

## CORPORATE SOCIAL RESPONSIBILITY

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### ABSTRACT

*According to the new Business Act, all companies must donate 2% to their net profits to CSR. This has encouraged Indian companies to deliberately tackle CSR as they need a defined class of companies to issue a portion of the profits of CSR activities. According to this model, the role of businesses is to create value for shareholders and society and reflect a win win situation. Many organizations have raised awareness of the importance of CSR among businesses, civil society and public institution. Many organizations have raised awareness of the importance of CSR among businesses, civil society and public institutions. CSR has become a fundamental business practice and is very focused on the management of large international companies. The organization expects businesses to participate in solving social problems, even if they create problems. A recent report by Business Magazine states that "many business leaders now believe that doing good for others also means doing good for shareholders." Corporate social responsibility is the process of all companies coming together in society. Corporate responsibility is often referred to as the actions of organizations on environmental, ethical, social and economic-issues. As we know, today's Indian companies go beyond the concept of charity (charity) and focus more on all stakeholders. Economist and philosopher Adam Smith believed that society's needs and wants are best met through free interaction between individuals and institutions in the marketplace. But in India, this is still in its infancy. In this context, Indian business must go beyond the commercial and legal framework to build trust and play a role in the welfare of society. The article also highlights the major challenges/issues faced by Indian companies and suggests solutions to improve CSR Practices.*

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**Keywords:** Corporate Social Responsibility, Stakeholders, Obstacles.

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### Introduction

Corporate Social Responsibility (CSR) is a self-regulated business model that helps businesses take social responsibility to themselves, their stakeholders and their citizens. Through the practice of corporate social responsibility, also known as corporate citizenship, businesses can recognize the type of impact they have on all aspects of society, including economic, social and ecology. Corporate social responsibility means contributing to the balanced development of society by serving society and providing adequate services to stakeholders. It covers the administration, social influence and ethics that followed the company of society.

The concept has become increasingly prominent in the Indian corporate landscape as companies realize the importance of developing a sense of responsibility and developing relationships with the wider community, in addition to growing their businesses.

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### **Theoretical-Background**

CSR is becoming popular nowadays. Dr. Ratnam believes that the concept of CSR has multiple meanings, depending on the stakeholders and the specific situation. Information on the accountability of the organization varies from country to country.

The role of CSR begins with the assessment of each business;

- Consumers
- Retailers
- Environment
- Community
- Employees

### **Literature Review**

Mittal studies examine various trends in CSR practices. Using statistical and correlational analysis, it is concluded that there is no evidence that companies following ethical practices have a positive relationship with additional business results and business value added as measured by financial measures compared to companies not following ethical practices. Weaknesses and lack of standards are also evident in CSR reporting by Indian company.

Praveen Kumar (2013) in his article on "Corporate Social Responsibility in India" has talked about the present scenario of CSR in India and the challenges available in Context of India.

In an article by Harrajan Bansal, Vinu Parida and Pankaj Kumar (2012), "Emerging Trends in CSR in India", 30 companies in 11 sectors analyzed with the help of an annual report in the Bombay Exchange. This study was not only not working today, but also having the importance of social friends. Social responsibility began in a new direction.

### **Importance of CSR**

The basic objective is to look towards the actions of organizations along with creating favorable response for customers, suppliers, society through corporate partnerships. Many business models have been developed to achieve CSR goals. In order to be a good businessman, the internal and external management of the company must be good. It states that companies are rewarded or punished according to the agreement of the business. Another study by Environs International revealed that more than one third of US business owners consider ethical issues when buying or selling products. Companies are forced to improve performance to recruit and retain qualified employees.

### **Levels of CSR**

India is one of the leading countries in promoting CSR Practices. However, stages are not static and the characteristics of each stage may overlap with the characteristics of the other stages. In First and Second phase Indian entrepreneurs demonstrated their commitment to progress.

The third stage of CSR (1960 to 1980) led to the legalization of economic management, labor issues and environmental issues through the concept of "mixed economy". In the fourth phase (1980 to present), Indian companies started moving away from CSR and started integrating it into corporate strategy. They are more willing and able to contribute to the relationship. TATA Group (67%) was the leader, followed by Infosys (13%), IT C (12%), NTPC (11%) and ADA-Reliance (10%).

Even examples like these; CSR is still in its infancy in India. Lack of understanding, inadequate training of employees, scope and additional policies affect its impact.

### **Benefits of CSR to the Company**

- Increased brand name and reputation;
- Increased sales and stable customers;
- Increased production and quality;

### **Evolution of CSR in India**

India has a globally prosperous practice of corporate social responsibility (CSR). The term CSR may be relatively new in India, but the concept comes from the history of Morley. CSR was practiced informally in ancient times in the form of arms and charity for disadvantaged societies. Indian writings have stated in several places how important it is to acquire a spoiled section of society. There is a deep

rooted culture of sharing and care. Companies have CSR teams that develop specific guidelines, strategies and goals for CSR programs and set budgets to support them.

### **Challenges Faced by Indian Businesses**

The concept of CSR has now become firmly established in the global business world. However, many hurdles need to be overcome to move from idea to implementation. One of the key challenges facing the industry is the need to increase credibility of CSR progress and communicate CSR strategies. Transparency and communication make the business appear more credible and raise the bar for other organizations.

