Introduction

In the post liberalized era, the management of business has progressed rapidly and has now thoroughly matured to higher levels of performance. The present age is a resulted-oriented age. It may be in terms of some benefits or in terms money. Everyone is running after benefit exclusively with selfish interest. Business enterprises are coming up with new strategies to earn more and more profits. Economists are bringing new philosophies to enhance prosperity. Today the efforts and energy of the world is being spent on increasing the organizational wealth. Material acquisitiveness has become the primary goal in modern society. Today the efforts and energy of Business houses, economists and the whole world is being spent on increasing organizational wealth. This profit driven pursuit of mankind is leading to deterioration in physical environment, urban decay and other social problems. Today the energy of all business enterprise is focused on increasing wealth and safeguarding their economic interests. The entities with maximum wealth are the most powerful in the present era and capable of safeguarding their economic interests widening the gap between rich and poor. It is leading to a complex situation, where some people use unfair means to quickly fill this gap. It gives rise to unrest in the human mind and quickly erodes the feeling of satisfaction and happiness. The current corporate era has not only influenced the economic way of life, but has also left a profound impact on the socio-cultural, political, religious and other spheres of life.

“No success or achievement in material terms is worthwhile unless it serves the needs or interests of the country and its people “– J. R. D. TATA

CSR has originated in India way back a century ago. The Tatas, Birlas and Bajaj have followed the Gandhian principle of trusteeship of surplus wealth. According to Gandhiji, the wealth, in excess of one’s needs is held by oneself in trust for society and used accordingly.

The concept of CSR has got wide prominence in today’s era. The collapse of big corporate houses has exposed the degree of fraud committed by providing distorted information & data, hurting the sentiments of the stakeholders. The huge escalating
profits have caught the eye of common man. Corporate have realized that, in addition to wealth creation, they have the moral responsibility to give back a share to the society from what they have earned. The concept of “survival of the fittest” in the competitive business environment demands popularly known as “Social Responsibility”. The old forgotten ideology “Give back to the society what the society gave you” has emerged as the concept of society responsibility. CSR is no more luxury but it is need of today. CSR is concerned with the relationship between a corporate & society (which includes its shareholders, government, employees & local community). CSR refers to the responsibility of the corporate houses towards the society.

**Evolution of CSR**

In the centuries prior to Indian independence, the British East India Company exercised economic dominance in the country, creating a far-flung commercial empire that operated virtually free from control by Indian authorities. With it emerged a tradition of corporate philanthropy beginning in the late 19th century. Merchant families who also participated in the nation-building process frequently made donations to temples and other social causes. As the independence movement gradually accelerated in the 20th century, the rise of the Gandhian philosophy of trusteeship took root in all aspects of Indian society, including the private sector. Gandhi described large businesses as “trusts” of the people’s wealth and emphasized the larger social purpose that industrial wealth should serve in independent India. Society was providing capitalists with an opportunity to act as stewards to manage resources on behalf of societal good. This perspective translated into a new wave of contributions to support schools, colleges, hospitals, technical training programs, public health and rural development that, to this day, remain commonplace among large Indian corporations. The goal was not simply to improve physical infrastructure and education, but to target deeply entrenched social inequities by making changes such as elevating the social status of the untouchable classes and empowering women. In this sense, trusteeship was broadly defined, and it became part of the larger political changes sweeping the country in years before, during and after independence. Gandhi philosophy is further illustrated in its connection to environmental protection, an issue emblematic of how this tradition may influence Indian management psychology.
“The earth provides enough to satisfy every man’s needs, but not every man’s greed,” Gandhi observed. “God forbid that India should ever take to industrialism after the manner of the West. … If [our nation] took to similar economic exploitation, it would strip the world bare like locusts…. We may utilize the gifts of nature just as we chose, but in Her books, the debits are always equal to the credits.” The behavioral norms embodied in these views by no means found their way into general practices among Indian companies. But they did, nonetheless, align with the post-colonial sentiments of the time, wherein protectionism from Western influences became the banner of the soon-to-follow Nehruvian years. Certainly, the communitarian dimension continues to play a role, especially among large firms such as Tata, which have a long tradition of social contribution enabled by a tightly controlled, family-dominated ownership structure that insulates the firm from shareholder pressures. At the same time, the vast network of cottage industries in the country remains unorganized and readily exploited in terms of labor practices and fair wages. Roles of businesses slowly changed between 1960 and 1980, a post-independence period dominated by a “mixed economy.” During this time, large, state-owned companies took part in prominent state-sponsored CSR activities, and Nehruvian socialism encouraged private industries to play an active role in the economic and social development of the country. As a result of the emergence of economic and trade liberalization, non-family-owned businesses started to increase, blending Gandhian trusteeship and Nehruvian social responsibility, and paving the way for the contemporary CSR practices in India. Since the 1980s, economic reforms have increased the presence of multinational corporations in the country and transformed some Indian businesses into global enterprises. Nonetheless, the philanthropic tradition continues. Corporations such as Tata and the Birlas Group established charitable trusts that provided financial grants for social causes. At the same time, stakeholder engagement has emerged as a second, complementary instrument in the practice of CSR. Gradually, corporate leaders began to recognize communities not simply as recipients of corporate philanthropy, but as partners with a legitimate stake in company operations. As Indian businesses assert a strong presence in developed countries through mergers and acquisitions and market penetration of goods and services, they increasingly will confront pressures to adopt CSR standards and certifications found in such countries.
The field of corporate social responsibility has grown exponentially in the last decade. More companies than ever before are engaged in serious efforts to define and integrate CSR into all aspects of their business, with their experiences being bolstered by a growing body of evidence that CSR has a positive impact on business economic performance. New voluntary CSR standards and performance measurement tools continue to proliferate amidst the ongoing debate about whether and how to formalize legal CSR requirements for companies. Stakeholders - including shareholders, creditors, analysts, regulators, activists, labor unions, employees, community organizations, and the news media - are asking companies to be accountable not only for their own performance but for the performance of their entire supply chain, and for an ever-changing set of CSR issues. All of this is taking place against the backdrop an ever more complex global economy with continuing economic, social and environmental inequities.

