

Incorporate Corporate Social Responsibility Strategy into Business

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Abstract—Like it or not, the days are gone when business operates strictly by the Milton Friedman philosophy, essentially declaring that a corporation works only for its shareholders, with the bottom line as top priority. Today, shareholders and stakeholders alike demand more of corporations. They expect conscience to play a part in running the businesses in which they invest and from which they purchase consumer goods. Increasingly, they reward companies for good Corporate Social Responsibility (CSR). CSR initiatives provide businesses the mechanism to discharge their responsibility towards society. Does it end with the corporate paying taxes and providing employment or has a wider implication? Businesses are no longer viewed as only the economic entities but are perceived to be an inseparable part of the society and management has become a major leadership group in the industrial society that have a greater responsibility not only towards their profession but also towards the people they manage and the society and economy in which they operate. Corporate social responsibility is represented by the contributions undertaken by companies to society through its core business activities, its social investment and philanthropy programs and its engagement in public policy. In recent years CSR has become a fundamental business practice and has gained much attention from management teams of larger international companies. Companies have determined that their impact on the economic, social and environmental landscape directly affects their relationships with stakeholders, in particular investors, employees, customers, business partners, governments and communities. This paper entails with understanding the CSR concept and its key drivers, what are the manifold benefits both internally and externally to the companies involved in various projects, how CSR as strategy leads them to perpetual success and creating brand with various case studies of successful Indian companies.

Keywords—Corporate Social Responsibility, Corporations, Effective Leadership, Stakeholders, Strategy

Abbreviations—Asian Sustainability Ranking (ASR), Central Public Sector Enterprises (CPSEs), Corporate Social Responsibility (CSR), Corporate Service Corps (CSC), Department of Public Enterprises (DPE)

I. INTRODUCTION

CORPORATE Social Responsibility 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 (“Triple-Bottom-Line- Approach”), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that [www.weforum.org/pdf/GCCI/GCC_CEOstatement.pdf].

Thus, the meaning of CSR is two fold. On one hand, it exhibits the ethical behaviour that an organization exhibits

towards its internal and external stakeholders (customers as well as employees). On the other hand, it denotes the responsibility of an organization towards the environment and Society in which it operates [Naukrihub, 2009]. However, it’s now recognized as one of the best ways to enhance a company’s position and value and many companies are now increasing their CSR initiatives. The rationale for CSR has been articulated in a number of ways. In essence it is about building sustainable businesses, which need healthy economies, markets and communities. The key drivers for CSR are:

- Enlightened self-interest creating a synergy of ethics, a cohesive society and a sustainable global economy where markets, labor and communities are able to function well together.
- Social Investment: Contributing to physical infrastructure and social capital is increasingly seen as a necessary part of doing business.
- Transparency and Trust: Business has low ratings of trust in public perception. There is increasing

expectation that companies will be more open, more accountable and be prepared to report publicly on their performance in social and environmental arenas

- Increased Public Expectations of Business: Globally companies are expected to do more than merely provide jobs and contribute to the economy through taxes and employment.

Today's CSR priorities are determined through ethical reasoning rather than governmental or legal requirements. CSR can also be used as a strong risk management tool against shareholder and consumer dissatisfaction [Fauset, 2006]. It's now clearly entwined in many multinational organizations' strategic planning process. In fact, 54% of today's business school requires a course in CSR which is a significant jump against 2001's 34%. Corporate Social Responsibility is specifically designed to meet CSR professional demands to better their initiatives, strengthen their commitments and balance their investments [Asmus, 2003].

II. LITERATURE REVIEW

According to a survey, which was conducted by Tata Energy TERI, the evolution of CSR IN India has followed a chronological evolution of four thinking approaches.

