Chapter-1

Introduction
1.1 Introduction to the Problem

Business is an integral part of society. Business affects and is affected by the society. The two-way relationship must be healthy and positive for the social and economic development. Corporate social responsibility (CSR) refers to what the business does for the benefit of society. The word 'responsibility' connotes that the business has some moral obligation to the society. It is the awareness of being in charge to some extent, of things accomplished by ones action in concrete situations. ‘Social responsibility’ is accountability of an act inserted in society or in social environment. ‘Corporate social responsibility’ is a social responsibility for corporate actions inserted in or affecting a society and its environment. CSR therefore, is company pervasive whatever project or programme the company undertakes whether directly related to productivity and profitability, should be socially responsible.

Corporate organizations are also integral part of the society and that there behaviour shall be guided by social norms. Every aspect of business has a social dimension. CSR encourages open and transparent business practices that are based on ethical values and respect for employees, communities and the environment. CSR is concerned with treating the stakeholders of the firm ethically or in a responsible manner. Ethically or responsible means treating stakeholders in a manner deemed acceptable in civilized societies. The wider aim of CSR is to create higher standards of living while preserving the profitability of the business organizations for people both within and outside the organization. The issue of CSR has increasingly become an integral part of corporate strategic planning and operational performance. Profitability should not be the sole criteria of vision and the overriding factors in judging the company’s performance but corporate should focus their responsibility towards society at large.

1.2 Review of Existing Literature

To probe the problem at hand in an effective and efficient manner, review of existing and related literature is very important. In the word of Walter R., Borg “The literature is any field forms the foundation up to which all future work will be built. Therefore, keeping in view the importance of the review of related literature, researcher attempt here to review the available literature on the subject under study. Various studies
related to different aspects of CSR have been conducted in the past. Here the review of literature is categorized according to various functional areas. A brief review of some of the major studies in recent year is given below:

A Kolasa (1972) concern with social responsibility is becoming increasingly characteristics of business and industry as questions of this nature permeate all phases of organizational activity. Businessmen have had to learn to respond to new outside demands for greater and more direct action to solve a variety of social and environmental problems. This study explains the meaning and elements of social responsibility of business.

Ostlund (1977) reveals about the attitudes of managers towards corporate social responsibility for this study 500-fortune companies are taken into consideration. The study find that the behaviour of operating managers should be any more at variance with their attitudes than would be the case for the top managers. Study explains the views of top and operating management on various areas relating with corporate social responsibility.

Jones (1980) is study about corporate social responsibility revisited, redefined. This article is premised on the assertion that should we adopt the doctrine of CSR and how do we implement it? It explains the CSR is a firm of self-control, which involves elements of normative constraint, altruistic incentive and moral imperative in the quest for corporate social nirvana. CSR is the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law or union contact.

Krishnamachargulu and Dakshinamurthy (1981) concludes that in the new context of human values, social responsibility of management is something more than adhering to the ethical principles and expressing concern for the social development. The new concept opens up new vistas of operation for the business managers and demands them, to apply human efforts for the most productive use and to consolidate all the available resources for the optimal welfare of mankind. Social responsibility is evident from its emergence as “a new ideology and a new technology” from its original form of “a moral principle that kept businessman out of jail”.

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Mathias T.A. (1981) considers the various views on the social responsibility of business and whether profit should belong to the shareholders only or be used to better social and national life in a variety of ways. Enumerating the areas of social responsibility, the author concludes that if the social responsibility of business houses is to be meaningful, it must have worker support, which can be ensured through effective communication.

Mascarenhas O.A. and S.J. (1982) clarify the basic concept of corporate social responsibility by explaining each component. CSR has meant different things to different people. This article explains about the terms responsibility, social responsibility, corporate social responsibility philosophy behind CSR and assumptions of CSR.

Donaldson (1983) studies about constructing a social contract for business. The aim of this study is to discover a corporation’s indirect obligations by attempting to clarify the meaning of business’s so called ‘social contract’. Study explains that an organization produces wealth for society is not sufficient to justify it from moral perspective, since morality encompasses the entire range of human welfare. Social contract does not specify additional obligations or right which corporate organization has in contract to productive organization in general. The social contract justifies corporations as productive organization, not as corporations. The social contract expresses the underlying conviction that corporate organizations exist to serve more than them.

Ciulla (1991) discusses some of reasons why ethics is currently on the minds of business organization. It is based on conversation with business people and academics from Japan, Europe and Latin America. Political conservation, deregulation, moral pluralism and globalization emerge as themes that underlie the recent interest in ethics. On a formal level, the framework for ethical norms will be set by regulations and trade agreements. But the actual standards of ethics and social responsibility will be establish by the daily policies and practices of local and Multinational Companies and those who run them. That is why the current international discussion of business ethics is so complex and so important.

Sadri and Dastoor (1994) focuses on approaches to the study of corporate business ethics in India. It explains the various ethical frameworks used by executives in
decision-making. It provides an introduction for any study of corporate managerial ethics to be undertaken in Indian industry. This study is born out of research conducted between 1991 and 1993 and has relevance to social science in general and management science in particular. It is a contribution to the development of research on the one hand, and a brief review of relevant literature on the other.

