Introduction

The challenges of globalisation is to find the rules and institutions for stronger governance to preserve the advantages of the global market and competition but also to provide enough space for human development which includes social development and environmental protection to ensure that globalisation works for people and not against them. Gone are the days when clear distinction between the role of government and other economic institutions could be made. There is a need for strong and sustained partnership between public and private sectors to ensure well being of people. Because corporate intervene in so many areas of social life, they must be responsible towards society and its development. Business being one of the major economic institutions depends for its success on the health, stability and prosperity of the society and communities in which it operates. Community focused business like banks; retailers, housing finance companies etc. cannot prosper in declining localities. So the problems of poverty and unemployment, education and health, etc. dramatically affect business. While business has traditionally considered these to be exclusive domain of government, today more and more corporations are accepting part of the responsibility to improve the communities in which they do business since society at large looks to them for answers to contemporary social and economic issues. In India as in the rest of the world there is a growing realisation that capital markets and corporations are, after all, created by society and must therefore serve it, not merely profit from it.

Today we live in an age in which corporations, equivalent in wealth to countries call the shots and control much of the earth's resources. The modern day large corporations are often larger than nation states. Rich individuals own and command resources that are so large, often larger as compared to smaller/poorer nations and the fundamental principle of social responsibility is that, 'with great power (and size), comes great responsibility.

The second important development in the late 20th century has been the rolling back of the State. It is increasingly being realised that the State cannot and should not perform all functions it was performing in the earlier periods. In many countries, national and local governments have taken a "hands off" approach to regulating business in response to liberalisation and globalisation of trade and commerce. Moreover, globalization has also weakened regulation at the national level, through a combination of investor pressure, new international trade rules and weakened government tax bases. Many countries have set up special investment zones that are not only tax free but also free of virtually all regulations. Budget cuts have resulted in the non-enforcement of existing regulations.
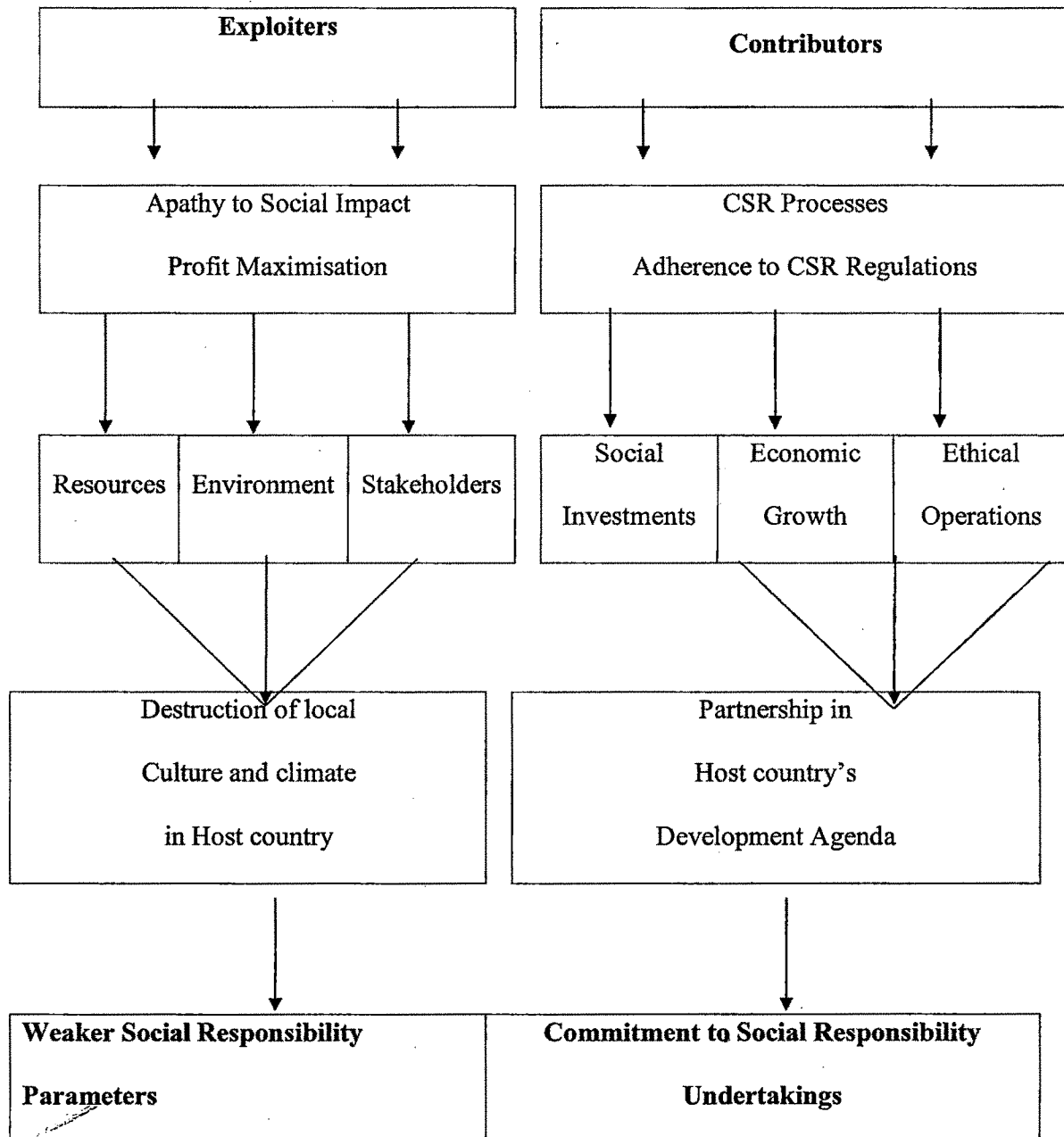
In addition, increasing focus is being placed on the growth of corporate power and the need for greater accountability and transparency to society, for example through reportage and stakeholder dialogue. This captures the whole set of values, issues, and processes that companies must address to minimize any harm

resulting from their activities and to create economic, social, and environmental value.

At the same time, internationally, different societies have become more demanding in terms of expecting 'right behaviour' from the corporations. Integrating interests of host country's development issues and local communities into a company's business operations has become essential. Revenues and profits can no longer remain the only topics of conversation among corporate leaders; instead, they have to talk about the profound impact that their business relations with society and communities might have to their competitive advantages and operating revenues. In addition to higher revenues, environmental protection and sustainable growth also have to be accounted for the long-term development of the business and society. Corporate Social Responsibility has been demanded by various stakeholders as one response to these challenges, that refers to business activities guided by codes of conduct that exceed legal and ethical standards relating to labour conditions, environmental impacts, human rights compliance etc. resulting in to better quality of life for all of its stakeholders.

Conceptual Framework

Corporate Social Responsibility Undertakings

by Multinational Companies.

