

**CORPORATE SOCIAL RESPONSIBILITY: EMERGING TRENDS IN INDIAN CORPORATE
SYSTEM (with special reference to case studies)**

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ABSTRACT

It is said that nature's greatest happiness lies in change. Change is a phenomenon that touches almost all aspect of our lives. Corporate social responsibility is one of the change depicts here. This paper examines the indispensable nature of CSR in corporate world.

It 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

Fundamentally , a CSR retribution ascertain how the company prosecute with its shareowners and other shareholders admitting its workers clients etc.which has been explained in this paper in support with the case study of McDonald , Starbucks ,TATA group ,Wall mart , Serco global services, Pepsico , Standardchartered , Indian oil , ONGC and many others. CSR is simply telling socially responsible for the act to be done. Manifestly, the above companies are different and have springing up its CSR retributions in the circumstance of its corporate scheme. They also necessitate recapitulating on a regular basis to excogitate changing business, economical and social berth. Business establishment are cogent institutions that masters the society. After adopting CSR, the business houses presume that by spending on CSR strategies, the companies moved over and above from the existing level and proved quite fruitful to them.

KEYWORDS: Corporate Social Responsibility, Profit maximization, Stakeholders.

INTRODUCTION

It 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. The conception of social responsibility implicates the business organizations must protect and think twice on community's part before accomplishing their own organizational and economic interests. Corporate social responsibility (CSR) refers to operating a business in a manner that accounts for the social and environmental impact created by the business. It is balancing the economic, environmental and social objects while at the same time addressing the stakeholder's expectations and enhancing shareholders value. It indulges in consumer protection avoiding bribery, corruption, etc.

Today society is aware of its right and business organizations are contributing almost like anything for the betterment of society simply because business enterprises are the creatures of the society, not the opposite that is why they must fulfill the society demand and if they don't then either society will force them to do so through laws or they will not permit to survive them for a long period of time. In short it is the obligation of the whole corporate world to take care of the different interest group which is directly or indirectly being affected by the pursuit of the business activities.

While moving the companies bill in 2012 in lok sabha on 18 december 2012 Shri Sachin Pilot (Minister of Corporate Affairs) has said : *"Growth is important for our country and to my mind growth should be long term , sustainable, equitable but more importantly growth should also be responsible therefore the responsibility of taking this country forward certainly lies with the government but increasingly so, I think the corporate entity of this country , the private players, enterprises, entrepreneur also have an increasingly a larger role to share in making this country prosperous , functional , forward looking nation . the issue of corporate social responsibility has been taken up in this bill"*

Objectives of the study:

The objective of this paper is to examine the nature and extent of corporate social responsibility (CSR) initiatives under taken by Indian companies and to study its relevance in business.

COMMON CSR POLICIES INCLUDE---

- Adoption of internal controls reform in the wake of euro and other accounting scandals
- Commitment to diversity in selecting employees and avoiding discrimination
- Management should undertake employees as their human assets not the costs
- Adoption of management policies that exceed compliance with social and environmental laws
- Effective use of natural resources in production according to the prominent fashion

CSR AND MAXIMAL PROFITS GO HAND IN HAND--

Karl Marx said "Business is all green only philosophy is grey" achieving maximum profits are the prime economic object of the enterprise. Larger profits reflect strengthened confidence in the minds of the various stakeholders. Some are of the view that only increased sales and maximum profits are the leading progressive roads to corporate world. But on the contrary practically

speaking the company with sound financial health but zero CSR commitments will not go along will ultimately sink into the sea of the corporate system. this profits alone cannot take the organization higher , it has to blend the CSR along with its operations CSR therefore requires the certain amount of expenditure to be spent which is called CSR spends out of its corporate net profits. So it can be rightly said that profit maximization without considering social propaganda is meaningless.

CASE INCIDENTS

CSR policies and commitments have helped the bottom lines which contained various social – economical, ethical and environ benefits. Some of the leading cases have been explained as below;

