CHAPTER II
REVIEW OF LITERATURE

The present chapter attempts to review some of the past studies concerned with the present study. This chapter is presented into three sections. The first section gives the reviews about the Corporate Social Responsibility (CSR) and the studies about the textile industries are given in the second section. The final section of the chapter explains the reviews of the studies on the CSR on textile industries.

2.1. CORPORATE SOCIAL RESPONSIBILITY

A few past studies on Corporate Social Responsibility are reviewed below:

Kolay\(^1\) pointed out corporate social responsibility may not be a corporate objective but being in the game of profitability in the interest of the share holders, organizations do impact on the other interest groups such as, consumers, national economy, Society and above all the employees themselves. The organizational strategies adopted at different stages of economic growth which reflect the social performance of the organisation. The proposed measure would provide a common basis to the corporate houses to account for and report their periodic social performance.

Lee Burke and Jeanne M. Logsdon analysed the proponents of corporate social responsibility as well as for the organization’s stakeholders and society. The social responsibility programmes which create strategic benefits for firms. Five strategy dimensions are identified which help to assess the value created for the firm by CSR programmes. They are: Centrality, Specificity, Proactivity, Voluntarism and visibility. Guidelines for managers to incorporate these dimensions into a strategic analysis of their social responsibility are presented to encourage more support for these mutually beneficial programmes.

Pushpam Kumar revealed that the awareness and evolution of whole range of issues related to corporate social Responsibility including corporate environmental management goes back to the issues of changing course of business in 1980 and 1990 where eco-efficiency was presented as a managerial approach to improve competitiveness and ecological efficiency. The important drivers of corporate Social Responsibility is society and economic development. It also throws light on the socially responsible practices of the firms at the global level as well as India.


In recent years, increasing attention has been given to the concept of Corporate Social Responsibility as a postulate for ethical behaviour of business and as a basis for good Corporate Citizenship. But it is not just a rich man’s luxury. Just as globalization exposes industrialized countries to low-wage competition from developing countries, so it brings the challenge of rising environmental and social process and product standards to exporting companies. Including SMES, in the developing world\textsuperscript{4}.

In the current globalised scenario, the recognition of Corporate Social Responsibility (CSR) has become the business world. To have a better corporate governance, a company has to fulfill it’s social responsibility which may lead to customer satisfaction, better employer - employee relations, maximize share holders value a satisfied community and a better environment\textsuperscript{5}.

Hancock\textsuperscript{6} considers the CSR commitments and activities. He focused on the behaviours of firm for some common factors like health and safety, environmental protection, human rights, human empowerment, and so on. He emphasizes the importance of CSR for the sustainable development of the business world.


resource management practices, corporate governance, community
development, and consumer protection, labour protection, supplier
relations, business ethics and stakeholder rights.

Swarup K. Mohanty found that the present practices of CSR is
to have a better society in the future to give business a new fillip and a
new way to innovate. The challenge will remain stiff in the coming
days, yet the moot point is how far a business can stretch and drag
financially at least to convert its non-profit factors into tomorrow
market fortune, a question which baffles us. This needs fresh insights
and further research. They may appear strange today, but tomorrow
they would be the common way the business is performed, because
society does not belong to the business but business does belong to the
society.

Corporate Social Responsibility is about companies taking into
account their complete impact on society and the environment not just
their impact on the economy. There are seven reasons for CSR
matters: Moral and ethical reasons, sustainability of the markets
companies rely upon for income, Brand image/reputation,
Employee/stakeholder motivation, to enable the company to respond

7 Swarup Mohanty. K., “Corporate Social Responsibility: Present practices and Future
proactively to changing stakeholder agendas and be able to cooperate effectively under a range of business conditions. To account positively on its performance to stakeholders in a way that will enhance the company’s reputation and to provide managers with a framework for managing the business in a more holistic manner⁸.

Corporate Social Responsibility has emerged as an important concern in the wake of the ascendancy of market economy, India, with higher incidence of poverty, under utilization of human resources, Skewed development, strained resource base and low sensitization level needs the intervention of all the institutions, including big business. In this process, the corporate sector which expanded phenomenally due to economic liberalization policies is expected to function in tune with the society’s norms, standards and the law of the land⁹.

