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9.1 Introduction

Corporate social responsibility (CSR) is a concept whereby organizations consider the interests of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment. This obligation is seen to extend beyond the statutory obligation to comply with legislation and sees organizations voluntarily taking further steps to improve the quality of life for employees and their families as well as for the local community and society at large.

The practice of CSR is subject to much debate and criticism. Proponents argue that there is a strong business case for CSR, in that corporations benefit in multiple ways by operating with a perspective broader and longer than their own immediate, short-term profits. Critics argue that CSR distracts from the fundamental economic role of businesses; others argue that it is nothing more than superficial window-dressing; still others argue that it is an attempt to pre-empt the role of governments as a watchdog over powerful corporations.

9.2 Conceptual Framework of Corporate Social Responsibility

Of more recent vintage is the view that the modern corporation is so enmeshed in the life of the total society that it not only cannot avoid assuming responsibilities for the health of the community, but it
has a positive duty to contribute to the preservation of the pluralistic and constitutional characteristic of a free democracy. A new ideology must be forged that allows for accountability to large goals, for the corporation affects these larger objectives by virtue of its vast powers. Convinced that the presumed insularity between market and community is more fiction than fact and impressed by the rapidly changing expectations of the nation for a better life, these critics advocate explicit corporate commitment to projects that transcend any pure market calculus. Each term, however, is laden with difficulties, which, are compounded by the fact that the latter group includes men who advocate social responsibilities for reasons of sheer self-interest and men who believe that corporations, as good citizens, are obligated to contribute directly to the common good and towards the building of a better society. The debates over what might be called corporate constitutionalism. The classicists take a strict interpretation of state charters to corporations and advocate a range of functions restricted to the economic sphere. The modernists lean to an "implied powers" viewpoint and prescribe broad functions for the corporations.

### 9.3 Legal Framework of Corporate Social Responsibility

Corporate Governance has become an important issue in India for a number of reasons e.g. increasing demand for/insistence on clean 'corporate governance' track-record by business partners, strict Corporate Governance Guidelines of Regulatory Bodies, need for transparency for growth and progress, in-house 'expertise' and
'independent advice' requirement, the Indian Companies Act, Clause 49 (as per the directives of SEBI) provides with certain guidelines (revised on 29th March 2005) for the listed companies to follow their Corporate Social Responsibility.

9.4 Corporate Social Responsibility in India

60 years of independent India, but we still haven't experienced a real economic growth and development. The government plans take a long time to get implemented and the policies are highly skewed. If the corporate houses choose to intervene, perhaps, the day won't be far when, India can boast of a real economic boom. Every country should embrace the remarkable concept of individuals and businesses forming a partnership to support social causes. A successful modern Indian company also needs to be well managed, with a corporate culture that promotes integrity. In the context of India, such a partnership has enormous potential for strengthening society. The main obstacles, we think, are lenient attitude of the government in enforcing quality control measures. Interestingly, however, the state is also criticized for too much interference. Irresponsible and unpractical government regulations in sector that are best left to private hands, keeps the government too busy to understand the difficulties of an average small businessperson whose capabilities and spirit is being choked due to the lack of infrastructure. There were also references made to cleaning up the corporate governance structure and clamping down on corruption in India. Broad
frameworks on corporate governance should be developed and followed and, penalties for non-compliance should be strictly implemented. Benefit from corruption should be reduced. This is to be done by flattening the tax structure and reducing exclusive authority on government agencies. In an era of increasing global competition, the need to create an image that shows that corporate are part of the community and care about it is growing. People as the part of community and a strong part of the workforce for the production in organizations plays important role and benefits acquired from them cannot be ignored as far as possible for growth.

9.5 Corporate Social Responsibility at Reliance Group of Industries

Reliance contribution to the community are in the area of health, education, infrastructure development (drinking water, improving village infrastructure, construction of schools, etc), environment (effluent treatment, tree plantation, treatment of hazardous waste), relief and assistance in the event of a natural disaster, and miscellaneous activities such as contribution to other social development organization etc. The company's corporate social responsibility (CSR) teams at all manufacturing divisions interact with the neighboring community on regular basis. Social welfare and community development is at the core of Reliance's CSR philosophy and continues to be a top priority for the Company. It revolves around the Company's deeply - held belief in the principle of symbiotic
relationship with the local communities, recognizing that business ultimately has a purpose—to serve human needs. Close and continuous interaction with the people and communities in and around the manufacturing division has won the key focus while striving to bring about qualitative changes and supporting the underprivileged. To sum it all, Reliance Industries contribute Rs. 115.51 crores in 2007-2008, which has increased since last financial year from Rs. 26.71 crores. Reliance is indirectly providing livelihood to around 200,000 individual all over the country.

**9.6 Corporate Social Responsibility at Tata Group of Companies**

As its operations have expanded to new geographies, the Tata Group has retained a collective focus on the various areas of corporate social responsibility that impact the environment; people and their health; and society at large. The Tata Group’s focus in the area of corporate social responsibility includes social; environmental; social welfare; sport; and inclusive growth. This last ensures that all its constituents and stakeholders share the Group’s successes. Tatas can thus be rightly termed as the philanthropist in true sense not only because they were the pioneers in the field of corporate charity and social responsibility but also because of their immense contributions. The Tata’s supported various fields such as, scientific research, education, health and community services, social work, art and culture, medicine, energy research, rural development, etc.
9.7 **Comparison between Corporate Social Responsibility at Reliance Group of Industries and Tata Group of Companies**

The above research leads to the conclusion that though there prevails difference in the working of company's but at community level they end up in similar kind of communal projects. But the geographical area covered restricts the activities of Reliance to a mere citizenship act and that of Tata to the old style of business charity and philanthropy.

