To Study on Current Status of CSR & it's Relations with Different Areas - An Overview

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Abstract: *Corporate Social Responsibility (CSR) is a self - regulating business model that helps a company be socially accountable—to itself, its stakeholders, and the public. Corporate social responsibility is a broad concept that can take many forms depending on the company and industry. Corporate social responsibility is important to both consumers and companies. In other words, corporate social responsibility has been the sole bottom line of success. With an era of globalization the economies of business has changed from corporate centric to the consumer centric, where the consumer's perception for a product, service, concept or an organization is most concerned. The present study discuss about CSR and its relations with different areas such as stakeholders, employees, governments, customers, NGO's, and publics etc.*

Keywords; CSR, Self - regulating Business, Stakeholders, Governments, Customers, NGO's, Public

1. Introduction

The World Bank's working definition of corporate social responsibility, "Corporate social responsibility is the commitment of business to contribute to sustainable economic development— working with employees, their families, the local community and society at large to improve the quality of life, in ways that are both good for business and good for development. " Although there is broad consensus that corporate social responsibility (CSR) has a business - driven approach and that the main focus of CSR development is the business sector, attention must also be paid to the development and application of CSR within the framework of other stakeholders, such as governments, from a relational perspective.

Objectives of the Study:
- To examine Current Status of CSR in India
- To Study on CSR relations with different areas

2. Methodology and Data Sources

The data used are secondary in nature and these include various government publications, official websites of regulatory bodies etc. This study is theoretical nature, as it makes use of latest available data on CSR activities by Indian companies and analyses the responses of corporate to relevant statutory provisions on CSR and market conditions.

3. Review of Literature

Windsor (2001), article examined the future of Corporate Social Responsibility or the relationship between business and society in long run. The researcher tried to find out that whether the organization and society will come closer to each other in future or not and what will be the changing phase of CSR. With the help of history or past trend of CSR, Carol's model analysis and in global context, the researcher found three emerging alternatives of CSR i. e. conception of responsibility, global corporate citizenship, stakeholder management practices. [1]

Nigel Sarbutts (2003), the paper explored the way of doing CSR by small and medium sized companies. The research depicted that a structured approach to managing corporate reputation and profit maximization of SME"s through CSR. The societal activities of small and medium sized companies is based on their cost is Benefit Analysis. Small Corporation always struggle for more reputation and minimization of risk. In such a situation, CSR comes as hope for these companies. Large companies have so many resources for implementing CSR activities but SME"s have less resource. It can be a barrier for them to stay in the market. So, in that situation by imparting much information, proper utilization of resources, doing well for businesses, SME"s can minimize their risk and manage CSR. [2]

Vaaland, Heide (2008), paper based on a case study methodology. The paper purpose was to handle the CSR critical incidents and utilize this experience in enforcing the CSR activities. The study concluded that CSR should be managed by handling unexpected incidents, long term reduction of gap between stakeholders and their expectations and company performance and finally maintaining relationship with society through interplay between actor, resources and activities. [3]

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Hartman (2011), article "Corporate social Responsibility in the food sector" in European review of agriculture economics journal, analyzed the importance of CSR in food sector, particularly those companies which have high brand. CSR is an important part of these companies. But SME"s are less capable in discharging their obligation towards society. Further, the research found that food sector always tries to improve the controlling and discharging its services towards consumers. Consumers also prefer those brands or food firms which give preference to CSR activities and provide good product and services. [4]

Agunis, glovas (2012), Paper entitled "what we know and don't know about corporate social responsibility: A review and research agenda" in Journal of management, based on 588 journal articles and 102 books. The study provided a framework of CSR actions which affects external as well as internal stakeholders and outcomes of such actions. The paper also enhanced the knowledge regarding levels, forms of CSR; need to understand CSR with outcomes etc. further the researcher also suggested a framework of research design, data analysis and measurement for future research of CSR. [5]

4. Current Status of CSR in India

The Corporate Social Responsibility concept in India is governed by Section 135 of the Companies Act, 2013 and Rules made there under wherein the criteria has been provided for assessing the CSR eligibility of a company, Implementation and Reporting of their CSR Policies. India having the most elaborated CSR mechanism and implementation strategy has started its journey to set a benchmark in attaining sustainability goals and stakeholder activism in nation building.

