SIGNIFICANCE OF SOCIAL CORPORATE RESPONSIBILITIES AND ITS CHALLENGES IN INDIAN CONTEXT

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ABSTRACT

Corporate social responsibility is an umbrella term used to describe voluntary corporate initiatives concerned with community development, the environment and human rights. This article is purely based on the secondary data and tries to focus on the Significance of Social Corporate Responsibilities and its Challenges in Indian Context. CSR has a significant role in controlling the perils of uncontrolled development, satisfying the needs of the present generation and at the same time ensuring that the resources of future generations This article tries to analyze the study of Corporate Social Responsibility (CSR) status in India, and it further provide an insight to what extent companies can follow the Corporate Social Responsibility (CSR). We would try to throw light on Corporate Social Responsibility (CSR) of Indian organizations which would be helpful.

KEY WORDS: *Social Corporate Responsibilities, Challenges, Significance, Indian Context.*

INTRODUCTION

CSR has a significant role in controlling the perils of uncontrolled development, satisfying the needs of the present generation and at the same time ensuring that the resources of future generations . World Business Council for Sustainable Development defines Corporate Social Responsibility (CSR) as "The continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large." CSR can be thus be simply defined as the additional commitment by businesses to improve the social and economic status of various stakeholders involved while complying with all legal and economic requirements. The significance of CSR emerged considerably in the last decade and is becoming an increasingly important activity to businesses nationally and internationally.

OBJECTIVES

The main objectives of this study are as following:
1. To study the status and significance of CSR in India .
2. To understand the Challenges of CSR activities in implementation.

RESEARCH METHODOLOGY

This research paper is an attempt based on the secondary data sourced from journals, magazines, articles and media reports. Looking into the objectives . Secondary data have comprehensively used for the study. Information from different news articles, Books and Web sources are used which are recorded and enumerated.

CURRENT STATUS OF CSR IN INDIA

India has a long rich history of close business involvement in social causes for national development. In India, CSR is known from ancient time as social duty or charity, which through different ages is changing its nature

in broader aspect, now generally known as CSR. From the origin of business, which leads towards excess wealth, social and environmental issues have deep roots in the history of business. India has had a long tradition of corporate philanthropy and industrial welfare has been put to practice since late 1800s. Historically, the philanthropy of business people in India has resembled western philanthropy in being rooted in religious belief. Business practices in the 1900s that could be termed socially responsible took different forms: philanthropic donations to charity, service to the community, enhancing employee welfare and promoting religious conduct. Corporations may give funds to charitable or educational institutions and may argue for them as great humanitarian deeds, when in fact they are simply trying to buy community good will. The ideology of CSR in the 1950s was primarily based on an assumption of the obligation of business to society.

CSR – 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 practicise their activities to earn a good image. Big corporates like Reliance Industries, Tata Group, Aditya Birla Group, The Coca Cola Company, and Indian Oil Corporation are involved in serving the community. These corporates are fulfilling their responsibilities towards the society. 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.

CSR ACTIVITIES

Corporate Social Responsibility (CSR) has become an integral part of companies. CSR activities are various initiatives taken up by the companies to give back to the society that helped them reach the stage they are in. There are myriad CSR activities conducted by corporate, here are the top ten:

1. Adopt a school in a village: Due to the inherent lack of quality primary education in the rural areas, the company could adopt a school in a village and employ qualified teachers with high backgrounds in their subjects. They can also provide for good sanitation, uniforms for the students, sufficient stationary and opportunities for extra-curricular activities.

2. Provide computers and free training for students in rural areas: The company can donate computers to schools in rural areas and also provide free of cost computer training to the students, so that they can learn and enhance their IT skills.

3. **Get affliiated with an NGO:** Join hands with an NGO and help them out by providing monetary funds and the likes. The employees of the company can also join the NGO on various activities it conducts for the area it is targeting.

4. Free medical camps for the backward regions: The company can tie-up with a prolific hospital and provide free health check-ups in rural areas. Sometimes it could be for specific medical purposes, like polio vaccination in children, cervical cancer vaccinations in women, testing for malaria/dengue/swine flu, etc.

5. Blood Donation Camps: Blood donation camps are one of the best ways to give back to the society, and the company can organize one and invite the general public to donate blood alongside the employees.

6. Donation of Sports Equipment in Schools: With the increasing awareness of fitness and athletics, and the ever growing adoration for sports in India, donating quality fitness and sports equipment would not only persuade the students to adopt a more healthy lifestyle, but also advocate the company as a health and fitness promoting institution.

