

**CHAPTER II**  
**REVIEW**  
**OF**  
**LITERATURE**

## **REVIEW OF LITERATURE**

A Literature Review is an in-depth and comprehensive evaluation of the researches conducted previously. It is a synopsis and summary of a specific area of research permitting the reader to establish a connection as to why a particular research has been pursued. A good literature review expands upon the reasons behind selecting a particular research question.

In this chapter a review of interpretations and submissions of CSR as a theoretical concept by prominent scholars and their contribution to the field/ of corporate social responsibility Business/ethics is presented. Also a brief overview of the relevant researches carried out focussing on Corporate social responsibility as an essential approach is presented

The literaturessuggest that there is a increasing attention on various issues pertaining the social responsibility of Business. However, as per the above mentioned research by McWilliams, the comparative researches pertaining to perception of policymakers and implementers are relatively rare.

Thus it is of utility to refer the studies that have been conducted, and to develop research protocols to motivate further comparative work. Some of the studies are summarized below, with particular emphasis on the nature and type of CSR practices, the implementation strategies followed and the disclosure norms practiced among the companies.

Literature review for the current study focuses on various issues Comparative studies on CSR, CSR Practices, CSR implementation, & Corporate Social Disclosure Practices etc.

It has been bifurcated as under:

- 2.1 National studies on the selected variables
- 2,2International studies on the selected variables
- 2.3 Studies with major focus on Implementation and CSD.

Comparative studies of corporate social responsibility (CSR) are relatively rare, certainly as contrasted with other related fields, such as comparative governance or comparative corporate law. This comparison is to be expected in a field, CSR that is still ‘emergent’ (McWilliams et al. 2006). Notwithstanding these difficulties, comparative studies of CSR construe the relationships amongst the various actors that both comprise and influence companies. However a number of studies will be discussed here which will give a broad outlook on the area of CSR and will help in understanding the present study well.

## 2.1 National Studies:

**FICCI (2016) A study on Corporate social responsibility by FICCI (Federation of Indian Chambers of Commerce and Industry) 2016 investigates into the CSR practices of the companies in India.**

FICCI had earlier carried out data analysis of top 100 companies listed on the National Stock Exchange in collaboration with NextGen (India's leading technology based CSR and Sustainability Management Company).

The current study by FICCI is a survey based analysis. FICCI conducted this survey in February 2016 and extends to companies belonging to a broad array of sectors. The study tries to assess the involvement of management in CSR implementation, the strategy adopted by companies and how the companies are identifying and implementing the CSR projects. It also further explores a broad trend in budgeting for activities related to CSR.

The responses are sought from 150 respondents which include public sector undertaking, private companies as well as foreign MNCs. The Major findings reveal that 77% of the respondent companies described increasing in their budget outlined for CSR activities in 2014-15 compared to 2013-14. 5% of them reported that they have made allocation for CSR activities in their budget for the first time. The areas where the company focused for the CSR activities are mainly aligned towards promoting vocational skills, special education and education. These activities were followed by the activities pertaining to promoting healthcare, sanitation, safe drinking water, projects related to rural development, environment as various other primary areas of work related to CSR by the companies.

The companies (95%) were of the opinion that their activities were bent towards the government development initiatives i.e skill India, National Health Mission and SwachhhBharatAbhiyan. The findings revealed that the implementation agencies for CSR projects is done through the foundation established by companies while 36% opined that they carry out the CSR activities directly. 65% of the respondent companies partner with the other agencies (governmental and non-governmental) for the implementation of the CSR activities. The focus however remains strongly on the community according to the survey. The respondent companies indicated that they do face challenges during implementation of CSR activities the major being hurdles in getting clearances which causes delays.

*The finding of the above study also finds similarity in the findings of the present study. The present study also explored the policymakers attitudes towards various CSR Practices. It further explored the Challenges faced during implementing the CSR projects. The agencies chosen for implementing the CSR activities were also explored through the study. The present study also highlights that delay in response of the top officials acts as a major hindrance to implementation. As far as the foundations set up by companies for carrying out CSR is concerned it is also seen in the present study that considerable percentage of the public and private sector entities have a foundation which takes care of the CSR activities.*

*The present study depicts that the level of involvement of senior management official in the CSR activities and implementation is more which is validated by the survey undertaken by FICCI which also focusses on the same.*

#### **Study on CSR as regards to Mandatory Provision on CSR. (2015)**

The findings are according to the first report that has been published after passing of the new act. The Mandated Companies Act came in the Year 2013 with 2% mandatory spending according to their Net worth/Net Profit/revenue. However the data in the year 2015 shows that average spend-Rs. 6800 crore or 1.35% across 1000 companies as against the mandatory 2% spends.

The first year of implementation was the fiscal year 2015 wherein 75% of the companies reported CSR activities and 3855 companies we have in the BSE out of which 1300 qualified for CSR according to their revenue and profit and net worth.

Among these 75% of those 1300 companies i.e approximately 1000 companies actually implemented CSR programmes even though that was mandatory. As far as CSR programmes are considered 50% of those 1000 companies those were analysed spent more than 2% of their profits from last three years on CSR activities. 28% of the companies actually spent less than 1 percent .so the blended average is 1.35%. Another 10% i.e approximately 100 companies said in their annual reports that they are still analysing their plans and another 10% of the companies were simply silent. It was also found that smaller companies had higher spends. Those Companies with revenue 100-500 crores, amongst them 53% spent more than 2% & 26% spent less than 1%. Those Companies with greater than 10000 crore revenue—amongst them 31% spend more than 2%36% spend less than 1%. If we envision CSR where no one keeps a tab on how much has been spend and which activities has been spent on.

**AhmedkhalilMohammad (2013) “A Study on Corporate Social Responsibility in Indian Organizations”**

The study was taken up with the objective to explore the various definitions and descriptions of Corporate Social Responsibility (CSR), to study the theoretical concepts expounded by various researchers, to elaborate upon development of CSR in India & to study the deployment of current CSR practices in India.

The Scope of the study is limited to study concept of CSR and mostly focusing on the different CSR activities carried out by Indian corporates. The study was conducted using both primary and secondary data. Karmyog Study Report on CSR. Secondary data was collected from various books, articles, journals and blogs on CSR.

The findings show that:

- Business houses all over the world are increasing in realizing their stake in the society and engaging in various social and environmental activities. CSR holds a very important place in the development scenario of the world today and can pose as an alternative tool for sustainable development.
- As companies have shown great concerns for their immediate community and the stakeholders, it can be safely concluded that much of the fate of society lies in the hands of the corporate.

- A successfully implemented CSR strategy calls for aligning these initiatives with business objectives and corporate responsibility across the business principles to make CSR sharper, smarter, and focused on what really matters.
- There are several companies in India involved in diverse issues such as healthcare, education, rural development, sanitation, microcredit, and women empowerment. Analysis of several surveys in India suggest that though many companies in India have taken on board the universal language of CSR, CSR seem to be in a confused state. Individual companies define CSR in their own limited ways and contexts. The end result being that all activities undertaken in the name of CSR are mainly philanthropy, or an extension of philanthropy. It seems that CSR in India has been evolving in domain of profit distribution.
- There is a need to increase the understanding and active participation of business in equitable social development as an integral part of good business practice.
- A long term perspective by organizations, which encompasses their commitment to both internal and external stakeholders, will be critical to success of CSR and the ability of companies to deliver on the goals of their CSR strategy. Wealth has to be created before it can be distributed. The responsibility to create wealth is of business. And responsibilities and rights must go together. Hence, the society cannot disarm business of its rights which are essential for creating value.

With increasing and widespread commitment of corporate resources to CSR, attention is now shifting to the strategic formulation, implementation, and measurement of the market returns to CSR initiatives. But still a concern to companies is whether their focus on “doing good,” will provide positive returns to their CSR actions. This emphasize the need for better measurement models of CSR that capture and estimate clearly the effects of a company’s CSR actions on its stakeholders as well as the nations in which they are operating. In this paper it is highlighted that developing economy like India is progressing at a growth which is much higher to its social growth. It is increasing the gap between the different strata of society in the country in terms of employment, human development, capital distribution and poverty. Public sectors companies and government are continuously introducing reforms to achieve the balance but it seems that it is not sufficient to bring revolutionary changes in the social progress.

**Baxi C. V. & Rupamanjari Sinha Ray (2012) “A study of CSR Practices in Indian Industry”**

This study focuses on various aspects of CSR implementation in India. It has been presented how CSR implementation varies from organization to organization, including family based firms, public sector enterprises and private sector. The authors have explored the pertinent issues in implementation. The broad objective of this research study has been to probe into the challenges faced by the Indian companies during implementation.

A quantitative survey on the perception of employees and NGO's was carried out. A judgement and convenient sampling design was used for selection of companies. Of the top 500 companies in India, 300 were identified for inclusion in the study through a judgmental sampling.

The Major findings reveal that there is dispersion in responses and it has been found to be significantly different among various sectors. The awareness level also varies in many companies and even more negligible in organizations who are yet to formalize CSR activities in their operations. The findings also depicted that more than 40 percent of the employees agree that lack of knowledge of CSR is a major barrier to CSR implementation.

