THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

The Study of Corporate Social Responsibilty in Indian Context

Ritika Ahuja
Assistant Professor, Maitreyi College, University of Delhi, Delhi, India

Abstract:
The importance of CSR has emerged significantly in the last decade. It has assumed a new and different meaning in today's world, especially for a developing country like India , as it has extended the boundaries of the firm into society. We can realize a shift from corporate philanthropist to being socially aware and responsible. The present societal marketing concept of companies is constanty evolving and has made many big corporations realized that only government alone will not be able to succeed in its motto of improving the downtrodden society. Rather, they have realized the importance of being associated with socially relevant causes as a means of promoting their brands. CSR refers to the corporations obligation to all the stakeholders. It means mingling of social and environmental concerns in the business operations on the voluntary basis. The concept of CSR has evolved from being detrimental to a company's profitability, to being considered as somehow benefitting the company as a whole, atleast in the long-run. This concept has grown and its importance has been increased as corporations have realized the fact that the ultimate aim of any organization is not only profit-making but also to have cordial societal relationships. They have to be socially responsible in order to build trust among customers and to have good image of their brands.
This paper tries to analyze the status of CSR in India, behaviour or attitude of companies towards various aspects of CSR and various issues and challenges that are hindering CSR activities in India.

Keywords: Corporate social responsibilty, corporations, social relationships, social development

1. Introduction

CSR has grown in its relevance and has become quite familiar in the world of business today. CSR involves applying the concept of sustainable development to the corporate world. It implies that companies voluntarily integrate social and environmental concerns in their operations and interaction with stakeholders. According to World Business Council for Sustainable development,2001, CSR is "the commitment of business to contribute to sustainable economic development, working with employees, their families, and the local communities". The European Commission's definition of CSR is
"A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis." According to CSR Asia, " CSR is a company's commitment to operating in an economically, socially and environmentally sustainable manner whilst balancing the interests of diverse stakeholders." Today, CSR in India has gone beyond merely the concept of "charity and donations" and is advanced in a more planned manner. It is now an integral part of corporate strategy. Today companies are more transparent in their accounting and balance sheet and display "public reporting" due to pressures from various stakeholders. They are incorporating their CSR in their annual reports. With the passage of time, CSR has expanded to include both economic and social interests. CSR is an entry point for understanding a number of firm related and societal issues and responding to them in a firm's business strategy. In today's scenario companies are taking keen interest in informing about their CSR activities to their various stakeholders. Across the globe, business organizations have undertaken CSR initiatives in the areas of water conservation, environment protection, pollution control, promoting health care facilities, spreading the message of importance of education, green environment, good governance, culture and heritage protection etc. India has been named among the top ten Asian countries paying increasing importance towards corporate social responsibility disclosure norms. India was ranked fourth in the list, according to social enterprise CSR Asia;s Asian Sustainability Ranking (ASR) ,released in October 2009.

2. Review of Literature

- RAJEEV PRABHAKAR & SONAM MISHRA (2013) attempts to analyze that Corporate sustainability is an evolving process and not an end. The Companies bill is a good initiative on the part of the government however what would be included in „spending" on CSR is unclear and is left for the companies to decide. Across the globe, the concept of CSR has been accepted as an element for success and survival of business along with fulfilling social objectives. However, the challenge for the companies is to determine a strong and innovative CSR strategy which should deliver high performance in ethical, environmental and social areas and meet all the stakeholders objectives.
- NITIN KUMAR (2014) finds that CSR clearly impacts our corporations, society, and educational organizations. Despite its complexities, the numerous sustainability initiatives point toward continued, positive impact. CSR policy should function as a built-in, self-regulating mechanism whereby businesses would monitor and ensure their adherence to law,

ethical standards and international norms. In the recent years corporate business houses have substantially involved towards societal responsibilities. Companies have started to realise the importance of CSR and initiating the steps towards it.

- MR. UVAIS.M & MS. HAFEEFA CHOLASSERI (2013) finds that the concept of corporate social responsibility is now firmly rooted on the global business agenda. But in order to move from theory to concrete action, many obstacles need to be overcome. A key challenge facing business is the need for more reliable indicators of progress in the field of CSR, along with the dissemination of CSR strategies. Transparency and dialogue can help to make a business appear more trustworthy, and push up the standards of other organizations at the same time.