**Today’s Scenario of CSR**

Corporate social responsibility (CSR) in India is no longer a cosmetic part of corporates. CSR activities are increasingly being taken seriously and a large focus of such initiatives is the education space in the country. SY Qureshi, Chief Election Commissioner of India, in a recent public statement said, “CSR is not charity but a question of your very survival.” Corporate initiatives in the field of education are increasing. The effort is not only to understand the issues of the local population, but to use education as a tool to address their issues. Such endeavours have provided the neglected sections of society with opportunities to grow. Major corporate players have also realised that enabling local communities is imperative to collective growth. Explaining the role of CSR in both, promoting the public image of the company as well as aiding the needful, Karthik Kumar, director, Rage Communications says, “CSR is important in projecting the company as not only a capitalist enterprise aimed at gouging profits out of the society, but also an intrinsic part of the society, doing its bit to make the world a better place for all. There are many intangible benefits like attracting talent, raising capital, being perceived beneficially in disputed matters affecting the company, etc. It also instills in employees a sense of pride to be associated with a socially-conscious corporation.

Lakshmi Iyer, DGM, corporate social initiatives, Firstsource explains, “Capitalism was
supposed to have reduced the so-called gap between the rich and poor. However, the observation of reality obviously suggests otherwise. Societal woes are a global problem and it is high time that commercial organisations realise the true purpose of development and gear up to fulfil their responsibility towards the society. The sheer volume of problems has become quite overwhelming and in recent years, companies have largely begun to realise that they cannot be exempted from their social reform roles.”

Talking about the growth trends to be expected in the coming year, Shuchi Nijhawan, senior manager – HR, Eka Software Solutions expresses, “Education, as well as women’s rehabilitation, have been vastly contributed ‘causes’ for CSR divisions of companies. However, a growing trend is the rise of the ‘eco-conscience’ of organisations. So far, CSR programmes in organisations have been limited to financial contributions, but the involvement of their personnel, sustainability and long-term impact have increased the effectiveness for the communities that these programmes are focusing upon.”

Companies have been getting innovative in implementing programmes to help the society. Mamtha Sharma, manager - corporate citizenship and corporate affairs, IBM India, gives examples, “IBM’s approach to CSR is through its technology, talent and local partners. Our main focus is on enhancing the quality of education. This, apart, through volunteering and in partnership with local NGO partners, we address some of the critical issues that the community faces.

Through our flagship programme ‘Corporate Service Corps’ – a corporate version of the Peace Corps, we deploy top talent from different countries to work on a specific community project in an NGO in an emerging country for a month.”

CSR is a structured activity in India. It no longer restricts itself to funding NGOs. Today, companies have dedicated CSR teams who develop policies, strategies, set goals and sanction budgets for their CSR programmes. These programmes are developed focusing on the overall development of education, empowering the disabled, women and child health care and disaster management. Corporate social responsibility (CSR) is not a new concept. There have been initiatives taken by various segments of society to create a growth oriented environment by extending support to various social causes under CSR. While CSR not only creates a positive image for the organisation it also play a vital role in improving the quality of life of the employees and the community at large. With real
estate being one of the major sectors with regards to employment, developers are
realising that their commitment towards the society is wide-ranging and are therefore
coming forward with various measures. These include by organising health camps, giving
donations, forming trusts and giving a helping hand towards the needy.

New Company Bill & CSR
Union minister for corporate affairs M Veerappa Moily recently expressed the hope that
the much-awaited new Companies Bill, which seeks to replace the Companies Act 1956,
will be passed in the current session of Parliament. “We would like to see the new
companies Bill to be passed in the current session of Parliament,” Moily said, addressing
the ICSI Capital Markets conference here. The Bill seeks to provide thrust to
corporate social responsibility and corporate governance. Besides, it aims to make it
mandatory for firms to maintain their documents in electronic format. It also introduces
the concept of e-governance, makes provision for encouraging ethical corporate
behaviour and rewards employees for their integrity.
The Parliamentary Standing Committee on Finance has proposed
mandatory corporate social responsibility (CSR) by companies as part of changes to the
Companies Bill, 2009.
It says every company having a net worth of Rs.500 crore or more, or a turnover of
Rs.1,000 crore or more, or a net profit of Rs.5 crore or more, during a year shall be
required to spend every year at least 2% of the company’s average net profit during the
three immediately-preceding financial years, on CSR activities of the company’s
choosing.
If a company does not have adequate profit or is not in a position to spend the prescribed
amount on CSR, the directors of such company are required to make a disclosure and
give suitable reasons in their annual report, with a view to checking non-compliance.
The recommendations do not detail what constitutes spending on CSR. While this by
itself will hinder implementation of a mandatory CSR policy, it is also recognition that
there can’t be a universally-prescribed regulatory regime for CSR.
Reliance Industries Chairman Mukesh Ambani called for a new business ethos where
companies don’t just work only to create shareholder value but also enrich society,
making corporate social responsibility (CSR) more meaningful than mere handouts for the deprived.

“One cannot try to understand CSR in isolation. CSR is often seen as charity. And this narrow definition springs from western theories that believe in more privileged giving certain portion of their wealth to the less privileged. However, Indian values teach not only charity but enrichment of others,” Ambani said at the Col Mushran Memorial Lecture in New Delhi.