The findings also reveal that majority of the respondent companies have agreed to the presence of diversified agenda for CSR. The agreement in this respect is due to the fact that many companies have no specific direction of the CSR agenda and do not focus on any one area of CSR such as education, health or environment.

The knowledge of the concept is very limited and there is hardly any core competence in the field and sustainability itself is too meager or non-existent. About 54 % agree with the statement that social activities are not a mainstream activity. This result corroborates Friedman's thesis that CSR is a conspiracy against shareholders and the business of business is profit.

Gaps/Limitations of the study cited by the authors are mentioned below.

The questionnaires used as tools of collecting data could not suffice for providing additional dimensions to the concept of CSR. The authors found sectoral differences in CSR. The authors further directed that research studies in the areas of Sectoral differences in CSR and Sustainability, documentation disclosure and reporting practices, management of the CSR activities, The rating and ranking of CSR, various innovations in CSR activities undertaken by various entities and measurement of CSR outcomes should be carried out and should be the focus of research to be undertaken in the future.

***Relation to the present study:***

***According to Baxi C.V and RupamanjariSinhaRoy the lack of knowledge amongst the practitioners acts as a barrier to implementation. This finding is similar to the finding of present study which reports that there is a lack of knowledge among policymakers of various public and private sector entities regarding various international reporting standards and methodology of implementation. The suggestions have been provided for the same which majorly constitutes arranging training programmes periodically for the policymakers and the implementing authorities to keep them abreast of the latest developments of the field.***

***The investigator in the present study analysed that the companies do not necessarily focus on any one core area for CSR activities. The respondents revealed that they are involved in multiple activities such as environment, health, education, community development etc. This finding is similar to the study finding by Baxi C.V and Rupamanjari Sinha Roy that there is no specific direction in the CSR agenda and that the companies do not focus on any one area for their implementation of CSR activities.***

**Seemasharma (2011) in her study on “Corporate Social Responsibility in India”** attempts to examine the concept and practices of CSR in India based on the primary data collected from seventeen business houses in India. She has taken a stakeholder’s perspective towards CSR. She discusses CSR amongst select Indian enterprises and concludes with a critical evaluation of their CSR initiatives.

The CSR definition followed here is that it is the obligation of the firm to use its resources in ways to benefit society, through committed participation as a member of society, taking into account the society at large, and improving the welfare of the society independently of the direct gains to the company.

Methodology of the Study depicts that the sample size was 17 corporate houses. The sampling design adopted for the study was purposive sampling. The data collection tool was interview schedule which was used to get answers from the company regarding their CSR initiatives. The data tool focussed on eliciting responses on the profile, the activities taken up by the respondent companies, the details about CSR foundation/department if any and their perception and understanding of the term corporate social responsibility. The questions relating to the strategies applied for implementation was also included. The reporting aspect was also specified in the questionnaire to elicit responses from the companies. The respondents were the CSR heads and CSR staff (senior staff) in case of unavailability of Head CSR.

The Major findings depict that majority twelve corporate entities perceive CSR as an act of philanthropy. Other findings mentioned that CSR is used as a platform to assist the poor in our country while 4 respondent companies the term CSR is nothing but giving back to society. Other 3 respondent companies opined that CSR is nothing but giving back to communities by contributing towards their upliftment. As far as the understanding of the term is concerned, the findings focus that there is still diversity exists in the understanding of the term CSR. The respondent companies perceive CSR as an support to philanthropy.

The study finds that the CSR activities vary i.e one time charity, organising various camps, sponsorships etc. these activities are included under CSR by the respondent companies. The infrastructure development though being the responsibility of the government, it is seen that the budget allocations are done by the companies in the name of CSR. Though government collects taxes from citizens for the peripheral development and infrastructure development it is been observed that CSR activities are directed towards the same.

In such interventions, while the companies get credit in terms of brand image and goodwill in the community, the state gets to do away with its responsibility and may not spend money on the very infrastructures and improvements for which it has collected taxes from the citizens. It is the citizens who get to be on the debit side as the taxes paid by them may not be effectively utilized.

**GuhaLokaranjan, “A Study on Corporate Social Responsibility Rating: India Focus”**

**(2011), EIILM**

The study has analysed the companies which have applied and well aware of various standards namely ISO 18000, ISO 14000, ISO 9000, and SA 8000 to fulfil their safety, environmental, quality and social accountability etc. This study also focuses on the identification of significant roles played by academic institutions like TISS (Tata Institute of Social Sciences) and tries to show the current status and future status of CSR. The study specifies that majority CSR issues are measurable and this facilitates the ratings in this field. It also compares and highlights various corporate sectors on a similar platform. The investigator through this study identifies the ability of CSR ratings as a proper means to drive the corporates further up in the area of CSR. The study found Tata Steel (TSE) as one of the best illustration in this area specifically for the SMEs to follow and learn from.

**The findings are discussed below:**

India Inc. is beginning to get highly involved in the CSR aspect of their company. The study says that the CSR practices should be reported and disclosed in the annual reports for the interest of the stakeholders. It further adds that the rating should be obtained from a reputed agency. The study also says that the agencies approached for rating should also establish their truthfulness and credibility. The study identifies the need to the system of CSR rating needs an improvement. The research also highlighted the case of EIILM, Kolkata to elucidate this suggestion.

## **Impact Analysis of CSR schemes of ONGC, western onshore basin (Baroda District) (2011): Data from unpublished Research based project**

This paper provides insights to each of these dimensions of the interface between corporate social responsibility and the question of sustainability of the activities which ultimately leads to the sustainable development. ONGC's CSR Schemes have helped the community to grow into a self sufficient community. Whether this Government of India Undertaking (ONGC) is able to make a sustainable impact on the lives of people is the main purpose of this study which in turn, will be beneficial for the organization to know if they are on the right direction & adopt the corrective measures accordingly.

ONGC has spent maximum in education for example, setting up of computer classes, teaching equipment's, etc. After that comes health care & self-employment for the beneficiaries. Approx. 86% of the respondents has received the assistance from ONGC at least twice. This shows that the institution has always been generous in lending a helping hand to society.

ONGC has rendered help to these institutions in terms of health, education, self-employment, vocational training & setting up of dormitory for BalGokulam children. CSR should be done in such a way as to remove the 'begging bowl' from the individuals' hands. The impact must be sustainable. There were respondents who said that they are not very much satisfied with ONGC's help for the amount that was given was not at all sufficient. ONGC's contribution has helped the institutions in making their individuals self-reliant to a great extent. For example, the amount given to an institution was utilized in setting up computer classes for the children of lepers, 4 handloom machines were bought & the lepers were engaged in weaving & shoe making. This led to employment generation for the lepers thereby making them self-reliant.

As a part of CSR activities of the organisation, many got employment in motor-driving & beauty culture. But the impact was not so positive in 'leaf cup making vocational program'.

Before, the unemployment percentage was 88.89% which dropped down to 33.33% after the intervention. It is notable difference. Vocational Training in motor driving,

leaf cup making & beauty culture was conducted in few villages of ChottaUdepur. A total of 413 beneficiaries were covered. But impact was positive & sustainable, especially, in motor driving & beauty culture. But it led to one major drawback & that is ,migration'. People moved to bigger cities in search of employment. Hence, in such a case, the development of community cannot take place.

But overall if we look at the whole picture, the impact led is positive & sustainable but in terms of ,goodwill & mileage' the result is not so remarkable 64.29% said that the beneficiaries/individuals have become self-reliant & it has also improved the infrastructure & other facilities. The main aim of CSR should be to make the individuals self-reliant. And hence, this can be seen as an achievement for the organization.

85.71% believe that ONGC's help has been of a great benefit to the institution where as, 14% are not so satisfied with the help rendered. 50% of the total respondents say that the assistance has been of a great help. This shows their satisfaction level. 28.57% find it just sufficient. And, 21.43% say it was insufficient because the impact was not long lasting.

All of them said that yes, the contributions made by ONGC have led to society's upliftment to a great extent. 71.43% of the respondents said that the change has been long lasting because when an organization renders help in terms of infrastructure, Health care & providing employment facilities, the change is always positive long lasting. Whereas, when the organization renders only monetary assistance the change is either ,for a very small period' or , for a comparatively longer period" but not long lasting.

**Pradhan sanjay, RanjanAkhilesh (2010) "A Study on Corporate Social Responsibility in Rural Development Sector: Evidences from India. A government of India enterprise (RITES Ltd.)**

**It aims to investigate the** Corporate Social Responsibility (CSR) practices in the view of rural development. The kind of initiatives taken up for rural areas and the method of implementation has been explored. The impact of CSR actions on the socio economic development of rural people is also evaluated. The sample size constituted 14 public and private Indian firms. The major objective was to explain and understand

the CSR practices carried out by the respondent companies. The approach of the entities and the method of implementation has also been explored in this study. The web based research methodology , review of literature, and field visits have been adopted for the data collection pertaining to aspects of CSR in the present study. The findings reveal that the taking up CSR activities can equally benefit business alongwith the society. The implementation of CSR activities can be made more better which is one of the findings of this study.

The findings depict that the companies have few main agencies for implementation of CSR programmes. They carry out CSR activities through HR department, partnering with NGOs, educational institutions, and various other international agencies.

