

# Corporate Social Responsibility- A Study of Implementating Issues in India

Dr. Shraddha Amit Kulkarni  
*Arham college of Arts and Commerce Camp, Pune*

**Abstract - Company Social Responsibility is the path through which the corporate entity addresses the large group of stock holder. The CSR gesticulation has been actively supported by several World renowned Organizations like as World Bank, European Commission, Multinational Companies. In present days Corporate Culture the practice of CSR is still now a benevolent but now day by day it has move from nation and institution building to community development with comprehensive influence. The Researcher has carried out the research through Doctrinal Research by way of extensive survey of documents and the reports available concerning the research area.**

**Keywords: - Corporate Social responsibility, stakeholders, Corporate enti**

## I. INTRODUCTION

Engaging in socially responsible practices helps build trust and loyalty among customers, investors, and the community. CSR initiatives provide an opportunity for companies to engage and collaborate with stakeholders, including customers, employees, suppliers, and local communities.

The relevance and importance of corporate social responsibility (CSR) is highly significant today in this capitalist economy, to ensure the sustainability of life and business in the future. Mallen Baker defines CSR as, "It is about how companies manage the business processes to produce an overall positive impact on society."

According to the United Nations, "Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders."

A lot of Indian companies have been engaged in CSR way before it was made mandatory by the Companies Act 2013. And yet, 43% of the funds earmarked for CSR by PSU's are unspent. Companies see CSR as a cost centre but there are a lot of intangible benefits of Corporate Social Responsibility.

CSR can help you attract and retain employees.

One of the major reasons people apply to various companies is because of their CSR strategy. From my perspective, a CSR strategy shows a company is compassionate and treats all people, including employees, well. And a business that is committed to improving the world is likely to attract more talent. This shows how important employees take social responsibility. CSR efforts also help foster a more productive and positive work environment for employees. It promotes volunteering and positive efforts from employees.

## II. HISTORY OF CORPORATE SOCIAL RESPONSIBILITY

CSR really has its roots in corporate philanthropy. Andrew Carnegie challenged wealthy people to support social causes; his book *The Gospel of Wealth* argued that extremely wealthy Americans (like himself) had a responsibility to spend their money in order to benefit the greater good. John D. Rockefeller, following Carnegie's example, donated more than half a billion dollars to various educational, religious, and scientific causes.

It wasn't until the 1940's, however, that businesses, not the individuals that owned them or held shares in them, could support charities. Howard Bowen, an American economist, is often cited as the "father of CSR". In his 1953 book, *Social Responsibilities of the Businessman*, he writes, "Corporate social responsibility refers to the obligations of businessmen to pursue those policies... which are desirable in terms of the objectives and values of our society."

The 1960's saw an increase in social and environmental movements. Books such as *Silent Spring* (1962) by Rachel Carson and *The Population Bomb* (1968) by Paul R. Ehrlich began raising questions in regards to the limits of economic growth and the impact that society and corporations were having on the environment. The growing protest

culture, revolving around civil rights and anti-war sentiments, put pressure on companies to part from the problematic status quo they had previously adhered to.

In the 1970s, the idea of CSR had truly begun to take hold in the US. The Committee for Economic Development acknowledged the concept of a social contract between businesses and society; the idea that business functions because of public consent, therefore business has an obligation to constructively serve the needs of society.

This idea of a social contract took hold, and continued to evolve and guide how businesses operated. Even as the government reduced its role regulating corporate behavior during the 1980's, the expectations of society still demanded that businesses make an effort to contribute to the greater good.

The basis of modern CSR is rooted in Archie Carroll's 1996 "Pyramid of Corporate Social Responsibility." It established four different types of responsibilities for corporations: Economic, Legal, Ethical, and Philanthropic. After almost three decades since its introduction, the Pyramid continues to be highly relevant, and continuously debated and modified by academics, professionals, and politicians. Today, the most generally accepted categories are: Environmental, Philanthropic, Ethical, and Economical.