- Ethical Model (1930s-1950s): One significant aspect of this model is the promotion of "trusteeship" that was received and reinterpreted by Gandhi. Under this notion the businesses were motivated to manage their business entity as a trust held in the interest of the community. The idea promoted many family run businesses to contribute towards socioeconomic development. The efforts of Tata group directed towards the well being of the society are also worth mentioning in this model.
- Statist Model (1950s-1970s): Under the aegis of Jawaharlal Nehru, this model came into being in the post independence era. India adopted the socialist and mixed economy framework, with a large public sector and state owned companies. The important feature of this model was that the state ownership and legal requirements decided the corporate responsibilities. Elements of the corporate responsibility, especially those relating to community and worker relationships, were enshrined in labour laws and management principles. This state sponsored corporate philosophy still operates in the numerous public sector companies that have survived the wave of privatization of the early 1990s.
- Liberal Model (1970s-1990s): The model was encapsulated by Milton Friedman. As per this model, corporate responsibility is confined to its economic bottom line. This implies that it is sufficient for business to obey the law and generate

wealth, which through taxation and private charitable choices can be directed to social ends.

- Stakeholder Model (1990s-Present): The model came into existence during 1990s as a consequence of realization that with growing economic profits, businesses also have certain societal roles to fulfil. The model expects companies to perform according to "triple bottom line" approach. The businesses are also focusing on accountability and transparency through several mechanisms.

III. OBJECTIVE OF THE STUDY

Main objective of the study is to know about the benefits of CSR. Corporate social responsibility offers manifold benefits both internally and externally to the companies involved in various projects. Externally, it creates a positive image amongst the people for its company and earns a special respect amongst its peers. It creates short term employment opportunities by taking various projects like construction of parks, schools, etc. Working with keeping in view the interests of local community bring a wide range of business benefits. For example, for many businesses, local customers are an important source of sales. By improving the reputation, one may find it easier to recruit employees and retain them. Businesses have a wider impact on the environment also.

Plantation and cultivation activities taken up by Intel India are a step towards the same. Recycling used products also acts as a step towards minimizing wastes. Internally, it cultivates a sense of loyalty and trust amongst the employees in the organizational ethics. It improves operational efficiency of the company and is often accompanied by increases in quality and productivity. More importantly, it serves as a soothing diversion from the routine workplace practices and gives a feeling of satisfaction and a meaning to their lives. Employees feel more motivated and thus, are more productive. Apart from this, CSR helps ensure that the organization comply with regulatory requirements.

There are three trends which have importance nowadays:

- Increasing Affluence: Customer from elite level can afford to buy and pay more for premium brand but the poor customer might not be willing to pay so much for brand, instead they would prefer to spend their money on business which can take their business to much better level.
- Changing Social Expectation: Its natural that customer expect more from the company whose product they buy but with recent controversy and scandal of company has reduced the trust and confidence in the regulatory body and organization which manage the corporate.
- Globalization and Free Flow of Information: With growing trend of media and easy access to information through mobile, TV even the minor mistake of the company is brought in public in no time, this sometime fuels the activist group and

likeminded people to spread message which can lead to situation like boycott of the product.

IV. SUSTAINABLE RESPONSIBLE BUSINESS

The study will be based intensive research through secondary sources. The result will be further derived from the analysis of the data so collected. “CSR is the concept that an enterprise is accountable for its compact on all relevant stakeholders, it is the continuing commitment business to behave fairly and responsibility and contributes to economic development while improving the quality of life of the work force and their families as well as the local community and society at large.” [Source European Union].

4.1. CSR as Strategy

CSR needs to be embedded within the core values of the firm and reflect those values, and it must be linked to the mission, vision, and values of the organization. And this core vision needs to openly recognize that CSR is central to creating not only social or environmental value but also to creating business value. Firms must be unabashedly unapologetic about that.

CSR efforts should be treated and managed as core business strategy, just as are the strategies of marketing, research and development, capital expenditure, and talent management.

CSR is important because businesses are based on trust and foresight. Establishing and keeping trust with customers, communities and regulators isn't simple and can be easily damaged or lost. To be successful in the long-term, companies need to think beyond what's affecting them today to what's going to happen tomorrow. This isn't just about addressing changes to technology or the needs of customers, but also taking into account alterations in social, environmental and governance issues.

In a landmark Harvard Business Review article, Michael Porter and Mark Kramer proposed a new way to look at the relationship between business and society, a way that unifies company philanthropy with the management of CSR efforts and embeds a social dimension in their core value proposition.