**KhalilAhmedMohammad (2010) “A Study on Corporate Social Responsibility in Indian Organizations”.**

The major objective of this study was to explore varied concepts and definitions of Corporate Social Responsibility (CSR). It also aimed at studying the perception of various researchers on the term and to explain the evolution of CSR and current CSR practices in India. The study confined itself by focussing on varied CSR activities carried out by Indian entities. The data used was both primary and secondary (Books, journals, blogs, karmayoug study report).

The major findings revealed that there is a realisation among the corporate entities regarding their stake in society and also their involvement in various social and environmental activities. The findings show that successful implementation of any CSR policy requires lining up the projects with business strategies and objectives which would make the CSR activity more effective.

The study emphasizes the requirement for measurement techniques and models related to CSR which would go a long way in assessing the impact of the activities undertaken for the stakeholders and development of community. The study further says that public sector entities are regularly introducing amendments to get the balance between the two but it has not been proved efficient to bring sustainable changes in society.

**M RamanaKumar (2013) A study on CSR “Analysis of Select Indian and Private and Public sector companies”**

The study focuses on the activities taken up by selected public and private sector companies. Reliance as a private company and ONGC as a public company have been chosen for the study. The study is based upon secondary data for the respondent firms for the year 2009-10 to and 2012-13. The research design adopted for the present study is descriptive and analytical research design. The main objective of the study was to look into the policies of government towards CSR and to analyse the CSR programmes of ONGC and RIL.

The findings depict that though the private and public sector entities are spending on CSR there still is a greater demand to spend more. The Budget for CSR of ONGC is more than that of RIL and average CSR score is also very high as compared to RIL.

**National Survey on “Corporate Social Responsibility Practices in India, 2010 TimesFoundation , the corporate social responsibility wing of the Bennett, Coleman & CO. Ltd. in partnership with TNS India and IRRAD to understand the underlying dynamics of CSR and the current situation in India.**

This Survey was developed by Times foundation of Times of India Group on CSR which conducted a pilot in four metros. This survey aimed at facilitating formation of a alliance of CSR activities so that they can be more focussed, streamlined and intersected to more substantial interventions. Investigating the current status of CSR is of utmost importance which is the major objective of this study. As per the study gauging the present scenario of CSR would give the stakeholders and other external agencies associated with the organisation an understanding of various initiatives and government’s role in the field as well. Various issues are given attention to in this survey viz. current CSR policies, stakeholders, details of the geographical areas covered, role of government & civil society and various recommendations and challenges.

**The Major Findings are mentioned below:**

The first finding which is brought forth relates to the Transparency issue. The survey finds that according to the respondent companies there is lack of transparency

amongst the agencies implementing the agencies and the information are not disclosed adequately and efforts are inadequate. This inadequacy in maintaining transparency was observed in matters pertaining to audit, the impact assessment and the way funds are utilized. This lack of transparency hampers the trust between the companies executing CSR and the local communities which constitute a prime driver to success of the CSR initiatives at the community level.

The findings also reveal that there is a great demand from all the external (customers, shareholders, communities, activist organisations) as well as internal stakeholders (employees) for greater disclosure of the CSR activities. The findings also revealed that the proper guidelines are not available on CSR and it has also been highlighted in the findings that the CSR activities should depend on their profile and size as well.

As far as implementation is concerned, the findings revealed that no consensus has been found regarding the CSR activities by the local agencies which is a cause of concern as it leads to duplication of the activities and hampers social impact assessment as well.

However there are certain points to ponder over from this study. This study reflects the current state of CSR in the responding industries. It recommends that appropriate steps are required to bring and put CSR on a proper perspective.

***Relation to the present study:***

***The present study also depicts that many corporates are working in the same area which might bring duplication of the CSR efforts. This finding is strongly supported by the study carried out by times foundation. Another important aspect where the investigator has found similarity is the corporate social disclosure practices i.e there is a great demand from all the stakeholders to disclose the spending and other particulars related to the CSR activities.***

**P. baburao "social sector activities of neyveli lignite corporation ltd" 2010**

His research study aims at making analysis of the peripheral/community development by regular extra-business contributions to the society. The company wants to maximise its contribution to the sustainable development of the localities in which it

operates & the company through its CSR activities wants to involve the interest of the stakeholders and establishing & strengthening the harmonious relationship of NLC with the local public. This corporation also aims at inclusive growth with appropriate value shared with all the stakeholders & Environment protection and up-gradation for the future.

In this study the assessment was carried out through the use of a case study methodology which employed interviews and documents as instruments for data collection.

*The case study assesses the social impacts on the local people residing in the periphery and In addition to this, the social impacts on the local people arising from copper mining were examined and it was found that the mining industry has negatively impacted on the social support systems of the local people and that productive land which could ideally be used for other developmental projects has been allocated for copper mining. The study therefore, recommends reinforcement of institutional capabilities and competencies for proficient long-lasting planning for sustainable development*

- This article attempts to bring out compendious account of NLC's involvement in social development initiatives and measure the social impact of such initiatives on sustainable development of the area in which it operates.
- *The study seeks to address an important contemporary issue, that of impact & sustainability of the social development initiatives in the area in which it operates. The study will make a holistic and systematic analysis of the impact of the social development initiatives. It is envisioned that the study will contribute to the sustainability of the activities through various recommendations which will ensure that the activities be taken up in a manner to ensure the sustainability.*
- Thus it goes without saying that copper mining companies are making tremendous strides at improving the lives of the local people in these mining towns and the contribution can not be ignored.

- Furthermore the community programmes developed and implemented by the company can be argued that these are just strategies employed to divert attention from real issues thus helping them to avoid regulations. Whether CSR in the company is profit driven or is aimed at the promotion of sustainability is difficult to ascertain.
- From the results of the present study one may even go as far as stating that CSR be reconceptualised as Corporate Social Necessity for the development of the community and the society at large.

**Rao P. S, SurveShyamkant (2010) "A study on Corporate social responsibility: Issues & challenges - An Empirical Research Study on Indian context of CSR"**

The objective of the study was to gain insight into why of CSR among the corporations alongwith other major objectives. The sample size constituted 50 companies in India. The major aim was to understand why a corporation contribute to CSR when it is directed majorly towards earning profits while there being other charitable institutions doing the same. One more focus of this study was to know the response of local people over the CSR activities conducted in their vicinity. The tool which was adopted to collect data was questionnaire.

The major findings show that majority 82.4% of the respondent companies agree that business is nothing but maximising profits. The involvement of the respondent companies in Various CSR projects is mixed while 70.6% of the respondent companies through their social activities stay connected to the community. Nearly half of the respondent companies opined that they have a clear policy on social development.

***Relation with the current study:***

***The investigator through the present study found a contradiction in the findings. The factor being related to the opinion regarding the business of the company to earn profits. The present study revealed that the policymakers do not feel profit being the only reason a business exists while the review study shows that the managers of the respondent companies opine in majority that the business exists only because of profits.***

**Alon, I, Lattemann, C.; Fetscherin, M. and Schneider, A. (2010).**

The research is a product of international survey, using telephonic interview and questionnaire, conducted in 4 key developing nations of the world, Brazil, Russia, India and China also known as the BRIC nations. The CSR communication and the role of corporate communication in managing it is the focus of this study. The CSR motivators, systems and focus stakeholders vary between the countries and China comes out to be least communicative about CSR issues. The implementation process differs between these developing nations and drawing understanding from India's intensity to CSR communication over China indicates that the level of economic prosperity cannot be a key determinant to CSR communication. Therefore an envelope approach cannot be adopted while understanding and analyzing the CSR activities and communication across these BRIC nations.

**Lattemann, C.; Fetscherin, M.; Alon, I.; Shaomin, L.; Schneider, A. (2009).**The article makes a comparison between the CSR communication of the Chinese and Indian MNCs and is based upon the fundamental issues probing the reason for lesser CSR communication made by the Chinese firms as against the Indian counterparts though the economic development is distinctly higher in China. Using country-industry and firm level factors a model is proposed which would help predict the intensity of CSR communication. The sample consisted of 68 largest MNCs operating in India and China and the result suggest the CSR communication is higher in India as against China because Indian has 'rule-based governance' as against 'relation-based governance therefore the country-industry factors. In terms of the firm-level factors, manufacturing industries communicate more CSR as against the service sector and other factors which impact CSR communication are the size of the firm and other corporate governance factors like the CEOs position and role and the presence and percentage of external members on the board. The paper concludes to hint at the executives operating in China and Indian and since the larger governance environment is different therefore CSR communication would also vary and any sort of change would be gradual because the national governance environment very slowly.

**KPMG in partnership with ASSOCHAM (The Associated Chambers of Commerce and Industry of India) carried out a survey.(2010)**

As far as the investment into CSR activities are concerned, it has been reflected in the study that all the respondent companies are aimed into more than one problem concerning community development. As far as standard reporting procedures are concerned, the efforts three organisations (i.eDr. Reddy's Laboratories, Reliance industries Ltd, Infosys Technologies Ltd) were highlighted considerably. According to the study these organisations have analysed, understood and brought out the reporting in CSR easily.

The below table highlights the efforts of the companies towards community development, though not being an exhaustive list it surely reflects a good understanding as far their efforts social issues are considered.