Exploiters	**Contributors**

Apathy to Social Impact Profit Maximisation	CSR Processes Adherence to CSR Regulations

Resources	Environment	Stakeholders	Social Investments	Economic Growth	Ethical Operations

Destruction of local Culture and climate in Host country	Partnership in Host country's Development Agenda

Weaker Social Responsibility **Parameters**	**Commitment to Social Responsibility** **Undertakings**

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Review of Literature

The rule of business has been debated in economic literature for a long time. By the term 'Corporate social Responsibility' (CSR), what is generally understood is that business has an obligation to society that extends beyond its narrow obligation to its owners or shareholders. This idea has been discussed throughout the 20th century, but it was Howard R Bowen's (1953) book on "Social Responsibilities of Businessman", which is said to be the origin of the modern debate on the subject. Carroll takes Howard R. Bowen to be the "father of Corporate Responsibility" (1999: 270). Others soon followed suit, and by the seventies of the twentieth century the intuition that business had some form of social responsibility over and above its responsibility to perform economically had already been cashed out in a number of publications (Frederick, 1960; Davis & Blomstrom, 1966; Walton, 1967). Although these publications often provided crude definitions or descriptions of what CSR was, the predominant concern was to drive home the argument that CSR is desirable, either in its own right (Frederick, 1960; McGuire, 1963) or because it is in the long-term economic interest of corporations and other business organizations to engage in CSR (cf. Davis, 1960; Johnson, 1971).

Even back in the 1930s, the now classic book on the modern corporation by A. Berle and G.Means, The Modern Corporation and Private Property (1933) was

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arguing that 'the modern corporation should be transforming itself into a social, rather than an economic institution intent on profit maximisation alone'.

Leading sociologist Daniel Bell, writing in 1974 said, 'to think of the business corporation simply as an economic instrument is to fail totally to understand the meaning of the social changes of the last half century.'(Bell, 1974 cited in Beesley & Evans, 1978: 16). Thirty years on many people are saying similar things within the corporate social responsibility debates. Much of this had already been said many years before, of course, by Peter F Drucker in his now classic 1946 book, 'The Concept of the Corporation' referred Management as ' industrial society' and as such have great responsibilities to their own profession, to the enterprise and to the people they manage, and to their economy and society.' (Drucker, 1964). This view is now central to corporate social responsibility discussions.

During 1960s, the western Industrialized countries began assessing, the impact of modern economic activity on the quality of human and social life. Among them, the prominent one, that concerned India is by 'McGurie and Parish (1971) who surveyed executives of large corporations and found substantial evidence to support the contention that the corporate executives pursue social as well as profit goals. They found that, there is little evidence of the Indian business' involvement in social responsibility. The efforts have been few and far between barring Tatas, Birlas, Lalbhai Group of companies etc.

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On international level, the crucial one is a comparative study, undertaken by the 'International centre for Research in Accounting, University of Lancester U.K. to make an inquiry into social consequences of the corporates' decisions and actions in 3 countries - Germany, France and Canada between 1974 to 1976.

The data revealed significant differences in corporate social policy and performance associated with firm size and sphere of economic activity. Although the Canadian data clearly revealed - and all other studies strongly suggested - a general tendency for larger firms to place greater emphasis on social policy and performance, the differences associated with size by no means were all in one direction.

An empirical study was undertaken by Singh. Maggu and Klauier (1978) with an objective to generate empirical evidence regarding the present state of corporate actions and their orientations in the Indian context and the major findings of the study was perceived as, pure profit maximizing is the most dominant corporate behaviour, followed by calculative and socially responsible corporate actions.

A recent surge in media and academic interest in CSR may suggest that theory of the corporation-society interface is a recent phenomenon. The reality is that a long list of authors since Adam Smith, and beyond, has exercised their minds on the subject. Nevertheless there are numerous unresolved theoretical and empirical issues in CSR and historically, academics have drawn on several existing theories to explain, critique and study the area. Theories drawn on include: agency theory

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(Friedman, 1970); stakeholder theory (Freeman, 1984; Donaldson and Preston, 1995); institutional theory and classical economic theory (Jones, 1995); a resource-based-view-of-the-firm (Penrose, 1959; Barney, 1991; Wernerfelt, 1984; Hart, 1995); economic models of CSR (Baron, 2001; Feddersen and Gilligan, 2001) and; systems theory (Preston and Post, 1975) and may be many more according to the need for establishing relevance with one's own work.

Research Setting

India has witnessed large number of Foreign Direct Investments in the form of multinational corporations in the last twenty years. Globalisation and liberalisation have provided a great opportunity for Multinational corporations to be globally competitive by expanding their production-base and market share. As corporate globalization continues to expand, MNCs play a key role in defining markets and throw multiple challenges to national and global business environment.

Among these the first and foremost is to challenge the traditional view that 'business exist solely to make profits for their shareholders; all that matters is a profitable bottom line'. This has led to the controversies that Multinational companies (MNCs) might be pursuing profit at the expense of vulnerable workforces, exploiting local resources, destroying environment and so on.

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Secondly, doing business globally opens the arena for conflicts in norms. Many multinational companies have codes of ethics, mission statements and integrity policies guiding their practices. However, when operating outside of their boundaries they confront different sets of norms which sometimes conflict with their home based ones. In developed countries, the moral expectations of the host country are as stringent as of any other developed country. With third world host countries, though, the moral expectations often seem to be sloppier, multinationals are tempted to lower their standards and indulge in unethical practices when situations permit.

Thirdly, the globalization of production networks means that corporations increasingly source their products and services from overseas, making it more difficult to regulate corporate activities through a single country's national legal and regulatory mechanisms. This leads to discriminatory standards of practices by a single company at its different operational locations. According to Human Rights Watch, companies such as General Motors, Sunbeam Oster, and Zenith engage in gender discrimination and mistreatment of pregnant workers in factories in Mexico. In India, Coca Cola causes shortage and immense pollution to local water supplies. Articles published in The Economist (March 2005) estimate that in Burma, where the American oil company Unocal has operations, the government used 800,000 forced labourers in their army. Verité, a social auditing firm, found that workers are commonly penalised or dismissed for joining unions in Vietnam. Just last year the Washington Post reported that of eleven U.S. toy manufacturers

in China, the average wage paid to workers was $0.12/hour even though the minimum wage in China is $0.30/hour. The examples of irresponsibility and injustice are abundant.

Marian Miller (2005) was concerned with the power of multinational corporations, in particular their ability to influence policies and environmental outcomes in the developing countries. She saw this power of corporate actors as draining sovereignty away from Third World countries, and exhausting their resources and so, according to Miller, they are in need of being closely watched.

Research Methodology

Significance of the Study

The rules of corporate governance have changed. And there has been a range of reactions to this change. On the one hand governments and local businesses welcome the trans-national players for furthering economic growth; on the other hand, there is an emerging social discontent against multinational corporations in different parts of the world. Labourers, marginalised consumers, environmental activists and social activists have protested against the unprecedented predominance of multinational corporations. To them, MNCs overall impact on the host countries' social and environmental sectors is largely

negative compared to its negligible contribution in the countries' economic development in spite of MNCs dossier claims of CSR.

Secondly, critics of MNCs business practices and skeptics of CSR reporting continue to question whether or not the information reported by multinational corporations accurately reflects their actual business practices, how effective the sustainable development programs of corporations are in addressing important social and environmental problems of the host country and how committed senior executives in MNCs are to implementing development policies beyond mere compliance with legal and regulatory mandates as the critics also contend that these corporate social responsibility reports may be misleading, incomplete, and self-serving". (Dennis A. Rondinelli -2006)

Recently, international organizations and nongovernmental rating and monitoring organizations have claimed an increase in corporate attention around the world to sustainable development and undertaking social responsibility in the host countries, but, the serious questions remain about how significant the growing number of corporate citizenship is, compared to the large number of enterprises doing business globally.