He said CSR should be defined as “continuous social responsibility” and called for new partnerships involving corporate world, government and people at large. “Business should be evaluated on the basis of social returns and not only financial returns. For me, purpose of business is growth and welfare of the nation at large by creating more jobs and wealth. Every Indian deserves to lead to a better life,” said Ambani, one of the richest men on the planet and owner of multi-storeyed Antilla, which ranks among the world’s most opulent and luxurious homes.

He said businesses should put people ahead of customers and that economic growth stories should not be just told in absolute numbers but it should translate into the transformation of the future. He stressed on significance of CSR in the lights of Indian corporate houses that are transforming into global giants that will have to keep CSR as integral part of the business. “We now have to see business in vital context. Business will not have to act only for shareholders. But it will also have to care for the society. In today’s context it is important to get business of business right,” said Ambani. He stressed for the need of creating unique CSR models design with keeping in mind the tradition of India.

In India, Tata Group strongly favours and follows the concept of CSR. India's largest and internationally best-known Tata group of Companies, founded by Jamsedji Tata, believes in pioneering concept of trusteeship in management. It may be observed that during recent years profits of the company exhibit a fluctuating trend but their expenditure on society is consistent. Nearly 80 per cent of the capital of the holding company, Tata Sons Limited, is held by these Trusts. As a result, great national institutions have come into being in the areas of science, medicine, atomic energy and performing arts.
J.R.D. Tata, who has been instrumental in conducting the first social audit in India and perhaps in the world, remarks, “While profit motive no doubt provides main spark for any economic activity, any enterprise which is not motivated by consideration of urgent services to the community becomes outmoded soon and cannot fulfill its real role in modern society”. Besides Tata Group, the other companies which have adopted and followed the CSR in India are: BHEL, Wipro, Bajaj Auto Ltd., Larsen & Toubro, Sriman Investments, Otis Elevator Co. India, ACC, Asian Paints, Brook Bond, Colgate Palmolive, Escorts, SAIL, ITC etc. The contribution of these companies towards CSR encompasses various initiatives like starting social trusts, anti pollution measures, adopting villages, family planning clinics, training unemployed youth, and community development activities etc. Further, they conduct social audits on a voluntary basis, provide medical, recreational facilities, develop sports, undertake consumer education campaigns, avoiding unethical and deceptive advertising and so on. Azim Premji, Chairman of Wipro, has created enormous trust for facilitating primary and elementary education in India.

Thus, one can evidently find arguments and counter arguments in favour and against the issue of CSR. However in Indian context, acceptance of social responsibility is no more than rededicating ourselves to cherished values of our ancestors in the field of business. In older times, whenever people of the country were under the social or natural problems, leading businessmen have literally thrown open their treasure chests to provide the required assistance and help to the needy. Gandhiji reminded us of these values, when he propounded the theory of trusteeship. As a sequel to that, more and more companies are now realizing that they can no more function or to be judged solely on the basis of their thick bottom-lines and fulfilling their economic objectives only. A positive impact on employees, customers and community at large has assumed an equal or greater significance in the overall success of the companies and building their brand image. This realization has made them undertake socially responsive actions, which are also strongly promoted by Ancient Wisdom.
Major Developments in CSR

Several factors have converged over the last decade to shape the direction of the CSR field. Some of the most notable ones include the following:

— **Increased Stakeholder Activism**: Corporate accounting scandals have focused attention more than ever on companies’ commitment to ethical and socially responsible behavior. The public and various stakeholders have come to expect more of business. Increasingly, they are looking to the private sector to help with myriad complex and pressing social and economic issues.

— **Proliferation of Codes, Standards, Indicators and Guidelines**: New voluntary CSR standards and performance measurement tools continue to proliferate, adding to an already complex landscape.

— **Accountability Throughout the Value Chain**: Over the past several years, the CSR agenda has been characterized in large part by the expansion of boundaries of corporate accountability. Stakeholders increasingly hold companies accountable for the practices of their business partners throughout the entire value chain with special focus on supplier environmental, labour, and human rights practices.

— **Transparency and Reporting**: Companies are facing increased demands for transparency and growing expectations that they measure, report, and continuously improve their social, environmental and economic performance. Companies are expected to provide access to information on impacts of their operations, to engage stakeholders in meaningful dialogue about issues of concern that are relevant to either party and to be responsive to particular concerns not covered in standard reporting and communication practice. As part of this move towards greater disclosure, many companies are putting increasingly detailed information about their social and environmental performance - even when it may be negative - onto their publicly accessible websites.

— **Growing Government Interest and Action**: Europe is leading the Way: In Europe, CSR has moved to a prominent place in both the business and policy agenda. A great deal of this activity has been catalyzed by the public sector. The European Commission has placed CSR at the core of Europe’s competition
strategy, and has issued a Green Paper on CSR and a subsequent communication outlining the Commission’s definition of CSR and steps that companies, governments, and civil society can undertake to refine their commitments to CSR.

— Convergence of CSR and Governance Agendas: In the past several years, there has been a growing convergence of the corporate governance and CSR agendas. In the 1990s, the overlap was seen most clearly on issues such as board diversity, director independence, and executive compensation. More recently, an increasing number of corporate governance advocates have begun to view companies’ management of a broad range of CSR issues as a fiduciary responsibility alongside traditional risk management. In addition, more and more CSR activists have begun to stress the importance of board and management accountability, governance, and decision-making structures as imperative to the effective institutionalization of CSR.