Below are some case studies which are reviewed from the White Paper published by KPMG (in association with ASSOCHAM).KPMG in India (2008). Corporate Social Responsibility--- Towards a sustainable Future. A White Paper.

**Summary of CSR Initiatives by Companies in India (KPMG India's Compedium)**

| <b>Company</b>                           | <b>Initiatives</b>   | <b>Partnerships</b>  | <b>Foundation</b>                      |
|--|--|--|--|
| Abhijeet Group                           | Health, education, employment, environment, community development  | NGOs, Local cooperatives   |  |
| Ambuja Cements                           | Poverty Reduction, Reducing Child Mortality, HIV/AIDS, Education and Environment                                   |  | Ambuja Cement Foundation.              |
| Bharat Petroleum corporation Ltd. (BPCL) | Health, Education, Infrastructure, Income Generation, Vocational Guidance, Livelihood and Environment Conservation | Villagers <ul style="list-style-type: none"> <li>• NGO partner-Research Analysis consultants</li> <li>• BPCL teams (HR, CSR, other Depts)</li> </ul> |  |
| ACC Ltd.                                 | Education, Health, Environment, Livelihood and waste Management  | Development Alternatives, an NGO.  |  |
| Apollo Tyres                             | Health (HIV AIDS) Programme with its supply chain  | DFID   |  |
| DrReddy's Laboratories                   | Microfinance, Education, Health, Environment, livelihood and Social Entrepreneurship.                              | Employees  | DrReddy's Foundation, Nandi Foundation |
| Infosys Technologies Ltd.                | Education, Health, Environment, Livelihood.  | Board Of Directors, employees, NGOs and cooperatives   | Infosys Foundation.                    |

| <b>Company</b>                  | <b>Initiatives</b>   | <b>Partnerships</b>  | <b>Foundation</b>   |
|---------------------------------|--|--|---|
| Lodha Group                     | Education and Environment  | Khushii, and NGO works for the upliftment of the poor and destitute communities in both rural and urban India  |   |
| Motorola India Pvt Ltd.         | Education, Environment, Community  | Indian Universities Concern India Foundation at Hyderabad, Shristi Special Academy and Parikrama Humanity Foundation at Bangalore  | Motorola Foundation and Foundation for Advanced Education & research (FAER) |
| Reliance Industries Ltd.        | Microfinance, Education, environment, Health, Livelihood, community development, child welfare and infrastructure development. | Public private partnerships with various agencies.   | Reliance Rural Development trust, DhirubhaiAmbani Foundation.               |
| Bennet Coleman and company Ltd. | Education, environment, Livelihood, Women Empowerment, Disaster Management, climate change and capacity building.              | Partners are chosen on the basis of their defined mandates, credibility, financial accountability and scope of initiatives such as Human Rights Watch, London school of Economics, World bank, INTRAC, John Hopkins University, Corporate Foundations, Governments in India and overseas and grassroots organisations among others | Times Foundation.   |

As per the study, the key areas of focus which are being included in the practices of corporates are mentioned below.

The study reveals that the number of companies partnering with the government and Non-Governmental organisations to carry out the CSR initiatives has been growing. The companies with huge investment and Net profits are directing their CSR initiatives towards the development of the community through the activities related to education, agriculture and health. These companies have been seen as contributing to these initiatives through their foundations. The findings also depict that the companies have adopted the environmental standard ISO 14001 into their business.

***Relation to the present study:***

***The focus of the CSR initiatives according to the investigator is into multiple activities i.e Health, Education, Environment and community development which is quite similar to the findings of the study undertaken by KPMG i.e the investment into CSR activities related to Health and education are growing.***

**“A study on the CSR activities” (2010)**

As far as the corporate social responsibility (CSR) disclosure norms are concerned, the name of India has been produced among top 10 Asian countries. India was ranked fourth in the list, according to social enterprise CSR Asia’s Asian Sustainability Ranking (ASR), released in October 2009. **The 2010 list of Forbes Asia’s ‘48 Heroes of Philanthropy’ contains four Indians.**

As per a study carried out by an industry body in 2009, which investigated and explored the CSR activities of 300 corporate houses, it is found that the CSR activities in India are being carried out in 20 states and union territories as well. Maharashtra state contributes to CSR (36%), Gujarat (12%), Delhi (10%), Tamil Nadu (09%).

As far as the causes are concerned, it has been found that the corporate houses have identified 26 themes for CSR. Amongst which the community welfare is the highest which is followed by the initiative related to education, environment and health.

**Khan and Atkinson (1987) “A Comparative study on managerial attitudes to social responsibility in India and Britain”**

The study undertaken by these authors did an analysis of the top executives in both the countries of the notion of Corporate social responsibility. The research study explored Organisational changes and involvement in social action programmes, and problems of implementing and monitoring Social Responsibility. This research study basically reports on the attitude of managers on Corporate social responsibility in India and Britain.

It states the debate between those who believe that in different countries patterns of corporate response to social issues are shaped by common contingencies of industrial development largely free of cultural effects and those who stress the influence of unique cultural factors. The study had investigated these different issues in the light of direct comparisons of managerial responses to social responsibility in two countries. India and Britain.

The objective of this study is to discover the perceptions of senior managers of the place of social responsibility in Indian and British industry and to compare the patterns of actions that are being taken by the Indian and British companies for social improvements.

The findings of the present survey indicated that nearly 98 per cent of Indian executives and 94 per cent of British executives in our samples agreed that social responsibility was relevant to business but there was less agreement on the relative importance of social goals to economic goals. Only 54 per cent of British managers and 75 per cent of Indian managers said that social goals were very essential as well as profit goals. These responses are not contradictory.

**Pingoliyashashi(2009)“Towards strategic corporate social responsibility in India: A study of ‘Maharatna’ companies” NTPC, madhyapradesh**

This study discusses different approach of 'maharatna' companies towards corporate social responsibilities. The study begins with analyzing the contribution of maharatna' companies in the growth story of India inc. it also explains the financial sovereignty available for these —Maharatna.

Progressively it enlists their different approach towards corporate social responsibility (csr), in the areas such as institutional arrangements, participation, monitoring & evaluation, key thrust areas and award & recognition etc. positive transformations, in strategies related to corporate social responsibilities after dpe guidelines are also enumerated in the study. a quantitative study has been carried out to look into different areas of CSR. Exploration of qualitative variables would give much more depth to the study.

**Dr. Anshuja Tiwari & Ms. Babita Yadav (2011) "Corporate Social Responsibility  
"A study on Life Insurance Corporation of India"**

This is a descriptive study conducted to assess the various CSR initiatives undertaken by LIC, such as janashreebimayojana, swarnajayanti gram swarogaryojana, sikshasahayogyojana, etc., to uplift the poor and exploited and to study the impact of CSR on LIC life insurance business. it is based on secondary data sources such as insurance publications, LIC annual reports, IRDA journals, websites, newspapers etc. the company's brief profile, major CSR projects, impact on company and society, issues and challenges in the implementation of CSR has been discussed in this study at length.

The findings reveal that CSR has a positive impact on both business and society, improves profit and also enhances the brand image of a company involved in CSR related activities. From a practical perspective, the study is needed to assess whether the investment in CSR is worthwhile or not. The study concludes that CSR is now an integral part of organizational objectives and becomes an effective tool for the company to differentiate itself from their competitors and hold a strong position in the market.

**Dr. (fr.) Alex Eekka, Sjl& sr. LalitaRoshniLakra, (2010)DSA“whether state's  
social responsibility” Xavier Institute of Social Sciences.**

While it is laudable that the state makes corporate social responsibility mandatory, it becomes an anomaly when the government fails to abide by the same. This case of the state's social irresponsibility needs to be examined so that its social responsibility can be promoted.

In a recent case at nagri village of jharkhand, the government has exhibited a gross social irresponsibility by claiming to acquire about 227 acres of agricultural land. the land acquisition process had started in 1957 for a seed farm for the thenrajendra agriculture college. Only a few landowners received some compensation. the land was not used for the seed farm. Now the government wants to give it for the construction of IIM, Ranchi; Law University and IJIT. Since the land was never acquired by the government, the people have asserted ownership rights over their lands with legal documents. They also cultivate them. to make the matter worse the administration is constructing the boundary wall on this land despite people's resistance. When no pleas of the people were heard by the high court, the government and the governor, the nagri villagers demolished some portions of the boundary wall but suffered heavy casualties at the police barbarity.

**Ansuman Chatterjee, "Corporate Social Responsibility: The Best Practices and Bottlenecks", Christ University Institute of Management, Christ University, Bangalore.**

In recent times, the central driving force of business has seen an expansion in its scope. What used to be corporate financial responsibility is now replaced by the corporate social responsibility (CSR). CSR is oftentimes also described as the corporate —triple bottom line the totality of the corporation's financial, social, and environmental performance in conducting its business. This paper is exploratory in nature and emphasizes the reasons that necessitate the corporates to remain socially responsible. It further attempts to identify the importance of stakeholder engagement and the process involved in it.

Additionally, an attempt is made to recognize the good practices and potential bottlenecks in the implementation of such policy and facilitates the companies to find practical solutions in the Indian context.