Smith (1997) explains the common morals approach to business ethics. The paper anticipates increasing unethicalness of business in a hyper-competitive climate. An attempt is made to rediscover a core set of values and virtues reflective of traditional ethics to combat the crisis of business morality. This paper quotes the finding of a research study in which 86 percent of the corporate executives were found to use traditional methods like imagination, to sharpen their judgement and to strengthen their sense of duty. Further, it advocates a culture of reward and punishment, which reinforces moral excellence.

Sturdivant and Ginter (1997) explores the relationship between corporate social performance as perceived by an external evaluator and values and attitudes of top management. The study is based on the sixty-seven corporate organizations. The study also investigates the relationship between perceived corporate social responsiveness and long run economic performance. This study based on various factors associated with different business organization. The attitudes and values of these organizations influence significantly whether or not those policies and practice are responsive to the expectation of the broader society. This demonstrates not only a relationship between management values and corporate social responsiveness, but also that companies with strong social responsiveness generally enjoy better financial performance than their less responsive industry counterparts.

Vakil (1997) studies about the importance of ethics and values in business organization. Business ethics is rules of conducting business study explain the social involvement of various business organizations for benefit of society. The European foundation for quality management and the Malcolm Baldrige awards for excellence recognize active community engagement or societal responsibility of business among the parameters of a company’s excellence. The most important change that has affected our
perception of ethics is, the phenomenon of globalization. This phenomenon is changing the rules of business.

Abideen and Muralee Dharan (1998) tries to focus some aspects of unethical practices in advertising used by different advertising agencies and marketing clients. It explains the consumer perception about the use of some unethical practices followed by advertisers, the most important deceptive practices to be controlled and the measurement techniques to control this.

Parker (1998) focuses on current debates about ethical theories as they are applied to business. Ethics in business has been largely constituted and dominated by influences from two domains - moral philosophies and the various sciences of business. The "business realists", however, are not prepared to accept the missionary idealism of philosophers, because for them the financial bottom line is also a moral bottom line. Hence, with a major shift from "prescriptive" to "descriptive" ethics it look more realistically into the current debates about equal opportunities, marketing and manipulation, environment responsibility and corporate governance that business need ethics is a self evident proposition. However, one should not make ethics accountable for itself. Theories have been invented in order to justify the presence of ethics in business. This is a rich and valuable overview of an increasingly important issue in management and organizations in contemporary society.

Reich (1998) defines the new meaning of corporate social responsibility. The issue of the study is not that whether companies should be responsible in some way to society, but rather how they should be responsible: Is there a new meaning of CSR, consistent both with the greater need for corporate responsiveness to employees and communities and with the greater demands from investor for performance. The study explains the view of public, stakeholders and government as arbiter. The government as arbiter enacted rules and regulations that define what we expect of corporate organization in the way of such things as working conditions, environmental protection and job training.

Maclagan (1999) explains that corporate social responsibility is frequently defined primarily in terms of the social and environmental impact of systematic organizational activity. To be applicable, corporate responsibility should be understood as
a process. Through which individuals moral values and concerns are articulated. Through such a participative process, matters of social responsibility may be identified in the expectations and oral claims of organizations stakeholders.

Woodall and Douglas (1999) have attempted to surface the implicit ethical principles and problems inherent in HRD. The discussion of outdoor management development (OMD) has shown that an intervention that has a poor ethical image can in fact be conducted in a very ethical manner. Training and development activities are perhaps the aspects of HRM that are least likely to come under ethical scrutiny. However, despite an espousal of ethical humanism, and various attempts to develop professional standards, training and development activities can be vulnerable to unethical practices.

Carroll (2000) discusses the concepts, corporate citizenship, corporate social responsibility, corporate social responsiveness and corporate performance/outcomes. The study concludes that socially conscious or ethical investing movement seems to be flourishing. Study of the relationship between social responsibility and economic performance shows that social efforts are nevertheless expected and are of value to both the firm and business community.

Petrick and Quinn (2000) delineates the nature and value of management ethics by treating the major types of key ethics theories that are implicitly adopted by different managers. Next, it defines management integrity and distinguishes it from expediency, consistency, and congruence. Manager are now aware of three insights (a) that their management style implicitly aligns them with an ethics theory (b) that extreme over development and underdevelopment of their managerial and ethics competencies adversely affect performance and integrity (c) that inadequate analysis and resolution in their ethical decision making risks the erosion of management integrity.

Shrivastava (2000) concludes that what actually is corporate social responsibility and why companies need to be responsible for society. Study explains various reasons for CSR like philanthropic, internal and external reasons, enlightened self-interest. It also defines CSR in Indian context, its core business activities, social investment, commercial initiative and business basics.

Rao, Tammaiah and Srinivas (2000) have identifies ethics management as a distinctive management approach. The four parameters of ethics management are logos,
pathos, eros and ethos. This particular paper has focused only on a few speculative rational benefits of ethics as a human capital resource. Ethics management is the business process of ethics planning, ethics direction, ethics incorporation, ethics audit, ethics surveillance and ethics control.

Webley (2001) reflects on the present state of business ethics. The question has become more complex in an era of globalization: cross border activities make it particularly difficult for companies to formulate effective ethical programmes which are true to core corporate values. The author presents his reflection in terms of a SWOT analysis, examining the strengths, weakness, opportunities and threats likely to be experienced by business ethics in the new millennium. He concludes that the challenge for business ethics is to work for global agreement on common values and common approaches to issues of integrity and trust in global business.

