

Role Of Corporate Social Responsibility In National Re Inforcement (A Study On Selected Indian Multi National Companies)

*** Dr. S. Mahammad Ghouse**

*Professor and Head of the department of M.B.A, GATES Institute of Technology, Gooty, A.P., India. Cell
no: +919177331948 Email id: ghouse.marium@gmail.com.*

****S.ZAKEER BASHA**

*P.G STUDENT GATES Institute of Technology ,Gooty.A.P,India. Cell no: +919908269581 Email
id: zakeerbasha07@gmail.com.*

ABSTRACT: Corporate Social responsibility is expressed as the voluntary assumption of responsibilities that go beyond the economic and legal responsibilities of business firm. Ideally, CSR policy would function as a built in self regulating mechanism whereby business world monitors and ensure its support to law, ethical standards and international norms. Consequently business would embrace responsibility for the impact of its activities on the employees, stake holders, communities and all other members of the public sphere. CSR not only addresses the above attributes but also fights against climate change, sustainable management of natural resources and consumer protection too. The concept of CSR began in 1920 and found itself in the spot light after 1951.

The exercise of social responsibility must be consistent with the corporate objective of earning a satisfactory level of profit. It implies a willingness to forego a certain measures of profits in order to achieve non-economic aids. CSR focused business world proactively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public regardless of legality. Driven by the CSR movement, firms, especially MNCs have sought to positions themselves as good corporate citizens.

The investigator has consulted the secondary sources to analyze and interpret the title, further in the paper an attempt has been made to examine the role of selected Indian MNCs is reinforcing, the development and welfare activities among the respective societies in our mother land.

KEY WORDS: Corporate Social Responsibility, Business World, Public Spheres, Sustainable Management, Discriminatory Responsibility.

INTRODUCTION; -

Corporate social responsibility is a form of corporate self regulation into a business model. CSR is also known as corporate conscience, citizenship, social performance, or sustainable responsible business. CSR act as a activity which can built by self regulating mechanism whereby business monitor and ensure its active compare with the spirit of the law, ethical standards and international norms

Although the central government is working on a frame work for the csr inciatives of the companies. According to the ministry of corporate affairs it is one of the ways to be developing a system of activities. In 2009 the government made mandatory for all public sector oil companies to spend 2% net profit on csr.

In India many firms have taken the inciatives of csr practices which have to be met with different needs of the society. The present study has taken on the three major sectors like FMCG and IT, AUTO INDUSTRY .These three leading sector already have a csr inciatives

The history of CSR in India has it four phases which run parallel to India's historical development and has resulted in different approaches towards CSR. However the phases are not static and the features of each phase may overlap other phases.

The first phase

In the first phase charity and philanthropy are the main drivers of CSR. Culture, religion, family values and tradition and industrialization had an effect on CSR. In the pre-industrialization period, which ends till 1850, wealthy merchants shared a part of their wealth with wider society by way of setting up temples for a religious cause. More over these merchants helped the society by providing food from their go downs and money for securing an integral position in the society.

With the arrival of colonial rule in India from 1850s onwards, the approach towards CSR can be changed. The industrial families of the 19th century such as Tata, Godrej, Bajaj, and Birla were inclined towards the economic as well as social considerations.

The second phase

In the second phase, during the independence movement there was increased stress on Indian industrialists to demonstrate their dedication towards the society. This was when MAHATMA GANDHI introduced the notion of “TRUSTEESHIP”, according to which the industry leaders had to manage their wealth so as to benefit the common man

According to MAHATMA GANDHI, Indian companies were supposed to be the “temples of modern India”. Under his influence business established trust for schools and colleges and also helped in setting up training and scientific institutions. The operations of trust were largely in line with Gandhi’s reforms which sought to abolish untouchability, encourage empowerment of women and rural development.