### III. SIGNIFICANCE OF STUDY

This Research seeks to investigate how Corporate Social Responsibility (CSR) is an integral part of Indian Corporate Culture. An increasing number of Social Scientists are turning their attention to investigation into topic related to implementation of CSR policies in India in modern days. This work will analyses how Indian govt. enacting laws for implementing CSR policies in India also part of CSR in several religious beliefs in India and the challenges faced by the authority time of implementing CSR .

The Proposed Research will specifically contribute towards the following:-

1. Development and Evolution of CSR in India.
2. Challenges faced by Implementing CSR in India.
3. Provisions governing CSR in India.

4. Suggestions in reference to Corporate Social Responsibility- A Study of Implementating Issues in India

### IV. LITERATURE REVIEW

Krista Bondy, The Paradox of Power in CSR: A Case Study on Implementation.

Despite the fact that current literature assumes positive outcomes for stakeholders as a result of an increase in power associated with CSR, this research suggests that this increase in power can lead to conflict within organisations, ultimately resulting in almost complete inactivity on CSR initiatives. Methods The focus of this single in-depth case study is on the concept of power as an underlying concept. Results to demonstrate how some players exploit corporate social responsibility to advance their own positions within a business, empirical evidence is provided. In order to demonstrate why this may be a more serious problem for CSR, resource dependence theory is applied to the situation.

Conclusions, it is possible that increasing the power of CSR would result in increased personal power for those who are involved with it.

This has the potential to attract opportunistic actors who have little interest in realising the benefits of CSR for the firm and its stakeholders. In this way, power can become an impediment to the advancement of CSR strategy and actions at the individual and organisational levels. 145 Bondy, K. The Paradox of Power in CSR: A Case Study on Implementation. J Bus Ethics 82, 307–323 (2008). <https://doi.org/10.1007/s10551-008-9889-7> CLR (Vol. III Issue I, Jan. – June, 2022) 42 | P a g e Prodrmos Chatzoglou, Examining the antecedents and the effects of CSR implementation: an explanatory study<sup>146</sup> Increasingly important for both global and local organisations, corporate social responsibility (CSR) is a notion that is becoming more widely recognised. While it is widely recognised for its importance, there is still a lack of awareness of its full scope of operations, both within and outside of the organisation. The goal of this paper is to design and empirically test a conceptual framework (research model) that analyses the antecedents (drivers) and consequences of corporate social responsibility (CSR) implementation. ERP deployment has a number of antecedents and consequences, which are examined in this study

using an innovative three-dimensional conceptual framework developed specifically for this research. In the current literature, a multidimensional method of this nature has been tried at random. For the second time, this study looks into the topic of corporate social responsibility in a time of economic crisis. According to past empirical investigations in the same field, this approach is quite unusual. Third, the findings of the current study may be applied to other nations with similar economic realities and characteristics, which would be a significant advance (e.g. Cyprus, Spain, Italy, Portugal and Ireland). The study concludes by pointing up particular managerial consequences for company leaders.

#### V. RESEARCH METHODOLOGY

This is a descriptive research explaining the situation of CSR that are to be studied in this study. In order to gather data for the study, the researchers used secondary sources such as academic journals and research papers, as well as reports from various institutions and publications and theses.

#### VI. SUGGESTIONS

In order to make firms feel accountable and open to the market and concerned stakeholders, the objective is to discourage unethical business practices and make earnest efforts, regardless of size or volume, to support community and social development. In order to achieve this aim, organizations should take the following steps:-

- a. Corporate entities should emphasise on education, environmental protection, employment generation, Poverty preferment programme in their CSR activities.
- b. In India Companies Act-2013 can only prove punishment for non-filling of adequate details of CSR activities. But it has no penal section for non performing CSR activities. So this type of section should be inserted in the act for the benefit CSR movement.
- c. Government authorities and some big NGO's should change their attitude regarding CSR activities. They should think in a wider way.
- d. Statutory regulations should be initiated by the Govt. regarding CSR activities of enterprises.
- e. Small Companies should maintain transparency about their CSR activities, audits and funds assessments.

