6. On the basis of the study appropriate reporting framework will be model so that CSR reporting becomes meaningful, understandable & relevant.

Chapter 3

Literature Review

3.1 Social Thought

J.J. Irani (2005) in his article states values are coming back into demand once again, believes that business is there to make profit but business should be done in an ethical way. It is very important to make profit then only can you utilize that money on society. He believes that ethics cannot be imposed in the form of law but it has to come through a change of mindset.
Subir Raha’s (2005) mentions that business is always meant with a profit intention but the perception of profit has changed. It is considered more of creating value or wealth. Managers are expected to create wealth but on ethical grounds for the company as well as community. Corporates interact or get involved with the outside people in the form of Corporate Social Responsibility. Corporate governance means the judgment or decision has to be right in a given situation thought the risk is been involved.

Paul, Karen (2008) in his article that this study examines the websites of the Global 100 Most Sustainable Corporations as defined by Innovest Strategic Value Advisors, Inc. under the auspices of the World Economic Forum. Philanthropy and employee voluntarism were routinely mentioned, hence excluded from the analysis as having little differentiating value, although useful as baseline concepts. Twelve terms and concepts relating to sustainability, corporate citizenship and corporate social responsibility were identified as differentiating concepts. 'Social responsibility' was the term most frequently used as a primary term visible on the corporate website, but considering all terms observed regardless of order, 'sustainability' was the term most frequently used.

Szell, Gyorgy. (2011) in his article that the recent world wide financial crisis questions were raised if the rush for economic growth measured by the GDP is an appropriate tool. Fundamental issues like the quality of life and working life, social inequality, health, life expectancy, sustainability are neglected since then. In the 1960s these questions were raised e.g. Brundtland Commission "Our Common Future" leading to the United Nations Conference on Environment and Development in Rio de Janeiro.
The Agenda 21 in 1987 was an important milestone in reconsidering the dominant economic policies and assessments. However, already in the 19th century the whole debate about the alternatives to the developing modern capitalism were discussed and practiced—the socialist, communist, anarchist, cooperative movement. "Another World is possible!" is the slogan of the World Social Forum since 2001, and may give the perspective for a world "Beyond GDP".

Scherer, Andreas Georg, and Guido Palazzo. (2011) in his article that Scholars in management and economics widely share the assumption that business firms focus on profits only, while it is the task of the state system to provide public goods. In this view business firms are conceived of as economic actors, and governments and their state agencies are considered the only political actors. We suggest that, under the conditions of globalization, the strict division of labour between private business and nation-state governance does not hold any more. Many business firms have started to assume social and political responsibilities that go beyond legal requirements and fill the regulatory vacuum in global governance. Our review of the literature shows that there are a growing number of publications from various disciplines that propose a politicized concept of corporate social responsibility. We consider the implications of this new perspective for theorizing about the business firm, governance, and democracy.

3.2 Social Activities

C.S. Venkata Ratnam (2009) has brought the concept of Sulabh, looking at the difficulty faced by poor & vulnerable people. He started off with this 38 years back. The idea was to give affordable
sanitation access to poor & vulnerable people. In spite of his constant effort, out of 120 million people without sanitation facility Sulabh has been provided to only 1.2 million people which amount to only 1% of the total amount. If sanitation is such an important issue and if it needs to be wiped off by 2015 what new strategies & additional resources are required? Sulabh should allow other corporates to utilize its resources & energy to take up the task.

K. Ramachandran (2009) states that Sulabh was more successful because of the long standing frustrating problem that ordinary people faced. It is highly discontent and highly critical. Mr. Pathak has packed good combination of value and adequate returns. The choice of location was also like bus stand, worship places. Sulabh growth strategy had a clear vision to -

1) Make India Healthy & hygienic with elimination of defecation in the open
2) Stoppage of practice of Manual clearing
3) The most important is removal of untouchability and social discrimination.

This created employment in public toilets and vocational training for them.

Dukhabandhu Sahoo & Anamika Bhattacharjee (2010) in their article mentions that Mining leads to lots of adverse effect on environment & health of the people. Singh (1987) made an extensive study on the mine water quality deterioration due to acid mine drainage in North Easter Coalfields of India. The study revealed that water in this area is severely polluted due to effluent emanated from various collieries which are highly acidic. It results in contamination of heavy metals which are highly toxic and
injurious to health. Two mine samples were taken & research was conducted on health conditions & health awareness among household. 50 from underground and 50 from open cast. A questionnaire was conducted along with secondary data. The conclusion drawn was very poor due to which they would continue to face health problems like TB, Lung cancer, respiratory disease. Planned measures need to be taken for Environment & Health.

Table 3.1

Year wise medical expenditure & per worker amount

<table>
<thead>
<tr>
<th>Year</th>
<th>Medical Expenses (Lakhs)</th>
<th>Per worker amount (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>168.97</td>
<td>4800</td>
</tr>
<tr>
<td>2006-07</td>
<td>204.66</td>
<td>6000</td>
</tr>
<tr>
<td>2007-08</td>
<td>210.25</td>
<td>6500</td>
</tr>
</tbody>
</table>

Finkelman, R.B., W. Oram, V. Castranova, C.A. Tatu, H. E. Belkin, B. Zheng, H.E.Lerch, S.V.Maharaj & A.L. Bates (2002) in his article mentions the environment problems associated with coal, before mining, during mining, during combustion & post combustion waste product & its severe impact on human health. They found that ground water passes through lignite. Due to this, local inhabitants suffered serious health problems. They also found that health problems started due to serious inhalations of particular matter during mining.
Tiwari R K (2001) referred in his article the analysis of the environment impact of coal mining on water regime. The study attempts to illustrate the quality of acidic and non–acidic mine water. The water has been completely polluted due to waste not being disposed in a proper place. Waste material like oil, grease, heavy material are found in waste water which leads to deteriorations of water quality which ultimately affect the health of the people.

