

Corporate Social Responsibility towards the Active Search for Eco-efficient Solutions among Rural Mass in India (With Reference to Koppal and Hospet regions)

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Abstract

In the era of global competition, the corporate social responsibility has much broader implications for the nation as a whole. It reduces dependency on the government for social change. There is a need for public –private partnership with well defined controls and processes for the best use of resources for social change. Social reforms driven by the community will bring people together, turn the attention of the masses to tasks that benefit society, and reinforce peace and harmony. CSR as ‘a concept which encourages organisations to consider the interests of society by taking responsibility for the impact of the organisation’s activities on customers, employees, shareholders, communities and the environment in all aspects of its operations’. This paper provides empirical results on how is the company or corporate is involve in bearing the social risk, it provides their role in promoting eco-efficient solution, it evaluate the schemes/plans implemented by the corporate, and ascertain the hurdles faced by the people from irresponsive social responsibilities of corporate peoples.

Key Words: *Corporate Social Responsibility, Social Policy Regimes, Community and Environment*

Introduction

Corporate social responsibility is not a new concept in India. However, what is new is the shift in focus from making profits to meeting societal challenges. Now-a-days, employees are actively participating in the social activities even on holidays. This is mainly because employees feel a sense of pride when they are involved in such activities. Moreover, companies are having dedicated departments for CSR. In India, CSR has evolved to encompass employees, customers, stakeholders and sustainable development or corporate citizenship. The spectrum of CSR includes a number of areas as human rights, safety at work, consumer protection, climate protection and caring for the environment, and sustainable management of natural resources. From the perspective of employees, CSR activities include providing health and safety measures, preserving employee rights and discouraging discrimination at workplace. This helps in fostering a healthy environment within the company. For example, after 1945, TATA implemented social welfare provisions for its employees that have since become the legislative norm. From the perspectives of customers, CSR activities may include commitment to product quality, fair pricing policies, and so on.

A comprehensive set of policies, practices and programs that are integrated into business operations, supply chains, and decision-making processes throughout the company and includes responsibility for current and past actions as well as future impacts. The goal is to help companies achieve commercial success in ways that honour ethical values and respect people, communities, and the natural environment. Corporate social responsibility which was seen as corporate “Philanthropy” till 1990’s is considered as a strategy today to gain competitive advantage. Also, turbulent, complex and competitive business environment urged business bodies to drive into CSR. Today, CSR is seen as a key to long term success, reputation and brand image. Corporate books have understood that without healthy and prosperous society, the business bodies cannot excel. One of the main objectives of any business activity is to serve the society part from making profit.

For Corporate or the Micro, Small and medium Enterprises, CSR as a multi-stakeholder initiative is very often taken as a compulsion rather by choice. While administering the local community and area development programmers, the enterprise being the primary stakeholder has greater role to play than the secondary and tertiary stakeholders. Various literatures reflect that the secondary stakeholder's needs and priorities are deliberately pushed to the corner leading to a disastrous situation. Henceforth, while going for any "business responsible behavior" initiative, there is a need to concentrate on 'A' administering the multi-stakeholder planned activities with due importance to the secondary stakeholders, 'B' banking on local community's trust and 'C' concern for the society at large. The benefits of implementing CSR strategies are largely difficult to quantify. Therefore, it is not surprising that a large number of arguments encouraging businesses to be socially responsible are based on 'beyond-financial-benefits' perspectives and while developing their CSR strategy, corporations are not aiming at short-run financial return.