CSR are so fragmented and so disconnected from business and strategy as to obscure many of the greatest opportunities for companies to benefit society. If, instead, corporations were to analyze their prospects for social responsibility using the same frameworks that guide their core business choices, they would discover that CSR can be much more than a cost, a constraint, or a charitable deed—it can be a source of opportunity, innovation, and competitive advantage.

“When aligned with business objectives, companies are beginning to see that CSR can bring competitive differentiation, permission to enter new markets, and favourable positioning in the talent wars.”

Brands are the way to success for a business. The sales and revenue of the company are widely dependent on the

brand they give to customer. Few of the traits which affect the brand are

Positive Marketing! Brand Building: Times of India [kalingatimes.com] “Lead India Campaign” by Time of India is perfect example for brand building through CSR. This was the brought by times of India to bring about change in society. It was more of business/brand building strategy than CSR. Such activities knowingly or unknowingly prepare an image in mind of viewers and hence building image.

Brand Insurance: NIKE [Corporate Social Responsibility, 2003] NIKE has emerged as one of the most progressive global corporations in terms of CSR because it has learned from its past mistakes and attacks by NGOs. As one of the first corporations to have a Vice-President for Corporate Responsibility and to publish an annual CSR Report, the company has done a lot to mitigate public opinion, establish its brand as representative of a much more committed corporate citizen, and ‘insure’ itself against any repeat of the consumer boycotts it faced in the mid- 1 990s.

Crisis Management: Pepsi [wikipedia.org] Crisis stated during the scandal about syringe being found in the diet Pepsi. Pepsi, confident that tampering was not their fault and urged store not to remove any cans from shelves. In the mean time Pepsi released its first video about how Pepsi is processed making it clear that such fault cannot occur in the factory. Second video showed about the arrest of the man who had committed the scam. Basically corporation was completely transparent and open to public which made them effective throughout the crisis.

The first company to implement CSR was Shell in 1998. [Corporate Watch Report, 2006] With well informed and educated general people it has become threat to the corporate and CSR is the solution to it. 1990 was CSR as a standard industry with companies like Price Warter house Copper and KPMG. CSR evolved beyond code of conduct and reporting it started taking initiative in NGO's, multi stakeholder, ethical trading. [Corporate Watch Report, 2006]

4.2. CSR in India

CSR is recognized as an important function contributing to accelerate the process of overall development of a nation. India being the second most populous country in the world, and home to the largest number of people in need of basic amenities, calls for more intensive efforts as part of such initiatives in the healthcare space of the nation.

Indian companies are now expected to discharge their stakeholder responsibilities and societal obligations, along with their shareholder-wealth maximization goal.

Nearly all leading corporate in India are involved in CSR programmes in areas like education, health, livelihood creation, skill development, and empowerment of weaker sections of the society. Notable efforts have come from the Tata Group, Infosys, Bharti Enterprises, ITC Welcome group, Indian Oil Corporation among others.

The 2010 list of Forbes Asia's ‘48 Heroes of Philanthropy’ contains four Indians. The 2009 list also featured four Indians. India has been named among the top

ten Asian countries paying increasing importance towards CSR disclosure norms. India was ranked fourth in the list, according to social enterprise CSR Asia's Asian Sustainability Ranking (ASR), released in October 2009.

Corporate Social Responsibility Practices in India sets a realistic agenda of grassroots development through alliances and partnerships with sustainable development approaches. At the heart of solution lies intrinsic coming together of all stakeholders in shaping up a distinct route for an equitable and just social order....” The above lines epitomize the soul of the National Survey on corporate social responsibility.

4.3. Corporate Social Responsibility Practices in India

CSR is not new to India; companies like TATA and BIRLA have been imbibing the case for social good in their operations for decades long before CSR become a popular cause. In spite of having such life size successful examples, CSR in India is in a very nascent stage. It is still one of the least understood initiatives in the Indian development sector. It is followed by a handful of public companies as dictated by the very basis of their existence, and by a few private companies, with international shareholding as this is the practice followed by them in their respective foreign country. Thus the situation is far from perfect as the emphasis is not on social good but rather on a policy that needs to be implemented. Reliance Industries and two Tata Group firms—Tata Motors and Tata Steel—are the country's most admired companies for their corporate social responsibility initiatives, according to a Nielsen survey released in May 2009.