The third phase

The third phase of CSR (1960-80) had its relation to the element of “mixed economy”, emerge of Public sector undertakings and laws relating labour and environmental standards. During this period the private sector was forced to take back seat. The public sector was seen as the prime mover of development. Because of the legal rules and regulations for surroundings the activities of the private sector. This period was described as an “era of command and control”

PSUs were set up by the state to ensure suitable distribution of resources like wealth, food etc to the needs of the people. In 1965 Indian academicians, politicians, and businessmen set up a national workshop on CSR with an aimed at reconciliation. They emphasized upon transparency, social accountability and regular stake holders dialogues. In spite of such attempt the CSR failed to catch steam

The fourth phase

In the fourth phase (1980- until the present) Indian companies started abandoning their traditional engagement with CSR integrated it into a sustainable business strategy. In 1990s the first initiation towards the globalization and economic liberalization were undertaken. Increased growth momentum of the economy helped Indian companies grow rapidly and this made them more willing and able to contribute towards social cause. Globalization has transformed India into an important destination in terms of production and manufacturing of goods and services based on TNCs are concerned.

MEANING

Corporate social responsibility is nothing but how the business takes responsibility for the purpose of social, economic and environmental impact and it may produce from its operation or products. It is also includes the labour standards, employee relations and the human rights.

(Or)

A concept where by companies integrate with the social and environmental concerns in their business operations and in their interactions with stake holders on a voluntary basis

DEFNITION

Corporate social responsibility has many definitions and perspectives’ .It continues to evolve all over the world and it has been expanded its significance and role for broader development concepts such as sustainable development.

According to LORD HOLME and RICHARD WATTS “CSR is the continuing commitment by business to behave ethically and contribute to the economic development while improving the quality of the workforce and to their families as well as the local community and for society at large.

According to EUROPEAN COMMISSION “CSR is a concept where the companies have to decide voluntarily to contribute to a better society and a cleaner environment.

OBJECTIVES OF THE CSR IN NATIONAL REINFORCEMENT

The following are the objectives of csr in national reinforcement are:-

1. To study the CSR activities of the companies
2. To study the impact of their programs in national reinforcement.

METHODOLOGY

The secondary sources of literature available on the title in order to analyse and interrupt the facts and draw conclusions.

CONCEPT OF CORPORATE SOCIAL RSPONSIBILTIIY

Corporate social responsibility is the process of continuing commitment by business to behave ethically and contribute to economic development .While improving the quality of workforce and their families and also to the local community, society at large. In this concept the companies are integrate with social, environmental and economic concerns in their business operations and have an interaction with their stakeholders on a voluntary basis.

The ministry of corporate affairs along with the Indian Institute of corporate affairs has been making efforts to adoption of responsible govenence activities by the corporate sector .And it should released the national voluntary guidelines on CSR in 2009.In Indian companies there is a growing consciousness in the area with the activities of CSR. Although civil society and other stakeholders. To make a significant impact on the growth and development of the national platform.

Indian companies are now expected to discharge their stakeholder’s responsibilities and societal obligations, along with their shareholders wealth maximization goal. Nearly all leading corporate in India are involved in corporate social responsibility (CSR) programmes in areas like education, health, livelihood, creation, skill development and empowerment of weaker sections of the society. Notable efforts have come from the Tata group, Infosys, Bharti Enterprises, ITC Welcome group, Indian oil corporations among others.

According to a study undertaken by an industry body in June 2009, which studied the CSR activities of 300 corporate houses, corporate India has spread its CSR activities across 20 states and union territories, with Maharashtra gaining the most from them. About 36 percent of the CSR activities are concentrated in the state, followed by about 12 percent in Gujarat, 10 percent in Delhi and 9 percent in Tamilnadu.

The responsibility of corporations are described consisting of three concentric circles

- A) Inner circle
- B) Intermediate circle
- C) The outer circle

A) Inner circle:- In these there is clear cut about the basic responsibilities for the effectively and economic growth.

B) Intermediate circle:- It encompasses the responsibility to exercise the economic function with a sensitive awareness of changing the social values and their priorities

C) The outer circle:- In these newly emerging responsibilities to that business should assume to become more broadly involved for improving the social environment.

Companies have been chosen carefully keeping with the following factors-

- These companies are into the taking of CSR activities.

- These companies are experiencing in CSR practices in the health, education, and environment sector.