Components of CSR

The emerging concept of CSR goes beyond charity and requires the company to act beyond its legal obligations and to integrate social, environmental and ethical concerns into company's business process. What is generally understood by CSR is that the business has a responsibility towards its stakeholders and society at large – that extends beyond its legal and enforceable obligations. The triple bottom line (people, planet, profit) approach to CSR emphasizes a company's commitment to operating in an economically, socially and environmentally sustainable manner. The emerging concept of CSR advocates moving away from a 'shareholder alone' focus to a 'multi-stakeholder' focus. This would include investors, employees, business partners, customers, regulation, supply chain, local communities, the environment and society at large. The key components of CSR would, therefore, include the following:

- **Corporate Governance:** Within the ambit of corporate governance, major issues are the accountability, transparency and conduct in conformity with the laws which enable the company to realize its corporate objectives, protect shareholder rights, meet legal requirements and create transparency for all stakeholders.
- **Business Ethics:** Relates to value - based and ethical business practices.
- **Workplace and labor relation:** Human resources can help in improving the workplace in terms of health and safety, employee relation as well as result in a healthy balance between work non-work aspects of employee's life.
- **Supply Chain:** The business process of the company is not just limited to the operations internal to the company but to the entire supply chain involved in goods and services.
- **Customers:** With increased awareness and means of communication, customer satisfaction and loyalty would depend on how the company has produced the goods and services, considering the social, environmental, supply-chain and other such aspects.
- **Environment:** Merely meeting legal requirements in itself does not comprise CSR but it requires company to engage in such a way that goes beyond mandatory requirements and delivers environmental benefits.
- **Community:** A major stakeholder to the business is the community in which the company operates. The involvement of a company with the community would depend upon its direct interaction with the community and assessment of issues / risks faced by those living in the company surrounding areas.

Literature Review

There is one and only one social responsibility of business – to use its resources and to engage in activities designed to increase its profit so long as it stays within the rules of the game,

which is to say, engages in open and free competition without deception and fraud (Friedman, 1967, 1996). Competitive strategy is the means by which companies increase profitability, while strategic decisions are long-term in nature; managers tend to focus on short-term profitability to meet the expectation of analysts and institutional share holders. As Friedman (1970) wrote in The New York Times, the social responsibility of business is to increase its profit. Carroll's (1979) classic definition of CSR included four parts: economic, legal ethical, and voluntary or philanthropic. The integration of SACs (Socially Anchored Competencies) can directly benefit business by increasing profitability, which stems from reducing costs, adding value to existing products, and developing new and beating competition to the market (Hill, 1999). CSR centres on the relationship between business and society and how business behave towards their key stakeholders such as employees, customers, investors, suppliers, communities, and special interest groups (Hick, 2000).

Good ethics can have a positive economic impact on the performance of firms (Brenda E. Joyner and Dinah Payne, 2002). Corporate responsibility encompasses three dimensions economic, environmental and social (Virgilio M, Panapanaan, Lassi Linnanen, Minna-Marri Karvonen, and Vinh Tho Phan 2003). Two effective ways, consumers, CSR education and the disclosure of CSR information, can affect consumers' selection and prompt corporations to improve tier CSR performance (JU Fang-hui, XIE Zi-yuan, BAO Gong-min, 2005). The Company should operate in ways that secure long term economic performance by avoiding short term behaviour that is socially detrimental or socially wasteful (Michael E. Porter and Mark R. Kramer, 2006). As Businesses draw their resources from society, they have a moral obligation to give back to society and enhance it (Barnett, 2007). According to Abigail McWilliams AND Donald Siegel (2009), CSR has a neutral impact of financial performance of firms. According to Nita Choudhary & Niranjana Singh (2011) CSR competitiveness by the companies have realized that in order to survive and prosper, they must have to contribute to the society as a duty and improving society helps in improving the performance of companies and results in enhancing the shareholders value.

Objectives of the Study

- 01 To know the CSR role in promoting eco-efficient solution
- 02 To identify, whether the public are satisfied with their social responsibility
- 03 To evaluate the schemes/plans implemented by the corporate
- 04 To ascertain the hurdles faced by the people from irresponsible social responsibilities of corporate peoples.

Scope of the study

The study focuses on identifying what are the schemes provided by corporate in their social concern activities and also finding out whether they have involved in formulating plans for newly generated problems in the society. It results in creating the corporate image and enhancing the customer's loyalty.

