

CORPORATE SOCIAL RESPONSIBILITY: THE RELEVANCE IN INDIAN CORPORATE

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ABSTRACT

Corporate social responsibility, abbreviated as CSR is a new concept in the Indian corporate sector. India is reported to be the first country to introduce statutory corporate social responsibility through the Companies Act, 2013. Corporate social responsibility is channel through which the corporate sector address to the needs of the society which will be solved through the percentage of mandatory contribution in form of CSR. The percentage of CSR which has been prescribed by law is 2% of the profit of the company. The paper titled, 'Corporate Social Responsibility: The relevance in Indian Corporate' is an attempt to highlight various concepts of corporate social responsibility. In this paper we will be discussing the various works which has been done so far in regard to corporate social responsibility. And what is the future scope of works in the same regard.

Keywords: Corporate social responsibility, Companies acts 2013, statutory corporate social responsibilities.

INTRODUCTION

Corporate social responsibility is a nascent word in the Indian corporate sector. India is a favorable business place due to various reasons like, cheap labor availability, natural resources and highest percentage of youth population. Hence, with the flow of globalization and privatization, it is utmost necessary to develop such a rapport between the corporate sector and the society, that there is a relation of give and take. Corporate social responsibility is a means by which companies can return to the society, the resources it has used for making the profit. CSR initiatives mean any positive initiative taken by the corporate which is of benefit to the society. Under corporate social responsibility, 2% of the profit of the company should be spend on some activities which will make a society a better place to live in. Mahatma Gandhi said, “I must know that all that wealth does not belong to me; what belongs to me is the right to an honorable livelihood.” This statement of father of our nation, Mahatma Gandhi shows that a company cannot own the entire portion of profit, but it should also contribute some portion towards the society. Hence, corporate social responsibility is consistent contribution towards an initiative.

LITERATURE REVIEW

Moir lance (2001), has explained in his paper the reasons why activities like CSR takes place. He says that it is both, because of the economic as well as the social benefits that a company tries to conduct CSR activities.

P.Lantos Geoffrey (2001) has reviewed the CSR and has also explained the four components, economic, legal, ethical and altruistic duties.

Bhupendra and Vikas, in their study have stated that CSR has covered both economic as well as social intentions. The public reporting of the company towards various stakeholders has made CSR an important part of the company’s activities.

Alex Edmans (2012), in this paper, it has been explained that how job satisfaction contributes in the CSR activities and CSR can help in improving the sock return of the company also.

Anupam Sharma and Ravi Kiran (2012) have authored the various initiatives taken by the Indian companies and have still a lot of potential to do in this regard.

David P. Baron (2005) has stated that CSR is costly when it is an imperfect substitute and its cost is borne by the entrepreneurs. CSR activities are done beyond the intentions of maximization of profit and value maximization.

OBJECTIVES OF THE PAPER

- a) To review the previous work on corporate social responsibility.
- b) To suggest new dimensions on corporate social responsibility.

RESEARCH METHODOLOGY

The paper titled, *'The paper titled, 'Corporate Social Responsibility: The relevance in Indian Corporate''* is based entirely on the secondary sources of data available on the internet and various online journals available in this regard.

SIGNIFICANCE

This paper will be significant as it will help in reviewing the previous work which has been done on corporate social responsibility and it will also be helpful in understanding the new activities which can be done in this respect.

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES SO FAR

Many leading business firms and even the new startups have pledged to work towards the betterment of the society by contributing a part of their profit toward the betterment and welfare of the society. Various works which have been done under corporate social responsibility are as follows-

- a) TCS and Wipro: These two businesses have developed software to help teachers and children across India to make learning an enjoyable activity and to carry forward the cause of education.
- b) Aptech Limited: It is a leading educational player. As a part of its corporate social responsibility activity, it has associated itself with leading NGOs which has provided computers to schools, education to poor children and has also initiated training and awareness camps.
- c) ICICI bank Ltd.: ICICI bank ltd has focused on the mission of integrating the poor with larger economy. They support the initiative designed to break poor health and lack of nutrition chain which has been prevailing since generations.
- d) Infosys Foundation: The foundation has undertaken various initiatives in providing medical facilities to the far flung and rural areas and provide aids and assistance to orphans and street children and it has even setup 'A library for every school' initiative under which 5500 libraries have been setup in government schools.
- e) The TATA memorial centre: it is a hospital where 70% of the patients get free primary care. It is an initiative under the CSR activity of the Tata memorial to provide free care to these patients.
- f) IBM: e-elder initiative, taken by IBM is a program where senior citizens are trained to fully participate in web- based activities.
- g) Microsoft: Microsoft collaborated with international organizations like world food program, save the children and mercy corps, to provide technology based assistance through HEART (humanitarian empowerment and response through technology) program.
- h) HCC has been playing an active role for CSR activities in terms of education, health, disaster management and environment.

These are various corporate social responsibility initiatives which have been taken up by giant business empires. Business firm, on account of making profit are having some social responsibility too. These social responsibilities is undertaken, not because of the natural law of give and take, but because of the belief and spiritual though that GOD has made us privileged so that we can serve the unprivileged.

NEW DIMENSIONS OF CORPORATE SOCIAL RESPONSIBILITY

Apart from the various above mentioned corporate social activities, following are few more suggestions which can be added to the list of activities and initiatives of corporate social responsibilities. These suggestions are as follows.

- a) **Artificial Rain:** The contemporary issues of pollution are an alarming issue for the society. For this purpose, it is really important to take some corrective actions which will not take much of cost, but will benefit the society in long run. One such initiative which can be taken by the corporate is artificial rain.
- b) **Farmers' share:** farmers, no doubt, are the food providers in our country. A corporate should try to contribute a portion of their earnings towards making the life of farmers easy and better. It can be in form of providing them free education, free hospital or crop loans at concessional interest rates.
- c) **Pollution control system:** As a part of the social responsibility activity, the corporate can contribute towards making the environment green and clean. This can be done through planting trees etc, apart from these, carpooling and vehicle sharing is another way through which our environment can be protected as there will be less use of vehicles and hence, less emission of smoke from vehicles.
- d) **Roads and safety awareness programs:** Roads and safety awareness programs are now becoming crucial initiatives due to the swelling numbers of road accidents and mishaps. The corporate should try to create awareness drive relating to proper use of helmet etc. These drives should firstly start from their own employees and then should move on to the entire city and finally to the entire country.
- e) **Differentially able people:** Differentially able people should bring up at par with the society. In this regard, the corporate should have an enthusiastic initiative. This initiative can be of one such type where the differentially able people are provided with

the life supporting equipments or by opening up a club for them. This initiative is of one such type which really needs a philanthropic approach.

CONCLUSION

The corporate social responsibility has an important role to play for the society. This is based upon a belief that privileged ones should serve the unprivileged section of the society. Corporate bodies involved in discharging social responsibility practices are true followers of trusteeship theory of Gandhi ji. Mahatma Gandhi said, “I must know that all that wealth does not belong to me; what belongs to me is the right to an honorable livelihood.”

Various big businesses have taken initiatives which are helping the society in many different ways. Corporate social responsibility is the mirror of the company’s’ vision towards its society. The more ethical and valuable its initiative, the more strong will be its vision for the society. Thus, corporate initiative should be set and implemented keeping aside the monetary gains. It should never be an alternative for profit making. Corporate social responsibility should never be biased in terms of religion, caste, gender. These initiatives should be genuine and should be consistently worked upon so that both, company, as well as the society is benefited from its implementation.

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