Chapter II
Review of Literature

This chapter deals with the overall review of the literature available on the present topic. Literature is the most important part of any research. In this topic, the review is taken for research articles and books regarding the research topic. This chapter is divided into two parts i.e. Review of Research Articles, Review of Books, thesis and other related published or unpublished literature available on the concerned topic.

Introduction

Corporate Social Responsibility is considered a global new trend in today’s business world. This trend is recent and organizations have been struggling to understand their social responsibility roles, as it’s not an easy task because of the immediate expectations of the changing market. Furthermore, social responsibility projects have gained a consensus because both organizations and non-profit organizations think that these projects need to be implemented to create a strong brand communication of corporates. That’s why; many companies start to give importance to these projects. Serdar Pirtini & Şakir Erdem aim is to analyze the content of the official web sites of several national and global firms, by first stating the names of their projects and looking at their aims, and then defining the results they have achieved.

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.

In initial years there was little documentation of social responsibility initiatives in India. Since then there is a growing realization towards contribution to social activities globally with a desire to improve the immediate environment (Shinde, 2005). It has also been found that to a growing degree companies that pay genuine attention to the principles of socially responsible behavior are also favored by the public and preferred for their goods and services. This has given rise to the concept of CSR. After Independence, JRD Tata who always laid a great deal of emphasis to go beyond conducting themselves as honest citizens pointed out that there were many ways in which industrial and business enterprises can contribute to public welfare beyond the scope of their normal activities. He advised that apart from the obvious one of donating funds to good causes which has been their normal practice for years; they could have used their own financial, managerial and human resourced to provide task forces for undertaking direct relief and reconstruction measures. Slowly, it began to be accepted, at least in theory that business had to share a part of the social overhead costs of.
Traditionally, it had discharged its responsibility to society through benefactions for education, medical facilities, and scientific research among other objects. The important change at that time was that industry accepted social responsibility as part of the management of the enterprise itself. The community development and social welfare program of the premier Tata Company, Tata Iron and Steel Company started the concepts of —Social Responsibility.‖ (Gupta, 2007)

McIlroy (2008) brought up the need of risk management in banking industries after the sub-prime crisis with a proposal of the following three reforms; requiring banks to retain a proportion of any loan that they originate, insisting transparency of risks in financial products; and holding of capital for less pro-cyclical situation. “Banks are regulated because of the possibility of systematic risks. Systematic risk is not and never will be a purely theoretical possibility.”(McIlroy, 2008)

McIlroy (2008) pointed out the problems facing presently are the growing acceptable systematic risks induced by market participants who put self-interest into their priority. As a result, he proposed the following regulatory reforms to fulfill the dimensions of CSR; “Human Rights”, “The Environment”, “Fair Operating Practices”; and “Consumer Issues”, preventing banks from selling all the risks in products, increasing transparency of risk in financial products; and conducting reform against pro-cyclical situation. “Businesses not only must deal with hard- number economic realities, but they also have to address the perceptions and beliefs of their customers. Thus, organizations must adjust to the changing outlook of the consumers who buy what they try to sell. It’s not certain, however, what form this adjustment should take.” (McEwen, 2008)
Besides, the importance of internal audit has to be emphasized, especially in banking industries. Coetzee and Fourie (2010) mentioned that internal audit had been perceived positively. They indicated that internal audit should focus on strategic, operational and business risks in addition to financial and compliance risks as 80% of loss in external shareholders’ value in Fortune 500 companies could be linked to the first set of risks. Senior management and those of the chairpersons of the audit committees expect an increase in internal auditing involvement in risk-related issues. Coetzee and Fourie (2010) also highlighted that risk assessment had to be performed annually under the requirement of industries. So, what is the value from Internal Audit Function (IAF)?

Motubatse (2010) quoted a survey conducted by (Institute of Internal Auditors (IIA) on five value-adding attributes for IAFs. They were: organizational alignment, extensive staff expertise, challenging work environment, risk assessment of the audit universe; and an array of audit services. Furthermore, Barac, Plant and Motubatse (2010) shared the idea of Dittenhofer (2001) in the aspect of making a smooth internal audit process. They were: interaction with organization, internal restructuring, creation of new services and methods, and using technology.

Schermerhorn (1999) has stated clearly that the main purpose of management is to induce a positive impact on human behavior in an organization. The control of human behavior can be found during the activities of planning, organizing, leading and controlling. Management of an organization can have internal and external control on human behavior. For the internal one, management can arrange appropriate
training for staff in order to make them have self-discipline and commitment towards an organization. For the external control, proper supervision strategies can be used to limit staff’s behavior. In order to manage people’s behavior successfully internally and externally,

**Drucker (2006)** mentioned that realization of common goals and common values with ongoing training and timely responses to change were fundamental in management. In short, what we have learnt from Drucker is that management is about handling human beings, integrating variables, unifying objectives, developing people toward common objectives for results.