To conclude, the liberalized economic and industrial processes have the potential to disturb social fabric through widening the gap between poor and rich and human right abuse. It can have negative environmental impacts, causing climate change, loss of natural resources, air and water pollution and extinction of species. At the same time, it has been repeatedly observed that industries are most effective as

social volunteers when they are doing things that are close to their shareholders interests. These interests clearly differ with sectors and industries in which the companies operate: as oil companies world over clearly emphasise building local infrastructure; Avon, which sells products largely to women, is one of the world's biggest supporters of breast cancer research, Wipro, supporting innovative rural literacy campaign through computers. So the overriding policy challenge is, to promote the positive impacts of globalize business development while limiting or eliminating its negative impacts throughout the world. While reviewing the literature, the information about MNCs business practices and the value attached to CSR while operating in the developing countries is found to be more prescriptive and lacking empirical evidences at large. The researcher having worked in the field of social development and getting exposed to corporate world from close quarter time and often strongly feels that,

➤ CSR activities, in fact, need predominantly, to be driven by the development needs of the communities in which any national or global businesses exist. Deteriorating environment, employment conditions, corruption etc. at macro level along with poverty, poor infrastructure and living conditions, lack of education, inadequate health care facilities, and inadequate sources of livelihood in the surrounding communities at micro level have to be the prime concern to any industry having its business operations in India;

➤ Corporations and MNCs in particular, need to carry forward and institutionalize CSR initiatives as one of the core function of its management system, and,

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➤ Indian educational institutions, the corporate sector, the social sector, and the government need working together on the very important question of how to integrate CSR into the curriculum of business schools and into corporate business strategies.

With this conviction, the researcher found it necessary and interesting to study CSR practices and processes presently being followed by MNCs present in Gujarat and the employees' perspective on international CSR issues.

Hence the title of the present study is:

'Corporate Social Responsibility by selected Multinational Companies in Gujarat'.

(A study of 105 Employees' perceptions of 18 multinational companies' social responsibility undertakings).

Goals of the study

1. To understand the state of 'Social Responsibility Undertakings' of Multinational Companies of Gujarat through their employees' perception.

2. To devise a tool to adapt from, for designing company specific CSR business model for MNCs in particular.

Objectives of the Study

1. To study the Corporate Social Responsibility (CSR) profile of the Multinational Companies' of Gujarat.

2. To study factors affecting Corporate Social Responsibility (CSR) Undertakings among the Multinational Companies of Gujarat.

3. To study the perceptions of employees about the performance of CSR processes undertaken at their companies in Gujarat.

4. To examine employees' perceptions about their companies' level of adherence to Corporate Social Responsibility Regulations mentioned under Global Social Responsibility Guidelines given for Multinational Companies.

5. To study the opinion of employees about 'International Social Responsibility' with special reference to Multinational Companies.

6. To examine relationship between organisations' 'Corporate Social Responsibility Profile' with location, size, age, mode of entry and nature of business of the Multinational Companies.

7. To explore relationship between the perception of the employees about 'Corporate Social Responsibility Practice', 'Corporate Social Responsibility Process Performance', 'Adherence of their companies to CSR Regulations' and the employees' opinion on 'International Corporate Social Responsibility' with location, size, age, mode of entry and nature of business of the Multinational Companies of Gujarat.

8. To explore relationship between the perception of the employees on 'Corporate Social Responsibility Practice', 'Corporate Social Responsibility Process Performance', 'Adherence of their companies to CSR Regulations' and the employees' opinion on 'International Corporate Social Responsibility' with their age, education, years of experience, function and past experience of CSR related work.

9. To explore relationship between type of the organization with the employees' perception on 'Corporate Social Responsibility Practice', 'Corporate Social Responsibility Process Performance', 'Adherence to CSR Regulations' and the employees' opinion on 'International Corporate Social Responsibility.'

10. To explore relationship between employees' perception on 'Corporate Social Responsibility Practice', 'Corporate Social Responsibility Process Performance', their companies' Adherence to CSR Regulations' and the employees' opinion on International Corporate Social Responsibility'.

11. To measure intensity of commitments to various Corporate Social Responsibility processes and Corporate Social Responsibility Regulations by Multinational Companies of Gujarat.

Operational Definitions:

Corporate social responsibility (CSR) (as defined in Wikipedia, the free encyclopedia)

'Corporate social responsibility (CSR, also called corporate responsibility, corporate citizenship, and responsible business) is a concept whereby organizations consider the interests of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment. This obligation is seen to extend beyond the statutory obligation to comply with legislation and sees organizations voluntarily taking further steps to improve the quality of life for employees and their families as well as for the local community and society at large'.

For the present study, Corporate Social Responsibility (CSR) is used as an umbrella term for corporate citizenship, corporate accountability, corporate social performance, corporate responsibility etc. as appear in CSR literature including various CSR Standards and Guidelines for multinational companies. .

Social Responsibility Undertakings

Business has many operative as well as management functions. During the operationalisation of these functions, if a company is able to reflect following aspects in its conduct Social Responsibility seems to be undertaken ....

➢ When business outcomes are not strictly measured in terms of 'Profitability' only.

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➢ When business ethics synchronizes with host country's economic, social and culture aspects and generate 'common good' for all the stakeholders and,

➢ When a company's activities build human and social capital within the host country where they operate.

For the present study keeping these aspects of business as focal point, the researcher has made an attempt to incorporate them in organisation's Corporate Social Responsibility Profile, Corporate Social Responsibility Practices, Corporate Social Responsibility Processes and Adherence to Corporate Social Responsibility Regulations. These four components together help to study 'Social Responsibility Undertakings' of MNCs for this study.

Multinational Companies (MNC) (as defined in Wikipedia, the free encyclopedia)

"Multinational corporation (or trans-national corporation MNC/TNC) is a corporation or enterprise that manages production establishments or delivers services in at least two countries. A Multinational Corporation is a business concern with operations in more than one country. These operations outside the company's home country may be linked to the parent by merger, operated as subsidiaries, or have considerable autonomy."

The term Multinational corporations (MNCs) through out the study, except in quotations, is used to cover both Multinational corporations and Trans-national corporations (TNCs) without further definition, as · they often are used interchangeably in the context of CSR for large corporations operating in other

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1. CSR Philosophy   2. Business Ethics   3. Corporate Citizenship 4. CSR Communications   5. CSR Knowledge   6. Stakeholders' Dialogue

7. Corporate's gain 8. Stakeholders' gain   9. Conflict Management   10. CSR Decision Making 11. CSR Review   12. CSR Audit and   13. CSR Reporting.

CSR Regulations

Under CSR Regulations twelve variables/parameters are taken for the study. They help to measure adherence level of MNCs to Corporate Social Responsibility Global Guidelines given for MNCs. They are: 1. General Policy 2. Quality of Work Life   3. Employment   4. Industrial Relations 5.   Human Rights 6.Environment 7. Consumer Interest   8. Direct Contribution to Local Communities. 9. Training   10. Disclosure   11. Corruption. 12. Corporate Governance.

Corporate Social Responsibility Profile

The aspects regarding structure and functioning that facilitates a company's CSR Undertakings are considered for profiling CSR of the company.

