



Corporate social responsibility in India

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Abstract

Corporate Social Responsibility (CSR) is a concept whereby organizations consider the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. This obligation is seen to extend beyond the statutory obligation to comply with legislation and sees organizations voluntarily taking further steps to improve the quality of life for employees and their families as well as for the local community and society at large. Digitalization is the integration of digital technologies into everyday life by the digitization of everything that can be digitized. Digitize India calls for your participation. Your participation and contribution as a Digital Contributor will help the country to transform into a knowledge driven economy. Our aim is to achieve the vision of Digital India, where every Indian is digitally empowered and every information is digitally available. In this paper discuss the new generation of corporate leaders, optimization of profit is the key, is more important than its maximization. Hence there is a noticeable shift from accountability to shareholders to accountability to all stakeholders for the long-term success and sustainability of the business. Stakeholders include consumers, employees, affected communities and shareholders, all of whom have the right to know about the corporations and their business. This raises the important issue of transparency in the organization by using digital technologies.

Keywords: CSR, digitalization, digital contributor, digitize India, sustainability

Introduction

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 workforce and their families as well as of the local community and society at large" World Business Council for Sustainable Development.

"Corporate social responsibility is the commitment of businesses to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve their lives in ways that are good for business and for development." International Finance Corporation. We recognize that companies have, in their own ways, been contributing to the foundation of CSR in India. They have, with their desired methods of intervention, been addressing national concerns such as livelihood promotion, community development, environment, making health services more accessible, creating inclusive markets and so on. However, the efforts are not coordinated and a strategic national level policy framework with the involvement of all stakeholders may ensure that the efforts made by companies, individuals, organizations, and the government are synergistic and create a snowball effect. Effectively, minimizes duplication and creates more value and really achieves development goals. By providing more clarity on standardizing the meaning of CSR in the Indian context and providing a favorable policy environment, are being undertaken by the Government of India implying that if companies employ CSR strategically this can lead to achieving more sustainable businesses. By creating a pool of is within reach of all the stakeholders involved. The

mandatory reporting standards being introduced in the Companies Bill will aid in creating uniformity and accountability of actions and also become a measure of the impact these activities will have and the ability measure the impact will be a step in a positive direction. Even the tools that have been developed for measuring social return on investment can be employed more effectively. The proposed Companies Bill, 2012 has been passed by the Lower House of the Indian Parliament and is pending with them Upper House. Once enacted, it is expected to cover more than 2,500 companies in India. Rough calculations indicate that there could be an annual CSR budget of INR 12,500 to INR 15,000 crores for CSR once the Bill is enacted. It is imperative that the Companies Bill will be a game changer and infuse new investments, strategic efforts and accountability in the way CSR is being conceived and managed in India. The Companies Bill have opened a new opportunity for all the stakeholders including the corporate sector, government, not-innovative ways to synergize efforts and contribute toward equitable social and economical development. The key to maximizing returns for all the stakeholders in the given situation is to emphasize on developing effective and need based CSR strategies so that the investments can yield intended results. Effective CSR can be achieved by aligning CSR initiatives to the extent possible with business objectives, thereby indirectly programming. As far as possible, the CSR initiatives should be designed in a sustainable manner and should be scalable and result oriented. Therefore, creating indirect advantages such as brand visibility, social capital, partnerships, business opportunities, long-term community relationships and most importantly nation building.

Challenges to CSR initiatives in India

CSR initiatives face many challenges in India and are often seen as deterrent to even the best-intentioned plans. The most important ones are described here.

Often, the communities who are the intended beneficiaries of a CSR program show less interest which will affect their participation and contribution. Also, very little efforts are being made to spread CSR within the local communities and instill confidence in the people. The situation is further aggravated by inadequate communication between the organization and the community at the grassroots level.

Need to Build Local Capacities

There is a need to build the capacities of the local non-governmental organizations. Many NGOs are not adequately trained and equipped to operate efficiently and effectively as there is serious dearth of trained and efficient organizations that can contribute to the ongoing CSR activities initiated by companies. This seriously compromises efforts to scale CSR initiatives and consequently limits the scope and outcome of a company's CSR initiatives.