— Growing Investor Pressure and Market-Based Incentives: While religious and socially responsible investors have been pressuring companies on their social, economic, and environmental performance for the last 30 years, CSR is now more and more part of the mainstream investment scene. The last few years have seen the launch of several high-profiles socially and/or environmentally screened market instruments (e.g., indexes like the Dow Jones Sustainability Indexes). This activity is a testament to the fact that mainstream investors increasingly view CSR as a strategic business issue. Many socially responsible investors are using the shareholder resolution process to pressure companies to change policies and increase disclosure on a wide range of CSR issues, including environmental responsibility, workplace policies, community involvement, human rights practices, ethical decision-making and corporate governance.

— Advances in Information Technology: The rapid growth of information technology has also served to sharpen the focus on the link between business and corporate social responsibility. Just as e-mail, mobile phones and the Internet speed the pace of change and facilitate the growth of business, they also speed the flow of information about a company’s CSR record.
— **Pressure to Quantify CSR “Return on Investment”:** Ten years after companies began to think about CSR in its current form, companies, their employees and customers, NGOs, and public institutions increasingly expect returns on CSR investments, both for business and society. This is leading to questions about how meaningful present CSR practice is, and the answers to those questions will determine - in part - both the breadth and depth of CSR practice for the next decade. Companies want to determine what their CSR initiatives have accomplished so that they can focus scarce resources most effectively. Societal CSR advocates want to see demonstrable social and environmental improvements, while critics will continue to assert that CSR is just a fig leaf helping to preserve the status quo.

**Thinkers’ views about Value based CSR**

**Indian Thinkers have shown utmost faith in CSR and their view is as follows—**

**N. R. Narayan Murthy:**

“I believe that we have all at some time eaten the fruits from tree that we did not plant. On the fullness of time, when it is our turn to plant gardens that we may never eat the fruits of, which will largely benefit generations to come. I believe this is our sacred responsibility one should shoulder.”

**J.R.D. Tata.**

“No success or achievement in material terms is worthwhile unless it serves the needs or interests of the country and its people.”

**Sankara’s commentary**

In reference to Sankara’s commentary, Chakraborty deduced that dharma is even higher than the external authority of the king. This Indian ethics of dharma (virtue) is expressed as a synthesis of intellectual understanding and self-realisation which can be achieved by adherence to the eternal dharma and prescribed by the Vedic literature as the practical guidance in daily life (Chakraborty, 2006).

**Swami Vivekananda**
Swami Vivekananda in his reflection of *Bhagavad-Gita* affirmed that the basis of social and political system rests on the goodness of man (Vivekananda, 2000).

**Philip Kotler**, "Corporate Social Responsibility: Doing the Most Good for your Company and Cause" does a terrific job of describing the range of corporate social initiatives and suggests best practices for choosing, implementing and evaluating them.

**N.R. Narayana Murthy, Chairman Infosys Technologies**,  
“Respect is the first thing we look for when doing anything,” says the company that was crowned the Most. Narayana Murthy comprehend the primary purpose of corporate leadership is to create wealth legally and ethically which translates in bringing a high level of satisfaction to five constituents -- customers, employees, investors, vendors and the society at large and to ensure predictability, sustainability and profitability of revenues year after year.

**SEBI (Kumar Mangalam Birla) Report on Corporate Governance, January, 2000, states,**
“Fundamental objective of corporate governance is the „enhancement of the long-term shareholder value while at the same time protecting the interests of other stakeholders.”
The management should be „saatvik” (balanced and orderly) and should take care of their customers and business partners, besides their employees.
The Vedic mantra – “Sarve Janaha Sukino Bhavantu” – May all the people in this world be happy and peaceful - can be considered as backbone of any sound corporate governance model.

**CSR: an Overview of Ancient wisdom perspective of CSR**
In ancient culture, Vasudhaiva Kutumbakam (hitopadesh) was essentially considered as a cultural and spiritual concept. It looks upon the whole world as one's own family. Love and harmony, co-operation and mutual support were the basic ingredients of this global family. All human beings were considered as small part of this great universe.. India was the land where ideal of unity in diversity had existed for long. A verily of religions like Hinduism, Jainsim, Buddhism, Sikkhism, Islam and Christianity flourish there. In this whole world family, every human being was conscious that he is not living in isolated
compartment but part of such family. In a society, there was no domestic and communal violence, but there was globalised wisdom. Though the technology was not advanced, every human being very much cared for the emotional and spiritual needs of people. There was a sense of belongingness within the whole world without having any narrow considerations of color, culture or background. The people of whole India had his powerful spiritual influence and his characteristic integral philosophy and way of life.

Everybody believed that in this ephemeral world everything belongs to the God, because the whole universe came out of Him. One should therefore be intelligent enough to know that except the Lord nobody is the proprietor of anything within the universe. Nobody should claim to be the proprietor of anything but he must accept things which are set aside by the God as his quota of maintenance. He pervades everything in the universe. Therefore, it was believed that we can enjoy the world by renouncing materialistic desires. Do not crave for any kind of possessions.

Isha vasyam idam sarvam yat kim cha jagatyam jagat tena tyaktena bhunjitha ma gridhah kasyasid dhanam.

(Everything animate or inanimate that is within the universe is controlled and owned by the Lord. One should therefore accept things necessary for him as it is set aside as his quota and must not accept otherwise knowing it well as to whom does it belong.)

One should therefore be intelligent enough to know that except the Lord nobody is the proprietor of anything within the universe. Nobody should claim to be the proprietor of anything but he must accept things which are set aside by the Lord as his quota of maintenance. (Ishavasya Upanishad-1st principal)

For e.g. The cow gives milk but she does not drink the milk. The milk is designated as the food for the human being. The cow eats grass and straw but does not drink its own milk. This is the arrangement of the God and we should be satisfied with the things as they have been very kindly set aside by Him. We should always think within our self as to whom belongs the things that we possess.