Krishna and Tandan (2002) concludes that business ethics is an organization originates from interplay of its structure and culture, the compulsions of is business category and the culture of the societal system surrounding it. In India, business ethics have evolved from the origins of industry in the last quarter of 19th century, through its consolidation during the British Raj based on the values of the European renaissance: individualism, equality, democracy, liberalism and centrality of work. The western industrial organization was implanted in India, where the dominant values were holism, hierarchy and continuity. Study also spell out the additional layer of conflict that will decide what is ethical – according to modern organizational values or traditional societal values.

Chakraborty (2002) shares the essence of his enquiry into the field of ethics for business for over two decades. Study explains the foundation of ethics in practice lies in values within. Values are the cause and ethics is the effect. There have been three approaches for dealing with ethics in the context of management and business – at the first level is compliance ethics, at the second level is cognitive ethics and at the third level consciousness ethics. Study describes all the three levels. In building this ethical stamina, study reiterates the need to go back to our roots and grow strong on them, to build on the time tested civilization and culture.
Gupta (2002) concludes that business ethics is equated with religion, spiritualism, or philanthropy. In reality, ethics is a practical approach towards attaining goals in an environment that involves other people. The institution of norms, business principles, codes of conduct, mission and vision statement is a call to business ethics and when instituted in a dialogic process the institutional edifice has the buy in of ‘others’ across divisions and levels. Finally, study rectifies that business ethics is thus a practical and hardy management tool and organizations who want to do well in the long run might well being with crafting a business ethics manual.

Krishnan (2002) explains about ethics in Business. This study gives an overview of ethics in business. The issue of ethics in business is a complex one and this study brings out a wide spectrum of perspectives on how teaching ethics to business students can be improved how company’s can create an environment in which ethics behaviours are facilitated and how legal reform, citizens action and bureaucratic orientation can have a positive influence on the larger social environment.

Janakiraman (2002) presents a perspective of mind tree consulting for business ethics. Study explains that implanting ethical corporate value is absolutely essential for long-term strategic success. Ethical organization inculcates uniformity, consistency and predictable behaviour across the organization. An ethical organization also earns the long-term orientation and trust of its employees. High ethics directly contributes to higher profitability and consequently fairer valuation in the market place. Ultimately business ethics is like quality that pays in the long run and directly delivers results. Ethics is like oxygen that an organization has to breathe day in and day out, to survive long-term.

Pryce (2002) argues that CSR does not should apply to all organizations, regardless of size, sector or even ownership structure. CSR is now an important issue for all companies, large and small companies are under pressure to behave responsibly from their consumers, in their purchasing activities, from the government and regulators, from the investment community and from potential employees.

Ruston (2002) purposes sustainability as the criterion for business ethics. The argument here is that in today’s world, business success depends on sustainability. This in turn depends on respect for the environment, employees, customers and stakeholders at large. Thinking about ethics in terms of sustainability involves thinking about ethics in
strategic terms. Indeed sustainability could and should be raised to the status of a global ethic. There is evidence to show that corporate social responsibility pays, e.g., the Dow Jones sustainability group index outperformed the Dow Jones index by 36 percent over the past three years. This suggests that taking ethics seriously goes hand in hand with successful business.

Schroeder (2002) article implies a democratic or lobbyist understanding of ethics in business. The contrasting view would argue that business ethics is an elitist undertaking that can only be investigated from the top, by managing directors or owner managers. This article looks at three types of ethical businesses, three types of approaches to ethical problem solving, and three possible incentives for ethical business to see which of the above is more convincing. It will be argued that the impulse for value driven business has to come from the top.

Bhaskar, Bhal, Ratnam (2003) study of ethical issues involved in managing change related issues and assess whether people in organization perceive them to be ethical. Besides assessing people's perceptions of ethically, it also explored the reasons people give for judging a situation as ethical or unethical. Research was conducted using scenario involving ethical dilemmas related to lay-offs, skills obsolescence, misinformation and preference for younger over older employees. Results show that the respondents were divided over three situations, namely, lay-offs, misinformation and preference for younger employees. The issue of skills obsolescence was considered unethical by most. The reasons given for judging a situation were different, implying that the ethical and unethical were not treated as two ends of a continuum.

Banerjee (2003) explains about the study conducts on the ethical practices in selected organization in India. The objectives of this study are to find out the current level of ethical sensitivity of the business system and to facilitate the work for a global ethical order. Study conducts on selected organization of India include Shyam Group of Co's, BBA, Symphony, Compusis, Sudarshan and Ford Motor Co. India.

Bhattacharya & Sen (2004) presents a detailed articulation of when, how and why CSR work. The study finds that, there is significant heterogeneity across consumers in their reactions to CSR initiatives; what work for one consumer segment does not work for another. Second, the impact of CSR initiatives on outcomes “internal” to the
consumer is significantly greater and more easily assessable than its impact on "external" or visible outcomes. Finally, study explains that focal company is not the only one that benefits from engaging in CSR initiatives; both consumers and social issues the initiatives represent benefit as well.

Baxi, Chadha (2005) is a study about corporate social responsibility concepts, practices and country experiences. This study explains generation of CSR, theories and models of CSR, global view of CSR, impact and limitations of CSR. Study concludes that in India, need to endure and encourage the recent practices by some leading public and private business organization appointing specialists in CSR as a part of the top management team for introduction and management of the CSR roles and functions.