“Respect is the first thing we look for when doing anything,” says N.R. Narayana Murthy, Chairman Infosys Technologies, the company that was crowned the Most Respected Company in the survey this year.[Source: Business world, January 2003] [India's most respected companies].

Hindustan Levers Ltd., known as Uniliver to the world outside India, is another company that has remained in the top three most respected companies for the past decade, and has topped the chart four times, the maximum number of times yet for any company “If you have respect, value will follow,” says Chairman M.S. Banga, reflecting the view from the very top.

There has been a long history of CSR in India and the Tata have been the role models on this path. The Tata Business Excellence Model integrates social responsibility into the framework of corporate management wherein social responsibility is encapsulated as Key Business Process. Corporate Social Responsibility programmes at the Tata group of companies extend across a wide spectrum including rural development, community development and social welfare, family initiatives, tribal development and water management.

The Birla groups of companies are also among the pioneers in the field of corporate social responsibility in India. As part of the Aditya Vikram Birla Group's Social Reach., the Birla group runs as many as 15 hospitals in India; includes Adult education and schools conducting as many as

78 schools all over India; rehabilitates Handicapped persons having touched more than 5000 physically challenged individuals. More than 1,00,000 patients have been examined under the Group's medical programmes. Over 15,000 children along with 2000 pregnant women have been immunized, over 500 cataract patients operated, 2000 TB patients provided medical care, 100 leprosy-afflicted attended to, free of cost.

Among corporate who have displayed deep commitment to Corporate Social responsibility over long years is Mahindra & Mahindra. The Mahindra Education Trust established to promote education at all levels. The Mahindra Search for Talent Scholarships is a scheme established in 34 schools in India to enthuse and reward students who have achieved excellence in their academic pursuits.

As part of its Corporate Service Corps (CSC) programme, IBM has joined hands with the Tribal Development Department of Gujarat for a development project aimed at upliftment of tribals in the Sasan area of Gir forest.

The financial services sector is going green in a steady manner. With an eye on preserving energy, companies have started easing the carbon footprint in their offices. The year 2009 witnessed initiatives including application of renewable energy technologies, moving to paperless operations and recognition of environmental standards. Efforts by companies such as HSBC India, Max New York Life and Standard Chartered Bank have ensured that the green movement has kept its momentum by asking their customers to shift to e-statements and e-receipts.

As of now the CSR programs of BILT are carried out at the following levels - Integrated Rural & Urban Community Development programmes with communities living in the periphery of our Mills, employees are encouraged to volunteer time to work on social issues, 1EV/AIDS prevention with employees, and support to NGO's for Universalizing Primary Education and arresting school dropouts.

Similar commitment to CSR has been displayed by several corporates in India. The list, which at best can be far from complete, includes Arvind Mills, Escorts, Dabur, Bajaj, Godrej, Hero Honda, DCM Sriram, Ashok Leyland, Ballarpur Industries, Eicher, Kinetic Group, Kirloskar, Infosys, Reliance, Ranbaxy, Wipro, each of which has been deeply committed to their communities engaging in programmes encompassing education, health, education, integrated rural development.

Beyond the private sector, corporate players in India's public sector too have been actively involved in corporate social responsibility initiatives.

As many as 47 profit-making CPSEs failed to comply with the CSR norms prescribed by the government in 2011-12, said CAG in its report tabled in Parliament.

“Out of the total 110 CPSEs earning profit of more than Rs 10 crore, 47 CPSEs did not comply with the Department of Public Enterprises (DPE) norms in terms of the minimum

CSR budget/expenditure. As such, the compliance was about 57 per cent only in terms of number of CPSEs,”

It said the compliance was not encouraging in case of Central Public Sector Enterprises (CPSEs) earning profit between Rs 10 crore and Rs 100 crore, as 30 out of 44 CPSEs did not comply with the guidelines, it added.

Under the new norms, which came into effect from April 1, 2013, PSUs with a profit of less than Rs 100 crore are required to contribute 3 per cent of their net profit for undertaking such activities and companies with income between Rs 100-500 crore are required to earmark 2-3 per cent.