Lack of Consensus

There is a lack of consensus amongst local agencies regarding CSR project needs and priorities. This results in lack of consensus often results in duplication of activities by corporate houses in their areas of their intervention. The consequence results in unhealthy competitiveness spirit among local implementing agencies, which goes against the necessity to have rather than building collaborative approaches on important issues. This factor limits organization's abilities to undertake impact assessment of their initiatives from time to time.

Issues of Transparency

Lack of transparency is one of the key issues. There is a perception that partner NGOs or local implementation agencies do not share adequate information and make efforts to disclose information on their programs, address concerns, assess impacts and utilize funds. This perceived lack of transparency has a negative impact on the process of trust building between companies and local communities, which is key to the success of any CSR initiatives.

Relationship between "Business" and "Society"

The linkages, relationships and interface between "Business" and "Society" have existed since the beginning of civilization. Are from their inception, however, over the years, they have undergone spectacular changes. The survival and effectiveness of any organizational entity depends on the quality of support it receives from its stakeholders. This includes the society at large. Till recently, however, in the interface between "society" and "business" Corporate Social Responsibility (CSR) was manifested as "philanthropy". With successive changes in the business and societal environments; and a better understanding among the stakeholders, 'philanthropy' has evolved into more of "business strategy". The Corporate Social Responsibility (CSR) is the continuing commitment by business to behave ethically and contribute to economic

development while improving the quality of life of the work force, their families as well as of the local community and society at large. Businesses need a stable social environment that provides a predictable climate for investment and trade. Understanding society's expectation is, quite simply, enlightened self-interest for business in today's interdependent world. The CSR, therefore, will be centered on (a) fair and equitable treatment of employees (b) ethical operations and maintaining integrity, (c) respect for basic human values, (d) sustaining the environment for future generations and (e) being a caring neighbor in their communities. Globalization has brought in along with changed norms for production, labor and treating the environment, which are influenced by 'with conditions of best practices' worldwide. These norms are often outside the letter of the law. The success of the acceptance of these norms has been outside the letter of law and the adoption has often influenced the state to adopt better/improved or, at least, a changed role for itself. To give an example, the norms of for resettlement and rehabilitation (of

Projected Affected Persons) as have been laid down as law. These norms must be fulfilled by companies involved in extractive industries, yet there are many other activities that these companies are involved in beyond the law's mandate, but these companies have voluntarily accepted as their corporate social responsibility. The growth of civil society organizations has also led to increasing democratization among marginalized and impoverished communities. This created local responses to the grand meta narratives. However, it is imperative that the nation-state needs to evolve a new role for itself in this fast changing world. A stable nation providing good governance is thus a basic requirement for developing countries in their endeavor to safeguard the rights and interests of their poor and marginalized.

Parameters for CSR Initiatives

Civil Society Strengthening

Capacity for strong performance in the community is the foundation for lasting social benefits. Worldwide, civil society is an important social and economic force with the potential to create a more free, fair and just global order. The collective nature of civic action helps to ensure that the interests of all citizens—including women, the poor and other marginalized groups—are adequately weighed by public institutions that make policy and allocate resources. Many civil society organizations (CSOs) face common challenges that limit their effectiveness namely, the ability to manage human and financial resources, weak advocacy abilities, and insufficient management ability to scale up promising innovations and results to achieve wider impact.

Performance Management

It is necessary to measure the outcomes to distinguish success from failure. Thus, managing for results is central to the global revolution in public management and aid effectiveness. Strong performance monitoring systems help to sharpen strategy and learning, improve communications with stakeholders, help ensure that resources are focused on key results, and promote accountability. Yet these systems are often impractical and out of alignment with organizational

skills and incentives. Thus, the focus areas for performance management are:

- An acceptable Performance Management Systems designed for a given project, which will identify key result areas, monitor implementing performance management systems for specific projects and programs to reinforce program performance, learning and accountability, encourage learning, and enforce accountability and objectively measure outcomes.
- Building Capacity for Performance Management: All stakeholders must be enabled and their capacities enhanced—at both organizational and individual levels, to meet the goals of the CSR initiative—building performance management capacity for entire organizations, including international donors and local partners such as governments and civil society organizations.