Kataria (2005) presents a paper on ethical issues and dilemmas in business organization. It describes the meaning of business ethics. Ethics is the code of conduct. It is a set of rules and standards that guide our behaviour. An ethically responsible business organization is one, which has developed a culture of caring for people and for the environment. The scope of business ethics in the form of responsibility towards various stakeholders, what is the ethical behaviour expected from manager, what is the importance of business ethics etc. have been explained in this paper?

Sadri and Jayashree (2005) reveals that ethics is precondition for generating value centered corporate cultures. Ethics provides the foundation for corporate reliability, consistency and marketability. It is therefore, the defacto basis for competition. Governance provides the parameters within which policies and practices will be followed thereby providing the define basis for competition. In addition when ethics and governance combine movement towards excellence is facilitated. This paper attempts to show how good governance is based on ethics.

Sengupta and Srivastava (2005) describes a modest attempt to critically examine the ethics, advertising and regulatory framework in India. Advertising is a highly visible business activity; therefore, it too has ethical values. In order to be consumer orientated, advertising will have to be truthful and ethical. Ethical advertising has a positive impact on the society and unethical advertising is subject to severe criticism by the society. Advertisement should conform to laws and should not result to immorality and indecency. Advertiser should fulfill their obligations towards the society.
Sandhu, Kapoor (2005) studies about corporate social responsibility and financial performance. This study reveals that there exist no association between corporate social responsibility (CSR) and corporate financial performance (CFP) for the sampled companies. Regression analysis supports the notion that neither CSR leads to improved financial performance, nor CFP influence the manifestation of CSR. Thus looking at from the firm’s financial performance perspective, participation in social activities is at the discretion of management though it is appreciable from the viewpoint of moral ethics.

Tullberg (2005) is a study about the reflection upon the responsive approach to corporate social responsibility. The work outlines a prolegomena for business ethics that not only pay interest to conventional ethics, but to economic and other social sciences too. The paper indicates a need for less emphasis on marketing corporate social responsibility ambition and more academic scepticism.

Kurmanath K.V. (2005) explains the CSR is about how a company deals with its core activity, its employees, its supply chain and its marketing activity. It is about minimizing negative environmental and social impacts and maximizing the positive impacts. Companies would soon realize that they could not succeed in a global, connected economy without serious commitment to responsible business practices. Instead of viewing CSR as something extraneous to their core activity, business should make it a built-in strategy and view it as a source of creativity and innovation in order to maximum business opportunities.

Bhatta (2006) concludes that the ethical values are essential for the existence and for the progress of any society and have to be preserved and practiced if human civilization has to progress. To argue that the practice of values in business will depend on the exigencies of business is untenable as the members of business community belong to the elite in society and must shoulder greater responsibilities.

Verma (2006) explains that the essence of corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of work force. Their families as well as society at large business and society are independent and business must take full account of the societal expectation. Increasing regulatory pressures could be one of the reasons for undertaking CSR activities. BPCL states that corporate social responsibility is one of
the prime focus areas of a corporation. The whole approach towards contributing to
society is very scientific and well thought out.

Article explains that corporate social responsibility is not about targets, it cannot
come out of numbers. It rather comes out of the recognition that one is a responsible
body, accepted and respected in the area of its operations. CSR is not a little flag to fly
and show that something is being done; it is more fundamental. It also explains the CSR
strategy of Reckitt Benckiser. They are undertaking the initiatives with the Indian Medical
Association.

Article explains that corporate social responsibility is all about a commitment the
privileged people must have towards the underprivileged. CSR provides satisfaction,
affection and pride. In India, Kodak doing corporate social responsibility in various areas
linked to health and education. Globally, eastern Kodak Company has an active
community relations and contributions programme designed to support the achievement
of company goals.

Study explains with corporate making progress in every sphere of business, its
only natural that social responsibility is getting more attention. This article encourages
young minds to deliver more on CSR. NIS Sparta too has some interesting and innovative
programmes regarding CSR. These programmes are based on the main components of
information, education and communication with village based institutions, community
representatives and government agencies. NIS Sparta is working in partnership with
development organizations like Hindustan Latex Ltd. Family Planning Promotion Trust
(HLFPPPT), DKT international and other welfare agencies. NIS Sparta has also trained
youth in rural areas, enabling environment project and spreads awareness on HIV/AIDS.

Article explains the social responsibility of Bajaj Electricals Ltd. It works on
pollution issues and promote the principles of renewable energy. This aims to help people
living in rural areas. The growing desire of this organization is to undertake social
projects that aim to deliver in a sustainable and economically logical way. In case of
Bajaj group, they still stick to the promotion of Gandhian thoughts. The group still
continues to pay respect to the functional set by the Mahatma.

Article explains the approaches and strategies of Dupont towards corporate social
responsibility. Dupont has been working towards improving the quality of life and
enhancing the vitality of surrounding communities. They support various community sustainability initiatives focused on spurring social progress, economic success and environmental excellence. Nowadays, every corporate needs to understand the importance of social responsibility. Committing to social initiatives also helps the organization becoming self-sustaining in long run. Their CSR mainly focuses on education and health and sanitation.

