

RESEARCH PAPER

A comparative study of corporate social responsibilities

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ABSTRACT

The concept of social responsibility has moved a long way over the past decades. The purpose of this article on corporate social responsibility (CSR) concept to the present scenario. It is considered how to corporate social responsibility concept expanded from it focuses on a few organization to be more far reaching inclusive and eventually global in scope. In addition to it briefly considers what organizational activities and changes have taken place to accommodate these initiatives to the point at which it has become fully institutionalized today. It becomes apparent that today, well into the first decades of the 2000s. In the present investigation CSR was constructed in beginning of the 1950s which marks the modern era of CSR. In the 2000s CSR continues to serve as core construct. There are many instances where corporations have played a dominant role in addressing issues of education, health, environment and livelihoods through their corporate social responsibility interventions across the country. Private business enterprises like, TATA, Birla and Reliance have been practicing the CSR for decades, long before CSR emerged as a norm to develop a culture of social welfare and environmental sustainability among the leading economic giants of the country.

KEY WORDS : Corporate social responsibility, Business organization, Strategic management

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The concept of corporate social responsibility (CSR) has a number of meanings to various people, but mostly it is considered to know what is right or wrong in the workplace and doing what's right. CSR is generally accepted as wherever the firm operates, that is either in the domestic or global economy. It should work for the improvement of its employees, customer and the environment in which it operates. The way

businesses involve the shareholders, employees, customers, suppliers, governments, non-governmental organizations. International organizations is usually a key feature of the concept. In other words, we can say that CSR embraces both the internal needs of employees as well as the external needs of the society.

Corporate social responsibility (CSR) is a duty of every corporate body to protect the interest of the society at large. Even though the main motive of business is to earn profit, corporate should take initiative for welfare of the society and should perform its activities within the framework of environmental norms. Previously it was voluntary for all the corporate to take steps for betterment of the society except government rules and regulation related to protection of environment. But, now with the massive efforts of Mr. Sachin Pilot and other

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parliamentary members, CSR has gained importance in New Companies Act, 2013. Clause 135 of New Companies Act, 2013 includes following criteria for corporate social responsibility.

Net worth – Rs. 500 Crores or more or

Turnover – Rs. 1000 Crores or more or

Net profit – Rs. 5 Crores or more. If any company during any of the financial year fulfills, any of above conditions then it should constitute a CSR committee of Board which shall consist of minimum three directors, out of which one shall be independent director. The committee shall formulate and recommend CSR policy which indicates company's activity as specified in schedule VII and also amount recommend for the same. At least 2 per cent of the average net profit of the immediately preceding three financial years of the company shall be used for spending in accordance with the CSR policy. According to the approach "Comply or Explain", Board should explain the reason for not spending such amount if it fails to do so. The activities of CSR ranging from small donations to bigger projects for social welfare, sustainable practices differ from organization to organization depending on the resources available to an organization for undertaking sustainable practices. Business practices of big and successful companies, with plenty of resources at their end, have set the trend for being committed to sustainable practices. Such business houses around the globe show their commitment to social responsibility. In India, the initiatives of Dabur India Limited, for example, which commenced 'Sundesh' in 1993, a non-profit organization, with an aim to promote research and welfare activities in rural areas are appreciable. On the same track to fulfill its urge to do something for the community, Bharat Petroleum Corporation Limited has adopted 37 villages as their responsibility to develop in all walks of life. It has made efforts to make them self-reliant, provided them fresh drinking water, sanitation facilities, medical facilities, vocational training and literacy camps and shall give preference to its local area from where it operates, for CSR activities.