Methodology Adopted

For accomplishing above objectives, both primary and secondary data were collected. For collecting primary data, survey method was used. The sample of respondent was selected by using Simple random sampling technique and purposive quota accidental sampling method and also non participatory observation methods was adopted in the study area. The necessary secondary data was collected through the library and web sources.

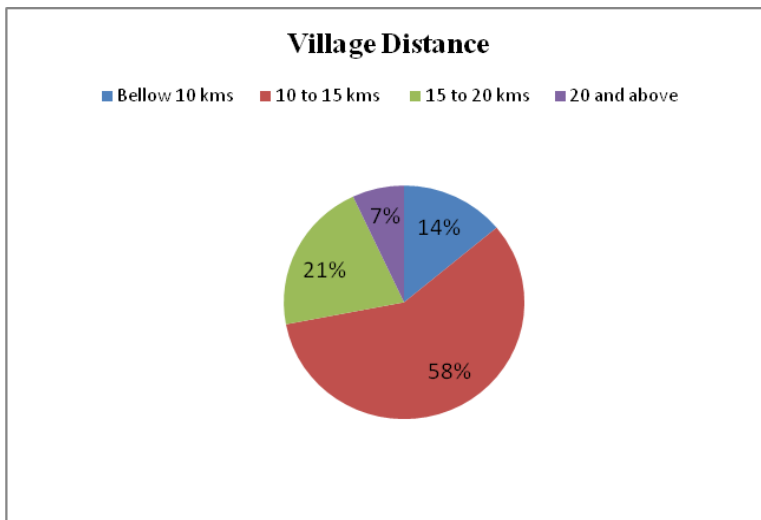
Sample Design

Customers from various parts of the Koppal and Hospet regions were surveyed with the help of questionnaire which were distributed and collected through friends and colleagues with the help of social networking and communication services. Out of 120 respondent’s 100 responses complete in all respects were selected for the analysis and study.

Analysis of the Study

Table 01- How long the companies are located from your village.

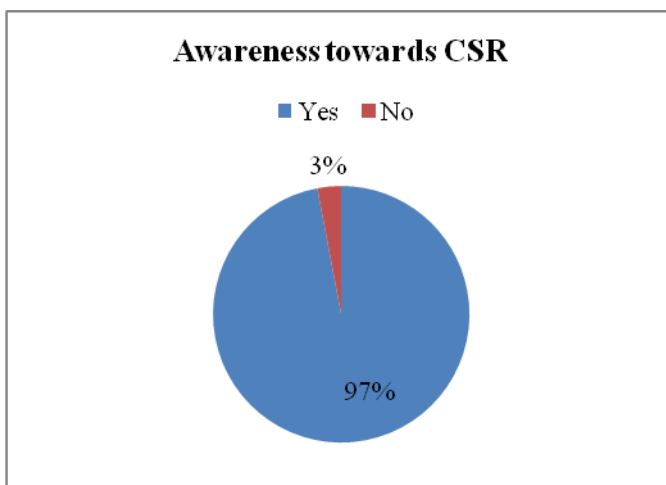
Analysis: The chart we can see that, most of the villages are nearly located in between 10 to 15 km, remaining are less in numbers but located at more than 15 kms and bellow 10 kms.



Source: Field Survey

Table 02- About CSR Awareness

Analysis: The bellow chart we can observed that, 97 percent of respondents were said more aware about CSR in their villages by the corporate, remaining only 3 percent have don’t aware about.

