along with being economically viable. Through this paper, the author attempts to highlight the variants, the necessity of CSR and its connectivity to the stakeholders of organisations in India.



KEY WORDS: CSR, Stakeholders, Strategic, Government, Corporate.

INTRODUCTION:

The problems of poor people are numerous. People by themselves cannot come out of their crises unless there is a strong mechanism to support them, or they are supported by somebody. Society suffers from lack of facilities, lack of quality education, deficiency of skills, lack of job opportunities and growing inequalities. Lack of effective infrastructural facilities such as industrial centres, warehouses, roads, bridges, schools, colleges and other basic amenities are frightening to new ventures. Poverty, famine, flood, earthquake, pollution, unemployment, less income issues, diseases, etc. affect the country still, even though the Govt takes so many positive developmental measures. The Govt. alone cannot do the recovery and corrective actions for all its people's problems. Hence, CSR activities are a necessity. This study propagates the need for support from the corporates in order to create a better India through the CSR initiatives.

STATEMENT OF THE PROBLEM

Many think that CSR is an ideal activity. It need not be done in the normal circumstances. They do the argument that business is for profit and the CSR activity should be optional, and those who intend to do can do it. This is an unfair argument. There is a great divide among people financially and otherwise. Hence, the researcher feels that there has to be a balancing activity i.e. CSR.

OBJECTIVES OF THE STUDY

To review the scope of CSR in India.

To understand the relevance of CSR to Corporates in India.

To suggest measures to improve the CSR initiatives

RESEARCH METHODOLOGY

The data for the study are collected from secondary sources such as reference books, published articles in journals and internet materials. The analysis is done based on experiential approach with the help of statistical data available in the monthly and annual publications, reference materials in books and websites suitably.

CSR – A Review

As stated by the United Nations, “Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.” Even before the CSR was made mandatory under the Companies Act 2013, corporates have been discharging the CSR, because the image of them has been established by these activities of holistic approaches. As an instance, TATA Group has ever been remembered as a most trusted brand because of its societal concerns and ethical activities. But the major issue to most of the companies was where and how to spend. Even the allocated monies have not been spent. In 2019-20, around 43% of the fund earmarked for the public sector units have been unspent. For the right spending, dedication and mindfulness are required.

STRATEGIC APPROACHES OF CSR

CSR is a legitimate Act

CSR cannot be considered as a charity to wrap up bad activities. Companies often cover the negative effects of its operations under CSR. However, the winds of change are blowing through various guidelines and rules from the Govt. If a business does not adopt sustainable business practices, its base will be ruined, thereby may develop a threat for its survival.

Stakeholders are the rings for success:

Every stakeholder such as shareholders, management, employees, consumers, creditors, suppliers, other industries and local community will have to be aware of and be a contributory to CSR. They have to be conscious of CSR and should be supportive to the execution of it. The responsibility of the corporate is to generate surplus for the welfare and wellbeing of everyone.

Being social is a balancing act:

The objective of CSR for the firms is many a time misunderstood and misinterpreted, which affects the successful implementation of CSR. The profit is a derived result and it is contributed by all the stakeholders. ‘Business is only for economic benefits’ is the old assumption. ‘Profit creation and profit-maximisation’ cannot be only a positive factor for strategic success. It has to be aligned with social revelations and connections in the long run.

Environmental Dilemma:

The environmental factors such as internal and external, which consists of micro and macro factors, govern the survival and success of a firm. A business cannot be independent of its decision-making. It has to consider in a wider perspective its social relevance and all compulsions that its environmental forces wreck upon it. The various business objectives such as maximising production, minimising cost, enhancing market share and profit could be made possible only if it satisfies the different stakeholders though it may look like conflicting.

Customer satisfaction is the Silverline

Every producer aims at satisfying the consumer. Peter Drucker, Father of Modern Management says, "There is only one valid definition of business purpose to create a customer". Consumer is the dominant force in a business that decides its rolling. In this competitive world, they are not the dependents to a business.

CSR is a developmental activity

Eradication of poverty, employment generation, favourable labour practices, environmental protection, human development and social upliftment have become important business processes by which an organization expresses and develops its 'corporate culture' and social consciousness. The image of an organisation is evaluated by its coherence with social objectives, and fulfilling its obligations and commitment towards the society.

CSR considers socio-economic justice

Companies have to be conscious about their responsibility for the welfare of society around them. They are earning profit because of the government, the employees, the customers and the society. Hence, they cannot consider 'caring the society' as evil act. A good number of corporates are increasingly engaging in defining and integrating CSR into all aspects of their business engagements.

Support to the ruling system is a must

Corporations should support the governments. Government alone cannot afford to have the sole responsibility in improving the lives of its people as it exceeds mostly their capabilities. Corporates have to give their strong hands to strengthen the governmental performance.

SOME HIGHLIGHTS ABOUT CSR IN CERTAIN ORGANISATIONS

CSR at Aditya Birla Group

In its Vision statement itself, it has noted: "To actively contribute to the social and economic development of the communities in which we operate". It focusses upon all-round development of the communities around its plant locations. Its strategic programmes include: Development of distant rural areas and tribal belts, Have Rural Development Cells, Ensure efforts are not duplicated, Village meetings, To elicit feedback on the benefits, etc. Once they made the villagers self-reliant, they will withdraw their hand-holding. Village committees take over the complete responsibility of education, health care, family welfare, infrastructure, agriculture and watershed management.

