Chapter 1
Introduction
The present day Indian businessman is responding to the movements and activities happening in the corporate section of the *northern* or the *western* world which has seen assimilation of a large order in the form of globalization. The phenomenon of globalization has led to a weakened national power (political authority) over the corporate which have been growing across national boundaries. The present day political establishments strive to attract investments made through giant corporations and thus it can be argued that the contemporary global business world is witnessing corporations which can be understood as mammoth systems which drive the ways. It is for this reason that business entities or corporations have begun to be seen both as economic and political actors. One such activity which has both economic and social connotations and fulfills the true role of the modern day business firm is, Corporate Social Responsibility (CSR) which therefore for all justified reasons is becoming an integral part of the business lingua amongst commercial and academic circles.

The integration of CSR and business can be understood best if we understand the definition of the word company which is synonymous to the business. ‘Company’, is made from the Latin words ‘cum’ and ‘panis’ which means ‘breaking bread together’ (Arndt, 2003). Therefore the fundamentals of a company are based on the idea of commonality and togetherness which distinctly has a social connotation. The notion of CSR most categorically promotes the idea of togetherness in terms of growth and development of the firms along with the business environment in which they flourish. So, CSR implies the responsibilities which business entities take upon themselves for the societies in which they operate. So, from a practical perspective, CSR involves identifying the stakeholders and considering their needs and values while working on the strategic and everyday decision making process (University of Miami, 2007). CSR has been knitted with the business process since the origination of business itself though not as formally as it is understood today.

As early as 5000 years ago there existed codes in Mesopotamia which listed punishment for farmers, builders or innkeepers in case they entered into acts which caused harm or inconvenience to the local community. The failure of the business to pay taxes and contribute ample to undertake the military campaigns has been recorded as a concern
which was confronted by the ancient Roman senators. Complaints about management secrecy and ‘self enrichment’ have been recorded with pamphlets of 1622 found by scholars about the Dutch East India Company (BRASS Centre, 2007). With changing times and by the late 19th and early 20th century the role which business assumed in society and environment had evolved and ‘corporate paternalists’ had begun to participate and promote several philanthropic activities around the world (Asongu, 2007).

By 1920’s cognizance to the present day understanding of CSR had begun to take shape and discussions about social responsibilities of business had been concretized. In 1929, the dean of Harvard Business School in his address mentioned the following:

Business started long centuries before the dawn of history, but business as we now know it is new – new in its broadening scope, new in its social significance. Business has not learned how to handle these changes, nor does it recognize the magnitude of its responsibilities for the future of civilization (BRASS Centre, 2007).

CSR as a concept and a practice has held ground because the business environment of the 21st century holds blurred lines between the in-house and outside corporate activities and environment. Moving portions of business activities from in-house to purchased goods and services has become an order of the day leading to a variety of business networks in the form of company vis-à-vis the society, customers, ecological environment, employees and other business partners (Davis, Whitman and Zald, 2006). The commitment of the companies to their employees and to communities where they are located in is loosely understood as CSR. Since CSR satisfies a wide variety of stakeholders’ expectation it is becoming a vital part of business to stay competitive. (Gardiner et al., 2003). Therefore CSR is a multi party business activity which focuses on sustainable development.

According to Michael McComb,

The notion of companies looking beyond profits to their role in society is generally termed corporate social responsibility (CSR)... It refers to a company linking itself with ethical values, transparency, employee relations, compliance
with legal requirements and overall respect for the communities in which they operate. It goes beyond the occasional community service action, however, as CSR is a corporate philosophy that drives strategic decision-making, partner selection, hiring practices and, ultimately, brand development (McComb, 2002).

While, Carroll (1979) suggests that “the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time” and therefore the four traditional arguments for companies to engage CSR activities are moral (or ethical), reputation (or brand image), license to operate (or legal), and sustainability. These are four facets of CSR which are manifested into responsible activities by the companies.

In India, CSR has been integrated into the basic fibre of the business spirit because the traditional business community the Vaishyas, had always been involved in giving back to society and providing relief in times of social needs but all these giving back activities were sporadic making them philanthropic actions (Chahoud et al. 2007). Teri, (2001) mapped the progress of CSR in India and identified four clear models of CSR in India. The first was the ‘ethical model’ when the Indian business community responded to the call of Mahatma Gandhi that the need of the nation was a sense of ‘trusteeship’, through which the wealth owners helped in the socio-economic development and helped in the nation building process. The activities were largely philanthropic in nature. ‘Statist Model’ came to be practiced post independence with the country marked with large state owned companies. The relationship between society and business was defined by the state and the public sector was the key player in governing and providing community and worker relationship. This condition prevailed till 1990’s. With liberalization of the economy and several private players entering the business arena, the ‘liberal model’ took charge. Here the idea of CSR was challenged because it was understood that the prime responsibility of business was to abide by the rules of the state and generate wealth which through taxes reached the government and then activities of social welfare were entered into by the private charitable organizations or governmental activities. The ‘stakeholder model’ held ground with the spate of globalization taking hold where it is being increasingly recognized that companies owe an obligation to the various stakeholders including shareholders, consumers, employees,
society and the environment in which they operate. Freeman (1984), elaborated to say that, ‘a stakeholder in an organisation is any group or individual who can affect or is affected by the achievement of the organisation’s objectives.’