Article explains the corporate values and cultural practices. Incorporating values in the cultural practices of the organization has a significant impact when organizations are deploying values across the organization. The decision and action of an organization are a manifestation of its core value. Performance should be evaluated not only on the basis of "what" has been achieved, but also "how" it has been achieved thereby bringing in the emphasis on values. It describes the cultural practices and values in the organizational system.

Article explains with across the global taking up CSR for more seriously than ever before, the demand for environmental experts and experts on social issues has shoot up among corporations. From manufacturing to IT, companies are roping in experts on CSR and assigning them the entire responsibility of CSR initiatives, right from strategizing to implementing the idea. Company’s putting up separate teams for CSR initiatives, especially in the manufacturing sector. This could get a further boost with the introduction of awards like TERI corporate social responsibility awards, which provide organization a credible platform to showcase their work and get rewarded.

Greening & Turban (2000) found that job applicant and employee perceptions of a firm’s CSR determines their attractiveness towards the organizations. Moving on the same track Cropanzano et al (2001) demonstrates that employee attitudes and behaviors are heavily influenced by fairness of organizational actions towards them. In a survey conducted by Cherenson group, a New Jersey based public relations and recruitment ad agency; in 2002 found that the most important factors affecting the reputation of an organization as a place to work in are the way the employees are treated and the quality of its products and services. Further Good relationships with employees also allows a company to gain additional benefits including improving their public image, increasing employee morale, and support from the community (Zappala and Cronin, 2002). Nancy (2004) while discussing the role of HR in developing CSR culture in organizations emphasized that with the growing importance of
human capital as a success factor for today's organizations, the role of HR leadership has become more critical in leading and educating organizations on the value of CSR and how best to strategically implement CSR policies and programmes domestically and abroad. In view of this HR must be aware that effective CSR means respect for cultural and developmental differences and sensitivity to imposing values, ideas and beliefs when establishing global HR policies and programmes.

Redington (2005) with the help of twelve case studies, while underlining the HR professionals’ key role in managing the changes required for CSR activities to succeed, stated that employees are the most neglected though most important stakeholder of the organization for conducting CSR activities. While accentuating on this issue he said that having a good reputation socially implies that a company’s behaviour towards its people is consistent and is of a particular standard in which they are valued in as much as the external stakeholders. Rupp et.al (2006) accentuated that CSR plays a role about fostering positive social relationships between organizations and communities. They highlighted that employees will turn to CSR to assess the extent to which their organization values such relationships and so high levels of CSR can meet employees’ need for belongingness with the organization and the society. A survey by Sirota Survey Intelligence (2007) affirmed that employees who are satisfied with their organization’s commitment to social and environmental responsibilities are likely to be more positive, more engaged and more productive than those working for less responsible employers and when employees are positive about their organizations’ CSR commitment, their engagement rises to 86 per cent. On the other hand, when employees are negative about their employer’s CSR activities, only 37 per cent are highly engaged. Similarly, Murray (2008) on the basis of survey stated that more than one-third of respondents pointed that working for a caring and responsible employer was more important than the salary they earned and nearly half would turn away from an employer that lacked good corporate social responsibility policies.

However Fenwick & Bierema (2008) has pointed that HR department, which has the potential to play a significant role in developing CSR activities within the organization, found to be marginally involved or interested in CSR. Mehta (2003), in a survey, found that only 13 per cent of the companies involved their employees in undertaking the various CSR activities. Moreover, the employees have also been less likely to fully internalize the corporate culture (Rupp, et. al, 2006). The implementation of the CSR policy has also
traditionally been in the hands of ‘management’ and ‘employees’ as the non-management workforce have been less likely to be involved in developing and implementing a policy on business responsibility towards society. There are large variations in the understanding of CSR in the head office and the local plant or sales office of an organization (Young, 2006). The perceptions of workers and management also differ about whether an organization is complying with such regulations as related to labour or working conditions (Mehta, 2003). Agarwal (2007) stated that with the adoption of HR policies, such as, periodic review of employee performance, adequate training for the workforce and career advancement norms for its personnel, creating motivation, and commitment in the workforce the organization can reap the full business benefits and become successful to the great satisfaction of all its stakeholders. This is also reinforced by Malikarjunan (2006). Emphasizing upon such dimensions Krishnan & Balachandran (2004) pointed out the role of HRM in incorporating responsible practices within an organization. It is due to the lack of involvement of employees and failure to embed the socially responsible values into the organizational culture that many CSR initiatives inevitably fail and they just become an exercise in public relations (Mees & Bonham, 2004).

The above verdicts of different researchers at different points of time entail that no doubt they have underscored the role of employee involvement through HR in various socially responsible initiatives of organization. But they have paid little attention on this aspect that how the internalization of CSR culture can happen with the initiatives of HR department of organization. How the company’s values and policies for corporate responsibility can be reflected through various HR functions and consequently how the HR function can be a powerful agent in effecting company-wide progress in its CSR performance.