Corporate Social Responsibility means firm’s obligation to protect and improve welfare of the society and its organization now as well as in future through its various business and social actions and


ensures that it generates equitable and sustainable benefits for the various stakeholders. As such CSR can serve as an effective marketing tool to compete and sustain competitive advantage in the present fast changing, hyper competitive environment. Though there are research studies that provide the domain of CSR and its effects on the business performance but they have varied viewpoints and are inadequate\textsuperscript{10}.

Another study analysed that the adequate sanitation is essential for meeting the human right to a standard of living consistent with dignity and health, and to maintain the capacity for future generations to have access to clean water resources and healthy ecosystems. The CSR discourse may be strengthened by a broad acknowledgement of the relationship between business and society. Businesses are not natural entities but are given substance through the legal and social context in which they are created. So businesses are delivery of sanitation through CSR - both in capturing the benefits and overcoming the barriers\textsuperscript{11}.


According to Aleix Calveras et al., the enter play between firm’s self-regulation of Corporate Social Responsibility as opposed to the formal regulation of a negative externality. Firms respond to increasing activism in the market by providing more socially responsible goods. It is based on the consumers conscious that take into account the external effects of their purchase. However, because regulation is the outcome of a political process an increase in activism might imply an inefficiently high externality level.

When stakeholder protection is left to the voluntary initiative of managers, relations with social activists may become an effective entrenchment strategy for inefficient CEOs. It is argued that managerial turnover and firm value are increased when explicit stakeholders protection is introduced so as to deprive incumbent CEOs of activist support. It is a recent trend where by social activist organizations and institutional shareholders are showing a growing support for each others agenda.13


Donald S. Siegel and Donald F. Vitali and suggested that the recent theories (profit maximizing) of the strategic use of corporate social responsibility emphasize the role of information asymmetry and how CSR is likely to be incorporated into a firm’s product differentiation strategy. A key empirical implication of these theories is that firms selling experience or credence goods are more likely to be socially responsible than firms selling search goods.

David P. Baron and Daniel Diermeier consider a broad array of non market strategies, including those that are commonly associated with corporate social responsibility. The firms considered to operate in both the market and non market environments, and the models incorporate both private and public politics.

Min Dong Paul Lee in his article trace out the conceptual evolution of CSR in management theory. The concept has evolved in multiple aspects, which can be broadly termed as rationalization of CSR. The level of analysis has moved from the macro-societal level to

the organizational level, and the ethical orientation has been made more implicit than explicit with the shift in analytical focus, researchers have laid greater emphasis on managerial and strategic issues regarding CSR.

Eric Boyd and Spekman\textsuperscript{17} focused that the integrated supply chains are becoming a critical part of the competitive landscape as firms seek to create strategic advantages. In response to customer and shareholder concerns for corporate social responsibility, many buying firms are implementing programmes with in their supply chains aimed at ensuring suppliers act in a socially responsible way with respect to such labour practices and environmental issues. An important aspect of implementing such supply chain CSR initiatives involves achieving supplier compliance. Buyers have recently come under pressure to increase monitoring of suppliers behaviors to bolster CSR compliance.

Vedanta Alumina Limited (VAL) in Kalahandi, is committed to enhance the social and economic condition of the highly poverty stricken villagers living around the plant. In such ambience, maintaining a balance between sustainable resource use and urgent

economic need of the people is important. Sustainable livelihood project launched a emphasizing on sustainable resource use through CSR way\textsuperscript{18}.

Aravanan and Thirumal\textsuperscript{19} revealed that the corporate social responsibility is an expression used to describe what some see as a companys obligation to be sensitive to the needs of all the stakeholders in its business operations. The concept of CSR is not new to Indian companies. Some of the Indian companies are actively involved the CSR programmes such as to providing infrastructure facilities, Health Care Camps, Women upliftment and other activities. All above initiatives helped the rural people or belonging below poverty line peoples

Corporate Social Responsibility is a balanced approach for organizations to address economic, social and environmental issues in a way that aims to benefit people. CSR brings many benefits which ultimately lead to success of an organisation. Social accountability 8000 is a globally verifiable standard certification for CSR. It is


\textsuperscript{19} Aravanan and Thirumal S. “Corporate Social Responsibility-The Indian Response” \textit{Indian Economic Panorama}, Vol. 17, No.1, April, 2007, pp. 53-58.
suggested that the company can very well apply for SA 8000 certification and also initiate the CSR to get the highest grade possible\textsuperscript{20}.