In this context, Indian businesses can play a significant role in bridging the rural-urban divide in India. Creating appropriate ways and means to mainstream disadvantaged groups is a shared responsibility of civil society, opposition groups, governments and relevant organizations. Education, health and environment are the most important.

### **Recommendations**

We must encompass ourselves in all aspects of business and society to meet the needs of all stakeholders. The competitiveness of a business depends to some extent on its ability to adjust its products, services and management to meet the ever changing competition.

Many steps can be taken to make it more fruitful:

- To increase public awareness of CSR and make CSR measurement more effective.
- The role of social responsibility should be introduced as subject or discipline in the schools.
- Programs should be expanded for small scale industries.
- Business groups and civil society organizations should interact, pool resources, build partnerships, optimize CSR practices, improve operations and create new projects to achieve greater benefits.
- The government should recognize and reward businesses/NGOs and their partners who do good work for the poor and vulnerable.
- The participation of governments and other stakeholders is clearly stated in policy documents at all levels and coherent strategies are developed to translate policy recommendations into actionable processes.
- Increased focus on education, health, environmental protection, livelihoods, women's empowerment, disaster management, green economy, ethics and other issues related to development.

### **Even the Political Parties can play a predominant role in CSR implementation**

- Addressing the government's information policies and ensuring "public participation" in the planning process of public accountability institutions. Businesses in these areas will support new models
- It is suggested that appropriate and efficient models be jointly researched and resolved to support the targeted development process.
- Research conducted by international organizations reveals that business leaders should be the most reliable, ethical, clean and effective people in the world. But the core concept of corporate responsibility revolves around the concept of creating 'shared value'.
- Partnerships between industry, NGOs and government need to be encouraged to bring together their expertise, strategic thinking, operational and financial resources to initiate global change and accelerate India's economic growth in the global economy.
- The solution lies in all stakeholders coming together to create a unique path towards justice and fairness.

### **The Role of Responsibility: The Way Ahead**

Corporate Responsibility is increasingly prevalent as the organizations are focusing on what is good for employees, their communities, and their environment. Some of the corporations such as Tata and Infosys had been working on wellbeing in their operations for years, long before CSR became a requirement. "It is our duty to participate in the social development of the countries in which we operate, and we love it," said Carlos Ghosn, Renault Chairman and CEO.

### Brands that do CSR

- **Renewable Innovation: Johnson & Johnson**

A great example of CSR at the forefront is pharmaceutical pioneer Johnson & Johnson. For 30 years, company has been focused on reducing its impact on the planet. Their efforts range from harnessing wind power to providing clean water to communities around the world. By purchasing a privately owned utility in the Texas Panhandle, the company was able to provide a renewable, economical alternative to electricity while reducing pollution. The company continues to explore renewable energy options with the goal of meeting 100% of its energy needs from renewable sources by 2025.

- **Social Issues: Google**

Google is trusted not only for ecofriendly initiatives but also for its outspoken CEO Sundar Pichai. He campaigns against social issues such as President Donald Trump's anti Muslim rhetoric and the impact of AI on society in the form of misinformation. Google also funds initiatives to promote inclusion in the company and society in various areas.

- **Sustainability: Coca-Cola**

As a brand, Coca Cola takes sustainability very seriously. The areas of greatest importance are climate, packaging, agriculture, and water management and product quality. Their message is "A world without waste." The company aims to collect and recycle all its bottles, make its packaging 100% recyclable, and return all the water used in the production of its beverages to the environment to ensure water safety. The company aims to reduce its carbon footprint by 25% by 2030.

- **Netflix and Spottily**

Spottily offers a similar program, but with a shorter paid leave period of 24 weeks, allowing employees to take parental leave until their child is three years old. The program also allows employees to work flexible hours for one month after returning to work to ease the transition from full-time childcare to full-time employment.

In terms of social activism, Netflix and Spottily have taken to their social media platforms to show support for causes such as Pride Month, environmental sustainability, and Black Lives Matter. Netflix is an example of targeting niche and underrepresented audiences through social media. His channel "Strong Black Lead" is just one example.

- **CO2 Neutral and Equal Pay-Ford**

Ford focuses on building a better world where everyone can move freely and pursue their dreams." The company is increasing its investment in electrification from an initial \$11 billion to \$22 billion and aims to make its vehicles carbon neutral by 2050. This is the right thing to do for our customers, the planet and Ford. Today, 95% of our carbon emissions come from our vehicles, operations and suppliers, and we're working energetically and optimistically on all three of those areas." It is also interested to pay equality. It has conducted diversity, equity and inclusion audit while implementing global pay ratios.

### Conclusion

It is important to emphasize that companies must adhere to ethical standards, contribute to the economy. When working environment is not conducive, the company's aims cannot be achieved by simply creating trust and a foundation. It is important that companies should understand the impacts of CSR on environment and society adhere to responsible business practices. Overall, CSR can be important to a country's economy by strengthening brand reputation, attracting investment, encouraging innovation, reducing costs, and promoting social stability.

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