Carroll & Kantanen (2005) consider Howard Bowen’s 1953 text Social Responsibilities of the Businessman as the first book on CSR in the modern era. Despite more than five decades of research on this topic, its conceptualization is still elusive (e.g., Arthaud-Day, 2005; Carroll, 1979; Clarkson, 1995; Friedman, 1970; Jones & Goldberg, 1982; Sethi, 1996, 2002, 2003). For example, Manakkalathil and Rudolf (1995) defined CSR as “the duty of organizations to conduct their business in a manner that respects the rights of individuals and promotes human welfare”, which lacks descriptive accuracy and in turn makes it hard for operationalization.
Carroll’s (1979) widely cited CSR model spelled out four types of corporate responsibilities: economic, legal, ethical and discretionary responsibilities, which are expectations society has of organizations at a given time. Economic and legal responsibilities specify obligations of organizations to serve economic interests within the legal boundaries. Ethical and discretionary responsibilities contain more vague messages for organizations, and are usually limited to their own judgments. Many voluntary activities by organizations, such as philanthropic contributions fall under the category of discretionary responsibilities.

Wartick & Cochran (1985) observed, corporate social performance (CSP) has not started taking on a more precise meaning until early 1990s. Carroll (1979) and Sethi (1979, 1990) were among the first researchers who examined CSP. Unfortunately, Sethi (1979, 1990) only provided categories to assess CSP, rather than a clear definition. Carroll’s (1979) three-dimensional CSP model consisted of CSR, social issues, and philosophies of social responsiveness, yet did not define the concept either.

It was Wood (1991) who first built on the existing literature and clearly conceptualized CSP as “a business organization’s configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm’s societal relationships”. The principles of social responsibility—motivating principles—included institutional principle (i.e., legitimacy), organizational principle (public responsibility), and individual principle (managerial discretion). The processes of corporate social responsiveness—behavioral processes—consisted of environmental assessment, stakeholder management, and issues management. The observable outcomes of corporate behavior comprised social impacts, social programs, and social policies. Some researchers on CSP (e.g., Carroll, 1979; Sethi, 1990; Swanson, 1995; Wartick & Cochran, 1985) treated CSR as an indispensable component of CSP. For example, CSR is one dimension of the three-dimensional conceptual model by Carroll (1979). The institutional, individual and organizational principles of CSR is the first layer of Wood’s (1991) three-layer CSP model, accounting for what motivates corporations into different socially responsive behaviors. Also, Wartick and Cochran (1985) particularly emphasized that the principles of CSR
interacts with the process of social responsiveness, and the outcomes of corporate behavior.

Carroll (1998), who defined Corporate citizenship (CC) as economic, legal, ethical, and philanthropic responsibilities, precisely the same as his previous definition of CSR. Birch (2001) regarded CC as an innovation to or an extension of the CSR concept, in that CC indicates that business sees itself as part of the public culture, and involves not only employees and management but also stakeholders in the organization, whereas CSR takes social responsibility as an external affair. Still Matten & Crane, 2005; McIntosh, Leipziger, Jones, & Coleman, 1998 asserted that their conceptualization of CC is not a conceptual improvement on or an extension of the concept of CSR. McIntosh et al. (1998) proposed the definition that CC “involves a mutually reinforcing relationship between individuals and communities”. They took CC as a continuum that moves from minimal citizenship at one end, where corporations only comply with laws, through the discretionary stage where corporations engage in philanthropy/charitable giving, to the strategic citizenship stage in which corporations form a healthy relationship with its communities by “doing the right thing” and displaying humanity”

Frederick (1978, cited in Wartick & Cochran, 1985) referred to corporate social responsiveness as “the capacity of a corporation to respond to social pressure”. Frederick (1994) further denoted CSR as philosophical-ethical vagueness and considered social responsiveness to be action-oriented realism. Likewise, Wartick and Cochran (1985) observed that social responsiveness shifted the emphasis from social obligations to social response processes, a solution to problems related to the execution and assessment of CSR.

Sethi (1979) suggested that social responsiveness is more advanced than CSR. Vercic and Grunig (2000) concurred with the distinction that CSR questions whether companies have obligations to publics other than stockholders, whereas the notion of corporate social responsiveness deals with how companies fulfill their responsibilities after assuming obligations to all broader publics than stockholders. In all, proponents of replacing CSR with social responsiveness contended that this concept is more tangible and attainable or advanced than CSR that is more related to philosophical discourse. Nevertheless, Carroll (1979), together with many researchers, argued that corporate
social responsiveness is not “an alternate” to CSR, while acknowledging social responsiveness as “the action phase of management responding in the social sphere”. Besides, it seems that too much emphasis on the “responding” processes fails to take into account the component of business ethics or the guiding principles of processes.

L’Etang (1994) tried to disentangle the confusion surrounding corporate philanthropy (CP) and CSR. According to her, corporate philanthropy reflects corporate generosity and beneficence through voluntary corporate actions. Recipients of CP activities usually cannot demand such actions, wholly depending upon altruism from corporations. On the other hand, researchers in the management literature often equated CP with CSR, such as Porter and Kramer and Smith (2003).

Broadhurst (2000) posited that awareness of complex corporate compliance in the dimensions of business ethics motivated corporations to implement their own socially responsible initiatives. Study used the case of Shell to illustrate how company tried to establish boundaries of ethical responsibilities. Other times CSR was perceived as an application of ethical norms (Beschorner, 2006). Yet another point of view saw CSR as “the degree of ‘fit’ between society’s expectations of the business community and the ethics of business” (Zenisek, 1979, p. 362). He further elucidated that this “fit” is both behavioral (the fit between what a firm does in relation to societal expectations) and attitudinal (the fit between what a firm’s managers believe to be legitimate societal demands and actual societal expectations).