CSR is initially a tactic used by major corporations aiming to pacify consumers, ethical concerns Community Development with origin in the anti corporate and anti-globalization protests of the late 1990s. There are many evidences where by adopting CSR practices businesses have been able to turn things around for their good position with sustainable growth in India\textsuperscript{21}.

Malvindar Singh said that the corporate Social Responsibility mean open and transparent business practices that are based on ethical values and respect for employees, communities and the environment. The philosophy of corporate social responsibility is basically to return to the society what it has taken from it in the course of its guest for creation of wealth in the core decision making process of a business.


According to Shashank Shah and Sudhir Bhaskar\textsuperscript{23} the objectives of many corporations are focused mainly on shareholders’ wealth maximization. It is not very conducive to the health and reputation of the organisation. As a social entity, the corporate organization should, along with its long-term growth and success, take upon itself the responsibility of ensuring the welfare of all its constituents to the extent possible. The need for a change in the corporate organization approach towards corporate stakeholders management, and to ensure the pare to optimization of the welfare of all the stakeholders of a corporate organization is the highest now than ever before.

The Corporate Social Responsibility closely linked with the principles of “Sustainable Development” in proposing that enterprises should be obliged to make decisions based not only on the financial/economic factors but also on the social and environmental consequence of their activities. The study also presented the setting for ISO’s work on social responsibility lies in the general recognition that SR is essential to the sustainability of an organisation. This

recognition was expressed both at the 1992 Rio Earth Summit on the Environment and at the 2002 world summit on sustainably Development (WSSD) held in South Africa.

Amir Rubin analysed the relationship between corporate Social Responsibility and political beliefs in the United States. By analyzing the 2004 presidential election results of communities in which corporate headquarters are located, it is established a correlation between the political beliefs of corporate stakeholders and the CSR ratings of their firms. Companies with a high CSR rating trend to be located in democratic, or “Blue” states and countries while companies with a low CSR rating trend to be located in Republican or “Red” states and countries.

Victoria Wise and Mohammed Mahhoob Ali said that the corporate governance depends on managerial performance as well as a consideration of Social Responsibility, the Socio-Cultural

environmental dimension of business procedure, and legal and ethical practices with a focus on stakeholders, customers and other stakeholders of organizations.

Santanu Sarkar\textsuperscript{27} in his paper tries to bring together issues related to two different activities carried out by business community for society. Industrial Social Work and Corporate Social Responsibility are the two sides (past and present respectively) of the same coin, with the latter being more rational in focusing on the market to achieve a Darwinian sustainability.

Lammertjan Dam and Bert Scholtens analysed the relationship between the Corporate Social Responsibility and location choices of multinational enterprises and environmental regulation, governance, and wealth of countries. More specifically, the study addressed the question whether MNEs transfer their ‘dirty’ operations towards poor countries, corrupt countries or countries with low environmental regulation of the issue to the responsibility of the firm.


Malathi Shiri said that the NGOs target project beneficiaries and empower them through CSR initiatives and this in turn helps the impoverished and down trodden to gain ownership and authority. The NGOs role hence involve adoption of appropriate strategies which permit good governance for performance management of the stakeholders interest.

Nikita Singh revealed that the corporate social responsibility has always been an integral part of the vision of the mahindra group and the cornerstone of their core value of good corporate citizenship. The group believes that CSR is an opportunity and a privilege. The Group’s approach goes far beyond managing corporate image.

Mrityunjay Athreya deals with the role that CSR can play for inclusive growth. From the euphoria of a “high growth path” both globally as well as domestically, in all the national and regional economies, the debate has shifted to one on “inclusive growth” (IG) and deals with the need for inclusiveness and the challenges posed by

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it. It goes on to examine the role that CSR can play in IG. There is a significant potential. CSR programmes need to be reoriented and managed to realize such a potential.

According to Baxi et.al the corporate social and environmental reporting has received importance and attention in recent years as a part of sustainable development process across the world. In India, the stand-alone reporting practices exist, but with limited content and information. Professional companies are more inclined towards reporting their efforts rather that focusing an impact on the society.

Chaudhary pointed out that the corporates are experimenting with various areas in CSR apart from what is stated in their vision statements. They are also collaborating with NGOs, Local Self-government bodies or the government to ensure better reach, better strategy formulation and inputs from the government. It is vital for a company to view and focus CSR as a source of competitive advantage rather than a practice of philanthropy.