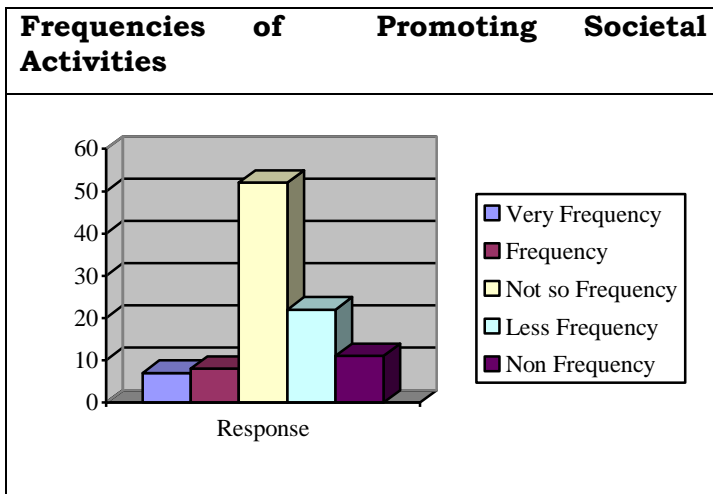


Source: Field Survey

Table 03- Frequencies of their initiations about CSR activities

Analysis: It summaries the frequencies about the company’s involvement in promoting the eco-friendly initiation in their surroundings, here maximum respondents have opine that their

initiation is not so frequently, and it resulting too showed that the corporate are not frequently participating in protecting the environments, but once in year they will participate because of keeping the records.



Source: Field Survey

Table 04- Factors is influenced on companies

Analysis: For taking any decisions about such activities the factors are played a crucial role in doing better for their internal and external developments. The table we can see that the following factors, out of that, build brand image is ranked first and fulfilment of govt rules and regulations ranked secondly but it results the factor of social and environmental protection is not a significant part for their participation towards CSR activities

Factors	Response	Ratings
Build brand image	83	1
Enhance corporate leadership	65	4
Social and environmental protection	50	5
Improve the customer loyalty	32	7
Gaining the informal societal licence	76	3
It is an essential for survival	43	6
Fulfil govt rules and regulations	79	2

Source: Field Survey

Table 05- Opinions from the Respondents

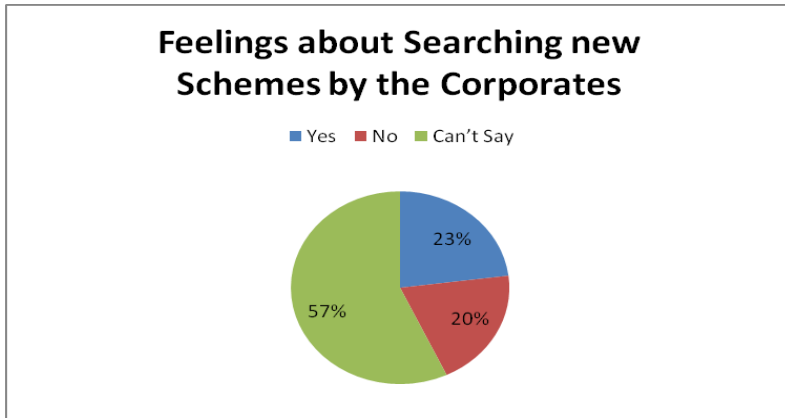
Analysis: The opinions through agree-ness, the respondents have agreed that if company is involving in these societal activities and result them to get advantage for creation of brand image and loyalty rather than any benefit to publics. Secondly sum of the respondents shows neutral and only few are disagreed.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
19	41	29	7	4

Source: Field Survey

Table 06- Feelings about the corporate

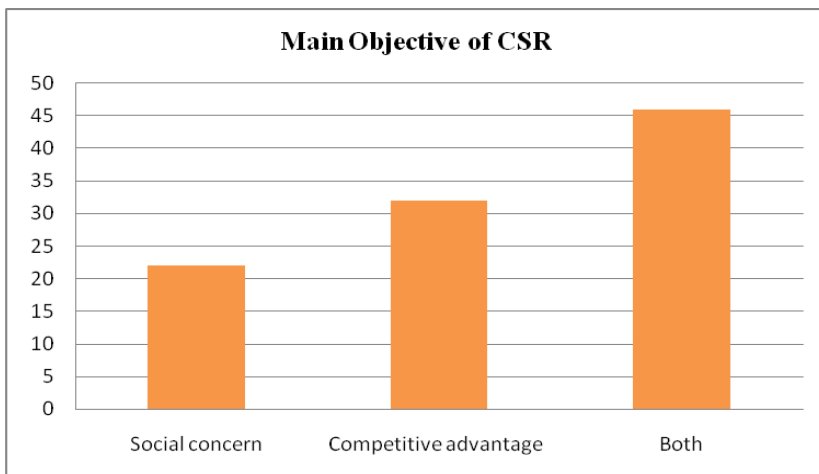
Analysis: 57% respondents are can't show their feeling about whether the corporate are really searching new schemes for eco-friendly. But only 23% have felt about the corporate are having interest in periodically searching the new schemes for their societal improvements, 20% of respondents were said no feelings.