Ghosh M. K & S. R. Majee (2000) in his article has attempted to assess the air pollution caused by generation of dust due to operation of opencast mining. Dust arising due to opencast mines leads to air pollution in work zones & surrounding areas. The soil removal, overburden removal extraction of coal, lead to air pollution. The paper also emphasized the need for considering air pollution as one of the most important parameters in preparing (Environmental Impact Assessment).

Yang Y.(2007) referred in his article the impact of coal mining on the environment and health of China. It focuses on environment & public health problems caused by pollution of burning & mining of coal. The study reveals that 80% of small mines are responsible for environmental safety & public health problems. This is due to use of old equipment, old mechanized method of mining & low quality in mine training. It has been noted that since enforcement of laws to limit these problem is big. Mining areas are often exploited by several companies leading to over exploitation, which causes frequent accidents, excessive pollution of resources waste.

Susanne Meier, director (Feb 2009) in his article that DHL’s one of the leading logistics company received best CSR award due to it
rehabilitation efforts during Tsunami (2004). They also donated money towards construction of houses, schools & other infrastructure requirements in India, Maldives, Srilanka & Thailand. DHL has also provide relief measures to “Harricane Katrina & earthquake in South Asia (2005). DHL was also involved in several social & community welfare activities & was of the view that its core competencies to be used for society. In August 2001 DHL signed the UN global compact. UN Global compact Principles are Human right, Labour standard, Environment, Anti–corruption, Product & Customer satisfaction.

DHL has developed an continuity plan which works in any disaster situation which will protect people, resources & regular business. DHL donated around $ 200000 form employee contribution fund & same amount goes to as a donation to South Asia Earthquake.

3.3 Social Reporting

Abbott W F & Monsen J R (1979) states that the extent of Corporate Social Involvement of 450 companies out of fortune 500 companies (firms). The researcher also investigated the impact of Corporate Social Responsibility on corporate profitability. CSR measure was analyzed from Annual Reports of 1974 by Social Involvement Disclosure (SID) Index. The Social Involvement Disclosure (SID) covered Environment, Equal Opportunities, Personnel, and Community Development & Product. The CSR disclosure found that firms put maximum emphasis on

1) Environment := 50.0%
2) Equal Opportunity := 32.2%
3) Personnel := 29.0%
The firms were segregated into two groups high & low on the basis of their social involvement. An evaluation was done on the basis of profitability in terms of returns to investors for the period 1964 – 74. There was no association between CSR and Investor rate of return.

Krisha C G (1992) mentions that he has examined the attitudes of managers of large scale enterprises towards CSR implementation as one of the objective. The study was based on a sample of 529 managers occupying top or middle positions in public & private sectors.

1) Majority of managers opinioned that there is value change in the society and industry in shaping society into a socialistic society
2) Rise in the public demand for socially responsible behavior by industry
3) Favour argument of CSR

- Great/ favorable Image
- Social expectations are high and if ignored will create public hostility.
- Moral responsibility of the Industry
- It is in long run interest of the company to involve in social cause
- Necessary resource & talent to involve in CSR
- Secondary social cause areas are Pollution abetment, resource conservation measure & society improvement programe.
Brown (2001) in his article mentions his survey had covered companies of 10 different sectors namely Management consultancy, IT, Finance, Engineering, Chemical, Construction, Power Generation, Manufacturing, Textile & Service Industry. The survey was conducted by center for social markets to provide some insight into modern Indian business. The following were the findings of the survey.

1) 59% of the respondents stated Corporate Governance Policies
2) 53% of the respondents stated Environment
3) 53% of the respondents stated Occupation, Health & Safety
4) 47% of the respondents stated Education
5) 35% of the respondents stated Anti-discrimination
6) 29% of the respondents stated worker rights

The above survey showed that companies are socially active in more than one area. The main factors that topped the list for driving the changing attitude to social & environment responsibility were increasing awareness & reputation, followed by other CSR drivers like community group pressure & public opinion. Respondent rated Customer, Shareholder, Investor, Community, Government Authority, Union, Employees & others. Respondent role model for CSR were Birla, DSPML, Tata, L&T, Maruti & Infosys.

Confederation of Indian Industry (CII) (2002) in their article states that the purpose of audit was to ascertain the pre-dominant perception on CSR in India and the role that companies define for themselves in society. 102 companies responded with the questionnaire. The survey revealed that the desire to be good
corporate citizens and improved brand image were the main drivers of CSR.

81% of the respondents supported ethical requirement in corporate policies, 76% supported Health & Safety, 72% supported Environment. The figures reveal that companies are involved in more than 1 CSR activity. 55% of the respondents stated that enabling regulatory policy to CSR is provision of tax, duties and custom benefit. Most of the companies were of the opinion that through ethical business conduct, complying with regulatory requirement environment protection, employee health and safety, would lead to higher future profits.

Ken Daly (2011) in his article states that 23 experts were taken to discuss the Corporate Performance Metrics which include financial as well as Non financial metrics. Not much time was taken to discuss the financial metrics since everyone knew how to measure & use it on a regular basis. Non financial metrics covers
1) Business development
2) CSR/ Community Engagement
3) Customer satisfaction
4) Environment, Health & Safety
5) Human Capital & many more.

The board will have to consider that proxy statement can be the excellent vehicle to explain the performance and how it is been measured. The company can disclose that the management has met, exceeded or missed the targets. This is how the shareholder will get an idea without alerting its peers. Directors must develop deeper understanding about Human Resources, Company Ethics & Product Development.

C.V. Baxi & Rupamanjari Sinha Ray (Jan 2009) mentioned in their book “ Corporate social & environmental reporting has received importance & attention in recent years as part of sustainable development process across the world. In India the stand alone reporting practices exists but with limited content & information. Environmental reporting is voluntary in nature but is mandatory in Netherland & Denmark. The environmental parameters have been discussed in detail but the financial estimation is not revealed. GRI has been followed by 8 companies & their audit has been conducted by a 3rd party.

a) Stages of companies growth along with the corporate social reporting growth has been mentioned.

b) Company takes social activities along with the environmental activities decide on their scope & reporting.

c) ITC triple bottom line – Economic, Environment & Social performance reporting.
Professional companies are more inclined towards reporting their efforts rather than focusing on the impact on society. Family business CSR depends on family core emotional value & therefore does not focus on reporting & disclosure with proper qualitative measure to look the impact. There is an urgent need to develop a transparent reporting in India as a part of company accountability towards all its shareholder.