Corporate Social Responsibility Practice

The company's present systems operative for CSR and ideology with which CSR is viewed and carried out comprises of CSR Practices for the present study.

CSR Drivers

These are the factors that enable the corporations to adopt relevant CSR strategies and activities. They are the reasons for, or a rationale to actually undertake social responsibility.

CSR Barriers

Constraints that the company face to get involved in social, ethical and environmental issues of the society and key communities where they operate.

CSR Outcomes These are the expected results on overall business a company is expecting after undertaking CSR activities.

Research Design:

The study is descriptive and exploratory in nature as the researcher has made an attempt to study and narrate the characteristics of the organizations' Corporate Social Responsibility (CSR) Undertakings on the basis of their employees' perception. The researcher has also made an attempt to explore whether any relationship exists between the employees' perception and various variables taken to study the Corporate Social Responsibility (CSR) Undertakings of the organizations under this study.

Universe and Sample

The researcher has chosen to conduct this study within MNC's, since in a developing economy like India, the MNC's are considered as very strong and

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critical actors of financial growth having its large impact on environmental milieu of the host country.

Universe of the industries is all 25 MNCs presently operating in Gujarat and their top and middle management employees.

To draw sample, within the broader category of probability sampling, multi-stage sampling technique is used.

Firstly, to select from, a list of Multinational companies of Gujarat was prepared with the help of...

➢ a list provided by Industries' commissioner's Office, Gandhinagar and confirmed with official website of Ministry of Finance, Government of India.

➢ a list of member industries of Federation of Gujarat Industries and Gujarat Employers' Association.

In the first stage Census method of sampling is used since there were twenty five industries. All of them were approached for data collection.

In the second stage, purposive sampling is used as the researcher is aware that in most of the industries CSR is handled by Human Resource Department, a top management employee of Human Resource Department was contacted and requested for cooperation. Once convinced, he acted as a 'key informant' and provided the basic information about the company and it's Corporate Social Responsibility Profile.

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In the third stage 'quota sampling' method was used. With the help of this HR employee and 'key informant', minimum three top and middle management employees from each major departments were identified who had some primary understanding in the area of enquiry and their willingness to spare time on filling up the questionnaire. The questionnaires were handed over to the 'key informant' of all 25 MNCs after explaining it in detail and their responses were awaited.

Sample Size

Out of twenty five companies approached, eighteen industries and 105 respondents have responded satisfactorily and that is how the sample size is of 105 respondents from 18 MNCs of Gujarat.

Pre-Testing

The researcher personally administered the questionnaire to 10 professionals having varied educational background and working in different departments of corporate sector. The questionnaire was modified after understanding the difficulties faced by the respondents either in responding or categorizing responses in the questionnaire. Most of the subjective questions were omitted as the respondents were not ready to provide detailed information. Few questions were omitted as the responses to them were likely to be inaccurate.

Reference period – The data was collected from August 2006 to February 2007.

Source of data:

1. Employees' responses for their respective companies.

2. Records, annual reports, information on Website.

Method of data collection

A structured questionnaire along with a detailed note,(stating the purpose a of the research and seeking cooperation)was prepared. The questionnaire had following sections.

I. **Organisation profile.-** This section besides name and other general information of the organization includes information on organization variables like location, age, size and nature of business of the organisation and their mode of entry in to Indian market.

II. **Respondent's profile** – Includes background information on the respondents that includes their personal and work related information. Here the variables taken are age, education, qualifications, their total years of experience and past experience of CSR related work.

III. **Corporate social responsibility profile-** This section includes information regarding each MNC's structure and functioning of CSR, major CSR programmes undertaken at original and host country, CSR drivers, barriers

and expected outcomes etc and information regarding their adaptation to CSR Regulation Guidelines. On the basis if this information CSR Profile Index is prepared.

IV.   **Corporate social responsibility practice profile-** In this section statements indicating intentions, beliefs and responsible factors for CSR Undertakings are prepared. And the organisatiions's CSR Practice Index is prepared on the basis of employees' perception on them.

V.   **Corporate social responsibility processes-** Socially Responsible behaviour of any company is reflected through the processes involved in its overall business operation. In this research enquiry,

Various processes that can promote CSR are grouped in to thirteen Process Variables and they are,

1. CSR Policy   2. Business Ethics   3. Corporate Citizenship   4. CSR Communications   5. CSR Knowledge   6. Stakeholder Dialogue   7. CSR Decision making   8. Conflict Management   9. Corporate's Gain 10. Stakeholders' Gain 11. CSR Audit 12. CSR Review 13. CSR Reporting.

Corporate Social Responsibility Process Performance Index is derived from the respondents' perception on these variables.

VI.   **Adherence to CSR regulations as mentioned in CSR global guidelines.**

There are many CSR Standards/Regulation Guidelines declared by various international and regional organisations and also governmental guidelines (as given in chapter-3).The regulations addressed in most of the Standards cover issues pertaining to various stakeholders. These regulations are put in to twelve groups and they are taken as CSR Regulation Adherence Variables. They are,

1. General Policy   2. Quality of work life   3. Employment conditions
4. Industrial Relations   5. Human Rights   6. Environment.   7. Consumer Interests   8. Training   9. Direct Contribution to local communities
10. Disclosure   11. Corruption   12. Corporate Governance

CSR Regulations Adherence Index is prepared on the basis of the respondents' perception on these variables.

VII.   **International social responsibility with special reference to MNCs.**

This section has twenty one statements grouped in to three major variables. They are

1. Meaning of CSR   2. Preconditions of CSR   3. MNCs' CSR Operations.

The Opinion Index on International Social Responsibility is prepared on the basis of the respondents opinion on these three variables.

Nature of Data: The present study is largely based on empirical data / information collected from MNCs and its employees through questionnaire. The open ended questions were categorised and coded.

Data Analysis

The entire data were pre-coded and meaningfully analysed using

1.   Percentage Analysis

2.   Chi-square test

3.   t- Test.

Data were presented in tabular forms using single and bi-variant tables.

Scheme of Chapterisation.

Chapter-1   Introduction.

The chapter includes an overview of business environment in India, need for business to address development issues through Corporate Social Responsibility, historical overview of Corporate Social Responsibility, importance of Corporate Social Responsibility for Multinational Companies and its outcomes.

Chapter-2   Review of Literature

In this chapter, a review of interpretations and submissions of Corporate Social Responsibility as a theoretical concept by prominent scholars and its contribution to the field of business ethics is presented. Also a brief review of some of the relevant researches carried out in various fields throwing light on Corporate Social Responsibility as an essential approach of overall business operations is presented.

Chapter-3   Research Methodology

Along with significance of the study, the procedural details with objectives, research design, operational definitions of the terms used, chapterisation etc. are included here.

Chapter-4   Research Setting

This chapter helps developing an overall understanding of Multinational companies, their historical development, their entry in to Indian market, their corporate image most often reported and international efforts to set minimum standards to regulate their corporate conduct.

Chapter-5   Corporate Social Responsibility-Theories and Models

An overview of some of the CSR Theories and Models is given in this chapter. This helps understanding Corporate Social Responsibility through various theories and concepts from where it is originated and then developed as a full fledged theoretical concept by itself. Models of Corporate Social Responsibility developed by few scholars are given that can help to operationalise CSR in practice.

