CHAPTER 6

FINDINGS,

CONCLUSION AND

RECOMMENDATIONS
6.1 Findings and Conclusion

Indian Companies:

In area wise performance score of the Indian Companies several areas of corporate social responsibility are identified. The performance of Social Responsibility by the companies varies from country to country. It is possible that areas of Social Responsibility of developed countries may be different then the areas of developing countries. India is also considered as developing countries. From the annual reports of 78 selected Indian companies, 14 different areas are recognized where companies are providing assistance for development of the society.

During the analysis, it is found that there are four areas where companies have performed excellent in Social Responsibility and these four areas got ‘A’ grade. These areas are Health, Education, Community Welfare and Environment and their PSSR is 84.62%, 83.33%, 73.08% and 70.51% respectively. Moreover it is found that four areas where companies have performed satisfactory in Social Responsibility and these four areas got ‘B’ grade. These areas are Human Resource Development, Safety, Infrastructure and Charity and their PSSR is 43.59%, 39.74%, 38.46% and 35.90% respectively. Apart from that it is found that there are six areas where companies have performed poor in Social Responsibility and these four areas got ‘C’ grade. These areas are Quality, Employment, Agriculture, Art & Cultural, Sports and Beauty and their PSSR is 19.23%, 14.10%, 14.10%, 10.26%, 10.26% and 2.56% respectively.

In company wise performance score of the Indian Companies several areas of corporate social responsibility are identified. During analysis it is found that the range of PSSR was from 7.14% to 85.71%. This shows significant difference in the context of Social Responsibility performance. There are 25 companies out of 78 which had excellent results i.e. their PSSR was found to be more than 50%. So these companies got A Grade.

Moreover it is found that there are 40 companies out of 78 which had satisfactory results i.e. their PSSR was found to be between 25% and 50%. Therefore these companies got B Grade. These companies are Tata Consultancy Services, Chambal Fertilisers and Chemicals Limited, Exide Industries Limited, Gujarat Industries Power Company Ltd, ICICI Limited, Cummins India Limited, Apollo Tyres Ltd, Apollo Hospitals Group, ICI India Limited, Finolex Industries Ltd, Sun Pharmaceutical Industries Ltd, Kochi Refineries Limited, GSFC Limited, Varun Shipping Company Limited, Piramal Healthcare Limited, GHCL Limited, Amara Raja Batteries Limited, Grasim Industries Limited, ESAB India Limited, Asian Paints Limited, Aventis Pharma Limited, Pfitzer Limited, Britannia Limited, Cairn India Limited, Mahindra & Mahindra Limited, MRF Limited, Associated Capsules Pvt. Ltd, Bayer Pharmaceuticals Pvt Ltd, Merck Ltd, Novartis India Ltd, Abhijeet Group, ACC Ltd, Coca-Cola India Inc, DLF Ltd, Development Promotion Group, Gateway Terminals India Pvt Ltd, The Godavari Sugar Mills Ltd, Jubilant Organosys Ltd, Lodha Group and Bennett Coleman & Co Ltd.

Apart from that it is found that there are 13 companies out of 78 which had poor results i.e. their PSSR were found to be less than 25%. Therefore these companies got C Grade. These companies are Tata Steel limited, United Phosphorus Limited, Thermax Limited, P&G Hygiene and Health Care Limited, Baxter India Pvt Ltd, Eisai Pharmaceuticals India Ltd, Genzyme India Pvt Ltd, MSD Pharmaceuticals Pvt Ltd, Novo Nordisk, Centurion Bank of Punjab Ltd, JSW Steel, Modicare Foundation and Sesame Workshop India.
The first objective of this study was to investigate the trend of Corporate Social Responsibility adopted by the selected Indian Companies. During the analysis it is found that selected Indian Companies have performed their Corporate Social Responsibility in the areas of their choice. Further, trend was found to be positive but with different degree of changes. Thus the first hypothesis is selected which says all selected Indian Companies perform Social Responsibility.

The second objective of this study was to investigate areas of Corporate Social Responsibility selected by Indian Companies. On investigation, different 14 areas are covered by selected Indian Companies like Health, Education, Community welfare, Environment, Human Resource Development, Safety, Infrastructure, Charity, Quality, Employment, Agriculture, Art & Culture, Sports and Beauty. In this context hypothesis is developed which is as follows. The areas of social responsibilities of all selected Indian Companies are identical. This hypothesis is rejected because most of the companies perform Corporate Social Responsibility on different areas of their choice and comfort and those areas differ from company to company so it is concluded that the areas of social responsibilities of selected Indian Companies are not identical.

**Foreign Companies:**

In area wise performance score of the Foreign Companies several areas of corporate social responsibility are identified. The performance of Social Responsibility by the companies varies from country to country. It is possible that areas of Social Responsibility of developed countries may be different then the areas of developing countries. From the annual reports of 75 selected foreign companies, 14 different areas are recognized where companies are providing assistance for development of the society.

During the analysis, it is found that there are four areas where companies have performed excellent in Social Responsibility and these four areas got A grade. These areas are Environment, Charity, Health and Safety and their PSSR is 74.67%, 66.67%, 61.33% and 56.00% respectively. Moreover it is found that four areas where companies have performed satisfactory in Social Responsibility and these four areas got B grade. These areas are Communities, Training and Development, Security and Suppliers and their PSSR is 46.67%, 45.33%, 26.67% and 25.33% respectively. Apart from that it is found
that there are six areas where companies have performed poor in Social Responsibility and these four areas got C grade. These areas are Employment, Education, Quality, Art, Sports and Music and their PSSR is 24.00%, 22.67%, 21.33%, 9.33%, 6.67 % and 5.33% respectively.