Take for example our dwelling house which is made of earth, wood, stone, iron, cement, metals and
so many other material things. 

If we think in terms of the *Ishopanishad* then we can know that we cannot produce either of the above mentioned building materials. We can simply bring them together like a coolie and transform them in different shapes by our own labor. A laborer cannot claim to become the proprietor of a thing because he has labored hard for manufacturing a particular thing. 

The Lord is controller of the material nature while the living entities or inanimate objects all are controlled by the laws of material nature or ultimately by the potency of the Lord. This *Ishopanishad* is a part of the *Yajur-veda* and as such the information is there as to the proprietorship of things that be within the universe. This very thing is confirmed by the 'Bhagavad Gita' in the seventh chapter where *Para* and *Apara Prakriti* is discussed. The elements of nature like the earth, fire, water, air, sky, mind, intelligence, and ego all belong to the inferior quality material energy of the Lord whereas the living being or the organic energy belong to the superior quality *Para Prakriti* of the Lord. But on the whole both the Prakritis or energies are emanations from the Lord and ultimately He is the controller of everything that be. There is nothing in the universe which does not belong either to the *Para Prakriti* or to the *Apara Prakriti* and therefore everything does belong to the proprietorship right of the Supreme Being. 

The principle of ahimsa of all living beings was followed by every living being and with this virtue of non-violence and Aparigraha universal peace was established. Everybody was experiencing Anand (bliss) where people were free from greed and selfish interest. The highest aim of human life was to attain eternal bliss. All the conduct of the human being was able to bring them the maximum of happiness and remove miseries from their lives. Naturally the idea of exploitation was alien. Individual and collective interests were complimentary to each other. 

It was firmly believed that the best service to God is service to society and ideology was to turn our own self-interest into public interest. By Renouncing selfish desire one was able to dedicate oneself to the service of mankind. Vedas say, for wise people, the entire humanity is but one family. 

The *Bhagavad-Gita* also promotes the concept of *nishkama karma*; a perspective on action and decision making that emphasizes performing one’s deeds without attachment to the fruits thereof—and where both the action and the fruits are offered to the divine. In the CSR context, the societal contribution must not have with any expectations in return but rather as a duty need to be done to the society.
According to Vedic philosophy, "God conveyed His message through His messengers that we are all His own creation. Does this message not enjoin us to live in unity, peace and harmony? We all are equal in His eyes. Why should we then create differences and manipulate things to act against God's design? The time has arrived when we should come close to each other for realizing the one world dream.

Thus, Business houses should became constructive partners in the communities. They have been instrumental in creating employment, wealth, products and services and played a very active role in social issues involving employees, stakeholders, society, environment, government etc.

**CSR with Vedic vs. Contemporary Perspective**

Based on the Vedas, CSR can be looked at from three dimensions constituting the individual, social and cosmic perspectives. The individual dimension of CSR focuses on the concept of dharma (righteousness). The Vedas emphasize that wealth has to be earned only through fair means and one should put in his best efforts to acquire wealth through ethical and moral practices.

Wealth has to be won by deeds of glory (Rig Veda Samhita).

One shall be led by the fair path to riches. (Vajasaney Samhita).

The Social Dimension of Vedas asserts that there shall be proper distribution of wealth from the wealthy to the poor. They also condemn those who enjoy wealth without partaking it with others.

One shall not be selfish and consume all by himself. (Rig Veda Sam).

Wealth accumulated through 100 hands should be distributed to 1000 hands (Atharva Veda Samhita).

The Cosmic dimension advocates conservation of resources to take care of future requirements. They condemn poverty and give the clarion call to eradicate it.

One shall produce fair wealth for today and tomorrow. (Rig Veda Samhita).

Poverty should be banished. (Rig Veda Samhita).

The Vedas attach great importance to environmental protection and purity. They insist on safeguarding the habitation, proper afforestation and non-pollution. They stress the need for protection and development of forests. Human beings have to safeguard the trees. They assert that the plants and trees are the treasures for generations.

One should not destroy the trees. (Rig Veda Samhita) Plants are mothers and Goddesses. (Rig Veda Samhita)
The Vedas give the clarion call for non-pollution of the environment. They condemn in unequivocal terms those who pollute and defile the environment.

Vedic philosophy identifies four objectives to be sought in the human life. These are value system (Dharma), money (Artha), urges (Kama) and salvation (Moksha). These should be followed in such a way that value system (Dharma), should lead to achievement of money (Artha), money (Artha) should lead to achievement of urges (Kama) and finally urges (Kama) leading to attainment of salvation (Moksha). The principal role of money (Artha) is to serve the needs of the society. Vedas preach us to earn more and more following the values (Dharma). There are three ways to use the money – spending money on self, donation and commotion of money. (Dharmo Rasshati Rakshata) -(Chakraborty2006).

The best use of the money is donation for the welfare of others. Many hymns explain that whatever is given to the society, it returns several times. For example, atmospheric pollution to cosmos comes back as acid rain while clean atmosphere through Vedic Yagna, plantation etc. provides clean air and good health. Vedic economic thoughts are focused on sacrifice for others. Furthermore, Vedic economics advocates the free and uninterrupted flow of new ideas, knowledge, products, materials and money from one corner of the world to another so as to ensure the prosperity for all.

