

A Study of Areas and Approaches towards Corporate Social Responsibility in India

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Abstract –

Indeed, this is the right time to scrutinize the concept as well as the actual practices of Corporate Social Responsibility. Actions towards Social Responsibility can surely spring only when the society, as a whole, is really ready to accept Social Responsibility, as a concept and also in principle. Corporate Social Responsibility is roughly interpreted as an Academic Discipline. It can also be presented as a Management Approach that is a technical and instrumental response to the overall business environment. It should ideally be treated as a field which includes both the Academic and Practitioner perspective.

The word ‘Corporate Social Responsibility’ can roughly be defined as an obligation of a Corporate Organization to protect and enhance the society within which it operates. After identifying various areas of Corporate Social Responsibility, like Ecology and Environmental Quality, Consumerism, Community Needs, Relationships with the Government, Minorities and Disadvantaged Persons, Relationships with the Labor and the Share holders, in this Research Paper, the writer has put forward different approaches emerged towards practicing of Social Responsibility. To conclude the Research Paper, he has also given his personal view towards Corporate Social Responsibility based on his Social Observations and Personal Experiences during Social Interactions with many people on a number of occasions.

Key Words–*Social Opposition, Social Obligation, Social Response, Social Contribution, Corporate Philanthropy.*

Introduction –

Corporate Social Responsibility is one of the major trends in modern business. Especially in seminars or conferences, very loud comments are passed on this topic. Indeed, this is the right time to scrutinize the concept as well as the actual practices of Corporate Social Responsibility. In the words of Dietrich Bonhoeffer, “Action springs not from thought, but from a readiness for responsibility.” In other words, actions towards Social Responsibility can surely spring only when the society, as a whole, is really ready to accept Social Responsibility, as a concept and also in principle.

Sometimes, Corporate Social Responsibility (CSR) is roughly interpreted as an Academic Discipline. This means that it is a coherent body of knowledge addressing a central theme. Prime focus of Corporate Social Responsibility is on the relationship existing between the business and wider society and also as to how it can be managed, quite effectively, in practice. Moreover, Corporate Social Responsibility can also be presented as a Management Approach that is a technical and instrumental response to the overall business environment. As a matter of fact, Corporate Social Responsibility should ideally be treated as a field which includes both the Academic and Practitioner perspective. Furthermore, the overall constituents related to Corporate Social Responsibility get affected either favorably or adversely because of the very existence of the Corporate Organization, in itself and moreover its performance, in the society. The society, just referred to, consists of different elements like Customers, Employees (also termed as Internal Customers), Creditors, Competitors, Suppliers, Shareholders, State Government, Internal Groups, Community Groups, to mention a few.

Moreover, arguments for Corporate Social Responsibility include Public Expectations and resultant Image, Dominance of the Competitors, Favorable Environment leading to Corporate Success, Overcoming Government Rules and Regulations, Maintenance and Development of Goodwill, Appropriate Utility of Corporate Resources, Courteous Social behavior Augmenting Profits, Assured Survival and Stability. Arguments against Corporate Social Responsibility cover Loss of Profit Maximization, Dominance of the Competitors, Favorable Environment leading to Corporate Success, Overcoming Government Rules and Regulations, Maintenance and Development of Goodwill, Appropriate Utility of Corporate Resources, Courteous Social behavior Augmenting Profits

Definition of Corporate Social Responsibility –

The word ‘Corporate Social Responsibility’ can roughly be defined as an obligation of a Corporate Organization to protect and enhance the society within which it operates.

Research Paper Objectives–

The Research Paper Objectives are as follows.

1. To Identify several Areas of Corporate Social Responsibility in India
2. To Study various Approaches to Corporate Social Responsibility in India

Research Paper Methodology –

The Methodology adopted for writing the research Paper is as follows.

1. Review of literature through books and a website (The details about the books and the website are given at the end of the Research Paper.)
2. Drawing inferences and forming personal views after applying logical interpretations of data.

Areas of Corporate Social Responsibility –

The following main areas have been identified by the research paper writer, towards Corporate Social Responsibility. However, there is no attempt on the part of the research paper writer to conclude that the Corporate Social Responsibility is, in fact, strictly restricted only to those areas mentioned in the research paper. Thus, in other words, these areas are undoubtedly suggestive and not, at all, exhaustive, in practical nature.

(a) Ecology and Environmental Quality -

This area broadly includes the following.

- Pollution Clean-up and Prevention
- Dispersion of Industries
- Appropriate Utility of available Land and its Beautification

(b) Consumerism -

This area includes the following.

- Truth in Lending and in Advertising
- Fair and Ethical Business Practices
- Product or Service Guarantee or Warranty
- Believable Service - Before and After Sales
- No sale of harmful products
- No sale of food items injurious to human health

(c) Community Requirements –

These include the following.