Chapter-6   Analysis and Interpretation of Data

Data is analysed and presented using Descriptive Statistics, and applying parametric(t-Test) and non parametric(Chi-Square) tests.

Chapter-7   Findings, Conclusions, Suggestions and Action Plan

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Limitations of the study

1. It takes longer and proves difficult to approach personnel from the industries and receive feedback from them in the stipulated time. Despite close, rigorous follow-up, spread for more than six months, through personal visits, e-mail, telephone calls and even through personal and professional references, responses were received from only eighteen companies. Some of the companies had shown unwillingness to share information formally on the pretext of 'Company Policy' even though the researcher showed readiness to give in writing the assurance that the data would be consolidated and the companies names would not be revealed in the report. For the information on CSR Profile, some of the companies asked to use information that is officially published in annual reports and on websites in place of filling questionnaires after going through it.

Conclusions

In the CSR literature CSR overlaps with other concepts such as corporate citizenship, business ethics and sustainable development etc. These concepts are also continuously undergoing change at practice level by the companies. They are interpreted differently with convenient meanings attached to all of them. Corporate philanthropy and environment policies most often represent CSR. This lack of consistency in the use of the term CSR has made companies name any form of 'tokenism' as CSR.

Under the Company Code of Conduct, there are well written policy frameworks that take care of Business Ethics, CSR Philosophy and its principles. Still, the common understanding about CSR is prevailing more often in its most traditional form of 'charity', in other words, occasional contributions to community and community level involvement by the industries. There are indication of new waves, such as attention to socially responsibly products, protecting consumer interest, human rights, environment compliances and occasional socially responsible employee and industrial relations under CSR. In spite of wide acceptance of CSR Reporting in these MNCs, knowledge about existence of International Voluntary Corporate Social Responsibility Standards for MNCs is limited even among the top management officials.

Corporate Social Responsibility Profile and Practices

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CSR Structure and Functioning.

MNCs operating in Gujarat do not have any separate CSR structure in terms of a Board or a Committee that especially take care of companies' CSR related activities. Holding periodical discussion on the issues pertaining to CSR is not a regular feature at these MNCs. There is absolute absence of separate functional department for CSR hence Human Resource Departments of the companies, in most of the cases are made responsible to carry out CSR and related activities. The HR department functionaries having more of social science educational background are given CSR related responsibilities over and above their regular work. On the job training to equip these employees to undertake CSR and carry it out effectively, is negligible at the MNCs under this study.

CSR Planning

Employees and Shareholders are the most often identified groups as stakeholders, followed by Customers, Suppliers, Community and Government Most of the industries claim to have their CSR Undertakings based on their stakeholders' needs but planning of CSR is done at the parent company's top management level indicating process of decision making is from top to bottom. This makes involvement of local stakeholders of the host country minimal or rather nil in decision making and makes it indicative that MNCs undertake CSR that goes with the company's global image with available extra deployable resources, and not to meet development requirements of the host country and local/immediate stakeholders.

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Investment in Social Sector

The CSR Undertakings for the benefits of local community and society at large seem very limited as these MNCs have not involved themselves much for various developmental activities required for the cause of Social/Human Development. These MNCs are most often consistent in undertaking responsibilities within the internal orbit that is, in the forms of paying fair wages, taking utmost measures for the employees' safety at work place and better returns on shareholders' investment etc. compared to being consistently responsible for developing and implementing social/human development measures on the outside, for the local communities or society at large. This is seen as these MNCs do not show any such perceptible efforts or investment that has contributed to improve the social conditions of the locals. In Gujarat MNCs' contributions to strengthen the social parameters of the host country's local communities seem to be superficial and insignificant.

Majority of the MNCs in Gujarat are joint ventures and Mergers. Historically, these are the two business conditions where downsizing is a reality of the entire reengineering process. Now in the global business conditions Voluntary Retirement Scheme (VRS) is a business reality which most often turn out to be a Compulsory Retirement Scheme (CRS). The company supports the outgoing employees through financial VRS Package only. In most of the cases, relevant non-financial help in its various forms may prove to be very crucial in stabilising

exiting employees and their families in a long run. This approach indicates MNCs' concern, dignity and respect for the employees against harsh business decisions.

CSR Linkages

The results/outcomes of CSR are linked more often with company's reputation and generating goodwill among various stakeholders that improves business conditions. For most of these MNCs, CSR for better business performance heavily outweighs its linkages with either receiving community support or customer loyalty. CSR helps in employee retention is not observed at all. This suggests two things. One is that MNCs do not face problems in retaining customers and employees so that they need to use CSR as a retention tool. Secondly, the customers, while buying products are more concerned with the brand name and, the employees, when working with MNCs are more concerned with comparatively higher packages and benefits, better working facilities etc. and do not bother to judge them on their social responsibility conduct. This may be a typical feature of developing country.

The 'Social Obligation' approach is the most observed approach across these MNCs. This approach is based on business having primarily economic concern and so statutory and legal compliances are the only priorities. The case with these MNCs is long gestation period and lack of visible results emerges as the strongest barriers to undertake CSR. This fact, contradicts as 'a deep sense of

social responsibility' emerges as the most considered driver of CSR. It is also a matter of concern that in the liberalized economy, MNCs' Social Responsibility is still restricted to its first stage of empowerment of identified individuals and groups rather than working towards broader social responsibility objectives.

➢   In each of these areas the stronger relationship between CSR and mainstream business activity is suggestive of CSR for better business. MNCs, as business organisations possess resources and expertise and at times due to its sheer size enjoy social power; which comes from this very society where it operates. As per the Social Contract Theory, "legal constraints alone are insufficient to ensure a minimum acceptable level of socially responsible behaviour by firms. They must be supplemented by constraint on corporate behaviour that is built into the implicit "contract" between the firm and society" and so should be held responsible for helping society to solve its problems. In light of the above discussion, CSR Undertakings of MNCs makes more of a Business case of CSR than a Moral case as it has been discussed in the introduction chapter of this study.

Corporate Social Responsibility Process Performance

➢   MNCs' are in agreement to CSR Principles and that is captured in their Social Policy framework. The policy view industries, as a social change agent and CSR beyond administrative and legal compliance to internal rules and

regulations. They incorporate business ethics wherein respect and dignity of their shareholders and employees are paramount to them.

➤ At MNCs, communication in reference to CSR is a two way process that contradicts with CSR in principle. The company does share relevant information with those groups of stakeholders who have the legitimate right to access it. At the same time, as 'business' is their priority, the company seeks necessary information for accelerating their business by all means.

➤ Most of the MNCs in Gujarat as a good corporate citizen, render environmental concerns, consider employment of differently able and, try to keep away from corruption and unnecessary litigations High standards of working conditions with fair employment practices and willingness to act ethically in negotiations help to avoid and manage conflict with stakeholders.