According to Ashvine Kumar and Rohit Bansal\(^{34}\) stated that the corporate social responsibility (CSR) is a concept where by organizations consider the interest 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.

Raj\(^{35}\) said that the CSR ought not to be just for large companies. It should be relevant for companies of all sizes. It is about business behaviour that not only delivers commercial objectives but that also has a positive social impact. But the fact is that CSR among SME is generally at an earlier stage of development than among large corporations. CSR practitioners believe it is vital to take it forward in a way that remains in touch with SME realities.

Sandhu and Shvetakapoor\(^{36}\) analysed the extent of involvement of companies in corporate social responsibility initiatives in terms of high, medium and low CSR performers. Secondary data based on a


sample of 93 companies operating in India have been analysed by applying content analysis of annual reports and individual websites of the companies. Extent of social involvement of the companies has been observed on the basis of their respective social scores.

Juwahaer Thanika Devi and Kassean Hemant\(^{37}\) in their article emphasized upon the management and activities of CSR among SMEs firms and uncovers the main impact of CSR practices on the business operations and opportunities experienced by SMEs when undertaking CSR originality/value. It is hoped that this article provides initial insights into the nature of CSR in Mauritius among the small and medium enterprises.

Kazi\(^{38}\) found that the corporate social responsibility (CSR) issues are attracting a great deal of attention in the developed world and there is pressing need for more research into CSR in the developing world. Bangaladeshi businesses are gradually moving from the strong economic and legal realm of CSR of the ethical and discretionary aspects.


Bapan Dan\textsuperscript{39} revealed that corporate social responsibility has got strong advocacy from every sphere. Corporate with available critical resources always should try to engage in betterment of the society at a large. Not only in modern management but also in corporate public relation practice CSR can be an effective tool to showcase social obligations as a responsible corporate citizen.

Madhok\textsuperscript{40} found that both CSR and NGOs have been in the social and corporate limelight in the present times. As there is a strong linkage between CSR and NGOs role, hence the most important aspects are described for due cognizance on the part of the professionals, Sociologists and powers.

An investigation of corporate social responsibility led to categorization under four dimensions i.e. operational, economic, environmental and social and focused on the operational dimension of corporate social responsibility. In the existing operational dimension of “CSR frame of reference”, Development of CSR policy was added.


The operational dimension further comprised of supply chain responsibilities, stakeholder involvement, transparency and reporting and independent verification\(^{41}\).

Shveta Kapoor and Sandhu\(^{42}\) pointed out that the CSR is viewed as a comprehensive set of policies and programmes that are integrated into business operations, supply chains and decision-making processes throughout the company. The case deals with CSR initiatives of Indian IT major-Infosys Technologies ltd. The company is actively involved in the areas of community involvement, human resource development, environmental contribution, product contribution and customer relation, rural development, and shareholders relations.

A study of Hakhu Rahul\(^{43}\) pertaining to the status of CSR in Indian Corporate Sector have been critically elaborated during pre and post liberalization era. It is also evident that most of the forward looking companies in India have strongly been adopting CSR in their corporate policy to accomplish competitive advantage, profitability and performance in the light of liberalized world.


Satyajit and Sarbani Mitra\textsuperscript{44} pointed out the CSR is becoming an investment differentiator, benefiting companies that have clear ethical and sustainable mission complemented by tangible and transparent reporting. Company’s brands, Customer retention levels, and intellectual capital are of intense interest to investors. Companies that report more comprehensively on these important non-financial assets can often improve their valuation in the capital markets. Corporate Social Responsibility disclosure is considered to be a part of Social accounting.

Indian CSR activities have been firmly confined to philanthropic activities. The businessman used to donate a part of their profit in freedom reforms and reinvested them in setting up new industries. Even today the CSR activities seems to revolve around mainly in educational sector and health sector with a little emphasis on empowering women sustainable livelihood and infrastructure development\textsuperscript{45}.

\textsuperscript{44} Satyajit and Sarbani Mitra, “Corporate Social Reporting: Evidence from listed companies in India”, \textit{The Chartered Accountant}, Vol. 59, No. 6, December - 2010, pp. 110 -116.

