



## CORPORATE SOCIAL RESPONSIBILITY PRACTICES- A CONCERN SHARED BY BUSINESS COMPANIES

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### ABSTRACT

*CSR included all the activities performed by business organization for the benefit of society. The concept of corporate social responsibility was going too changed from time to time or from pre-industrial era to post independence and it highly changed after the liberalization, privatization and globalization had been taken place in India. The main purpose of CSR is to putting a positive impact on the culture, communities, social class and environment in which any business organization is performing their activities. The objective of the study is to know about the various phases of development of CSR practices and opportunities and challenges existed in Indian business environment for CSR companies and it also highlighted few firms who are performing very well their CSR activities in India. The **present Scenario of CSR practices in India** reflected that nowadays many companies are continuously putting their efforts in enhancing Corporate Social Responsibility practices throughout the country. This is reflected through their efforts towards livelihood promotion schemes for employees, education, health, environment and women empowerment. Some of best CRS practices adopter in India are Tata Group, ITC, HUL, Wipro, TCS, ITC, Reliance Industries, SAIL, Mahindra & Mahindra, Procter and Gamble, Ultratech Cement Ltd, Infosys Ltd and Bharat petroleum ltd. **Corporate Social Responsibility** refers to the responsibility or obligation of an organization for the impacts of its policies and practices on society as well as environment through transparent and ethical behavior that is consistent with sustainable development. It also considered various hopes of shareholders, customers, govt., employees and public in compliance with applicable laws and consistent with international norms or standards of behavior.*

## **Phases of CSR development in India is characterized into four major parts**

- **First phase of CSR from pre-Industrialization period to 1850-** the first phase of CSR development in India started with charity and philanthropy and it aroused by family value, cultures and traditions, in pre industrialization period too CSR activities was performed by wealthy merchants. They spent a part of their income on social and religious tasks such as- building temples, rescuing from famines and disaster they provided food, cereals for protecting the people.
- **Second phase of CSR 1850 onwards-** The concept of CSR as well as its form were changed after 1850. In the nineteen century, Tata, Birla, Modi were some industrial families who strongly emphasized on their profit motives and social aspects. After independence of Indian govt. has been a formulated corporate social responsibility strategy for the benefits of common man in India. They opened schools colleges, scientific and training institutions for the development of society as a whole.
- **Third phase or from 1960 to 1980-** this time was highly restricted for private sector companies. The reason behind all these restrictions were licensing policies, high tax rates etc.
- **Forth phase from 1980 to 2016-** In 1990s the first initiation towards globalization, privatization liberalization were undertaken for faster growth and development in India. Companies are produced today on a large scale to meet the current demand. Companies are concerting nowadays on varies aspects of development such as mobility of staff, work hours, industrial relations, health and safety, training and career development, health policy, profits distribution, Outsourcing etc. this improvement in the growth speed of the economy facilitated Indian companies grow faster and this directly leads to that they will contribute for social welfare.

## **Present Scenario of CSR practices in India**

Present scenario is reflected that nowadays many companies are continuously putting their efforts in enhancing Corporate Social Responsibility practices throughout the country. This is reflected through their efforts towards livelihood promotion schemes for employees, education, health, environment and women empowerment. Some of best CRS practices adopter is Tata

Group, ITC, HUL, Wipro, TCS, ITC, Reliance Industries, SAIL, Wipro, L&T, Procter and Gamble, Ultratech Cement Ltd, Infosys Ltd and Bharat petroleum Ltd.

### **Best CSR Companies in India**

1) **Tata steel** has done their best practices Microsoft Youth Spark is committed to helping young people capture opportunity. Use programs to learn skills, to prepare for the jobs of the future, even to start own business, youth Spark is created and in the form of CSR programmed that was managed by Tata steel rural development society, Tata steel family initiative foundations and tribal culture society.

#### ***Key CSR Areas:***

- Education, healthcare, facilitation of empowerment and sustainable livelihood opportunities, preservation of ethnicity and culture of indigenous communities and sports.
  - Initiatives run across ten districts in Jharkhand, Odisha and Chhattisgarh, covering total spending in 2014-15 on CSR was Rs 171.46 crore, which is 2.04% of the average net profit of the last three fiscal years.
- 2) **Mahindra & Mahindra** are mainly concentrated for CSR on girl child, farmer and youth segment.