**Yeung (2011)** defines key element of CSR in the banking sector such as: understanding of financial services complexity, risk management, strengthen ethics in the banking business, strategy implementation for financial crisis, protection of customers’ rights and channels settings for customer complaints. Macdonald and Rundle-Thiele (2008) examined a relationship between CSR and customers’ satisfaction in the bank. According to the conclusion of their study, customers’ satisfaction is more affected by pro-client oriented events than CSR activities. And if the bank decides to develop CSR activities, focus of these activities has to be properly chosen.

**Soana (2011)** examined a correlation between social and financial performance of banks. This analysis showed that Italian banks haven’t shown any significant correlation between social and financial performance. According to this study, any negative correlation between social and financial performance has not been revealed. On the other
hand, results of this study provide evidence that banks’ investment in CSR does not lead to economic benefits for the bank.

According to Graafland and Van de Ven (2011), focus on a social responsibility of the bank requires increased professionalism of those who are working in the financial sector; a stronger focus on compliance with Code of Ethics; verification of employees’ capabilities and other approaches such as transparency, focus on stakeholders’ interests and cooperation with social institutions.

Robin (2008) states that society would like to have an economic system that creates opportunities for the growth of economic welfare and a happy life of people. The mission of ethics is to minimize the abuse of companies’ power in the bilateral exchange relations and to reduce a negative impact on a people’s daily live. A fundamental issue of business ethics is how to make capitalism more ethical.

According to Sigurthorsson (2012), risk of CSR consists in the fact that it tends to become an excuse for soft law and corporate self-regulation. Icelandic banks implement their CSR concept through a financial support of charitable activities and they did not pay attention to a formation of socially responsible practices but reduced CSR tools only for public communication. Corporate social responsible practices should focus more on processes that make socially responsible profit and not on its distribution.

Fassin and Gosselin (2011) reported that large institutions such as Fortis, Arthur Andersen & Co. and AIG had a strong CSR and ethical culture but they have gone bankrupt anyway. These cases show a
discrepancy between official pronouncements and procedures of senior management. According to Palomino and Martinez (2011), the effectiveness of ethics programs is different in banks. Some programs are primarily aimed at achieving a favorable image in relation to socioeconomic institutions (government, media, society, customers) and they have not significant effect on the ethics of employees.

According to Gibbons (2011), many banks in United Kingdom do not act transparently. A scope of provided information is no sufficient, quality information absent for people who have financial difficulties etc. Tea, Paulišič, Krstinič-Nižič (2011) indicate that honesty, awareness, responsibility, creativity, objectivity and professionalism absent in the banking culture.

According to study of Pérez and Del Bosque (2012) which focused on Spanish banking institutions, banks tend to promote only those activities through CSR from which generally the greatest benefit have. In the banking sector, there are three basic groups: customers whom banks try to meet their financial needs; employees whom banks try to create a perfect working conditions to achieve their satisfaction and at last community (bank’s surrounding) where banks contribute to a sustainable growth. In the area of CSR activities, Pérez and Del Bosque (2012) accuse banks of short-term improvement of bank’s image and profit increase. According to authors, it is necessary to incorporate a social responsibility into organization’s image and into a long-term strategy to reduce skepticism. Authors report that banking sector suffered large scratches on its image and credibility because of its integral participation in economic crisis. CSR concept is perceived as the most effective tool to improve reputation. Watkins (2011) states that
banking system is a typical capitalist activity which aims to a profit. Policy of laissez-faire believes that individuals and companies may seek to increase their financial wealth without any restrictions. Financial market presents unlimited opportunities for growth in financial wealth.

Discussing the main components of CSR, Caroll (1979, 1997) gave birth to 4- part definition of CSR embedded in a conceptual model of Corporate Social Performance (CSP). They were economic, legal, ethical, and discretionary expectations or voluntarism/ philanthropy that society has of organizations. By accepting the CSR 4-part definition of Carroll (1979), Frank Tuzzolino and Barry Armandi (1981) built a CSR’s need hierarchy framework patterned after Maslow’s (1954) need hierarchy. These authors depicted how a business have physiological, safety, affiliative, esteem, and self-actualization needs. In addition, 4 dimensional model of Carroll, Alexander Dahlsrud (2006) concluded with five dimensions of CSR: The stakeholder dimension, the social dimension, The economic dimension, The voluntariness dimension, The environmental dimension. Among them, the environmental dimension received a significantly lower dimension ratio than the other dimensions where as stakeholder and social and economic dimensions received high attention, in descending order. Given diverse model of CSR, recently, CSR can be expressed by following core subjects and issues: Fair operating practices, The environment, Labour practices, Consumer issues, Community involvement and development, Organizational governance and Human rights (ISO 26000). In general, CSR that is a broad category and differently is expressed upon point of view of the authors. The confusion is not about how CSR is defined but about how CSR is
socially constructed in a specific context (Alexander Dahlsrud, 2006). Essentially, in modern society, it is important to note that the final goal of CSR is just to contribute to building a dynamic, competitive and cohesive economy based on knowledge (Persefoni Polychronidou et al., 2013). In order to achieve this goal, firms should always bear in mind that they have to balance all relating people including employees, shareholders, suppliers, customers, and community.

