

A QUALITATIVE APPROACH ON CORPORATE SOCIAL RESPONSIBILITY IN INDIA

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Abstract

CSR is a new business phenomenon which is not yet fully-understood and explored (compared to environmental issues) in corporate discussions and many of its features. The present study is an attempt to study the concept of Corporate Social Responsibility among Students with Commerce Degree and Executives with Commerce Degree, adopting a qualitative approach.

Keywords: *Corporate Social Responsibility, Society, Organization, Stake Holder*

I. INTRODUCTION

The civil society's awareness of the need for corporate social responsibility is also increasing. There has been a growing interest in Corporate Social Responsibility (CSR) across a range of disciplines. The activities of legitimate global business create havoc with climate, environment, biodiversity and the very basis of life on the planet. Companies facing these challenges are aware that Corporate Social Responsibility can be of direct economic value. They view these activities not as a cost but an investment. They view it as a long-term strategy. As a result, CSR has emerged as an inescapable priority for business leaders in every country.

Corporate Social Responsibility

CSR includes environmental, social and human rights-based impacts and initiative of companies. The concept provides a way for business to concern itself with social dimensions

and pay some attention to its social impacts. The Strategic Advisory

Group on CSR of International Organization for Standardization (ISO) describes it as 'a balanced approach for organizations to address economic, social and environmental issues in a way that aims to benefit people, community and society'.

The factors driving companies to pursue a CSR agenda are fairly consistent across the corporate world; however, once a company makes the decision to adopt CSR orientated activities, a plan (involving a lot of engagement with employees, managers, suppliers, NGOs and others) must be implemented to carry out the agreed CSR programme. Within the pages of its CSR Implementation Guide the International Institute for Sustainable Development (IISD) outlines what it considers to be the six key components which go towards a coherent CSR plan:

- CSR Assessment;
- CSR Strategy;
- CSR Commitments;
- Implementation Plan and Actions;
- Verification and Evaluation of Results, and
- Refinement.

"Perhaps most important, however, is an underlying commitment to multi-stakeholder engagement as a foundational pillar to any credible CSR program," says Jason Potts, a senior associate with IISD's sustainable markets and responsible

trade initiative. “CSR is fundamentally about ensuring that companies forward broader public objectives as an integral part of their daily activities and this can only be ensured with the appropriate communication channels with stakeholders.”

As CSR programmes continue to evolve and extend their reach, it may well become the case that companies find themselves under added pressure to have their CSR initiatives deliver a strong financial result. If this is indeed true, many would question whether this financially-orientated approach is not somewhat at odds with what the core aims of a CSR programme are supposed to be. “This depends on your timescale,” suggests Mr Webb. “In three to five years, a good CSR strategy will have delivered more engaged employees, better access to talent, lower capital constraints and a better reputation. In the longer term it can deliver serious business innovation and transformation of the company culture and how the firm sees its role in the world. Companies attempting this – not yet successfully, but on the way – include Unilever and Nestle, among others. Two well-known examples of those that are already there are Interface and Patagonia.”

Others are not convinced that organisations are feeling extra pressure due to a need to demonstrate stronger financial outcomes in conjunction with their CSR activities. “Significant pressure to bolster financial outcomes has always existed and will continue to exist,” says Mr Potts. “There is no reason why CSR commitments cannot deliver strong financial results, and it would be folly to expect companies to throw this core corporate objective out the window altogether.”

The problem arises when companies attempt to measure the financial results of their CSR policies independent of their other corporate activities. Rather, CSR policies need to be considered as a core and inseparable component of

the overall service or product offering. Furthermore, the costs related to CSR should not be expected to demonstrate traceable financial gains.

CSR policies should set the ‘rules of the game’ which the company concerned has established, and within which broader corporate financial returns need to be secured. “Basic CSR principles and commitments should be considered non-negotiable parameters of business operations rather than being subject to specific financial performance requirements,” says Mr Potts.