As said by Alexander, Businesses will have to adopt CSR as part of its business philosophy. Businesses play a key role in job and wealth creation in society. While business compliance with laws and regulations on social, environmental and economic objectives, which set the official level of CSR performance, it focuses on new

opportunities as a way to respond to interrelate economic, societal and environmental demands in the marketplace. Many authors and researchers suggest that the company should mention their social responsibility in their report as they mention their financial statement because it not only help the company to build their image as well as the government, shareholders, employees, customers and the public are also aware about what the company has done for it. Social audit is a one way of convincing a public view about the company's product, prize their performances and to win their trust and confidence. Labbai (2007), has explained the concept of Corporate Social Responsibility and ethical marketing. He also supports that 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. At variance with this Ivana and Khatriwal (2008), investigates whether the firm's environmental orientation influences corporate brand image. The results do not provide conclusive evidence for whether consumer rewards environmental leaders and punish environmental laggards and thus, suggest managers to negate CSR but rather to invest wisely in environmental activities and its communication. Mon and Jorgensen (2010), talks of how environmental (green) factors affect international business and competition. Their results suggest that CSR/ green performance must be expected to be improved in most industries, but firms that perform weak in these dimensions will weaken their competitiveness compared to other firms in the industry. Prakash (2002), inspects subjects in understanding the relationship between the marketing discipline, the public policy process and the natural environment. It was being observed by him that green products that offer direct excludable benefits to consumers would have higher acceptability. Institutional theory, stakeholder theory and the corporate social performance perspective view green marketing as a subset of corporate policies designed to gain external legitimacy. These have developed in response to the expectations of a broad spectrum of stakeholders, both internal and external. Franjic *et al.* (2008), utters in his research that 68 per cent of Croatian companies stress their green component and environmental protection in their promotional activities, and they try to persuade customers that their production and their products pollute

less than the competitors' ones. 65 per cent of Croatian companies are ready to install more expensive and ecologically more acceptable components in their products. Krishnan and Balachandran (2010) say that it is important to understand that the sustainable business growth is associated with care for the community and markets. He found that major oil company's advertising campaign has received a positive public response from the focus group. The effect of religiosity and money ethics on socially responsible consumption (SRC) which indicates that a more religious consumer would likely be supportive of companies CSR initiatives such as buying from companies that help the needy and support victims of natural disasters or avoid buying products from companies that discriminate against the minorities.

Objective of the study :

The presnet study delivers an indication of the corporate social responsibility is fulfilled by various Indian organizations. The impact of different companies who were successful practicisigs CSR in the changing business environment is either by saving the natural resources or providing good quality products/services to their customer and healthy working atmosphere to the employee.

METHODOLOGY

Descriptive research :

The research methodology is a technique to thoroughly solve the research problem. It may be understood as a science of studying how research is done scientifically. A researcher should think about the way in which he should proceed in attaining his objective in his research work. The researcher has to make a plan of action before starting the research. This plan of study of a researcher is called the research design. Descriptive research design is used for this study. Descriptive research design is used in those studies which are concerned with the characteristics of a particular group.

Source of data collection :

Secondary data :

Secondary data have been collected from text books, research papers and websites.

CSR in India :

The concept of corporate social responsibility (CSR)

has enlarged extraordinary momentum in business and public debate and has become a strategic issue crossing the departmental boundaries and affecting the way in which a company does business. It has become so important that many organizations in India have rebranded their core values to include social responsibility. Almost all corporate websites/ policies/reports talk about their endeavors for CSR which has become a way of ensuring that the organization is fulfilling all the obligations towards society and thus, is eligible for the license to operate. It assures that the organization can grow on a sustainable basis.

These activities of CSR ranging from small donations to bigger projects for social welfare, sustainable practices differ from organization to organization depending on the resources available to an organization for undertaking sustainable practices. Business practices of big and successful companies, with plenty of resources at their end, have set the trend for being committed to sustainable practices. Such business houses around the globe show their commitment to social responsibility. In India, the initiatives of Dabur India Limited, for example, which commenced 'Sundesh' in 1993, a non-profit organization, with an aim to promote research and welfare activities in rural areas is appreciable. On the same track to fulfill its urge to do something for the community, Bharat Petroleum Corporation Limited has adopted 37 villages as their responsibility to develop in all walks of life. It has made efforts to make them self-reliant, provided them fresh drinking water, sanitation facilities, medical facilities, vocational training and literacy camps. The Tata Group has created towns and cities like Jamshedpur, Mithapur, Babrala for the benefit of its employees. Cadbury India, Glaxo and Richardson Hindustan are some of the companies which are helping farmers to grow crops which in turn shall serve as raw materials for them.

