A Study of CSR

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Abstract

Corporate social responsibility has been a hot globally, Corporate social responsibility also know as CSR corporate, conscience, corporate citizenship, social performance or sustainable responsible business is a from corporate self regulation integrated into a business model. The problem with CSR is that nobody is very clear about what exactly is encompasses. The Indian Government has been trying to make it mandatory for companies to spend at least 2% net profit on CSR Today CSR to some company's means providing lunch to their employees or tacking global warning issues. Now a day's company has become more transparent in their balance sheet.

Key Word- CSR corporate social responsibility, performance, Integrated, mandatory)

Introduction

CSR has traditionally referred to responsibility for the environment,   workers, consumers, local communities, stakeholders and other aspects, which exceeds the minimum legal requirements. Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the work force and their families as well as of local community and society at large "Corporate social Responding can be defined as the economic, legal ethical and discretionary expectations the society has of organizations at a given point in time corporate social responsibility may also be referred to as corporate citizenship" and can involve incurring short term costs that do not provide an immediate financial benefits to the company to the company but instead promote positive social and environment change.

According to Prime Minister Dr. Manmohan Singh corporate social responsibility must not be defined by tax playing strategies alone rather it should be defined within the frame work of a corporate philosophy which factors the need of the community and regions in which a corporate entity functions.

CSR is one such niche area of corporate behavior and governance that need to be addressed and effectively implemented in the organization. CSR is one of the effective tools that synergizes the effects of corporate and the social sector agencies towards sustainable growth and development of social objectives at large. CSR is not heart a process of managing the costs and benefits of business activity to both internal (employees, shareholders, investors) and external (institution of public governance, community members, civil society groups other enterprises) stakeholders.

The term CSR has earned prominence from all avengers Organization or companies must realize the government cannot uplift the society alone. The have to contribute something and help the

government and take advantage from government in several issues. It is the benefit of companies, government and society due to this companies can increase their brand image in the society and think for the future planning. The competitor risk also reduced for those companies Which are doing these activities.

Objectives

1. Need of CSR

2. Understanding concept of CSR

3. To Study the CSR status in India

4. To study the policies governing CSR in India

5. To study the challenges faced by CSR in India

Review of Literature

The review of the existing literature not only provide clarity of concept and understanding of different aspects of the subject but also help in avoiding repetition. It further helps in indentifying the problem zones. it also gives ideas in formulating research methodology. A number of books, monographs reports, research papers and articles deal with the subject of corporate governance and corporate social responsibility.

Books

1.   Handbook on corporate social responsibility in India. This handbook begins by building a cammon understanding of the concept of CSR, based on global practices, Indian tradition, and the intent and provisions of the companies Act, 2013.

2.   CV Baxi and Ajit Prasad in his book "Corporate Social Responsibility" concept and cases has elaborately discussed. It is the responsibility of the tap management of the company to articulate the principal of CSR and ensure. Companywide programmers for creating strategic groups within the organizations.

3.   Justine sinpson, Jone R Taylor in his book corporate governance ethics and CSR has elaborately discussed corporate Governance, Ethies and corporate social responsibility bring together the three separate Stand relevant to the new demands or organizational behavior and reparting.

Articles

1.   Dharamshi Pratik & Dr. Bora chandan in his article, "The role of corporate social responsibility in development economics with special references to

2.   india" have discussed the present social marketing concept of companies is the constanlly evoluing and has given rise to a new concept-CSR.

3.   DK Vasal, in his article, "Corporate social responsibility in India" have discussed the role of laws in CSR. In the current social situation in India, It is difficult for one single entity to bring about change. Corporation and businesses have the expertise, stratege thinking

manpower and money of facilitate extensive social change.

4.   Prabhash Dalei and Pravesh Dalei in his article corporate social responsibility in India have discussed there is a need to promite a drive in government companies towards greater accountability an CSR. In order to attain the social objectives, there is a need for framing a CSR police in every company as given under voluntary guidelines by ministry of corporate Affairs for prioritization of activities for social repenting and allocation of separate funds for this purpose.