Howard Bowen in 1953 argued that since social institutions shaped economic outcomes it was to be expected that business firms as an economic outcome of societal interests should consider the social impact of business activity. According to Bowen, “CSR refers to the obligations of businessmen to pursue those policies to make those decisions or to follow those lines of relations which are desirable in terms of the objectives and values of our society.” The choice of engaging in CSR activities by a firm depends upon the economic perspectives of the firm. There are firms which believe in maximizing shareholder value while there are firms which believe in maximizing profits. Milton Friedman (1962, p. 133) rightfully quotes: “Few trends would so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their shareholders as they possibly can”. CSR may be defined as the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law or union contract, indicating that a stake may go beyond mere ownership (Jones, 1980). Corporate Social Responsibility (CSR) and orientation of banks can be a useful tool for them to tide over such crises in future, if banks maintain their relationships with stakeholders in making their
businesses more sustainability. CSR among other things is a key stakeholder relationship building activity (Waddock and Smith, 2000).

Corporate social responsibility (CSR) is about the core behavior of companies and the responsibility for their total impact on the societies in which they operate. CSR is not an optional add-on nor is it an act of philanthropy. A socially responsible corporation is one that runs a profitable business that takes into account of all the positive and negative environmental, social and economic effects which has its impact on society (Marsden, 2001). The choice of engaging in CSR activities by a firm depends upon the economic perspectives of the firm. There are firms which believe in maximize shareholders value, while there are firms which believe in maximizing profits. Milton Friedman (1962, p. 133) rightfully quotes “Few trends would so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their shareholders as they possibly can’. Recently the CSR has gained much attention in the corporate world.

Venu Srinivasan (2007) highlighted that Corporate Social Responsibility is more than philanthropy and must not mean “giving and receiving”. An effective CSR initiative must engage the less privileged on a partnership basis. “CSR means sustainable development of the community by being partners in their progress. The government has been evolving a large number of welfare schemes for the people but experience shows that in most cases the benefits do not reach the most deserving. Industries have expertise in man management, financial management and business planning. They can easily provide the missing ingredients of leadership and organization and establish the „last mile
connectivity” to reach the benefits to the deserving people. Therefore the focus of CSR could be „unlocking” the last mile connectivity. Industry must be a catalyst for social development. They must provide the leadership, know-how, training, etc.

**Jorge A. Arevalo and Deepa Aravind (2011)** concluded in their article “Corporate Social Responsibility Practices in India: Approach, Drivers, and Barriers” that the CSR approach that is most favored by Indian firms is the stakeholder approach and that the caring or the moral motive, followed by the strategic or profit motive, are important drivers for Indian firms to pursue CSR. Further, the results indicate that the most significant obstacles to CSR implementation are those related to lack of resources, followed by those related to the complexity and difficulty of implementing CSR. As explained by Hertz (2012), earlier it was a form of capitalism that put much more emphasis on what we owned, on whether we had a Gucci handbag for example, than on things like the quality of our environment, the quality of the air we breathe, the kind of healthcare we have, what makes us content and happy. She called it Gucci capitalism and predicted that the gradual demise of Gucci capitalism will be followed by a new era of responsible capitalism called Co-opt capitalism.

**Bowen (1953)** defines CSR as obligations of businessmen to pursue those policies to make those decisions or to follow those lines of relations which are desirable in terms of the objectives and values of our society. Friedman (1962, 1970) said There is one and only one social responsibility of business-to use its resources and engage in activities designed to increase its profits and corporate social responsibility minimizes the corporation focus on profit. Hederson (2001) mentioned
that Corporation should concentrate on what they can do best, should create job opportunities and increase the wealth of stakeholders. Interests of Private Corporation is quite separate from public corporations, so they cannot do any with CSR. It is only government that should speak for society, not business people.

But Deegan & Gordon (1996), Adams et al. (1998), Patten (1992), Deegan et al. (2000) and Campbell (2004) mentioned in their studies that these activities increased over a period of time as it provide competitive edge over other in terms of connectivity with customer, investor, government etc. Frederick (1960) mentioned Social responsibility means that businessmen should oversee the operation of an economic system that fulfils the expectations of the people. And this means in turn that the economy’s means of production should be employed in such a way that production and distribution should enhance total socio-economic welfare. According to Samuel O in 20th century CSR become important part of strategical decision and companies took it practically to find out cost benefit analysis. That is why Wilson (2000) said that corporate responsibility must begin with the practical recognition that the corporation must be profitable enough to provide shareholders a return that will encourage continuation of investment. Companies started taking their stakeholder seriously and there is platform given to them for discussion. Labour unions, environmental groups and other relevant stakeholders and the implementation of certification solutions by corporations, which helped in the establishment of codes of conduct (Kapstein, 2001).