- Proper Utilization of Expertise and Competency of Eminent Personalities for resolution of local problems

- Appropriate Aid with Health-care facilities
- Provision of adequate educational facilities
- Service in voluntary Groups

(d) Relationship with the Government –

This relationship covers the following.

- Strict restrictions on lobbying
- Dominance or consequent control of business through political influence

(e) Minorities and Disadvantaged Persons –

Services to these include the following.

- Provision of Training to unemployed people
- Ensuring equal employment opportunities without bias or prejudice
- Deliberate location of plants and other offices in minority areas
- Encouragement of purchases from minority businesses houses

(f) Relationships with the Labors –

These relationships cover the following.

- Improved conditions for Health and Safety
- Provision of sufficient Day-care Centers
- Provision of options of flexible Working Hours

(g) Relationships with the Share Holders –

These relationships include the following.

- Provision of Public Seats on the Board of Directors
- Transparent Financial Disclosure.

Does Corporate have Social Responsibility?

After *Review of Relevant and Pertinent Literature*, it is rationally realized that all the Corporate do not have unanimity as regards not only the concept but also the practices of Social Responsibility. In other words, the concept of Corporate Social Responsibility has consequently led to emergence of several approaches towards this concept.

Approaches to Social Responsibility –

1. Social Opposition

Some corporate take a stand that they do not, at all, owe any responsibility towards the society, at large. They try their all the best to cover up or deny this kind of behavior through their strong justification which is interpreted by some other corporate houses, as totally unethical or illegal, especially those who admit their responsibility towards the society.

2. Social Obligation

On the other hand, some corporate undertake social responsibility as a part and parcel of their social obligation. In other words, they follow all the provisions of relevant and prescribed statutes or laws those are applicable to their organizations. At the same time, they do not go beyond these provisions.

For example, they do install all the safety equipments as are ideally imposed by the law. However, they do not incur additional expenditure for the purpose of installation of better safety equipments.

3. Social Response

Some selective corporate, indeed, go beyond the legal boundaries and they tend to be relatively more socially responsive or sensitive towards shouldering their social responsibility. For instance, they take an active part in socially beneficial activities. But, at such times they take adequate care that after undertaking cost benefit analysis, benefits are more as compared to the actual costs incurred.

4. Social Contribution

Some corporate treat themselves as responsible citizens and they contribute maximum to the best of their capabilities in almost all the projects meant for improvement and betterment of society, at large. No doubt, they believe in deep social effort in serving the overall community.

Personal Views of the Researcher as regards Corporate Social Responsibility –

After careful and thoughtful study of all the approaches, described above, of the concept of Corporate Social Responsibility, the ordinary member of the society may develop a deep and considerable confusion whether or not the Corporate really has the Social Responsibility. No doubt, his confusion is quite understandable, rational as well as logical.

However, the *Research Paper writer is of the firm view that the Corporate does have Social Responsibility* for the following main reasons.

1. The Corporate act only within the four parameters of the society and not, at all, out of the periphery of the society. Therefore, they do owe the Responsibility towards the Society.
2. The fact of very existence of the Corporate, in itself, is because of the existence of Society, as a whole. In simple words, if the society would not exist, the Corporate, too, would cease to exist.

Furthermore, the *arguments passed against practicing of Social Responsibility are intelligently needed to be curbed out and overcome through persuasion and emphasis of its different benefits.*

Research Paper Limitations –

1. As the Research study for this paper is based on Secondary Data, all the limitations of Secondary Data have direct and deep impact on various views formed and inferences arrived at by the Researcher in this Research Paper.
2. As the Research study for this paper is purely of Academic Orientation, some sort of adaptation to prevailing factual conditions is ideally necessary before its direct application in practice.
3. As the Research study for this Paper is based on Human Views, that is, Views of the Researcher, all the limitations of Human Views have direct impact on various views formed and inferences arrived at by the Researcher in this Research Paper.
(At the same time, it may, necessarily, not, at all, be out of place to point out, over here that those views and inferences are based on fully considered, well balanced and sound judgment of the prevailing social situations as regards Corporate Social Responsibility.)
4. Various views expressed in this Research Paper are partially based on Social Observations of the Researcher and his Experiences during Social Interactions with many people on a number of occasions. As a result, full concurrence with all the personal views as well as personal opinions of the Researcher is certainly not possible, in practice.
5. Different areas of Corporate Social Responsibility mentioned in this paper are suggestive and not at all, exhaustive in their nature.

Scope for Future Research –

During the course of the study of this Research Paper, the researcher found out that there is scope and potential for research in future for the following topic.

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Website –

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