

An Analysis of Corporate Social Responsibility in India

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Abstract

CSR (Corporate Social Responsibility) is comparatively a developing concept but it picking up lead rapidly in recent years. CSR has gained recognition around the globe as many international and national companies as well as SME's, start-ups and various other size companies are also participating in these activities. CSR helps in aligning the social values with business operations. CSR acts as a link between various initiatives aimed in order to ensure the economic and society social development. Recognizing the truth that CSR implementation in businesses can be great instrument for recognising social value and values, especially in developing country similar India, this paper show light on concept and development of CSR in India. This paper further acknowledged the governing policies of CSR in developing countries like India while discussing cases of various Indian companies including SMEs and their CSR initiatives along with the challenges which are faced by them.

Keywords; CSR, CSR Challenges, Initiatives in CSR.

I. INTRODUCTION

CSR (Corporate Social Responsibility) plays an important part in organization's action plan. The Non-mandatory acceptance of responsibility of companies including social as well as environmental are called as CSR. For the betterment of society and a healthier and cleaner environment decision of voluntarily is taken by companies. CSR define as a concept in most of the definition. WBCSD ("World Business Council for Sustainable Development") defines CSR as "The business continuing commitment for contribute in development of economic and behave ethically while improving life quality of work force and their society, local communities and families". Lee and Kotler describe CSR as "CSR is a promise to improve public well-being through practices of business, corporate resources contribution and discretionary. CSI ("Corporate social initiatives") can be seen as

company activities in order to discharge commitments and to support social causes to CSR.

It has procured immense value in business world of India in recent times, as companies have recognised the value of investing in CSR in order to achieve increased revenue base, better access to capital, shareholder value, operational efficiency, strategic branding etc. CSR can be seen as a successful and efficient instrument that harmonize the toil of social and sustainable development of corporate sector and social objective growth.

II. FLUCTUATING TRENDS AND HISTORY OF CSR

Conceptualisation of CSR is not novel though it is recently come in notion. The notion of CSR though now interpreted and describe, it is still in a budding stage. In international context the history goes back to the 17th century i.e, when

England noticed its consumer boycott over the problem of slave grown sugar which insisted importer to have free labour. In historical terms the vision of CSR was influenced by the notion of philanthropy. CSR in other words can be seen as a “contribution to the society”, business world often restricts to single monetary grant and not commit themselves to CSR with the objective of society enhancement. Moreover, business owner often ignored stakeholder in planning for CSR activities and initiatives, thereby lowering the efficiency & efficacy of CSR. However, over the time, the evolution of the CSR concept can be seen as it has been evolved from “obligation” to “responsibility”.

There has been a visible change from “charity or obligation” to “giving as a responsibility or strategy”. By Reviewing the work done and case studies by businesses in India, It showcase that CSR is accelerating towards “building on partnership and empowerment” from “dependence and charity”.

III. PROVISIONS OF CSR UNDER RULES MADE THEREUNDER AND COMPANIES ACT

According to 135th section of the Companies Act, 2013 companies having investment equal to 5 crores or greater than 5 crores, turnover equal to 1 crore or greater than 1 crore and profit equal to 5 crore or greater than 5 crore shall constitute CSR board panel and any business which concludes to be business covered through criteria mentioned in the (1) sub section of 135th section of Companies Act will not be essential to constitute CSR panel, and follow with written provisions in (2) – (5) sub section of companies Act for such time CSR panel meets the criteria detailed in (1) sub section of 135th section.

IV. INDIAN CORPORATION’S CSR ACTIVITIES

GCMMF

Inclination of CSR to distributors and retailers, GCMMF (“GUJARAT COOPERATIVE MILK MARKETING FEDERATION LTD”) identified the various retailers and distributors that formed a link inside its supply chain of trader. Surveys shows that GCMMF establish that ninety percent of middleperson doesn’t got the chance of learning practices of management. GCMMF notice that CSR can transform the business function of its middleperson in order to compete with management training and being them in business mainstream. GCMMF have developed and trained all of the retailers and distributors by VMSW (“Value-Mission-Strategy-Workshops”), “Computerisation”, CBM (“Competence-Building-Module”), AQCM (“Amul-Quality-Circle-Meetings”), “Amul Yatra” and ECA (“Electronic-Commerce-Activities”).

CBM of GCMMF is design for incorporate exclusive vending skills through making the salesmen and distributors cognisant of new management techniques of sales and tools for knowledge enhancement products and positioning strategies for different products.

SMEs CSR: Indian SMEs are growing exceptionally with Major contribution in exports and Industrial output. The export and import constitute more than 80% of industrial output and provide highest number of country employment, sectors such as auto ancillary, handicrafts technology, textiles, jute etc. with SME sector acts as a supporting and independent industry for MNCs as well as for small sector unites.

SMEs have low awareness about CSR, however, they do projects and execute various CSR projects without focusing on “CSR” The motivation for SMEs to take part in CSR is to “putting something back” or “entrepreneurial spirit” or “doing the right thing” showing. In the

ever fluctuating business world, it is necessary to involve and work together with SMEs in encouraging company behaviour that centres on main stakeholders i.e. customer, suppliers, the environment, employee and community. On the bases of study by Environment Commission of Europe, With the enhanced process of production and product CSR absolutely influencing competitiveness of SME, resulting in enhanced customer loyalty & satisfaction". Higher employee motivation and loyalty gives higher innovativeness and creativity, good publicity because of enhanced word-of-the-mouth and prizes, good networking with business associates and better position at the authorities and labour market as well as good access to public assets because of the business goodwill. In order to get the competitive edge above competitors SMEs have realised the importance of CRS which can give advantage to the SMEs in the market.