➤ There is an effort to generate common knowledge among various stakeholders regarding companies efforts directed towards CSR. It is also seen that these MNCs employ scientific measures to gather knowledge about needs of the local communities, share this knowledge, and educate and train managers to cater these needs of communities. At the same time it is revealed that the CSR strategies are formed more at the top management level where the scope of interaction with local stakeholders is minimal. Planning and decision making of CSR at MNCs seem less likely to incorporate social objectives of the host

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country. The decisions about socially responsible undertakings for the local communities are most often taken by corporate board members. These decisions depend largely on the available extra, deployable resources with the company. This indicates 'top to bottom' approach to CSR, more to suit corporate needs rather than generating 'common good' by meeting peoples' needs. More number of expatriates in the governing body for India Operation of these MNCs might be an important factor affecting CSR decision making.

➢ In the array of CSR undertakings, whose gain is intended, society or corporate? In answer to this, it is largely felt that, CSR processes through which corporate gains in terms of alleviating brand equity, image and profits for the business in the long run, are more often observed compared to CSR processes that improves quality of life of common people, and benefits the society at large. Whatever socially benefiting processes visualised they help to restore people's faith in industrialisation processes and liberalisation of the economic boundaries but more so it helps companies to gain public acceptance and support of the local communities.

➢ Most often CSR Reviewing, Auditing and Reporting are used as a corporate tool as it helps enhancing image of accountability of the company in the public eye and avoids media speculation on the business intentions. CSR Reviewing also helps companies assess the impact of CSR on the financial

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results of the company and rarely used for enlarging the scope of social benefits through these corporate processes.

➢ When we talk about the intensity of commitment with which these processes are carried out at MNCs, out of total thirteen CSR processes, seven processes' performance is lower than the average expected performance. These seven CSR processes are Decision Making, Stakeholders Dialogue, Stakeholders' Gain, Corporate Citizenship, CSR Knowledge, Review and Audit. MNCs' CSR performances on these processes reflect weaker commitments and need further rectification.

Adherence to Corporate Social Responsibility Regulations

➢ The MNCs show very high adherence to CSR Principles at the policy level. Within the issues under general policy framework, the statutory and legal compliances are taken utmost care of, followed by the issues concerning direct stakeholders' interests and adherence to purely voluntary development issues seem to take the backseat. MNCs' show higher adherence to the issues of consumers than to the local communities' development issues. Under various Training regulations, statuary training is more often adhered to than purely voluntary training that can contribute in the development of indirect/external stakeholders.

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➤ The MNCs highly adhere to high standards of safety at work place and fair employment practices that are appropriate to the laws of the host country. MNCs provide equal employment opportunities to many and strongly believe in harmonious, co-existence of trade union and management but seem to hold back when there is a question of conceding 'freedom' in collective behaviour.

➤ High adherence to practice of using human right language and spirit is observed at these MNCs. Their approach to environmental concerns is more reactive as they are more in to monitoring and controlling 'environment safety' arising out of their business operations rather than proactively meeting environmental challenges.

➤ The MNCs keep away from indulging in to local politics, makes employees aware about the company's anti-corruption policy, but it seems that controlling flow of bribe for retaining business and fostering a culture of ethics in the company do not come easily.

➤ At these MNCs financial outcomes are accurately disclosed with transparency compared to the disclosure or communication of activities influencing sustainable development outcomes. Accountability in non-financial issues, overall business ethics and all other issues related to CSR Governance are observed to be adhered more at moderate level at these MNCs.

➢ When we see in totality these MNCs' intensity of adherence to the twelve regulations commonly mentioned under international guidelines on CSR, their adherence to seven regulations seem below the average expected level. These regulations are Quality of Work Life, Industrial Relations, Disclosure, Training, Corruption, CSR Governance and Direct Contribution to Local Communities.

International Social Responsibility and MNCs

There is a debate going on 'WHY and WHAT' of CSR in all the economies, be it developed or developing or not so developing. As the businesses have become global in its true sense, CSR becomes a critical and vital approach to equate development of economy for meeting social objectives.

➢ It is largely accepted that for MNCs, CSR should be an effective strategy to address business as well as social goals. It is also true that CSR is not to be viewed merely as legal and statutory compliances but is to be considered as a core business activity that helps business to payback to the society in a benefiting way.

➢ It is strongly believed that for the MNCs while operating in the host country, profit should not be the only important condition for business, accountability

and transparency on non-financial matters, managerial ethics in all the business operations and professionalism in undertaking CSR and its training to various actors are equally important factors of CSR.

➤ The more realistic image of MNCs is emerging as abuser of human rights as their foremost interest lies in financial returns and CSR remains a forced activity by the critics of LPG policy.

Relationship among CSR Indices and other variables

➤ There is a significant relationship exists between the nature of business and CSR Practices of the MNCs. This suggests that engineering companies' sheer size, heavy operations and their prominence since long in Gujarat have driven them to adapt more conducive CSR ideology that is reflecting in to their practices.

➤ Age of the organization that is presence in India, shares significant relationship with MNCs' performance on CSR Processes and Adherence to CSR Regulations. MNCs entering the state after year 2000 are comparatively newer and smaller and show higher commitments and adherence to CSR processes and CSR regulations.

➢ Mode of entry has significant relationship with CSR Practices of MNCs. The companies that entered as joint ventures seem to take up social responsibility undertakings better may be due to existing platform to continue and develop social responsibility undertaking of the old companies.

➢ Size of the organization and mode of entry share significant relationship with employees' opinions on International Social Responsibility issues. Employees from bigger and acquired/green field MNCs, give more affirmative and realistic opinions about all the International Social Responsibility issues with special reference to MNCs.

➢ Age, Education and Total years of work experience of the respondents have no significant relation with Multinational companies' CSR Practices, commitment to CSR Processes, Adherence to CSR Regulations and their opinions on International Social Responsibility. In other words, the respondents' perceptions on CSR Undertakings by MNCs of Gujarat have not varied according to their age, education and years of work experience.

➢ There is a significant relationship between the respondents' Function and past experience of working on CSR with International Social Responsibility issues. Employees of HR departments and employees who are presently handling CSR in their companies share and reflect more clarity about the

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International Social Responsibility issues with reference to MNCs. It is the same with the employees who have not worked on CSR in the past.

➢ The respondents who had past experience of working on CSR show significant relationship with their companies' CSR practices and their commitments to CSR Processes. This suggests that actual working on the issue generate better knowledge and exposure to various facet of CSR. And this helped the respondents to identify and understand their companies' CSR practices and performance on process better.

➢ CSR Practices of these MNCs can be seen through CSR Profile of the organization. The relationship between Type of Organisation and CSR Practices is positive as the Multinational companies with low CSR Profile are low on CSR Practices' index and the companies with higher CSR Profile show higher CSR Practices on its index.

➢ Among thirteen CSR Processes considered for the present study, Type of organization has significant relationship with Corporate Gain, CSR Review and Auditing. The low CSR profiled Multinational companies seek to gain more from CSR and CSR reviewing and auditing without third party verification done is used more as a management tool to enhance corporate image.

➢ In general, there is a positive relationship among Multinational companies' commitments to CSR Processes, their level of adherence to CSR Regulations of Global Guidelines and International Social Responsibility issues. The positive relationship among these three indices suggests that when commitment to CSR is higher, adherence to CSR Regulations is also higher among the Multinational Companies. At the same time, broad understanding of International Social Responsibility issues that need to be handled by MNCs' also reflect better among the employees of these MNCs.