**PinkiKumari, Ms Avneesh Kumar, "CSR: From Voluntary to Mandatory" Department of Social Work, University of Delhi.**

This study looks how companies perceive the the new rules and plan to cope up with the same.

A positive approach is needed on the part of companies for healthy compliance with the new rules. CSR activities establish a mutually beneficial link between a company and its surrounding society. Nature of that link would not change because of the changes in the Companies Act, but the perception of CSR as a charity activity would certainly fade away at least for bigger companies in the short run.

The new mandate would be having varying effects on the extent and impact of CSR activities of various companies depending upon whether they took initiatives for undertaking CSR activities or neglected them altogether.

It would also be interesting to see how the funds earmarked for CSR is being spent by these companies. 2% of their net profit to be spent in CSR would bring a lot of money in this sector. There will also be a question mark on the accountability of this huge sum of money. Whether the money is really being spent on useful CSR activities for the well being of the communities in the catchment area of the companies or just to pay huge salaries to their employees is still to be seen.

Nothing can be said with certainty about how the outcome of an activity changes if that activity is forced upon in place of leaving that to the discretion of the companies. There would be cases where companies would try to meet the regulatory requirement in letter only and not in spirit.

**R.S Raman (2006) A study on “Corporate social reporting in India- a view from the top”**

Very few studies in India have actually focussed on Corporate social reporting in India. This study is exploratory in nature and has been conducted with the top management as the respondents. This study investigates the perceptions of top management on the reporting aspect of CSR. The technique of content analysis is used in this research study. The chairman’s message in the annual reports have been investigated and the content of social reporting has been studied.

## **Studies on Drivers of CSR**

The various literature available in the field suggests that there are external and internal drivers to CSR. Better brand building and risk management, attracting and retaining better human resources and innovation in markets and product development are important internal drivers for CSR while Governmental policies and the context of business operations in terms of the industry norms, pressure from the industry bigwigs, national culture are important external drivers to CSR.

Swanson (1995) identified three motivations that encourage firms to commit to CSR. The first motivation is strictly utilitarian; that is, CSR can be utilized to enhance profits, raise investment returns, and increase sales volume. At times, corporations adopt CSR policies in order to satisfy their stakeholders' behavioral norms. This second motivation is termed a negative duty approach. In contrast, the third motivation - the positive duty approach - weaves CSR principles into the corporation's identity. This motivation evidences itself in businesses which are proactive, aiming for a positive impact on society.

**Hakhu Rahul, (2010) "A study on Corporate Social Responsibility- An Indian Perspective", School of Management and Social Sciences, Thapar University, Patiala (Punjab), INDIA.**

In this paper the author has made an attempt to discuss the various issues related to Corporate Social Responsibility (CSR) in India. In addition, the studies pertaining to the status of CSR in Indian corporate sector have been critically elaborated during pre and post liberalization era.

It is also evident that most of the forward looking companies in India have strongly been adopting CSR in their corporate policy to accomplish competitive advantage, profitability and performance in the light of liberalized world.

In addition, it provides valuable information to the companies of India and other primary stakeholders about the prospects of development, reputation. In India, the government has been providing due emphasis on 'The growth of the CSR as a vehicle for transformation of the agrarian economy to the path of industrialization'.

The major findings of the study are:

- There is a strong relationship between organizational commitment and employee perceptions of corporate social responsibility (CSR). CSR is positively related to organizational commitment and that the contribution of CSR to organizational commitment is at least as great as job satisfaction. The happier people are within their job, the more satisfied they are and the job involvement is very much."
- An organization's CSR efforts also positively affect an employee's personal outlook of the future, satisfaction with their job and confidence in the company's future, keeping in view the Indian scenario satisfied employees have a favourable evaluation of their job, based on their observations and emotional experiences. CSR is gaining ground in India and corporate houses are realizing that 'what is good for workers -. their community, health and environment is also good for the business. The role of companies is to provide society with goods and services legally, efficiently and profitably and the manner in which companies discharge their responsibilities towards society affects their public reputation and their ability to recruit and retain and committed employees.'
- Corporate social responsibility (CSR) considers private companies as potentially important development agents, particularly in partnership with the government. It also describes important benefits of the CSR concept for government. Corporate Social Responsibility (CSR) has communicative demands that present an opportunity for strategic communication to become part of the organizational management structure.

The author in this study emphasises that corporations should be more responsible which will lead to economic development of the country.

**A study conducted by Dalia and Rosa, (2009), titled “The Role of Public Sector in Corporate Social Responsibility Development in Lithuania”**

This study emphasizes to analyse the concept of Corporate Social Responsibility and to identify the main driving forces of CSR development in the public sector, and the main barriers. The questionnaire for the survey was based on the main assumption about the role of public sector in promoting CSR and revealing the mandating, facilitating, partnering and endorsing role of local governments in CSR development in Lithuania. The questionnaire related to the main barriers of CSR development and measurements to overcome these barriers were incorporated in this study.

The finding shows that the Lithuania local bodies play a minor role in partnering, mandating, facilitating, and endorsing CSR in the country and the main barrier for CSR in the country is lack of information and knowledge, lack of financial resources, human capacities and resources that to be active leaders in promoting the idea of CSR in society.

**Khan, Shiban “A Study on conceptualizing corporate social responsibility: An Indian perspective”**

This study was set out with the objective of exploring ‘what’ is CSR in India.

- The findings show that the conceptual framework shows that CSR in the Indian pharmaceutical industry is placed within the realm of the Gandhian social trusteeship theory. The societal demands determine the principal CSR activities, and concentrate largely on healthcare and education.
- The principal beneficiary of the companies CSR activities are its employees, followed by the employees’ families and subsequently to the larger community. Thus, a definition for CSR in the Indian pharmaceutical industry would follow as: “CSR in the Indian pharmaceutical industry means sharing a company’s wealth with the society – engaging the company’s resources for the benefit of the employees, their families and the larger community, contributing to their most urgent social development needs in a methodical and systematic manner, without necessarily expecting financial gains.”

- It also found that it is but a modern twist on the traditional philosophy of Gandhian social trusteeship, and not so much a replication of Western concepts as the triple bottom line. This paper contributes to CSR's theory-building process and all its various gradations by crystallizing the concept from an emerging market perspective, and shed some much needed light on the context's future research and practice.

## **2.2 Studies Conducted Globally.**

**A study on Corporate social responsibility in the 1920s: an institutional perspective** By: **Richard C. Hoffman, (2007), "Corporate social responsibility in the 1920s: an institutional perspective", Journal of Management History, Vol. 13 Iss: 1 pp. 55 - 73**

The purpose of this study is to better understand the origins of modern corporate social responsibility. The paper seeks to examine some factors that enabled the new industrial corporation to expand its role in society.

Using institutional theory, this paper describes how some of the institutional characteristics of the modern corporation itself provided some opportunities or challenges in terms of gaining social legitimacy.

### **Findings:**

- The institutional features of the corporation, its technology and management created new demands on the corporation by society. These in turn led to the development of such concepts of corporate social responsibility as: public relations, service, trusteeship, and public welfare.
- The findings also reveal that the development of corporate social responsibility is inextricably involved in the historical, socio-economic, political, and organizational features of the society and time period under consideration. These are the institutional forces that seem to shape the concepts of what exactly that responsibility should be. During the prosperity of the 1920s, business had its greatest social and political support simply because it performed its economic functions well. The modern corporation was firmly established and well financed during the 1920s; consequently, their managements could afford to take a long-run view, philosophize about their role in society.

**Saboji, and Indira, (2010), An Analysis of Corporate Social Responsibility of Indian Firms**

- The aim of this paper is to explore different areas of CSR covered by the companies in India and to have a comparative analysis of such practices of Indian companies and MNCs working in India. The sample for the present study consisted of 38 companies including 18 Indian companies and 20 MNCs of different countries working in India across various industries. The data thus generated was analyzed with the help of ANOVA and factor analysis. The study finds that there is a little difference in CSR practices of Indian companies and MNCs and that is in terms of importance/focused areas of CSR. Companies are adopting CSR practices of environmental marketing, sustainable development, local community support, and transparency and accountability.
- The author from the study reflects that MNCs are adopting almost the same CSR practices as adopted by their counterpart Indian companies. Thus, MNCs are adhering to the prevailing business practices in host countries.

**Albareda, Laura; Lozano, Joseph M.; Tencati, Antonio; Midttun, Atle; Perrini, Francesco.(2008)**

In their article, the writers have attempted at comparing the CSR initiatives and public policies of three countries. They have also tried to bring out the role of the government in promoting business to adopt CSR as a part of its values and strategies.

The governmental agencies draft an appropriate vision, value and strategies infused through new strategies and the association of various stakeholders along with governments over the last decade has lead to the governmental agencies reflecting a pro-active approach and assuming the role of a key driver of CSR. Further, there have been inter-governmental organizations which have led to drafting favorable public policies which would further encourage a keener sense of CSR.

They have attempted at comparing the CSR initiatives and public policies of Italy, Norway and United Kingdom to study the governmental support and response to CSR. The common thread running through all the three governmental agencies indicate that promotion of public private partnership is critical for an effective and a

successful working of CSR but at the same time the researchers have also focused upon the differences in the public policy of the three governments which is primarily due to variance in the prevalent culture, political framework, organizational structures and the and the business and social background of the respective country.

