THESIS SUMMARY

Different thinkers as well as practitioners have conceptualized corporate social responsibility (CSR) in different ways, from merely philanthropic activity to serving the interests of various stakeholders to responsible business practices. However, once the company has realized and implemented its social responsibilities, the next step is to evaluate its activities and identify the shortcomings. Performance measurement is essential to recognize the gaps that otherwise may remain unfulfilled and may defeat the entire purpose of social responsibility. That is how the idea of corporate social performance (CSP) was conceived.

Corporate social performance of 50 Indian multi-national manufacturing companies was assessed using a two pronged approach, the process approach and the input-output approach. In the process approach, a questionnaire was designed to assess CSP through the processes and policies that companies have with respect to strategic governance of CSR in the company and for undertaking responsibility of five key stakeholders, namely, employees, customers, communities, suppliers and investors, and administered to the CSR heads of the companies. In input-output approach, the technique of Data Envelopment Analysis (DEA) was used, where financial performance of companies was taken as an input and CSR budget allocated by the company, number of awards won for CSR and number of voluntary certifications that company has with respect to CSR were taken as the three CSR outputs.

The analysis of mapping the CSP through the process approach is as follows. The performance of Indian multi-national manufacturing companies was found to be an average of 61% in strategic governance of CSR and 68% in stakeholders’ responsibility.

All companies were found to be moderately responsible towards their stakeholders and companies like Tata Motors, Dabur, Jubilant etc. scored the highest in stakeholders’ responsibility dimension. The companies were found to be performing the highest in their responsibility towards the investors followed by their customers with consistency where the standard deviation was found to be the minimum.
Maximum disturbance was found to be in responsibility towards human resources of the company followed by their suppliers.

Community responsibility is the most common form of corporate social responsibility in India and Indian firms; even then, this dimension was not marked with excellent performance. All the companies are indulged in community based CSR, varying on the basis of scale of the projects and implementation of the projects. Most companies have CSR foundations which are the implementing bodies of CSR projects in the local communities, except companies like ITC, Ceat Tyres or Bharat Forge and a few others. The companies are not practicing collaboration with other corporate in community building activities. Most of them are donating to non-profit organizations. The companies are not measuring the performance of the developments that take place in the communities through companies’ programmes. Efforts are not being channelized in innovative giving, only charitable giving is being practiced.

Corporate social performance scores through input – output based approach which entailed the use of non parametric technique of DEA indicated that the average efficiency in contributing towards corporate social performance with the given financial performance of the companies is 62.76%, while the minimum efficiency was found to be 16.67%. A total of eight companies had their relative efficiency as 1.

We found that five companies were common which showcased exemplary performance in both the assessments (process based and input-output based). We can say that these companies are well utilizing the resources at their disposal in producing corporate social performance by implementing strong systems, processes and governance mechanisms. The most important aspect is that all the best performer companies have strong strategic governance mechanisms. Our study did not find evidence that corporate social performance is affected by the age of the company or size of the companies.

The thesis outlines the sluggish areas of corporate social performance in Indian companies and concludes with suggestions for improvement. It is important to point out the limitations of this research work like use of primary data, selection of variables etc. as they must be considered before generalizing the results.