- RAMENDRA SINGH (2013)says that their study shows that most companies in India engage with local communities near their area of operations, and the beneficiaries of CSR activities are generally the local population. The companies should try to develop scalable models of CSR that can be extended across the nation using local NGO's in each geographical area, a very helpful resource yet at a low cost.

- VIKRAMJIT KAUR (2012) finds that Corporate social responsibility and volunteerism have no boundaries and are not constrained by race, colour, or religion. They adds that , concern for the community is often mistaken for socialism. On the contrary, capitalism thrives only when every citizen is an asset in economic activity and has opportunities to succeed. Corporate social responsibility is a culture and unwritten contract with the community. This invisible culture can shape brighter futures for nations. If employees don't see the point of CSR initiatives, or understand the message, initiatives are unlikely to be effective. The concept of corporate social responsibility has gained prominence from all avenues

- SUMAN KALYAN CHAUDHURY, SANJAY KANTI DAS, PRASANTA KUMAR SAHOO(2011),said in their study that, At present, the world over, there is an increasing awareness about Corporate Social Responsibility (CSR), Sustainable Development (SD) and Non- Financial Reporting (NFR). The contribution of financial institutions including banks to sustainable development is paramount, considering the crucial role they play in financing the economic and developmental activities of the world.

- NAMRATA SINGH, RAJLAXMI SRIVASTAVA&RAJNI RASTOGI(2013) infers that at present the Banking Sector performing their banking services more effectively in comparison with the past and also started working towards social banking that is Corporate Social Responsibility. Maximum number of banks whether related to private sector or public sector highly performing CSR activities as per their priority but if we look towards the CSR reporting then we can see that most of the banks are still not disclosing their amount for such initiatives in their websites. After the involvement of RBI the CSR becomes the important part of Banking Sector but still more regulations and new policies are required to implement the concept of CSR in Indian Banking Sector.

3. Objectives of the Study and Research Methodology
Exploratory research is being conducted here. The data for the study is collected from secondary sources like research papers, journals, websites, newspapers. Taking into consideration the objectives of the study the research design employed for the study is of descriptive type. The objectives of the study are as under:
1. To understand the concept and meaning of CSR.
2. To understand various models of CSR.
3. To study the challenges faced by CSR in india.
4. To examine various corporate social responsibility practices and its impact on business

4. Corporate Social Responsibility in India
Business corporations have been taking up social welfare activities from time to time. Recently, the priority of every business is getting increased from 1 P to 3Ps by inclusion of people and planet with profit. Short-term, charity based welfare interventions are being replaced by long-term, empowerment –based Corporate Social Responsibility (CSR).

The ideology of CSR in the 1950's was primarily based on the assumption of the obligation of the business to the society.

In the initial years, there was very less documentation of CSR initiatives in India. Since then, there is a growing realization towards contribution to social activities globally with a desire to improve the immediate environment. Big corporates like Tata Group, Aditya Birla Group and Indian Oil Corporation have been involved in serving the community. JRD TATA pointed out that there are many ways in which business enterprises can contribute to public welfare which is beyond the scope of their normal activities. While CSR is relevant in business for all societies, it is particularly significant for developing countries like India, where limited resources for meeting the ever growing aspirations and diversity of a pluralistic society, make the process of sustainable development more challenging (Kaur, 2012).

Based on the realization that business cannot succeed in a society that fails, CSR is being considered as an imperative for carrying on business in the society rather than as a charity. The last decade of the 20th century has witnessed a drastic change in the basic ideology from charity and traditional philanthropy towards more direct engagement of business in mainstream development and concern for disadvantaged groups in the nation. Though India is one of the fastest growing economies, socio-economic problems like poverty, illiteracy, lack of health care facilities etc are sill abundant. Government has limited resources to tackle these challenges and therefore this has opened several areas for business to contribute to social development. Today many companies are trying to accept CSR as more than just planting trees or giving away charity to the needy . Nearly all leading corporates in India are today involved in CSR programs like education, health, empowerment programs.