## **MOTIVATORS OF CSR**

### **Rowe, M. (2006).**

In this research article various motivators of CSR are theoretically analyzed and the writer has discussed 3 critical reasons, risk, relationships and reputation “the three R’s” for the business entities to promote CSR in their organizations.

The elaboration of the element of risk suggests that as the interconnectivity of business is rising and there is a rise in the number of transnational and multinational companies the risk element also increases. The risks include managing relationships with both the internal and external stakeholders and the manner and management of these relationships have a direct impact on the reputation of the company. Therefore the outcome of the risk management – positive or negative holds a direct association of the company finding itself into upward or downward spiral.

**Ona, M and Juozas, R. (2008).** The paper deals with the premise and knowledge that CSR is gaining importance in the present times and is an activity which every organization will undertake but the environment in which the present business is operating is highly complex. It further elaborates upon the three broad categories in which stakeholders can be categorized and the employees form the core integral group through whom organizations will be able to achieve the implementation of ethical corporate behavior and therefore the success and failure of the CSR objectives will largely depend upon the employees willingness to collaborate and support the CSR activities of the organizations. The writers therefore build a case for the organizations to understand the needs of the first group and ensure that the management of employees should be done to attain competitive advantage through a strategic deployment of the workforce. The deployment can be best achieved through a combination of cultural, structural and personnel techniques. The writers validated the concept of total quality management including human resource as a critical asset amongst the Lithuanian employees through the survey method. They went on to

understand the role of CSR in enhancing the motivation, employee morale and commitment such that they are able to recommend exact HR practices which would lead to innovation and flexible employees who are committed to the cause of the organization including making the CSR activities of the organization a success. This in turn would lead to attracting better and more committed employees.

### ***History and reasons for the need of CSR in India***

**Gautam, R. and Singh, A. (2010).** The article brings out the varied understanding and definitions of CSR which prevail in India and how CSR has developed in India. The key issue dealt by the researchers, through an exploratory study, is the various CSR related practices which flourish in India and a sample of top 500 Indian companies were analysed to identify their practices and draw a picture of the prevalence of CSR related activities in India. Further the Indian CSR practices are mapped against the Global Reporting Initiatives (GRI) standards – internationally accepted CSR reporting guidelines. Content analysis technique was employed to analyse the data to find that CSR activities in India are not a disjointed corporate affair but form an integral part of the business strategy because stakeholders consider it high as it can have an impact on the core business activity affecting its turnover and profit. Therefore a concurrence between CSR and business is apparent though such relevance to CSR is paid by a small number of companies who have a systematic and structured approach to implementing and communicating CSR. Most companies are still making ‘token gestures’ to CSR which often is a by-product of the philanthropic activities of the companies. The umbrella of CSR related activities is very diverse since different companies define CSR differently to suit their organization type and CSR activity sphere.

**Arora, B. & Puranik, A. (2004).** The authors discuss about CSR in the context of developing countries with a special focus on India and base their arguments on the ground that since CSR is a north-led phenomenon, its chances of fitting into the Indian frame with its unique socio-economic dimensions seem to require structural alternations. A development-oriented framework is applied to the prevalent CSR practices to contextualize CSR practice in a country like India suggesting that the western orientation and modeling of CSR needs to be modified to fit the Indian frame

and be a success. An analysis of the present condition of CSR practice by corporate in India is made to conclude that has liberalization and globalization has galvanized the momentum of practice of responsible activity in India but attachment and association to philanthropic deeds still reins high and there is a distinct mismatch between the extraordinary financial growth which several Indian business houses have achieved and their association to CSR as a practice. The paper recommends a shift in the mindsets of the Indian businessmen towards adopting CSR as a strategic business practice as against stray deeds of welfare in the form of philanthropy.

**Narwal, Sharma, (2008)**, studied the Perceptions of Corporate Social Responsibility in India empirically. The research studies the perception of indian society on CSR. The data has been primarily collected through questionnaire in Northern India. The Data Analysis has been done with the help of factor analysis.

The major findings reveal that society holds both positive and skeptic view of CSR activities and expects a responsible behaviour from corporates. *The process of further integration of the society and business is required and the business has to reinforce the positive momentum to strengthen the confidence in the society. The study is useful for the corporations to understand the societal perception on corporate social responsibility, which may help them to redesign and reposition their social responsibility activities.*

## **CSR IMPLEMENTATION**

### **Pradhan sanjay, RanjanAkhilesh (2010)**

In a study to understand the CSR initiatives being taken by selected public and private Indian companies for rural development, Sanjay Pradhan and AkhileshRanjan (2010) found that companies implement CSR programs with respect to rural development through following four types of institutions.

1. CSR activities implemented directly by the company through its own
  - a) CSR division
  - b) Human Resource Department
  - c) Local management of manufacturing unit

2. CSR activities implemented through a foundation
3. CSR activities implemented through partnership with NGOs, academic institutions, international agencies;
4. CSR activities implemented through partnership with Government.

This study concludes that social responsibility is regarded as an important business issue of Indian companies irrespective of size, sector, business goal, location of the company. Because Indian companies are realizing that without socio-economic development of the local communities, there can be no stability and sustainability for doing business so as to compete with the global market. The authors conclude here that a wide range of CSR initiatives ranging from income generation activities for livelihood, health check-up camps, mobile health services, education, adult literacy, agricultural development, provision of drinking water, management and development of natural resources, infrastructure facilities being carried out by the companies.

**Researching Corporate Social Responsibility: An Agenda for the 21st Century**  
**Author(s): Paul C. Godfrey and Nile W. Hatch Reviewed work(s): Source:**  
**Journal of Business Ethics, Vol. 70, No. 1, Today's Ethical Issues: Perspectives from the Business Academic Community (Jan., 2007),**

Here in this study, the current state of the art across a number of academic disciplines, from accounting to management to theology. In a world that is increasingly global and pluralistic, progress in our understanding of CSR must include theorizing around the micro-level processes practicing managers engage in when allocating resources toward social initiatives, as well as refined measurement of the outcomes of those initiatives on stakeholder and shareholder interests. Scholarship must also account for the influence of diverse and even mal-adaptive, stakeholders as well as more fully incorporate non-Western philosophical and economic perspectives. Based on this review, we pose five questions that scholars from each of these disciplines should address as the CSR field moves forward. We hope our questions provoke deeper thinking and greater rigor and attention.

Corporate social responsibility (CSR) is a tortured concept within the academic literature. Sparked by a relatively simple idea-corporations have obligations to society that extend beyond mere profit-making activities. Scholars have struggled to achieve a clear paradigm, let alone a common language to guide the conversation.

This study differs from most in that instead of focusing research around a single area, the forum invites scholars to present beginning and current researchers with assessments of ethical and social responsibility issues from many different disciplines. In this study instead of advocating a particular issue or model, a larger and longer view and provide key questions for those interested in corporate social involvement in general are taken. If every special issue and article were like this one, our collective knowledge would never advance; however, with no forums such as this to assess the current state, raise provocative questions, and offer our own biases and preferences, our collective knowledge would stagnate and degenerate into internecine warfare.

Collaboration of Companies with NGOs

### **C&E Corporate-NGO Partnerships Barometer (2011)\***

**This survey has been published in a report by C&E Advisory** reflects that corporates and NGOs feel very differently about benefits of non-financial support. The sample size for this survey consisted over 150 leading companies and NGOs. The report also highlights various agreements and disagreements amongst the sample entities.

The findings reveal that 71 percent of businesses stated that harnessing their competencies and non-financial resources would make much more of an impact on the fulfillment of their NGO partners' objectives. The primary reasons why corporations engage in partnerships is Reputation and credibility according to the findings of the survey (Reputation and Credibility 92%, Innovation 62%)

The findings of the survey discovered a clear shift towards companies and NGOs engaging in more strategic partnerships. Nearly 57% of corporate respondents classify over half their partnerships as 'strategic' – an increase of 14% over the 2010 equivalent.

Companies and NGOs feel very differently about the benefits of non-financial support and how these should be applied. 71% of businesses believe that harnessing their own competencies, brands and non-cash resources would make much more of an impact in helping their NGO partners' fulfil their mission, than would purely cash-based relationships.

The Barometer while exploring the role of the public sector in partnerships found that many key partnerships involve the public sector. Indeed, only a fifth of respondents indicate that none of their partnerships involve the public sector entities.

The survey also says that the public sector influences cross-sector partnerships by setting an enabling framework, and by acting as a source of leverage and funding for corporate-NGO partnering.

**Chhotray Veena (2008) Ministry of Social Justice and Empowerment,**

According to her Private Sector has come out in favour of social responsibility and demonstrated their support for the Government's commitment to provide greater economic opportunities to the disadvantaged. The private sectors have also undertaken initiatives for enhancing employability. The needs for new and more effective forms of interventions at grassroots level, addressed at disadvantaged sections are needed.

It was also said that CSR can help to boost the employee morale in the organisation and create a positive brand-centric corporate culture in the organisation. By developing and implementing CSR initiatives, corporates feel contented and proud. The sense of fulfilling the social responsibility leaves them with a feeling of elation. Moreover it serves as a soothing diversion from the mundane workplace routine and gives one a feeling of satisfaction and a meaning to their lives.

