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## CSR: Good Discipline Strategy to Achieve Global Leadership in Indian Perspective

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### Abstract:

Good and Corporate Social Responsibility are recognized as important concerns in making decision in all aspects of our life. And it's contributing to accelerate the process of overall development of a nation. India being the second most populous country in the world, and have the largest number of people in need of basic amenities call for more intensive efforts as part of such initiatives in the health care space of the nation. We all know that people engage in business to earn profit. However, making profit is not the sole function of the business. It performs number of social function as it is a part of society. It takes care of those who are instrumental in securing its existence and survival. Business ethics are nothing but the application of ethics in business. It proves that business can be and have been ethical and still make profits. Today more and more interest is being given to the application of ethical practices in business dealings and the ethical implications of business. The paper delves into a comprehensive understanding of how Business Ethics and Corporate Social Responsibility involves as concept and the reason that encourage company in India to be socially responsible.

**Keywords** - Corporate Social Responsibility, Economic growth, Globalization Business, Globalization and Ethics:

### Introduction

Business itself is as old as Civilization and ethics continuous to constitute a part of business. Ethics of business is whatever moral values and beliefs individuals bring to their business activities (Boatwright, 2000). There is ethics involved in every business, but it consist mainly rules imposed by society and specifically by .law. The 'most significant feature of business today is globalization.

Globalization, is a process of interaction, integration and' interdependence among people; corporations and government of distinct nations. The driving force behind globalization is international trade, investment and rapid growth in information technology. Globalization has effect on economy, environment, culture, political system, 'prosperity and on human physical well being in societies around the globe. With the speed, organizations are turning local to global, in quest of making profit; they have to face multiple Good challenges.

In a broader term the responsibilities that business has towards society is termed as Corporate. Social responsibility (CSR).Carroll (1979) has suggested four categories of responsibilities a business has to bear i.e. Economic, legal, Good and discretionary or philanthropic. The definition suggested by Carroll extends the responsibilities of business beyond the basic economic role of the firm and argues that business cannot only be profitable and good, but they should fulfill these obligations simultaneously. The economic responsibility refers to businesses to be profit making enterprise and profit being essential as motivation and reward for those individuals who take commercial risk. In this era of global competitiveness economic responsibility is very significant legal responsibility of business includes responsibility to abide by laws under which the business is expected to pursue its economic role. In addition to fulfill their economic and legal responsibilities, business is expected to fulfill Good responsibilities as well (Carroll, 1979). Philanthropic responsibility includes public's expectations that business will engage in social activities that are not mandatory required by law but derived by some degree of moral force.

Good responsibly embrace those activities, discipline, policies or behavior that are expected (in a positive sense) or prohibited (in a negative sense) by societal members though they are not codified into law. Good responsibly embrace a range of nor standards or expectation of behavior that reflect a concern for what consumers, employees, shareholders, the community and other stakeholders regards as fair, and justified in keeping with stake holders moral rights or legit mate expectation.

### **CSR Challenges and India**

CSR may be an entirely new concept in most parts of the world albeit often termed differentially there have been similar approaches toward business responsibility in society in many different countries (Ralf Barkeyener, 2009). India represents an interesting case for understanding modern business ethics. India has been a land of Ramakrishna, Buddha, Chanakya, other spiritual gurus and many great souls. The Good environment of business in India is influenced by a variety of aspects of Indian history, norms, values, ideals and goals. India today is playing a leading role in the global business community. It is second largest growing economy of the world and one among the favored destination for FDI inflow. When we are talking about Indian business in global context we are looking at India from both the views: as a host country welcoming corporations from other nations to

join hands with Indian business via means of joint ventures, Mergers and other cooperative alliances e.g. Maruti Suzuki, Tata Docomo. The second view is Indian business establishing themselves in other national economies for e.g. Tata acquired Corus and operating in UK. In both of these contexts, Indian business organizations need to adopt Good discipline to achieve leadership globally.