Programme Evaluation

Program Evaluation provides the platform for learning, accountability and focusing strategy. Program evaluation is central to organizational learning, performance improvement and accountability. Through program evaluation it is possible to determine the efficiency, relevance, effectiveness, sustainability and institutional impact of development activities. Impact evaluation helps in a better understanding of the extent to which the activities benefited the poor and the magnitude these effects on people's welfare. The focus areas for Program Evaluation are:

- Impact Evaluation: A systematic assessment of the impact of CSR activity, program or plan on individual households, institutions, and the environment.
- Evaluating the Program for Improvement: Evaluations must focus on improving the quality of implementation and project outcomes and programs during the project life.
- Evaluating Participation and Empowerment: Programs must also be evaluated with the objective of fostering participation, learning and empowerment among the local stakeholder groups.
- Evaluation of Capacity Development: Evaluation must result in actions to incentivize and building organizational skills, incentives and systems to use evaluation in order to achieve the desired results.

Strategic Planning

Managing with a clear vision, mission and strategy produces lasting outcomes. Globalization and failed and fragile states, the Millennium Development Goals (MDGs) and country Poverty Reduction Strategies require more strategic alignment of development assistance. Donor coordination provides added potential to design and manage country programs that help to create stability and prospects for longer-term development. To stay relevant in this environment, aid agencies need to sharpen their missions, mandates and strategies and engage in constant learning and innovation. The focus areas for strategic planning are:

- Designing Results-Oriented Sector Strategies and Countrywide Programs: Strategy planning needs engagement with working with donors, governments and

local stakeholders to develop a results-oriented program for the sector (strategies and programs in health, education, environment, governance, and etc.).

- Strategic Planning for Organizations and Teams: This involves creation of a shared vision, mission and formulation of a strategy with measurable results across the organization and teams. Doing so establishes an operating unit; creating a culture for strategic management.

Effective Teams

Harnessing the creativity, collective wisdom and the energies of diverse teams is an effective catalyst for achieving development results. Effective teams are important catalysts for development and social change and they are increasingly diverse and dispersed. Teams and their members come with different values, varied skills and experiences, technical skills and cultural traditions. Technical assistance teams are often under pressure to produce quick results, especially in challenging environments. Teams that work closely with their local counterparts must learn the model values of empowerment and participation. In such settings, traditional team building effort is not enough. The areas of focus for effective teams include:

- Team Planning Meetings: To achieve an early start-up for effective technical assistance.
- Team Building for Existing Teams: Team assessment, and tailored team building, (including Meyers Briggs Type Indicator, (MBTI), to improve performance of existing teams.
- Building Team-based Organizations: Creating organizational leadership processes, procedures, structures and incentives to support effective teams.
- Building Effective Virtual Teams: Using specialized tools and methods for building virtual teams and communities for effective collaboration of practice.

Social Impact Management

This addresses the issue of inclusive growth is more than mere poverty alleviation. It seeks to address the problem of equity through the enhancement of opportunities for everybody.

Conclusion

Our goal for this thematic issue was to highlight the rich empirical work being conducted on CSR. Over the past six decades, our understanding and appreciation of CSR has grown tremendously, along with a more sophisticated view of corporations as having a social remit that balances economic priorities and rent-seeking modes. The seven studies reported in this thematic issue also reflect our evolving understanding of corporations and their interactions with their stakeholders. Our analysis of past studies published in AMJ over the past six decades serves to channel our efforts in new directions that tackle the complex interdependencies of stakeholder claims, the coordinated implementation of global programs, and the implications of such efforts across individuals, organizations, and society. It is our hope that this thematic issue will renew discussions of CSR and organizational purpose, and facilitate empirical contributions that have the potential to inform academic discourse and managerial practice on the

transformative role of business in society.

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