Goyal, Swati, Amarjit Saini & Inderpal Singh (2010) states the meaning of CSR. CSR is the commitment to the society in which business operates. From long time several researches have been conducted to examine CSR & its effect on business performance. Inversely the present study reveals that relationship between financial performance of Indian companies & their relatively spending on CSR activities. The objective of the study is to examine the relationship between CSR & financial performance. Hillman & Kein (2001) found that increased in CSR leads to enhanced financial performance. To compare recommended expenditure with actual amount spend on CSR. Non Index based companies & Index based companies are contributing same amount for CSR. For the F.Y. 2007-08 top 1000 companies are examined which were rated by karmayog out of which 37 companies are found to be associated with social cause & part some of their revenue i.e. Rs. 318.6 crores for society in the financial year. Based on theoretical assertion & empirical evidence research identified a positive relationship between CSR & financial performance. Moving further classification has been made on Index (Nifty) & Non – Index companies the attempt has been made to find out which companies is showing more interest. In this area as far as budget & actual expenditure on social projects are concerned it has been found that financial performance does not
have much positive impact on CSR. Conclusion was drawn the CSR is driven more by unobservable firm characteristic than by financial performance & level of Indian firms are not up to the mark. Indian companies are not found to be sincere towards social project as far as spending (annual) are concerned & only descriptive statement is there in annual reports. The companies spending on corporate social expenditure is 0.02% of the total sales.

Dragomir, Voicu D., and Maria-Cristina Ungureanu. (2009) in his article have mentioned the disclosure is a fundamental theme of the modern corporate regulatory system and involves the provision of information by companies to the public in a variety of ways. Corporate governance makes no exception, having earned a topical place in the European Union policies. This article investigates the regulatory transformations that have shaped corporate governance disclosure in Europe, starting with the emergence of governance codes and closing with the mandatory inclusion of these codes in the annual reports of listed groups.

Corporate reporting is a company's most powerful communication tool. Appropriate corporate reporting systems mean that a good company is able to impress the markets with its integrity. New regulations, new requirements and ever-increasing demands for transparency determine companies to follow the recent trends in corporate reporting in order to comply with best practice regulations: narrative reporting; balance in the structure of the reports; inclusion of management report; reporting corporate social responsibility; balancing financial and non-financial information; comparability over time.
One of the main developments in corporate financial reporting is the mandatory narrative' reporting. The European Commission recognises the importance of non-financial information in helping investors assess corporate performance. The EU Accounts Modernisation Directive notes that an analysis of the environmental and social aspects may be useful elements of a business review.

Therefore a clear layout, detailed indexing and prominent headings are essential to guide the reader through the content. A right balance between imagery, graphs, tables and charts is important. In order to meet the objective of narrative reporting, the company should disclose the following: i) the nature of the business; ii) its objectives and strategy; iii) key resources, risks and relationships; iv) results and prospects; v) performance measures and indicators.

A corporate report will make a clear link between the information presented and the strategic objectives of the business. An investor wants to know the long term strategy which gives him a clear idea about the company long term goal. Investor would also like to know companies reaction to regulatory or legal changes that will affect future performance. Company should provide both financial & non- financial information in their reports. Both commercial & governance objective of the company should be disclosed. Commercial gives productivity, growth & sector focus & governance answer to the issues like purpose & objective of the company.

Social responsibility is an essential element of corporate reporting. Even where no legislation exists, it is considered good practice to make additional commitments, as corporate reputation and
performance may require recognition of broader interests. The board should disclose whether there is a mechanism protecting the rights of all stakeholders in a business. The role of employees in corporate governance should be disclosed (e.g. right to nominate directors on the board). Issuers should ensure explanations on the board's policy and performance in connection with environmental and social responsibility and the impact of this policy and performance on the firm's sustainability.

Joshi, Prem Lal, and Simon S. Gao. (2009) in his article have mentioned their purpose to investigate multinational corporations' (MNCs) voluntary practice of including corporate social and environmental disclosure (CSED) on their web sites and characteristics that inspire MNCs to be more accountable in this regard. The study adopts discrimination analysis to test six hypotheses to determine which variables influence the MNCs to post their CSED on the web sites. Data from a sample of 49 MNCs were analyzed with STATISTICA. The results show that companies with a strong equity base and in a good financial condition have a propensity to voluntarily disclose more environmental information. For social disclosure, company size and the profitability discriminate the most. MNCs disclose a number of items pertaining to the two areas. This study has some limitations. First, the results would be more conclusive if more companies had been included in the sample. Second, only six variables are tested and there may be scope for explaining the extent of the internet disclosure using other variables.

Lee, Min-Young, Ann Fairhurst, and Scarlett Wesley (2009) in their article that this study is motivated by the lack of information about the retail industry's commitment to and attention given to socially responsible behaviors. The purpose of the study is to
discover in what context corporate social responsibility (CSR) is being addressed within the top 100 US retail organizations. The framework of the study consists of principles of CSR, processes of CSR and outcomes of CSR. Based on this, corporate web pages were reviewed using content analysis procedure. Just over one-half of 100 US retailers mentioned CSR principles either in separate statements or embedded in mission statements. Economic statements were most common to category killers whereas discount stores predominantly mentioned philanthropic statements. In the analysis of CSR programs, social programs followed by environmental programs were most frequently mentioned. The results suggest more retail firms should be involved in communicating their social responsibility beliefs on their corporate website although previous research showed that a majority of Fortune 500 companies used their website to promote some aspects of CSR.