In Vedic mythology, business has been seen as a legitimate, integral part of the society. Its core function is to create wealth for society through manufacturing, domestic distribution, foreign trade, financing and other such related activities. It emphasizes to work for an economic structure based on “Sarva loka hitam” which means “the well-being of all stakeholders”. Adopting an ethical approach and meeting the expectations of the community at large best serve the long-term interest of the organisation and its people. If an organization sacrifices its profits for the sake of welfare of the society in the right manner, it is destined to gain profits. Kautilya stressed the importance of happiness to all stakeholders of an organisation. He stated that happiness is obtained not only by wealth and profit, but also by doing things rightly and doing right things (sukhasya moolam dharma). Dharma without wealth according to Kautilya is toothless (dharmasya moolam artha), and wealth without dharma is useless because a poor person cannot support the entire society. Indian culture has always emphasised that wealth does not directly lead to happiness. Happiness for
self and others results through ethical behaviour, wealth or resources make ethical behaviour possible. This also means that one must strive to generate wealth – resources and money and share it equitably to create happiness for oneself and others. Such generation of wealth must also be through ethical means, which alone would lead to overall happiness (Garde, 2003). Kautilya further stated to generate wealth you require an enterprise or an organisation or an asset.

Man has natural instinct to remain happy and our Ancient Wisdom guides us to attain the eternal happiness. During ancient times, knowledge was “received” by our ancient sages (rishis) through meditation and given to the mankind in the form of Vedas (Rig-Veda, Yajur-Veda, Sama-Veda and Atharva-Veda), Upnishads, Itihas, Puranas etc., Vedas contain the complete knowledge of and about God, the Soul (Atma), and the physical universe (Prakriti). Rig-Veda explains the cosmic order (rit) saying the entire universe is governed by physical as well as moral laws and that no transgression of these laws is allowed.

Vedic preaching reaches its summit in Upnishadas, which tells the essence of Vedas. Besides, Upa-Veda, Brahman Granthas, Smrities, Puranas, Darshan Shastras, Bhagavad Gita, Ramayana, etc. are the other holy books that explain how to practice a suitable lifestyle in our life to achieve salvation or happiness alongside promoting social responsibility.

The Vedic management system derives its actions from the universal laws of Nature. Vedic management is scientific management because whatever is Vedic is scientific. Anything that must be mathematically precise has to be Vedic; anything that has to be evolutionary has to be progressive and has to be Vedic. Anything that is Vedic supports the unified field of all the laws of Nature. Anything that is Vedic is upheld by all the theories of all the different discipline of modern science. Vedic management only has that unlimited broad base of the total organising power of natural law from where it draws upon the infinite creativity of the infinite organising power of holistic value of natural laws.

Business enterprises of today focus on aggressive growth in the market share, higher profits, higher returns on equity to earn more and more money and power. With globalisation, becoming order of the day the pressures of competitiveness is building further up with nail biting finish.Veda advocates minimum consumption and accumulation, mutual co-operation, with focus on natural harmony. It reiterates non-centrality of money in human life, but for corporations of present era,
money is the real nerve of business systems (Pandey and Tripathi, 2002). Veda emphasizes that the continuous flow of money to the people who need it is more important than its accumulation. Thus, the use of wealth for the welfare of society is one of the important responsibilities of the business enterprises. In contrast, very few business enterprises recognize this fact and contribute generously for the welfare of society.

**Hymn from Atharva Veda:**

O man! Procure wealth with one hundred hands and distribute it with one thousand hands. Thus you attain perfection of the work done and to be done.

Besides that the success of an organisation, is measured by the extent and quality of goods and services delivered to its stakeholders as the given hymn verifies.

O King! Take care of the welfare and growth of all your people. Then you will grow as the Sun grows and shines at dawn and after its rise.

Voluntarily sacrifice (Yagna) in Vedic thoughts says that whatever we are giving to the society, it returns after getting multiplied several times.

The hymn of Rig-Veda explains:

Sun takes water from the earth to distribute it after making it thousand times; we should also perform our business in the same way.

But a bird's eye view of current business practices gives a feeling that business had so far ignored this fact in the real terms.

**CSR and Gandhi’s trusteeship concept and current scenario**

In view of Mahatma Gandhi, the business man should take minimum amount resources, which is required for his own needs and for rest of the wealth he should act as a trustee as it belongs to God and a trustee has no heir but the public (kesavulu, 2004)

Gandhiji advocated trusteeship doctrine all through his life. It is based on the principle that all people having money or property hold it in trust for society. Society is to be regarded as a donor to the individual and accordingly the latter is required to share part of his acquired wealth with the society for mutual benefit. According to this doctrine business organizations have to be viewed as socio-economic institutions to be run and owned by Trust Corporation with considerably diluted shareholdings. Most of the ideas of Mahatma Gandhi on trusteeship find expression in his speeches, short notes, and press interviews and informal discussions. Written in Nov. 26, 1932
issue of Young India, Gandhiji made the following observations with regard to doctrine of trusteeship.

*My idea of society is that while we are born equal, meaning thereby that we all have a right to equal opportunity, all have not the same capacity. It is in the nature of things impossible. For instance, all cannot have same height, colour or degree of intelligence. Therefore, in nature of things, some will have ability to earn more and others less. Normally, people with talents will have more. Such people should be viewed to exist as trustees and in no other terms.*

Organization and individual possessing surplus wealth over and above their legitimate and genuine needs should spend it on community welfare programmers as part of their social responsibilities. Echoing such views on the subject, Gandhiji added:

*Suppose I have earned a fair amount of wealth either by way of legacy or by means of trade and industry. I must know that all that belongs to me is the right to an honorable livelihood no better than what enjoyed by million of others, the rest of my wealth belongs to the community and be used for the welfare of the community.*

In his address to the trade unions in Shri Lanka during 1927 visit, Gandhiji observed that principles of trusteeship doctrine are applicable to the trade unions in the same way as these are to the business organization. According to him:

*Each of you should consider yourself to be a trustee for the welfare of the rest of your fellow labourers treatment from your employers, proper sanitary lodgings, you will recognize that you should treat the business of your employers as if it were your own business and give to it your honest and undivided attention.*

Jesus Christ was greatly opposed to the idea of man possessing more wealth than necessary as mentioned in the Holy Bible.