Bhattacharya and Sankarsen\textsuperscript{46} revealed that by engaging in Corporate Social Responsibility activities, companies can not only generate favourable stakeholder attitudes and better support behaviours for purchase, seeking employment, investing in the company. But also, over the long run, build corporate image, strengthen stakeholder-company relationships, and enhance stakeholder’s advocacy behaviours.

Kajalbaran Jana\textsuperscript{47} found that the CSR starts from business house to the society and the ethical consumerism starts from the consumer to the society. The CSR is to be discharged at the cost of a portion of profit earned by the business house voluntarily where as ethical consumerism is conscious voluntary movement of the consumers for the society.

Mandi Singhal\textsuperscript{48} stated that the business organizations must have an ethical and social responsibility towards community and environment as they are doing the business in society by using the


human resources and also by exploiting environmental resources. A business without ethics is a danger for society. Organisations are now realizing the bottom line benefit of incorporating sustainability in their business. CSR is all about managing the business to achieve both commercial and social benefits.

Vyas and Reshma Shrivastava\(^{49}\) focused that the employee satisfaction in any corporate house is a great matter of concern for the management. Employee satisfaction is one of the factors for the motivation of the employees, and an indicator of the management success. Corporate house consider corporate Social Responsibility to be their integral duty towards the society in which they are functioning. The organizations also provide opportunities to their employees to take part in CSR activities.

Bhavani said that the company reasons towards Corporate Social Responsibility on cause related and its impact on the company brand image and sales. The important factors that influence the company to contribute are: Customer oriented, Ethical Oriented,


Community oriented, Human oriented, financial benefits in terms of
tax benefits also are important, through the responses to this issue
seem to be guarded.

The above studies revealed the various CSR practices, its
implications and suggestions made by the researcher. The CSR
activities carried out by the industries were mainly focused on
employees welfare activities, business ethics, code of conduct,
improving the company image and business sustainability. A few
industries and business organizations are implementing the CSR
programmes for providing basic amenities to needy people and
undeveloped areas. Code of conducts and business ethics, and society
development activities are two sides of the same coin in the Indian
industries who carryout the CSR programmes.

2.2. TEXTILE INDUSTRY

The past studies relating to the textile industries are reviewed
and presented as below:

SITRA\textsuperscript{51} report on quality control reveals that continuous
monitoring of fashion trends, research and development in fabrics and
designing garments are supportive to develop exports garments. In

\textsuperscript{51} The South India Textile Research Association, “Handloom Ready Made Garment Exports”, \textit{The Seghan Printers}, Mumbai 1979, pp. 36 - 40.
recent times readymade garments has been given priority in the export garments. The main theme of this study made an arrangement to a team to visit frequently the leading garment exporting country like, Hong Kong, Singapore and India. This visit ensures the manufacturing techniques quality control procedures, marketing methods etc., From this visit it’s concluded that there are some new designs on current trends in world fashion.

Rikab Chand Jain\textsuperscript{52} said that India’s skillful knitting industry is capable of producing knitted goods. The goods are having more demand in the world market to export with potentials, in developed countries to ensure the share of world market for knitting and garments.

The Export Import Bank of India \textit{,} has revealed high competitive advantage, which has been measured by quota markets. The growth in garments export can trace a phase by increasing exports to non-quota market and it shifts to higher value added items, in different quota markets.

\textsuperscript{52} Rikab Chand Jain, “Export outlook of Textiles”, \textit{India International Trade Center, November 23, 1984, New Delhi.}

\textsuperscript{53} Export Import Bank of India, “Indian Garment Exports; Implications of MFA phase out”, \textit{Occasional Paper, No.34, February 1995.}
Venkataraman\textsuperscript{54} has traced the performance of garment exports in India. He extends that the garments become the major earnings in foreign exchange for India. It cross over Rs. 4900 crores in the year 1992 which is more higher than the year 1967 of Rs. 2 crores.

Nair\textsuperscript{55} states that the abolition of MFA quotas is to provide a good area to develop the cotton fabrics and strengthen manpower in a developing countries like India.

Gokhaola et al.,\textsuperscript{56} explored that Indian garment had faced a tight competition and identifies the removal of MFA and the integration of Hong Kong and China in the garment market. China focuses on Japan and Hong Kong focused on EU and USA markets, which affect Indian garment market a lot.

Phalgumani Singh\textsuperscript{57} remarked that the textile marketing had an important factor for marketing consumer goods on ecological basis. New regulations and processing techniques have been adopted by Indian government to increase textile market in India.