Li, Shaomin, Marc Fetscherin, Llan Alon, Christoph Lattermann, KuangYeh. (2010) in their article that this study examines how country-level, industry-level, and firm-level factors affect the extent of corporate communications about CSR in Brazil, Russia, India, and China (BRIC). In particular, using data from the 105 largest MNCs in BRIC, we investigate CSR motives, processes, and stakeholder issues discussed in corporate communications.

At the country level, based on a newly developed governance environment framework that differentiates between rule-based and relation-based governance, the study reveals that a country's governance environment is the most important driving force behinds CSR communications intensity.

Mohan, Anupama. (2006) in his article that the management of global corporate social responsibilities (CSR) in MNCs is less
understood. This study presents an analysis of CSR management in the global operations of two MNCs of British origin, operating in diverse sectors. It presents in-depth empirical analysis of CSR practices in routine stakeholder relations of these MNCs, across multiple levels within the MNC and across multiple levels of its context.

The study reveals that global CSR management resulted from interplay of firms’ strategic choices, internal design processes, as well as influences of regulatory, normative and cognitive environment at the multiple levels of the MNC context.

Okpara, John O., and Pamela Wynn.(2011) in his article investigated impediments to effective corporate governance in emerging markets using Nigeria as the example. Data were collected from 194 firms listed on the Nigerian Stock Market in the fields of banking, insurance, and manufacturing. Questions focused on protection of minority shareholder rights, the extent to which directors fulfilled their functions, the adequacy of existing regulation, and the degree of enforcement and monitoring of existing rules and regulations. Results suggest that Nigeria has adequate rules and regulations but weak or nonexistent enforcement; many directors are not competent or committed to good governance; minority shareholder rights are often ignored; and there is a general lack of transparency and disclosure.

Sharma, Seema(2011) this article attempts to examine the concept and practices of CSR in India based on the primary data collected from seventeen business houses in India. The CSR definition followed here is that it is the obligation of the firm to use its resources in ways to benefit society, through committed
participation as a member of society, taking into account the society at large, and improving the welfare of the society independently of the direct gains to the company. The study also takes a stakeholder’s perspective towards CSR. The CSR activities amongst select Indian enterprises and concludes with a critical evaluation of their CSR initiatives.

CSR, while at the level of action ”when commercial interests and broader social welfare collide, profit comes first,” and thus ”for most companies, CSR does not go very deep.” Looking at the Indian scenario in CSR, one may not find a very different situation because many of the corporate houses divert a fixed percentage of their profits to CSR thus making it a dependent variable rather than an integral part of the business

Tenuta, Paolo.(2010) in his article the current sustainability reporting limits are represented by the absence of a single referential form of the sustainability report construction and by these different report forms comparison and valuation difficulties at the same time. Any sort of politics the organizations assume is judged to the extent that its obtained results are measurable and comparable. For this reason, sustainability has to be quantified and measured at any level and for any organization to explain an element of essential importance to the entire society. The sustainability report is certainly the most operative instrument to relate the organization with its stakeholders; anyway, the absence of a single referential form and of common comparison parameters limits its communication considerably. In this work, after a short presentation of the fundamental historical stages of sustainability and voluntary available instruments to organizations for the representation of economic results, social and environmental arising from the facts of management will be
illustrated the main parametric models for measuring of sustainability.

The main purpose of this study is to identify a method that allows, through the use of a parametric model, an analysis that permits the development of a benchmarking process aimed to facilitate the understanding and comparison of sustainability reports by all stakeholders and for all organizations.

Cox, Carol A., and Edward B. Douthett Jr. (2009) in their article mentioned that the level of environmental GAAP disclosure is associated with profitability, and that this level of environmental GAAP disclosure is relevant to investors. We also find that the effect of profitability on the level of environmental GAAP disclosure, and the effect of the level of environmental GAAP disclosure on market valuation, depends on whether the disclosures confirm the concurrent corporate goals of profit maximization and environmental responsibility.

The striking descriptive evidence about a sample of firms that have been specifically identified as potentially responsible parties by the EPA. We find that the percentage of environmental GAAP disclosures actually made by these firms decreases from 51 percent to 29 percent at a time when the required disclosures for environmental liabilities virtually triples. Although the level of environmental disclosures may be appropriate, the drop in the rate of reporting environmental GAAP disclosures raises questions about the usefulness of the additional GAAP or the compliance rate by PRPs, both of which question the completeness of environmental disclosures.

Victoria wise & Muhammed Mahboob Ali (2008) referred in their article on case studies on corporate Governance & Corporate
Social Responsibility corporate design policies & procedure to attain certain sets of objective, corporate mission & vision with regards to stockholders, employee, customer, supplier & the community.

Talukdar & Bakhtear (2007) that banking sector performed better than other industry. Banking sector comprises 54% market capitalization & 57% of Dhaka stock exchange but yet CSR is very low.

Vlachos, Pavlos A. (2010) in his article state that the study shows Corporate Social Responsibility (CSR) research model focusing on the impacts of CSR on stakeholder perceptions and company outcomes. Research questions mainly involve a quadripartite view of the impacts of CSR. Its a stakeholder-centric model of CSR conceptualizing the factors that make company stakeholders to form assessments of CSR initiatives. Specifically, the impacts of CSR on stakeholder perceptions should be investigated using perspectives from individual-, company-, policy-, and country-level factors. Moreover, the relationship marketing literature, to suggest a route through which CSR likely translates into innovation.

Werhane, Patricia H (2010) in his article mentions that at the time there were few general principles that could serve as guidelines for global business. However, since 1991 a plethora of such principles have been developed to serve as guidelines and evaluative mechanisms for global corporate responsibilities. But operationalizing these principles in practice has been a challenge for most transnational corporations and even for smaller, more local enterprises. This is because, in some cases, the principles ask too much of companies. In other cases, the principles are ambiguous. And in still other cases, the principles, written by and
large from a Western, rights-based perspective cannot be operationalized in some cultural or religious settings. These studies outline a series of dilemmas multinational enterprises face in the global market place, even when they sincerely sign on to one or another set of principles. These problems are not insurmountable, but in the imperfect world of commerce, require that our expectations of corporate responsibilities be satisfying rather than absolutist.

