



# REVIEW OF RESEARCH

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## CORPORATE SOCIAL RESPONSIBILITY

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### ABSTRACT:

*In India companies like TATA and Birla are practicing the Corporate Social Responsibility (CSR) for decades, long before CSR become a popular basis. In spite of having such good glorious examples; In India CSR is in a very much budding stage due to lack of understanding, inadequately trained personnel, coverage, policy etc. Large no. of companies are undertaking these activities superficially and promoting/ highlighting the activities in Media. This research study focuses on the finding & reviewing of the issues and challenges faced by CSR activities in India.*



**KEYWORDS:** Corporate Social Responsibility (CSR) , activities superficially and promoting.

### INTRODUCTION

In recent years, scholars and managers have devoted considerable attention to the strategic implications of corporate social responsibility (CSR). Consistent with McWilliams and Siegel (2001), CSR can be defined as situations where the firm goes beyond compliance and acts to further some social good, beyond the interests of the firm and that which is required by law.

As per United Nations and the European Commission, Corporate Social Responsibility (CSR) leads to triple bottom-line: profits, protection of environment and fight for social justice.

The success of CSR lies in practicing it as a core part of

a company's development strategy. It is important for the corporate sector to identify, promote and implement successful policies and practices.

### CSR: Definition

The totality of CSR can be best understood by three words:

'Corporate,' 'social,' and 'responsibility.' In broad terms, CSR relates to responsibilities corporations have towards society within which they are based and operate, not denying the fact that the purview of CSR goes much beyond this. CSR is comprehended differently by different people. Some perceive it to be a commitment of a company to manage its various roles in society, as producer, employer, customer and citizen in a responsible manner while for others it is synonymous to

Corporate Responsibility (CR) or Corporate Citizenship or Social Action Programme (SAP). Of late, the term has also been started to link up with Triple Bottom Line Reporting (TBL) which essentially measures an enterprise's performance against economic, social and environmental indicators.

Discourses on CSR suggest that many definitions of CSR exist within the business community, and CSR continues to be an evolving concept, with no single definition that is universally accepted. Given below are three key definitions that have garnered wide acceptance and favour amongst business circles:

Definition # 1: Philip Kotler and Nancy Lee (2005) define CSR as "a commitment to improve community well being through discretionary business practices

and contributions of corporate resources” whereas Mullen Baker refers to CSR as “a way companies manage the business processes to produce an overall positive impact on society.” Definition # 2: According to World Business Council for Sustainable Development “Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large”. Definition # 3: Archie Carroll in 1991 describes CSR as a multi layered concept that can be differentiated into four interrelated aspects – economic, legal, ethical and philanthropic responsibilities. Carroll presents these different responsibilities as consecutive layers within a pyramid, such that “true” social responsibility requires the meeting of all four levels consecutively. The model probably is the most accepted and established. While the definitions of CSR may differ, there is an emerging consensus on some common principles that underline CSR: CSR is a business imperative: Whether pursued as voluntary corporate initiative or for legal compliance reasons, CSR will achieve its intended objectives only if businesses truly believe that CSR is beneficial to them. CSR is a link to sustainable development: businesses feel that there is a need to integrate social, economic and environmental impact in their operation; and CSR is a way to manage business: CSR is not an optional add on to business, but it is about the way in which businesses are managed.

### OBJECTIVES OF THE STUDY:

- ✓ To know the awareness of Corporate Social responsibilities in India.
- ✓ to explore the various definitions and descriptions of Corporate Social Responsibility (CSR)
- ✓ To study the Issues and Challenges for CSR in India.
- ✓ To know the benefits from CSR to the society.
- ✓ To know about the companies which are following Social Responsibilities in India

### SCOPE OF THE STUDY:



CSR is critical in the context of enlightened self-interest for survival in the ever-growing fierce corporate competitive battle, for

- protecting reputations,
- defending attacks,
- improving bottom line and
- building business competitive edge.