The new government guidelines require companies to get their project evaluated by independent third party agencies. This often meant local universities. Without a baseline and output or impact indicators, the evaluation reports are mostly report of a visit by an expert. One manager felt that it is early to evaluate their projects in education. The mining company, involved in supplying drinking water to drought hit villages, felt projects like this do not require any evaluation.

In each country, different ministries introduce CSR initiatives into their specific policy areas in parallel; however, there is often limited coordination between them. There is a strong connection between CSR and sustainable development. In the United Kingdom and Italy, CSR is seen as the business contribution to this agenda; in Norway, the Ministry of the Environment is introducing CSR elements into its sustainability agenda.

The corporate belief that a company needs to be responsible for its actions: socially, ethically, and environmentally. CSR has become the need of growing business. Businesses need to be practices their activities to earn a good image. Big corporate like Reliance Industries, Tata Group, Aditya Birla Group, The Coca Cola Company, and Indian Oil Corporation are involved in serving the community. These corporate are fulfilling their responsibilities towards the society. Many other organizations have been doing their part for the society through donations and charity events.

Today, CSR in India has gone beyond merely charity and donations, and is approached in a more organized fashion. It has become an integral part of the corporate strategy. Companies have CSR teams that devise specific policies, strategies and goals for their CSR programs and set aside budgets to support them. These programs, in many cases, are based on a clearly defined social philosophy or are closely aligned with the company's business expertise. Employees become the backbone of these initiatives and volunteer their time and contribute their skills, to implement them. CSR Programs could range from overall development of a community to supporting specific causes like education, environment, healthcare etc

With respect to the institutionalization of CSR within governmental structure, the United Kingdom was the first government to have a CSR Minister, sending out a strong message that the UK government was taking CSR seriously. In the other countries, the major problem is a lack of a systemic approach or general coordinating national framework. CSR is generally seen as a strategic and competitive opportunity by all three countries; however, how this is structured by their respective governments varies greatly. Finally, a multi stakeholder partnership is seen as appropriate for CSR.

a) CSR relation with different areas
For businesses, it is useful to think about CSR in the context of the vision/mission of the business. It is also useful to think about sustainability in the context of how the business will operate, especially with a focus on the natural resources it consumes both directly and indirectly. Essentially, sustainability relates to the reduction of environmental impact through reduction of consumption. Corporate Responsibility includes sustainability, but relates to the relations with the stakeholders, employees, governments, customers, NGO's, and publics etc. . .

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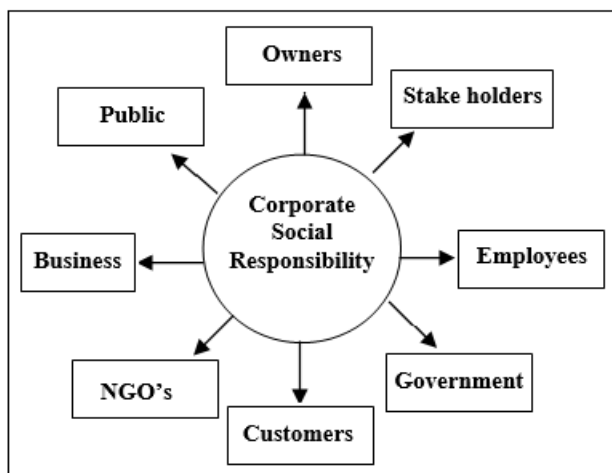
b) CSR and stakeholders:

This section is concerned with the connections between CSR and stakeholders. In the way of thinking that spread in the USA and various European countries in the late 1990s, CSR is the concept that provides theoretical support for the transformation in business management from striving for quantitative expansion to striving for qualitative improvement. However, there is at present no comprehensive definition of CSR. Therefore, although there are measures of some sort for evaluating CSR, in practice, this is carried out by means of a CSR framework, consisting of a triple bottom line of economic, environmental and social issues. An important issue is what stakeholder relationships are when business management is assessed from the point of view of CRS.

c) CSR and Public Relation (PR):

CSR and PR are closely related to each other. PR could be both, a blessing and a curse to CSR. Therefore, it is very important to understand these concepts and relationship between them.