Khasharmeh, Hussein, and Mishiel Said Suwaidan. (2010) in their article mentions the objectives of this study are two-fold: 1) to evaluate social responsibility disclosure in the annual reports of manufacturing companies listed in the financial markets of the Gulf Cooperation Council (GCC); 2) to examine the impact of a number of company variables on the extent of disclosure of this information. To achieve these objectives, a disclosure index was developed and applied to the annual reports of 60 manufacturing companies listed in the financial markets of the six countries included in the GCC. The results indicate that, on average, a company disclosed about 26% of the 45 items included in the index with only eight companies receiving disclosure scores of 40% or more. The results of regression analysis revealed that the size of the company and the auditing firm (international or local) are major variables in explaining variation in the extent of social responsibility disclosure between the sample companies.

### 3.4 CSR Perspective

Delmas, Magali A., and Maria J. Montes-Sancho. (2011) in their article have analyzed how national institutional factors affect the adoption of the international environmental management standard ISO 14001, using a panel of 139 countries from 1996 to 2006. The
analysis emphasizes that during the emerging phase of the standard, the potential lack of consensus within the constituents of the national institutional environment concerning the value of a new standard could send mixed signals to firms about the standard. The results show that in the early phase of adoption, regulative and normative forces within the institutional environment can work against each other. Results also show that regulative or coercive forces play a relatively more important role in the early phase of adoption of the standard than in the subsequent phases of diffusion. In the later phases of diffusion of ISO 14001, normative forces, such as the diffusion of other management standards, as well as factors related to trade, play a more important role.

Because of the similarities between environmental management standards and corporate social responsibility standards, this study can help identify some of the challenges for diffusion of ISO management standards in the area of social responsibility.

Focacci, Antonio.(2011) in their article mentions the progressive commitment towards a more sustainable model of current civil/economic societies has come to prominence, both in industrialised and developing countries. This paradigm encounters widespread acceptance encompassing the forms of external communication and the evaluation of specific business performances not just related to merely economic/financial information. As a consequence, several dedicated efforts have been made to communicate such a different awareness. Starting from these premises, the proposes of a method is to calculate the Global Corporate Social Responsibility Rate (GCSRR) of a company based on a linear combination of financial statement figures, environmental data and social values indicators. To
present a synthetic comparative evaluation model and without any pretension to be exhaustive, some explanatory calculations are reported as an illustrative application of the method.

Orlitzky, Marc, Frank L. Schmidt, and Sara L. Rynes.(2003) in their article states that most theorizing on the relationship between corporate social/environmental performance (CSP) and corporate financial performance (CFP) assumes that the current evidence is too fractured or too variable to draw any generalizable conclusions. With this integrative, quantitative study, we intend to show that the mainstream claim that we have little generalizable knowledge about CSP and CFP is built on shaky grounds. Providing a methodologically more rigorous review than previous efforts, we conduct a meta-analysis of 52 studies (which represent the population of prior quantitative inquiry) yielding a total sample size of 33,878 observations. The meta-analytic findings suggest that corporate virtue in the form of social responsibility and, to a lesser extent, environmental responsibility is likely to pay off, although the operationalization of CSP and CFP also moderate the positive association.

For example, CSP appears to be more highly correlated with accounting-based measures of CFP than with market-based indicators, and CSP reputation indices are more highly correlated with CFP than are other indicators of CSP. This meta-analysis establishes a greater degree of certainty with respect to the CSP--CFP relationship than is currently assumed to exist by many business scholars.

Peloza, John, and Lisa Papania.(2008) in their article that the framework for examining the relationship between corporate social responsibility (CSR) and firm financial performance. Ambiguity in
empirical studies examining this relationship can be expected given both the ability and motivation of managers to focus their social responsibility initiatives on stakeholders with power, urgency and legitimacy. By considering the ability of stakeholders to reward or punish the firm based on their evaluations of the firm's activities, our model reconciles previously disparate findings in the relationship between CSR and corporate financial performance.

Athreya, Mrityunjay (2009) in his article states that world is divided into 3 Parts US, EU & Japan (Market economy with freedom for entrepreneurs). He further mentioned about responsibilities which he divides into 3 part Government Responsibilities (GR), which include law and order; defence; foreign relations etc. Corporate Responsibilities (CR) which include providing customer value; shareholder returns; and employee satisfaction & Personal Responsibilities, including looking after the spouse, children, other dependents, etc.

V.K Vassal made an interesting attempt to examine the impact of CSR Shareholders Returns. Data use is Environmental, Social, Governance ESC index & the stock Market data

1) Sign of higher return of CSR company.
2) There is a broader acceptance now of stakeholders return value than the stakeholders value.
3) In addition to the customer, stakeholders and employee CSR as an opportunity.

Sanjiv Gupta and Nidhi Sharma States that CSR is not merely a cost it is an opportunity. There are lot of benefit to the company, more company are now linking CSR to their business strategies. Business Benefits Include
1) Lower Cost
2) Reduce risk
3) Higher revenue
4) Better reputation

N,K Choudhary notes benefits of collaboration between corporate, NGOS and government to improve quality of life of workers and their family, communities examples of coca cola on downside pesticides in in water and upside won corporate governance award including CSR For water conservation it has a program to provide clean drinking water in school. ITC Provides water to 3 million villages. There are couple example of CSR (Corporate Social Responsibility).

As the company gains experience in CSR, they are expanding the range of CSR programmes. They are not only doing it internally, but also in collaboration with the NGO & government. There are many areas for improvement. There is need for continuous evaluation, feedback control & learning. It will be useful to have comprehensive standard for reporting on CSR with stress on the result, output, impact & benefit.