Summary

➢ MNCs operating in Gujarat are strong at framing pro CSR Policy, more concerned with compliances where legality is involved, and they reflect weaker commitments on purely voluntary issues. This leads to conclude that though, Corporate Social Responsibility has gained acceptance as both a principle and a practice, but its implementation for Multinational corporations has remained inconsistent. The ability to achieve real results lies in bringing more accountability in CSR undertakings and working closely not only with immediate stakeholder groups but extending it to civil society groups and governments together.

➤ MNCs' present corporate profile is weak to support CSR Undertakings and their practices till date amounts to mere 'tokenism'. There is no such evidence in their practice that echoes that CSR Undertaking is a serious activity and through which they contribute to the holistic development of the host country.

➤ Commitments towards Corporate Social Responsibility that is reflected through these Multinational Companies' performance on CSR Processes thoroughly gives a mix picture. Looking closely to it suggests that, CSR is more of a business case than a moral case for these MNCs.

➤ Though, from the researcher's view, MNCs' CSR undertaking in developing countries is a jumble of legal compliances. It is driven by charity and minimum of social responsibility so that it keeps them away from major controversies that can harm their global business image. Higher commitments and better performance on CSR is expected from the MNCs when corporations of developed countries operate in a developing country as they are well versed with higher standards of CSR in their country of origin. The major challenges to Multinational Companies in this respect are:

➤ Limited understanding about facets of Corporate Social Responsibility and its inherent value to business.

➤ Weak Corporate Structure(CSR) at international and national level.

> Lack of sustained commitments resulting into stakeholders' engagement and poor decision making process.

> Lack of vision and support to CSR by senior management.

> Difficulties in measuring economic outcomes of social inputs.

> It is evident that the MNCs are better in capturing and revealing the spirit of CSR more at policy level and they reflect minimum of 'Social Responsiveness'. These Multinational companies' partnership with host country to contribute for improving quality of life of the local communities through humanitarian relief and sustainable development approaches is minimal. Their accountability in non-financial matters raises serious questions. Their intentions to share responsibility in the host country to generate 'common good' are open to discussion. This leads to conclude:

1. Multinational companies of Gujarat need to look beyond financial objectives of their business operations to become a responsible corporate citizen of the host country.

2. There is an urgent need to find out measures that would gear up MNCs to act more as a 'Contributor' and less as an 'Exploiter' in the host country.

Implications

> Corporate Social Responsibility(CSR) has moved, in the past twenty years, from a theory to a more common practice. This is attributed to two factors.

1. A growing awareness among businesses that corporate responsibility is good for business. Business leaders understand that "practicing" corporate responsibility affects their corporate reputation, brand image and profit.

2. The growing influence of stakeholders and civil society actors like NGOs, Media etc. Human rights and labour campaigns have turned the spotlight on corporate practices in recent years. The questions raised were, whether and how far a corporate is responsible for the social consequences of its business operations. In response many companies have developed successful corporate responsibility programs or participated in efforts to meet humanitarian needs.

As CSR tends to be voluntary in nature, most often is approached from top-down: a company decides what issues it wishes to address. It may be, contributing to community education, healthcare or the wildlife, or donating to disaster relief, or to encourage staff diversity or reduce pollution. These voluntary initiatives should be welcomed. But accountability to CSR approach is different. It is not top-down, but bottom-up, with the stakeholders at the centre, and not the corporation. Setting higher CSR accountability standards Corporations world wide will be able to..... .

> Identify and prioritize the stakeholders' interests at an international and national level.

> Identify critical issues of CSR within the commercial framework, i.e. achieving business goals, through adapting corporate codes of conduct, monitoring and compliance, training and capacity building and many other stakeholder engagement processes.

> Measure implications of CSR for corporate governance as well as for human resources in a highly competitive and complex business environment

> Evaluate the results of legal versus voluntary measures from the perspectives of a range of stakeholders, and its impact on the business.

This is vital for any corporate existence as globalisation does not simply means economics, but the cultural, social, and political equation are equally important. Corporate social responsibility touches on each of these facets of civil society. Where CSR is integrated within the core business strategy, it is likely to remain strong, whereas, CSR as a philanthropic add-on is vulnerable to cost cutting. Ultimately, the long-term success of CSR will be based on its ability to be positioned within the core of business strategy and development, thereby becoming part of 'business as usual'.

> The global market demands appropriate guidelines and policies on the responsibilities of corporations. There is an ongoing debate on CSR to be left as self-regulated or be regulated by law. Media is always ready with stories of

corporations and its social responsibilities if one wish to go by that only, but it would be more responsible to judge today's corporations and their business implications through information backed by substantial data on the same.

As, all most all the CSR Definitions suggest that Corporate social responsibility (CSR) encourages organisations to be accountable for their social and environmental impact beyond profit or legal obligations, many organizations have responded with defensive CSR initiatives, often disconnected from everyday business reality. The issues that often need to be judged internationally are, whether, CSR is just a bandwagon response for public relations; or an extra curricular activity for staff; or a glossy 'feel good' sustainability brochure for shareholders; or just a politically correct stick for activists to flog 'non-believers'. If so, the most pertinent question is, 'Are CSR regulations required for MNCs while operating abroad?

It is true that, when regulation by law ensures minimal standards, in the process 'conviction' gets lost to 'compliance' and that spoils the value behind Social Responsibilty. At the same time, no one should have doubts that, there is a need for demonstrated consistency between CSR claims and actual behaviour in all the developing countries where the MNC operates. The stakeholders here have different characteristics and resultant bearings. The demographic realities are peculiar and Governments also play very limited role to protect adequate and long term social security of people. In light of these realities, if, CSR is regulated

through supportive legislative measures that are apt for the country specific conditions can confer sustained CSR Outcomes.

➤ Globalisation is associated with massive increases in cross-national flows of capital, labour, technological know-how, goods and services, and it has correspondingly important effects on employment, economic development, political institutions, and social Development.. Secondly, Corporations are key agents of globalization as they are laboratories of innovation and repositories of resources and talent. They are like people; each has a unique personality and character. Just as people recognise each of us by the way we communicate and the way we behave, so a company also reflects its own unique character to the world. Hence, globalization presents major challenges to social scientists and policy makers at many different levels of scale. Academics and research provide significant paraphernalia to cultivate a holistic and intellectually flexible understanding and approach in future business leaders towards critical multi-sector social dilemmas facing today's world. CSR is one approach that can ensure that, future managers become responsible decision makers. It prepares them to analyse business impact, means recognising the business benefits and the wider social impact of business policies. When the curriculum at business schools does not cover only the traditional areas of recruitment, remuneration, training etc. but also covers the growing global concerns like social and environmental impact of business and opportunities of issues such as cultural diversity, equal opportunities, social investments etc. it offers a framework that helps future

leaders and through them, organisations move toward responsible business practices. It is important for today's students and tomorrow's leaders to understand the role of each player in society -government, business, trade unions, non-governmental organisations and civil society etc for building capacity and getting prepared for creating strategic networks and alliances. In this direction, the education and corporate sectors partnerships is necessary for restructuring social and sustainable goals in local and global communities.

Suggestions

1. Identify performance measures and set measurable targets.

The first and foremost issue in CSR Undertaking among MNCs is to make them accountable in some way to its stakeholders, and responsible to provide corporeal mechanisms to ensure that the CSR yields measurable results.