CSR is not PR. The CSR legislation has made many companies view CSR as a marketing tool. The organizations undertake certain activities to gain media attention and mileage even if the activities are barely related to their area of expertise.

According to the experts, CSR needs to be a part of one's business. It has to be a core component of strategy and structure of an organization. It is about being fair to all the stakeholders including stockholders, employees, customers, community, supply chain, and the environment.

A company with good CSR strategy in place is sustainable and beneficial to everyone. Such a business has reached its success through smart decisions, integrity and honesty. It recognizes, acknowledges and values the contribution of all the stakeholders in its success journey. It includes and encourages everyone in their CSR initiatives including the employees and customers.

d) CSR and Government:

Government provides vital information to the private sectors through initiatives that include websites that inform companies of CSR and its role in business and society. Reports on CSR, as well as government - sponsored guidelines, aid businesses in addressing individual concerns that may be prevalent within their industry and practices. The government is also involved in standard - setting through the provision of policy frameworks, which encourage companies to improve their performance beyond minimum legal standards. The policy - making role of government is crucial for promoting CSR between different industries at the national level, encouraging a tightening of standards across the board. Economic incentives are often used to facilitate socially - responsible practices – an example of which is the prelaunch of the 'Payroll Giving' scheme.

e) CSR and engaging the employees:

Engaging the employees in CSR activities boosts an employee's work ethics and performance. Corporate social responsibility creates an impact on employee attitude and level of awareness. It enhances their sense of direction, integrity, and cultivates positive perception about their employer and about themselves. CSR enhances teamwork among employees through corporate volunteering. Apart from building a better relationship in the workplace, they strengthen the bond by working hand in hand in matters of projects and activities outside the office. They are able to appreciate each other better especially on talents that are not displayed in the workplace. Offering opportunities for the employees in developing their skills is part of good CSR practice. Employees learn new skills that they can share and contribute to the company when they are tasked to take on roles that are different from their work scope and function in a CSR activity.

f) CSR and Customer:

Advertising reflects customers' awareness of a brand. Higher levels of advertising increase customers' brand awareness and may stimulate customers to become further informed about the brand, including its CSR policies. Advertising specifically related to CSR may improve consumer awareness of a brand's CSR, thus enhancing the impact of CSR, although advertising featuring CSR may also backfire. Market leadership is a more objective measure of a brand's market success, as market followers may have on the one hand more to gain from CSR. but on the other hand may have more pressing priorities than CSR. Finally, we include innovativeness of the brand as an indicator of brand success. As pioneers in their field, innovative brands may have less to gain from engaging in CSR. However, they are also less likely to be blamed for focusing on the wrong priorities.

g) CSR and Non - Governmental Organizations (NGO's):

CSR and NGO's are becoming synonyms due to the strategic partnerships between NGO's and corporation. Corporations have moved beyond ordinary advertising to CSR. Saving the world is much better publicity. However, corporations are not good at this and need help. NGO's on the other hand are purpose built help - others save - the - world machines. Corporations don't' just give money to NGO's out of altruism. They expect something in return. This is typically marketing related. Being seen helping to solve the world's problems is an important part of brand

management and advertising. CSR is 21st century public relations and NGO's make it easy.

5. Findings

- Corporate social responsibility is the commitment of business to contribute to sustainable economic development.
- The corporate belief that a company needs to be responsible for its actions: socially, ethically, and environmentally.
- CSR Programs could range from overall development of a community to supporting specific causes like education, environment, healthcare etc
- A multi stakeholder partnership is seen as appropriate for CSR.
- CSR in the context of the vision/mission of the business.
- It is also useful to think about sustainability in the context of how the business will operate.

6. Conclusion

CSR is the ethical behavior of a company towards society, management acting responsibly in its relationship with other stakeholders who have a legitimate interest in the business. CSR is the practice of integrating social and environmental goals into business operations. It is how companies manage business processes to produce an overall positive impact on society. It covers sustainability, social impact and ethics and done correctly should be about core business etc. The CSR maintaining relationship with stakeholders, consumer, employee, public and government is given better results to the society.

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