Furrer, Olivier, Carolyn P. Egri, David A. Ralston, Wade Danis, Emmanuelle Reynaud, Irina Naoumova, Mario Molteni, Arunas Starkus, Fidel Leon Darder, Marina Dabic, and Amandine Furrer-Perrinjaquet.(2010) shows that this study investigated the attitudes toward social, economic, and environmental corporate responsibilities of 3064 current managers and business students in 8 European countries.

* Participants in Western European countries had significantly different perspectives on the importance of these corporate
responsibilities (CR) than those in Central and East European (CEE) countries. Within each country, environmental CR is perceived as most important in both CEE and Western European countries. Across countries, Western European respondents accord more importance to social CR and less importance to economic CR. CEE countries are not homogenous, e.g., CR attitudes in the Czech Republic are closer to that of Western Europeans, possibly triggered by the accession to EU.

* Work experience (managers vs. business students) influences social and environmental orientations more than the economic orientation for only some countries. Generational differences were found as well: Business students attribute more importance to environmental CR and less importance to social CR than managers.

Heffes, Ellen M. (2011) in his article the economy will bounce back, but in one area of interest to many financial executives--the concept of "greening" the enterprise and the cost of implementing programs to make it happen--the jury still seems to be out, just as the jury is still out on the real value of certain greening initiatives.

Though questions remain about the full extent of corporate commitment and financing resources available to fuel the green revolution--on both the private and public level--one thing appears certain: the march toward an increasingly green business environment continues, even if its pace has been slowed by economic and other factors. In many instances, businesses are not waiting for the inevitable government regulation, but rather, are taking actions they deem make good business sense.
It's now apparent that the concept of greening, of revising energy sources and usage and paying attention to climate change is an essential part of most good business strategies. The problem, oftentimes, is that the inroads made in green technology, management and operations aren't always easily quantifiable.

For example, the exact definition of a green job is looked at in the article herein on that subject. Perhaps that's due, in part, to the fact that initiatives that were promoted as environmentally aware programs just a short time ago are now so embedded in a company's strategies that they no longer earn specific distinction.

New sources and types of energy are necessary as we consider ways to wean our nation from costly--and perhaps in the not-too-distant future difficult or dangerous to get--conventional supplies. This impacts business and its cost of doing business and as such, is becoming not only a serious aspect of the discussion, but an integral part of the short- and long-term business plan. As a business community, and as a nation, it's an ongoing issue we're grappling with and one that will likely be with us for some time to come.

Frigo, Mark L (Dec 2007) in his book there are lot of challenges & opportunities facing company in the areas of sustainability are more complex & have greater potential impact. Sustainability work written by Marc. J. Epstine published by Berret – Kochler publishers says that there is a need for senior executives, top management seeking better ways to manage these challenges & opportunities. This book provides guidance to the top management to integrate sustainability into their daily decision & to better understand & manage CSR & corporate performance. Based on extensive research & best practices of corporation
throughout the world describing the practices of 100 leading companies i.e: J & J, Hewlett Packard, MC Donalds. Nike, Toyota Motor, Unilever & many more. Following things need to be taken care of.

1. Sustainability must be an integral part of corporate strategy
2. Sustainability strategy should be supported within management control, performance measurement & reward system.
3. Sustainability should be supported within mission, culture & people
4. Managers must integrate sustainability into all strategic & operational decisions.
5. Managers’ performances should be reviewed.
   a) The model is a valuable & comprehensive framework for understanding, evaluating, measuring & managing the driver of corporate sustainability.
   b) Importance of developing corporate sustainability strategy.
   c) Focused on costing, capital investment & social risk.
   d) Performance evaluation & reward system.
   e) Focus on the measurement of social environment impact & their methodology.
   f) Implementation of measurement system for social, environmental & economic impact as well as sustainability perform metrics, measuring risk, reputation & mapping actions & performance measure
   g) Improving corporate process, product & project including involvement in internal reporting.
   h) Internal & external sustainability audits.
**CSR Practices**

**Case Study 1**

ACI company of Bangladesh: it is UK origin pharma company & had got ISO 9001 quality governance system (1995). The group is committed towards its employees & environment over year. ACI endorsed the principles of Global Compact (GC) (August 18, 2003). GC is an initiative sponsored by United Secretary General Koffi Annan. It simply means whether required or not by law corporate should enforce basis human rights & environmental standards to counterbalance the possible negative effects of globalization. GC initiative shows significant contribution to societal development are continued medical, education & children education programmes. Medical service Department (MSD) carries out clinical meetings, MSD gives research support & updation on new technology & thoughts in medical field. In 2004, 342 meetings were held & 18000 doctors participated & in 2003 100 meetings & 5000 doctors participated. The children’s club provide education & cultural events. There are around 1000 members actively engaged in this programme.

ACI once establish have fulfill all his commitments related to CSR. They have started with various projects programs demonstrating firms’ commitment to ethical practice & social responsibility. ACI focused on many area communities & other area.

**Case study 2- Ford Motor company of South Africa (FMCSA)**

SOS Children village: SOS is welfare organization that provides home, mother & family to destitute children. Fords contribute towards living expenses of 1 to 15 houses at Mamelodi village.
The money spends on 10 children Medical, Food, Clothing & other cost.

Medical special school – special school for mentally handicapped children. Problem faced by the children is they often use to lost route while coming & going from school. Ford motors provides them transportation free of cost. Company makes cash donation also.

FMCSA employee community action program: Ford motor always encourages it employee to donate 16 hours of service to community. They are increasing their member.