“The compliance was not satisfactory in case of CPSEs earning profit between Rs 100 crore and Rs 500 crore, as 12 out of 27 CPSEs failed to comply with the minimum requirement of CSR budget/expenditure,” the auditor said.

However, CAG said, the compliance was encouraging among large CPSEs which earned profit of more than Rs 500 crore as the shortfall was only in 5 out of 39 CPSEs and as many as 34 CPSEs spent/provided for CSR in excess of the minimum requirement.

As per the new guidelines, PSUs with a net profit of over Rs 500 crore in the previous year will have to earmark 1 per cent of it from the earlier level of 0.5 per cent for carrying out such activities. However, the upper limit of 2 per cent remains unchanged.

Most public sector units in the heavy engineering industry have not only set up a township around the plant, but also established a school, a hospital and several other civic facilities for its employees and those that live in that area.

Private sector companies have been encouraged to undertake rural development programmes down the years through fiscal incentives by the government. For instance, special benefits are offered in the industrial policy to companies that set up industries in backward areas and tax incentives are also offered to companies that set up water purification projects.

In India, it has also been noticed that when it comes to individual CSR activities, the ‘anonymous’ donor mentality prevails. That most people tend to keep a low profile was confirmed by The Economic Times, a leading business daily in India. It conducted a straw poll and talked to several professionals involved in the field and NGO circuit to get an idea about the leading lights.

4.4. CSR Initiatives

Although corporate India is involved in CSR activities, the central government is working on a framework for quantifying the CSR initiatives of companies to promote them further. 1990 was CSR as a standard industry with companies like Price Waterhouse Coopers and KPMG. CSR evolved beyond code of conduct and reporting it started taking initiative in NGO’s, multi stakeholder, ethical trading [Corporate Watch Report, 2006]. The Survey broadly categorizes the main types of CSR activities undertaken by Indian corporate as under:

4.4.1. Areas of CSR Addressed in Corporate Policies

Key CSR issues: environmental management, eco-efficiency, responsible sourcing, stakeholder engagement, labour standards and working conditions, employee and community relations, social equity, gender balance, human rights, good governance, and anti-corruption measures.

A properly implemented CSR concept can bring along a variety of competitive advantages, such as enhanced access to capital and markets, increased sales and profits, operational cost savings, improved productivity and quality, efficient human resource base, improved brand image and reputation, enhanced customer loyalty, better decision making and risk management processes.

Besides the private sector, the government is also ensuring that the public sector companies participate actively in CSR initiatives. DPE has prepared guidelines for central public sector enterprises to take up important corporate social responsibility projects to be funded by 2-5 per cent of the company’s net profits.

As per the guidelines, companies with net profit of less than US\$ 22.5 million will earmark 3-5 per cent of profit for CSR, companies with net profit of between US\$ 22.5 million-US\$ 112.5 million, will utilize 2-3 per cent for CSR activities and companies with net profit of over-US\$ 112.5 million will spend will spend 0.5-2 per cent of net profits for CSR.

India Inc has joined hands to fine-tune all its activities falling under CSR. For this, it has set up a global platform to showcase all the work done by Indian firms. Confederation of Indian Industry (CH) and the TVS Group collaborated to form the CII-TVS Centre of Excellence for Responsive Corporate Citizenship in 2007 [www.weforum.org/issues/corporate-global-citizenship]. It provides consultancy services and technical assistance on social development and CSR.

According to a National Geographic survey which studied 17,000 consumers in 17 countries, Indians are the most eco-friendly consumers in the world. India topped the Consumer Greendex, where consumers were asked about energy use and conservation, transportation choices, food sources, the relative use of green products versus traditional products, attitudes towards the environment and sustainability and knowledge of environmental issues.

Public sector aluminium company NALCO has contributed US\$ 3.23 million for development work in Orissa’s Koraput district as part of its CSR.

4.4.2. The Companies with the Best CSR Reputations

The Walt Disney Company, which earned the top spot in the citizenship category, ranks No. 3 in terms of CSR. Half of all consumers across the 15 markets think that the company “is a good corporate citizen that supports good causes and protects the environment.”