9.8 **General Conclusion**

To sum up, there was a strong tradition of charity in almost all the business communities of India. Though mostly informal, non-institutional and on a one-to-one basis, it was channeled through religious community or business organizations. While there was heavy emphasis on religious and religion-ordained charity, secular charity was not absent and was appropriate to the times. Finally, altruism was not the only motive. Charity was deemed good for business and a desire to enhance social status played a large part.

In its broad details, the tradition of merchant charity has continued down the ages, even to present times, where it is still visible among individual businesspersons and the unorganized sector. However, even before the beginning of modern indigenous industry in
the middle of the 19th century. This has transformed to current times corporate citizenship.

Business had to share a part of the social overhead costs of economic development if it wished to share in its fruits. It has to be recognized that though the concept of corporate social responsibility and the money and non-money contributions to welfare and development work are far below need. At the same time, the corporate sector has come a long way from the days of ad hoc merchant charity. Today, there are individuals and companies in corporate India who in their social outlook and action can stand best with the best in the world.

9.9 Findings

The descriptive research study led to the following findings:

- Every company uses its self-earned resources for undertaking all types of social responsibilities.

- Business organizations cannot exist in isolation. They are an indispensable part of society. Hence, it becomes vital for them to dispense social responsibility.

- The philanthropic activities of the business occupy a strategic position in between the business structure and community.
A company exists due to its incorporation under legal provisions and hence it is constantly under legal supervision and control.

A company being an artificial person is bonded in the walls of duties and responsibilities.

The concept of corporate social responsibility has a wide scope varying from merchant charity to business philanthropy to corporate citizenship.

Different companies take up different activities from supporting NGOs to developing rural India. They also take up activities of social welfare. However, today it is restricted to corporate image building.

The contradicting objective of social welfare from social responsibility and image building on the side of organization makes it a debatable issue today.

In many cases the companies that offer their services, resources and funds are trying to acquire mileage in terms of publicity and image building. The efforts to contribute for complete and total development are limited in nature.
The broad areas of operation to comply for social responsibility is almost similar with variations in the projects, the beneficiaries are the same groups.

Most of the shareholders are of the opinion that, a company is basically, profit-making entity. The primary responsibility of the company is towards the shareholders hence it should make profit enhance its profitability and improve its growth prospects.

The shareholders look at company purely as an economic entity. They try to evaluate its success and achievements only from profitability and earnings point of view. The shareholders are not much keen to consider the contributing aspects of a company.

The shareholders do not want to take into account the broader and larger view of a company's role in the total economic system. They feel that a company is purely business organization and has little to do with its social role. This presumption is based on the philosophy of company as a profit making economic entity. This results into failure to understand the broader context of corporate role in the social structure. The company is a part of total social structure and it cannot function in isolation it is not an independent entity in itself. This is a fine point that is missed by most of the shareholders.
Conclusions, Findings and Suggestions

- Most of the shareholders are not having true and complete perception of concept of corporation.

- Most of the shareholders are unaware about national objectives that are to be achieved by a company.

- Most of the shareholders do not consider corporate social responsibility as a basic responsibility of the company.

- The companies in India are yet to cultivate the desired with fields where corporations have stake and do not give a significant share of benefit to the public.

- In many cases, the efforts of the company adopted a policy of gaining goodwill more than any concrete and definite long-term contribution to the society. This results in not getting desired recognition from the society towards the activities of corporate sector.

- The corporate social responsibility is exactly similar in nature as performed by various business groups.
Lastly, the kind of activities performed under the name of corporate social responsibilities by the firms does provide the desired societal benefits.

9.10 Suggestions

Based on the conclusions and findings of the research the researcher would like to suggest the following:

- The companies should understand the importance of corporate social responsibility.

- The business organizations should take corporate social responsibility in a serious manner.

- The business houses should understand the role of corporate social responsibility in the society.

- The difference between corporate social responsibility, charity, philanthropy and corporate citizenship should be understood.

- The companies should focus in corporate social responsibility that would benefit the society in actual, without any vested interest.

- The business houses should disclose a proper cost-benefit analysis of the various activities undertaken by them.
• The companies which shoulder off their social responsibility by a mere tie-up with NGOs should now widen their scope and try to ground themselves with actual societal problems.

• The shareholders often feel that business units are liable towards them for using their funds for operations. Hence, companies are economic units and must therefore earn revenue and generate profits and provide them with returns on investment. Therefore, they must understand that business is not an isolated activity and must therefore be liable towards all its stakeholders and must benefit all. They must understand that corporate social responsibility is no ends but a means to earn corporate image and goodwill.

• Organizations need not limit their scope of activities and must cater to various fields rather than a few selected ones.

Indian business philanthropy has a venerable past and a dynamic present. Given the right conditions, and if business itself so wills, it can have even brighter future.