Affordable bike project program: Ford Motor company, Japan & south Africa have joins hands they provide bicycle to the underprivileged community in south Africa. Mazda wild life fund – it was formed in April 1990 funded by ford motors (south Africa). The Fund committed amount is 1.5 mn per annum. The Fund supports 32 projects & 34 vehicles to preserve environment. Other programs are HIV/ Awariness programmes, community upliftment projects & Education plant tours. Ford Motors support various project & programs & has been fulfilling all the CSR responsibility

**Case study 3 - BGMEA, BKMEA to implement project to eliminate child labour (source financial exp 19/3/06)**

BGMEA, BKMEA with support international labour org would implement 5 years programme to address the child labour & development & productivity improvement issue in garment & knitwear sector. In 996 child labour was moved out from 2500 factories along with abolishment of child labour they use to give education /training, productivity, improvement, workers &
employees. Due to this movement started child labour came down to 4.5% from 42.8% in Bangladeshi garment factories.

3.5 Snapshot of literature review

Table 3.2
Snapshot of literature review - Social Thought, Social activities, Social Reporting, & CSR Perspective

<table>
<thead>
<tr>
<th>Year</th>
<th>Name of the Author</th>
<th>Outcome of the study</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>J.J. Irani</td>
<td>If the business makes profit then only it can utilized money on society. Change of mindset is been required rather than imposing law.</td>
</tr>
<tr>
<td>2005</td>
<td>Subir Raha’s</td>
<td>Business perception has change form making profit to creating wealth in ethical manner.</td>
</tr>
<tr>
<td>2008</td>
<td>Paul, Karen</td>
<td>12 different term relating to sustainability was been shown.</td>
</tr>
<tr>
<td>2011</td>
<td>Szell &amp; Gyorgy</td>
<td>Economic growth is dependent on GDP so we need to think beyond GDP so that social growth is possible.</td>
</tr>
<tr>
<td>2011</td>
<td>Scherer, Andreas Georg &amp; Guido Palazzo</td>
<td>Many business firm has started realizing their social responsibilities &amp; trying to fulfill its social responsibilities.</td>
</tr>
</tbody>
</table>
## Social Activities

<table>
<thead>
<tr>
<th>Year</th>
<th>Author(s)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>C.S. Venkata</td>
<td>Concept of Sulabh was brought in it helps in generating employment &amp; community Development..</td>
</tr>
<tr>
<td>2009</td>
<td>K. Ramachandran</td>
<td>Concept of Sulabh was brought in &amp; help generating employment, community Development, Vocational training &amp; Health.</td>
</tr>
<tr>
<td>2010</td>
<td>Dukhabandhu Sahoo &amp; Anamika Bhattacharjee</td>
<td>A Mines operating area &amp; people are been adversely affected with lots of health issues.</td>
</tr>
<tr>
<td>2001</td>
<td>Tiwari R. K.</td>
<td>An adverse effect by coal mines on environment due to waste not been disposed on proper place. Mines companies not been following proper practice of CSR.</td>
</tr>
<tr>
<td>2000</td>
<td>Ghosh M. K &amp; S. R. Majee</td>
<td>Open cast mines leads to air pollution Environmental Impact assessment report do not carry this information of air pollution.</td>
</tr>
<tr>
<td>Year</td>
<td>Author</td>
<td>Description</td>
</tr>
<tr>
<td>------</td>
<td>--------</td>
<td>-------------</td>
</tr>
<tr>
<td>2007</td>
<td>Yang Y.</td>
<td>80% of the small mines are responsible for environment safety &amp; public health problems.</td>
</tr>
<tr>
<td>2009</td>
<td>Susanne Meier</td>
<td>DHL's received best CSR award due to its rehabilitation efforts in Tsunami (2004). It provides houses, school &amp; other infrastructure requirement in India, Maldives, Sri Lanka &amp; Thailand.</td>
</tr>
</tbody>
</table>