\textsuperscript{55} Nair, “Uruguay Round Agreement and India Garment Exports”, \textit{Paper Presented at all Indian Seminar on Garment Industry in Kerala}, Trivandrum, 1994, pp. 2 - 6.

\textsuperscript{56} Gokhaola, Chander and Kotti Vijaya, “Globalising Indian textiles: Threats and Opportunities”, \textit{Tecoya Publications}, Mumbai, April 1995.

Indian government has restricted the textile industries from Indian independence. The restriction includes automatic looms and icon capacity expansion firm size limitations, specific productions and export commitments and regulations that compartmentalized the industry on the basis of raw material usage\textsuperscript{58}.

Satindar Bhatia\textsuperscript{59} has analysed about the weakness of the Indian textile industry in the past MFA period. The reason for fall down of industry is not fulfilling the requirement producing sufficient quality and quantity of garments. Since Indian clothing industry, in large scale follow the quota policy of the export, it is unable to compete with other Asian countries in large scale in foreign markets.

Ashok Chandra Prasad\textsuperscript{60} explores that the competitive sector in textile and garment in India, is notified from high quota utilization figure. These figures indicate the competitiveness in the textile sectors. So, there is minimum possibility for fall in this constraint.


\textsuperscript{60} Ashok Chandra Prasad, “India’s Competitiveness in Export of Garments in MFA phase out and post MFA Phase Out Periods”, Occasional Paper No. 10, Indian Institute of Foreign Trade, New Delhi, 1997, p. 4.
The customs tariff affects the inputs from India. This tariff vary from the tariff covered by US from 4 to 6 per cent. In India, imports of quota item in tariffs 14 is percent.

United Nation’s Economic Report\textsuperscript{61} is providing the statistic about the growth of clothing and textile exports from developing countries. The data shows that in 1953 India had 38 per cent in clothing and textile exports. The developing countries have a frequent growth during 1985 to 1997. The average growth rate is found as 14 per cent. Indian product mainly focused on domestic market in 1980’s and it had benefited from 1990 onwards.

Narayan\textsuperscript{62} analyse about product diversification, trends of technology and the options of cohesive approach of various sectors of the industry and shows the Indian textiles industry in the post - MFA period. The failure of the industry is mainly due to the large unorganized sector in the textiles industry. The improvements of man power skills, technology upgradation and product diversification have to be taken in time to avoid such failure.


\textsuperscript{62} Narayan.V, UNIDO unit Seminar on “Product Diversification and Technology Trends”, \textit{Tirupur Express Textiles}, Vol.4, No.51, April 6 2000, Coimabatore, p. 3.
Jeo Mathew analyse that knitwear exports market are having a scope in Central European Economic Union Countries (CEEC) and EU. In India, Indian knitted garment exports need to concentrate on high-income segment and have to increase the consumption of textile and clothing.

Panthakí64 pointed out the expansion of knitted sector. It is very innovative despite restraints about knitwear changing of design, style and colour combinations have added values to the products. In current scenario, it focused on expansion of casual wears, especially festival wears and party wears. The kids wear also raised the growth recently.

Panthakí65 has classified the transaction costs which include in four various things. They are (i) delays at customs port on clearing import cargo for export production under one pretext or the other ii) delays in obtaining refunds in the shape of drawback licenses against shipments already effected and exchange realized iii) delays in obtaining advance licenses on the basis of standard input-output norms which the norms need to be amended with utmost speed and understanding to provide for special types of garments on the basis of

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samples received from overseas buyers, iv) officials administering on the export import policy ad grant of refunds even today adopt more of a restrictive attitude rather than that of an export facilitator.

Mehar Castelind in his article explored that the future of textiles and garments is limitless. India has the knowledge and skills to match the world, but to keep abreast with innovations India needs right push from the powers at the top to make it the leader on the fashion front.

Subramani and Krishnaveni analysed that the textile mills catering to the needs of the people by producing yam and clothes and providing job opportunities to the people need special attention. The recession in this particular industry for the last few years has created uneasiness in the minds of the people working in the organisation. Now it is high time that an attempt should be done to study the existing level of loyalty towards the organization among the staff in the textile industry.