CSR in India

CSR in India has traditionally been seen as philanthropic activity and in keeping with the Indian tradition it was an activity that was performed but not deliberated. As a result there is limited documentation on specific activities related to this concept. As some observers have painted out the practice of CSR in India still remains within the philanthropic space, but has moved from institutional building (educational research and cultural) to community development through various projects. Also with global influences and, with communities becoming more active and demanding there appear to be a discernible trend, that while CSR remains largely restricted to community development, it is getting more strategic in nature than philanthropic and a large number of companies are reporting the activities they official website annual reports, sustainability reports and even publishing CSR report.

India has a large public sector with several huge corporation and companies operation in various sectors like petroleum heavy industries, aviation, mining, steel, equipment, manufacturing and shipping. The India public sector had a long tradition of CSR and the initiatives of corporations like oil and Natural Gas corporation Ltd. CONGC, steel Authority of India Ltd. (SAIL) and Gas authority of India Ltd. (GAIL) have played an important role in the development of several back word region of the country. India Airlines and Bharat Heavy Electronices Ltd. (BHEL) have been widely acclaimed for their disaster management effects. The National Ministry Development corporation Ltd. (NMDC) has contributed a lot in building infrastructure like school buildings records, Anganwadi building and also producing ambulance and medical facilities in and around its operational area.

Net sales for the F.Y 2012 and their spending on CSR

Company	Revenue	AVGPAT	Actual Spend	2% of PAT
ONGC	151.121	23660	121	473
SAIL	51,428	5,153	61	103
GAIL	44,861	3,891	54	78
BHEL	50,654	5,823	37	116

Need of CSR

Corporate social responsibility plays uital role in wining the customer confidence that will help growing the business. There are umpteen numbers of jousiness modals developed order to achieve CSR objectives.

CSR deals with motivation and encouragement to take up social responsible activities that will improve the economic and ethical standards. Companies should make sure that environment is no way affected by executing their business activities. Another dimension for CSR is to go beyond everyone' expectation in giving back to society.

A recent survey revels that 79 percent of Americans prefer to buy products of companies that actively engage in CSR events.

However it is still in nascent stage in India. The Tata and Birla groups have initiated various activities to give back to society. Reliance Industrious Ltd. had a project known as "Project Drishti" to help visually challenged Indians. People were picked from the economically backword classed section and were helped. This project has brightened up the lives of about 5000 people so far. Thought the industries grow by a double digits ratio every year, there are several problems like illiteracy, proverty, lack of basic amenities etc. government cannot eradicate all these problems at once and people need help from such companies also.

Benefits of CSR

1.   Win new business

2.   Increase customer retention

3.   Develop and enhance relationship with customers suppliers and networks.

4.   Attract, retain on energy and operation costs and be an employer of choice

5.   Save money on energy and operation costs and managing risk

6.   Improve your business reputation and standing

7.   Provide access to investment and funding opportunities

8.   Reduced cost

9.   Better brand image and value

10.   Increase staff moralc and skill development

11.   Innovation in process, products and services

12.   Better sustainability with quality

13.   Better support for subsidies from government and other sectors.

The role of Government to Promote of CSR

No doubt Government action are essential to creating an enabling environment for privet sector

development that diminishes risks, lower costs and barriers of aperation and raoses rewards and opportunities for competitivie and responsible private enterprise. The challenges for Governmental agencies in promoting a CSR agenda is to identify priorities, raise awareness, create incentives and support and mobilize resources from cross – sectoral cooperation that are meaningful in the national context, as well as building as existing initiatives and capacities some key roles which a government can actively chose to engage to support a CSR agenda, Including the following regulation, facilitating brokering and warranting.

The government's approach to promoting CSR should seen to mainstream CSR within community policies, engage the public and private sectors and promote grater transparency in the marketplace. The Government's approach to CSR should center around productivity and competiveness and on achieving transparency in the market to promote an effecting dialogues with stakeholders.

1. Guiding the Business world :

The government can indicate the direction it wants entrepreneurs to take. It can specify which social goals are important to the government and how entrepreneurs the business community, in general can help achieving those goals.

2. Facilitating :

The government is in an ideal position to lend a helping hand to those with an inclination to fulfill their social responsibilities for instance, the government may allow the use of its infrastructure and official machinery.