The following companies have been chosen for the purpose of study.

1. ONGC
2. INFOSYS
3. WIPRO
4. TCS

1. ONGC: - Oil and natural gas Corporation limited is founded on 14th august 1956. ONGC contributes 77% of India's crude oil production and 81% of the India's natural gas production. ONGC has ranked second highest profit making business Corporation in India. Indian government has shared 74.14% equity share in this company.

As a public sector enterprise, ONGC has a long and cherished tradition of commendable initiatives, institutionalized programmes and practices of Corporate Social Responsibility which have played a laudable role in the development of several underdeveloped regions of the country. The vision of sustainable growth drives both business decisions as well as Corporate Social Responsibility work .

ONGC csr activities are essentially guided by project based approach in line with the guidelines issued by the department of public enterprise and ministry of corporate affairs of the government of India. The ONGC CSR initiation of several new projects identified under the focus area of ONGC i.e.

- Education including vocational courses
- Health care
- Entrepreneurship (self-help and livelihood generation) schemes
- Infrastructure support near ONGC operational areas.
- Environmental protection, ecological conservation, promotion.
- Protection of heritage sites, heritage monuments etc.
- Promotion of musician's craftsman artists etc.
- Women's empowerment Girl child development
- Water management including ground water recharge.
- 10 Initiatives for physically and mentally challenged.

ONGC major CSR projects undertaken are enlisted below

1. **Varisthajana Swasthya Sewa Abhiyan:** ONGC along with help age India continues its effort to take health care to the doorsteps of the elderly through mobile medical care units. In 2011-12, all the 20 MMUs were launched and almost 1.9 lakh treatments were provided across the eight states and one union territory.

A).**Project Utkarsh** – Livelihood project in Sibasagar: Initiated in 2011-12, this project seeks to expand livelihood opportunities for 400 households in one year through training of women in skills tailoring, soft toy making ,etc.With linkage for income generation as well as training the elderly in vocations like goatery, mushroom cultivation etc.

B). **ONGC-NSTFDC** Hathkargha Prashikshan: The CSR project was aimed at economically empowering the women tribal handloom artisans in Assam to facilitate cluster development for economically marginalized tribal populations. In 2011-12, around 100 tribal handlooms artisans were provided on the job training by master craftsman that included training in intricate designs for catering to wider markets.

C). **ONGC-Hospitals:** ONGC will be setting up multispecialty hospitals at Sibasagar, Assam and Ankhleshwar, Gujarat and a community Hospital at Lakhimpur- Kheri, Uttar Pradesh.

2. INFOSYS:- It is a leading software company for providing the language and computer education. Company has spend for unprivileged children by which teach them. Infosys believed that there is a direct impact upon the environment through the use of environmental resources and operations. It is working concept of reengineering the process and aligns them with green goals. Manufacturing products and services has been done in such a way that to reduce the harmful impact on environment. CSR activities implementation by Infosys- Blood donation camp, eye donation camp, working in the health sector, education, environment preservation and social services.

Infosys employees actively participate in the welfare of the local community. And it has a development centres in India like Bangalore, Bhubaneswar, Chennai, Hyderabad, Mysore.

A) Bangalore development centre:

Rakum School for the visually challenged: In this the local CSR team visited the Rakum school for the visually challenged .Mobility, an exercise in which team, members walked blindfolded using canes, helped them empathize with children. The team organized games and distributed chocolates and stationary.

B) Bhubaneswar development centre :

This initiative of the Infosys Affirmative Action Program (IAAP) prepares students for a career in this business process outsourcing industry. The project was launched in Orissa in 2007 along with the state government to enhance the skills of academicians. And 515 professors have been trained to make learning more focused by combining traditional teaching methods with modern education.

C) Chennai development centre:

Educare: Sneham it is local CSR team manages a dedicated intranet portal to help employees support education of the children of their housekeeping and security staff. In 2009, 1500 members contributed approximately Rs 14, 00,000 to support more than 370 students. Meritorious students were awarded for their performance. A special award was present to a girl child with exceptional recitation skills.