Therefore, the notion of CSR is essentially more pertinent in India now because there is an accelerated pace of commercial activity both to cater to the local demand and the clients overseas. Further, there is growing competition due to the presence of multinational companies (MNC) operating in India post-globalization. The developmental activity is throwing up challenges which are beyond the realms of a uni-dimensional solution and therefore there is an explicit need for a multi-party involvement, including a more active role to be played by business itself (Mayer 2007; Singer 2006; Trainer 2005). Business activity is primarily held responsible for social and environmental problems and it is equally considered by governments, multilateral institutions and elements of civil society as part of the solution (Austin 2000; Heap 2000; Elkington 1999). The prime reason for involvement of business in developmental causes beyond economics is that business is a multi-operational activity with various agencies as stakeholders - governments through chartering and ensuring implementation of effective rules and policies, conscientious consumers who demand and consume an ethical product, astute suppliers, punctilious employees who lay faith in their companies social projects, responsible investors and self-effacing entrepreneurs, therefore economic activity as a whole and business houses in particular are seen as forces primarily responsible for exacerbating the deteriorating position of the resources employed – both human and nature-based raw material.

Along with the traditional business sectors, India’s surge and rise in the growth of its economy, over the past decade and a half is attributed to the boom of the service sectors of which Information and Technology (IT) and Information and Technology Enabled Services (ITES) forms a substantial part. The country has witnessed enhanced business activity in the IT and ITES sector since the government opened the doors of the economy to the forces of globalization, after lowering government regulations in the country and downsizing barriers to foreign investment, in the early 1990s. The government deliberately targeted the export-oriented IT services sector for growth,
giving it special subsidies. India therefore became a hub of IT services, when a few major Indian companies like Wipro, Infosys, TCS, HCL, Satyam, etc established themselves on the global stage as key players in the ITES segment offering the best match to what the other companies in developed nations of the world had to offer. Therefore the IT sector in India has been spearheading the economic development process.

Within a span of about two decades, the Indian IT industry has emerged to be one of the key drivers of the Local economy. In 2005-2006, 3% of India's GDP came from the IT sector and it employed close to 4 million people. The industry is estimated to be growing at a compounded annual growth rate of nearly 2% per annum with the aggregate revenues touching US$ 88.1 billion in FY2011 and the IT software and services sector accounting for US$ 76.1 billion of revenues (NASSCOM, 2011). To take advantage of the situation several multinational companies rushed to set up offices in India. As per the BBC ‘One Minute Report’ on 24th January, 2007, ‘there are more than 500 major international companies that have IT operations in Bangalore alone. Several multinational giants like Hewlett-Packard, Dell, IBM, and Accenture are operating with their bases in India.” The Indian IT companies have operations overseas. Therefore with an almost at par level of operations and business activities and to cope up with industry norms and challenges which the business operations offer, it is expected that the Indian IT companies shoulder a similar degree of social and environmental responsibility which their western counterparts handle. So the choice of industry for the purpose of this study is no coincidence. The IT and ITES industry represents not only global traffic in goods and services but also ideas. They have been champions in heralding activities directed towards a social cause of business. The MNCs operating in the country have also been involved in social activities.

The economic and ethical consideration are two key motivators (Hartman, Rubin and Dhanda 2007) for corporate, which has been defined as “an ingenious device for obtaining individual profit without individual responsibility” (Bierce, 1906, reprint 1993) to involve in socially responsible activities. The common current running through all the reasons is the desire to hold a positive repute amongst the various stakeholders.
So, communication activity should be preceded by understanding the stakeholders in terms of their thought processes and motivators and the relationship they share with the organization. If handled intelligently, the relationship between the organization and the stakeholders could help in creating an environment conducive to promote economical, social and environmental sustainability (Dunphy et al., 2003).

So, in order to ensure that the organization is able to show that the focus of its business activity is forward looking and commercial operations consider a holistic development pattern, the companies must communicate this in a systematic and planned manner because communication by organizations impacts a huge base of stakeholders all of which are inter-linked to various corporate activities like “marketing, organizational and management communications” (van Riel, 1995).

To achieve the objectives the firms – be profitable, hold a positive relationship with its stakeholders and stay competitive, CSR is becoming a vital tool partly because it helps to satisfy stakeholders’ expectations and therefore hold a positive repute for the organization which is vital for business sustainability (Gardiner et al., 2003). CSR is incomplete until the organizations communicate their rationale, depth and breadth and consequences of involvement in CSR to their stakeholders. This is done through the various channels of communication like websites, annual reports, sustainability reports, press and magazine releases, radio broadcasts, events and internal sources like company boards and newsletters etc.

Therefore with the presence of IT companies in India both of domestic origin as well as multinational companies operating and both being involved in CSR activities, it would make an interesting study to analyze their communication process and pattern to identify the similarities and differences between the two.