According to Friedman (2006) "There is one and only one social responsibility of business- to use its resources and engage in activities
designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud”. In contrast to Friedman’s statement, Robbins and Coulter (2007) explained that the management’s social responsibility goes beyond making profit to include protecting and improving social welfare of its stakeholders and the environment in which the firm carries out its operations. This statement is based on the belief that corporations are not independent entities responsible only to stockholders. They also have the responsibility to the society that allow their formation through various laws and regulations and support them through purchasing their products and services (Carroll, 2008). Zain (2008) extending the Carroll’s statement said that ethical standards play an important role in a firm's success in the long-run. The social responsibility standards and moral activities by a firm can create a positive rapport between the firm and all its stakeholders.

Anderson (2005) discussed the increased pressures brought on US based multi-national corporations from global competition and regulations, particularly in the European Union and Japan. Anderson recommended strategies for developing sustainability risk governance systems and explored their considerable advantages, which include decreasing risk costs, increasing competitive advantage, improved community image, enhanced reputation, and increased profitability and stock performance.

Wartick and Cochran (1985) depicted the evolution of the corporate social performance model by focusing on three challenges to the concept of corporate social responsibility: economic responsibility, public responsibility, and social responsiveness. They also observed social
issues governance as a dimension of corporate social performance. The corporate social performance model is valuable as it provides the beginnings of a paradigm for the field. It is of interest in our study to identify whether corporate social responsibility disclosures made in the Bangladesh banking sector focus on economic responsibility, public responsibility or social responsiveness. Further research of a similar nature might be able to pinpoint where Bangladesh lies in terms of Cochrane’s evolutionary model.

Wood (1991) defined corporate social performance and formulated a model to build a coherent, integrative framework for business and society research. Principles of social responsibility are framed at the institutional, organizational, and individual levels. Processes of social responsiveness are shown to be environmental assessment, stakeholder governance, and issues governance; and outcomes of corporate social performance are posed as social impacts, programs, and policies. Following Wood, we expect that firms in the banking sector might make corporate social responsibility disclosures in broadly similar areas, that is, environmental, stakeholders, social impacts, programs and policies.

Batra, Kaur and Dangwal (2007) argue that in order to achieve high standards of corporate governance, internal pressures such as peers and market competition should be more effective than enforcement by regulating agencies. It is also imperative that the regulators should expand their role and take effective measures to propagate the concepts of best practices in ushering an era of good corporate governance. Corporate social responsibility disclosures can be an attempt by a firm to legitimize corporate actions. In our study we search for indications
that corporate social responsibility disclosures are a result of peer and/or regulatory pressure.

**Hoffman, Frederick and Schwartz (2001)** tried to address whether a corporation has a conscience and how ethical governance and managed care can coexist. They stressed the need for corporate morality. In our study we examine disclosures with a view to understanding whether the firm is attempting to convey a sense of corporate conscience and ethical behaviour.

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makes us content and happy. She called it Gucci capitalism and predicted that the gradual demise of Gucci capitalism will be followed by a new era of responsible capitalism called Co-opt capitalism. The idea of Co-opt capitalism is that the community matters over individual and co-operation matters over competition. In short during this phase the concept of CSR was showered with some divergent thoughts covering economic, legal, ethical, philanthropic and social aspects of business houses.

Suman Kalyan Chaudhury, Sanjay Kanti Das, Prasanta Kumar Sahoo (2011), said in their study that, At present, the world over, there is an increasing awareness about Corporate Social Responsibility (CSR), Sustainable Development (SD) and Non-Financial Reporting (NFR). The contribution of financial institutions including banks to sustainable development is paramount, considering the crucial role they play in financing the economic and developmental activities of the world.

Sanjay Kanti Das (2012), in his study presented that development of Corporate Social Responsibility (CSR) is very slowly in India though it was started a long time ago. In his view CSR has been assuming greater importance in the corporate world, including the banking sector. There is a visible trend in the financial sector of promoting environment friendly and socially responsible lending and investment practices. The Govt. of India is pursuing the matter relating to CSR and also drafted guidelines for CSR practices time to time.

Kvasničková Stanislavská, L., Margariso, K., Šťastná, K (2012), defined concept of Corporate Social Responsibility on a theoretical level, They focuses on its development, its present form and the influence on
financial performance of the company. They also worked on three Czech banking subjects (Česká spořitelna, Koměří banka a Československá obchodní banka), which regularly take the leading positions of the official corporate donors chart Top Filantrop³. The work explores the evolution of corporate donations and finds the connection between corporate donations and corporate profit and financial and economic crisis.