Aditya Birla Group serve about 7,000 villages globally, reaching out 9 million people annually, 60 per cent of these live below the poverty line. 20 hospitals and 56 schools are constructed and run. The Group spends more than Rs.250 crore annually, as a matter of duty and to bring in a more equitable society.

CSR at Samhita

Samhita defines its CSR strategy, conceptualises its objectives, recommends social initiatives, conducts a stakeholder's need assessment, evaluates its internal processes and aligns them with its CSR objectives. It conducts interviews with key stakeholders to decide the CSR programmes, evaluates the effectiveness of CSR programmes in a holistic manner. Health & hygiene models, Swachh Bharat, WASH programmes in schools with an added focus on toilets for girls, and Sanitation solutions based - construction and maintenance of toilets are some of its leading activities.

CSR at Union bank

To care for the community and to make a positive contribution to underprivileged communities, so many socio-economic, educational and health initiatives are done, thereby making a difference in their life. They provide information on financial products, guidance on opening a bank A/C, information

on managing savings& investments, guidance about managing existing debt, improvements in spending habits, saving habits and investment habits in individuals.

CSR at Infosys

Infosys invests in the local economy and communities where they operate. Skill development, Job creation, Internship, Industrial/ institution linkage program, and other not-for-profit initiatives are their focussed activities. They create opportunities for the local population, and strive towards a more equitable society.

Their activities are co-sponsored by medical societies, hospitals, and other health-related organizations. Mission to cure blood cancer and build healthier lives, Mission to value diversity, educate leaders, and promote respect within the communities, Developing technology talent pool, Mentoring program, After school and summer programs, Inspire women to take care of their heart and live healthy, and Commit to continual advancement to meet the needs are some of the unique approaches the Infosys do adopt. They construct roads, provide drainage systems and electricity, and rehabilitate flood-affected victims in rural areas.

CSR at Ramakrishna Mission, Arunachal Pradesh

Education for the country's underprivileged is their priority, by providing them with training workshops, mobile labs, and a hands-on educational methodology. They partner with non-government organisations, support destitute children and women, eliminate the exploitation of the devadasi community, give Hand to runaway/street children, Vision for Health, Welfare and Special Needs, Elementary education for hundreds of children, Community initiatives in areas such as education, health, and early childhood care.

They identify underprivileged artists, writers, painters, poets, and musicians from different walks of life, assists them on a need basis, showcase the skills of artists, and helps to promote traditional art, dance and craft. They run many non-formal schools, coaching centers, dairy, bakery, dispensary and a printing press.

They promote primary education among underprivileged children through global partnerships, and encourage students to pursue further studies and research across disciplines. They started the Spark-IT program of three-month course aimed to provide technology and communication skills training. To curb dropout rates in schools, they feed the students.

They give access to primary healthcare and treatment to underprivileged patients, constructed hospital wards, built dharmashalas (rest houses), and provided medical equipment to various hospitals. They donated more than Rs. 50 crore to expand the capacity of hospitals

In association with Sankara Netralaya, they provided financial aid to the economically weaker sections of society, diagnosed retinal problems in diabetic patients, built a new community hospital and provided free surgeries, joined hands with the Swami Vivekananda Integrated Rural Health Centre (SVIRHC), and treated 3,747 leprosy patients, conducted free eye operations for 16,869 patients.

CSR – A way forward

Corporate Social Responsibility has been gaining importance as a strategy towards sustainable business development. Many educational institutions run by the corporates engage in lot many activities, inside and outside the campuses. They inculcate an improved value system in the children of them thereby create a new generation population which guarantees a better behaviour in the future of India.

For example, the Tata institute (education) at Mumbai through its CSR programmes, adopted villages, started educational institute, offer free education to children, provide facilities required, offer guidance for employment, select NGOs and/or projects to partner with and conduct Satisfaction surveys to evaluate its activities.

Many schools, colleges and Universities undertake similar programmes such as Cleanliness campaigns, Blood donation camps, Blood check ups, Awareness programmes regarding Cancer, Polio

and Thalassemia, Plantation of trees and growing them with the help of NGOs, Adopting poor schools and offering amenities and free coaching, Adopting villages and offering electricity, construction of wells, doing water harvesting, and so on.

Such community development programmes are the way forward to be undertaken by the organizations in a big way continuously with clear plans of execution. They build trustworthy and sustainable relationships with the community. These indicate the level of commitment of any organisation with respect to the CSR initiatives.

CONCLUSION

To gain strategic initiatives and to ensure continued existence, every business has to mould and shift its practices from 'focusing on profits alone' to 'figuring in public goodwill and social positioning' to enhance its stability and success in the long run. Transformation from industrial social work to corporate social responsibility is a required shift in the domain of social work by corporates.

Multinational and transnational corporations largely engage in CSR activities. However, millions of small and medium-sized enterprises all over the world are reported as not following the CSR culture. In order to gain strategic initiative and to ensure continued existence, business practices may have to be moulded from the normal practice of solely focusing on profits to socially responsible business behaviour.

The role of businesses in society is no longer focused only on creating wealth but is also focused on acting responsibly towards all stakeholders. Mere giving donations during festivals/functions/celebration of the society does not convey the meaning of CSR.

Boosting profits is no longer the sole business performance indicator. The business units should start thinking and acting in a socially responsible way. Truth, integrity, Transparency, Justice, Human rights, Care for others and the rule of law should be embedded into their core strategies, policies, programmes and actions. Then only the CSR application will be successful.

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