*It is easier for a camel to pass through the eye of a needle than for a rich man to enter the Kingdom of God.*

Gandhijis doctrine of trusteeship and concept of corporate social responsibilities find expression in following hymns of the Bhagvat Gita.

*javata Priyate Dehuh Tavatsatva Hidehinam/
Adhikam yo bhibhanayat sa stano Dand marhati/

(As much as is necessary for ones own living only that much one entitled to have. One who has
excess of this is a thief and deserves punishment.)

*Ishtan bhogan hi wo deva dasyante yagna bhavita*/
*Tairdattan pradaryabhyo yo bhangyakte sten aiv sah//*

(Fostered by sacrifice (hard work) you will get all enjoyments. He who enjoys it without sacrifice and giving in return is undoubtedly a thief.)

*Na twaham kamep rajyam na swarnam na puparbhavam/
Kamaye dukh taptanam praninamarti nashwam//*

(Neither I desire Kingdom nor do I crave for heaven or salvation, I simply desire the end of miseries of all creatures who are afflicted with grief.)

It is difficult to know exact period but slowly & gradually social responsibility faded away over a period of time. Except business houses like Tata, Birlas nobody was following social responsibility in real spirit. The key player in undertaking such activities in the organizations has been top management and it has been the driving force in the area of social responsibility.

**Statement of the problem being investigated**

It is observed that in the more recent times there is a distinct movement away from Corporate Social Responsibility (CSR) as a compliance tool and philanthropy to a strategy of social relevance. Corporations have an obligation to society as they impact environments, institutions and a variety of stakeholders. They generate and distribute wealth, but the manner in which they do so has created controversies. Both in the generation and distribution of wealth they may adopt methods which don’t conform to the norms of social behavior and rule governing trade and commerce. The corporate sector failed in utilization of the natural resources of the society and the environment. Business can survive and grow only by optimum utilization of the natural resources of the society, therefore it becomes obligatory for the corporations to be sensitive regarding social and environmental concerns since there are implications of accountability in the social, economic and legal spheres.

A business enterprise derives several benefits from society, which must, therefore, require the enterprise to provide returns to society as well. This, therefore, clearly establishes the stake of a business organization in the good health and well being of a society of which it is a part. More importantly, in this age of widespread communication
and growing emphasis on transparency, the managers should help their company in development of a CSR management and reporting framework. Since the corporate sector now controls so much of the earth's resources and because it intervenes in so many areas of social life, corporate entities must balance their right to grow with their responsibilities to society and to the environment. As the financial capital market and business corporations are created by society, it must serve the society and not merely make profit from it.

In this regards Mahatma Gandhi emphasized that businesses should strive to maintain equilibrium between social and economic function, which will in turn, enhance the goodwill and market share and eventually lead corporations towards corporate sustainability. On the contrary, if social objectives are ignored, it will result in the degradation of the society, which may ultimately erode the prosperity and success of the business. For balanced socio-economic growth, there should be proper equilibrium between the social and economic function. Hence philosophy of CSR should be at the core of mission, vision, goal, objective, policy and strategy of the business.

Corporates are expected to perform their CSR activity, voluntarily and mandatorily under the prevailing laws integrate social, environmental and economic (people, planet and profit) concerns in their business practices. The emerging need of CSR manifests in the increasing expectations of stakeholders and society about the evolving roles of corporations and their response to the environmental, Social and economic pressures.

**Need of the study and its importance**

The basic aim of the study is to gain familiarity or formulating a problem or to achieve new insights into it. In this particular study, an attempt has been made to comprehend and gain insight into behavior or attitude of companies & employees towards various aspects of holistic value based societal cause. This study deals with the behavior of the corporate & employees. It tries to identify complex behavior and set patterns in it. The present study relates to the attitude of 336 companies and 819 employees of those corporate in India so as to predict the behavior.

While the interests of shareholders and the actions of managers of any business enterprise have to be governed by the laws of economics, requiring an adequate financial return on
investments made, in reality the operations of an enterprise need to be driven by a much larger set of objectives that are today being defined under the term CSR. The broad rationale for a new set of ethics for corporate decision making, which clearly constructs and upholds a organization’s social responsibility, arises from the fact that a business enterprise derives several benefits from society, which must, therefore, require the enterprise to provide returns to society as well. A business cannot succeed in a society which fails. This, therefore, clearly establishes the stake of a business organization in the good health and well being of a society of which it is a part. More importantly, in this age of widespread communication and growing emphasis on transparency, customers of any product or service are unlikely to feel satisfied in buying from an organization that is seen to violate the expectations of what is deemed to be ethically and socially responsible behavior. It is becoming increasingly evident that organizations that pay genuine attention to the principles of socially responsible behavior are also finding favor with the public and are the preferred choice for their goods and services. The modern concept of corporate governance has its roots in the industrial revolution, which is based on the philosophy of greed (i.e. exploitation of a nation, and exploitation of man by man), instead of the philosophy of need. Thus the present system of governance has resulted in scams, frauds, exploitation, corruption, bankruptcy and poor governance.