TATA steel commits to minimize the adverse impact of its operations on the environment by conserving the natural resources and energy by reducing the consumption and wastage. Minimized process wastes and promote recovering and recycling of materials. Phase out pollution that is installing the technology for pollution prevention and developing environmentally aware workforce. Developed and rehabilitate waste dumps through a forestation and landscaping. Maintaining and operating the facilities with applicable environmental laws,

statutes and other regulations.

TITAN Industries Ltd. is a leading manufacturer of quartz watches, clocks committed to making a contribution to an environment by minimizing the impact of its activities, products and positive action to upgrade the environment. Titan improves and sets its own superior standards. Minimizing the consumption of materials in all its processes, and recycling the waste product for the techno-commercially viable, emphasized on conservation of natural resources such as energy, fuel and water. Market the products that are safe to use. Educate their employees for protecting and improving the environment, encourage cleanliness and health at workplace and hygiene in society at large. Titan would deploy adequate resources in terms of people, equipment and money.

HINDUSTAN UNILEVER LIMITED, a candle loses nothing of its light by lighting another candle. At HLL, they believe that an organization's worth is equally reflected by the service it renders to the community. Through different projects, they provide care for HIV-positive patients, education and support for children with challenges, a hospice for dying destitute, basic education for children in rural areas, and support to government relief measures in natural calamities. Their major projects are:

The integrated rural development (IRD) Programme in the backward district of Etah, Uttar Pradesh, was started in 1976 with 30 villages. Their mission was to improve the productivity of land and cattle in the district of Etah, to bring about an improvement in the quality of life of the rural farming communities, to help increase the purchasing power of the farmers by producing Chicory which is sourced by us.

Asha Daan - Home for the poorest of the poor. The most well-known example of their contribution to society is Asha Daan, home for the poorest of the poor in Mumbai. Managed by the Missionaries of Charity, and actively supported by HLL. Asha Daan has been home to over 20,000 people since its inception. the HIV positive are provided with food, shelter and medication for the last few days of their lives. The needs of the abandoned handicapped children are also met through special classes of basic skills, physiotherapy and, if possible, corrective surgery. At any point of time, it takes care of over 300 infants, destitute men and women and HIV positive patients.

School contact programme :

The objective of schools contact programme is to supplement the schools' efforts to improve teaching standards and acquire more relevant capabilities and new facilities. They have been helping various schools by offering donations to build an auditorium, a library, or a laboratory, and also for purchasing computers. They have organized workshops for teachers to train them to become more effective both in the classroom and in managing the school. To help in the all-round development of students they have sponsored various sports activities and cultural events in some schools.

ANALYSIS AND DISCUSSION

The overall focus of this research paper is to evaluate and assess corporate social responsibility, the public that organization serve and benefit from. The above example of Indian organizations shows that how different companies are contributing towards social responsibility, they are working for society by saving natural resources, improving the workplace for the employees, providing good and quality product to the customers without any fraud. Now the consumers are not only interested in knowing more about the products they buy, but they wish to know more about the companies behind the products. Social investors do not just look at companies, which make money but also issues, such as a corporation's impact on society. The development of CSR can be seen in the growing expectations of the community and stakeholders of the developing role of companies in society and the response of companies to growing environmental, social and economic pressures. Successful businesses should promote the interests of not only their shareholders, but also assume a position with social responsibility programmes that aims to serve the society. More importantly, in this age of widespread communication customers of any product or service are unlikely to feel satisfied in buying from a company that is seen to violate the expectations of ethical and socially responsible behaviour.

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