5. Why is CSR so Important Today?
CSR has grown so much in its relevance due to following points:
CSR as a strategy is becoming increasingly important for businesses today because of three identifiable trends:

5.1. Changing Social Expectations of the Consumers
Consumers and society in general expect more from the companies whose products they buy. This sense has increased in the light of recent corporate scandals, which reduced public trust of corporations, and reduced public confidence in the ability of regulatory bodies and organizations to control corporate excess.

5.2. Globalization
There is a growing influence of the media and any mistake by companies is brought immediately to the attention of the public. In addition, the Internet fuels communication among like-minded groups and consumers—empowering them to spread their message, while giving them the means to co-ordinate collective action .

5.3. Increasing Affluence
Affluent consumers can afford to pick and choose the products they buy. And being socially responsible, they do consider the social initiatives taken by the organisations before choosing the products.

6. CSR Initiatives Taken up by Big Corporates

6.1. Oil India Limited
Since inception, OIL has been providing financial assistance to all-round development of education from primary to higher education. As on date, the Company has provided financial assistance towards construction of school building, libraries, auditoriums, teachers' common room etc in over 350 institutions in the Company operational areas in Upper Assam. The Company also provided Merit Scholarships to students who excel in their 10th and 12th Board exams from schools in and around OIL's operational areas in Upper Assam. The Company has also supported the youth and women organizations in a big way. Also, the Company has introduced a scheme entitled Social Welfare Programme (SWP) in 1984 and later on another scheme called Areas Development Scheme (ADS) in 1996. The SWP policy places OIL's commitment of protecting the environment, upliftment of education, Health and socio-economic Development as a topmost priority.

6.2. Dabur
Dabur's CSR initiatives are driven through Sustainable Development Society or SUNDESH, an outcome of the vision of Dabur India Ltd founder Dr. S.K Burma. Sustainable Development Society (SUNDESH) is sworno to the mission of ensuring overall socio-economic development of the rural & urban poor on a sustainable basis, through different participatory and need-based initiatives. It aims to reach out to the weaker and more vulnerable sections -- such as women and children, illiterate and unemployed – of the society. Today, SUNDESH operates in Ghaziabad and GautamBudha Nagar district of Uttar Pradesh, and has more recently–established presence in Rudrapur district of Uttrakhand. Over the years, it has contributed to many worthy causes, addressing children's literacy, improving healthcare services, skill development, and environment, to name a few.

6.3. Tata Consultancy Services(TCS)
Tata consultancy services is India's largest software service company and has won the Asian CSR
award for initiating community development work and implementing various programs and devoting leadership
and sincerity as ongoing commitment in incorporating ethical values. Major focus of the company is on education sector. Company is working upon literacy program that cares TCS designed computer based literacy model to teach adults and this program is known as a adult literacy program. Company is also working upon environment policy and has been developing environment friendly products and services.

6.4. Wipro
Wipro Cares: Focus area of Wipro cares is on takingeducational and health care initiatives for migrated
communities and environmental issues and disaster rehabilitation.

6.5. Reliance
- Reliance contribution in the field of Education is Construction & renovation of school buildings, Formal and non- formal education,Child labour schools,Girl child education,Digital literacy through computer education, Remedial
- Centres, Merit-cum-means scholarships to students.,Free supply of note books and text books.
- Reliance contribution in the field of Healthcare is Free medical camps (general and multi-specialty with specialist doctors),Mobile clinics with doctors and paramedical staff, Free ambulance services, Awareness programmes for women and adolescent girls, Blood donation camps.
- Reliance contribution in the field of Sanitation is Construction of household toilets, Construction of toilets for children in the schools, Awareness campaigns.
- Reliance contribution in the field of Community Infrastructure Development is Safe drinking water to communities, Water storage structures, Construction of community centers, Construction of Road

- Reliance contribution in the field of Sustainable Livelihood is Women empowerment, Women and Farmer Self Help Groups for Micro-enterprise development, Skill development and Vocational training, Integrated livestock & agriculture development, Introduction of high yield agricultural crops, Vermi-composting, Micro-irrigation, Renewable Micro off-grids.