7. Adult Literacy Programmes: This is an activity used by Tata Consultancy Services. India has so many able adults who are unemployed because they are illiterate and haven't received proper education, so this is an initiative that can increase the employment rate of the country and bring down the poverty levels.

8. International Scholarships for students from backward regions: For students of brilliant academic caliber but no means to fulfill their potential abroad, the company can provide to fund for the student's tuition fee, accommodation fee and day to day living expenses, thereby providing deserving people with an opportunity they would have otherwise been devoid of.

9. Food Camp: The Company can invite the general public to donate as much as food. They want to, in a food camp, which will later be given to, say an orphanage or distributed in a village.

10. Donation to Orphanage: The employees can donate handsome amount of money, new clothes, toys etc to an orphanage. They can also be required to visit the orphanages and spend quality time with the children there periodically, like say once a month.

CHALLENGES

- **Lack of Community Participation in CSR Activities:** There is a lack of interest of the local community in participating and contributing to CSR activities of companies. This is largely attributable to the fact that there exists little or no knowledge about CSR within the local communities as no serious efforts have been made to spread awareness about CSR and instill confidence in the local communities about such initiatives. The situation is further aggravated by a lack of communication between the company and the community at the grassroots.

- **Need to Build Local Capacities:** There is a need for capacity building of the local non-governmental organizations as there is serious dearth of trained and efficient organizations that can effectively contribute to the ongoing CSR activities initiated by companies. This seriously compromises scaling up of CSR initiatives and subsequently limits the scope of such activities.

- **Issues of Transparency:** Lack of transparency is one of the key issues brought forth by the survey. There is an expression by the companies that there exists lack of transparency on the part of the local implementing agencies as they do not make adequate efforts to disclose information on their programs, audit issues, impact assessment and utilization of funds. This reported lack of transparency negatively impacts the process of trust building between companies and local communities, which is a key to the success of any CSR initiative at the local level.

- **Non-availability of Well Organized Non-governmental Organizations:** It is also reported that there is non-availability of well organized nongovernmental organizations in remote and rural areas that can assess and identify real needs of the community and work along with companies to ensure successful implementation of CSR activities. This also builds the case for investing in local communities by way of building their capacities to undertake development projects at local levels.

- **Visibility Factor:** The role of media in highlighting good cases of successful CSR initiatives is welcomed as it spreads good stories and sensitizes the local population about various ongoing CSR initiatives of companies. This apparent influence of gaining visibility and branding exercise often leads many nongovernmental organizations to involve themselves in event-based programs; in the process, they often miss out on meaningful grassroots interventions.

- **Narrow Perception towards CSR Initiatives:** Non-governmental organizations and Government agencies usually possess a narrow outlook towards the CSR initiatives of companies, often defining CSR initiatives more donor-driven than local in approach. As a result, they find it hard to decide whether they should participate in such activities at all in medium and long run.

- **Non-availability of Clear CSR Guidelines:** There are no clear cut statutory guidelines or policy directives to give a definitive direction to CSR initiatives of companies. It is found that the scale of CSR initiatives of companies should depend upon their business size and profile. In other words, the bigger the company, the bigger is its CSR program.

- **Lack of Consensus on Implementing CSR Issues:** There is a lack of consensus amongst local agencies regarding CSR projects. This lack of consensus often results in duplication of activities by corporate houses in areas of their intervention. This results in a competitive spirit between local implementing agencies rather than building collaborative approaches on issues. This factor limits company's abilities to undertake impact assessment of their initiatives from time to time.

DISCUSSION AND SUGGESTIONS

CSR became a popular basis having such good glorious examples; Indian CSR is at its growth. A lack of understanding, inadequately trained personnel, coverage, policy etc further adds to the reach and effectiveness of CSR programs. Participation of small and medium business should be encouraged. Experience has shown that working with NGOs is more worthwhile and result-oriented. Joining hands with related NGOs is therefore advisable. There are several companies in India involved in diverse issues such as healthcare, education, rural development, sanitation, microcredit, and women empowerment. The rise of ethics training inside corporations, some of it required by government regulation, has helped CSR to spread. The aim of such training is to help employees make ethical decisions when the answers are unclear.

CONCLUSION

Society is getting more concerned about the working policies of the companies. Society expectations are increasing towards the social development by the companies. So, it has become necessary for the companies to practice social responsibilities to enhance their image in the society. This can include raising money for local charities, providing volunteers, sponsoring local events, employing local workers, supporting local economic growth, engaging in fair trade practices, etc in communities.

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