Shripria and Srividya focused on entrepreneur engaged in Knitwear garment manufacturing. These entrepreneurs were considered to be successful if they were in the business for more than 5 years and with more than 5 crores of turnover. Most of the entrepreneurs were male and in the middle age group. The reason for starting a venture however was divided between the urge to do business and earn. Most of the entrepreneur had a solid background that positively influenced their success like working with terms from school, family a source of encouragement and pioneer in staring service clubs etc.

The Environment Scanning leads to the identification of many issues that affect the organization of many issues that affect the organization. These issues could be judged on the basis of intensity of their impact on the business of the organization and the relative probability of such an impact. In this situation, it is a serious challenge to top business executives/strategists to manage their business portfolios effectively in the changing and turbulent environment⁶⁹.


The textile industry is one of the oldest industries in India and is the largest provider of employment opportunities after agriculture. In the post MFA (Multifiber Arrangement), India’s market share of textile and garments is going to jump substantially in both US and EU. Indian Textile sector may be affected by poor infrastructure. After the expiry of agreement on Textiles and clothing (ATC), Indian textile industry has entered free-for-all phase. The potential of Indian Garment industry is at par with IT and Tourism.\textsuperscript{70}

Renjith kumar\textsuperscript{71} found that the employees in the textile industry, which is a traditional industry, do possess a comparatively better level of loyalty than the employers in IT, which is a new generation industry. It is high time that the employees in the textile industry take advantage of this fact and encash this opportunity for increased organisational performance.

\textsuperscript{70} Anupam Karmakar, “Overview of Indian Textile Industry with Respect to Dismantling of Multi Fiber Agreement (MFA) and Arrangement on Textile and Clothing (ATC)”, \textit{The Management Accountant}, Vol. 42, No. 8, August 2007, pp. 618-623.

Chavan and Borkar\textsuperscript{72} analysed the Environmental threats loom large on almost every nation in the world today. With this threat gaming the status day by day. Textiles gain utmost importance as one of the most useful resources that help promote new innovations, in an eco-friendly manner. The use of textiles in environment protection and safety is booming. Technical textiles plays very important role in the global issue like environment protection.

Joshi and Singh\textsuperscript{73} found that the textile and clothing industry is one of the largest industrial sectors in India which holds maximum share in the employment and also in the total export. Analysed the trend in knitted apparel has registered a good export growth during 2002-07 in USA as well as UK market.

An analyse of the Strategic international human resource management literature reveals the human resource practices in foreign invested enterprises in China and their affiliates. Drawing on data from a study of a few China-based garments enterprises, it found that


strategy is a good determinant of HRM policies, most of the enterprises and following cost reduction strategies but with certain quality levels, based on standardized nature products and production processes. Industry sector is also important, as is the institutional milieu of China\textsuperscript{74}.

The garments industry focus on the niche and value adding markets and on production-marketing systems based on skilled labour and respect for labour rights. Such a high-road approach, however, would require a no-nonsense government bent on pursuing a forward-looking development blueprint for these industries. The Philippines is paying a heavy price-lost development tempo, limited welfare gains and eroded industrial base-for embracing a narrow EOI Cexpon oriented industries programme, as illustrated by the country’s experience with the garments and textile industries\textsuperscript{75}.


According to Navneet Krishna\textsuperscript{76} the Textiles have been a part Homo sapiens from time immemorial. Be it a normal body wear or to make fashion statements, textiles have been associated with humans as an integral part of human civilization may be Indian, Roman, Egyptian or Chinese Civilization. With the advent of industrial revolution textiles become one of the major business line of the west\textsuperscript{109}.

The above studies were focused on the performances of textile industries in India and paid attention on world market, export performance, companies in various countries with man-made fibres, knitwear performance and the produces of cotton mills. In India textiles industries provide more employment opportunities and hold second place in providing employment in the country.

2.3. CORPORATE SOCIAL RESPONSIBILITY ON TEXTILES INDUSTRIES

The past studies relating to the practice of CSR on the textiles industries are summarized below:

Mehra reveals that in last one decade textile industry has taken maximum advantage of information Technology and create awareness about clean environment by adopting green technology and there by reduce carbon foot print. The next 5 to 6 Years of Indian Textile Industry will become clothier of the world.