6.6. Tata Group
The greatest achievement of TATA has been its ability to empower people, give them a glimpse of latent capabilities, and drive them to use their talents for the good of the community. Pleased with its commitment, the government has granted the status of a "mother NGO" to this society. The Tribal Culture Society (TCS) of Tata Steel has done outstanding work for the tribals of Jamshedpur and the surrounding areas in Jharkhand. The society focuses on three important issues: education, improvement of livelihood opportunities and the preservation of the ethnic identity of the tribal community. Project Sahyog helped youth to gain a better understanding of themselves, develop leadership skills, and inculcate a feeling of fellowship. Beyond this, TCS decided to work on building the capacities of adolescents. This gave rise to DISHA — Development Initiative on Supporting Healthy Adolescents, a programme seeking to delay the age of marriage, and provide access to information and better health services.SPARSH — Strategies for Promotion of Adolescent Reproductive and Sexual Health — provides information on issues related to adolescence and seeks to improve the status of the girl child in the community. All these steps have served to integrate tribal youth into the mainstream.

6.7. IBM
Japan's 'e-elder' initiative is a national program using training materials and other support from IBM Japan which will hire and train seniors as instructors for other seniors in an effort to help elder citizens more fully participate in a Web-based society.

6.8. Microsoft
It works closely with international organizations such as the World Food Programme, Save the Children, and Mercy Corps to provide technologybased development assistance through the HEART (Humanitarian Empowerment and Response through Technology) program. More and more, global organizations rely on technology to improve the effectiveness of their humanitarian efforts around the world.

7. Issues and Challenges Hindering the Growth of CSR in India
CSR strategies must become central to the business strategy. Many companies still feel that CSR is a marginal issue for their business and satisfaction of the consumers is more important. But, then they have actually failed to understand the important changes that are taking place outside in the current scenario. Stakeholders are questioning more on CSR initiatives of the companies today. They are challenging the companies decision making in this direction. It has become imperative to incorporate stakeholders views. Some of the challenges are listed below:

7.1. Lack of Professionalism
There is lack of budget allocations and lack of support from employees. Staff is not trained and groomed to develop CSR initiatives of the companies today. In short, there is lack of professionalism in this regard.

7.2. Lack of Local Non-Governmental Organizations to Develop Capacity for CSR
There is a serious inadequacy of local non-governmental organizations for building up efficient organisations that can effectively contribute to the ongoing CSR activities. These organizations augment the growth and scope of CSR activities in companies.

7.3. Lack of Transparency on the Part of Local Implementing Agencies
As there is a lack of transparency on the part of local implementing agencies, it negatively impacts the process of trust building between companies and local communities by way of building their capacities to undertake development projects at local levels.

7.4. Lack of Community Participation in CSR Activities
General people don't have much interest in the activities of the CSR . This concept is widely misunderstood by people and thus there is a lack nof communication between the companies involved in CSR and the general public at the grassroots.

7.5. No Statutory Guidelines
There are no statutory guidelines or any policies to give a clear direction to the CSR initiatives in India. In the absence of any regulatory policies the companies efforts for CSR are not appreciating sometimes.

7.6. Problem with Small Companies
Small companies do not take adequate interest in the CSR activities and those which undertake them fail to disclose it to the the society. Thus, they loose out their customers faith and trust on them.

7.7. Requirements of Increased Role of Media
Media can come up as a strong support for informing the people at large about CSR activities taken up by the companies and make them aware of the benefits of CSR. It can spread the good stories and sensitizes the local population about various ongoing CSR activities of companies.

8. Arguments in favour of CSR
1. There is a moral justication for incorporating CSR activities in the business because a firm uses the resources from the society and sells its product to the society and thereby earns profit . So, it is essential for any firm to do something for the society as it improves its image and reputation in the long run.
2. It provides a lot of benefits to the companies like improved financial performance, lower operating costs, enhanced brand image and reputation, increased sales and loyalty by customers, more abilty to attract and retail the employees.
3. With the increased role of CSR by companies, communities and general public at large are also benefitted due to charitable contributions, employee volunteer programs, corporate involvement in community education, employment programs etc. and in respect of ensuring product safety and quality.
4. There are certain environmental benefits as well for example greater material recyclability, better product durability and functionality and greater use of renewable resources.
5. CSR also leads to improved relationshipswith the local community, partners ,clients and innovation in processes, products and services.