### LITERATURE REVIEW

As per Australian Centre for Corporate Social Responsibility (ACCSR)s State of CSR in Australia Annual Review report Full understanding of CSR still emerging;

According to John Simmons the concept of the companies should operate in ways that secure long-term responsible organization and ethical business conduct is economic performance by avoiding short-term behavior also a very important. Main focus of the study is on that is socially detrimental.

### **BENEFITS OF CSR**

- Improved financial performance
- Better risk and crisis management
- Reduced operating costs
- Increased worker commitment
- Good relations with government and communities
- Enhanced brand value and reputation
- Long-term sustainability for your organization and society
- Long-term return on investments
- Increased productivity

### **RESEARCH METHODOLOGY**

Looking into requirements of the objectives of the study the research design employed for the study is of descriptive type.

The data is extensively used for the study is exploratory in nature. It involved secondary data collection and use of content analysis technique to assess CSR practices of companies operating in India. Different news articles, Books and Web were used which were enumerated and recorded.

### **INITIATIVES IN SOME INDIAN COMPANIES**

#### ***ACC Limited -CSR Activities***

ACC has undertaken social volunteering practices almost from its inception; – long before the term corporate social responsibility was coined. The company's earliest initiatives in community development date back to the 1940's in a village on the outskirts of Mumbai while the first formal Village Welfare Scheme was launched in 1952. The community living around many of our factories comprises the weakest sections of rural and tribal India with no access to basic amenities.

#### **Corporate Social Responsibility Policy**

“The Company shall continue to have among its objectives the promotion and growth of the national economy through increased productivity, effective utilization of material and manpower resources and continued application of modern scientific and managerial techniques, in keeping with the national aspiration; and the Company shall continue to be mindful of its social and moral responsibilities to consumers, employees, shareholders, society and the local community.

#### **Community & Rural Welfare**

ACC community development activities revolve around the under-privileged community that lives in the immediate vicinity of our cement plants and is thus more dependent on us. The range of our activities begins with extending educational and medical facilities and goes on to cover vocational guidance and supporting employment-oriented and income-generation projects like agriculture, animal husbandry, cottage industries by developing local skills, using local raw materials and helping create marketing outlets.

At all our cement factories we share our amenities and facilities with members of the local community. This includes sharing education and medical facilities, sports and recreation. Wherever possible we share access to Bore Wells, drinking water and the usage of colony roads.

## Education

Education is imparted not only to children of ACC employees but also more importantly to children from rural areas who do not have access to any medium of information or education. ACC schools maintain high standards and are open to other children of the vicinity. Often these schools are the most preferred centers of learning in the district and adjoining areas. Wherever possible, ACC provides funds and infrastructure to help set up local schools, colleges and centers for learning and education.

## Healthcare

ACC takes pride in providing various forms of medical assistance to the families of our employees and also to all those living in surrounding villages. Each factory has a medical center with full-fledged doctors and the latest of basic equipment. Mobile medical services are provided in the vicinity and regular medical camps are held to eradicate diseases, offers medical help, treatment and preventive care.

ACC has come out to provide support to the State and National health initiatives such as the eradication of malaria, dengue fever and the dreaded HIV.

## Hindustan Latex Limited - CSR Activities

Hindustan Latex Limited, a public sector company established more than three decades ago, came to occupy a premier position in the country's family planning and health care programs. The company not only established itself as the leader in the segment of manufacture of contraceptives, but also diversified into manufacturing and marketing of other related health care products. Social marketing became one of the key areas of the company to ensure that quality contraceptives are available to the people at an affordable price at an 'arms length of desire'.

Though the direct marketing operations of the company were doing very well, over the years, the company realized that its social obligation being paramount, the company could not look at profitability alone, which was however being sustained through its exports and direct marketing. The company realized the need for family planning and healthcare programs aimed at the poor and disadvantaged sections of the society. Hindustan Latex Limited thus ventured into social sector projects aimed at creating a planned social change. It was with this objective that HLL formed the Hindustan Latex Family Planning Promotion Trust, a non-profit organization promoted by HLL.