Source: Field Survey

Table 07- Objectives of CSR

Analysis: Bellow graph we can see that, 46% respondents were opined both the objectives are important, but when compare to social concern the competitive advantage is the main part in their intention.



Source: Field Survey

Table 08- Business ethics in future

Analysis: The table we can see that, business ethics in future will become more importance is ranked first. Secondly will remain unchanged and finally will become less important.

Factors	Response	Ratings
Will become more importance	54	1
Will remain unchanged	25	2
Will become less important	21	3

Source: Field Survey

Table 09- CSR and Financial Benefit

Analysis: We can see that, 37% of respondents agreed and 34% have strongly agreed corporate social responsibilities are linked with financial benefit but only few are not agreed.

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
34	37	12	10	7

Source: Field Survey

Table 10- Different Areas for Societal Developments by CSR

Analysis: It summarizes the different areas the corporate have participated through CSR for societal improvements. Tree plantation is ranked first, secondly the construction of bus stand, schools and temple and thirdly the water tank facilities are main areas. Out of seven popular areas only three areas have got their importance by the company, remaining few are not so important and respondents opine that, the company will not invest much but only concentrating which is the area require less investment.

Areas	Response	Ratings
Funding for Education, girl child, SHG and old age homes etc.,	26	6
Tree plantation	91	1
Water tank facilities	77	3
Medical camp organised	57	4
Family Planning programmes	26	6
Provide employment to needy	20	7
Infrastructure development(roads & village developments)	52	5
Construction of Bus stand, schools and temple	82	2

Source: Field Survey

Table 11- Hurdles Faced By the Public

Analysis: In order to company's survival they are going to disturb the environment and public by releasing some waste disposals, we can see that the summaries of hurdles faced the respondents, Health injuries is ranked first, secondly no scope for local graduates and thirdly lack of concern/conscious towards environmental protection. Apart from these ranks few hurdles are also facing by the respondents but those were not much important when compare to first three ratings.

Hurdles	Response	Ratings
Health injuries	89	1
No scope for local graduates	83	2
Less salary for rural graduates	41	5
No job guarantee	21	6
Lack of concern/conscious towards environmental protection	71	3
Lack of funding assistance	69	4

Source: Field Survey

Conclusion



Even though companies are taking serious efforts for the sustained development, some critics still are questioning the concept of CSR. There are people who claim that Corporate Social Responsibility underlies some ulterior motives while others consider it as a myth. The reality is that CSR is a tactic for brand building; however, it creates an internal brand among its employees. Indulging into activities that help society in one way or the other only adds to the goodwill of a company. In the present study the respondents have agreed that if company is involving in these societal activities and result them to get advantage for creation of brand image and loyalty rather than any benefit to publics. And also it summarizes the different areas the corporate have participated through CSR for societal improvements. Tree plantation is ranked first, secondly the construction of bus stand, schools and temple and thirdly the water tank facilities are main areas. Out of seven popular areas only three areas have got their importance by the company, remaining few are not so important and respondents opine that, the company will not invest much but only concentrating which is the area require less investment. But if they want long term success in their business might have merging the profit earning goal with well being society. For this they may have collaborating with NGOs to lay their hands on CSR. Improving society helps in improving the performance of companies and resulting in enhancing the shareholders values.

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