Finally, it should be noted that many researchers like Clarkson, 1995; Samiee & Athanassiou, 1998 still cautioned the move to build a comprehensive framework for CSR research, to say nothing of expanding CSR studies into the international arena, such as examining CSR strategies by MNCs. Nevertheless, this study made an initial attempt to operationalize and assess the concept of CSR in an international arena. The following section will review dimensions of CSR and finally propose a three-dimensional model for MNCs’ CSR policies. Similar to the disagreement in the conceptualization of CSR, there are variations in the dimensions of CSR. Stone (2005) identified this concept as a continuum consisting of mandatory, assumptive and discretionary corporate public responsibilities. The three parts differ from each other in whether a business causes a problem for society, such as environmental harms, and the extent to which the business
actively resolves the problem. Based on these criteria, the famous Johnson and Johnson Tylenol crisis in 1982 is an example of assumptive responsibilities. However, the continuum appears too simplistic to account for the complex situations of corporate decisions on CSR-related problems.

Quazi & O'Brien (2000) regarded CSR as a two-dimensional concern including corporate responsibility and outcomes of social commitments. The dimension “corporate responsibility” spans from a narrow view emphasizing profit maximization in the short term, to a broad perspective focusing on serving the wider expectations of society in areas such as environmental protection, community development and philanthropy. The second dimension of outcomes of social commitments of businesses ranges from concern with the cost of social commitment in the short run, to attention to long-term benefits from social commitments for businesses. Still, this either-or approach by this model appears too linear to understand the tensions involved in corporate decisions regarding CSR. The two ends of each dimension may not necessarily be mutually exclusive. It is possible that corporations have mixed motives when fulfilling their corporate responsibilities. In other words, they may attempt to achieve both profit maximization and serving the wider societal demands at the same time, and bear in mind the short-term costs as well as long-term benefits.

Still Global Compact (2005); Holme & Watts (2000); Sagar & Singla, (2003) simply considered CSR as a set of social issues in areas of environmental protection, community involvement, etc. This approach has been widely used in existing literature and helpful for understanding the universality of some CSR issues.

Yet another approach understood CSR as a three-category concept. Grunig and Hunt (1984) asserted that organizational responsibilities consisted of “the performance of the organization’s basic economic functions (e.g., providing employment or refraining from restraint of trade), “responsibilities arising from performance of basic functions (e.g., equal opportunity employment or prevention of pollution by industrial operations),” and “responsibilities for aid with general social problems (e.g., prevention of urban decay).” The first category of responsibilities lies at the core; the second category occupies the middle circle; and the third category lies in the outmost circle. This delineation has elements from Quazi & O'Brien's (2000) two-dimensional concern including corporate
responsibility and outcomes of social commitments, and Carroll’s (1998) conceptualization of economic, legal, ethical and discretionary social responsibilities.

In summary, there is no consensus on how to define CSR and what it comprises. For the purpose of this study, CSR was broadly defined as the responsibility of businesses to contribute to building a better society. Whether CSR consists of a continuum, or two-dimensional concern, or merely a set of social issues, or other possibilities was examined in this study.

1.3 Justification of Study

Review of literature indicates that many studies have been conducted in this area. But, no one has in depth made study about corporate social responsibility in selected Indian companies. Hence there is need and justification for the comprehensive study to evaluate it in recent times. Due to globalization and cut-throat competition among business organization, there is need to create more awareness about corporate social responsibility. Companies have less orientation towards corporate social responsibility in Haryana, which is very progressive state now a day. Therefore to explore more about corporate social responsibility it has been decided to take up present study. In Haryana no study has been done on corporate social responsibility in a scientific way which explains all aspects like determinants, levels, motives, basis, impact, cost and benefit analysis & measurement techniques of CSR. Studies conducted earlier are concerned with any particular organization. Therefore, the result of their study cannot be generalized. So, keeping in view the limitations of those studies, present study is conduct for selected business organizations in Haryana.
1.4 Objectives and Hypotheses

The present study has the following objectives.

(a) To assess the corporate social responsibility levels of selected corporate organizations;
(b) to find out motives and determinants of corporate social responsibility;
(c) to conduct the cost-benefit analysis of corporate social responsibility;
(d) to suggest measures to raise the CSR standards of corporate organizations in the long run.

To guide the empirical parts of the work, the following hypotheses are set up for testing.

Hypothesis I Size of organization does not matter in adoption of the CSR.
Hypothesis II Innovative companies are more oriented towards the concept of CSR.
Hypothesis III Indian companies are more CSR oriented than foreign owned companies.
1.5 Research Methodology

Research methodology serves as backbone to any research problem. This is the way to solve the research problem in a scientific manner. Appropriate research methodology provides systematic outlook to a research problem. There are several essential components of research methodology such as research design, method of data collection, statistical tools used for processing the data etc.

Research design is a plan for the study that will lead to the most economical method for collection of required data and their analysis. The research design of present study is both exploratory and analytical in nature, as it seeks to discover the ideas and insight and to bring out new relationships.

To achieve the above-mentioned objectives and to test the hypothesis, data has been collected from the Haryana state. Data has been collected from the business organizations as well as respondents to judge the authenticity of study. For this purpose 60 companies and 100 respondents are taken into analysis. Companies taken into consideration are on the basis of product differentiation, ownership and size of organization.