“The question to ask is how much of that perception is based on action from The Walt Disney Company versus the positive effect from its magic universe of characters?” Nielsen says. “It’s hard to image Mickey Mouse not

supporting good causes, and Lightning McQueen not having a fuel efficient engine. Companies see a link from the product and services to CSR. And the great companies understand how to use that link so CSR becomes part of their business. The Walt Disney Company is a good example of that. BMW and Apple round out the top five.

In total, three automakers rank among the top 10 on the CSR list. How can companies that produce products that are polluting the environment have a strong reputation for social responsibility? "Because it's not about their products, it's about the company behind the products," Nielsen says. BMW (No. 4), Daimler (No. 6), and Volkswagen (No. 7) are demonstrating that if you have CSR as an integrated part of your business strategy, you can use this to successfully establish a strong international name for yourself.

The three German car companies outperformed their competitors by a wide margin; Honda ranks 15th, Toyota 37th, Nissan 43rd, Suzuki 79th and Hyundai 96th—and it's paying off.

If you compare BMW—which has the best overall reputation in the world in 2012—with Toyota, who has a strong reputation, BMW has 9% more willingness from consumers to buy products, 13% more recommendation from consumers, and 8% higher willingness to welcome the company in the local community.

"These are powerful advantages in the global fight for customers, and this shows the business case for investing in reputation," Nielsen says.

Companies spend millions of dollars every year on corporate social responsibility; they invest in programs to support local communities, give away products to support people in need, invest in clean technology to lower their environmental footprint, donate money from sales, and engage their employees in nonprofit work. But many are mismanaging their CSR investments.

"It's that simple," Nielsen says. "They do not apply the same rigor on these investments as they do on other core business priorities. They do not link it to their business strategy. But treat it like a separate initiative and investment. Only a fraction of the largest companies in the world have integrated annual reports. The majority still have separate CSR or Sustainability Reports."

Companies need to reassess how to spend their money if they want to improve their return on investment. "You don't do CSR for the sake of CSR. You do CSR as part of your reputation management strategy to drive business growth, customer loyalty, and employee alignment." Only a few companies get it right. But those who do see the results, he concludes.

To qualify for the ranking at all, each company had to have an above-average reputation score (defined as over 64) in its home market, based on Reputation Institute's global database of RepTrak™ scores spanning 2006 to 2011. The criteria for qualification also included company size, based on annual revenue, multinational presence and high familiarity among consumers in the measured 15 markets (Australia, Brazil, Canada, China, France, Germany, India,

Italy, Japan, Mexico, Russia, Spain, South Korea, the U.K. and the U.S.).

Global Reputation with 2013 Global RepTrak™ 100.

As part of the world's largest study of corporate reputation, BMW, The Walt Disney Company, Rolex, and Google earn the highest marks with consumers. The results from more than 55,000 interviews across 15 markets in Reputation Institute's 2013 Global RepTrak™ 100 shows that a 5 point improvement in reputation increases consumer recommendation by 7%. [<http://www.reputationinstitute.com/thought-leadership/global-reptrak-100>].

4.4.3. CSR Sustainability Efforts in India

Corporate in India also realizing that CSR is essentially a strategic approach for firms to succeed in their business endeavors. Corporates are increasingly bearing stakeholders' perspective in mind, thereby considering CSR as a comprehensive set of policies, practices and programs that are integrated throughout the business operations. A radical transformation is happening with CSR practices across India at conceptual level where charity oriented approach is now being seen as a stakeholder oriented approach. Several innovative programs in the thematic areas of public health, education, environment, microfinance and related areas are being developed.

Some examples of CSR initiatives for sustainable development taken by corporates in India are listed below:

- **ITC:** ITC's globally recognized 'e-Choupal program' is the world's largest rural digital infrastructure benefiting over 4 million farmers and "Social and Farm Forestry initiative" which has greened nearly 96,000 hectares, creating an estimated 43 million person-days of employment among the disadvantage. ITC's "Watershed Development initiative" brings precious water to over 46,000 hectares of dry lands and moisture-stressed areas. First company in India to be certified to the SA 8000 social Accountability standard.
- **Microsoft:** 'Rozgar/ Kshamta' programs geared towards creating employable workforce, is creating a skilled workforce in the country. The company is providing free developmental software to small and medium enterprises (Microsoft Biz Spark) and provision of adolescent special security program for PCs are all very good examples of sustainable CSR.
- **Indian Oil Corporation:** Dedicates 0.75% of net profit to community development.
- **Larsen and Toubro:** One of first corporate to launch an HIV/AIDS programme.
- **Infosys:** Pioneering evaluation of human capital using an education index for employees.
- **BHEL:** All BHEL units are certified to the ISO14001 environmental management system.