#### ***Key CSR Areas:***

- Mahindra Pride Schools provide livelihood training to youth from socially and economically disadvantaged communities and have trained over 13,000 youth in Pune, Chennai, Patna, Chandigarh and Srinagar.
- M&M sponsors the Lifeline Express trains that take medical treatment to far flung communities.
- 7.9 million Trees till date, including four million trees in the tribal belt of Araku Valley.
- M&M has constructed 4,340 toilets in 1,171 locations across 11 states and 104 districts specifically for girls in government schools as part of Swachh Bharat Swachh Vidyalaya. Expenditure on CSR in the last fiscal was Rs 83.24 crore — 2% of PAT.

- Flagship Programme: Set up by Anand Mahindra in 1996, **Project Nanhi Kali** supports the education of over 11 lakh underprivileged girls in ten states, providing material support (uniforms, bags, notebooks, shoes and socks) and academic support (workbooks, study classes).

### 3) **Tata Power**

#### *Key CSR Areas:*

- Education, environment, community development, health, safety, security, resource and energy conservation, women empowerment, skill development and livelihood generation.
- Its total CSR spending in FY15 stood at Rs 31.1 crore as against the 2% of PAT requirement of Rs 29.8 crore.
- Further, the CSR spending of subsidiaries and joint ventures of the company was Rs 18.2 crore as against the requirement of Rs 17.2 crore.

### 4) **GAIL**

#### *Key CSR Areas:*

- Supporting communities in multiple thrust areas like health, sanitation, education, skill development, livelihood, and environment.
- Through GAIL Utkarsh, the company has helped over 500 students from economically backward communities join India's premier engineering institutes.
- They are provided residential coaching programmes and given monthly scholarships once they get into IITs/NITs. The GAIL Institute of Skills (GIS) is also working.

### 5) **Bharat Petroleum**

#### *Key CSR Areas:*

- Quality education (strengthening primary, secondary education and empowering teachers), water conservation, skill development (employment linked skill training to the underprivileged with an inclusive approach for women, unemployed youth and persons with disabilities), health/hygiene and rural development. In 2014-15, BPCLBSE -3.15 % had a CSR allocation of Rs 76 crore, of which it spent Rs 33.95 crore.

## 6) Infosys

### *Key CSR areas:*

- Works with Infosys Foundation, headed by Sudha Murty, towards removing malnutrition, improving healthcare infrastructure, supporting primary education, rehabilitating abandoned women and children and preserving Indian art and culture In FY15, Infosys spent 2% of its average profit.

### **Opportunities and Challenges from CSR Practices**

It does not matter that how the size of business organization has, it may be small or big but their contribution in social benefits to public like Charitable contributions, Employee volunteer programmed, involvement in community education, employment and homelessness programmes, Product safety and quality and environment benefits included Greater material recyclability, Better product durability and functionality, Greater use of renewable resources and environmental up gradation is very important that provides a lot of opportunities to business origination which are very important to survive in this competitive market. Contribution made by firms in CSR practices is not a cost oriented and time consuming activities while they gained a lot in the form of bundle of opportunities to grow. Some of opportunities and benefits for CSR firms are reduced operating costs, increased businesses lead as well as their goodwill, improved employees morale, skills, relationships with the local community, partners and clients, promoted innovation in processes and procedures, eco friendly products , enhanced financial performance, Increased sales and customer loyalty, improved productivity and all these attract more qualitative and skillful employees towards firms as well become ease of retaining the existing employees, easy access of capital to expand business and less regulatory oversight on CSR companies by Government too. CRS performing firms are also facing a lot of challenges when they considered social and environment aspects such as communities have lack of participation in CRS practices, issue of transparency and lacking of clear guidelines on CSR issues and people see CSR practices in a very narrow sense.

### **Suggestion and Conclusion**

In order to meet the expectation of all stakeholders- customers, investors, govt. and public and to enhance CSR practices for the benefits of all segments. CSR awareness programme should be launched to create awareness among general public. Community's involvement in both rural and

urban areas in CSR issues related with environment protection also very crucial, for these extend CSR initiatives to small, medium and large business. Government should enter fare in CSR activates and recognized all those firms who are performing very well, reward them and promote others also. Few firms like Tata, Mahindra& Mahindra are performing very well and giving more concentration on education, health, environment protection, livelihood, girl child development, women empowerment, disaster management, green marketing issues, and other ethical, social and community relevance issues.

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