D) Hyderabad development centre:

PC donation drive: Mamata, is the local CSR team, donated more than 105 PCs to institutions that undertake non-commercial and public activities. And also invited requests for the next list of beneficiaries.

E) Mysore development centre:

Blood donation: More than 80 Info scions donated blood in a special camp conducted in collaboration with the Mysore Rotary and Chandrakala Hospital.

3. WIPRO: - The Wipro Company has formed a council of the company named as “women of Wipro” (WOW) with an intension has taken various activities to empower the women .The three main CSR activities of Wipro include environment sector, education and energy conservation. Wipro has focused area on taking educational and health care initiatives for migrated communities and environmental issues.

Basic motive of Wipro is “We live in the community and the community lives in us”

CSR activities include like

A)Women of Wipro: Empowering women to create their future

The women of Wipro (WOW) council launched various inciatives to facilitate, enable and empower women employees. Panel discussions with internal women leaders, workshops, and development programmes for the purpose of to grow in their careers.Representing of women in Wipro has increased from 19% in 2004 to 29% in 2010.

The focus of Wipro cares on education, health care, and environment –

B)Education: It has been work with partners to create an engaging atmosphere where children can spend a few hours a day at informal learning centres. These centres double up as bridge schools and aim to get out of school children back into the mainstream.

Some of their initiatives aim to provide additional support to bright students from poor families for providing books as opening up their world through interactions and motivations.

C)Health care:they conduct mobile clinics to reach the communities around their factories and provide healthcare to those who are not able to come to the centre. They provide primary health care services and focus on both preventive and curative treatment.

D)Environment:it has been undertakes the activities in the communities under its eco-eye charter they have adopted and developed a lake manikonda in Hyderabad. By this year they strived to increase the capacity of water holding and built a bio-fence and installed a water purifier system for the purpose to ensure that the incoming water is clean.

4. TCS:- Tata consultancy services is the India's largest software service company it has own the Asian CSR award for initiating community development work and also implementing various programs .

TCS major focus on education sector and it is working upon the literature program based on computer design to teach the adults and this program is also known as adult literacy program.

The Company is working upon the environment policy and has developing the environment friendly products and services. It has entered into the health sector too.

Tata corporate sustainability policy

“No success or achievement in materials terms is worthwhile unless it serves the needs or interest s of the country and its people”

The corporate policy of the group encompasses the sustainable development of all the stakeholders. The major points included in the corporate policy are following:

- . Demonstrate responsibility and sensitivity to biodiversity and the environment.
- . Comply with rules and regulations relating to environment
- . Create sustainable livelihoods and build community through social program pertaining to health, education, empowerment of women and youth.
- . Find ways to enhance economic human social and natural capital for bringing and maintaining a balance among business, society and environment

Tata health infrastructure

- Tata main hospital at Jamshedpur
- ICU in joda and balangpur
- “Lifeline express”-the hospital on wheels
- Mobile health clinics
- Tata Educational Infrastructure
- Institute of mathematics
- Sukinda college
- J.N.Tata technical Educational centre
- School of hope
- Shishu Niketan
- Balwadi schools assisted by Tata steel
- Preservation of culture and Heritage
- Contributing to setting up national centre for performing arts in Mumbai
- Tribal cultural centres showcases legacy of nine tribes Jharkhand and Orissa

- Grasmere mela activities

FUNCTIONS OF CSR:- The functions of corporate social responsibility is for corporations to hold themselves accountable for an ethical, legal, societal, and ecological impact of their business activities or practices. CSR practices are self monitoring, they are not require law's for corporations to behave in a socially responsible manner. The functions like

1. Ethical function
2. Societal function
3. Legal function
4. Ecological function

1. ETHICAL FUNCTION;- For every organisation ethics are one of the most important aspects in corporate governance and it is a important function in corporate social responsibility .A company must have internal controls regarding their expected ethical behaviour. Behaving ethically makes the company as a whole impact to their investors, shareholders, and consumers. It helps to prevent the conflicts of interest between earning corporate profits and maintaining the integrity of company goods and services.