9. Recent development in the field of CSR as per companies act, 2013
The much awaited Companies Bill, 2012 was passed by the upper house of Parliament on 8 August 2013 and received president's assent on 29th Aug, 2013. From April 1, 2014, it has become legally binding for companies in India to be "socially responsible". Section 135 of the new Companies Act 2013, reads with the CSR Rules makes it mandatory for companies, meeting certain criteria, to set aside two per cent of their net profits for undertaking and promoting socially beneficial activities and projects in India. To implement this, the Ministry of Corporate Affairs (MCA) recently issued the CSR Rules, 2014, to implement this legislative mandate, which came into effect on April 1, 2014.

9.1. Entities Covered by the CSR Obligations
The threshold coverage levels for CSR are low. Companies are subject to the CSR requirements if they have, for any financial year:
- a net worth of at least Rs. 5 billion (approximately U.S.$80 million)
- a turnover of at least Rs. 10 billion (approximately U.S.$160 million) or
- net profits of at least Rs. 50 million (approximately U.S. [$800,000).

Companies meeting these thresholds are required to develop a CSR policy, spend a minimum amount on CSR activities and report on these activities, or prepare to explain why they didn't. It is estimated that a total of 8,000 companies in India would be required to meet the CSR requirements among the 9 lakh active companies in India and the 2% CSR expenditure would translate to companies' spending around Rs 12,000 crore to 15,000 crore annually.

10. Conclusion
Corporate social responsibility and volunteerism have no boundaries and are not constrained by race, colour, or religion. Corporate social responsibility is a culture and unwritten contract with the community. This invisible culture can shape brighter futures for nations. The concept of corporate social responsibility has gained prominence from all avenues. Many Business firms had realized the importance of using business ethics as a tool for retaining customers and increasing its market share by highlighting the initiatives, it has taken for providing a clean environment for the society.It is found that there is a need for creation of awareness about CSR amongst the general public to make CSR initiatives more effective. This effort will also motivate other corporate houses to join the league and play an effective role in addressing issues such as access to education, health care and livelihood opportunities for a large number of people in India through their innovative CSR practices. It is difficult for one single entity to bring about change, as the scale is enormous. Effective partnerships between corporate, NGOs and the government will place India's social development on a faster track. Across the globe, the concept of CSR has been accepted as an element for success and survival of business along with fulfilling social objectives. However, the challenge for the companies is to determine a strong and innovative CSR strategy which should deliver high performance in ethical, environmental and social areas and meet all the stakeholders objectives.

11. References
1. Urmila, Moon . "CORPORATE SOCIAL RESPONSIBILITY IN INDIA". Maratha Mandir'sBabasahebGawde Institute Of Management Studies.
2. Prabhakar,Rajeev& Mishra, Sonam (2013). "A Study of Corporate Social Responsibility in Indian Organization: An-Introspection". Proceedings of 21st International Business Research Conference, Ryerson University, Toronto, Canada.
3. Kumar,Nitin (2014). "CORPORATE SOCIAL RESPONSIBILITY: AN ANALYSIS OF IMPACT AND CHALLENGES IN INDIA". Abhinav International Monthly Refereed Journal of Research in Management& Technology, Volume 3, Issue 5.

4. Uvais&Cholasseri (2013). "Corporate Social Responsibility:Dimensions and Challenges In India". International Journal of Engineering Science Invention, vol.2, issue 5,pp.27-32.

5. Singh, Ramendra (2013). " Corporate Social Responsibility for Social Impact: Approach to Measure Social Impact using CSR Impact Index".Indian Institute Of Management Calcutta,Working Paper Series,WPS No. 729/ June 2013.

6. Kaur,Vikramjit (2012). "Corporate Social Responsibility (CSR): Overview of Indian Corporates.International Journal of Management and Social Sciences Research,Vol. 1, pp.48-52 .

7. Sharma,Anupam&Kiran, Ravi (2012). "Corporate Social Responsibility Initiatives of Major Companies of India with Focus on Health, Education and Environment". African Journal of Basic & Applied Sciences, vol. 4 (3) , pp.95-105, 2012.

8. Baron, D. (2001). 'Private politics, corporate social responsibility and integrated strategy. Journal of Economics and Management Strategy, 10, 7–45

9. Akanksha Jain (2014). "The Mandatory CSR in India: A Boon or Bane". Indian Journal Of applied Research , Vol.4, Issue1,pp 301-304. 17.