Austin (2000) gave the concept of Collaboration Continuum. He explained the development of collaboration between nonprofits and corporations. According to him, such collaboration begins from a philanthropic stage, where, the nature of the relationship is similar to that of a charitable donor and (grateful) recipient; and ultimately results in organizational integration, where the equivalency of mutual benefits is fully apprehended by firms (Austin, 2000). The Collaboration Continuum hence, provides firms with more reasons to be socially active. Companies can follow this concept by supporting societal causes, and inspiring other companies in turn. The study examines how country-level, industry-level, and firm-level factors affect the extent of corporate communication about CSR in Brazil, Russia, India, and China (BRIC). In particular, using the data of 105 largest MNCs from BRIC, we investigate the CSR motives, processes, and stakeholder issues discussed in corporate communications. On the country level, we use a newly developed framework of the governance environment which differentiates between rule-based and relation-based governance. Our study reveals that the governance environment of a country is the most important driving force for the communication intensity about CSR. Our results show that firms communicating more CSR tend to be from more rule-based societies, in the manufacturing industry, and of larger size.
They also tend to have stronger corporate governance as measured by a high proportion of outside board directors and, specifically, the separation of the roles of the chairman and the CEO.

**Ralph Hamann and Paul Kapelus** in argue that Corporate Social Responsibility (CSR)-related narratives and practices can be fruitfully assessed with reference to accountability and fairness as key criteria. Brief case studies of mining in South Africa and Zambia suggest that there are still important gaps between mining companies’ CSR activities, on the one hand, and accountability and fairness, on the other. The conclusion is that companies’ CSR-related claims, and particularly the reference to a business case for voluntary initiatives, need to be treated with caution. CSR is not necessarily or only greenwash, but there is a need to engage business critically towards more sincere versions of CSR. Despite numerous efforts to bring about a clear and unbiased definition of CSR, there is still some confusion as to how CSR should be defined. In five dimensions of CSR are developed through a content analysis of existing CSR definitions. Frequency counts are used to analyse how often these dimensions are invoked. The analysis shows that the existing definitions are to a large degree congruent. Thus it is concluded that the confusion is not so much about how CSR is defined, as about how CSR is socially constructed in a specific context.

The article in looks at the subject of corporate social responsibility and how companies use it in their marketing communication activities, a practice known as cause-related marketing (CRM). According to the definition of Angelidis and Ibrahim, corporate social responsibility is ‘corporate social actions whose purpose is to satisfy social needs’. Corporate social responsibility requires investment and it yields
measurable outcomes. It is commonly accepted that cause-related marketing is a communications tool for increasing customer loyalty and building reputation. The expected change in a company’s image because of CRM campaigns appears to depend a great deal upon how customers perceive the reasons for a company’s involvement in cause-related programmes and the amount of help given to the cause through a company’s involvement (Webb and Mohr, 1998). Mohr et al. (1998) suggest that consumers with a high level of scepticism will be less likely to respond positively to CRM campaigns as opposed to consumers with a low level of skepticism.

Traditionally, environmental protection has been considered to be “in the public interest” and external to private life. Governments have assumed principal responsibility for assuring environmental management, and have focused on creating and preserving a safe environment. They have directed the private sector to adopt environmentally sound behavior through regulations, sanctions and occasionally, incentives. When environmental problems have arisen, the public sector has generally born the responsibility for mitigation of environmental damage. In this approach, some have contended that unrestricted private sector behavior has been considered as presenting the “environmental problem”. However, the roles of sectors have been changing, with the private sector becoming an active partner in environmental protection. Many governments and businesses are now realizing that environmental protection and economic growth are not always in conflict. Since the Brundtland Report was published in 1987 as a result of World Commission on Environment work, business and management scholars have been grappling with the question of how and why corporations should incorporate environmental concerns into their
own strategies. Today many companies have accepted their responsibility to do no harm to the environment. An earlier emphasis on strict governmental regulations has ceded ground to corporate self-regulation and voluntary initiatives. As a result the environmental aspect of CSR is defined as the duty to cover the environmental implications of the company’s operations, products and facilities; eliminate waste and emissions; maximize the efficiency and productivity of its resources; and minimize practices that might adversely affect the enjoyment of the country’s resources by future generations. In the emerging global economy, where the Internet, the news media and the information revolution shine light on business practices around the world, companies are more frequently judged on the basis of their environmental stewardship. Partners in business and consumers want to know what is inside a company. This transparency of business practices means that for many companies, CSR, is no longer a luxury but a requirement. Although there are a significant number of good practices around the world, for many critics CSR has achieved quite illusive effects so far. As CSR activities are basically based on a voluntary approach, environmental externalities are observable to stakeholders, but often not verifiable. Generally, the concern about CSR is that, instead of big number of initiatives, there is no comprehensive frame that would cover at the same time issues such as: government standards, management systems, codes of conduct, performance standards, performance reporting, and assurance standards. Companies, usually, implement separate components, or join selected initiatives, often forgetting for example about transparent monitoring mechanisms.