Ahwa, D. & Mohan, J. (1983).

This research based article is a very early introspection into the subject of CSR disclosure in India. The primary objective of the study was to understand the degree of CSR disclosure in India and the factors which impact them.

The findings of the study during the 80's when the term CSR was not much established in the country, it was found that less than 25% of the companies disclosed about 40% of the CSR activities in the annual reports and an equal number disclosed less than 20% indicating a very low CSR disclosure practice amongst industries in India.

It was found that the private sector entities disclosed more than the public sector entities irrespective of the type of company. It was seen that the service sector was outperformed by manufacturing sector in terms of Corporate disclosure of CSR.

The findings revealed that the total assets and the profit margin of a company affects CSR disclosure positively while it remains unaffected by the age of the company and net sales.

From the findings of the study the authors recommended that CSR disclosure is significant aspect and it has a positive impact on the image of the company.

**Murthy, V. (2008).**

In this research by Murthy, the annual reports of 16 software firms were analysed belonging to the year 2003-2004. The aim was to understand various stakeholders who were addressed through the annual reports. The technique of Content analysis has been used for the study. The findings suggested that most highly reported were Human resources followed by community development while the least disclosure was about environment in the annual reports.

Most CSR related information was not substantiated by quantitative attributed and was purely descriptive and fell as miscellaneous disclosures because they were included in the 'Others' section of the annual report though a few reports did carry a specific section and some also disclosed CSR in the introductory section of the annual report. The drivers for disclosures about different stakeholders varies – customers are disclosed about to match the global competition, community is catered to because of the expectations from the surroundings and the dearth of skilled talent drives the disclosure relating to human resources in India.

The study found that the driver for disclosures by the companies in case of different stakeholders varies. The customers are disclosed to match the competition globally, community was disclosed because of expectation from the surroundings and paucity of skilled talent drives the disclosure pertaining to Human Resources in India.

**Lattemann, C. Fetscherin, M.; Alon, I.; Shaomin L; Schneider, A. (2009).**

This research study is a comparative study to look into the communication of CSR in two countries India and china. The study helps to understand the reason behind china communicating less than the firms in India inspite of having higher level of economic development.

The sample size of researchconstituted68 MNC's in India and China which showed that Indian firms communicate more CSR primarily due to a more rule-based, as opposed to relation-based, governance environment. It was found that the firms in manufacturing industry tend to communicate more CSR.

Further, characteristics like size, duality of CEO and board chairperson, and percentage of external members on the board have a significant influence on CSR communications.

The theoretical implication of the study was to bring out perspectives relying not only on firms, industry and specific factors but on governance environment. The study also suggested that in order to improve the CSR of firms, policy makers in India and China must first try to improve public governance at the national level. For the countries dealing with India and China it is necessary to know the CSR well.

The study suggests that the disclosure practices does not change very fast and so does CSR.

**Morsing, M. and Schultz, M. (2006).**

The article critically analyses CSR communication with the stakeholders' perspective and how there can be both positive as well as negative impact of CSR communication and toaware of the environment the researchers suggest the theory of sense- making for an effective understanding of the communication process. They suggest through empirical evidence that the managers involved in CSR communication should be constantly aware that CSR communication is like a 'double-edged' sword which may boomerang and therefore it is important that communication managers should try and involve stakeholders in the process of CSR communication as a step towards 'pro-active' CSR endorsement. Lastly the article indicates that non-financial reports can also be used as a tool for indirect CSR communication.

*This article suggests that managers who are involved in CSR communication should be aware of recent changes and developments. As far as possible the stakeholders should be involved in the process of CSR communication. The Non financial reports for indirect CSR communication is also suggested.*

**Ziek, P. (2009).**

The researcher has attempted to interpret the current situation of research in the area of CSR communication and has mentioned that various studies have conducted attempting to understand CSR communication but they all include or rest upon varied theories or approaches to CSR and fail to explicitly present a set of communicative behavior which would indicate the virtuosity of the organization and its responsible activities implemented as CSR. Most large firms communicate CSR and primarily rely upon the traditionally accepted understanding of CSR as a virtuous deed indulged in by the firms. They follow the patterned communicative behavior to make utmost sense to the stakeholders. Therefore the researcher suggests that most CSR communication related literature lacks a simplistic approach and therefore this paper provides an illustration of accounts which convey CSR communication in a noncomplicated manner.

## **2.6 Corporate Social Reporting practices around the Globe**

### **Western Countries:**

There has been multitude of studies on CSR of western countries. Two decades ago, a gradual increase in CSR has been observed in Australia over the years (Guthrie & Mathews 1985; Trotman 1979) although a gradual decline has been noticed in the USA among firms (Ernst and Ernst 1978). However, more recent research in the mainland European countries indicate that firms have extensively reported on their corporate social activities (Roberts, 1991). Hackston & Milne (1996) found that a large majority of CSR made by New Zealand companies tend to be declarative and good news on primarily human resources followed by environment and community themes.

Compared to the US and UK companies, New Zealand companies have lower social disclosures. In a study of CSR of six Irish financial institutions Douglas Doris, & Johnson (2004) found that these institutions were well behind their European counterparts with regard to the quality and quantity of social disclosure in annual reports. They attributed the reason for poor CSR practices to the voluntary nature of social disclosure in Ireland. Thus, though there has been a mixed opinion on CSR in western countries, it could be noticed there is a gradual increase in corporate social reporting.

#### Asian Countries:

CSR experience in Asian countries has also been mixed. Firms in Singapore and Bangladesh have limited CSR, but CSR of firms in Thailand matches that of the developed nations.

Tsang (1998) examined the annual reports of listed firms (from 1986 to 1995) across several industry sectors in Singapore, and revealed that one half of them did not have any CSR disclosures throughout the ten-year period. Examining 1996-1997 annual reports of listed firms from Bangladesh, Imam (2000) has reported that many firms hardly engage in CSR. Kuasirikun and Sherer (2004) analysed annual reports of 1993 and 1999 of large Thai listed firms across different industry sectors and confirmed that their CSR disclosures were comparable to CSR disclosure of listed firms in Western nations.

#### **India:**

In the context of India, CSR studies were few and limited. Singh and Ahuja (1983) conducted the first study in India on CSR of 40 Indian public sector companies for the years 1975/1976 and found that 40 percent of the companies disclosed more than 30 percent of total disclosure items included in their survey. Hegde, Bloom, & Fuglister (1997) conducted a case study of the Steel Authority of India (SAIL), a public sector company. They found that SAIL published a Social Income Statement and a Social Balance Sheet to measure the social benefits to employees, public and the community and the cost involved. These reports showed the efforts made by SAIL in fulfilling its social objectives and responsibilities. The latest study of CSR practices in India was conducted by Raman (2006). Raman used content analysis technique to examine the chairman's message section in the annual reports of the top 50 companies in India to identify the extent and nature of social reporting.

This study concluded that the Indian companies placed emphasis on product improvements and development of human resources. Community development issues were given relatively less space in the chairman's messages.

Alongside the studies mentioned above, research on corporate social activities has been conducted in various other countries such as Portugal, UK, Malaysia, Cyprus and Canada (Abreu, David, & Crowther, 2005; Jones, Comfort, & Hiller, 2005; MdZabid& Ibrahim, 2002; Papasolomou-Doukakis, Krambia-Kaardis, &Katsiolouides, 2005; Vallee, 2005) and different industry sectors such as finance industry, banking sector, hospitality industry, petroleum industry in those countries (Douglas et al., 2004; Goldreyer&Diltz, 1999; Longo, Matteo, &Bonoli, 2005; Piacentini, MacFadyen, &Eadie, 2000). This study will contribute to the literature and enhance the understanding of CSR practices in the context of software industry that is rapidly growing, while experiencing a global skills shortage.

### **Reporting practices disclosed in annual reports**

The annual reports in the sample were analysed to quantify voluntarily disclosed CSR information using content analysis (Krippendorff, 1985). Content analysis is an established research technique in CSR (Abbott &Monsen, 1979; Ernst and Ernst, 1978; Guthrie & Mathews, 1985;

Guthrie & Parker, 1990; Zeghal& Ahmed, 1990). Annual reports are the most widely used documents in the analysis of corporate social activities in spite of a broad range of corporate documents (such as brochures, press releases and the like) released to the public to provide information about an organisation's social practices. Research has commended annual reports for their credibility (Tilt, 1994), regularity (Niemark, 1992), accessibility and reporting useful information to stakeholders (Deegan & Rankin, 1997). Annual reports are considered as a vital document constructing CSR of firms (Gray et al.,1995). Furthermore, our initial investigations revealed that software firms in the sample did not release any discrete social reports, and as such their CSR is confined to their annual reports.

There is considerable debate in the literature on the choice of the most appropriate 'unit of analysis' that should be used in content analysis (Gray, Kouhy& Lavers, 1995). Unit of analysis could take the form of words, phrases, characters, lines,

sentences, pages or proportion of pages devoted to different categories of social disclosure (Unerman, 2000). Coding of words or areas of pages as a basis to derive measures of social disclosure has found to decrease the reliability of the analysis (Milne & Adler, 1999). Number of pages as a measure of disclosure is often said to be problematic due to differences arising from font size, margins, graphics etc., while the number of words causes difficulties due to concise or verbose styles of writing (Hackston & Milne, 1996).