#### VII. CONCLUSION

The Study come to the end and it's pertinent to said that today the concept of Corporate Social responsibility is deeply entrenched in the world-wide Corporate Culture . But in order to move conceptual to practical, many hurdles need to be overcome. Lack of proper regulatory guidelines also makes barrier to implement CSR strategies. In recent days Indian Middle and small Scale Corporate enterprises are take initiative to introduce CSR to enhance their business activities in Remote areas. There is a need of mature mind to understand the usability of Corporate Social Responsibility as an indispensable part of adequate Corporate Culture .Because multinational firms in India have embraced the Western paradigm of corporate social responsibility (CSR), the practice of CSR in India has changed significantly over the years. Another element contributing to the shift in thinking is the entry of Indian enterprises into the global market to compete with their competitors throughout the globe. Indian firms are being compelled to reevaluate their CSR efforts and bring them in line with global norms as a result of the growing public knowledge of global trends. Since the advent of globalization, the multistakeholder approach has emerged as a prominent component of India's CSR. All stakeholders, including workers and members of the community and financial institutions, are held accountable for the activities of corporations under this policy. This method entails the incorporation of corporate social responsibility into a long-term business plan of operation. Sustainability-conscious companies must take an all-encompassing view of the problems they face and the solutions they devise. Sustainable development performance (i.e. social equality, CLR (Vol. III Issue I, Jan. – June, 2022) 50 | P a g e environmental protection, and economic growth) must be proven and practiced in their operations if financial drivers are to be integrated into mainstream company strategy and anchored in organizational values.<sup>150</sup> People, planet, and profit" is the day's slogan, which is sometimes referred to as "Triple Bottom Line." Additionally, according to Indians, firms should try to minimize human rights violations and relieve poverty in addition to delivering high-quality goods at affordable rates. They want businesses around the world, as well as those in their own backyards, to step up and take responsibility for the societies and communities in which they operate. <sup>8</sup> Businesses need to adopt these

ideas if they want to remain viable in a failing society, let alone prosper. Success for a company typically hinges on public acceptance of its activities, especially in a foreign market. However, public acceptance will only occur if the organization is seen as sympathetic to local goals and values. Investors are increasingly considering a company's social performance when making investment choices.<sup>151</sup> They are wary of putting their money into a company that isn't concerned about its social responsibilities. This has led to the importance of a company's social report card in recruiting new investors. Even though the public's expectations of Indian companies may appear high at first glance, they are similar to shifts in public opinion currently taking place around the world. Companies have the ability to participate and make a difference in India's socioeconomic situation, where "corporate social responsibility in India has significant potential for boosting corporate environmental and social conduct."<sup>152</sup> The contribution does not have to be massive and is not simply the obligation of major, multinational corporations with tremendous financial resources to make a contribution. However, even small and medium-sized businesses have a role to play, but only to a certain extent. Increasingly, company plans include elements of CSR.

#### VIII. LIMITATION OF THE STUDY

1. The study is barely based on secondary data.
2. The study is not covered overall areas of CSR.
3. The study has barely for short tenure.
4. The study scarcely applies few analytical and statistical method to draw the conclusions.

#### IX. SUGGESTION FOR FUTURE RESEARCH

On the basis of this work, the study will offer input resources for further research. The CSR policies of the entrepreneurs in the modern world is day by day improving in a scheduled manner and Govt. tries to make proper rules and regulations to implement this . More research works need to be done in the similar path by applying different time phase and different methodologies. The study recommends that the compulsory CSR policies prescribed by the Company Act 2013 and its new amendment rules should be implemented by the entrepreneurs. Finally, it is recommended that more research should be carried out to find out more about the impact and competence of CSR in Companies.