- **HDFC:** HDFC has started a “village adoption” scheme to improve the investment climate in Indian villages.
- **Tata Iron and Steel:** First Indian company to publish a sustainability report in line with Global Reporting Initiative guidelines.
- **Mahindra Shubhlabh:** The agriculture business arm of Mahindra & Mahindra, aims to use especially cultured seeds to improve contract-farming productivity.
- **Sustainable CSR Initiatives:** Sustainable CSR initiatives like ‘ProjectShiksha’, ‘Project Jyoti’ and ‘Project Vikas’ has also helped the company to build an image of socially responsible firm.

The Way Forward:

The concept of CSR has so far failed to take deep root in India and is in a nascent stage. Much needs to be done to bring changes in attitude towards CSR and bring awareness among the corporate about their social responsibilities. Leaving aside a few large corporate houses who have proudly worn a social arm, most of the India Inc. indulges in CSR activities not as an obligation to the society but to improve their social profile for publicizing and tax purposes.

Many corporate houses in India are taking to CSR activities merely as a part their marketing exercise and imaging building in the targeted segment. Many other boast of discharging CSR amongst their employees only. The essence of real CSR is serving the suffering people who have no access to basic facilities enjoyed by anyone in a civilized society. The corporate should be made aware about the changing nature of business due to globalization, transformation of market environment and deepening of competition.

V. CONCLUSION

The rapidly growing field of CSR was initially a tactic used by major corporations aiming to pacify consumers ethical concerns, with origins in the anti corporate and anti globalization protests of the late 1990s.

Today, CSR is epitomized as the voluntary ethical behaviour of a company towards society including shareholders and stakeholders “holding” human and employee rights, environmental protection, community involvement, and supplier relations as core value.

The reasons for companies becoming interested in social responsibility are diverse: risk protection, market positioning, recruitment, political-social relationships, etc. A Conference Board of Canada p011 revealed that 77% of Canadians are most likely to invest in, 81% to purchase from, and 79% to work for companies they view as socially responsible. Similar demands have been witnessed in other countries as well. There are many evidences whereby adopting CSR practices businesses have been able to turn things around for their good.

Amidst the negative publicity, Shell in mid-90s witnessed productivity downturn and low employee morale. The company’s subsequent commitment to collaboration and stakeholder responsiveness turned things around. Shell has observed the new employees coming into the company in recent years match their ideal profile much more closely than in past.

The Sears experience linking a 5% increase in revenues with the 5% increase in employee satisfaction substantiates the happy employee happy customer financial performance connection. Studies have also positively correlated the presence of work life programs and loyalty to the organization.

Amex, Electrolux, and Coke also found that product lines and marketing initiatives linked to CSR produced above average returns. The link between CSP and CFP is motivating businesses to become increasingly involved in CSR practices and address the wide ranging and ever changing demands of the stakeholders.

Globalization has changed corporate social responsibility, the boundaries between domestic and foreign industry and between in-house and out-houses activities which had led corporate to view from both political and economic view. On one side multinational company have taken the role of state and thus they should behave responsibly and on the other hand they need to have corporate social behaviour in order to protect their image. Example: Wall-Mart which sells its product at remarkable low price and at the same time its brand image is also protected.

As per Indian oil CSR is “A Cornerstone of our Enduring Success”. Their mission is “to help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience”. Indian Oil has been taking concrete action to realize its social responsibility objectives, thereby building value for its shareholders and customers.

It can be concluded that in today’s informative world where information are readily available to general public CSR has been an important part of any organization to be successful. Organization in present world cannot be successful without taking into account the social responsibility. CSR has been a vital component for any organization to have perpetual success and to create brand.

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