Indian seafood exporters faced a lot of criticism internationally concerniny working conditions in the processing units, particularly the problems woman had to face. This led to workshops on labour welfare being

conducted by MPEDA (Marine Products Export Development Authority)

3. Incentivizing :
On many occasions the government may choose to incentivizes. CSR initiatives. This gives the private sector an additional motine to engage in activities that also help enhance their public image.

International the environmental contral laws are very important. Concern for the environment is global and lack of sufficient legislation in a country can elicit protests and rallies from across the borders.

Labour laws are socially motivated and very meticulously drafted with the foremast aim of preventing explanation of labours.

Disclosure norms, particularly for listed firms have becomes very strict and deal net only with financial disclosures but also with other issue relative to corporate government. This provides a very good look at the working of a private firm.

According to schedule –VII of companies Bill 2012 the following activities can be included by companies in their **CSR Policies** :-

1.   Eraclication extrence hunger and poverty

2.   Promotion of education

3.   Promoting gender equality and empowering woman

4.   Reducing child mortality and improving maternal health.

5.   Ensuring environmental sustainability

6.   Employment enhancing vocational skills

7.   Social business projects

8.   Contribution to the prime minister's national relief fund as any other funds set by the center government for social economic development and relief and funds for the welfare of the scheduled caste, the scheduled tribes other backward classes main parties and woman.

Challenger of CSR

In India the CSR managers face number of challenges in managing CSR activities. The biggest problems is of lack budjet allocations following by lack if support from employees and lack knowledge as well lack of professionalism is another problems faced by this sector. Absence of training and undeveloped staff are additional problems for reduced CSR initiatives.

Small companies do not take adequate interest in CSR activities and those which undertake them fail to disclose it to the society, it the process they lost out on people and their trust in them. Media can come up with strong support for information the people at large about the CSR Initiative taken by the companies.

Every time society faces a new problem as threat then a new legislation process of some sort is introduced which tries to protect that society from a future reoccurrence. Pecently we have seen a wile range of problems with corporate behavior which has arguably led toprominence being given to corporate social responsibility. Accordingly therefore corporation with their increased level of responsibility and accountability to their stockholders have felt that there is a need to develop a code for corporate government so as to guide then towards appropriate stakeholders relations.

The challenges are listed below :

1.   Lack of community participation in CSR Activities :-

There is lack of interest of the local community in participating and contribution to CSR activities of participation and contributing to CSR activities of companies. It is mainly but to there is little knowledge about CSR among the local community.

2.   Need to build local capacities :-

There is need to build up the capacities local NGOS. So that these NGO can effectively contribute to the CSR activities.

3.   **Visibility factor :-**

The Media should be encouraged for making CSR initiatives are popular than before .

4.   **Issue of Transparency :-**

Transparency is essntialy need a every sector. Same applies to CSR projects.

5.   **Non- availability of clear CSR guidelines :-**

It is a matter of worry that there is lack of definite rule and regulation which give direction to CSR initiatives.

6.   **Narrow Perception towards CSR Initiatives :-**

Non-governmental organization and government agencies usually process a narrow outlook towards the CSR initiatives of companies, often defining CSR initiatives more donor-driven than local in approach.

7.   **Lack of consensus on implementing CSR issue :-**

This track of consensus often results in duplication activities by corporate houses in areas of their intervention. This results in competitine sprite between local implementing agencies rather than building collaborative opprouches on issues. This factors limits company's abilities to undertake impact assessment of their initiatives from time to time

Conclusion

Organization must realize that government alone will not able to get success in its endeavor to uplift the downtrodden of society. The corporate sector may do will to relize that the desired success in its business. Venture depends on the well being of the society is for mutual benefit.

CSR can play a valuable role in ensuring that the invisible hand acts as intended to produce the social good. In addition it seen's clears that a CSR program can be a profitable element of corporate strategy, contributing to risk management and to the maintenance of relationships that are important to along term profitability.

In conclusion the finding of this study provide insights into an area of growing concern of firms towards society, Firms have been doing great effect for the achievement of business goals with social responsibility practices. As per changing market demands need of the hours is for the development of CSR frame work that has been imposed by the government. So that we can contribute to make better planet to line in.

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