According to Juliana et.al., an initiative of indicators for corporate sustainability under the focus of sustainable development should aim for the return of medium and long terms, equally considering the economic, social and environmental dimensions, it is focused social responsibility. The proposed model proved to assist to these requirements, and it can serve as a useful tool for the evaluation of the action towards sustainability in Brazilian companies.

The investigation and evaluation shows that most of China’s textile enterprises have a better Corporate Social Responsibility (CSR) performance. There has some problems for China’s Textile enterprises, they need to improve the apprehension level for CSR and perfect the governance structure.

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Another article has moved beyond a discussion of the practical impacts of CSR policies to address the more political question of how code of conduct and labour standards are beginning to transform social relationships between western buyers and their suppliers in Tirupur South India. The politics of ethical compliance lies at the heart of the ways in which new hierarchies are created between values, moralities, people and societies. Ethical standards and degrees of compliance (or non-compliance) have become new yardsticks of modernity. It is through global standards- and the wider CSR discourses of which they are a part that ethical and social values are defined and imposed in global production networks, and that firms, peoples and societies are classified according to their ability to comply\textsuperscript{80}.

According to Rosario Buchielli et.al.,\textsuperscript{81} the concept of an ethical network in relation to Corporate Social Responsibility (CSR), using evidence from the Australian Fair Wear Campaign (FWC)- a broad community alliance, created to improve the working conditions of Australian garment home workers and to eliminate their exploitation. An ethical network that aims to increase Corporate Accountability

\textsuperscript{80} Power, Inequality and CSR: The politics of Ethical Compliance in the South Indian Garment Industry\textsuperscript{80}, \textit{Economic and Political Weekly}, Vol. XXI, No. 22, May 30\textsuperscript{th}-2009, pp. 1 - 20.

(CA) via greater transparency in corporate supply chains and improve work conditions for home workers and increase their recognition in the supply chain management.

Thomas Laudal\(^\text{82}\) in his article focused the international clothing business. Clothing business is well suited for a Corporate Social Responsibility (CSR) study as it is one of the most global industries in the world, with closely coordinated production and distribution lines spread out in regions with great variations in government regulation, employment and environmental protection, and wage levels. Thus, Clothing companies must handle a multitude of legal and moral standards”.

Fary lee Cooke\(^\text{83}\) revealed that the current situation of CSR, of which HRM is an integral part, in China, Particularly focus on the textile and apparel industry, which is highly export - oriented and cost-sensitive and where labour standards and often reported to be low. Through the survey and interviews with senior managers in 31 textiles and apparel enterprises in Southern China on issues related to CSR and CSR practices adopted by their company that the Chinese


textile and apparel firms are beginning to realize the importance of adopting CSR. This is in spite of the fact that many of the enterprises do not have a written CSR policy and that the majority of enterprises have not obtained CSR standards. The main reasons for firms to implement CSR practices are to enhance their reputation, improve customer satisfaction and reduce operating Cost, and a business case approach is adopted. Then the companies believe that legal and economics responsibilities are more important than ethical and voluntary responsibilities.

A study of Ting Chi\textsuperscript{84} aims to analyse the development, achievements, and challenges of corporate Social Responsibility (CSR) practices in the Chinese textile and apparel industry. The determinants of CSR movements in the industry are discussed. The World Bank CSR diamond model based on stakeholder theory provides an analytical framework to address this complex issue in a systematic way. From a long term perspective, the CSR movement will benefit towards upgrading the industry and the healthy growth of China’s economy and contribute to the sustainable global textile and apparel supply chain.

The above studies indicate the CSR practices by textiles industries in China and other countries. The textiles industries implement Corporate Social Responsibility programmes mainly for environmental protection, Health cares for employees, maintaining code of conduct in industries sustainable development etc.,

It seems that textile industries in the world are implementing CSR programmes for overall development and follows government rules and regulations related to CSR from time to time. In India, especially, in South India, Tirupur district of Tamil Nadu, has successfully collaborate with South suppliers of Western buyers.

2.4, RESEARCH GAP

From the above review of literature, its clear that in India most of the studies focused on the attention on Corporate Social Responsibility (CSR) in general. Studies shows that the textile industry secured the second place in employment generations in India and also secured the first place in the export wise in garment sector. The CSR is not only applicable for corporate and MNC’S, but for all industrial sectors. In this background, the present study would fill-up the identified research gap on the ‘Corporate Social Responsibility practices of textile industries in Tamil Nadu’ with reference to the three major cluster districts.