The current practices, and approaches to environmental aspects of CSR are presented in and some concrete steps that could allow on creating a
global commonly accepted CSR framework are also proposed. The author in offer a critique of CSR from the perspective of democratic societies and the future of its institutions, especially with regards to the potential impact of CSR on all sectors of civil society and, in particular, on the trade unions and its practices. In India companies like Tata and Birla are practicing the Corporate Social Responsibility (CSR) for decades, long before CSR become a popular basis. In spite of having such good glorious examples, in India CSR is in a very much budding stage. A lack of understanding, inadequately trained personnel, coverage, policy etc. Further adds to the reach and effectiveness of CSR programs. Large number of companies are undertaking these activities superficially and promoting/ highlighting the activities in media. All those aspects on the finding & reviewing of the issues and challenges faced by CSR activities in India are thoroughly discussed in. In two periods of corporate crisis, and account for the role codes have played in quieting public concern over increasing corporate power are discussed. They are 1) When developing countries along with Western unions and social activists were calling for a ‘New International Economic Order’ that would more tightly regulate the activity of Transnational Corporations (1960-1976); and 2) When mass anti-globalization demonstrations and high profile corporate scandals are increasing the demand for regulation (1998-Present). The Corporate Social Responsibility (CSR) field presents not only a landscape of theories but also a proliferation of approaches, which are controversial, complex and unclear. The article in tries to clarify the situation, ‘‘mapping the territory’’ by classifying the main CSR theories and related approaches in four groups: (1) instrumental theories, in which the corporation is seen as only an instrument for wealth creation, and its social activities are only a means to achieve economic results; (2) political theories,
which concern themselves with the power of corporations in society and a responsible use of this power in the political arena; (3) integrative theories, in which the corporation is focused on the satisfaction of social demands; and (4) ethical theories, based on ethical responsibilities of corporations to society. Pharmaceutical companies are experiencing increasing pressures to act in ways that are socially responsible with regard to global health problems. The global AIDS pandemic has created pressure for greater contributions from corporate partners to expand access to services in developing countries. Many companies have responded by making philanthropic donations of drugs and financial resources. The paper describes an approach undertaken by Pfizer Corporation, which uses international corporate volunteering to build capacity for service delivery in low-resource settings. An evaluation of the Pfizer Global Health Fellows program found that the program has had positive effects on recipient organizations, and has enhanced the personal and professional skills of participating employees. The authors discuss ways to leverage program outcomes for greater impact on corporate reputation, employee motivation and professional development, and accountability for the company’s social performance.

The development of organizational theories in the last fifty years also emphasized an increased interest in corporate social responsibilities (CSR). The society’s expectations regarding the social obligations of a company are continuously changing, mainly influenced by different approaches in economic theory, socio-economic, political and cultural events affecting the business environment and a corresponding transformation of the social mentality that puts a pressure on the national or multinational companies. In response to these factors, business organizations around the world adapt their social
responsiveness and the way they relate to different social responsibilities.

Irina Iamandi in presents a theoretical approach of the way corporate responsibilities and business responses to social pressure evolved during the last decades, considering the factors above mentioned. The innovative aspect is represented by a relationship between the evolution of corporate social responsiveness, as it appears in the specialized literature of the last forty years, and the perceived business response to social issues, taking into account CSR history. First part of the paper reviews the definition, content and main approaches of CSR, relating them with the economic, and respectively, socio-economic model of business organizations. At this point are also analyzed the reasons that drive companies to involve in social initiatives and the corresponding CSR forms. Directly connected with the first part, the second one briefly presents the history of CSR and the 1990s’ shift in strategy from a deontological perspective to a more pragmatic one, effectively announcing the beginning of CSR as a profitable business practice. This aspect is emphasized, in a more specific way, in the third part of the paper, where advantages but also potential negative effects of a CSR policy are detailed. Based on three complementary studies – from late 1970s, early 1990s, and mid 2000s –the fourth part synthesizes the evaluation of corporate response to social issues in the period above mentioned. Finally, the last part focuses on present and future challenges regarding CSR: the association between corporate social responsibility and multinational companies, as well as the unintended results of corporate philanthropy. There are also indicated the aspects that should further be considered in order for CSR to become an effective business strategy. As global competitiveness continues to take momentous trends,
the notion of Corporate Social Responsibility (CSR) is proposed as an impressive strategy to invigorate small and medium-sized enterprises (SMEs) operations and competitiveness.

The primary objective of the research in is to analyse the operationalisation of CSR in SMEs, and its impact on competitiveness. This work mainly a culmination of literature synthesis of recent studies done on CSR both in developed and developing countries. The paper argues that although CSR has been mainly discussed in the context of larger businesses, there is compelling evidence that it can also be used as a strategic tool to enhance the competitiveness of SMEs. The outcomes of CSR activities can help a great deal in improving the survival rate of SMEs and may offer great opportunities for business competitiveness, locally and globally. It is noted however, that incorporating CSR has a challenge on how SMEs can implement CSR activities simultaneously with other business priorities in a balanced and motivating manner. This is especially more problematic in developing countries where there is limited capital, weak institutions and poor governance.