1. **MC Donald** –McDonald strives to make a difference by taking action in five key areas:
 - Nutrition and Well Being: increased awareness of fruits, vegetables and low fat calories options for children. In Sep 2010, a side salad as part of extra value meal was offered in Latin America.
 - Sustainable Supply Chain: In Asia, pacific Mc Donald's has supported a more sustainable fish supply by identifying alternative species to meet quality and taste standards.
 - Supported Community: In March 2011, a 9.0 earthquake caused significant damage and loss to life in Japan's Tohoku region. McDonald's corporation contributed US\$ 2 million to the Red Cross's earthquake relief efforts.
2. **STARBUCKS COMPANY**: A successful global coffee company communicates its CSR commitments through a regulatory framework including a two way communications, value chain analysis. Starbucks is considered to be the major player in the CSR field it is indulged in various and moral ethical practices among community. Star bucks use an integrated approach and its commitment towards full disclosure is prominent.
3. **CSR in TATA group**- TATA MOTORS was the first Indian company to use healthy and pollution free vehicles using CNG in order to ensure corporate social responsibility commitments. It also introduced various scholarship programs for higher education through vidhyadhan, for 211 students, in which 132 were from the weaker sections of the society, TATA MOTORS, also provided various economic development facilities to the rural sector of the economy. Mr.Ratan Tata, founder of TATA group said" we do not claim to be more unselfish, more generous and more philanthropic than other people. But we think we started on sound and straightforward business principls, considering the interest of the shareholder, our own, and the health and welfare of the employee, the sure foundation of our prosperity"
4. **WALMART'S CSR policies and reporting**- 'sustainability 360 model', was developed in order to ensure CSR commitments. WALMART communicates the significant progress made by them in reduction of green house gas emissions. They also gave financial help in environmental issues, health, training, education and development in WALMART'S GLOBAL RESPONSIBILITY REPORT, 2011.
5. **SERCO GLOBAL SERVICES**- The Company wins GOLDEN PEACOCK AWARD for CSR presented during 8th international conference on CSR- Serco received immense praise from

the jury for the efforts and the initiatives taken to build CSR initiatives around towards health ,safty and environment. The jury also praised Serco's unwavering commitment towards CSR initiatives and effort to contribute to the welfare of the society by managing their responsibility. This was all for Serco's active work in charity related initiatives that worked towards the betterment of society and support to the NGO's.

6. **Pepsico CSR initiatives** - Its motto is '**Performance with Purpose**' achieving business and financial success while leaving a positive imprint on society. PepsiCo has detailed internal programs and procedures for food safety. PepsiCo monitors company-owned operations and joint ventures to encourage suppliers, service providers, bottlers and other partners to adhere to the environmental policy. They developed Global Sustainable Agriculture Policy, which demonstrates approach to sustainable development across our entire agriculture supply chain, including water savings, waste reuse, soil protection and chemical use.

7. **ONGC CSR initiatives**- It is state owned Oil and Natural Gas company founded on 14 Aug 1956. ONGC which has been given the status of a 'maharatna' by the government. Some CSR Initiatives are as follows:

- Project Sarswati launched in 2005.
- To discover deep aquifers left by mythical river Saraswati in North west Rajasthan.
- Aims to locate fresh water unexploited deep ground water resources.
- Project in Progress to bring water to people in draught prone areas.
- Financial assistance to Anganwadis in Western region.
- Asha Deep Charitable Organization in Muzaffarnagar in rural India is catering to the welfare of the needy including arrangements of training to mentally impaired children and helping the aged person, widows etc.

8. **Indian Oil Corporation Limited CSR Activities** - IndianOil is the highest ranked Indian company in the latest Fortune 'Global 500' listings, ranked at the 125th position. With the objective of protecting, preserving and promoting heritage monuments glorious past, IndianOil has created a non-profit trust, the IndianOil Foundation, in collaboration in the Archaeological Survey of India (ASI) and the National Culture Fund of the Ministry of Culture, Government of India. It's Mission statement is, to" preserve ecological balance and heritage." Also, IndianOil awards 2600 Scholarships for meritorious students all over India, under the IndianOil Scholarships Scheme for each academic year.

9. **Standard Chartered Bank- CSR initiatives-**

- Standard Chartered was formed in 1969 through a merger of two banks: The Standard Bank of British South Africa, founded in 1863, and the Chartered Bank of India, Australia and China, founded in 1853.
- StanChart believes in building a sustainable business as a bank, simultaneously creating value for its shareholders, supporting its customers and contributing to the communities. Banking is vital to restoring a vibrant global economy.
- StanChart runs a workplace HIV education programme, called 'Living with HIV', since 1999. The programme has been specially developed to provide a minimum standard of HIV education.
- The stanChart community Centre established various playschools/Supplementary School, a Library and a Vocational Training Centres.

CONCLUSION

“Is CSR: Need of the hour in today’s corporate world?” yes, it is .As CSR is a pristine and methodical move in the corporate world.

Organizations must realize that government alone will not be able to get success in its endeavor to uplift the downtrodden of society. The present societal marketing concept of companies is constantly evolving and has given rise to a new concept-Corporate Social Responsibility. Many of the leading corporations across the world had realized the importance of being associated with socially relevant causes as a means of promoting their brands. It stems from the desire to do good and get self satisfaction in return as well as societal obligation of business.

Compelling impressions has forced the corporate world to pool down their profit wasted intense into the fresh idea of corporate social responsibility.

But from the above mentioned study, it can be rightly said that the CSR is directly a spend for the others but indirectly a pay back for the business. It is a value oriented approach that’s why maximum business organizations are covering the conception CSR .corporate social responsibility works as a “beaming light of success” towards an organization’s goal because a company’s strategy is at full power only when its many ices are united.

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