Chapter VI

SUMMARY, CONCLUSION & SUGGESTIONS

This Chapter highlights on the overall summary of the present study, important conclusions drawn by the researchers and important suggestions made by the researchers to overcome the problems which found in this study.

After a careful presentation of the introduction and concept of CSR this study finds some conclusions about different aspects of the topic under consideration and observations about the survey made so far. The conclusions drawn in this chapter are based on the primary and secondary data collected and concerned parties interviewed during the field survey and systematically analyzed in the different chapters. The hypothesis has been tested and verified with the object of this research work. Recommendations are made after a detailed and objective analysis of the CSR in large scale industries in Maharashtra and related improvements in the CSR. The researcher has aimed chiefly to Analyzing the CSR in large scale industries in western part of Maharashtra state.

CSR is a means of analyzing the inter-dependent relationships that exist between businesses and economic systems, and the communities within which they are based the notion of firms looking beyond profits to their role in society is generally termed Corporate Social Responsibility (CSR). The World Business Council for Sustainable Development (WBCSD) defines, CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.
6.1 SUMMARY OF THE PRESENT STUDY

1) Introduction
The first chapter deals with a brief introduction, background of the study, research methodology and its limitation. It also gives the sources of data objectives of the study hypothesis tested the methods used for primary survey, the tools and techniques and different questionnaire have been clearly mentioned. This chapter also gives the overall presentation of the study.

2) Review of Literature
This chapter deals with the overall review of the literature available on the particular topic. Literature is the most important part of any research. In this topic, the review is taken from the books and research papers regarding the research topic. The chapter is divided into two different parts i.e. review of books and review of research papers related to this research topic.

3) Corporate Social responsibility and Large Scale industries in India
The third chapter deals with Corporate Social responsibility and Large Scale industries in India, it highlights on, CSR Approaches adopted by Firms in India, CSR at Visakhapatnam Steel plant, CSR activities (number of companies) practiced by Indian Corporations, CSR through Visteel Mahila Samiti, CSR in Hindustan Petroleum Company Limited, CSR activities at HPCL, CSR activities at NTPC, CSR activities at Steel Authority of India Limited (SAIL).
4) Corporate Social responsibility and industrial relations

The fourth chapter deals with Corporate Social responsibility and industrial relations, it discuss India’s New CSR Regime, Corporate Social Responsibility Voluntary Guidelines (2009), Corporate governance and employess: an ethical conundrum, Importance of Indian MSME Industry, business strategy and labour relations, Cost Leadership and Differentiation Strategies, sophisticated cost cutting and labour relations.

5) Data Collection and analysis.

In this chapter the collected empirical data is analyzed with appropriate tools and an attempt is made to evolve a new model to explain the CSR behavior of companies located in Large Scale Enterprises in Western Maharashtra. This chapter starts with the description of sample firms, the size composition, the policies and finding at the correlation between size and nature of the firms and CSR initiatives.

6) Summary, Conclusion & Suggestions

This Chapter highlights on the overall summary of the present study, important conclusions drawn by the researchers and important suggestions made by the researchers to overcome the problems which found in this study.
6.2 MAJOR FINDINGS:-

1) 93.9% of the firms are manufacturing and only 6.1% of them are services providers. (Table No:-5.2)

2) Majority of the firms (69.7%) have CSR activities addressing environmental issues. Second important category is healthcare with 39.4% of the firms providing healthcare. (Table No:-5.3)

3) Education initiatives are taken by 21% of the firms and only (12.1%) of firms is working, on the safety initiatives. Social philanthropy is the area of intervention for 9.1% of firms. (Table No:-5.3)

4) Majority of the sample firms felt that CSR improves productivity (75.8%), which is fundamental in maintaining and attracting employees and new customers. (Table No:-5.4)

5) Good productivity will bring financial benefit through improved sales. Other corporate gains of having CSR activities are self satisfaction which takes second rank with 69.7%. (Table No:-5.4)

6) Study shows that 0.2 % and another 8 firms are spending more than 1% of their profit on their CSR activities. The data also bring out of an interesting observation that some of the medium and small firms are spending more than 1% of their profit on CSR. (Table No:-5.5)
7) The study highlights that out of the 660 firms surveyed (39.4%) firms have a separate unit for community development initiatives. Registering a charitable trust appears to be a practice followed by majority of the medium and large firms. (Table No:-5.7)

8) Study highlights that only 15% reported to have increased their spending. Another important finding is the collaboration between NGOs and firms. (Table No:-5.8)