Future Embrace

At present, the incorporation of CSR programmes by businesses on a fundamental level appears as prevalent as ever. However, the jury is still very much out as to whether companies have it within them to embrace a broad or multifaceted vision of CSR. “It would be utopic to expect a sea change among industries,” says Mr Potts. “While there are plenty of examples of companies using strong CSR performance as a brand-building and product marketing strategy, far too many corporate executives still rely on the old financial and hierarchical models of yesteryear as the basis of their own planning. The biggest and most influential companies also tend to be the most reliant on the ‘conventional way’ of doing business. What is happening, however, is a broad transition to the adoption of external multi-stakeholder processes – in the form of multi-stakeholder sustainability standards and labels – as a way of outsourcing the stakeholder engagement process.”

Ultimately, there are no hard and fast rules governing CSR. The more companies understand the growing resilience, reputation and legal risk they face, the more opportunities our globalised and connected world has to offer them. “This often depends on the sector,” points out Mr Webb. “If you make mining equipment, your focus will be

energy efficiency and perhaps new technology that is safer. If you sell chocolate, your concerns are around the economic viability of your supply chain.”

Corporate Social Responsibility - Indian Perspective

Recently, the concept of Corporate Social Responsibility has started gaining serious attention by researchers in the Indian context.

Sastry (2011) organized a roundtable discussion with a panel of entrepreneurs from the corporate sector and leaders of civil society debating on various contentious issues related to the concept of 'Corporate Social Responsibility'

Sharma (2011) says about Corporate Social Responsibility as 'it is the obligation of the firm to use its resources in ways to benefit society, through committed participation as a member of society, taking into account the society at large, and improving the welfare of the society independently of the direct gains to the company'. From the above discussion, it can be concluded that this concept is considered to be important by various researchers and stakeholders of Indian corporations, there is a glaring lacuna with respect to the definition of the concept. The present research endeavor is an attempt in to fill this void.

The Comparative Approach

The present research endeavor is designed to get insights into the concept of 'Corporate Social Responsibility', as perceived by a) students in the final year of commerce degree course, and by executives of organizations with commerce background in Kanyakumari district.. The study was undertaken considering two different sets of sample. The first sample set consisted to 80 students with commerce background. Whereas the second set of sample consisted of 40 executives with commerce background.

Sampling Method and Plan

The method of sampling adopted for this study was 'Random Sampling'. The second set of sample consisted of executives belonging to private organizations.

A focus group is an interview conducted by a trained moderator(s) in a non-structured and natural manner with a small group of respondents. The Moderator Lead the Discussion.

II. RESULTS AND DISCUSSION

The following ideas were generated in the discussion held in the four focus groups that were conducted as part of this study. They are listed in the descending order, as expressed by the students, who constitute the student sample:

- Corporate Social Responsibility helps in the development of people.
- Corporate Social Responsibility is the responsibility of a corporation towards development of the society.
- Corporate Social Responsibility is the responsibility of a corporation towards the society and its welfare.
- Corporate Social Responsibility is the responsibility of a corporation towards the people where it is involved in business.
- Corporate Social Responsibility is the responsibility of an organization towards helping the government in the development of the society. The following ideas were generated in the discussion held in the four focus groups that were conducted as part of this study.

They are listed in the descending order, as expressed by the respondents of the study:

- Corporate Social Responsibility is an important feature of business, which the managers have a responsibility towards the environment.

- Corporate Social Responsibility is the responsibility of a corporation towards the society and its welfare.
- Corporate Social Responsibility is the requirement by the law for an organization to engage in welfare measure in the society.
- Corporate Social Responsibility is the responsibility of an organization towards helping the government in the development of the society.
- Corporate Social Responsibility is the responsibility of a corporation towards development of the society through various department and individuals in the organization.
- Corporate Social Responsibility is the result of the outplay of various individual and groups/ departments towards the society at large.
- Corporate Social Responsibility in the outcome of ethics and satisfaction of the employees of an organization towards the society.

III. LIMITATIONS OF THE STUDY

The disadvantages of qualitative research and focus groups are applicable to this study Apart from this questions may be raised regarding the generalizability of the findings of study, owing to the method of sampling adopted.

IV. CONCLUSION

The findings of the study can serve, as a basis for generating important hypotheses that may be used for conducting quantitative research. Empirical contribution of the study is that provides empirical evidence with respect to the concept of Corporate Social Responsibility. The findings of the study may aid senior managers of organizations to get insight into the expectations regarding the concept of 'corporate social responsibility', among all executives who work with them. It will help them design strategies and incentive schemes which may have implications for higher productivity.

V. REFERENCES

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