Corporate Social Responsibility (CSR) has become a pervasive topic in the business literature, but has largely neglected the role of institutions. This introductory article to the Special Issue of Socio-Economic Review examines the potential contributions of institutional theory to understanding CSR as a mode of governance. This perspective suggests going beyond grounding CSR in the voluntary behavior of companies, and understanding the larger historical and political determinants of whether and in what forms corporations take on social responsibilities. Historically, the prevailing notion of CSR emerged through the defeat of
more institutionalized forms of social solidarity in liberal market economies. Meanwhile, CSR is more tightly linked to formal institutions of stakeholder participation or state intervention in other advanced economies. The tensions between business-driven and multistakeholder forms of CSR extend to the transnational level, where the form and meaning of CSR remain highly contested. CSR research and practice thus rest on a basic paradox between a liberal notion of voluntary engagement and a contrary implication of socially binding responsibilities. Institutional theory seems to be a promising avenue to explore how the boundaries between business and society are constructed in different ways, and improve our understanding of the effectiveness of CSR within the wider institutional field of economic governance.

Malte Kaufmann & Marieta Olaru examines the question of measurability of the impact of Corporate Social Responsibility on Business Performance. It starts with describing newer trends of measuring business performance, showing that one can observe a shift from the classical short-term analysis with particular focus on indicators like shareholder value, revenue and market share toward taking also into account soft indicators, such as employee and customer satisfaction, that contribute to the long-term success of a company. This approach is shown based on the European Foundation of Quality Management (EFQM) criteria. The paper goes on to give an overview of latest trends in the field of Corporate Social Responsibility and then offers a possible way to measure its impact on Business Performance on the basis of the stakeholder concept. It reflects results from ongoing research and was written for presentation at the Berlin International Economics Congress, 2012.
A variety of perspectives on corporate social responsibility (CSR), which we use to develop a framework for consideration of the strategic implications of CSR is developed by many researchers an agenda for additional theoretical and empirical research on CSR is proposed and the related issues are also reviewed. The concept of corporate social responsibility (CSR) is coming into light with the introduction of globalization and liberalization. With the promotion of the CSR concept globally and locally, it is becoming very important to know about business entrepreneurs’ views about this concept because they are the ones who are going to implement it. The changing global market scenario is, also, changing the perception of business entrepreneurs towards society and business. Now, business is not merely about earning profits for an organization, but it is more about profit sharing with employees and society.

In an attempt to capture the importance of CSR in business is made. Further study is made to show how the implementation of CSR practices has helped business, reveal the drivers pushing businesses towards implementation of CSR practices. There is an urgent need to focus attention on the factors and drivers that motivate companies to implement CSR practices. Finally drivers and motivators for the companies to implement CSR practices are explained with the case study of the multinational Nestle corporation. After providing an overview of Corporate Social Responsibility (CSR) research in different contexts, and noting the varied methodologies adopted, two robust CSR conceptualizations – one by Carroll (1979, ‘A Three- Dimensional Conceptual Model of Corporate Performance’, The Academy of Management Review 4(4), 497–505) and the other by Wood (1991, ‘Corporate Social Performance Revisited’, The Academy of
Management Review 16(4), 691–717) – have been adopted for this research and their integration explored89. Using this newly synthesized framework, the research critically examines the CSR approach and philosophy of eight companies that were considered active in CSR in the Lebanese context. The findings suggest the lack of a systematic, focused, and institutionalized approach to CSR and that the understanding and practice of CSR in Lebanon are still grounded in the context of philanthropic action. The findings are qualified within the framework of existing contextual realities and relevant implications drawn accordingly.

An integrative framework of Corporate Social Responsibility (CSR) design and implementation is introduced90. First, a concise review of CSR literature and CSR implementation models and then develop a multiple-case study research is presented. The resulting framework based on a expansion of Lewin’s approach to change highlights four stages - ranging from “raising CSR awareness” to “mainstreaming the CSR agenda” - that articulate around nine key steps of the CSR implementation process. Finally, we highlight critical success factors for CSR implementation is highlighted. The need and the concepts of Social Responsibility and its related aspects are explored and it states that most of the organizations concern in past were mostly with making profits and leaving the well-being of others to individual acts of charity. In recent years, the attention of businessmen, philosophers, scientists and the general public has been directed to issues concerning social responsibilities of the management too. Today, every organization’s primary goal is its obligation to operate in a socially responsible manner. With this concept, every manager must be aware of and act on what society expects from their organizations.
The study on “Rural Development and Corporate involvement” by V. Raghuraman argues about CSR of Business, inevitably, has impacts on communities, societies and natural environments in which it exists, separately from the market driven transactions that are its main focus. World class business now accepts its responsibility both to mitigate the impacts where they are negative and pro-actively turn them, in to business and social advantages where possible. The genesis of the awareness and evolution of whole range of issues related to CSR including corporate environmental management goes back to the issues of changing course of business in 1980s and 1990s, where eco-efficiency was presented as a managerial approach to improve competitiveness and ecological efficiency.