9) 48% of the firms felt that employees are the major stakeholder, which shows the importance given to the employees by the firm. (Table No:-5.9)

10) 27.3% of firms have declared dividend to their stakeholder. However (72.7%) of firms have not answered to this question which indicates that the firms are not transparent about the divided. (Table No:-5.10)

11) The result shows that 15.2% of respondents are between 5-10%. (Table No:-5.10)

12) 91% of the firms have the provision for the revision of staff salaries. Majority of firms (48.5%) have reviewed the wage structure for operation employees in every three year. Twenty seven percent of them do review their operation employee wage structure every year. (Table No:-5.11)
13) 54% of the firms are encouraging the formation of labour union in their firms. This means another 45% of firms are not allowing the labour to form a union. (Table No:-5.12)

14) Majority of sample firms believe in advice (69.75%) and warning (57.6%). Salary reduction is followed by 15.2% and stop promotion by 12.1% of firms. (Table No:-5.13)

15) 87.9% of firms have overtime policy and only 12.1% of firms don't have this policy. The evidence shows that majority of firms have accepted this policy. The payment for overtime were various from one to two times. Majority of the firms (63.6%) have paid 2 times more for the over time. (Table No:-5.14)

16) Majority of the firms (85.8%) have training program both within and outside of firm, and only 12.1% of sample have training program within the firm only. (Table No:-5.19)

17) 18.2% of firms have adapted all the three activities to help people living under poverty line. While large and medium firms are adopting different method, small firms are conducting only health camps. (Table No:-5.22)

18) Among the sample firms 33% are teaming up with the NGOs in the implantation of the programmes. Only 12% are doing through community based organizations. But 61% of the firms are implementing neither with NGOs nor with CBOs. They are having their special cell in the organization which is the implementing agency for the community based program. This is
the case with all type of firms. But only large and medium firms are implementing through NGOs. (Table No:-5.24)

19) 56.52% of firms are involved in both activities and 35% are involved in developing green belt. Only 5.34% of the firms are not contributing to controlling pollution. It is interesting to observe that smaller firms are paying more attention to developing green belt. (Table No:-5.26)

20) It can be observed that economic responsibility has a positive and significant (0.01 level) relationship with environment, legal, ethical and philanthropic responsibilities. The correlation coefficient ranges from 0.48 to 0.65. (Table No:-5.27)

21) The results show greater responsibility of firms in the case of legal and philanthropic activities. Highest mean value of legal responsibility (75.90) indicates that majority of the sample firms have undertaken steps/measures for ensuring legal responsibility. (Table No:-5.28)

22) For economic responsibility since test statistic (F= 7.081) is greater than the critical value (F= 3.32), at 0.005 level of significance, we reject the null hypothesis and conclude that the mean number of economic activities by each group of firms is not the same. (Table No:-5.30)
6.3 IMPORTANT SUGGESTIONS

1) It is observed is, lack of uniform reporting system. Even the firms which are reporting are also not following a uniform procedure. While some are following international guidelines issued by GRI, others are following a system of their own. Therefore it is important to develop uniform guideline for reporting of CSR initiatives, including budget allocations, the nature of initiatives and the outcomes.

2) The guidelines should be of international standard which helps in global comparisons. All the stakeholders are to be involved in the preparation of these guidelines. Detailed information about the budget allocations, strategy adopted and areas of intervention are extremely important in order to develop pro-poor polices.

3) With the greater involvement of NGOs in development process, it is possible to develop synergy among the CSR initiatives of the firms, NGOs and government. Such synergy reduces the cost of supporting development programmes.

4) When India is shifting towards market economy, the role of public sector declines. Government withdraws from the sectors where it was dominant. Majority of the services provided by the government come under the private sector. Under this new paradigm, private sector should contribute not only to production, but also for the betterment of the community by providing necessary supporting services.
5) Even under the market economy, government plays a role as a policy maker. Therefore, government should initiate appropriate policy for the CSR initiatives. The policy not only makes every firm responsible, but also brings uniformity in interventions. There should be appropriate incentives for the firms to implement CSR initiatives. These incentives could be in the form of tax concessions, award for the best initiatives, etc.

6) Corporate sector should be able to identify the linkage between the macroeconomic policy and micro level changes in order to initiate appropriate CSR initiatives. In order to achieve this, training facilities are to be provided to the corporate sector.

7) The training modules should include methods of needs assessment, understanding the social and economic scenario, promoting community participation, policy analysis, impact assessment, etc. This will be able to combine the professionalism of the corporate world with the social concern in designing appropriate interventions.