CSR is a long and complicated process that influences overall business decisions and so old patterns of working and taking decisions on it become obsolete and insufficient to have measurable outcomes. As seen in the study, all of the CSR instruments are voluntary, adherence to them rarely requires verification and by definition also CSR is away from the enforceable by law. Voluntary approaches, by design or default, serve to by-pass or undermine some of the key forces that promote corporate responsibility, namely government or international regulation, trade unionism, and more confrontational forms of NGO activism. As a result, whatever initiatives undertaken, build on the self-interest of companies and proves more to be a business case. To enable companies initiate CSR more for addressing stakeholders' issues, effective management of CSR demands monitoring, measuring and reporting of performance against socially accepted indicators. In light of this, CSR processes deserve good and professional facilitation as it requires a transition from a 'routine and occasional' activity to a sustainable and ethically important activity, if not through voluntary than through statutory measures.
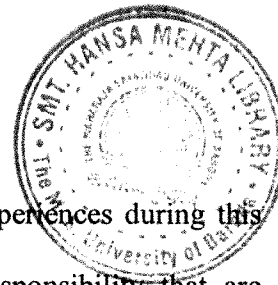
On the basis of the researcher's observations and experiences during this study, the researcher has listed certain areas of social responsibility that are important and possible to measure from stakeholders' perspective. For the purpose, the researcher has developed a 'Corporate Social Responsibility Matrix' with Key Performance Indicators of CSR. The companies can adopt 360 degree Performance Analysis approach and get feedback of their actual performance on various aspects of CSR by the respective stakeholders. This analysis and feedback from it only, should allow the companies to document, measure, and report on their social responsibility-performance. The same approach can be adapted to measure each of the Social Responsibility Undertakings and projects, bearing in mind that financial and social objectives are complementary, rather than mutually exclusive.

Managers can use this CSR Matrix as a means to articulate strategy, communicate its details, motivate people to execute plans, and enable executives to monitor results. Perhaps the prime advantage is that a broad array of indicators can improve the decision making that contributes to strategic success. Non-financial measures enable managers to consider more factors critical to long-term performance.

Here the ranking suggests achievements against the commitments made/no commitments in particular area on the scale of 1 to 10 wherein, 1 suggests 10% and 10 suggests 100% achievement. CSR Processes involved are listed by the company and the judgment left to the stakeholders.

The other important suggestions are:

2.   MNCs should develop an integrated CSR decision-making structure. All the MNCs' CSR can go to higher graph if the companies constitute a CSR committee comprising a member of the Board, senior management, representatives from each of the stakeholders group, an expert from outside the company, instead of attaching CSR activities to the HR departments only. Given that CSR is fundamentally concerned with transparency, accountability and performance, it is important for the CSR decision-making structure to be an integral component of the firm's governance activities and remain visible. Assigning CSR responsibilities to board members ensures that CSR issues will receive the attention they deserve, and as a result forms a strong basis for an effective chain of CSR accountability within the organization -- all of which supports the board's corporate governance function. A senior official or committee responsible for overall CSR implementation within the firm should be identified and given the resources to do the job. CSR responsibilities should be built into employees' job descriptions and performance evaluations.

3.   Design CSR Training. A comprehensive approach to training will ensure employees have information on the firm's CSR commitments, programs and implementation. Studies suggest that the most successful training addresses knowledge, skills and attitudes. In order to strengthen MNCs' corporate social responsibility practices, the most important step to be taken is the raising of awareness of various facets of CSR itself. As most of the time CSR is perceived only as either charity for good cause or community development projects. Regular discussions between companies and its stakeholders, as well as among the stakeholders allow to create socially and culturally relevant understanding and undertakings of corporate responsibility.

4.   The overall success of CSR depends on the leaders within the organization. The right mix of motivation and technical knowledge of CSR among the leaders is of prime importance to raise the standards of CSR as, the how's and why's of corporate responsibility affect the policies undertaken, its implementation and success.

5.   The MNCs should be encouraged to initiate volunteer schemes or partnerships with civil society groups, who can provide policy guidance, procedural support and technical advice. MNCs need to work more closely with civil society, national and international organisations and governments to gain momentum for more responsible business practice and the best framework in which this can happen.

6.   Reforming labour legislation at the national level is just one area that would improve corporate social responsibility Undertakings. Similarly, improved adherence to national and international guidelines can be achieved through legislative measures. The introduction of tax benefits is another way in which to promote corporate responsibility. Corporate Social responsibility if in a frame of Statutory measures, requires companies to mainstream labour related and human rights issues throughout their operations in a meaningful manner. Governments worldwide should support meaningful corporate social responsibility and genuine accountability for any violations. To encourage initiatives such as to expose abuses and provide guidelines to protect the rights of stakeholder groups, country specific recommendation and measures need to be welcomed.

7.   Introduction of CSR as an action programme in management curriculum in business schools and operationalising it at the industry level can change the scenario of CSR in coming years.

8.   The researcher also suggests that during the course of business, as a part of business ethics, the companies continuously need to seek answers of few questions.

➢   As business is primarily an economic activity, the first question is: How does the company contribute in the economic well-being of not only their shareholder but all other stakeholders?

➢ The second question that needs to be asked is: How to get rid of constraints in achieving higher standards of social responsibility undertakings?

➢ The third question that can be raised is: Where, there is a scope to improve people's quality of life within ethical business framework?

➢ The fourth question is: What measures will be more suitable for meeting larger development objectives of the local land? Where and at what level interventions would be more appropriate?

➢ The fifth and the last question is: How does the company meet the local and global goal of Sustainable Development?

and should act in a manner that respects the legitimate goals and demands of all stakeholders. Business must realize their potential and accept their role to create lasting social change. In many cases, the endorsement of CSR by companies can be seen, in part at least, as a response to well publicised attacks on them as greedy, secretive, exploitative and concerned only with making money for their owners and managers. This is necessary also as the emergence of present largely pluralistic society demands more in terms of getting deeply involved in the solution of society's major problems as every aspect of business has a social dimension. Millennium Development Goals, setting the sustainable development framework have helped to carve out a distinct path to undertake some of the social responsibilities directly or indirectly. These MDGs have emphasized the need for business organizations to become more 'caring! While earning profit from that host country, a mindful and well thought-out effort by MNCs to contribute towards holistic development cause can go a long way.

It remains to be seen whether these MNCs can be persuaded to be good citizens of the host country or they remain indifferent to their impact outside the business. It is pertinent to examine whether they prove to be contributors of development or exploiters of resources. Answers to this and many such questions are crucial for any society's development agenda. The researcher believes that, while criticism/apprehension is welcome and often essential, it is meaningless without assessment of the present conditions of MNCs' operations with reference to CSR in the global context and suggestions for improvement. So, this study is an attempt to seek answers to such apprehensions through assessing Social Responsibility undertakings of MNCs as perceived by the respective companies'

employees. The 'employees' is the only group of the stakeholder having direct and concurrent observation of the company's policies and practices. The researcher is looking for developing a CSR contrivance on the basis of these observations that may help the corporations in delivering measurable results and filling up the lacunas existing in the present day CSR Undertakings. It can be readily adapted and incorporated as one of the core management approach to meet social obligations by any business as it seems more than likely that corporations, in future may get evaluated on their contribution in constructing a good society and to provide good quality of life to citizens all over the world.