There are generally two types of data viz. Primary and Secondary. This study is based on the data collected from both the sources. The data have been collected by mean of survey through questionnaire, interview and personal observation. The data are original in character. The secondary data collected from the various books and journals, magazines, newspaper and through internet to enhance the conceptual knowledge and to get a better understanding of the study.

To find out the results or to reach at some conclusion data will be analyzed by various statistical tools like correlation and regression analysis, chi-square test, analysis of variance and interpretation depends on the nature of data to draw conclusion of the study.
1.6 Limitations of the Study

The topic of present investigation has significant relevance for understanding the levels, motives and determinants of corporate organisations and its implications on society. The following refinements and extension of the present problems may thus be undertaken:

1. The study is limited in terms of area of the survey and sample units. It is based on the state of Haryana and New Delhi.

2. The use of self-reporting may not be a true reflection of a business social responsibility performance thus too much reliance should not be placed on claims by managers.

3. Business organisations may engage in CSR activities without documenting it hence there is no emphasis on verification by documentary proof.

4. The perception of a manager may not necessarily reflect the true state of affairs within the business. However, it is generally accepted that as the main role players, managers attitudes and beliefs often determine the tone of SMME business conduct. Thus for the purpose of this study, it is assumed that manager perceptions of CSR will adequately reflect the overall CSR orientation of their businesses.

5. Secondly the study used information published on the web sites of these companies and no interviews or surveys with the help of questionnaires were conducted. Further research can be conducted to study the effect of CSR initiatives on the image of a business enterprise.
1.7 Chapter Organization

1.7.1 Objective and background of the study

The first chapter explains about the basic concepts of CSR, notions of CSR, Review of Existing Literature, Justification of the Study, Objectives & Hypotheses of the Study, Research Methodology, limitations of the study. CSR holds a very important place in the development scenario of the world today and can pose as an alternative tool for sustainable development. CSR encourages open and transparent business practices that are based on ethical values and respect for employees, communities and the environment.

1.7.2 Corporate Social Responsibility: A Theoretical Framework, Changing Dimensions and Major Issues

This chapter describes about the historical evolution of the concept, corporate social responsibility, theories of CSR, phases of CSR in India, development of CSR, corporate social responsibility versus corporate governance, framework for corporate social responsibility, business-society interface, business response: concern and changing social contract, corporate social responsibility versus corporate social responsiveness, corporate social responsibility versus business profitability, corporate social responsibility as a business strategy, determining optimum level of corporate social responsibility, dimensions of corporate social responsibility, internal dimensions, external dimensions, corporate social responsibility in the governance context, CSR measurements and its difficulties, issues of corporate social responsibility.

1.7.3 Motives and Determinants of Corporate Social Responsibility Orientation of Business Organization.

This section of thesis explains about the legal framework governing corporate social responsibility, role of government / inter-government bodies, types of voluntary codes of conduct like company codes, business association codes, intergovernmental codes, the content of codes of conduct with labour provisions. It also explains about the monitoring system of global supply chain practices includes internal monitoring, external monitoring, independent monitoring / verification. It also concludes the levels of
corporate social responsibility at individual level, organization level, national level, and transnational level. This section tells that in which areas companies are doing corporate social responsibility motives of corporate social responsibility and determinants of corporate social responsibility.

1.7.4 Corporate Social Responsibility Standards in Indian Corporate Sector: Trends and Practices

This section includes studies of various aspects such as issues and trends in corporate social responsibility, corporate social responsibility practices, corporate social responsibility: towards a sustainable future, CSR: rationale, perspective of corporate social responsibility, the new context of business organizations for corporate social responsibility, corporate social responsibility initiatives by business organizations, drivers of corporate social responsibility in global context, major challenges for the introduction of corporate social responsibility, corporate social responsibility through non government organizations, models reviewed, corporate social responsibility implementation framework and corporate governance.

1.7.5 CSR Orientation of Selected Business Organizations: Empirical Results and Discussion

This chapter describes the research methodology objectives, hypothesis, and sampling design and presents a background of the units/organizations chosen as the sample. It also defines the tools and techniques applied to measure the variables and their relationships. The preparation of research design, appropriate for a particular research problem, involves the consideration of the objectives of the research study, sample design, and tools for data collection, data analysis - qualitative and quantitative. To achieve the objectives and to test the hypothesis, data has been collected from the Haryana state. Data was collected from the business organizations as well as respondents to judge the authenticity of study. For this purpose 60 companies and 100 respondents are taken as sample size. Companies taken into consideration are on the basis of product differentiation, ownership and size of organization. For testing the hypothesis the two-
way Chi Square technique is selected for determining the association between the frequencies of occurrence in two or more categories with two or more groups.

1.7.6 Corporate Social Responsibility implications in Indian Business Organizations

This chapter describe about the corporate social responsibility management in India, core philosophy under CSR, the economic aspects of CSR, objectives of corporate social responsibility policy, trends in CSR: from charity to responsibility, corporate citizenship: a new way to market CSR, corporate social responsibility: global opportunities and social trends, CR : the indian scenario, challenges in CSR and social accountability, challenges to social compliance, the limits of corporate social responsibility in India, corporate social responsibility implications in Indian business organizations

1.7.7 Summary and Conclusions

This chapter describes the results, summary, conclusions and recommendations of the study.