Based on Milne and Adler (1999), this study used number of sentences for coding and measurement of CSR since sentences provide complete, meaningful and reliable data for further analysis. These sentences were first counted to ascertain the volume of reporting of each attribute. Then the information content from each sentence was further analysed in an effort to measure the quality of reporting of the attributes

As previously noted, the two categories, namely human resources and community development were selected for this study. Based on the recommendations of the NAA committee and other prior studies (Batra, 1996; Imam, 2000) each category is identified by a number of attributes. Human resource category included training, employee numbers, career development, equity issues, compensation plans, employee benefits, and safety. Community development category included community planning, children education and upliftment of poor, health services, and food programs.

## 2.5 LITERATURE REVIEW OF BOOKS

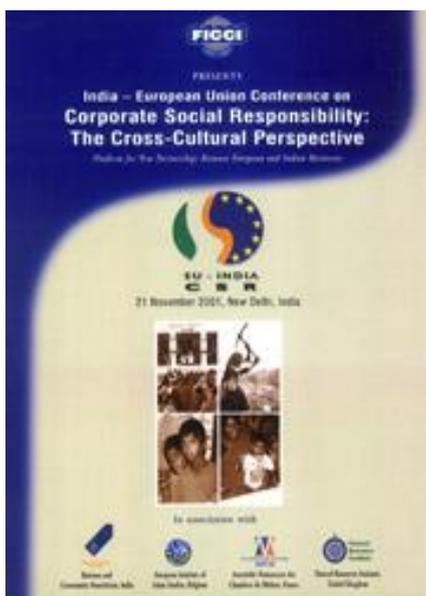


Image Source: wikipedia/books

### FICCI India and European Union

This publication is a background paper for the India-European Union Conference on Corporate Social Responsibility: the cross-cultural Perspective.

Differing definitions, practices, and degrees of awareness towards issues of Corporate Social responsibility have been compared and presented in this report that are available between India and Europe and within the different EU countries.

A comparative analysis of Corporate Social Responsibility in India and Europe is presented. It has been seen in India that there are both domestic and global forces encouraging a broader understanding of Corporate Responsibility to develop. This is along tradition of philanthropy with employee, community and environmental commitments. But, the conditions in india are local and unique. Similarly each country in Europe has its own CSR Model depending on the history, values and lifestyles.

France, Germany, Italy, United Kingdom, and Netherlands...The common points, which have been found are that in Europe Government rather than Businesses has until recently been considered primarily responsible for economic and social development and this has led to formal state led initiatives in social and environmental protection and less expectations for corporations to provide social welfare programmes. In the general Western approach to corporate citizenship, good business practices are usually examined in terms of their potential benefits to business. This emphasis on enlightened self-interest is more limited than the Indian focus, which had tended to view its wider responsibility to society or stakeholders. Nevertheless, despite the strong social reform movement in India, many of the philanthropic activities initially undertaken by Indian corporations were also often driven by their economic interest in having a healthy and educated workforce living close to business operations. After comparison, this background paper finished with a optimistic point of view remaining that we don't have to forget that globalization is heightening our understanding of other cultures and traditions. This can lead to seeking positive synergies between different cultural models of CSR rather than one model seeking to replace another

Jumani (2002) A Study on Business and community foundation, Empowering Society and Corporate social responsibility. Fellowship for corporate partnerships, 2001-2002.  
Ms. Jumani

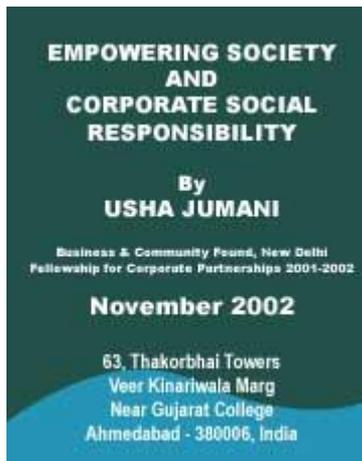


Image source: [Wikipedia/books](#)

This study was undertaken by Ms. UshaJumani under the Business & Community Foundation fellowship for corporate partnerships, 2001-2002.

Empowerment is a concept that can be interpreted in a different way under different contexts and situations but then how important is it and what role does empowerment play in the larger context of Corporate Social Responsibility is an issue that has not been

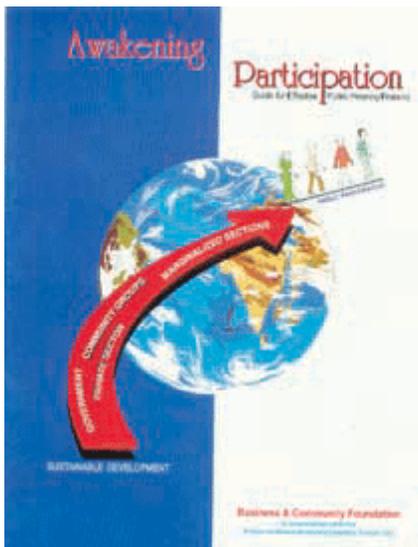
addressed very much. Ms. UshaJumani in her study has strived to throw some light on these issues. The study apart from exploring various viewpoints of empowerment under different contexts also tries to explain the concept and the real meaning of corporate social responsibility.

The study looks at the practices adopted by five business organizations which are highly regarded for their CSR practices in the state of Gujarat from the angle of empowering the local community and its workforce as a part of their CSR activities. The companies covered include Excel Industries, Gujarat Ambuja Cements, Tata Chemicals, Gujarat Cooperative Milk Marketing Federation and Indian Farmers Fertilizer Cooperative Ltd. The study explains that one of the major successes of their CSR practices is due to all of them adopting a well-defined work system, articulated vision, clearly defined policies and a strong value system.

The nuances which are perceived as conducive to empowerment by employees of these five business organizations include a sense of belonging, stress free family like working atmosphere, impartial treatment, integrity in transactions, freedom to define one's own way of work, freedom to make mistakes, matching authority, responsibility and recognition of individual and group contributions to overall achievements of business.

These business houses also gave a lot of importance to their community development initiatives with the focus on economic empowerment of the people in the communities they work with. This gives them a sense of self-reliance and an urge to stand on their own feet instead of expecting doles from the government and other agencies. Moreover, all these companies saw the local community as an important stakeholder of their business.

The document goes into the meaning of empowerment and the approach adopted by major players like the Government, Corporate and the NGO's towards this issue. It also takes a look at the various initiatives on empowerment through government action and the role of NGO's in sensitizing the civil society on empowerment. The study drives home the point that Corporate Social Responsibility can become a potential meeting ground for the various stakeholders involved in empowering people.



The manual was brought out under the BCF Fellowship for Corporate Partnerships. The study was undertaken by H.C Sharatchandra, an MSC in Agriculture from Bangalore University.

Public participation in many areas has been accepted as a right in many developed nations the world over. Experiences worldwide indicate that public participation improves the quality of decision-making in a number of ways. It promotes clarity, stability and fairness in laws and institutions and

advances a culture of openness and shared responsibilities among different sections of the society. The manual in a nutshell gives an overview of the theory and current practices of the public hearing process with special emphasis on the Indian scenario.

The manual is developed as a guide at increasing the level of understanding the philosophy and the process among enforcement agencies, members of the public hearing panel, NGOs, industrial representatives and other concerned stakeholders to make the public hearing process effective. The document traces the historical evolution of public participation, the philosophy behind it and the various types of participation and what public participation can achieve the report also underlines the benefits of public participation to the governments, the industry and the citizens.

The study basically underlines the fact that the value and effectiveness of public participation lies in the process and stresses the importance and gives guidelines regarding developing of information and communication guidelines in order to establish clear and uniform procedures for requesting, receiving, processing and disseminating information.

One of the chapters of the study is dedicated to the Indian scenario which brings out the fact that the system is still in its infancy in the country. The study focuses on the environmental public hearing process and the various activities that come under its purview. After a factual analysis of the policy, it points out to the various limitations of the public hearing process and comments on the loopholes. The manual concludes with a chapter on suggestions to the various stakeholders like the implementing authorities, the government, the industry, the NGOs and citizens on the issues they need to address and the steps they need to take to make public hearing more effective.

### **CONCLUSION:**

The concept of CSR has earned considerable popularity and its meaning has been broadened over the years. Different researchers differently describe CSR with different point of views. The CSR studies presented in this literature which have been conducted nationally and internationally on the selected variables i.e CSR Practices, CSR Implementation, Corporate Social Disclosure Practices show that there is a great scope of the field of CSR and lot of significance attached to it. Growing number of countries are realising the importance of CSR which is reflected from the study. The literature also shows that corporates are practicing the activities in varied way. But as William aguillera with the help of his study said that comparative studies are rare and such studies should be conducted which would add to the research literature.

Looking at the literature on Corporate social disclosures it can be seen that it's a ambiguous picture in India as well as global level. The research work on CSD is relatively less compared globally. Most of the studies have presented that detailed social information is not disclosed in a proper manner in India. A detailed research investigation is needed as it is an interesting area of current scenario.

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