8) Separate guidelines are to be provided for different size group of firms, viz, small, medium and large firms. Special provision is to be made for the small firms.

9) Sensitization programs concentrating on the need for social responsibility and the advantages of being a responsible corporate should be organized to popularize the concept of CSR.
10) Similarly awareness programs are to be designed for consumers to create awareness about the socially responsible firms and their activities so that there will be more demand for the products produce by these firms. This provides the necessary market incentives for the produces to be socially responsible.

11) New research should be in the direction of developing appropriate methodology for measuring CSR and evaluating the impact of CSR.

12) Though a few big Indian companies practice corporate citizenship yet the degree to which it is done is very passive amongst the corporate India. The government and the association of industries must device policies and regulations for companies to strictly comply with and report. There must be a fundamental change in the corporate culture to enable businesses take ethical, social and environmental consideration in decision making.

13) In India CSR has gained lot of importance among companies because of its long term benefits. A company should take a balanced view of the components of CSR and implement the strategies in coherent with the vision, mission and value of the company.

14) The organisation must primarily take proper care of Employment standards, including general holidays, annual vacations, working hours, unjust dismissals, minimum wage, layoff procedures and severance pay of the workers.
15) A contentious issue raised in the available literature on CSR is how to quantify the threshold for 'adequate' responsibility of a corporation. Since, there lies no uniform international standard the task becomes even more cynical.

16) All the corporations have responsibility towards society, there should be certain bifurcation related to profit earning of company in three years or turnover of the company.

17) The entire corporation related to the fields of natural recourses should be included with the paraphary of CSR contribution.

18) Every corporation should be obliged to implement corporate social and environmental responsibility and sanction can be imposed for failure to comply with such an obligation.

19) The aforesaid industries must ensure sound corporate governance in order to increase management transparency, strengthen risk management systems and internal controls, and disclose pertinent information to stakeholders. Company’s corporate governance issues are broad in nature whether mandatory and softer. CSR is one of the aspects of this governance.

20) Close monitoring of CSR by the responsible person for operation of corporation can help implementation of policies and its impact.

21) Corporations must decide that what precautions are required in case of disaster. It should ensure that employees are properly
informed, trained and supervised. Corporation must also ensure that such control measures are used and maintained.

22) A safety audit can be conducted by the corporations with the object of minimizing loss. An audit team should consist of appropriately qualified personnel’s.

6.4 OVERALL CONCLUSION

When India is shifting towards market economy the role of public sector is decline. Government withdraws from the sectors where it was dominant. Majority of the services provided by the government come under the private sector. Under this new paradigm, private sector should contribute not only to production, but also for the betterment of the community by providing necessary supporting services. Even under the market economy, government plays a role as a policy maker. Therefore, government should initiate appropriate policy for the CSR initiatives. The policy not only makes every firm responsible, but also brings uniformity in interventions. There should be appropriate incentives for the firms to implement CSR initiatives. These incentives could be in the form of tax concessions, award for the best initiatives, etc. Corporate sector should be able to identify the linkage between the macroeconomic policy and micro level changes in order to initiate appropriate CSR initiatives. In order to achieve this, training facilities are to be provided to the corporate sector. The training modules should include methods of needs assessment, understanding the social and economic scenario, promoting community participation, policy analysis, impact assessment, etc. This will be able to combine the professionalism of
the corporate world with the social concern in designing appropriate interventions. Separate guidelines are to be provided for different size group of firms, viz, small, medium and large firms. Special provision is to be made for the small firms. Sensitization programs concentrating on the need for social responsibility and the advantages of being a responsible corporate should be organized to popularize the concept of CSR. Similarly awareness programs are to be designed for consumers to create awareness about the socially responsible firms and their activities so that there will be more demand for the products produce by these firms. This provides the necessary market incentives for the produces to be socially responsible. New research should be in the direction of developing appropriate methodology for measuring CSR and evaluating the impact of CSR.

6.5 SCOPE FOR FURTHER RESEARCH:

All the studies have been covered various aspects of CSR from different perspectives. Some are based on definitions and some based on theories and models of evaluate the measuring of CSR contributed by the organizations to the society. Though several studies have been conducted, still there is a scope for further research. Different studies have revealed the corporate experiences at various places. The comparative analysis of selected companies deserves a special attention on the environmental aspects of the companies need a further study. The sustainability of the business and CSR also need a focus for further research.