Initiatives of CSR by Elin Appliances vowed 2% of PAT on annual basis towards CSR programs of Company, for the interest of the economic and social deprived sections of society. They work and invest on the cognitive employee development by organising productive drill sessions associated to social cause and even work. The company, as part of their employee relations works in order to uplifts the active worker by encouraging them to participate and get involved in process of decision making. Performers are sufficiently recognized and awarded by the company. Elin Appliances emphasizes on environment protection & preserve of natural resources. Company also focus on distribution of saplings amongst nearby villages and employees while week celebrations of environment.

CSR CHALLENGES

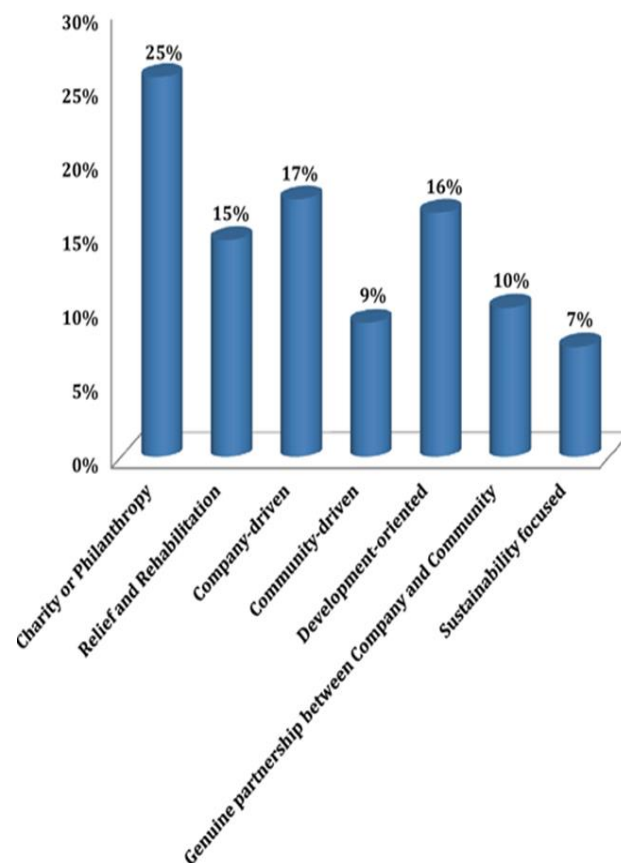


Fig. 1: Issues in Applying CSR

Fig. 1 shows the issue in applying CSR, While CSR has increased Indian acknowledgement among various sections still there are several challenges and issues in its effective implication and reach with lack of understanding, policy, non-availability of authentic data, coverage etc. are some of the challenges that are faced during the CSR initiatives. Firstly, there is Non-appearance of drill among people and unripe staff which is another problem for reducing initiatives of CSR. Times Group Survey indicated the various challenges that are faced in implementation of CSR activities. The survey indicated that there is an non-appearance of participation of communities in activities of CSR as well as interest of local community in contributing and activities of CSR and its participation due to lack of knowledge. Various initiatives have been made in order to make the local community aware about the CSR. Because of communication gap between both clients, states are further aggravated. Secondly, there is a

need to build local organizations which does not influenced by government because there is absence of effective organizations that can efficiently contribute to initiatives of CSR started by various companies. Thirdly, Transparency is main issues that has been discovered during the survey. The companies usually complaint that there is an absence of transparency in local organisations while implementing CSR as the information is not disclosed on their part regarding their activities, impact assessment, audit issues and use of funds. This absence of transparency effects trust making between everyone including businesses and communities, this factor is main factor for any CSR success. Fourthly, the gap in availability of organisation in rural and remote areas who can identify and assess the actual needs of work and community towards to help them and ensure application of activities of CSR. Lastly, factor of Visibility plays an important part as the media can highlight a CSR activity of a companies in a best way possible that can give an edge to the company in various dimensions along with an inside view to the local communities about the different initiatives initiated by the businesses company.

V. SUGGESTIONS

Firstly, by observation it is observed that creation awareness of CSR amongst local public in order to create it more efficient. That to be noted, the healthy partnerships in local communities, stakeholders, employees, society and government in general. That therefore recommended suitable steps should be accepted in order to address problem of “gap between various members” in order to make it work in more efficient and effective way.

Secondly, sustainable perspective must be included into present and CSR future strategies as it can help in achieving the long term goal.

Thirdly, the role of small and medium enterprises and their initiative towards CSR in

India should be focused on and in order to promote their contribution towards CSR initiatives. As, SME plays partial part in CSR compared with large enterprises. SME must be encouraged positively for contribution towards betterment of society.

Lastly, proper Monitoring of CSR activities should be done in order to create more transparency, in the system as well as it will help the society and company to grow hand in hand. The companies can partner with the NGO's and other non-governmental organisations in order to achieve the desired goal.

VI. CONCLUSION

CSR is also known as the self-governing model that ensures company to be socially accountable for the act and the impact they have on the society. CSR had face many hurdles' in order to get Indian recognition. It can successfully have interlaced company with environment sustainability and inclusion socials. From sustainable initiatives with responsive activities, corporate have noticeably shown their skill and commitment to create a significant change in society that we live in and enhance the life quality. In the current scenario, Difficulty is there to change form one single entity, as the number are big. Since Business have manpower, money, expertise and thinking of strategic to promote social change in the society. An Effective link between NGOs, government and corporate will abode development of Indian on fast pace.

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