In company wise performance score of the Foreign Companies several areas of corporate social responsibility are identified. During analysis it is found that the range of PSSR was from 0.00% to 78.57%. This shows significant difference in the context of Social Responsibility performance. There are 21 companies out of 75 which had excellent results i.e. their PSSR was found to be more than 50%. So these companies got A Grade. These companies are Deutsche Bank, Charles Stanley, Royal Bank of Scotland (RBS), Domino’s Pizza, Old Mutual Plc, Aggreko Plc, Erste Group Bank, Kier Group plc, Paragon Group, Intermediate Capital Group plc, Chesnara plc, Helphire Group plc, Mavinwood plc, Close Brothers Group plc, Rotork plc, Share plc, Trifast plc, Brewin Dolphin Holdings plc, Metalrax Group plc, Vitec Group plc and Weir Group plc.

Moreover it is found that that there are 35 companies out of 75 which had satisfactory results i.e. their PSSR was found to be between 25% and 50%. Therefore these companies got B Grade. These companies are Devro plc, Volex group plc, Premier Oil plc, Wienerberger, Pendragon plc, WPP group plc, Chaucer holdings, Workspace Group, Bond International Software plc, Royal Dutch Shell Plc, Hardy, Regal Petroleum, Xaar plc, Just Retirement plc, HypoVereinsbank, Lighthouse Group, Schroders, Brit Insurance, Vantis plc, Carr's Milling Industries plc, ICAP plc, Charles Taylor Consulting plc, Canaccord Capital Inc., Hiscox Ltd, Debts.co.uk plc, Shinko Securities Co Ltd, EcoSecurities Group plc, Rensburg Sheppards, Cattles plc, Amlin plc, Imperial Energy Corporation plc, LPA Group plc, Domino Printing Sciences plc, Dewhurst plc and Agfa Gevaert.

Apart from that it is found that there are 19 companies out of 75 which had poor results i.e. their PSSR were found to be less than 25%. Therefore these companies got C Grade. These companies are Primary Health Properties (PHP), Christian Dior, Albemarle & Bond, BlackRock World Mining Trust plc, Firestone Diamonds plc, FirstRand, Baring Emerging plc, BE Semiconductor, Renaissance US Growth inv. Plc, Capital Mgt &

The third objective of this study was to investigate the trend of Corporate Social Responsibility adopted by foreign companies. During the analysis it is found that selected foreign companies have performed their Corporate Social Responsibility in the areas of their choice. Further, trend was found to be positive but with different degree of changes. There are two foreign companies who have not Corporate Social Responsibility activities at all thus third hypothesis is partially selected which concludes all selected foreign companies perform social responsibilities.

The fourth objective of this was to investigate areas of Corporate Social Responsibility by foreign companies. On investigation different 14 areas are covered by selected foreign companies like Environment, Charity, Health, Safety, Art, Music, Employment, Education, Suppliers, Quality, Communities, Security, Sports and Training & Development. In this context one hypothesis is developed which is as follows. The areas of social responsibilities of all selected foreign companies are identical. This hypothesis is rejected because most of the companies perform Corporate Social Responsibility on different areas of their choice and comfort and those areas differ from company to company so it is concluded that the areas of social responsibilities of selected foreign companies are not identical.

Fifth objective was to undertake comparative study for Corporate Social Responsibility practices between Indian Companies and Foreign Companies. From the analysis it has been found that the areas in which both Indian companies and foreign companies work substantially and significantly are environment and health. Both environment and health have obtained A grade on the basis of PSSR for both Indian companies and foreign companies. The PSSR of environment for Indian companies and foreign companies are 70.51 and 73.33 respectively. The PSSR of health for Indian companies and foreign companies are 84.62 and 61.33 respectively.

From the grade wise analysis, it has been found that the no. of companies fall under A category are 25 and 21 for India and foreign countries respectively. The no. of companies
fall under B category is 40 and 35 for India and foreign countries respectively. The no. of companies fall under C category is 13 and 19 for India and foreign countries respectively.

6.2 Recommendations

- The selection of area of corporate social responsibility must be need based.

- The choice of selection of corporate social responsibility must be based on requirement of respective geographical area of the states or nations.

- The detailed study on economic, social, medical, transport, education problems and other areas must be undertaken an all companies should work in those areas.

- The central and state government should provide some incentive to those companies which perform their duties for social responsibility.

- India is considered as young country. The young population is very significant. Thus India has to focus on problem like education and health. These two components would enhance economic status of the country. Another important area of corporate social responsibility is environment. The protection of environment will be the gift to the next generation.

- This study also suggests that when area wise analysis is done, areas like education, medical, environment and community welfare fall under A grade. This shows that many companies have selected relevant areas of social responsibility performance. The study suggests that infrastructure, safety, charity and Human Resource Development fall under B grade. It shows some companies have selected these areas of social responsibility. Today companies cannot ignore employees, customers and society. These areas are also very important for the different stakeholders of the company. The study also suggests that Art & Culture, Beauty, Sports and Agriculture fall under C grade. So the performance of these areas is very poor. These are the traditional areas of the country and historical past is associated with these areas. Therefore it is the responsibility of the companies to do significant contribution in these areas. Agriculture sector contributes significantly to GDP (Gross Domestic Product). So government also should encourage companies to work in this area.