Pushpam Kumar describes the study on “CSR: Assessment of Global & Indian Trends & Prospects” and in it discussed the important drivers of CSR. It also throws light on the social responsible practices of the firms at the global level as well as in India. The role of business in society has undergone a sea change. From the exhortation that there are no social obligations for business to the understanding that being socially responsible is critical. Corporate social responsibility (CSR) has come a long way.

A set of studies has explored the multiple aspects of this concept both theoretically and empirically. Corporate social reporting has been one of the features that have received extensive attention from scholars. However, most of these studies are embedded in the economic and organizational contexts of Europe and the United States of America. Hardly a few studies had looked at CSR or social reporting in developing countries like India. Given this scenario, scholars have
consistently called for more research in this area. This studies aim to address this gap by conducting an exploratory study on how top management perceives and reports CSR. Using the technique of content analysis this study looks at the chairman’s main section in the annual reports of the top 50 companies in India to identify the extent and nature of social reforming.

The study provides concepts on Corporate Citizenship in a global perspective, highlighting the need for corporate houses to undertake specific actions to improve their social performance at the firm level as well as across the supply chain. It also given details about some case studies serve as a useful guide to business managers, business students for CSR. The study attempts to highlight how CSR is an important tool in the hands of public relations and Corporate Communications department, and how they go about utilizing the CSR initiatives in creating an image of “Socially Responsible Organizations” in the minds of public are discussed. While organizations may be actually committed to a social cause, the fact that many want to use it, as an image-building tool cannot be denied.

According to **KC Gupta** reviewed “CSR in India” states that how CSR implements and what are national and international standards involved in CSR of Indian industry. Social obligations are those obligations/responsibilities to follow lines of action or make decisions, which are desirable in terms of objectives and values of the society. Social obligations and a sense of responsibility to discharge them are the consequences of the increasing awareness of imperative duties of the parties as imposed by promise, religion, conscience, ideals or social standards / objectives towards the society. The amount of social
expenditure as disclosed in the annual administration and accounts reports are incomplete and unquantified. The category wise social obligations incurred towards the commuters, employees, state and central governments etc. need to be quantified and presented. The corporation has not been receiving any subsidy from the government. But, it is the state government which desired and directs the corporation to the social obligations. Therefore, it should assume responsibility and compensate the corporation for the loss of revenue suffered. This is possible only with either substantial reduction in various taxes or by granting subsidies to the corporation.

**Neena George & Jochim Lourduswamy** discussed about developed countries, social responsibility makes a greater contribution to corporate reputation than brand image. The survey indicated that as much as 49 percent of the company’s image was directly related to its CSR-related activities. The study underscores the importance of issues surrounding CSR. The proliferation of discourse on CSR, reiterates it’s highly complex terrain with many irreconcilable schools of thought existing and seeking to establish their hegemony. CSR discourse is also related to sustainable development debate in the era of global economic development where more strain is felt by corporate to refashion their model of development. The study argued that a multilevel approach is necessary to understand the impact of CSR and corporate accountability initiatives. However, the faulty lines in addressing the structural causes of conflicts between companies and stakeholders. These conflicts can only be reserved by fundamental changes in the global economy. The study attempts to highlight some of the countervailing debate in the ever expansive and intermeshing space of CSR and sustainable development (SD). In recent times, there have been evidences of an increasing
awareness of the responsibility of corporate towards the society and the community at large. This is very essential as the society provides all the necessary inputs required for the successful and effective functioning of the business organization. Hence it is bounden duty of the corporate to utilize their talents and resources of the corporate to utilize their talents and resources to the possible extent from the benefit of the society. The current social initiatives that are being undertaken by a number of leading companies are purely voluntary and in compliance with each individual company’s philosophy and ideology. The main focus of the study is on the type and variety social projects undertaken by the companies. It was observed that almost all the companies in the study are contributing towards society in some field or the other. Though a large number of SMEs have been engaged in socially relevant activities which are beyond what could be considered as their immediate business pursuits, the debate on CSR as also the promotional instruments has remained somewhat skewed towards the large scale sector in India. Most of the SMEs being anchored in towns and villages or in the remote areas they have considerable adaptability to the local settings, exposure to local problems and also access to local resources. They, thus, are eminently suited to pursue CSR.

**Concluding remark:-**

All the studies have been covered various aspects of CSR from different perspectives. Some are based on definitions and some based on theories and models of evaluate the measuring of CSR contributed by the organizations to the society. Though several studies have been conducted, still there is a scope for further research. Different studies have revealed the corporate experiences at various places. The comparative analysis of selected companies deserves a special attention
on the environmental aspects of the companies need a further study. The sustainability of the business and CSR also need a focus for further research.

**References:**