Making a leadership global organization involves Working in a business environment which has many different languages, different cultures, different tax regimes and different rules and regulations and which operates 24 hours a day. In order to be perceived as legitimate in the eyes of the host countries, Indian Multinationals must fulfill their social responsibility. The wide degree of variation between Culture, customs, languages, attitudes, institutions and interaction of business and government pose various Good challenges. The greatest challenge lies in achieving some kind of balance in honoring both the cultural and moral standards of their home and host country.

The Indian MNCs can be considered as infant MNCs as compared to Mature MNCs of western nations in their book “Indian Business rising; the contemporary. Indian way of conducting business” the authors Cappelli and Singh, introduced “the India way” of conducting business is characterized by four principles

- Holistic engagement with employees
- Improvisation and adaptability
- Creative value proposition
- A broad mission and purpose

Cappelli and Singh in their study also found that almost every Indian company has a mission toward society. The best example of it ‘Tata Nano’ the small car produced by Tata Motors especially for the middle class segment of society. Adjusted for price inflation Nano is cheaper than Ford's Model T 'launched in America in 1908. Tata Steel donates 65% of its profit to charity. Maniti Udyog Limited is another name associated with social responsibility. In the year 1997, of the entire car's sold between January and April this responsible company recalled about 50000 of their most popular products, Maruti 800 from the Market Because they suspected them to be made of inferior steel. This made newspaper headlines as it was the biggest ever recall of cars from the Indian Marketplace.

### **Discipline for the global leadership of Indian Business**

We suggest the following Good discipline Indian' businesses should adopt achieving the leadership on a global scale:

1. **Dissemination of information:** Flow of information towards stakeholders is a Eithcal tool to remain transparent and influence corporate behavior. Internet these days is a common medium of communication. Every company manages its own website. Putting documents on the websites, managing public relations via means of continuous involvement in press releases and other forms of disclosure is a good instrument to broadcast information to-stakeholders.. Dissemination of information is assuming a high degree of importance in the Good examination of corporate activities.
2. **Adhering to government regulations of host countries:** Government regulate business for several legitimate reasons. Knowing and complying with local laws and regimes of the host nation is mandatory to remain in. Good books in the host Nation Besides state and legal discipline, adopting regimes relating to finance, tax and employment for e.g. Indian firms operating in US has to follow civil rights act for equal employment opportunities, being sympathetic to local dress codes, adopting management styles and working discipline of host nation is a good way to build trust.
3. **Legal liabilities towards strategic alliances:** Merger and acquisitions, joint ventures and alliances are the new means to enter in foreign land. It involves a lot of legal liabilities to be fulfilled. For example manufacturing products using licenses of one company and then getting merged with another company can cause cancellation of the licensing arrangement by the licensor company.
4. **Adopting Good discipline in marketing:** Marketing is sensing, serving and satisfying customers. It is all about delivering what is promised. When an organization behaves Goodly; customers, develop, a positive attitude about the firm, its products and services. When marketing discipline deviates from the standards that society considers acceptable, the Market process becomes less efficient. Not employing Good marketing discipline may lead to dissatisfied customers, bad publicity, a lack of trust, loss of business and sometimes legal action too. As among stakeholders groups, consumers rank at the top. In a consumption driven society, Indian business must be especially attentive to the issues that arise in relationship with consumers. The consumers Magna Carta includes the rights to safety for e.g. ITC manufactures cigarettes but on the pack make a note regarding cigarette smoking is injurious to health, rights to be informed regarding use and caution, Right to choose and right to be, heard of any grievances. A. great care should be taken when selling products and services abroad to avoid the problems consumers face for e.g. high product prices, poor quality, failure to meet claims made in advertisements, misleading packaging or labeling, inadequate guarantees and warranties; failure of companies to handle customer complaints.