**Social Reporting & CSR perspective**

<table>
<thead>
<tr>
<th>Year</th>
<th>Author</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>Abbott W F &amp; Monsen J R</td>
<td>There is no association between CSR &amp; Investor rate of return.</td>
</tr>
<tr>
<td>1992</td>
<td>Krisha C G</td>
<td>Managers are of a view that CSR helps to create favorable image about the company</td>
</tr>
<tr>
<td>2001</td>
<td>Brown K</td>
<td>The companies are socially action in more than one area &amp; the main factor driving the changing attitude is increasing awareness &amp; creating reputation.</td>
</tr>
<tr>
<td>2002</td>
<td>Confederation of Indian Industry</td>
<td>The Driving factor for increasing CSR is improved brand image &amp; high future profits.</td>
</tr>
<tr>
<td>2011</td>
<td>Ken Daly</td>
<td>A format has to be developed to show the performance &amp; evaluation of Non-Financial Metrics.</td>
</tr>
<tr>
<td>Year</td>
<td>Authors</td>
<td>Title</td>
</tr>
<tr>
<td>------</td>
<td>--------</td>
<td>-------</td>
</tr>
<tr>
<td>2009</td>
<td>C.V.Baxi &amp; Rupamanjari Sinha Ray</td>
<td>Standalone report but with limited information which is not suffice for evaluating CSR.</td>
</tr>
<tr>
<td>2010</td>
<td>Goyal, Swati, Amarjit Saini &amp; inderpal Singh</td>
<td>Increased in CSR leads to enhanced financial performance &amp; Non- Index &amp; Index companies spend same amount on CSR.</td>
</tr>
<tr>
<td>2009</td>
<td>Dragomir, Voicu D, &amp; Maria Cristina Ungureanu</td>
<td>In Europe corporate financial reporting is mandatory in narrative form. A corporate report will make a link between information presented &amp; the strategic objective.</td>
</tr>
<tr>
<td>2009</td>
<td>Joshi, Premlal &amp; Simon S Gao</td>
<td>Company with strong equity base &amp; good financial condition disclosed more information.</td>
</tr>
<tr>
<td>2009</td>
<td>Lee, Min – Young, Ann Fairhurst &amp; Scarlett Wesley</td>
<td>The result suggested more retail firms should communicate their social responsibility belief on their website.</td>
</tr>
<tr>
<td>2010</td>
<td>Li, Shaomin Marc Fetscherin,Ilan Alon, Christoph Iattemann &amp; Kaang Yeh</td>
<td>Larger firms tend to show more CSR &amp; firms with high proportion of outside board directors show more CSR activities.</td>
</tr>
<tr>
<td>2006</td>
<td>Mohan, Anupama</td>
<td>Different practices of CSR is been followed at different MNC at different levels.</td>
</tr>
<tr>
<td>Year</td>
<td>Author(s)</td>
<td>Title</td>
</tr>
<tr>
<td>------</td>
<td>-----------</td>
<td>-------</td>
</tr>
<tr>
<td>2011</td>
<td>Okpara, John O &amp; Pamela Wynn</td>
<td>Nigeria has adequate rules &amp; regulation but weak enforcement &amp; many directors are not committed to good governance. Lack of transparency &amp; disclosure is required.</td>
</tr>
<tr>
<td>2011</td>
<td>Sharma &amp; Seema</td>
<td>All the company has fixed % of their profit to CSR thus making it dependent variable rather than integral part of business.</td>
</tr>
<tr>
<td>2010</td>
<td>Tenta &amp; Paolo</td>
<td>To analysis method which will permits the development of benchmarking &amp; comparison of sustainability reports by all stakeholder &amp; for all organization.</td>
</tr>
<tr>
<td>2008</td>
<td>Cox, Carol A &amp; Edward B Douthett</td>
<td>Environmental GAAP disclosure is associated with profitability &amp; effect of the level of environmental GAAP disclosure on Market Valuation.</td>
</tr>
<tr>
<td>2008</td>
<td>Victoria wise &amp; Muhammed Mahboob Ali</td>
<td>A format has to be design to ensure CSR can work better in a firm. 3 case study in been shown.</td>
</tr>
<tr>
<td>Year</td>
<td>Author(s)</td>
<td>Title</td>
</tr>
<tr>
<td>------</td>
<td>-----------</td>
<td>-------</td>
</tr>
<tr>
<td>2007</td>
<td>Talukdar &amp; Bakhtear</td>
<td>Banking sector performed better than other industry. Banking sector comprises 54% market capitalization &amp; 57% of Dhaka stock exchange but yet CSR is very low.</td>
</tr>
<tr>
<td>2010</td>
<td>Vlachos, Pavlos A</td>
<td>Stakeholder perception (Include Individual, Company, Policy &amp; Country level) on CSR. Some innovative route for CSR can come through marketing literature.</td>
</tr>
<tr>
<td>2010</td>
<td>Werhane, Patricia H</td>
<td>There is uncertainty due to changes in the principle. In different situation same principle cannot work.</td>
</tr>
<tr>
<td>2010</td>
<td>Khasharmeh Hussein &amp; Mishiel Said Suwaidan</td>
<td>Company disclosure about CSR is less &amp; it’s the auditing firm who can play an important role in explaining &amp; disclosing CSR activities.</td>
</tr>
<tr>
<td>2011</td>
<td>Delmas, Magali A, &amp; Maria J. Montes Sancho</td>
<td>In case of Environment ISO regulative forces play a relatively important role in adoption of the standard. Like wise we can do it for CSR also.</td>
</tr>
<tr>
<td>2011</td>
<td>Focacci, Antorio</td>
<td>Method to calculate Global Corporate Social Responsibility</td>
</tr>
<tr>
<td>Year</td>
<td>Authors</td>
<td>Title</td>
</tr>
<tr>
<td>------</td>
<td>---------</td>
<td>-------</td>
</tr>
<tr>
<td>2003</td>
<td>Orlitzky, Marc, Frank L. Schmidt &amp; Sara L Rynes</td>
<td>Rate (GCSRR) based on Financial, Environmental &amp; Social Indicator. This method with compare &amp; evaluate CSR performance</td>
</tr>
<tr>
<td>2008</td>
<td>Peloza, John &amp; Lisa Papania</td>
<td>Relationship between corporate social/environmental performance (CSP) and corporate financial performance (CFP)</td>
</tr>
<tr>
<td>2009</td>
<td>Athreya, Mrityunjay</td>
<td>CSR &amp; financial performance are certainly related on a positive notes.</td>
</tr>
<tr>
<td>2010</td>
<td>Furrer, Olivier, Carolyn P. Egri, David A. Ralston, Wade Danis, Emmanuelle Reynaud, Irina</td>
<td>Different Parts of Europe has different view point on CSR &amp; they are following up different CSR practices.</td>
</tr>
</tbody>
</table>
Naoumova, Mario Molteni, Arunas Starkus, Fidel Leon Darder, Marina Dabic, and Amanda Furrer-Perrinjaquet

<table>
<thead>
<tr>
<th>Year</th>
<th>Author(s)</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Heffes, Ellen M</td>
<td>Method to mention the cost involve for carry on the green activities (Re – use waste, Environment friendly).</td>
</tr>
<tr>
<td>2007</td>
<td>Frigo, Mark L</td>
<td>CSR should be an integral part of corporate strategy &amp; its performance should be evaluated.</td>
</tr>
</tbody>
</table>

### 3.6 Conclusion

Thus various research articles reflect on Corporate Social responsibilities activities & reporting that if business makes profit then only it can utilizes money on society. Along with the change in the mindset of the people perception of doing business has also change, form making profit to creating wealth in a very ethical manner. The driving factor for increasing CSR is to improved brand image & increased future profits. Even mangers are of the similar view that increasing CSR activities will help to improved brand image & increased future profits. A proper format has to be developed which shows the performance & evaluated stating non-financial Metrics. A format has to be developed which will permits the development of benchmarking & comparison of the
sustainability reports. The company fixes % of their profits to CSR & make CSR a dependent variable rather than integral part of business. CSR should be made integral part of the corporate strategy & its performance has to be evaluated. The outcomes of the few research were that the company with a good equity base & good financial condition tend to disclosed more information. Larger firms tend to show more CSR activities. CSR & Financial performance are positively related. Also, there have been various areas where companies perform their CSR activities, Broadly, CSR is being accepted as an important part of activity of the organization. However, the need for sound reporting still stands.