2. SOCIETAL FUNCTION; - The societal function of corporate social responsibility is to respect and invest in the communities in which company is operates. In this function companies are aware of about how the affect of their products in a local community. And also companies are taking necessary actions to return down (diminish) the negative impact of factors. Such as increased traffics, noise and pollution for the communities in which they operate as a donating a money to the local charities or trust

3. LEGAL FUNCTION;- In Corporate social responsibility this function leads to encourage the transparency of company's business practices and financial reporting .If a company maintains high level of legal business activities such as to occupational safety and health administration. It promotes goodwill towards employees .Maintaining legal financial will activities leads to goodwill among investors, shareholders and government financial report regulatory agencies such as (SEC) Security Exchange Commission.

4. ECOLOGICAL FUNCTION In this function the corporate social responsibility includes not only in to respect the immediate environment in which the company operates but also to respect the company's effect on the global environment .And follow the standards to reduce the impact on environmental by products . As like air water pollution .Having such standards in a company leads to impact on both local and global environment.

CLASSIFICATION OF CSR;-

Every company or organisations have to be classified based on the following classification

A).Responsibility towards itself;- The ultimate goal & aim of each company is to earn profits and work towards growth, expansion, stability, and survive. If a company can achieve this then only it will be boosted up towards the society

B).Responsibility towards employees;- In every organisation the employees play a very important role for achieving the company's growth & expansion .So that the organisation have to be responsible towards the employees by the following

- ✓ Timely payment
- ✓ Providing hygienic and healthy environment
- ✓ Good and impartial behaviour
- ✓ Health care through yoga programmes
- ✓ Encouraging them to participate in managerial decisions.

C).Responsibility towards shareholders;- Shareholders are the real owners of the organisation .So that the company is responsible to safeguard the investment of the investors and providing at a reasonable return on their investment

D).Responsibility towards consumers;- The company should maintain high quality standards in production of their products .It should not include the malpractices such as black marketing, and harmful to consumers .

E).Responsibility towards environment;- A company is an artificial person in environment and it ia also apart of environment .So that it is responsibility of a company to protect the environment , and doesn't harmful to environment.

BENEFICIARIES OF CSR;-

The benefits of corporate social responsibility is depends upon the nature of the business. But the following are the ultimate beneficiaries of the csr is

- ✓ Stakeholders
- ✓ Shareholders
- ✓ Employees
- ✓ Customers
- ✓ Suppliers
- ✓ Creditors
- ✓ Government
- ✓ Society &Community

FINDING

- A company's operations and its business activities is an integral part of the society and it has been to take care of various needs of the society.
- Business which is resourceful has to take a special responsibility towards the society.
- Involvement of society environment of a business would have to be reducing harmonious activities and improve the friendly relationship between the society and business seeking. It is a mutual benefit for both the society and environment.
- Social responsibility business may have to create a better image and goodwill to the company. Which will becomes an instrumental in attracting customers employees and also investors

SUGGESTIONS

- There is a need to develop a strategic approach to CSR based on undertaking the impact and the tipping points in resource shortage or price rises
- There is need to enhance and develop the initiatives through CSR by" Indian companies" especially in the education and environment protection.
- By this concept it is possible to present an opportunity to demonstrate the corporate values, distinctiveness and employee brands a well as deliver toss goverence
- Organisations may conduct periodic review of the CSR activities which will be conducted by a particular organisation.

CONCLUSION

The concept of corporate social responsibility has gained prominence from all the avenues. Organisations must realize that the government alone will not be able to get success in its venture to uplift the trampled of society. The present societal marketing concept of companies is constantly evolving and has given rise to a new concept of corporate social responsibility.

Many of the leading corporations in India had realized the importance of being associated with the socially relevant causes. As it means to say that the promoting of their brands. It stems from the desire to do well and get self satisfaction in return as well as social responsible business.

CSR can play an important role in ensuring that the invisible hand acts as intended to produce the society friendly goods. In addition , its seem to clear that a CSR program can be profitable element of corporate strategy, profitable to risk management and to maintain a good relationship with society ,which are important to maintain long term relations with the people in a society.

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