## **Ethics in Advertising**

Advertising informs consumers a lot about the product or services offered. While advertising in foreign nations, ethics include promotion by not hurting the feelings of any specific community in the country of operation. A good advertisement helps to build a positive image in target customers' minds. For e.g. Indian mobile service provider Airtel have its operations in other countries outside India, in one of its advertisement a video showing two kids of different nations playing football across a line of border of their countries, conveys the mission of the company more than the advertisement about its brand. By such Advertisement, Airtel makes an impression not only as a good Indian Corporate, but as sound world Corporate. Indian Businesses should not practice advertising abuse by concealing facts, making exaggerated claims without any evidence, making comparative advertisements. Use of sex and women in advertising is a burning issue with women in general. Similarly in case of children, it is the responsibility of advertisers to protect children from their own susceptibilities. Realizing that children are imaginative, advertisers should not exploit unfairly the imaginative quality of children.

Use of celebrities for promotion those who have global influence e.g. Akshay Kumar, Virat Kohli can help a lot but it should be on Good grounds as celebrities has a very strong impact on their admirer's minds all over the world.

5. Adopting global accounting standards and avoidance of discipline such as transfer pricing and Tax avoidance by MNCs: Globalization of the economy has led Indian companies expanding their operations across the borders and this calls for uniformity in accounts for their facilities located in different countries. Foreign investors give more weight age to the accounts of those companies which are based on International accounting standards. Financial statements should be disclosed via websites, newspapers for transparency.
6. Corruption and bribery: Corruption in International business continues to be a Major Problem. Offering bribery to government officials, misuse of company assets for political favors, secret price fixing agreements and insider dealings with an objective to influence the outcome of decisions is to be prohibited. Indian MNC, Infosys poses an excellent, example of Good trade practice in India against insider trading. Infosys fined its CEO for violation of its insider trading rules and the fine was in the form of donating Rs. 500000 to a charitable organization.
7. Corporate power and policy influence: MNCs and big corporate have a certain degree of political involvement in the formulation and execution of public policy at various levels of

government. MNCS' sometimes seems to be involved in lobbying efforts. Indian businesses operating abroad should not get involved in lobbying nor should such discipline be entertained in India. As lobbying is a technique for gaining legislative support or institutional approval for some objective such as modification or passage of law. The recent example of lobbying in Indian is, the Indian Health Minister has objected to the lobbying attempts by global drug makers to drastically change the country's intellectual property rules and restrain the ability of Indian pharmacy companies to make low cost medicines. The obvious reason of objection is need of low cost generic drugs in India for a huge part of population belonging to lower income group.

8. Taking care of natural environment: The natural environment today is confronted to various serious issues that include ozone depletion, global warming, solid and hazardous wastes, degradation of marine environments, freshwater quality, deforestation, land degradation and endanger to biological diversity. Serious-efforts should be taken by businesses to overcome these issues. If we take example of cement industry, in India being the second largest producer it, 5 % of the global greenhouse emission is because of the cement industries all over the world. The surrounding environment of cement factories drastically affected by the pollution causes. Indian cement companies take various initiatives in CSR discipline. E.g. ACC limited is involved in providing education and healthcare facilities to the nearby community.
9. Use of Spirituality' at and Good HR discipline at workplace: India has always been a land of great spiritual gurus and leaders. Entire world can learn from spiritual lessons from India. Spirituality combined with business ethics is going to change the way business is done. That is the reason behind teaching ethics as the part of curriculum to the management students who are going to become future managers and confronted with various situations to take Good decisions.
10. Adopting healthy HR discipline i.e. safe working conditions, proper wages, on discrimination on the basis of color and religion in recruiting employees helps in a great deal in retention of talent and improvement in productivity at workplace.

## **Conclusion**

Corporate social responsibility discipline can be used by Indian business in order to gain a competitive advantage and to maintain stable working environment. Implementation of Good discipline can be used strategically to build corporate reputation all around the globe. Application of Good discipline in business helps to win stake holders trust about company's seriousness about social

welfare. Indian Businesses should follow the principle of Karma Yoga (selfless work) as mentioned in Gita. Business organization with proper combination of ethics and skills can assure leadership as an organization and an good reputation as a 'Good corporate citizen worldwide.

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