Since its establishment in 1992, HLFPPPT has been undertaking the conceptualization and implementation of various Social Sector Projects. The Trust's area of operations extends to the various states of India. Although the Trust was established for promoting the agenda of family planning, the Trust's activities have now been broad based to focus on reproductive and sexual health. The Trust is expected to develop into a major civil society participant working in the health sector, in partnership with a range of development actors.

## Kanoria Chemicals Industries Limited

Kanoria Chemicals Industries Limited is a major player in the Indian Chemical Industry, generating a sales turnover of about US\$ 70million. The company's history dates back to 1962, starting its operations in Renukoot ( the eastern region of India) as a single product company. At present, KCIL has transformed itself into a multi-product, multi-location group and has established itself as a pioneer in its field. Working on the philosophy of 'Pioneering growth through technology' every single plant at KCIL has been set up with the best technology the world has to offer. Without compromising the core values of business ethics, the group has achieved impressive value additions resulting from the strategy of forward and backward integration in its manufacturing operations.

The company is involved in various community development initiatives and has adopted villages around their plants for development activities. The focus areas are community services which include social development schemes like educational activities, medical programmes and cultural activities. Agricultural and environmental activities which include tree plantation drives and water

resource programmes, self employment schemes which include training programmes for various income generation activities like tailoring, basket making, wax farming etc.

The company has built a nationally recognised school and an in-house hospital that caters to the educational and health needs of the local community in which it operates. The company has also planted around 2.75 lakh trees in its premises reiterating the company's commitment towards environment.

### **HEG Limited - Environmental & Social Initiatives**

**Ecological impact:** The Company is completely conscious of the environmental impact its operations and actions can have on its surroundings. To counter this effect, HEG has in place efficient systems to reduce any undesirable fallout from its processes. HEG is an ISO-14001 certified company since June 2005. The Company has taken up the responsibility to further improve the ecological conditions around its facilities, by implementing a widespread forestation programme.

HEG's Mandideep manufacturing complex is testimony to how serious the Company is towards improving the environment around its facilities. The Mandideep facility is considered one of the cleanest graphite electrode plants in the world, when seen in the light of the materials used and the products manufactured in the graphite plant.

The Company also believes in recycling and reusing any byproducts from its manufacturing processes. The Waste Heat Recovery System (WHRS) power plant is a fine example of this fact, as it makes productive use of the heat generated by waste gases that are released during the manufacture of sponge iron.

### **Community Outreach**

HEG believes that local communities have a vital role to play in creation of wealth and to develop local society. HEG has various programmes to better their standard of living. To encourage education and the general welfare of people in Mandideep and its surroundings, a non-profit body Graphite Education & Welfare Society, was established in 1981. The Company operates a Graphite Primary School in HEG, Mandieep. HEG and its employees regularly come together to conduct medical camps, socio-cultural activities and other community work, often in partnership with local authorities and NGOs undertaking several CSR activities on a significant scale since its establishment in 1991.

The Foundation works with the deprived sections of society wherever the Group starts business operations. It focuses on four specific areas: Education; Health, Hygiene and Sanitation; Empowerment & Livelihoods and Community Based Programme.

Today the Foundation activities span the length and breadth of the country with ongoing initiatives in Rajam, Rajamundry, Chennai, Hyderabad, Delhi, Mangalore, Uttaranchal, Bangalore.

### **CHALLENGES TO CSR**

Having said that, there are a number of challenges to the implementation of CSR. They are enumerated below.

- Lack of Community Participation in CSR Activities.
- Issues of Transparency.
- Non-availability of Well Organized Non-governmental Organizations.
- Narrow Perception towards CSR Initiatives.
- Non-availability of Clear CSR Guideline.
- Lack of Consensus on Implementing CSR.
- The Shrinking Role of Government

### **CONCLUSION:**

In order to attain the social objectives, there is a need for framing a CSR Policy in every company, as given under voluntary guidelines by Ministry of Corporate International Conference on

Humanities, Geography and Economics Pattaya Dec. 2011 333Affairs, for prioritization of activities for social spending and allocation of separate funds for this purpose.

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