Under this situation, holistic Value based CSR comes into picture and where a model of trusteeship governance based on the principles of Nishkama Karma is used, which inherently discharges the CSR objective and promotes the good governance. The ancient thinkers believed in the holistic concept of governance, which includes both individual and institutional governance. Unfortunately, the philosophy and system of governance, which was practiced by ancient thinkers has missed its link over the centuries. The pursuit of economic growth does not necessarily lead automatically to social progress. In many cases it actually leads to a deteriorating physical environment, an unsafe workplace, needless exposure to toxic substances on the part of the workers and consumers, discrimination against certain groups in society, urban decay, and other social problems. Thus it is observed that no one can allow economic progress and growth at the cost of ecological imbalance. As a result, value based corporate social responsibility (CSR) has become increasingly important in the modern era.
Corporate social responsibility (CSR) is fundamentally an ethical concept. It involves changing notions of human welfare and emphasizes a concern about the social dimensions of business activity that have a direct concern with quality of life in the society. The concept provides a way for business to concern itself with social dimensions and pay some attention to its social impacts. The word “responsibility” implies that business organisations have some kind of obligation towards the society in which they function to deal with social problems and contribute more than just economic services.

CSR encompasses a wide variety of concerns such as ethical values in business, welfare of society, awareness, respect and protection of the natural and built environment as regular action that business can take to solve the problems being faced by the Society. CSR is an integral part of Ancient Lifestyle. Ancient Wisdom which was performed for the welfare of the society with selfless spirit emphasizes that those actions, will provide the long lasting results. Sri Upanishads advocate for minimum accumulation, mutual cooperation and maintenance of natural harmony. Ancient Wisdom reiterates non-centrality of money in human life, but for corporations money is the real nerve of business systems. Vedic economy based on natural lifestyle is pure and focused on “Prosperity for all”. The present study attempts to critically evaluate the modern concept of CSR and enrich it with the path described by Vedic philosophy to attain the corporate excellence.

Scope of the Study

The scope of the present research is confined to the study of the concept of corporate social responsibility, corporate governance, the teachings of The Bhagavad Gita, Vedas, Sri Ishopanishad, Hitopadesh, Kautalya’s Arthshatra, Vedic Literatures and more specifically ,with reference to the Karma yoga.

Utility of the Study

This research, being social research, will not only help the corporates but also all society in general. This study will highlight the value- based societal perspective of CSR and will
set the holistic standards of CSR for general guidance. Accordingly, all concerned stakeholders can fix CSR standards for achievement in future.

**Limitations of the study**

1. It is extremely important in view of the vastness of the topic to delimit and make clear at the very outset the limitations of this problem.
2. This study is restricted to a period from year 2000 to year 2012, approximately to a period of 11 years even though value based societal perspective will be based on Vedic evidence provided in Vedic literatures such as Bhagavad Gita, Srimad Bhagvatam, Hitopadesh, Vedas, Kautilya’s Arthashastra, Ishopanishad etc.
3. This research study of CSR is not in relation to all parameters like water, electricity, profits earning, corporate governance etc. but is restricted only to holistic value based CSR.
4. This study was done in only four major cities of India i.e. Mumbai, Delhi, Chennai, and Kolkata, since it is time consuming and expensive to cover all other areas of India and abroad.
5. The sample size of the total population will be limited to 1,155 including 336 corporate & 819 employees of those corporate.
6. CSR study is not done at global level.
7. Thematic focus areas of CSR projects with respect to all addressed stakeholders is not tabulated and analyzed due to large amount of work involved. Only certain stakeholders and their related CSR parameters are considered which are thought to be important.

**Definition of important terms**

**Holistic Value-Based Societal Perspective**: Philosophy enabling and supporting maximum wealth creation in social cause

**Rethinking**: The act or instance of thinking again

**Bhagavad Gita**: The Bhagavad Gita is the eternal message of spiritual wisdom from ancient India. The word Gita means song and the word Bhagavad means God. Often the Bhagavad Gita is called the Song of God.
**Vedas:** The word "Vedic" is derived from the Sanskrit word veda, meaning knowledge or revelation. The Vedas are ancient Indian compilations of the Aryan period ranging between 2500 to 1500 B.C.

**Vedic scriptures:** The spiritual literature of the ancient Indian culture.

**Sri Ishopanishad:** Ishopanishad belongs to the Mantra section and is the 40th Chapter of the Yajurveda.

**Upanishads:** The Upanishads ranging between 1500 to 600 B.C. appeared in the later Vedic age. They were the final stage in the development of Vedic literatures consisting of answers to some philosophical questions. The Upanishads sages perceived the existence of God in trees and other plants and those they were gifted to man as a companion for mutual survival.

**Hitopadesh:** Hitopadesha has been derived from two words, hita and upadeśa. It basically means to counsel or advice with benevolence.

**Kautalya’s Arthashastra:**

The *Arthashastra* is an ancient Indian treatise on statecraft, economic policy and military strategy which identifies its author by the names 'Kautilya' and 'Viśṇugupta', both names that are traditionally identified with Chāṇakya (c. 350–283 BC), who was a scholar at Takshashila and the teacher and guardian of Emperor Chandragupta Maurya, the founder of Mauryan Empire.

**Nishkama Karma:** Self less service or action performed without any desire for the fruit thereof.

**Vasudava Kuntubakam:** 'Vasudha' refers to the Earth or to the entire Creation, meaning the vast cosmos. 'Eva' means “certainly” or “verily.” 'Kutumbam' means a family or blood relations, and kutumbakam technically means a little family. So here the Vedic sages are saying that the entire world is truly just one family. The world is like a small, tightly knit, nuclear family.

**Ethics:** It consists of the standards of behavior our society accepts.

**Corporate Social Responsibility:** Ethical concept involving notions of human welfare and improving the quality of life in society.

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